CARDIFF LEXINGTON
CORPORATION
A PUBLIC HOLDING COMPANY

NEWS RELEASE

Cardiff Lexington Announces Second Quarter 2026 Financial Results

2026-08-12

LEXINGTON, KY / **ACCESS Newswire** / August 12, 2026 / Cardiff Lexington Corporation (OTCQX:CDIX), a publicly traded healthcare services holding company focused on orthopedic, spine, and pain management platforms, today announced that it has filed its Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 with the U.S. Securities and Exchange Commission.

Alex Cunningham, Chief Executive Officer of Cardiff Lexington, commented, "During the first half of 2026, we continued to execute on our long-term strategy to establish Nova Ortho and Spine as a leading healthcare network and provide best-in-class care to a severely underserved patient population. During the second quarter, we opened our 12th Nova Ortho and Spine location in Tallahassee, Florida, representing a strategic metropolitan location with high patient volume and visibility, and we continue to strengthen our team with the addition of leading doctors, nurses, and operators. We remain confident that we're fulfilling a critical healthcare need in a highly attractive geographic market, and we see this as a strong opportunity for continued growth.

"While execution has been strong, the first half of the year has not been without its challenges. Year-to-date revenue was down compared to last year, and though we saw an increase in both new patients and billed surgical procedures in the year to date period, we recognized a lower implicit realization rate on patient case claim settlements during the first half of the year. Despite this, gross profit in the first half was strong at 57%, and we realized a slight adjusted non-GAAP EBITDA loss of $14,000 compared with non-GAAP adjusted EBITDA of $1.3 million in the first half of 2025.

"We're seeing significant demand for our services, however, working capital constraints have limited our ability to capitalize on opportunities and has required us to access capital at high costs. We continue to evaluate opportunities for debt restructuring and equity infusions to offset this current cost of capital. That said, we have strong brand recognition in the markets we serve, and we remain committed to driving execution and continuing to provide the best available care to our patients across our network of Nova Ortho and Spine locations throughout Florida and Georgia, where there is strong demand.

"Looking ahead, our focus is on returning our business to historical levels of performance while driving long-term, sustained value for our shareholders. Over the course of several years, we have proven that this model can deliver consistent revenue growth and high returns on invested capital, and we remain confident in our ability to build on that as we enhance our access to working capital and pursue the many opportunities available to us in this exciting market. We're encouraged by what's ahead, and we thank you for your continued support and belief in Cardiff Lexington," Mr. Cunningham concluded.

Financial tables are below, and the Company's Quarterly Report on Form 10-Q is available on the SEC's website at **www.sec.gov** and on the Investor Relations section of the Company's website.

Conference Call

Cardiff Lexington will hold a conference call and webcast for investors today, August 12, 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: 876877. The call and the accompanying slide deck will also be webcast at:

https://www.webcaster5.com/Webcast/Page/3131/54266

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 Wednesday, August 26, 2026, by dialing (877) 481-4010 and international participants should dial (919) 882-2331. All callers must use access code 54266 to access the replay.

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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CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
REVENUE	$ 2,159,557	$ 2,789,007	$ 4,381,837	$ 5,704,574
COST OF SALES	977,242	1,093,748	1,881,467	2,168,782
GROSS PROFIT	1,182,315	1,695,259	2,500,370	3,535,792
OPERATING EXPENSES				
Depreciation expense	253	763	846	4,128
Loss on disposal of fixed assets	-	-	-	12,593
Share-based compensation	366,939	97,500	1,031,135	97,500
Selling, general and administrative	1,359,766	987,319	2,524,191	2,267,960
Total operating expenses	1,726,958	1,085,582	3,556,172	2,382,181
(LOSS) / INCOME FROM OPERATIONS	(544,643)	609,677	(1,055,802)	1,153,611
OTHER (EXPENSE) INCOME				
Other income (expense)	-	-	10,081	(1,597)
Derivative liability gain (loss) on issuance and changes in fair value	226,049	-	(442,772)	-
Interest expense	(2,137,419)	(1,836,072)	(4,048,156)	(2,829,186)
Amortization of debt discounts	(22,893)	-	(34,331)	-
Total other expense	(1,934,263)	(1,836,072)	(4,515,178)	(2,830,783)
NET LOSS	$ (2,478,906)	$ (1,226,395)	$ (5,570,980)	$ (1,677,172)
PREFERRED STOCK DIVIDENDS	$ (282,900)	$ (254,008)	$ (555,359)	$ (499,453)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (2,761,806)	$ (1,480,403)	$ (6,126,339)	$ (2,176,625)
BASIC AND DILUTED LOSS PER SHARE	$ (0.18)	$ (0.24)	$ (0.41)	$ (0.39)

WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED *	15,265,398	6,191,240	14,863,185	5,651,634

*Shares outstanding for the three and six months ended June 30, 2025 have been restated for the 1-for-3 reverse stock split effective January 12, 2026. See Note 1. Summary of Significant Accounting Policies.

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2026 (UNAUDITED) AND DECEMBER 31, 2025

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash	$ 217,654	$ 318,535
Accounts receivable, net	23,725,621	22,070,954
Prepaid and other current assets	352,603	203,876
Total current assets	24,295,878	22,593,365
Property and equipment, net	2,107	2,953
Land	540,000	540,000
Goodwill	5,666,608	5,666,608
Right of use - assets, net	105,726	214,858
Due from related party	4,979	4,979
Other assets	65,539	64,182
Total assets	$ 30,680,837	$ 29,086,945
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY/(DEFICIT)		
Current liabilities		
	$ 1,869,755	$ 1,760,765

Accounts payable and accrued expense	232,393	4,645,826
Accrued expenses - related parties	769,180	707,574
Accrued interest	108,980	178,524
Right of use - operating lease liabilities	15,717	125,774
Notes payable - current portion	1,085,703	1,085,703
Notes payable related parties - current portion	21,138,949	17,209,908
Line of credit	302,765	118,295
Convertible notes payable, net of debt discounts of $1,061,124 and $131,705, respectively - current portion	1,087,129	-
Derivative liabilities		
	26,610,571	25,832,369
Total current liabilities		
Other liabilities	-	42,976
Operating lease liability - long term	137,115	138,773
Notes payable	350,000	-
Notes payable - related parties		
	27,097,686	26,014,118
Total liabilities		
Mezzanine equity		
Redeemable Series N Senior Convertible Preferred Stock - 3,000,000 shares authorized, $0.001 par value, stated value $4.00, 0 and 1,037,311 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	-	3,802,010
Redeemable Series X Senior Convertible Preferred Stock - 5,000,000 shares authorized, $0.001 par value, stated value of $4.00; 460,233 and 438,388 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	1,827,857	1,740,478
	1,827,857	5,542,488
Total Mezzanine Equity		
Stockholders' equity/(deficit)		
Series F-1 Preferred Stock - 50,000 shares authorized, $0.001 par value, stated value $4.00, 3,875 shares issued and outstanding at June 30, 2026 and December 31, 2025	15,500	15,500
Series L Preferred Stock - 400,000 shares authorized, $0.001 par value, stated value $4.00, 319,493 shares issued and outstanding at June 30, 2026 and December 31, 2025	1,277,972	1,277,972
Series N Senior Convertible Preferred Stock - 3,000,000 shares authorized,	4,052,591	-

$0.001 par value, stated value $4.00, 1,099,957 and 0 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively		
Series Y Senior Convertible Preferred Stock - 1,500,000 shares authorized, $0.001 par value, stated value of $4.00, 1,122,091 and 1,067,878 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	4,488,358	4,271,512
Common Stock: 300,000,000 shares authorized, $0.001 par value; 15,283,191 and 13,701,698 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	15,283	13,702
Additional paid-in capital	77,763,975	72,021,848
Unearned stock-based compensation	(241,066)	(579,215)
Accumulated deficit	(85,617,319)	(79,490,980)
Total stockholders' equity/(deficit)	1,755,294	(2,469,661)
Total liabilities, mezzanine equity and stockholders' equity/(deficit)	$ 30,680,837	$ 29,086,945

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
EBITDA(1)				
Net loss before discontinued operations	$ (2,478,906)	$ (1,226,395)	$ (5,570,980)	$ (1,677,172)
Add:				
Interest	2,137,419	1,836,072	4,048,156	2,829,186
Taxes	0	0	0	0
	253	763	846	4,128

Depreciation	22,893	0	34,331	0
Amortization				
EBITDA(1)	$ (318,341)	$ 610,440	$ (1,487,647)	$ 1,156,142

Adjusted EBITDA (2)				
EBITDA	$ (318,341)	$ 610,440	$ (1,487,647)	$ 1,156,142
Add:				
Derivative liability gain (loss) on issuance and change in fair value	(226,049)	0	442,772	0
Stock compensation expense for shares issued	366,939	97,500	1,031,135	97,500
Adjusted EBITDA(2)	$ (177,451)	$ 707,940	$ (13,740)	$ 1,253,642

(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)				
Adjusted EBITDA	$ (177,451)	$ 707,940	$ (13,740)	$ 1,253,642
Add:				
Scaling and restructuring costs for business growth	51,545	11,676	66,308	11,676
Acquisition related costs	138,652	1,445	217,805	58,079
Adjusted EBITDA excluding other non-recurring costs(3)	$ 12,746	$ 721,061	$ 270,372	$ 1,323,397

(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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