

# Cardiff Lexington Announces First Quarter 2026 Financial Results

2026-05-19

LEXINGTON, KY / **ACCESS Newswire** / May 19, 2026 / Cardiff Lexington Corporation (OTCQX:CDIX) today announced financial results for the first quarter ended March 31, 2026.

Alex Cunningham, Chief Executive Officer of Cardiff Lexington, commented, "We continue to strengthen and expand our network of Nova Ortho and Spine locations to support growing patient demand with a focus on more high value procedures, and we remain confident in our ability to build a scalable platform through organic growth and acquisitions that deliver exceptional outcomes for patients. Furthermore, our recent upgrade to the OTCQX market represents an important step in increasing our visibility and credibility among institutional investors as we execute our strategic initiatives to enhance our access to working capital and drive sustainable, long-term growth and shareholder value."

## First Quarter 2026 Financial Results

Total revenue was \$2.2 million compared with \$2.9 million in the first quarter of 2025. The decrease in revenue is mainly attributable to a decrease in surgical procedures in the first quarter of 2026 compared to the first quarter of 2025.

Gross profit was \$1.3 million, or 59.3% of total revenue, compared with \$1.8 million, or 63.1% of total revenue in the first quarter of 2025.

Total operating expenses increased to \$1.8 million compared with \$1.3 million in the first quarter of 2025, primarily related to share based compensation of \$664,000 in the first quarter of 2026, compared with no share based

compensation in the first quarter of 2025. SG&A expense was \$1.2 million, or 52.4% of revenue in the first quarter of 2026, compared with \$1.3 million, or 43.9% of revenue in the first quarter of 2025.

Loss from continuing operations was \$511,000, or (23.0%) of total revenue, in the first quarter of 2026, compared with income from continuing operations of \$544,000, or 18.7% of total revenue, in the first quarter of 2025.

Net loss in the first quarter of 2026 was \$3.1 million compared with net loss of \$451,000 in the first quarter of 2025. Included in net loss for the three months ended March 31, 2026, was interest expense of \$1.9 million compared with interest expense of \$1.0 million in the first quarter of 2025. The increase in interest expense is primarily attributable to the increase in initial and incremental fees charged on the number of existing purchases and claims under the Company's line of credit.

Non-GAAP adjusted EBITDA, which excludes interest expense, was \$164,000 compared with non-GAAP adjusted EBITDA of \$546,000 in the first quarter of 2025.

#### Balance Sheet

Cash totaled \$684,000 as of March 31, 2026.

Total assets increased 4.1% to \$30.3 million as of March 31, 2026.

#### Conference Call

Cardiff Lexington will hold a conference call and webcast for investors today, May 19, 2026, at 11:00 a.m. Eastern Time.

Shareholders and interested parties may participate in the conference call by dialing (888) 506-0062 and international participants should dial (973) 528-0011 and use access code: 204811. The call and the accompanying slide deck will also be webcast at:

<https://www.webcaster5.com/Webcast/Page/3131/53976>

An online archive of the webcast will be available at the above webcast link. A replay of the conference call will be available one hour after completion of the call until Tuesday, June 2, 2026, by dialing (877) 481-4010 and international participants should dial (919) 882-2331. All callers must use access code 53976 to access the replay.

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## About Cardiff Lexington Corporation:

Cardiff Lexington Corporation is a publicly traded healthcare services holding company focused on building a regional and national platform in orthopedic, spine, and pain management markets. Through its operating subsidiaries, including Nova Ortho and Spine, the Company delivers a comprehensive suite of services including diagnostics, interventional pain management, surgical coordination, and specialty care.

The Company's strategy is centered on disciplined capital deployment, operational efficiency, and scalable growth through acquisitions and strategic partnerships within highly fragmented healthcare markets.

**FORWARD LOOKING STATEMENT:** This news release contains forward looking statements within the meaning of the Securities Litigation Reform Act. The statements reflect the Company's current views with respect to future events that involve risks and uncertainties. These risks include the failure to meet schedule or performance requirements of the Company's business, the Company's liquidity position, the Company's ability to obtain new business, the emergence of competitors with greater financial resources, and the impact of competitive pricing. In the light of these uncertainties the forward-looking events referred to in this release might not occur.

## Use of Non-GAAP Financial Measures

Cardiff Lexington Corporation prepares its consolidated financial statements in accordance with United States generally accepted accounting principles ("GAAP"). In addition to GAAP disclosures, this document contains financial information and measures considered to be "non-GAAP". These non-GAAP measures can be used in order to gain a more complete and accurate understanding of the Company's financial condition and results. Non-GAAP financial measures should be considered in conjunction with, and not as a substitute to GAAP financial measures.

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FOR THE THREE MONTHS ENDED MARCH 31, 2026, AND 2025

	For the Three Months Ended	
	March 31, <u>2026</u>	March 31, <u>2025</u>
	\$ 2,222,280	\$ 2,915,567
Total revenue	<u>904,225</u>	<u>1,075,034</u>
Total cost of sales	<u>1,318,055</u>	<u>1,840,533</u>
Gross profit		
Operating expenses	593	3,365
Depreciation expense	0	12,593
Loss on disposal of fixed assets	664,196	0
Stock compensation expense	1,164,425	1,280,641
Selling, general and administrative	<u>1,829,214</u>	<u>1,296,599</u>
Total operating expenses	<u>(511,159)</u>	<u>543,934</u>
(Loss) income from continuing operations	<u>                    </u>	<u>                    </u>
Other (expense) income:	10,081	(1,597)
Other income (expense)	(668,821)	0
Loss from issuance/change in value of derivative liability	(1,910,737)	(993,114)
Interest expense	(11,438)	0
Amortization of debt discounts	<u>(2,580,915)</u>	<u>(994,711)</u>
Total other expense	<u>                    </u>	<u>                    </u>
Net loss	<u>\$ (3,092,074)</u>	<u>\$ (450,777)</u>

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
AS OF MARCH 31, 2026, AND DECEMBER 31, 2025

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Current assets		
Cash	\$ 683,507	\$ 318,535
Accounts receivable, net	22,890,899	22,070,954
Prepaid and other current assets	282,747	203,876
Total current assets	<u>23,857,153</u>	<u>22,593,365</u>
Property and equipment, net	2,360	2,953
Land	540,000	540,000
Goodwill	5,666,608	5,666,608
Right of use - assets	155,237	214,858
Due from related party	4,979	4,979
Other assets	64,371	64,182
Total assets	<u>\$ 30,290,708</u>	<u>\$ 29,086,945</u>
<b>LIABILITIES, MEZZANINE EQUITY AND DEFICIENCY IN STOCKHOLDERS' (DEFICIT)/EQUITY</b>		
Current liabilities		
Accounts payable and accrued expense	\$ 1,779,073	\$ 1,760,765
Accrued expenses - related parties	237,277	4,645,826
Accrued interest	730,866	707,574
Right of use - operating lease liability	143,937	178,524
Notes payable - current portion	50,745	125,774
Notes payable related parties - current portion	1,085,703	1,085,703
Line of credit	18,922,173	17,209,908
Convertible notes payable, net of debt discounts of \$815,228 and \$131,705, respectively	279,772	118,295
	1,129,345	0



CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE MONTHS ENDED MARCH 31, 2026, AND  
2025  
(Unaudited)

The following table reconciles Net income (loss) before discontinued operations (a GAAP financial measure) to EBITDA and Adjusted EBITDA (non-GAAP financial measures)

	For the Three Months Ended	
	March 31,	
	2026	2025
<u>EBITDA</u> (1)	\$ (3,092,074)	\$ (450,777)
Net loss before discontinued operations		
Add:		
Interest	1,910,737	993,114
Taxes	0	0
Depreciation	593	3,365
Amortization	11,438	0
<u>EBITDA</u> (1)	<u>\$ (1,169,306)</u>	<u>\$ 545,702</u>
<u>Adjusted EBITDA</u> (2)	<u>\$ (1,169,306)</u>	<u>\$ 545,702</u>
EBITDA		
Add:		
Derivative loss upon issuance and changes in the liability	668,821	0
Stock compensation expense for shares issued	664,196	0
<u>Adjusted EBITDA</u> (2)	<u>\$ 163,711</u>	<u>\$ 545,702</u>

<u>Adjusted EBITDA excluding other non-recurring costs</u> <sup>(3)</sup>	\$	163,711	\$	545,702
Adjusted EBITDA				
Add:				
Scaling and restructuring costs for business growth		14,762		0
Acquisition related costs		79,153		56,635
Adjusted EBITDA excluding other non-recurring costs <sup>(3)</sup>	\$	257,626	\$	602,337
		=====		=====

(1) EBITDA is a non-GAAP financial measure defined as Earnings Before Interest, Income Tax, Depreciation and Amortization.

(2) Adjusted EBITDA is a non-GAAP financial measure that is the sum of EBITDA plus non-recurring and non-cash charges.

(3) Adjusted EBITDA excluding other non-recurring costs is a non-GAAP financial measure that is the sum of Adjusted EBITDA plus other non-recurring costs.

SOURCE: Cardiff Lexington Corporation

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