

NEWS RELEASE

Cardiff Lexington Announces Third Quarter 2025 Financial Results

2025-11-14

- 125.6% increase in total revenue to \$3.1 million compared to 3Q24
- 437.8% increase in gross profit to \$1.9 million compared to 3Q24
- 209.9% increase in income from continuing operations to \$643,000 compared to 3Q24

LEXINGTON, KY / **ACCESS Newswire** / November 14, 2025 / Cardiff Lexington Corporation (OTCQB:CDIX) today announced financial results for the third quarter ended September 30, 2025.

Alex Cunningham, Chief Executive Officer of Cardiff Lexington, commented, "Rebounding from our one-time \$1.7 million charge to revenue reported in the third quarter of 2024, our third 2025 quarter results were highlighted by triple-digit revenue growth and significantly enhanced gross margin when compared to the third quarter of 2024. We also drove improved results on a sequential basis in 2025, demonstrating the steadily increasing demand for our services as patient volume continues to grow. In addition to organic growth, M&A remains a priority for us as we look to further leverage our market positioning, diversify our model and drive growing profitability and long-term value for shareholders."

Third Quarter 2025 Financial Results

Total revenue increased 125.6% to \$3.1 million compared with \$1.4 million in the third quarter of 2024. Revenue in the third quarter of 2024 included a one-time change in accounting estimate of the billing realization rate resulting in a charge of \$1.7 million. Non-GAAP adjusted revenue, excluding the one-time non-cash adjustment, was \$3.0

million for this period.

The following third quarter 2024 results include the one-time adjustment to third quarter 2024 revenue.

Gross profit increased 437.8% to \$1.9 million, or 62.4% of total revenue, compared with \$355,000, or 26.2% of total revenue in the third quarter of 2024.

Total operating expenses increased to \$1.3 million compared with \$940,000 in the third quarter of 2024. The increase in operating expenses is related to SG&A expense of \$1.2 million, or 40.0% of revenue, in the third quarter of 2025, compared with \$937,000, or 69.1% of revenue, in the third quarter of 2024, as well as stock compensation expense of \$41,000 in the third quarter of 2025.

Income from continuing operations increased 209.9% to \$643,000, or 21.0% of total revenue, in the third quarter of 2025, compared with an operating loss of \$(585,000), or (43.2%) of total revenue, in the third quarter of 2024.

Net loss in the third quarter of 2025 was \$(1.1 million) compared with net loss of \$(2.0 million) in the third quarter of 2024. Included in net loss for the three months ended September 30, 2025, was interest expense of \$(1.8 million) compared with interest expense of \$(1.4 million) in the third 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 and the change in accounting estimate of the billing realization rate recognized in third quarter 2024, was \$663,000, compared with non-GAAP adjusted EBITDA of \$1.1 million in the third quarter of 2024.

During the three months ended June 30, 2025, as part of the Company's ongoing enhancements to internal controls over financial reporting, a detailed review of its interest expense-related cash flow classification was performed. As a result, the Company restated certain amounts within the condensed consolidated statement of cash flows for the nine months ended September 30, 2024. This was reclassified to correct the presentation of \$1,953,667 of non-cash interest accrual adjustments related to the Company's line of credit as of September 30, 2024. These amounts, previously presented within net proceeds from the line of credit in financing activities, are now presented within operating activities. This change in presentation has no impact on the Company's condensed consolidated balance sheets, condensed consolidated statements of operations, or total cash flows for any related period.

Year-to-Date Financial Highlights

Total revenue increased 70.2% to \$8.8 million compared with \$5.1 million in the first nine months of 2024. Revenue

in the first nine months of 2024 included a one-time adjustment of \$2.8 million. Non-GAAP adjusted revenue, excluding the one-time non-cash adjustment, was \$8.0 million for this period.

The following year-to-date 2024 results include the one-time adjustment to third quarter 2024 revenue.

Gross profit increased 126.2% to \$5.4 million, or 62.1% of total revenue, compared with \$2.4 million, or 46.8% of total revenue in the first nine months of 2024.

Total operating expenses increased to \$3.6 million compared with \$2.9 million in the first nine months of 2024, primarily related to increased SG&A expense of \$3.5 million, or 39.9% of revenue, compared with \$2.6 million, or 50.9% of revenue, for the nine months ended September 30, 2024.

Operating income increased to \$1.8 million, or 20.5% of total revenue, compared with operating loss of \$(526,000), or (10.2%) of total revenue, in the first nine months of 2024.

Net loss in the first nine months of 2025 was \$(2.8 million) compared with net loss of \$(2.4 million) in the first nine months of 2024. Included in net loss for the nine months ended September 30, 2025, was interest expense of \$(4.6 million) compared with interest expense of \$(1.8 million) in the first nine months of 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 and the change in accounting estimate of the billing realization rate recognized in third quarter 2024, was \$1.9 million compared with non-GAAP adjusted EBITDA of \$1.5 million in the first nine months of 2024.

Balance Sheet

Cash totaled \$232,000 as of September 30, 2025.

Total assets increased 15.4% to \$27.6 million as of September 30, 2025.

Conference Call

Cardiff Lexington will hold a conference call and webcast for investors today, November 14, 2025, at 9:00 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: 223050. The call and the accompanying

slide deck will also be webcast at:

<https://www.webcaster5.com/Webcast/Page/3131/53160>

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 Friday, November 28, 2025, by dialing (877) 481-4010 and international participants should dial (919) 882-2331. All callers must use access code 53160 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 NINE MONTHS ENDED SEPTEMBER 30, 2025, AND 2024
 (Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Total revenue	\$ 3,058,740	\$ 1,355,641	\$ 8,763,314	\$ 5,149,416
Total cost of sales	1,149,161	1,000,601	3,317,943	2,741,765
Gross profit	1,909,579	355,040	5,445,371	2,407,651
Operating expenses	762	3,365	4,890	10,096
Depreciation expense	0	0	12,593	0
Loss on disposal of fixed assets	41,188	0	138,688	300,225
Stock compensation expense	1,224,350	936,835	3,492,310	2,622,981

Selling, general and administrative	<u>1,266,300</u>	<u>940,200</u>	<u>3,648,481</u>	<u>2,933,302</u>
Total operating expenses	<u>643,279</u>	<u>(585,160)</u>	<u>1,796,890</u>	<u>(525,651)</u>
Income (loss) from continuing operations				
Other (expense) income:				
	(20,550)	(6,767)	(22,147)	(4,720)
Other expense	0	0	0	78,834
Gain on debt refinance, forgiveness and settlement	(1,500)	0	(1,500)	(1,330)
Penalties and fees	(1,765,528)	(1,386,041)	(4,594,714)	(1,803,657)
Interest expense	0	0	0	(24,821)
Amortization of debt discounts	<u>(1,787,578)</u>	<u>(1,392,808)</u>	<u>(4,618,361)</u>	<u>(1,755,694)</u>
Total other expense	<u>(1,144,299)</u>	<u>(1,977,968)</u>	<u>(2,821,471)</u>	<u>(2,281,345)</u>
Net loss before discontinued operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>(111,312)</u>
Loss from discontinued operations				
	<u>\$ (1,144,299)</u>	<u>\$ (1,977,968)</u>	<u>\$ (2,821,471)</u>	<u>\$ (2,392,657)</u>
Net loss				

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2025, AND DECEMBER 31, 2024
(Unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash	\$ 232,033	1,188,185
Accounts receivable-net	20,699,999	15,934,490
Prepaid and other current assets	112,514	89,901
Total current assets	<u>21,044,546</u>	<u>17,212,576</u>

	3,715	21,198
Property and equipment, net		
	540,000	540,000
Land		
	5,666,608	5,666,608
Goodwill		
	281,514	406,950
Right of use - assets		
	4,979	4,979
Due from related party		
	68,154	73,368
Other assets		
	<u>\$ 27,609,516</u>	<u>23,925,679</u>
Total assets		

LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' (DEFICIT)/EQUITY

Current liabilities	\$ 1,659,791	1,379,760
Accounts payable and accrued expense		
	4,722,691	4,553,057
Accrued expenses - related parties		
	567,986	429,200
Accrued interest		
	214,002	223,330
Right of use - liability		
	200,803	312,180
Notes - current portion		
	14,727,190	8,645,991
Line of credit		
	50,000	105,000
Convertible notes payable, net of debt discounts of \$0 and \$24,821, respectively		
	238,285	238,285
Net liabilities of discontinued operations		
	<u>22,380,748</u>	<u>15,886,803</u>
Total current liabilities		
Other liabilities		
	139,590	251,725
Notes payable		
	75,727	185,877
Operating lease liability - long term		
	<u>22,596,065</u>	<u>16,324,405</u>
Total liabilities		

Mezzanine equity

Redeemable Series N Senior Convertible Preferred Stock - 3,000,000 shares authorized, \$0.001 par value, stated value \$4.00, 1,006,857 and 921,636 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	3,680,194	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; 427,690 and 397,464 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	1,697,687	1,576,788
	<u>5,377,881</u>	<u>4,916,105</u>

Total Mezzanine Equity		
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 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	0	5,119,468
Series C Preferred Stock - 500 shares authorized, \$0.001 par value, stated value of \$4.00, 0 and 74 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	0	296
Series E Preferred Stock - 1,000,000 shares authorized, \$0.001 par value, stated value \$4.00, 0 and 175,375 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	0	701,500
Series F-1 Preferred Stock - 50,000 shares authorized, \$0.001 par value, stated value \$4.00, 3,875 shares issued and outstanding at September 30, 2025 and December 31, 2024	15,500	15,500
Series I Preferred Stock - 15,000,000 shares authorized, \$0.001 par value, stated value \$4.00, 10,075,092 and 10,469,092 issued and outstanding at September 30, 2025 and December 31, 2024, respectively	40,300,368	41,876,368
Series L Preferred Stock - 400,000 shares authorized, \$0.001 par value, stated value \$4.00, 319,493 shares issued and outstanding at September 30, 2025 and December 31, 2024	1,277,972	1,277,972
Series Y Senior Convertible Preferred Stock - 1,500,000 shares authorized, \$0.001 par value, stated value of \$4.00, 1,041,764 and 979,125 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	4,167,056	3,916,500
Common Stock: 300,000,000 shares authorized, \$0.001 par value; 19,904,708 and 15,300,475 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	19,905	15,300
Additional paid-in capital	30,388,568	22,711,350
Accumulated deficit	(76,533,799)	(72,949,085)
Total stockholders' (deficit)/equity	(364,430)	2,685,169
Total liabilities, mezzanine equity and stockholders' equity	\$ 27,609,516	23,925,679

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,
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 Nine Months Ended
	September 30,	September 30,

	2025	2024	2025	2024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>EBITDA (1)</u>	\$ (1,144,299)	\$ (1,977,968)	\$ (2,821,471)	\$ (2,281,345)
Net loss before discontinued operations				
Add:				
	1,765,528	1,386,041	4,594,714	1,803,657
Interest	0	0	0	0
Taxes	762	3,365	4,890	10,096
Depreciation	0	0	0	24,821
Amortization	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$ 621,991	\$ (588,562)	\$ 1,778,133	\$ (442,771)
EBITDA (1)	<u> </u>	<u> </u>	<u> </u>	<u> </u>

<u>Adjusted EBITDA (2)</u>	\$ 621,991	\$ (588,562)	\$ 1,778,133	\$ (442,771)
EBITDA				
Add:	0	1,650,474	0	1,650,474
Change in estimate for settlement realization rate	41,188	0	138,688	300,225
Stock compensation expense for shares issued				
	\$ 663,179	\$ 1,061,912	\$ 1,916,821	\$ 1,507,928
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.

<u>Adjusted EBITDA excluding other non-recurring costs (3)</u>	\$ 663,179	\$ 1,061,912	\$ 1,916,821	\$ 1,507,928
Adjusted EBITDA				
Add:	0	76,110	11,676	180,302
Scaling and restructuring costs for business growth	113,436	0	171,515	0
Acquisition related costs				
	\$ 776,615	\$ 1,138,022	\$ 2,100,012	\$ 1,688,230
<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 NINE MONTHS ENDED SEPTEMBER 30, 2025, AND 2024
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
GAAP Revenue	\$ 3,058,740	\$ 1,355,641	\$ 8,763,314	\$ 5,149,416
	-	1,650,474	-	2,849,629
Adjustments to Claim Settlement Realization Rate	<u>\$ 3,058,740</u>	<u>\$ 3,006,115</u>	<u>\$ 8,763,314</u>	<u>\$ 7,999,045</u>
Non-GAAP Adjusted Revenue	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SOURCE: Cardiff Lexington Corporation

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