



## Innovative Food Holdings, Inc. Reports Financial Results for Fourth Quarter and Fiscal Year of 2025

March 30, 2026

*Key Fiscal Year reported data points:*

- Revenue of \$60.7 million, +2.1% vs. 2024
- GAAP net income (loss) from continuing operations of \$2.5 million vs. \$4.2 million in 2024
- GAAP net income (loss) from continuing operations per fully diluted share of \$0.046 vs. \$0.081 in 2024
- Non-GAAP adjusted EBITDA of \$2.4 million vs. \$4.1 million in 2024.
- Subsequent Events: Final close of PA facility, full payoff of note associated with facility.

*Key Fourth Quarter data points:*

- Revenue of \$13.3 million, down 18.1% vs. Q4 2024
- GAAP net income from continuing operations of \$797 thousand vs. \$685 thousand in Q4 2024
- GAAP net income from continuing operations per fully diluted share of \$0.015 vs. \$0.013 in Q4 2024
- Non-GAAP adjusted EBITDA of \$718 thousand vs. \$1.3 million in Q4 2024

*Subsequent Event:*

- On March 6, 2026, Innovative Food Properties, LLC completed the sale of its facility at 220 Oak Hill Road in Mountain Top, Pennsylvania for \$9.225 million. After Transaction-related fees, all sales proceeds were used to fully pay off the Maple Mark bank loan, and this resulted in net cash proceeds after payoff of \$124,126. The transaction further simplified the Company's balance sheet and improved financial flexibility. The 10-K already identified the Mountain Top property as held for sale, encumbered under the Maple Mark term loan, and under an agreement to sell for \$9.225 million.

BROADVIEW, Ill., March 30, 2026 (GLOBE NEWSWIRE) -- Innovative Food Holdings, Inc. (OTCQB: IVFH) ("IVFH" or the "Company"), a national seller of gourmet specialty foods to professional chefs, today reported financial results for the fourth quarter and fiscal year ended December 31, 2025. For fiscal 2025, revenue increased 2.1% to \$60.7 million compared to \$59.4 million in 2024. Gross margin improved to 25.8% from 25.3% in the prior year. Digital Channels represented 54.0% of full-year revenue, National Distribution represented 21.3%, and Local Distribution represented 25.1%. In the fourth quarter of 2025, revenue declined 18.1% versus the prior-year quarter, with Digital Channels down 13.4%, National Distribution down 14.1%, and Local Distribution down 32.3%. The quarter reflected pressure across all three channels. While a significant amount of this pressure relates to ongoing headwinds, there are also a few items that affect comparability, which are discussed below. GAAP net income from continuing operations was \$797 thousand compared to \$685 thousand in the prior-year quarter, while non-GAAP adjusted EBITDA declined to \$718 thousand from \$1.3 million.

Gary Schubert, Chief Executive Officer of IVFH, remarked, "2025 reflected a period of operational assessment and repositioning for IVFH. As we worked across multiple channels and operating initiatives, it became clear where our systems, processes, and operating disciplines needed to improve to support growth with greater consistency, speed, and visibility. While our fourth quarter results reflected those challenges, they also sharpened our priorities and accelerated the actions now underway across the business. The opportunity in front of us remains real. We have meaningful customer relationships, a differentiated platform, and a much clearer understanding of what must be fixed and modernized. With that context, our operating focus is centered on the areas we believe have the greatest potential to improve transactability, reliability, and long-term scalability across the platform."

"In Digital, our focus is on generating more transacting items across all eligible points of distribution, with greater selling frequency over time. We continue to develop and validate these operating metrics to ensure accuracy, consistency, and relevance to commercial performance prior to public reporting. Management's focus in Digital is centered on the operational drivers of performance, including vendor onboarding, new transactable SKU introductions, point-of-distribution expansion, and item lifecycle management. The AI-enabled HUB, which soft launched in mid-January and officially launched in mid-February, has already improved workflow speed, first-time accuracy, and overall throughput in new item and new vendor setup. While

this work will take time to convert fully into financial results, we believe it positions the business to become more scalable, more competitive, and more reliable over time.

“National Distribution was successfully relocated from Pennsylvania to Chicago, and while integration challenges created temporary disruption across invoicing and collections in Q4, the move also brought greater visibility into service execution and further aligned the business around our continuing operations. We experienced some sales impact from the loss of certain legacy Pennsylvania capabilities that did not continue after the move. In addition, we lost menu items to competition, not just through the normal airline-menu cycle where items come off menu as offerings change. We remain exposed to both dynamics: one is inherent to the channel, while the other reflects competitive demand trends that we must address directly. We are taking steps to improve our product and fulfillment cost structure, reinforce our value proposition, tighten execution, improve reliability, and continue building a Chicago-based platform that is easier to scale and better aligned with the business we intend to operate going forward.

“In Local Distribution, the commercial challenges and customer attrition that began in early 2025 and compounded through the year have begun to stabilize, with new leadership now in place in both Chicago and Denver. The teams remain focused on stabilizing operations, improving service execution, rebuilding trust, reacquiring lost customers, and creating new customer relationships. Beyond local commercial sales, these operations also serve an important broader role in supporting fulfillment across both our Digital and National channels. Chicago already supports those channels in a meaningful way, and it has taken time to begin leveraging Denver similarly. We were pleased to successfully ship our first Digital-channel orders from Denver in mid-February. Only a small number of items are currently listed, but we plan to expand that assortment substantially in Q2. That is an important early step in proving the viability of the Denver operation within our broader platform.”

Mr. Schubert continued, “Entering 2026, our priorities are centered on operational stabilization, systems modernization, and execution discipline. We are focused on getting this right—rebuilding the foundation so the business can operate with greater speed, reliability, and scalability. Our biggest challenge and our biggest opportunity lie in technology and process reliability. In the fourth quarter of 2025, we committed to a modernization path that begins with modernizing our ERP and extends into the operating disciplines that sit around it, including pricing governance, item setup, vendor onboarding, and end-to-end order flow. This work is necessary to support the business we have today, not the business we had years ago, and it will take time.

“We will continue to pursue growth opportunities, but we will do so selectively. Growth must be operationally supportable, strategically aligned, and capital disciplined. We are not focused on expanding into entirely new channels or businesses at this stage. Our immediate focus is stabilizing the core platform and modernizing the operating engine so that we can absorb growth rather than be disrupted by it.”

“One of our key objectives in 2026 is to improve liquidity and build a more durable cash reserve. As of December 31, 2025, unrestricted cash was approximately \$927 thousand. Subsequent to year-end, we completed the sale of our Mountain Top, Pennsylvania facility, repaid the outstanding MapleMark Bank loan and interest in full, and further simplified the balance sheet. That transaction removed a non-core asset, eliminated the associated debt, released restricted cash, and meaningfully improved our financial flexibility as we focus on stabilization, modernization, and disciplined execution. Success in 2026 will not be defined only by revenue growth. It will also be defined by stronger operating discipline, improved liquidity, better systems alignment, and measurable progress against our modernization roadmap. Our objective is to build a more scalable, more disciplined, and more resilient IVFH. If we do that well, better financial outcomes will follow.”

#### **Conference Call**

The Company will host an investor conference call on April 1, 2026, at 4:00 PM Eastern Time to review the Company's fourth quarter and full fiscal year results for the period ended December 31, 2025. Following the prepared remarks, there will be a Q&A session addressing questions submitted in advance. All interested parties are welcome to join the call via web or telephone. Meeting details are as follows:

Join Zoom Meeting

<https://us06web.zoom.us/j/82660754171?pwd=F1EOT23LkiPcrH3dB0irUZkJ9UPPWG.1>

Meeting ID: 826 6075 4171

Passcode: 254779

One tap mobile [+13052241968.82660754171#](tel:+13052241968.82660754171#.)....\*254779# US

#### **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 on the forefront of food trends. Our gourmet foods marketplace connects the world's best artisan food makers with top professional chefs nationwide. We curate the assortment, experience, and tech enabled tools that help our 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, 2024 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

December 31, December 31,

|  | <u>2025</u>          | <u>2024</u>          |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and cash equivalents  | \$ 927,468           | \$ 1,278,088         |
| Cash, restricted   | 507,517              | 859,781              |
| Accounts receivable, net   | 5,300,190            | 5,862,445            |
| Inventory, net   | 3,473,604            | 3,508,488            |
| Other current assets   | 144,143              | 235,125              |
| Asset held for sale - discontinued operations  | 6,144,793            | 5,941,933            |
| Other current assets - discontinued operations   | 281,699              | 6,204,514            |
| Total current assets   | <u>16,779,414</u>    | <u>23,890,374</u>    |
| Property and equipment, net  | 1,273,310            | 1,271,811            |
| Right of use assets - operating leases, net  | 512,389              | 705,476              |
| Right of use assets - finance leases, net  | 205,340              | 83,348               |
| Amortizable intangible assets, net   | 338,059              | 424,372              |
| Indefinite-lived intangible assets   | 217,000              | 217,000              |
| Other noncurrent assets  | 40,000               | -                    |
| Noncurrent assets - discontinued operations  | 215,509              | 753,992              |
| Total assets   | <u>\$ 19,581,021</u> | <u>\$ 27,346,373</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                      |                      |
| Current liabilities  |                      |                      |
| Accounts payable and accrued liabilities   | \$ 3,035,799         | \$ 4,436,042         |
| Accrued separation costs - related parties, current portion  | 109,236              | 334,532              |
| Accrued interest   | -                    | 18,866               |
| Stock appreciation rights liability  | 16,143               | 1,353,150            |
| Notes payable, current portion   | 66,026               | 82,191               |
| Lease liability - operating leases, current  | 285,534              | 239,660              |
| Lease liability - finance leases, current  | 48,866               | 60,519               |
| Contingent liability, current  | -                    | 54,430               |
| Current liabilities - discontinued operations  | 8,877,624            | 2,834,800            |
| Total current liabilities  | <u>12,439,228</u>    | <u>9,414,190</u>     |
| Note payable non-current, net of discount  | 216,947              | 282,793              |
| Accrued separation costs - related parties, non-current  | 400,000              | 457,692              |
| Lease liability - operating leases, non-current  | 234,963              | 467,569              |
| Lease liability - finance leases, non-current  | 52,683               | 139,591              |
| Noncurrent liabilities - discontinued operations   | -                    | 8,409,881            |
| Total liabilities  | <u>13,343,821</u>    | <u>19,171,716</u>    |
| Commitments & Contingencies (see note 23)  | -                    | -                    |
| Stockholders' equity   |                      |                      |
| Common stock: \$0.0001 par value; 500,000,000 shares authorized; 57,493,776 and 56,009,032 shares issued, and 54,649,479 and 53,164,735 shares outstanding at December 31, 2025 and 2024, respectively | 5,746                | 5,598                |
| Common stock to be issued; 0 and 738,032 shares at December 31, 2025 and 2024, respectively  | -                    | 74                   |
| Additional paid-in capital   | 45,647,902           | 45,520,121           |
| Treasury stock: 2,644,297 shares outstanding at December 31, 2025 and 2024   | (1,141,372)          | (1,141,372)          |
| Accumulated deficit  | (38,275,076)         | (36,209,764)         |
| Total stockholders' equity   | <u>6,237,200</u>     | <u>8,174,657</u>     |
| Total liabilities and stockholders' equity   | <u>\$ 19,581,021</u> | <u>\$ 27,346,373</u> |

**(As Reported)**  
**Innovative Food Holdings, Inc.**  
**Consolidated Statements of Operations**

**For the**  
**Year Ended**  
**December 31,**

**For the**  
**Year Ended**  
**December 31,**

|  | <u>2025</u>               | <u>2024</u>                |
|--|---------------------------|----------------------------|
| Revenue  | \$ 60,678,166             | \$ 59,448,427              |
| Cost of goods sold   | 45,049,103                | 44,427,644                 |
| Gross margin   | <u>15,629,063</u>         | <u>15,020,783</u>          |
| Selling, general and administrative expenses                       | 13,074,222                | 13,748,613                 |
| Total operating expenses   | <u>13,074,222</u>         | <u>13,748,613</u>          |
| Operating income (loss)  | 2,635,628                 | 1,272,170                  |
| Other income (expense):  |                           |                            |
| Interest income (expense), net                                     | (30,306)                  | 41,530                     |
| Gain on sale of assets   | -                         | 2,816,616                  |
| Gain on sale of subsidiary   | -                         | 21,126                     |
| Other leasing income   | 2,512                     | -                          |
| Total other income (expense)                                       | <u>(27,794)</u>           | <u>2,879,272</u>           |
| Net income before taxes  | 2,607,834                 | 4,151,442                  |
| Income tax expense   | 80,787                    | -                          |
| Net income from continuing operations                              | <u>\$ 2,527,047</u>       | <u>\$ 4,151,442</u>        |
| Net income (loss) from discontinued operations                     | <u>\$ (4,592,359)</u>     | <u>\$ (1,539,928)</u>      |
| Consolidated net income (loss)                                     | <u><u>(2,065,312)</u></u> | <u><u>\$ 2,611,514</u></u> |
| Net income per share from continuing operations - basic            | <u>\$ 0.046</u>           | <u>\$ 0.082</u>            |
| Net income per share from continuing operations - diluted          | <u>\$ 0.046</u>           | <u>\$ 0.081</u>            |
| Net income (loss) per share from discontinued operations - basic   | <u>\$ (0.084)</u>         | <u>\$ (0.030)</u>          |
| Net income (loss) per share from discontinued operations - diluted | <u>\$ (0.084)</u>         | <u>\$ (0.030)</u>          |
| Weighted average shares outstanding - basic                        | <u>54,582,651</u>         | <u>50,563,992</u>          |
| Weighted average shares outstanding - diluted                      | <u>54,582,651</u>         | <u>51,315,879</u>          |

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

|  | <u>For the<br/>Year Ended<br/>December 31,<br/>2025</u> | <u>For the<br/>Year Ended<br/>December 31,<br/>2024</u> |
|--|---|---|
| Cash flows used in operating activities:   |   |   |
| Net income (loss)  | \$ (2,065,312)  | \$ 2,611,514  |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: |   |   |
| (Gain) loss on disposition of assets   | 106,591   | (2,816,616)   |
| Gain on sale of subsidiaries   | -   | (21,126)  |
| Depreciation and amortization  | 377,550   | 273,084   |
| Amortization of right of use asset   | 253,041   | 54,609  |
| Amortization of discount on notes payable  | 31,046  | 5,136   |
| Stock based compensation   | 404,032   | 437,339   |
| Gain on derecognition of note payable and accrued interest                           | (39,154)  | -   |
| Change in value of stock appreciation rights   | (1,337,007)   | 1,098,130   |
| Inventory valuation adjustment associated with facility closure                      | 1,486,893   | -   |
| Provision for credit losses  | 124,831   | 4,599   |

|  |                     |                     |
|--|---------------------|---------------------|
| Changes in assets and liabilities:   |                     |                     |
| Accounts receivable, net   | 3,417,539           | (3,826,006)         |
| Inventory, net   | 1,329,991           | (1,977,195)         |
| Other current assets   | (64,730)            | 41,002              |
| Accounts payable and accrued liabilities   | (3,515,394)         | (850,125)           |
| Accrued separation costs - related parties   | (282,988)           | (462,713)           |
| Deferred revenue   | (7,600)             | (790,769)           |
| Operating lease liability  | (246,686)           | (52,856)            |
| Net cash used in operating activities  | <u>(27,357)</u>     | <u>(6,271,993)</u>  |
| Cash flows from investing activities:  |                     |                     |
| Cash paid for acquisition of Golden Organics   | -                   | (1,231,379)         |
| Cash received in acquisition of Loco Foods   | -                   | 42,000              |
| Cash paid for purchase of property and equipment                                       | (242,322)           | (316,567)           |
| Cash received from disposition of equipment  | 54,500              | -                   |
| Cash received from disposition of building, net of loan payoff                         | -                   | 2,101,185           |
| Cash received from disposition of intangible assets, net of costs                      | -                   | 617,000             |
| Net cash provided by (used in) investing activities                                    | <u>(187,822)</u>    | <u>1,212,239</u>    |
| Cash flows from financing activities:  |                     |                     |
| Cash received from sale of common stock, net of costs                                  | -                   | 3,250,000           |
| Payment for taxes related to net share settlement of equity awards, net                | (276,177)           | (908,484)           |
| Principal payments on debt   | (180,143)           | (95,546)            |
| Principal payments on financing leases   | (188,684)           | (228,356)           |
| Cash received from line of credit  | 500,000             | -                   |
| Principal payments on line of credit   | (500,000)           | -                   |
| Net cash provided by (used in) financing activities                                    | <u>(645,004)</u>    | <u>2,017,614</u>    |
| Decrease in cash, cash equivalents, and restricted cash                                | (860,183)           | (3,042,140)         |
| Cash, cash equivalents, and restricted cash at beginning of period                     | <u>2,380,195</u>    | <u>5,422,335</u>    |
| Cash, cash equivalents, and restricted cash at end of period - continuing operations   | \$ 1,434,985        | \$ 2,137,869        |
| Cash, cash equivalents, and restricted cash at end of period - discontinued operations | \$ 85,027           | \$ 242,326          |
| Cash, cash equivalents, and restricted cash at end of period                           | <u>\$ 1,520,012</u> | <u>\$ 2,380,195</u> |
|  | -                   | -                   |
| Supplemental disclosure of cash flow information:                                      | -                   | -                   |
| Cash paid during the period for:   |                     |                     |
| Interest   | \$ 816,086          | \$ 896,709          |
| Taxes  | \$ 80,787           | \$ -                |
| Non-cash investing and financing activities:   |                     |                     |
| Reclassify fixed assets as held for sale   | \$ -                | \$ 5,941,933        |
| Principal and accrued interest paid from escrow to Maple Mark Bank                     | \$ -                | \$ 353,815          |
| Issuance of common stock under compensation plans                                      | \$ 140              | \$ -                |
| Issuance of common stock from common stock to be issued                                | \$ 74               | \$ -                |
| Issuance of stock for cashless exercise of options                                     | \$ 8                | \$ 2                |
| Capitalized interest on financing lease  | \$ 2,845            | \$ -                |

**InnovativeFoodHoldings, Inc.**  
**Reconciliation of GAAP to Non-GAAP Measures Adjusted EBITDA Calculations**  
(unaudited)

|  | <b>Q4 2025</b>   | <b>Q4 2024</b>   | <b>2025 YTD</b>    | <b>2024 YTD</b>    |
|--|------------------|------------------|--------------------|--------------------|
| <b>Net Income (Loss) From Continuing Operations (GAAP)</b> | <b>797,073</b>   | <b>685,022</b>   | <b>\$2,527,047</b> | <b>\$4,151,442</b> |
| Depreciation & Amortization (1)                            | \$41,511         | \$38,101         | 253,726            | \$114,866          |
| Interest expense - net                                     | \$37,929         | \$(27,996)       | 30,306             | \$(41,430)         |
| Income tax provision                                       | \$-              | \$-              | \$80,987           | \$-                |
| <b>EBITDA (Non-GAAP) (2)</b>                               | <b>\$876,513</b> | <b>\$695,127</b> | <b>\$2,892,066</b> | <b>\$4,224,878</b> |
| <i>Adjustments:</i>  |                  |                  |                    |                    |
| Separation Costs   | \$-              | \$60,000         | \$178,231          | \$60,000           |
| Other Restructuring Costs                                  | \$35,467         | \$-              | \$50,701           | \$55,800           |

|   |                   |                     |                     |                     |
|---|-------------------|---------------------|---------------------|---------------------|
| Stock Compensation Expense (3)                                    | \$ (216,992)      | \$ 679,478          | \$ (932,975)        | \$ 1,469,412        |
| Legal Fees - JIT Lawsuit  | \$-               | \$-                 | \$-                 | \$ (33,938)         |
| Gain on Sale of Subsidiaries                                      | \$-               | \$-                 | \$-                 | \$ (21,126)         |
| Other Legal & Transactional                                       | \$ 23,088         | \$ 44,096           | \$ 245,647          | \$ 143,737          |
| Commission on Sale of Asset                                       | \$-               | \$-                 | \$-                 | \$ 147,300          |
| Gain on sale of assets  | \$-               | \$ (174,637)        | \$-                 | \$ (1,982,153)      |
| <b>Adjusted EBITDA (Non-GAAP) (4)</b>                             | <b>\$ 718,075</b> | <b>\$ 1,304,064</b> | <b>\$ 2,433,670</b> | <b>\$ 4,063,910</b> |
| <i>Adjustments:</i>   |                   |                     | \$                  | \$-                 |
| Depreciation  | \$ (20,738)       | \$ (30,908)         | \$ (167,413)        | \$ (107,673)        |
| Interest expense - net  | \$ (37,929)       | \$ 27,996           | \$ (30,306)         | \$ 41,430           |
| Income tax provision  | \$-               | \$-                 | \$ (80,987)         | \$-                 |
| <b>Adjusted Net Income (Non-GAAP) (5)</b>                         | <b>\$ 659,408</b> | <b>\$ 1,301,152</b> | <b>\$ 2,154,964</b> | <b>\$ 3,997,667</b> |
| <b>Adjusted Diluted EPS (Non-GAAP)</b>                            | <b>\$ 0.012</b>   | <b>\$ 0.025</b>     | <b>\$ 0.039</b>     | <b>\$ 0.078</b>     |
| <b>Weighted-average diluted shares outstanding (Non-GAAP) (6)</b> | <b>54,785,684</b> | <b>51,833,213</b>   | <b>54,582,651</b>   | <b>51,315,879</b>   |

|  | <b>Q4 2025</b>      | <b>Q4 2024</b>      | <b>2025 YTD Q3</b>   | <b>2024 YTD Q3</b>   |
|--|---------------------|---------------------|----------------------|----------------------|
| Revenue (GAAP)                                   | \$ 13,337,563       | \$ 16,284,290       | \$ 60,678,166        | \$ 59,448,427        |
| <b>Gross profit (GAAP)</b>                       | <b>3,573,708</b>    | <b>4,015,081</b>    | <b>15,629,063</b>    | <b>15,020,783</b>    |
| Inventory Reserve                                | \$-                 | \$-                 | \$-                  | \$-                  |
| <b>Adjusted Gross profit (Non-GAAP) (7)</b>      | <b>\$ 3,573,708</b> | <b>\$ 4,015,081</b> | <b>\$ 15,629,063</b> | <b>\$ 15,020,783</b> |
| <b>Adjusted Gross profit margin % (Non-GAAP)</b> | <b>26.8%</b>        | <b>24.7%</b>        | <b>25.8%</b>         | <b>25.3%</b>         |

|   | <b>Q4 2025</b>    | <b>Q4 2024</b>      | <b>2025 YTD Q3</b>  | <b>2024 YTD Q3</b>  |
|---|-------------------|---------------------|---------------------|---------------------|
| <b>Adjusted EBITDA (Non-GAAP) (4)</b>         | <b>\$ 718,075</b> | <b>\$ 1,304,064</b> | <b>\$ 2,438,879</b> | <b>\$ 4,063,910</b> |
| Interest Expense -net                         | \$ (37,929)       | \$ 27,996           | \$ (30,306)         | \$ 41,430           |
| Income Tax Expense - net                      | \$-               | \$-                 | \$ (80,987)         | \$-                 |
| Maintenance Capital Expenditures (8)          | \$-               | \$ (3,404)          | \$ (29,317)         | \$ (10,773)         |
| <b>Adjusted Free Cash Flow (Non-GAAP) (9)</b> | <b>\$ 680,146</b> | <b>\$ 1,328,656</b> | <b>\$ 2,293,060</b> | <b>\$ 4,094,567</b> |

(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 restructure expenses, gains or losses on sale of assets or subsidiaries, tradename impairments, amortization expense, expense on the extinguishment of debt, and stock related expenses in both 2024 and 2023

(6) GAAP weighted average 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.