

Cardiff Lexington Announces Fourth Quarter and Full Year 2024 Financial Results

2025-03-17

- Q4 revenue increases 31% to \$3.1 million
- 4Q gross profit increases to \$2.0 million, or 65% of total revenue
- 267% increase in 2024 shareholders' equity compared to 2023
- Company expanded Nova Ortho and Spine footprint and enhanced patient volume in 2024

LEXINGTON, KY / **ACCESS Newswire** / March 17, 2025 / Cardiff Lexington Corporation (OTC PINK:CDIX) announced today financial results for its fourth quarter and full year ended December 31, 2024.

Alex Cunningham, Chief Executive Officer of Cardiff Lexington, commented, "In the fourth quarter we reported 31% revenue growth with 65% gross margins and strong adjusted EBITDA, capping off a year of solid execution delivering world class care to our patients. We opened two new Nova Ortho and Spine locations during the year: Our Valdosta, Georgia location, opened in February 2024, is our first location outside the state of Florida, and our Orlando location, opened in July, establishes Nova Ortho and Spine in a major metropolitan area with greater population density and higher patient traffic. Our patient volume improved throughout the year, and we expect to continue growing our patient network as we expand into new locations.

"That said, this year was not without its challenges," Mr. Cunningham continued. "Hurricane Helene forced us to halt operations across all Nova Ortho and Spine locations in Florida for multiple weeks in September. Additionally, we recognized one-time, non-cash adjustments in the first three quarters of 2024 totaling \$2.8 million to better

align revenue with 2024 annualized claim settlement realization rates. It is important to note that our 2024 non-GAAP adjusted revenue, which excludes these non-cash adjustments, was \$11.1 million.

"Looking forward, demand is as strong as it has ever been at our clinics, and we continue to explore acquisition opportunities to further broaden our footprint. Our balance sheet is significantly improved with shareholders' equity increasing 267% compared to 2023, and we are well positioned to capitalize on the many opportunities that we're seeing in the market to drive growth and value in fiscal 2025," Mr. Cunningham concluded.

Fourth Quarter 2024 Financial Highlights (Compared to Fourth Quarter 2023)

- Total revenue increased 31% to \$3,120,710
- Gross profit increased to \$2,020,847, or 65% of total revenue
- Income from continuing operations decreased 20% to \$332,147
- Non-GAAP adjusted EBITDA increased 20% to \$579,370
- Non-GAAP adjusted EBITDA excluding other non-recurring costs increased 85% to \$894,202

Balance Sheet Highlights (December 31, 2024, compared to December 31, 2023)

- 37% increase in cash to \$1,188,185
- 15% increase in total assets to \$23,925,679
- 267% increase in shareholders' equity to \$2,685,169

About Cardiff Lexington Corporation:

Cardiff Lexington Corporation is a unique targeted healthcare holding company focused on locating, acquiring, and building middle market, niche companies, primarily in Orthopedics, Spine Care, and Pain Management. Fundamental to the Cardiff Lexington strategy is the service-based partnership culture which emphasizes core values, teamwork, accountability, and performance.

A substantial majority of the Company's revenue is derived from Nova Ortho and Spine, LLC, which operates a

group of regional primary specialty and ancillary care facilities throughout Florida and Georgia that provide traumatic injury victims with a full range of diagnostic and surgical services, primary care evaluations, interventional pain management, and specialty consultation services.

For more information on Cardiff Lexington Corporation, you may access the company's website at <https://cardifflexington.com/>

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.

Cardiff Lexington Investor Relations
investorsrelations@cardifflexington.com
(800) 628-2100 ext. 705

or

IMS Investor Relations
cardifflexington@imsinvestorrelations.com
(203) 972-9200

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2024 AND 2023

	Unaudited		Audited	
	For the Three Months Ended		For the Year Ended	
	Dec 31,	Dec 31,	Dec 31,	Dec 31,
	2024	2023 (Restated)	2024	2023 (Restated)
Total revenue	\$ 3,120,710	\$ 2,376,502	\$ 8,270,126	\$ 11,853,266
Total cost of sales	1,099,863	971,217	3,841,628	3,560,624
Gross profit	2,020,847	1,405,285	4,428,498	8,292,642
Operating expenses	3,365	9,412	13,461	20,777
Depreciation expense	1,440,835	981,209	4,063,816	3,076,820
Selling, general and administrative	244,500	0	544,725	0
Stock compensation expense	1,688,700	990,621	4,622,002	3,097,597
Total operating expenses	332,147	414,664	(193,504)	5,195,045
(Loss) income from continuing operations				
Other income (expense):	(642)	(49,999)	(5,362)	(49,795)
Other expense	0	115,058	78,834	115,448
Gain on debt refinance, forgiveness and settlement	0	(5,000)	(1,330)	(53,000)
Penalties and fees	(1,241,847)	(192,568)	(3,045,504)	(1,956,266)
Interest expense	0	(41,854)	(24,821)	(136,518)
Amortization of debt discounts	(1,242,489)	(174,363)	(2,998,183)	(2,080,131)
Total other expense	(910,342)	240,301	(3,191,687)	3,114,914
Net (loss) income before discontinued operations	0	6,485	(111,312)	(86,520)
Loss from discontinued operations				
Net (loss) income	\$ (910,342)	\$ 246,786	\$ (3,302,999)	\$ 3,028,394

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023

	December 31, 2024	December 31, 2023 (Restated)
ASSETS		
Current assets		
Cash	\$ 1,188,185	\$ 866,943
Accounts receivable-net	15,934,490	13,305,254
Prepaid and other current assets	89,901	5,000
Total current assets	<u>17,212,576</u>	<u>14,177,197</u>
Property and equipment, net	21,198	34,661
Land	540,000	540,000
Goodwill	5,666,608	5,666,608
Right of use - assets	406,950	289,062
Due from related party	4,979	4,979
Other assets	73,368	33,304
Total assets	<u>\$ 23,925,679</u>	<u>\$ 20,745,811</u>
LIABILITIES, MEZZANINE EQUITY AND DEFICIENCY IN STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expense	\$ 1,379,760	\$ 2,047,131
Accrued expenses - related parties	4,553,057	4,733,057
Accrued interest	429,200	620,963
Right of use - liability	223,330	157,669
Due to director and officer	0	120,997
Notes - current portion	312,180	15,977
Line of credit	8,645,991	2,120,100
Convertible notes payable, net of debt discounts of \$0 and \$24,821, respectively	105,000	3,807,030
	238,285	237,643

Additional paid-in capital	-72,949,085	-68,684,115
Accumulated deficit	<u>2,685,169</u>	<u>731,418</u>
Total stockholders' equity	\$ 23,925,679	\$ 20,745,811
Total liabilities, mezzanine equity and stockholders' equity	<u><u> </u></u>	<u><u> </u></u>

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER
31, 2024 AND 2023

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

	Unaudited		Audited	
	For the Three Months Ended		For the Year Ended	
	December 31,		December 31,	
	2024	2023 (Restated)	2024	2023 (Restated)
<u>EBITDA (1)</u>	\$ (910,342)	\$ 240,301	\$ (3,191,687)	\$ 3,114,914
Net (loss) income before discontinued operations				
Add:				
Interest	1,241,847	192,568	3,045,504	1,956,266
Taxes	0	0	0	0
Depreciation	3,365	9,412	13,461	20,777
Amortization	0	41,854	24,821	136,518
	<u>334,870</u>	<u>484,135</u>	<u>(107,901)</u>	<u>5,228,475</u>
EBITDA (1)	<u><u>334,870</u></u>	<u><u>484,135</u></u>	<u><u>(107,901)</u></u>	<u><u>5,228,475</u></u>
<u>Adjusted EBITDA (2)</u>	\$ 334,870	\$ 484,135	\$ (107,901)	\$ 5,228,475
EBITDA				
Add:	0	0	1,650,474	0

Change in estimate for settlement realization rate	244,500	0	544,725	0
Stock compensation expense for shares issued				
	\$ 579,370	\$ 484,135	\$ 2,087,298	\$ 5,228,475
Adjusted EBITDA (2)	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(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.

Adjusted EBITDA excluding other non-recurring costs (3)

	\$ 579,370	\$ 484,135	\$ 2,087,298	\$ 5,228,475
Adjusted EBITDA				
Add:				
Scaling and restructuring costs for business growth	284,252	0	764,778	0
Acquisition related costs	30,581	0	30,581	0
	\$ 894,202	\$ 484,135	\$ 2,882,657	\$ 5,228,475
<u>Adjusted EBITDA excluding other non-recurring costs (3)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(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.

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF REVENUE FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2024
(UNAUDITED)

	For the Three Months Ended	For the Twelve Months Ended
	December 31, 2024	December 31, 2024
	<u> </u>	<u> </u>
GAAP Revenue	\$ 3,120,710	\$ 8,270,126
	-	2,849,629

Adjustments to Claim Settlement Realization Rate	3,120,710	11,119,755
Non-GAAP Adjusted Revenue		

The adjustment to claim settlement realization rate recorded in Q1 \$339,834, Q2 \$859,321 and Q3 \$1,650,474

SOURCE: Cardiff Lexington Corporation

View the original **press release** on ACCESS Newswire

