

November 8, 2018



First Choice Healthcare Solutions Reports Third Quarter 2018 Results and Update on Strategic Initiatives

MELBOURNE, Fla., Nov. 08, 2018 (GLOBE NEWSWIRE) -- **First Choice Healthcare Solutions, Inc. (OTCQB: FCHS) ("First Choice" or the "Company")**, a fully integrated, non-physician-owned, publicly traded healthcare delivery platform providing a full life cycle of Orthopaedic and Spine care for patients through diagnosis, treatment and recovery, today reported its financial results for the three and nine month periods ended September 30, 2018.

Third Quarter and 2018 Highlights

- Total revenue increased 26% to \$9.7 million quarter over quarter and 3.0% sequential increase over prior quarter
- Net Income improves by \$176,811 to (\$263,587) quarter over quarter. Loss was impacted by unusual expenses of \$230,000 as a result of exploring strategic initiatives
- Crane Creek Surgery Center continues to improve with third quarter net income of \$232,807 compared to a net loss of \$184,924 quarter over quarter
- Year-to-date surgeries increased 17.2% to 2,795
- Adjusted EBITDA for the nine months of 2018 increased 87% to approximately \$1,750,000 and Adjusted EBITDA margin improved by 230 basis points to 6.3% year over year
- Cash balance of \$7.7 million or \$0.24 per share
- Average patient value year-to-date totaled \$9,354, increasing for three consecutive quarters

Chris Romandetti, President and CEO of First Choice, stated, "For the third quarter we are pleased to report net patient service revenue of approximately \$9.1 million, a 28% increase over prior year. We are pleased to report that our ancillary services continue to show strength across the board, with PT visits and imaging increasing 63% and 69%, respectively. Meanwhile, Crane Creek Surgery Center profitability continues to improve as it generated \$232,807 from a loss of \$184,924 over same period prior quarter.

Romandetti added, "During the third quarter we continued to pursue and discuss attractive ancillary service opportunities to further enhance our buy and build initiatives. Further, we are pleased to announce our newest physical therapy site is scheduled to open mid-December."

Financial Results for Third Quarter and Year to Date

Total revenue was \$9.7 million for the third quarter of 2018, an increase of 26.2% compared to \$7.7 million for the same period in 2017. For the nine months ended September 30, 2018 total revenue was \$27.9 million an increase of 18.2% compared to \$23.6 million for the comparable period last year.

Net loss attributable to First Choice was \$263,587 for the third quarter of 2018, compared to net loss of \$440,398 for the same period in 2017. For the nine months ended September 30, 2018, net income attributable to First Choice was \$447,300 compared to net loss of \$369,454 for the comparable period last year.

Non-GAAP adjusted EBITDA was \$194,335 for the third quarter of 2018 compared to \$97,668 for the comparable period in 2017. For the nine months ended September 30, 2018 Non-GAAP adjusted EBITDA was \$1,750,000 an increase of 66.4% compared to \$938,726 for the comparable period last year.

Conference Call and Webcast Information

The Company will host a conference call with the investment community on Thursday, November 8th at 11:00 a.m. Eastern Time featuring remarks by Chris Romandetti, President and CEO of First Choice, and Phillip Keller, CFO of First Choice.

To access the call, please use the following information:

Date: Thursday, November 8, 2018
Time: 11:00 a.m. EST, 8:00 a.m. PST
Toll-free dial-in number: (866) 682-6100
International dial-in number: (862) 298-0702

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gillian Lee at 321-725-0090 extension 160.

The conference call will be broadcast live and available for replay at <https://www.webcaster4.com/Webcast/Page/1527/26710> and via the investor relations section of the Company's website at <http://ir.myfchs.com/>.

(*) Use of Non-GAAP Financial Information

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use non-GAAP EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We use non-GAAP financial measures for financial and operational decision-making and to evaluate period-to-period comparisons. Our management believes that this non-GAAP financial measure provides meaningful supplemental information regarding our performance and liquidity by excluding certain items that may not be indicative of our recurring core business operating results. We believe that both management and investors benefit from referring to this non-GAAP financial measure in assessing our performance and when planning, forecasting, and analyzing future periods. This non-GAAP financial measure also facilitates management's internal comparisons to our historical performance and liquidity. We believe this non-GAAP financial measure is useful to investors both because they allow for greater transparency with respect to a key metric used by management in its financial and operational decision-making. For more information on this non-GAAP financial measure, please see the table captioned "Reconciliation of non-GAAP Adjusted EBITDA Performance".

About First Choice Healthcare Solutions, Inc.

Headquartered in Melbourne, Florida, First Choice Healthcare Solutions (FCHS) is implementing a defined growth strategy aimed at expanding its network of non-physician-owned medical centers of excellence, which concentrate on treating patients in the following specialties: Orthopaedics, Spine Surgery, Interventional Pain Management, Physical Therapy and other ancillary and diagnostic services in key expansion markets throughout the U.S. Serving Florida's Space Coast, the Company's flagship integrated platform currently administers over 150,000 patient visits each year and is comprised of First Choice Medical Group, The B.A.C.K. Center and Crane Creek Surgery Center. For more information, please visit www.myfchs.com, www.myfcmg.com, www.thebackcenter.net and www.cranecreeksurgerycenter.com.

Safe Harbor Statement

Certain information set forth in this news announcement may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of First Choice Healthcare Solutions, Inc. Such forward-looking statements are based on current expectations, estimates and projections about the Company's industry, management beliefs and certain assumptions made by its management. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Information concerning factors that could cause the Company's actual results to differ materially from those contained in these forward-looking statements can be found in the Company's periodic reports on Form 10-K and Form 10-Q, and in its Current Reports on Form 8-K, filed with the Securities and Exchange Commission. Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements, whether because of new information, future events, or otherwise to reflect future events or circumstances or reflect the occurrence of unanticipated events.

Contact Information:

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CONSOLIDATED BALANCE SHEETS

	September 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Current assets		
Cash	\$ 7,677,797	\$ 2,015,534
Accounts receivable, net	11,231,760	8,699,714
Employee loans	1,718,201	1,316,684
Prepaid and other current assets	789,690	515,356
Total current assets	<u>21,417,448</u>	<u>12,547,288</u>
Property, plant and equipment, net	<u>2,626,119</u>	<u>2,295,163</u>
Other assets	3,757,591	3,908,781
Total assets	<u>\$ 27,801,158</u>	<u>\$ 18,751,232</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,727,424	\$ 2,379,404
Accounts payable, related party	251,588	251,588
Income taxes payable	254,791	223,899
Line of credit, short term	440,024	440,024
Notes payable, current portion	89,458	29,552
Unearned revenue	28,232	44,607
Deferred rent, short term portion	60,708	105,171
Total current liabilities	<u>3,852,225</u>	<u>3,474,245</u>
Long term liabilities:		
Deposits held	41,930	41,930
Line of Credit	1,100,000	1,100,000
Notes payable, long term portion	293,968	60,146
Deferred rent, long term portion	2,695,812	2,589,568
Total long term	<u>4,131,710</u>	<u>3,791,644</u>
Total liabilities	<u>7,983,935</u>	<u>7,265,889</u>
Redeemable Common Stock-2022 Put option	<u>7,500,000</u>	-
Equity		
Preferred stock	-	-
Common stock	32,602	27,357
Additional paid in capital	25,430,364	25,185,487
Treasury stock	-	(249,265)
Accumulated deficit	(13,541,717)	(13,989,018)
Total stockholders' equity attributable to FCHS	<u>11,921,249</u>	<u>10,974,561</u>
Non-controlling interest (note 12)	395,974	510,782
Total equity	<u>12,317,223</u>	<u>11,485,343</u>
Total liabilities and equity	<u>\$ 27,801,158</u>	<u>\$ 18,751,232</u>

	For the three months ended September 30,		For the Nine months ended September 30,	
	2018	2017	2018	2017
Revenues:				
Patient Service Revenue		\$ 7,333,547		\$ 22,610,804
Allowance for bad debts		<u>(206,502)</u>		<u>(710,852)</u>
Net patient service revenue	\$ 9,115,267	7,127,045	\$ 26,143,832	21,899,952
Rental Revenue	588,306	561,448	1,767,990	1,723,585
Total Revenue	<u>9,703,573</u>	<u>7,688,493</u>	<u>27,911,822</u>	<u>23,623,537</u>
Operating expenses:				
Salaries and benefits	5,440,822	4,087,880	14,506,047	11,808,414
Other operating expenses	2,749,769	2,595,447	8,085,419	7,756,453
General and administrative	1,506,916	1,374,798	4,185,701	4,154,743
Depreciation and amortization	<u>225,495</u>	<u>361,680</u>	<u>626,315</u>	<u>744,592</u>
Total operating expenses	<u>9,923,002</u>	<u>8,419,805</u>	<u>27,403,482</u>	<u>24,464,202</u>
Net (loss) income from operations	(219,429)	(731,312)	508,340	(840,665)
Other income (expense):				
Gain on sale of equipment	-	-	17,400	
Miscellaneous income (expense)	42,785	41,153	124,991	144,951
Interest expense, net	<u>13,105</u>	<u>(27,625)</u>	<u>(47,626)</u>	<u>(89,806)</u>
Total other income	<u>55,890</u>	<u>13,528</u>	<u>94,765</u>	<u>55,145</u>
Net (loss) income before provision for income taxes	(163,539)	(717,784)	603,105	(785,520)
Income taxes (benefit)	-	-	-	-
Net (loss) income	(163,539)	(717,784)	603,105	(785,520)
Non-controlling interest (note 10)	<u>(100,048)</u>	<u>277,386</u>	<u>(155,804)</u>	<u>416,066</u>
NET (LOSS) INCOME ATTRIBUTABLE TO FIRST CHOICE HEALTHCARE SOLUTIONS, INC.	<u>\$ (263,587)</u>	<u>\$ (440,398)</u>	<u>\$ 447,301</u>	<u>\$ (369,454)</u>
Net (loss) income per common share, basic	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>
Net (loss) income per common share, diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding, basic	<u>32,490,673</u>	<u>26,765,021</u>	<u>31,174,347</u>	<u>26,622,335</u>
Weighted average number of common shares outstanding, diluted	<u>32,490,673</u>	<u>26,765,021</u>	<u>31,174,347</u>	<u>26,622,335</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

For the nine months
ended September 30,
2018 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	\$	603,105	\$	(785,520)
Adjustmentst to reconcile net income to cash used in operating activities:				
Depreciation and amortization		626,315		744,592
Bad debt expense		-		710,852
Stock based compensation		628,776		473,782
Gain on sale of equipment		(17,400)		-
Changes in operating assets and liabilities:				
Accounts receivable		(2,532,046)		(2,293,779)
Prepaid expenses and other current assets		(274,334)		(223,672)
Employee loans		(401,517)		(308,790)
Other assets		(113,980)		-
Accounts payable and accrued expenses		348,020		416,165
Income taxes payable		24,754		-
Deferred rent		61,781		130,169
Unearned income		(16,375)		17,702
Net cash used in operating activities		(1,062,901)		(1,118,499)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of equipment		17,400		-
Purchase of 25% interest in Crane Creek		(400,000)		-
Purchase of equipment		(685,964)		(281,618)
Net cash (used in) provided by investing activities		(1,068,564)		(281,618)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from sale of common stock		7,500,000		-
Procceds from settlement, due to non contolling interest				6,521,655
Proceeds from notes payable		338,245		87,213
Purchase of treasury stock		-		(187,121)
Payments on notes payable		(44,517)		(397,595)
Net cash provided by (used in) financing activities		7,793,728		6,024,152
Net increase in cash, cash equivalents and resticted cash		5,662,263		4,624,035
Cash and cash equivalents, beginning of period		2,015,534		4,593,638
Cash, cash equivalents and restricted cash, end of period		<u>\$ 7,677,797</u>		<u>\$ 9,217,673</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
NON GAAP EBITDA

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
NET (LOSS) INCOME ATTRIBUTABLE TO FIRST CHOICE HEALTHCARE SOLUTIONS	\$ (263,587)	\$ (440,398)	\$ 447,301	\$ (369,454)
Interest	(13,105)	27,625	47,626	89,806
Taxes	-	-	-	-
Depreciation and Amoritization	225,495	361,680	626,315	744,592
Stock Based Compensation	245,532	148,761	628,776	473,782
Adjusted EBITDA	<u>\$ 194,335</u>	<u>\$ 97,668</u>	<u>\$ 1,750,018</u>	<u>\$ 938,726</u>
	2.0%	1.3%	6.3%	4.0%



Source: First Choice Healthcare Solutions, Inc.