

Cardiff Lexington Announces Fourth Quarter and Full Year 2025 Financial Results

2026-03-16

- 39.5% increase in FY25 total revenue to \$11.5 million compared to FY 2024
- 62.7% increase in FY25 gross profit to \$7.2 million compared to FY 2024
- \$1.1 million in income from continuing operations in FY 2025
- Strengthening operational team and capital structure to position Company for next phase of growth

LEXINGTON, KY / **ACCESS Newswire** / March 16, 2026 / Cardiff Lexington Corporation (OTCQB:CDIX) today announced financial results for the fourth quarter and full year ended December 31, 2025.

Alex Cunningham, Chief Executive Officer of Cardiff Lexington, commented, "2025 was a year of strong strategic execution as we continued to enhance our Nova Ortho and Spine footprint and offerings while making meaningful progress on our long-term goals. Notably, full year revenue increased 39.5% on a GAAP basis in 2025 compared with 2024, supported by our operations in numerous diverse locations throughout Florida and Georgia where we are seeing strong demand for our services. Operationally, we've shifted our focus to more higher value surgical procedures, and our patient volumes continue to increase, with an average of between 270 and 375 patients treated per month across all our locations.

"During the fourth quarter, we strengthened the Nova Ortho and Spine team with the addition of leading healthcare talent and entered a strategic partnership with Doctors' Memorial Hospital in Perry, Florida to bring our leading services to patients in this area of the state. Subsequent to the close of the quarter, we improved our

capital structure with the execution of a 1-for-3 reverse split as a part of our planned uplisting to a major US stock exchange. We believe this will strengthen our capital markets profile and enhance our visibility, liquidity, and access to capital to support our anticipated growth as we continue to bring our world-class care to an underserved patient population," Mr. Cunningham concluded.

Full Year 2025 Financial Highlights

Total revenue increased 39.5% to \$11.5 million compared with \$8.3 million in full year 2024, primarily related to higher patient volume and a shift to more higher value surgical procedures throughout the year. Revenue in full year 2024 included one-time adjustments of \$2.8 million. Non-GAAP adjusted revenue, which excludes this one-time adjustment to revenue, was \$11.1 million for full year 2024.

Gross profit increased to \$7.2 million, or 62.5% of total revenue, compared with \$4.4 million, or 53.6% of total revenue in full year 2024.

Total operating expenses increased to \$6.1 million compared with \$4.6 million in full year 2024, primarily related to increased SG&A expense of \$5.3 million, or 46.2% of revenue, compared with \$4.1 million, or 49.1% of revenue, for the full year 2024.

Operating income increased to \$1.1 million, or 9.5% of total revenue, compared with operating loss of \$(193,000), or (2.3%) of total revenue, in full year 2024.

Net loss in full year 2025 was \$(5.5 million) compared with net loss of \$(3.3 million) in full year 2024. Included in full year 2025 was interest expense of \$(6.8 million) compared with interest expense of \$(3.0 million) in full year 2024. This increase in interest expense is primarily related to increases 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 \$1.8 million compared with non-GAAP adjusted EBITDA of \$2.1 million in full year 2024, which excludes interest expense and the change in accounting estimate of the billing realization rate recognized in third quarter 2024.

Fourth Quarter 2025 Financial Results

Total revenue was \$2.8 million compared with 3.1 million in the fourth quarter of 2024. The decrease is primarily attributed to normal variances around the collection cycle timeframe on accounts receivables, which is typically between 12 and 24 months, as well as the timing of the 2025 holiday season, which resulted in significantly reduced patient volume over the two-week period around Christmas and New Years.

Gross profit was \$1.8 million, or 63.5% of total revenue, compared with \$2.0 million, or 64.8% of total revenue in the fourth quarter of 2024.

Total operating expenses increased to \$2.5 million compared with \$1.7 million in the fourth quarter of 2024, primarily related to increased stock compensation expense of \$616,000 and SG&A expense of \$1.8 million, or 66.0% of revenue in the fourth quarter of 2025, compared with \$1.4 million, or 46.2% of revenue in the fourth quarter of 2024.

Loss from continuing operations was \$(696,000), or (25.1%) of total revenue, in the fourth quarter of 2025, compared with income from continuing operations of \$332,000, or 10.6% of total revenue, in the fourth quarter of 2024.

Net loss in the fourth quarter of 2025 was \$(2.7 million) compared with net loss of \$(910,000) in the fourth quarter of 2024. Included in net loss for the three months ended December 31, 2025, was interest expense of \$(2.2 million) compared with interest expense of \$(1.2 million) in the fourth quarter of 2024. This increase in interest expense is related to increases 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 a loss of \$(79,000) compared with non-GAAP adjusted EBITDA of \$579,000 in the fourth quarter of 2024.

Balance Sheet

Cash totaled \$319,000 as of December 31, 2025.

Total assets increased 21.6% to \$29.1 million as of December 31, 2025.

Conference Call

Cardiff Lexington will hold a conference call and webcast for investors today, March 16, 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: 860308. The call and the accompanying slide deck will also be webcast at:

<https://www.webcaster5.com/Webcast/Page/3131/53650>

The conference call and slide deck may also be accessed via the Investor Relations page of the Company's website at <https://investor.cardifflexington.com/overview/default.aspx>. Please allow extra time prior to the call to visit the site.

An online archive of the webcast will be available on the Investor Relations page of the Company's website following the call at <https://investor.cardifflexington.com/overview/default.aspx>. A replay of the conference call will be available one hour after completion of the call until Monday, March 30, 2026, by dialing (877) 481-4010 and international participants should dial (919) 882-2331. All callers must use access code 53650 to access the replay.

About Cardiff Lexington Corporation:

Cardiff Lexington Corporation (OTCQB:CDIX) is a targeted healthcare holding company dedicated to acquiring and building middle-market niche health care clinics, primarily in Orthopedics, Spine Care, and Pain Management. The Company's partnership-driven culture emphasizes service excellence, teamwork, accountability, and performance.

All current revenue is derived from Nova Ortho and Spine, LLC, which operates a network of regional specialty and ancillary orthopedic care centers across Florida and Georgia. These facilities provide traumatic injury patients with comprehensive diagnostic and surgical services, primary care evaluations, interventional pain management, and specialty consultations.

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.

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CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2025, AND 2024

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$ 2,772,263	\$ 3,120,710	\$ 11,535,577	\$ 8,270,126
Total revenue	<u>1,011,387</u>	<u>1,099,863</u>	<u>4,329,330</u>	<u>3,841,628</u>
Total cost of sales	<u>1,760,876</u>	<u>2,020,847</u>	<u>7,206,247</u>	<u>4,428,498</u>
Gross profit				
Operating expenses	762	3,365	5,652	13,461
Depreciation expense	0	0	12,593	0
Loss on disposal of fixed assets	615,787	244,500	754,475	544,725
Stock compensation expense	1,840,631	1,440,835	5,332,941	4,063,816
Selling, general and administrative	<u>2,457,180</u>	<u>1,688,700</u>	<u>6,105,661</u>	<u>4,622,002</u>
Total operating expenses	<u>(696,304)</u>	<u>332,147</u>	<u>1,100,586</u>	<u>(193,504)</u>
(Loss) income from continuing operations	<u></u>	<u></u>	<u></u>	<u></u>

Other (expense) income:	0	(642)	(22,147)	(5,362)
Other expense	0	0	0	78,834
Gain on debt refinance, forgiveness and settlement	0	0	(1,500)	(1,330)
Penalties and fees	(2,228,102)	(1,241,847)	(6,822,816)	(3,045,504)
Interest expense	0	0	0	(24,821)
Amortization of debt discounts	<u>(2,228,102)</u>	<u>(1,242,489)</u>	<u>(6,846,463)</u>	<u>(2,998,183)</u>
Total other expense	<u>(2,924,406)</u>	<u>(910,342)</u>	<u>(5,745,877)</u>	<u>(3,191,687)</u>
Net loss before discontinued operations	<u>238,285</u>	<u>0</u>	<u>238,285</u>	<u>(111,312)</u>
Income (loss) from discontinued operations				
	<u>\$ (2,686,121)</u>	<u>\$ (910,342)</u>	<u>\$ (5,507,592)</u>	<u>\$ (3,302,999)</u>
Net loss	<u><u></u></u>	<u><u></u></u>	<u><u></u></u>	<u><u></u></u>

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2025, AND DECEMBER 31, 2024

	December 31, 2025	December 31, 2024
	<u></u>	<u></u>
ASSETS		
Current assets		
Cash	\$ 318,535	\$ 1,188,185
Accounts receivable-net	22,070,954	15,934,490
Prepaid and other current assets	203,876	89,901
Total current assets	<u>22,593,365</u>	<u>17,212,576</u>
Property and equipment, net	2,953	21,198
Land	540,000	540,000
Goodwill	5,666,608	5,666,608
	214,858	406,950

Right of use - assets	4,979	4,979
Due from related party	64,182	73,368
Other assets	<u>29,086,945</u>	<u>23,925,679</u>
Total assets	<u><u> </u></u>	<u><u> </u></u>
LIABILITIES, MEZZANINE EQUITY AND DEFICIENCY IN STOCKHOLDERS' (DEFICIT)/EQUITY		
Current liabilities	1,760,765	1,379,760
Accounts payable and accrued expense	4,645,826	4,553,057
Accrued expenses - related parties	707,574	429,200
Accrued interest	178,524	223,330
Right of use - liability	125,774	312,180
Notes payable - current portion	1,085,703	0
Notes payable related parties	17,209,908	8,645,991
Line of credit	118,295	105,000
Convertible notes payable, net of debt discounts of \$131,705 and \$24,821, respectively	0	238,285
Net liabilities of discontinued operations	<u>25,832,369</u>	<u>15,886,803</u>
Total current liabilities	<u> </u>	<u> </u>
Other liabilities	138,773	251,725
Notes payable	42,976	185,877
Operating lease liability - long term	<u>26,014,118</u>	<u>16,324,405</u>
Total liabilities	<u> </u>	<u> </u>
Mezzanine equity		
Redeemable Series N Senior Convertible Preferred Stock - 3,000,000 shares authorized, \$0.001 par value, stated value \$4.00, 1,037,311 and 921,636 shares issued and outstanding at December 31, 2025 and 2024, respectively	3,802,010	3,339,317
Redeemable Series X Senior Convertible Preferred Stock - 5,000,000 shares authorized, \$0.001 par value, stated value of \$4.00 par value; 438,388 and 397,464 shares issued and outstanding at December 31, 2025 and 2024, respectively	1,740,478	1,576,788
Total Mezzanine Equity	<u>5,542,488</u>	<u>4,916,105</u>
Stockholders' (deficit)/equity		
Series B Preferred Stock - 3,000,000 shares authorized, \$0.001 par value, stated value of \$4.00, 0 and 1,279,867	0	5,119,468

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER
31, 2025, AND 2024
(Unaudited)

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

	For the Three Months Ended		For the Twelve Months Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
<u>EBITDA</u> ⁽¹⁾	\$ (2,924,406)	\$ (910,342)	\$ (5,745,877)	\$ (3,191,687)
Net loss before discontinued operations				
Add:				
Interest	2,228,102	1,241,847	6,822,816	3,045,504
Taxes	0	0	0	0
Depreciation	762	3,365	5,652	13,461
Amortization	0	0	0	24,821
	<u>\$ (695,542)</u>	<u>\$ 334,870</u>	<u>\$ 1,082,591</u>	<u>\$ (107,901)</u>
EBITDA ⁽¹⁾	<u><u>\$ (695,542)</u></u>	<u><u>\$ 334,870</u></u>	<u><u>\$ 1,082,591</u></u>	<u><u>\$ (107,901)</u></u>
<u>Adjusted EBITDA</u> ⁽²⁾	\$ (695,542)	\$ 334,870	\$ 1,082,591	\$ (107,901)
EBITDA				
Add:				
Change in estimate for settlement realization rate	0	0	0	1,650,474
Stock compensation expense for shares issued	615,787	244,500	754,475	544,725
	<u>\$ (79,755)</u>	<u>\$ 579,370</u>	<u>\$ 1,837,066</u>	<u>\$ 2,087,298</u>
Adjusted EBITDA ⁽²⁾	<u><u>\$ (79,755)</u></u>	<u><u>\$ 579,370</u></u>	<u><u>\$ 1,837,066</u></u>	<u><u>\$ 2,087,298</u></u>

Adjusted EBITDA excluding other non-recurring costs (3)

	\$	(79,755)	\$	579,370	\$	1,837,066	\$	2,087,298
Adjusted EBITDA								
Add:								
Scaling and restructuring costs for business growth		473,804		39,752		485,480		220,053
Acquisition related costs		59,256		30,581		230,771		30,581
	\$	453,305	\$	649,702	\$	2,553,317	\$	2,337,932
<u>Adjusted EBITDA excluding other non-recurring costs</u> (3)		=====		=====		=====		=====

(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.

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES

RECONCILIATION OF REVENUE FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2025, AND 2024

The following table reconciles Revenue (a GAAP financial measure) to Adjusted Revenue (non-GAAP financial measures)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
GAAP Revenue	\$ 2,772,263	\$ 3,120,710	\$ 11,535,577	\$ 8,270,126
Adjustments to Claim Settlement Realization Rate	-	-	-	2,849,629
Non-GAAP Adjusted Revenue	\$ 2,772,263	\$ 3,120,710	\$ 11,535,577	\$ 11,119,755

SOURCE: Cardiff Lexington Corporation

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