Innovative Food Holdings, Inc. Reports Financial Results for Second Quarter of 2026

August 13, 2026

Key Second Quarter reported data points:

- *Revenue of $13.1 million, down 21.5% from Q2 2025*
- *GAAP net income from continuing operations of $366 thousand, compared with $826 thousand in Q2 2025*
- *GAAP diluted EPS from continuing operations of $0.007, compared with $0.015 in Q2 2025*
- *Gross margin of 26.2%, compared with 25.7% in Q2 2025*
- *Operating income of $395 thousand, compared with $827 thousand in Q2 2025*
- *Adjusted EBITDA (Non-GAAP) of approximately $579 thousand, compared with $725 thousand in Q2 2025.*

Key Year-to-Date reported data points:

- *Revenue of $25.2 million, down 20.3% from the first six months of 2025*
- *GAAP net income from continuing operations of $709 thousand, compared with $1.1 million in the first six months of 2025*
- *GAAP diluted EPS from continuing operations of $0.013, compared with $0.020 in the first six months of 2025*
- *Gross margin was 25.9% for the six months ended June 30, 2026 and 2025.*
- *Net cash provided by operating activities of $375 thousand, compared with net cash used of $402 thousand in the first six months of 2025*
- *Cash and cash equivalents of $1.8 million at June 30, 2026, compared with $927 thousand at December 31, 2025*
- *Current liabilities of approximately $3.5 million and stockholders' equity of approximately $8.5 million at June 30, 2026, compared with $12.4 million and $6.2 million, respectively, at December 31, 2025*

BROADVIEW, Il., Aug. 13, 2026 (GLOBE NEWSWIRE) -- Innovative Food Holdings, Inc. (OTCQB: IVFH) ("IVFH," the "Company," "we," "our" or "us"), a national seller of gourmet specialty foods to professional chefs, today reported financial results for the quarter ended June 30, 2026.

Second-quarter revenue was $13.1 million, compared with $16.6 million in the prior-year period, a decline of 21.5%. Digital Channels revenue declined 16.7%, National Distribution declined 29.2%, and Local Distribution declined 24.0%. The underlying pressures were concentrated: Digital Channels excluding the Company's largest Digital partner, increased 6.3% in the quarter and 8.4% through the first six months, while National Distribution reflected specific customer and product-program losses to competitors and Local Distribution continued to face comparisons affected by prior customer attrition.

Gross margin was 26.2%, compared with 25.7% in the prior-year period, while gross profit dollars declined 20.1% because of the lower revenue base. Selling, general and administrative expenses declined to $3.0 million from $3.5 million, primarily due to lower payroll and related costs, partially offset by higher professional fees. Operating income was $395 thousand, compared with $827 thousand in Q2 2025, and net income from continuing operations was $366 thousand, compared with $826 thousand in the prior-year period.

Gary Schubert, Chief Executive Officer of IVFH, stated, "Q2 tells a more nuanced story than the headline revenue decline. The Company lost revenue, and progress elsewhere has not yet been sufficient to offset the decline. Encouragingly, the decline is concentrated. Digital outside our largest partner grew, Local's rate of decline improved, and the remaining business with our largest airline-catering customer has held after the initial competitive losses. The good is real; but it does not yet outweigh the bad.

"When a customer, item or program is lost, the operating event may be over, but the comparison remains in our reported results until we lap a full year. That is why the same loss can continue to appear quarter after quarter even after the underlying issue has stabilized. Our task is to finish the transitions, stabilize the remaining base and add enough new business to overcome those comparisons.

"Digital is the clearest example. Revenue declined 16.7%, but excluding our largest Digital partner, revenue increased 6.3% in the quarter and 8.4%

through the first six months. That tells us the Digital model is still producing growth across the rest of the portfolio. The pressure remains concentrated in the transition at our largest partner.

"That transition has required far more time and attention than we expected. We are still moving eligible items from the legacy environment, verifying that migrated items are live and transacting, restoring items that did not transition cleanly or later became unavailable, and correcting pricing or content that makes an item uncompetitive. There is no value in calling an item migrated if a chef cannot find it, buy it, and receive it. That is the standard we are applying.

"We previously believed we were nearing the end of the most disruptive phase, and the work has taken longer than expected. We will not declare the transition complete based on a checklist. We will call it complete when the items are live, competitively positioned and selling. As that burden diminishes, the employees now focused on repair can devote more of their attention to new vendors, new items and additional points of distribution.

"National Distribution also requires context. We entered the second half of 2025 with two airline-catering customers: a longstanding major relationship and a developing relationship. A new market entrant increased its activity in the second half of 2025 and began winning individual product programs from both customers. At the developing customer, the business eroded over several quarters and we ultimately lost the remaining relationship late in Q2. Because the loss occurred late in the quarter, only part of the impact is reflected in Q2, and the comparison headwind will remain until we lap the loss or replace the volume.

"The story at our longstanding major airline-catering customer is different. We lost specific programs during the initial competitive disruption, but we have not experienced further material erosion since then. We also won new business that has partially offset the prior losses. The relationship remains active and important, and our team continues to pursue additional opportunities with that customer.

"Following the loss of the developing customer, National Distribution is too concentrated. We are actively recruiting a Director of National Sales to build a broader pipeline across airline catering, other national catering relationships, food manufacturers, retailers, bakeries and other accounts capable of supporting meaningful volume. We have been disciplined on expenses, but this is an area where we are willing to invest. A national account can create value beyond its own revenue by improving purchasing scale, warehouse utilization and the assortment we can sell through Local and Digital channels.

"Local Distribution remains below prior-year levels, but the year-over-year decline moderated from approximately 31% in Q1 to 24% in Q2. That is not growth, and we are not presenting it as a recovery. It does, however, show that the rate of decline is improving as we overlap prior customer attrition and rebuild the account base. We expect the comparisons to continue improving if service levels remain consistent and new-account activity converts to recurring business. Our objective is to put Local back in a position to grow as we move toward year-end.

"Chicago and Denver are more than Local Distribution businesses; they are operating assets for the entire IVFH platform. Through the first six months of 2026, approximately $6.8 million—roughly half of Digital revenue—was supported by product supplied through our Chicago operation. Those sales are reported in Digital Channels, not Local Distribution, but they would not exist in the same way without the physical inventory, food-safety capabilities and fulfillment infrastructure in Chicago.

"Denver is beginning to play a similar cross-channel role. At June 30, 258 Denver-sourced items had been added to Digital channels, and 19 had generated sales. By early August, that number had increased to 72, or approximately 28% of the listed assortment. The dollar contribution is still small, and not every Denver product or pack size is appropriate for parcel-based drop-shipping. Even so, the increase in transacting items is an early proof point that we can use the Denver assortment and fulfillment footprint more broadly across the platform.

"IVFH is neither simply a technology platform nor simply a warehouse business. The value comes from combining the two: specialty-food relationships and physical distribution capabilities connected to national Digital channels. The more effectively we connect those assets, the more opportunities we have to generate revenue without building an entirely new infrastructure.

"Financially, we are in a better position than we were at year-end. Cash and cash equivalents increased to $1.8 million from $927 thousand, net cash provided by operating activities was $375 thousand compared with a $402 thousand use of cash last year, current liabilities declined to approximately $3.5 million and stockholders' equity increased to approximately $8.5 million. This is a better position, not an abundant one, and we will continue to manage cash and working capital carefully.

"The Company is also simpler. The Pennsylvania facility has been sold, the associated debt has been repaid, and fewer legacy activities and restructuring matters compete for management attention. That does not replace the revenue we lost, but it gives us a cleaner operating base and allows us to spend more time on customers, items, service and growth.

"The good is not yet outweighing the bad in the reported revenue line. But the bad is increasingly identifiable and finite: one major Digital transition, one developing National customer loss, specific competitive program losses and prior Local customer attrition. The good is coming from multiple places: growth across the rest of Digital, new business within our remaining airline relationship, improving Local comparisons, expanding cross-channel use of Chicago and Denver, and a stronger balance sheet. Our job now is to finish the work, convert those leading indicators into recurring revenue and protect the cash improvement we have achieved."

About Innovative Food Holdings, Inc.
At IVFH, we help make meals special. We provide access to foods that are hard to find, have a compelling story, or are at the forefront of food trends. Our gourmet foods marketplace connects the variety of artisan food makers with professional chefs nationwide. We curate the assortment the experience and tech-enabled tools that help professional chefs create unforgettable experiences for their guests. Additional information is available at [www.ivfh.com.](http://www.ivfh.com)

Forward-Looking Statements
This release contains certain forward-looking statements and information relating to the Company that are based on the current beliefs of the Company's management, as well as assumptions made by, and information currently available to, the Company. Such statements, including those related to the Company's growth plans, reflect the current views of the Company with respect to future events and are subject to certain assumptions, including those described in this release. Should one or more of these underlying assumptions prove incorrect, actual results may vary materially from those described herein, which include words such as "should," "could," "will," "anticipate," "believe," "intend," "plan," "might," "potentially," "targeting," or "expect," or similar expressions. Additional factors that could also cause actual results to differ materially relate to current conditions and expected future developments, international crises, environmental and economic issues and other risk factors described in the Company's public filings. As a result, readers are cautioned not to place undue reliance on these forward-looking statements and should understand that these statements are not guarantees of performance or results and that there are a number of risks, uncertainties and other important factors, many of which are beyond the Company's control, that could cause the Company's actual results to differ materially from those expressed in these statements, including, among others: economic factors affecting consumer confidence and discretionary spending; cost inflation/deflation and commodity volatility; competition; reliance on third party suppliers and interruption of product supply or increases in product costs; and changes in the Company's relationships with vendors and customers. The Company does not intend to update these forward-looking statements.

For a detailed discussion of these risks, uncertainties and other factors that could cause the Company's actual results to differ materially from those anticipated or expressed in any forward-looking statements, see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission ("SEC"). Additional risks and uncertainties are discussed from time to time in current, quarterly and annual reports filed by the Company with the SEC, which are available on the SEC's website at https://www.sec.gov/.

(As Reported)
Innovative Food Holdings, Inc.
Consolidated Balance Sheets

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,820,127	$ 927,468
Cash, restricted	-	507,517
Accounts receivable, net of allowance for doubtful accounts of $259,446 and $218,319, respectively	5,301,528	5,300,190
Inventory, net	2,893,036	3,473,604
Other current assets	63,505	144,143
Asset held for sale - discontinued operations	-	6,144,793
Current assets - discontinued operations	20,929	281,699
Total current assets	10,099,125	16,779,414
Property and equipment, net	1,214,231	1,273,310
Right of use assets - operating leases, net	373,416	512,389
Right of use assets - finance leases, net	16,155	205,340
Amortizable intangible assets, net	294,902	338,059
Indefinite-lived intangible assets	217,000	217,000
Other noncurrent assets	40,000	40,000
Noncurrent assets - discontinued operations	-	215,509
Total assets	$ 12,254,829	$ 19,581,021
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,013,048	$ 2,456,429
Accrued payroll	219,120	79,559
Accrued liabilities	446,440	499,811
Accrued separation costs - related parties, current portion	425,376	109,236
Stock appreciation rights liability	-	16,143
Notes payable, current portion	68,032	66,026
Lease liability - operating leases, current	302,620	285,534
Lease liability - finance leases, current	-	48,866
Current liabilities - discontinued operations	27,330	8,877,624
Total current liabilities	3,501,966	12,439,228
Note payable non-current	182,242	216,947
Accrued separation costs - related parties, non-current	-	400,000
Lease liability - operating leases, non-current	81,013	234,963
Lease liability - finance leases, non-current	-	52,683
Total liabilities	3,765,221	13,343,821
Commitments & contingencies (see note 18)		-
Stockholders' equity		
Common stock: $0.0001 par value; 500,000,000 shares authorized; 57,493,776 shares issued, and 54,649,479 shares outstanding at June 30, 2026 and December 31, 2025, respectively	5,746	5,746
Additional paid-in capital	45,695,650	45,647,902
Treasury stock: 2,644,297 shares outstanding at June 30, 2026 and December 31, 2025	(1,141,372)	(1,141,372)
Accumulated deficit	(36,070,416)	(38,275,076)
Total stockholders' equity	8,489,608	6,237,200
Total liabilities and stockholders' equity	$ 12,254,829	$ 19,581,021

(As Reported)
Innovative Food Holdings, Inc.

Consolidated Statements of Operations

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Revenue	$ 13,057,122	$ 16,637,690	$ 25,233,695	$ 31,663,705
Cost of goods sold	9,638,652	12,358,878	18,692,604	23,464,629
Gross margin	3,418,470	4,278,812	6,541,091	8,199,076
Selling, general and administrative expenses	3,023,457	3,452,242	5,795,385	7,112,050
Total operating expenses	3,023,457	3,452,242	5,795,385	7,112,050
Operating income	395,013	826,570	745,706	1,087,026
Other income (expense):				
Interest income (expense), net	(630)	(1,014)	(7,932)	(7,651)
Total other income (expense)	(630)	(1,014)	(7,932)	(7,651)
Net income before taxes	394,383	825,556	737,774	1,079,375
Income tax expense	28,391	-	28,391	-
Net income from continuing operations	$ 365,992	$ 825,556	$ 709,383	$ 1,079,375
Net income (loss) from discontinued operations	$ (1,608)	$ (767,046)	$ 1,495,277	$ (1,451,301)
Consolidated net income (loss)	$ 364,384	$ 58,510	$ 2,204,660	$ (371,926)
Net income per share from continuing operations – basic	$ 0.007	$ 0.015	$ 0.013	$ 0.020
Net income per share from continuing operations - diluted	$ 0.007	$ 0.015	$ 0.013	$ 0.020
Net income (loss) per share from discontinued operations - basic	$ (0.000)	$ (0.014)	$ 0.027	$ (0.027)
Net income (loss) per share from discontinued operations - diluted	$ (0.000)	$ (0.014)	$ 0.027	$ (0.027)
Weighted average shares outstanding - basic	54,649,479	54,785,684	54,649,479	54,376,253
Weighted average shares outstanding - diluted	54,649,479	54,785,684	54,649,479	54,376,253

(As Reported)
Innovative Food Holdings, Inc.
Consolidated Statements of Cash Flows

	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Cash flows from operating activities:		
Net income (loss)	$ 2,204,660	$ (371,926)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Gain on disposition of assets	(2,685,277)	-
Loss on extinguishment of debt	608,539	-
Depreciation and amortization	141,902	218,474
Amortization of right of use asset	138,973	123,972
Amortization of discount on notes payable	-	2,568
Stock based compensation	47,748	202,402

Change in value of stock appreciation rights	(16,143)	(227,263)
Provision for credit losses	15,530	28,310
Changes in assets and liabilities:		
Accounts receivable, net	179,316	2,094,325
Inventory, net	580,568	389,479
Other current assets	80,638	(99,711)
Accounts payable and accrued liabilities	(700,498)	(2,473,041)
Accrued separation costs - related parties	(83,860)	(166,665)
Deferred revenue	-	(3,800)
Operating lease liability	(136,864)	(119,411)
Net cash provided by (used in) operating activities	375,232	(402,287)
Cash flows from investing activities:		
Cash received from sale of land and building, net of costs	8,782,365	-
Cash paid for purchase of property and equipment	(31,183)	(208,886)
Cash received from disposition of asset	10,000	-
Net cash provided by (used in) investing activities	8,761,182	(208,886)
Cash flows from financing activities:		
Principal payments on debt	(8,809,669)	(88,654)
Principal payments on financing leases	(6,189)	(126,813)
Cash received from line of credit	-	500,000
Principal payments on line of credit	-	(500,000)
Net cash used in financing activities	(8,815,858)	(215,467)
Increase (decrease) in cash and cash equivalents, and restricted cash	320,556	(826,640)
Cash and cash equivalents, and restricted cash at beginning of period	1,520,012	2,380,195
Cash and cash equivalents, and restricted cash at end of period - continuing operations	$ 1,820,127	$ 1,520,335
Cash and cash equivalents, and restricted cash at end of period - discontinued operations	$ 20,441	$ 33,220
Cash and cash equivalents, and restricted cash at end of period	$ 1,840,568	$ 1,553,555
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 197,138	$ 409,271
Taxes	$ 28,391	$ -
Non-cash investing and financing activities:		
Issuance of common stock under compensation plans	$ -	$ 74
Issuance of common stock from common stock to be issued	$ -	$ 37
Issuance of stock for cashless exercise of options	$ -	$ 8
Capitalized interest on financing lease	$ -	$ 1,130

Innovative Food Holdings, Inc.
Reconciliation of GAAP to Non-GAAP
Measures Adjusted EBITDA Calculations
(unaudited)

	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Net Income (Loss) From Continuing Operations (GAAP)	**$365,992**	**$825,556**	**$709,383**	**$1,079,375**
Depreciation & Amortization (1)	$81,572	$67,911	$141,902	$139,660
Interest expense - net	$630	$1,014	$7,932	$7,651
Income tax provision	$28,391	$-	$28,391	$-
EBITDA (Non-GAAP) (2)	**$476,585**	**$894,481**	**$887,608**	**$1,226,686**
Adjustments:				
Separation Costs	$-	$4,231	$-	$4,231
Other Restructuring Costs	$30	$6,694	$5,784	$14,086
Stock Compensation Expense (3)	$23,141	$(186,657)	$31,605	$(24,861)
Other Legal & Transactional	$79,513	$5,788	$94,863	$97,560
Adjusted EBITDA (Non-GAAP) (4)	**$579,269**	**$724,537**	**$1,019,860**	**$1,317,702**
Adjustments:				
Depreciation	$(59,993)	$(46,333)	$(98,745)	$(96,503)
Interest expense – net	$(630)	$(1,014)	$(7,932)	$(7,651)

	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Income tax provision	$(28,391)	$-	$(28,391)	$-
Adjusted Net Income (Non-GAAP) (5)	**$490,255**	**$677,190**	**$884,792**	**$1,213,548**
Adjusted Diluted EPS (Non-GAAP)	**$0.009**	**$0.012**	**$0.016**	**$0.022**
Weighted-average diluted shares outstanding (Non-GAAP) (6)	**54,649,479**	**54,785,684**	**54,649,479**	**54,376,253**

	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Revenue (GAAP)	$13,057,122	$16,637,690	$25,233,695	$31,663,705
Gross profit (GAAP)	**$3,418,470**	**$4,278,812**	**$6,541,091**	**$8,199,076**
Inventory Reserve	$-	$-	$-	$-
Adjusted Gross profit (Non-GAAP) (7)	**$3,418,470**	**$4,278,812**	**$6,541,091**	**$8,199,076**
Adjusted Gross profit margin % (Non-GAAP)	**26.2%**	**25.7%**	**25.9%**	**25.9%**

	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Adjusted EBITDA (Non-GAAP) (4)	**$579,269**	**$724,537**	**$1,019,860**	**$1,317,702**
Interest Expense -net	$(630)	$(1,014)	$(7,932)	$(7,651)
Income Tax Expense – net	$(28,391)	$-	$(28,391)	$-
Maintenance Capital Expenditures (8)	$-	$(18,860)	$(27,339)	$(28,081)
Adjusted Free Cash Flow (Non-GAAP) (9)	**$550,248**	**$704,663**	**$956,198**	**$1,281,970**

(1) Includes non-cash depreciation and amortization charges.
(2) Earnings before interest, taxes, depreciation, and amortization
(3) Includes stock and options-based compensation and expenses.
(4) Adjusted EBITDA is a non-GAAP metric. Management believes that the presentation of Adjusted EBITDA and other non-GAAP financial measures provides useful information to investors because the information may allow investors to better evaluate ongoing business performance and certain components of the Company's results. In addition, the Company believes that the presentation of these financial measures enhances an investor's ability to make period-to-period comparisons of the Company's operating results. This information should be considered in addition to the results presented in accordance with GAAP, and should not be considered a substitute for the GAAP results.
(5) Adjusted Net Income accounts for the impact of non-core expenses including addback for one-time organizational restructuring costs, gains or losses on sale of assets or subsidiaries, tradename impairments, amortization, expense on the extinguishment of debt, and stock related expenses in both 2026 and 2025
(6) GAAP weighted average diluted shares outstanding.
(7) Adjusted Gross Profit is gross profit adjusted to remove the impact of inventory reserve adjustments or non-recurring inventory related gains or losses.
(8) Maintenance Capital Expenditures is a component of "Acquisition of property and equipment (GAAP)" on the consolidated statement of cash flows. It represents management's assumptions of capital spending to maintain the Company's current level of operations. It does not include expenditures on acquisitions (less cash acquired), nor does it include other capital expenditures made to fund growth of the current business.
(9) Adjusted Free Cash Flow is defined as Adjusted EBITDA less interest expense, income tax expense, and maintenance capital expenditures. The Company believes adjusted free cash flow is useful to investors in understanding how existing cash flow from operations before working capital changes and non-recurring items after maintenance capital expenditures (which we believe the best proxy for over time is Adjusted EBITDA less interest expense, income tax expense, and maintenance capital expenditures) is utilized as a source of growing our business. Adjusted Free Cash Flow is not a measure of cash available for discretionary expenditures since the Company has certain non-discretionary obligations that were not deducted from the measure.

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