CARDIFF LEXINGTON
CORPORATION



INVESTOR PRESENTATION

September 2024

OTC: CDIX

DISCLAIMER

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities of Cardiff Lexington (the "Company") in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No securities commission or similar authority of the United States or any other jurisdiction has reviewed or in any way passed upon this presentation or the merits of the securities described herein, and any representation to the contrary is an offence. This presentation does not contain all of the information that would normally appear in a prospectus or registration statement under applicable United States securities laws. Readers should not construe the contents of this presentation as investment, legal, tax, regulatory, financial or accounting advice and are urged to consult with their own advisers in relation to such matters.

The Company does not make any representation or warranty (express or implied) as to the accuracy or completeness of the information in this presentation. Except as may be required by applicable law, the Company expressly disclaims any obligation to update any of the information contained herein or to inform readers of any matters of which it becomes aware that may affect any matter referred to in this presentation.

Certain information in this presentation is based on management estimates. Such estimates have been made in good faith and represent the current beliefs of management. Management believes that such estimates are founded on reasonable grounds. However, by their nature, estimates may not be correct or complete. Accordingly, no representation or warranty (express or implied) is given that such estimates are correct or complete.

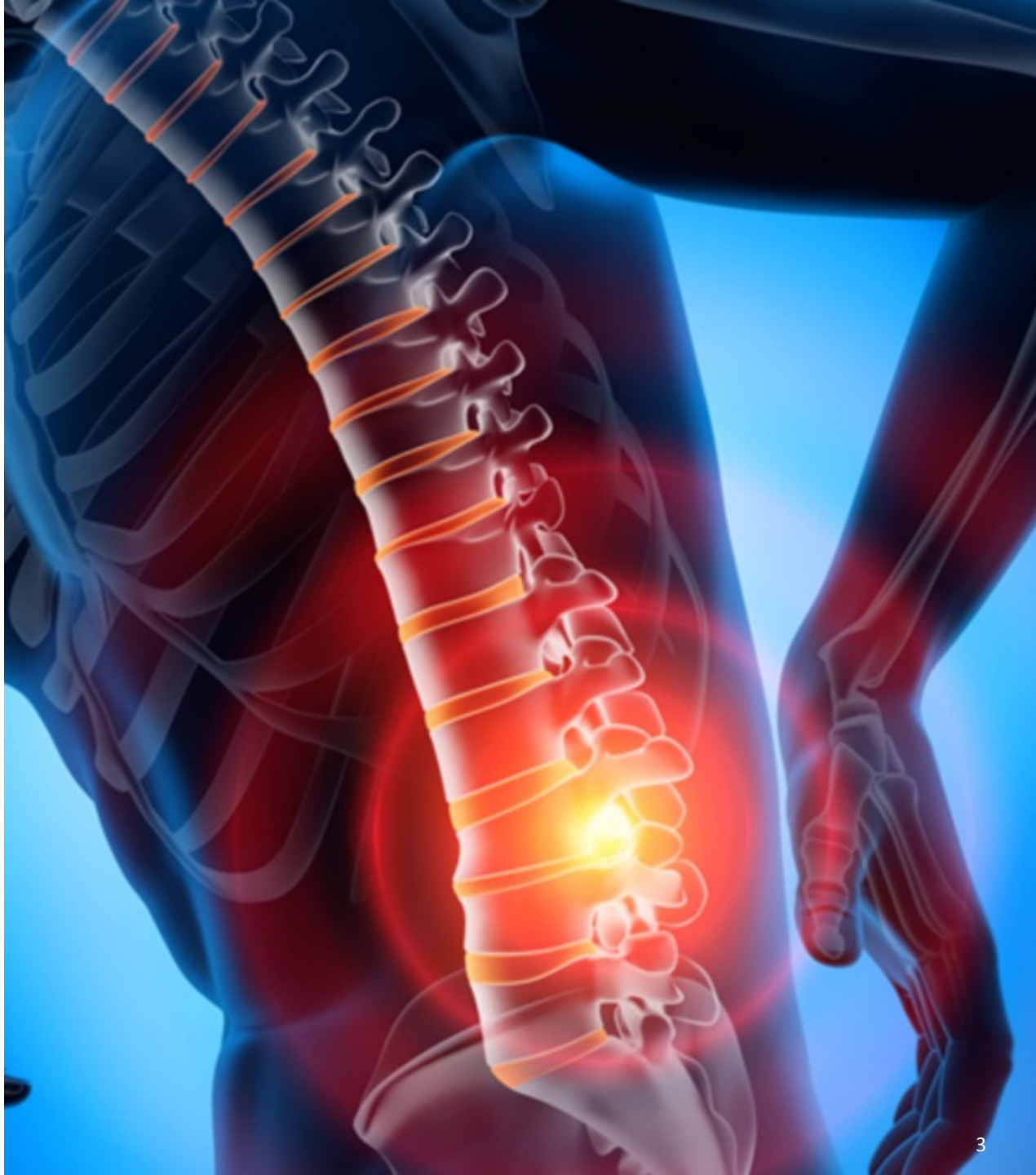
Market data and certain industry data and forecasts included in this presentation were obtained from internal company surveys, market research, publicly available information, reports of governmental agencies and industry publications and surveys. Where this presentation quotes any information or data from any third-party source, it should not be interpreted that the Company has adopted or endorsed such information or data as being accurate. The Company has not independently verified any of such information from third-party sources or any underlying assumptions. Accordingly, the Company makes no representation or warranty (express or implied) on the fairness, accuracy, completeness or correctness of any such third-party information.

This presentation contains forward-looking statements. In addition, from time to time, we or our representatives may make forward-looking statements orally or in writing. We base these forward- looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance, including: our financial performance and projections; our growth in revenue and earnings; and our business prospects and opportunities. You can identify forward-looking statements as those statements that are not historical in nature, particularly those that use terminology such as "may," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "hopes" or the negative of these or similar terms. In evaluating these forward-looking statements, you should consider various factors, including those described under the heading "Risk Factors" in the registration statements and reports that we file with the U.S. Securities and Exchange Commission. These and other factors may cause our actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking events discussed in this document and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. We are not obligated to publicly update or revise any forward-looking statement, whether as a result of uncertainties and assumptions, the forward-looking events discussed in this document and other statements made from time to time by us or our representatives might not occur. Past performance is not indicative of future results. There is no guarantee that any specific outcome will be achieved.

A Fore-Runner in the Lien-Based Medical Industry

With the acquisition of Nova Ortho and Spine, Cardiff Lexington established a **strategic foothold in the healthcare space.**

We are **profitably** pioneering an innovative approach to healthcare management that offers **elevated patient care to an underserved patient population.**



CARDIFF LEXINGTON CORPORATION

Ortho and Spine, LLC

In 2021, Cardiff Lexington acquired Nova Ortho and Spine as a wholly-owned subsidiary.

Nova Ortho and Spine's early success and asset-light business structure made it the ideal partner to launch Cardiff Lexington's Healthcare Division.

Given its success to date, the Company has largely divested its other businesses to focus on Nova Ortho and Spine and healthcare sector acquisition opportunities.



INVESTMENT HIGHLIGHTS

- **Attractive demographics** – Aging patient population and rising number of personal and work-related injuries
- **Recession resistant** – Healthcare sector historically has performed in both good and bad economies
- **Innovative payor model** – Elevates standard of care for personal injury patients while offering attractive economic returns for shareholders
- **Strong growth and profitability** – Healthcare business has realized organic CAGR of ~ 88% from 2019 to 2022 with strong margins and profitability

WHY ORTHOPEDICS?

- One of the **fastest-growing categories** in US Healthcare
- Compared to other clinical subspecialties, **orthopedics remains highly fragmented across the nation**
- Over the next decade, providers will continue to face **unprecedented demand growth** primarily fueled by an aging patient population susceptible to slip and fall accidents and a rising number of car accidents[1]:
  - More than half of all adults suffer from a musculoskeletal disease, including **arthritis, back pain and trauma**
  - An estimated 5.5 million car accidents occur in the U.S. annually, resulting in roughly **3 million injuries**

$39.5B

Market Size in 2021[1]

3.3%

Estimated CAGR from 2022-2030[1]

$49.5B

Estimated Market Size in 2028[1]

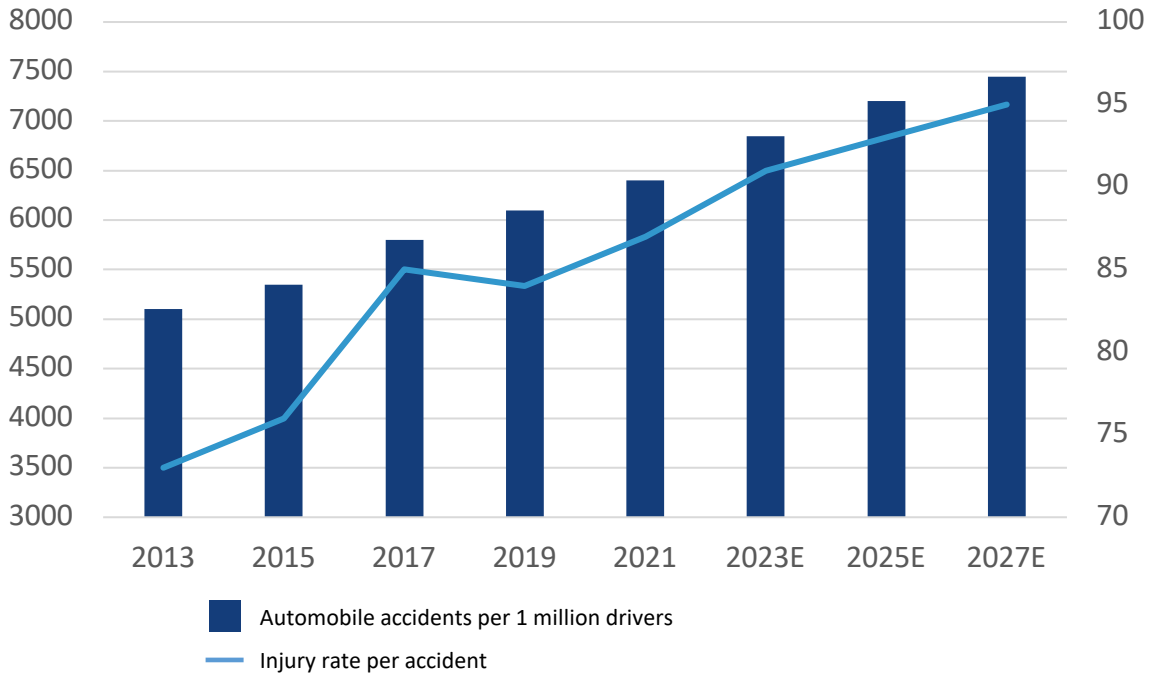
CARDIFF LEXINGTON CORPORATION

[1]Stratview Research; *Orthopedic Market Size, Share, Trend, Forecast, Competitive Analysis, and Growth Opportunity; 2022-2028*

FAVORABLE EXTERNAL GROWTH DRIVERS

Increasing healthcare costs, broader care modalities, and increasing claim frequency are driving strong and sustainable growth for specialized personal injury providers

12.5% increase in automobile accidents expected through 2028[1]



- Increasing interest by institutional capital is driving innovation and consolidation for the industry
- Regulatory landscape in many states
- Specialized and sophisticated providers are better suited to capture referral sources

CARDIFF LEXINGTON CORPORATION

[1]Statista; *Number of accidents and traffic-related injury rate in the U.S. per 1M people forecasted through 2028*

NOVA ORTHO AND SPINE AT A GLANCE

FULFILLING THE NEEDS OF AN UNDERSERVED MARKET

- **No dependence on CMS** (Medicare/Medicaid) **or health insurance companies** (HMOs or Blue Cross) for reimbursement
- **Payor mix** is almost exclusively comprised of automotive insurance companies, general liability carriers, and private pay

ATTRACTIVE ECONOMIC MODEL

- Longer A/R gestation period (typically 18-24 months) is accounted for in pricing of patient care
- **95%+ collection rate** over past three years

HIGH DEMAND

- Nova Ortho and Spine currently sees approximately **165-185 patients per month across 11 locations**
- **Robust referral network**

CAPACITY FOR SUBSTANTIAL ORGANIC GROWTH

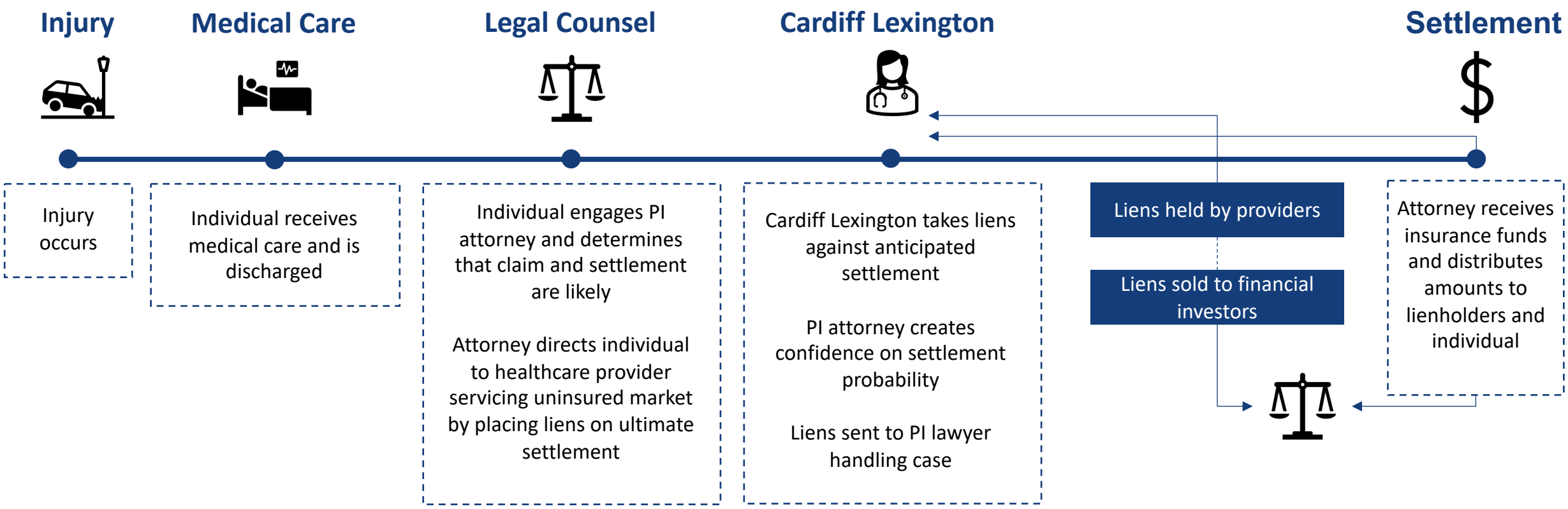
- All locations **collectively operating at only 35% capacity**

PROVEN EXPERTISE

- **Management team with 25+ years' experience** operating primary, specialty and ancillary care facilities

CARDIFF LEXINGTON CORPORATION

PROVEN MODEL TAPPING INTO UNDERSERVED PATIENT MARKET



A UNIQUE AND POWERFUL ECONOMIC ENGINE

Leverages Extended A/R Timeline To Drive Significant Economic Returns

- **Frequently insulated by a Letter of Protection** to ensure payment in full from insurance settlement
- Ability to factor significantly extended A/R into care pricing

Receive a maximum of $25,000 from patient's Personal Injury Protection (PIP)

Typical A/R gestation period is 18-24 months

By waiting for insurance settlement, insulated from having to rely on declining reimbursement programs from CMS and health insurance companies





Beating industry average of ~ 75-85%[1]

CARDIFF LEXINGTON CORPORATION

[1]Company data

NOVA ORTHO AND SPINE MILESTONES AND ACCOMPLISHMENTS

Proven track record of profitability and growth

2019

- Formation of Nova Ortho and Spine
- 3 Nova Ortho and Spine locations open at year end

2020

- Nova Ortho and Spine locations increase to 5 as Company expands into population centers throughout Florida

2021

- Cardiff Lexington completes acquisition of Nova Ortho and Spine
- 7 locations
- 10-year Management Agreement to align strategic growth priorities
- **Revenues grow to $5.4M, up 31% YoY (unaudited)**

2022

- **Revenues nearly double to $10.7M, a 98% increase YoY**
- Locations expand to 9
- Growing and engaged network of referral partners

2023

- **Revenues increase to $11.9M, a 11% increase YoY**
- Demand exceeding capability due to capital constraints
- 10 locations

2024

- **With adequate capital, targeting double digit growth**
- 12 locations
- Multiple acquisitions targeted for potential geographic expansion

CARDIFF LEXINGTON CORPORATION

EXPANDING MARKET PRESENCE

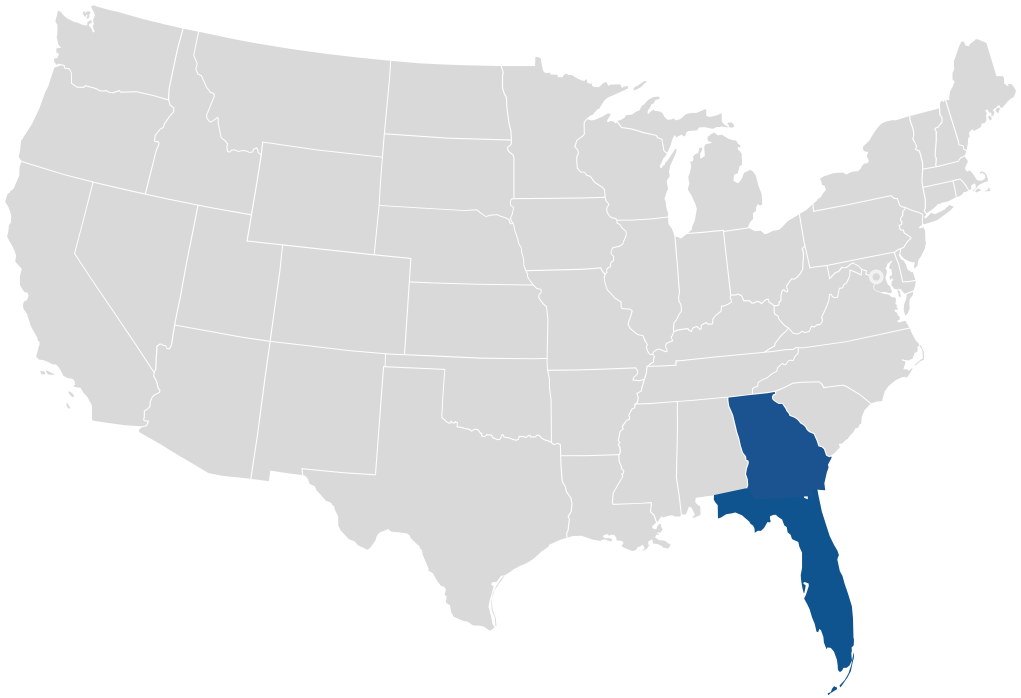
12 locations strategically positioned in population centers throughout Florida and Georgia

Florida:

- Okeechobee
- Ft. Pierce
- Vero Beach
- Palm Bay
- Tallahassee
- Chipley
- Madison
- Sebastian
- Rockledge
- Port St. Lucie
- Orlando

Georgia:

- Valdosta



Florida has the most personal injury claims per capita[1]; Georgia location represents first step of expansion into broader southeast U.S.

CARDIFF LEXINGTON CORPORATION

[1]Law.com; *New Study Finds Florida Has the Most Personal Injury Cases Per Capita. Is New Bad Faith Law to Blame?*

A SUPERIOR SERVICE MODEL

Enabling critical access to high-quality care for traumatic injury patients

Patient-Centric Pathway

TRUSTED REFERRAL NETWORK

Patients are primarily referred through a growing network of trusted **physicians, physical therapists and chiropractors**

A TRUE PARTNER THROUGH THE LIFECYCLE OF A CLAIM

As emergency medical condition providers, Nova Ortho and Spine has **superior access to patient information** to determine the validity of each case and manage cases appropriately

LEADER IN SURGICAL TECHNIQUES & TECHNOLOGY

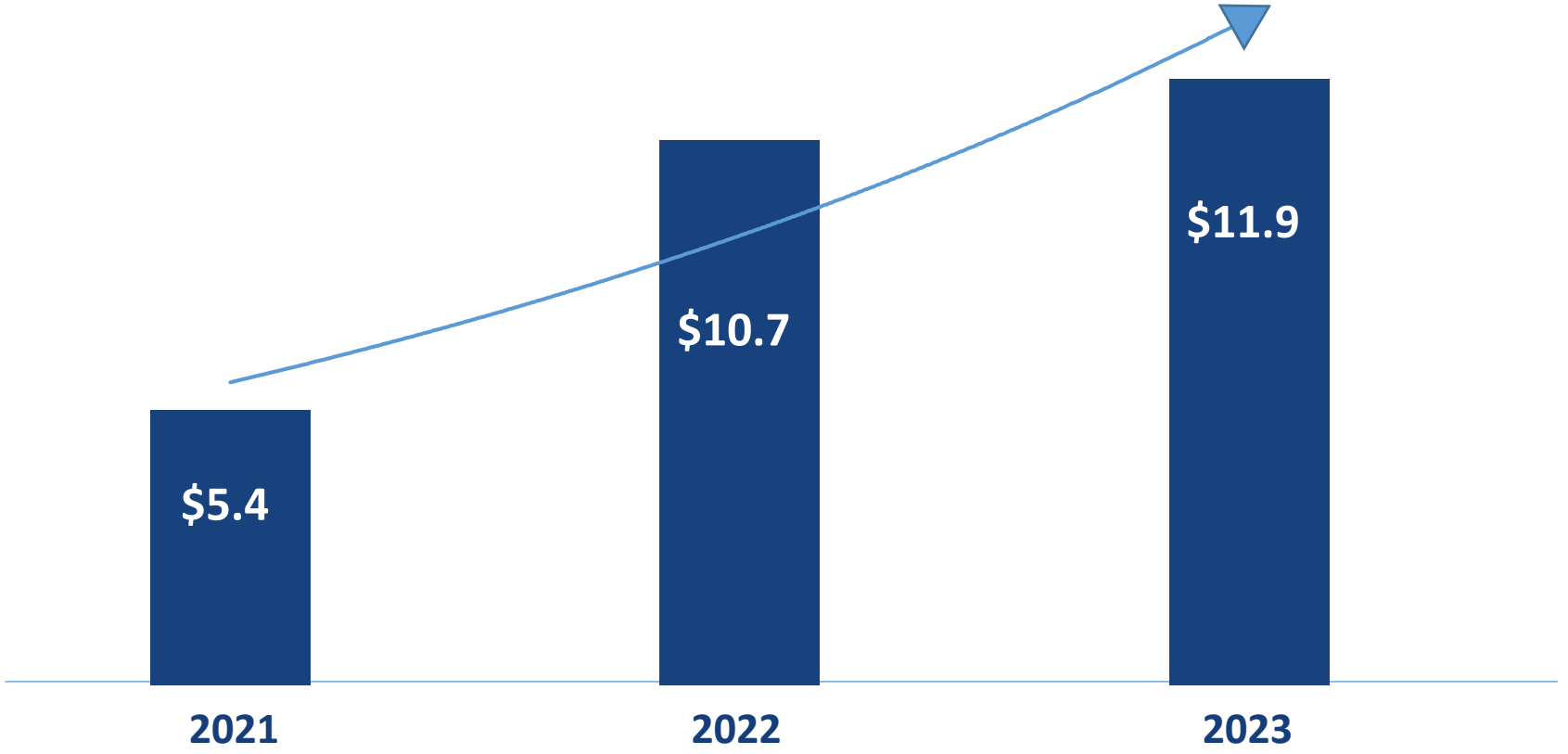
Nova Ortho and Spine's team of surgeons and specialists deliver **cutting-edge treatment options at state-of-the-art facilities**

QUALITY CARE AT ZERO COST TO THE PATIENT

Revenue is primarily provided by bodily injury policies, general liability policies, and personal injury protection policies, which **protects patients from high upfront costs**

NOVA ORTHO AND SPINE HAS SEEN CONSISTENT ANNUAL REVENUE GROWTH

(In Millions)



CARDIFF LEXINGTON CORPORATION

SIGNIFICANTLY IMPROVING BALANCE SHEET

(In Millions)



6.30.24 vs 12.31.23:

- **19% increase in total assets** to $24.7 million
- **698% increase in shareholders' equity** to $5.8 million
- **1206% increase in net working capital** to $4.1 million

MULTIPLE LEVERS FOR GROWTH

Organic growth in existing Florida market

- Currently at 35% capacity and turning away business
- Increase in working capital expected to significantly expand utilization

Expand geographically

- Targeting expansion into broader Southeast region through organic growth and strategic acquisitions

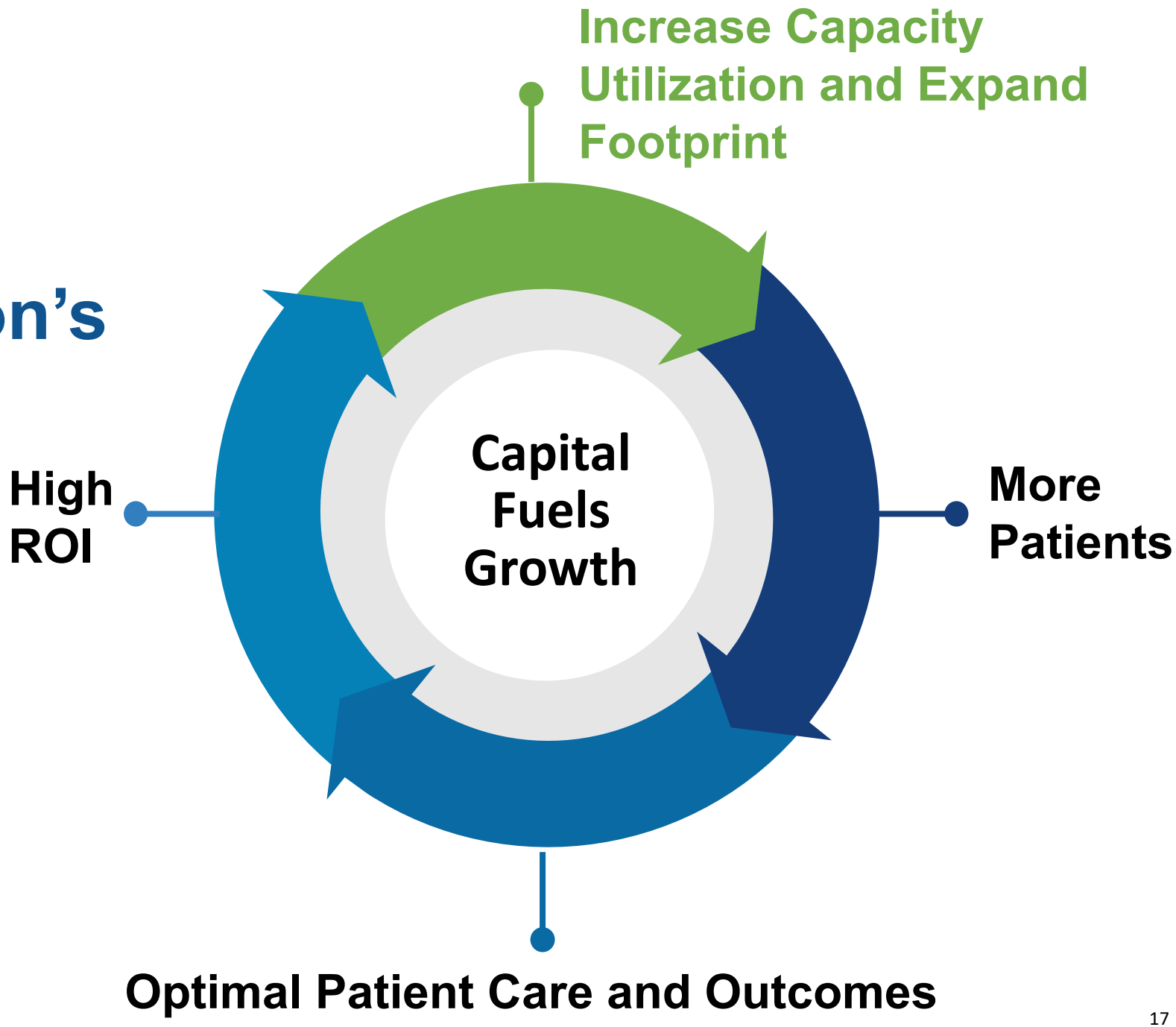
Expand into contiguous businesses via acquisition

- Multiple complementary verticals identified including MRI clinics, Medevac providers, etc.

SUMMARY

Cardiff Lexington's Flywheel Effect

Building an innovative economic high growth model that profitably bridges the gap between underserved patients and healthcare providers



CARDIFF LEXINGTON
CORPORATION

Thank You