

Cardiff Lexington Corp. (CDIX)

Acquires Nova Ortho and Spine, LLC.

June, 04 2021

FT. LAUDERDALE, FL / ACCESSWIRE / June 4, 2021 /Cardiff Lexington Corporation (OTC PINK:CDIX) and Nova Ortho and Spine, LLC in Ft. Pierce, FL announced today that Cardiff Lexington has acquired Nova Ortho and Spine as a wholly-owned subsidiary of Cardiff Lexington. This acquisition serves as the initial foundation for Cardiff Lexington's HealthCare Division and is the culmination of many months of negotiations by Management and Board of Directors to acquire the ideal partner as the keystone to build upon in order to implement the Company's growth strategies within the healthcare sector.

Nova Ortho and Spine, LLC, its management, and employees are committed to the continued growth and expansion of the Company throughout Florida and neighboring states. No operational changes are planned, and current ownership will remain in place under a ten (10) year Management Agreement. The subsidiary will serve as an acquisition platform to integrate complementary healthcare service providers in neighboring markets and ancillary service providers (chiropractic, physical therapy, imaging, etc.) as we meet rapidly expanding opportunities.

The transaction was a stock purchase that included all assets of Nova Ortho and Spine, LLC. Sellers received a cash payment in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) and were issued 894,834 shares of Series J Preferred Stock of the Company with an aggregate stated value equal to Three Million Five Hundred Seventy-Nine Thousand Three Hundred and Thirty-Four Dollars (\$3,579,334.00) for a total transaction of six million seventy-nine thousand and three Hundred and Thirty-Four Dollars \$6,079,334.00). The parties further agreed to performance based contingent supplement payment to Sellers in 2022 should one year from the closing date the Company's trailing twelve months minimum Pre-Tax Net Income exceed One Million Nine Hundred Seventy-Nine Thousand Three Hundred Twenty Dollars (\$1,979,320.00), the "Milestone", which in that event would cause the issuance to Sellers of 818,750 additional shares of Preferred J Stock, with an aggregate stated value equal to Three Million Two Hundred Seventy-Five Thousand Dollars (\$3,275,000.00). All Preferred J shares issued to Sellers are subject to a 5-year Lock Up / Leak Out Agreement.

Leonite Capital and an affiliated institutional investor provided a capital investment into Cardiff Lexington Series N Preferred Stock of Three Million Four Hundred Seventy-Two Thousand Two Hundred and Twenty-Two Dollars (\$3,472,222.00) which facilitated Cardiff Lexington's cash payment portion of the acquisition to the Sellers.

About Nova Ortho and Spine, LLC

Nova Ortho and Spine, PLLC provides traumatic injury victims with primary care evaluations, interventional pain management, and specialty consultation services. The Company is a highly efficient provider of Emergency Medical Condition assessments. The service model is designed to promote referral relationships, facilitate patient access, and coordinate administration. As EMC providers and early stage continued care providers, Nova has superior access to patient information to determine the validity of each case and manage cases appropriately.

Nova brings to Cardiff Lexington an experienced management team with 25+ years' experience operating primary, specialty and ancillary care facilities. They currently operate seven regional offices well positioned in population centers through Florida. The Company has 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. Management estimates the seven locations, most of which were opened in the last twenty-four months, are operating at 35% capacity.

Nova provides primary care evaluation and management as well as specialty care and interventions (orthopedics, neurosurgery, and pain management) to approximately 100-150 patients per month at seven office locations. Patients are primarily referred through a growing network of professional service providers such as other physicians, physical therapy and chiropractic care providers. Revenue is primarily provided by bodily injury policies, general liability policies, and personal injury protection policies, which insulates the business from the declining reimbursement programs paid from or correlated to Medicare/ Medicaid and traditional health insurance companies.

"We are very excited to join forces with Dr. Marc Brodsky, MD and his partners, as together they form the cornerstone as an exceptional team poised to help lead the growth and expansion of our Healthcare division; we plan to acquire several other strategic medical surgery pain management practices throughout Florida and other southeastern states over the next 6 to 18 months," stated Alex H. Cunningham, Cardiff Lexington CEO. We greatly appreciate Leonite Capital's management's ongoing support and the contribution by their affiliated institutional investor. " Dr. Marc Brodsky of Nova responded: "We believe Cardiff Lexington is uniquely suited to accelerate and expand our growth strategies providing a unique and compelling platform for strategic alliances. We are very impressed by the current management team, their vision, and the specific additions within the healthcare segment that Alex and his team are working to bringing on board. At Nova Ortho and Spine we expect sustained 30% growth internally, complemented by synergies and new opportunities derived from future complementary acquisitions within Cardiff Lexington's Healthcare Division.

Cardiff Lexington's acquisition strategy is driven by structure, transaction value, alignment, resources and return on investment. Management targets acquisition of middle market private niche healthcare and financial services companies with high growth potential. The Cardiff Lexington umbrella enables business owners to exit personal equity and to take advantage of the capitalization power of a public company to drive growth and expansion. Fundamental to the Cardiff Lexington strategy, acquisitions become standalone subsidiaries gaining advantage of the power of a public company. Owners gain liquidity, diversification, pooled resources, leverage value, and mitigated risk. As a Cardiff Lexington subsidiary these companies gain seasoned management support and the enhanced ability to raise money for operations or expansion while also establishing a longer-term equity exit strategy.

For Investors, Cardiff Lexington seeks to aggressively grow and hold assets creating a diversified lower risk environment that over the long term protects and enhances investment through a diversified continually growing niche holding company.

About Cardiff Lexington Corporation: Cardiff Lexington employs a "Buy and Build" acquisition and value creation strategy targeting acquisition of middle market private niche financial services and healthcare companies and real estate with synergies leveraging data and resources across similar target markets. The Company is a diversified healthcare and financial services holding company historically focusing on tax, debt, and real estate sectors. The Company is implementing their buy and build strategy leveraging proven management in private companies that become subsidiaries. Cardiff Lexington targets acquisitions of mature, high-growth, niche companies. Cardiff Lexington's strategy identifies and empowers select income-producing middle market private businesses and commercial real estate properties. Cardiff Lexington provides these companies both 1) the enhanced ability to raise money for operations or expansion, 2) an equity exit and liquidity strategy for the owner, heirs, and/or Investors, and 3) a proven experienced Cardiff Lexington management team to facilitate and lead growth and expansion.

Cardiff Lexington is led by strong and talented team of executives and advisors providing expert acquisition, market guidance, and added management value for subsidiaries and investors. For investors, Cardiff Lexington provides a diversified lower risk portfolio to protect and safely enhance their investment by

continually adding assets and holdings.

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 contracts, the Company's liquidity position, the Company's ability to obtain new contracts, 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.



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