NEWS RELEASE

Cardiff Lexington Announces Third Quarter 2026 Financial Results

2026-11-16

LEXINGTON, KY / **ACCESS Newswire** / November 16, 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 September 30, 2026 with the U.S. Securities and Exchange Commission.

Alex Cunningham, Chief Executive Officer of Cardiff Lexington, commented, "Through the first nine months of 2026, we have stayed focused on our long-term strategy of building Nova Ortho and Spine into a leading healthcare network and expanding access to high-quality care for a patient population that has long been underserved. Revenue was lower than in the prior-year period primarily due to fewer procedures and a lower implicit realization rate on patient case claim settlements. While demand for our services in the markets we serve remains high, working capital constraints has limited our ability to capitalize on opportunities. That said, we retained healthy gross margins of 56.2% of total revenue and are confident that the strategic steps we are taking position us to drive improved operating performance."

"To that end, we continue to make meaningful progress toward the execution of a definitive acquisition agreement under our previously announced letter of intent. Due diligence and negotiations of definitive transaction documents remain ongoing. Importantly, we have received and accepted financing and equity term sheets and are actively advancing the related due diligence, underwriting, and documentation processes. While these additional steps have extended the previously anticipated November 16 timeline, we remain focused on completing the necessary requirements and advancing the transaction toward a definitive agreement, subject to satisfactory due diligence, final financing arrangements, and other customary conditions. We currently anticipate further progress in December, although no definitive execution date has been established."

"In previous years, the Cardiff Lexington model has proven its ability to deliver strong returns on invested capital. Our priorities now are restoring that performance at scale, putting a stronger capital structure behind it and building durable value for our shareholders. We appreciate our shareholders' patience and support," 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, November 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: 937760. The call and the accompanying slide deck will also be webcast at:

https://www.webcaster5.com/Webcast/Page/3131/54813

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 Monday, November 30, 2026, by dialing (877) 481-4010 and international participants should dial (919) 882-2331. All callers must use access code 54813 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 NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025
(UNAUDITED)

	For the Three Months Ended September 30, 2026	September 30, 2025	For the Nine Months Ended September 30, 2026	September 30, 2025
Total revenue	$ 1,912,179	$ 3,058,740	$ 6,294,016	$ 8,763,314
Total cost of sales	875,420	1,149,161	2,756,887	3,317,943
Gross profit	1,036,759	1,909,579	3,537,129	5,445,371
Operating expenses				

Depreciation expense	233	762	1,079	4,890
Loss on disposal of fixed assets	0	0	0	12,593
Stock compensation expense	369,981	41,188	1,401,116	138,688
Selling, general and administrative	1,203,211	1,224,350	3,727,402	3,492,310
Total operating expenses	1,573,425	1,266,300	5,129,597	3,648,481
(Loss) income from operations	(536,666)	643,279	(1,592,468)	1,796,890
Other (expense) income :				
Other income (expense)	(106,593)	(20,550)	(96,512)	(22,147)
Loss on settlement of debt	(16,498)	0	(16,498)	0
Penalties and fees	(5,500)	(1,500)	(5,500)	(1,500)
Derivative liability loss on issuance and change in fair value	(50,242)	0	(493,014)	0
Interest expense	(2,468,536)	(1,765,528)	(6,516,692)	(4,594,714)
Amortization of debt discounts	(22,516)	0	(56,847)	0
Total other expense	(2,669,885)	(1,787,578)	(7,185,063)	(4,618,361)
Net loss	$ (3,206,551)	$ (1,144,299)	$ (8,777,531)	$ (2,821,471)

*Shares outstanding for the three and nine months ended September 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 SEPTEMBER 30, 2026 (UNAUDITED) AND DECEMBER 31, 2025

	September 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash	$ 584,319	$ 318,535
Accounts receivable, net	23,400,209	22,070,954
Prepaid and other current assets	234,768	203,876
Total current assets	24,219,296	22,593,365
Property and equipment, net	1,874	2,953
Land	540,000	540,000
Goodwill	5,666,608	5,666,608

Right of use - assets	75,266	214,858
Due from related party	4,979	4,979
Other assets	74,789	64,182
Total assets	$ 30,582,812	$ 29,086,945
LIABILITIES, MEZZANINE EQUITY AND DEFICIENCY IN STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expense	$ 1,707,311	$ 1,760,765
Accrued expenses - related parties	568,048	4,645,826
Accrued interest	834,801	707,574
Right of use - operating lease liability	75,728	178,524
Notes payable - current portion	15,689	125,774
Notes payable related parties - current portion	1,085,703	1,085,703
Line of credit	23,439,491	17,209,908
Convertible notes payable, net of debt discounts of $873,327 and $131,705, respectively	240,205	118,295
Derivative liability	539,130	0
Total current liabilities	28,506,106	25,832,369
Other liabilities		
Operating lease liability - long term	0	42,976
Notes payable	136,289	138,773
Notes payable related parties	350,000	0
Total liabilities	28,992,395	26,014,118
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 September 30, 2026 and December 31, 2025, respectively	0	3,802,010
Redeemable Series X Senior Convertible Preferred Stock - 5,000,000 shares authorized, $0.001 par value, stated value of $4.00; 471,751 and 438,388 shares issued and outstanding at September 30 2026 and December 31, 2025, respectively	1,873,929	1,740,478
Total Mezzanine Equity	1,873,929	5,542,488
Stockholders' deficit		
Series A-1 Preferred Stock - 2 shares authorized, $0.001 par value, stated value $250.00, 2 shares issued and outstanding at September 30, 2026 and December 31, 2025	500	0
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, 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 September 30, 2026 and December 31, 2025	1,277,972	1,277,972
Series N Senior Convertible Preferred Stock - 3,000,000 shares authorized, $0.001 par value, stated value $4.00, 1,133,277 and 0 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	4,185,670	0
Series Y Senior Convertible Preferred Stock - 1,500,000 shares authorized, $0.001 par value, stated value of $4.00, 1,150,528 and 1,067,878 shares issued and outstanding at September 30, 2026 and December 31 2025, respectively	4,602,107	4,271,512
Common Stock; 300,000,000 shares authorized, $0.001 par value; 17,026,827 and 13,701,698 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	17,026	13,702
Additional paid-in capital	78,860,451	72,021,848
Unearned stock compensation	(125,065)	(579,215)
Accumulated deficit	(89,117,673)	(79,490,980)

Total stockholders' deficit	(283,512)	(2,469,661)
Total liabilities, mezzanine equity and stockholders' deficit	$ 30,582,312	$ 29,086,945

CARDIFF LEXINGTON CORPORATION AND SUBSIDIARIES

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
EBITDA (1)				
Net loss before discontinued operations	$ (3,206,551)	$ (1,144,299)	$ (8,777,531)	$ (2,821,471)
Add:				
Interest	2,468,536	1,765,528	6,516,692	4,594,714
Taxes	0	0	0	0
Depreciation	233	762	1,079	4,890
Amortization	22,516	0	56,847	0
EBITDA (1)	$ (715,266)	$ 621,991	$ (2,202,913)	$ 1,778,133
Adjusted EBITDA (2)				
EBITDA	$ (715,266)	$ 621,991	$ (2,202,913)	$ 1,778,133
Add:				
Derivative liability loss on issuance and change in fair value	50,242	0	493,014	0
Loss on settlement of debt	16,498	0	16,498	0
Stock compensation expense for shares issued	369,981	41,188	1,401,116	138,688
Adjusted EBITDA (2)	$ (278,545)	$ 663,179	$ (292,285)	$ 1,916,821

(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	$ (278,545)	$ 663,179	$ (292,285)	$ 1,916,821
Add:				
Scaling and restructuring business growth costs	12,708	0	82,185	11,676
Offering costs	106,593	0	106,593	0
Acquisition costs	56,558	113,436	274,362	171,515
Adjusted EBITDA excluding other non-recurring costs (3)	$ (102,686)	$ 776,615	$ 170,855	$ 2,100,012

(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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