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

November 12, 2026

Key third-quarter results:

- *Revenue of $12.0 million, down 23.8% from Q3 2025*
- *GAAP net loss from continuing operations of $181 thousand, compared with net income of $651 thousand in Q3 2025*
- *GAAP diluted EPS from continuing operations of $(0.003), compared with $0.012 in Q3 2025*
- *Gross margin of 23.3%, compared with 24.6% in Q3 2025*
- *Operating loss of $184 thousand, compared with operating income of $663 thousand in Q3 2025*
- *Adjusted EBITDA (Non-GAAP) of approximately $238 thousand, compared with $348 thousand in Q3 2025*

Key year-to-date results:

- *Revenue of $37.2 million, down 21.5% from the first nine months of 2025*
- *GAAP net income from continuing operations of $528 thousand, compared with $1.7 million in the first nine months of 2025*
- *GAAP diluted EPS from continuing operations of $0.010, compared with $0.032 in the first nine months of 2025*
- *Gross margin of 25.1% for the nine months ended September 30, 2026, compared with 25.5% for the nine months ended September 30, 2025*
- *Net cash provided by operating activities of $361 thousand, compared with $688 thousand used in the first nine months of 2025*
- *Cash and cash equivalents of $1.7 million at September 30, 2026, compared with $927 thousand at December 31, 2025*
- *Current liabilities of approximately $3.4 million and stockholders' equity of approximately $8.4 million at September 30, 2026, compared with $12.4 million and $6.2 million, respectively, at December 31, 2025*

BROADVIEW, Ill., Nov. 12, 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 quarter ended September 30, 2026.

Third-quarter revenue decreased 23.8% to $12.0 million from $15.7 million in the prior-year period. Digital Channels revenue decreased 23.5% to $6.4 million; National Distribution revenue decreased 30.6% to $2.3 million; and Local Distribution revenue decreased 18.6% to $3.3 million. Revenue decreased 8.5% sequentially from $13.1 million in the second quarter of 2026.

Digital Channels: Revenue decreased 23.5%, with the decline concentrated at the Company's largest Digital partner. IVFH completed the transition off the partner's retiring legacy platform in mid-August and now operates entirely on its marketplace. Some vendor items did not transfer to the marketplace, and the volume of items requiring replacement and the timing of identifying those limitations contributed to the decline. Digital revenue remained under pressure into the fourth quarter. IVFH is evaluating the drivers while replacing affected items with comparable products and adding new vendors and items.

National Distribution: Revenue decreased 30.6%, reflecting reduced business with a developing airline-catering customer and the continuing year-over-year effect of programs lost at the Company's longstanding airline-catering customer. The longstanding customer relationship remains active. Excluding the developing customer's decline, the remainder of National Distribution revenue was roughly flat year over year, and new business has partially offset earlier program losses. To broaden the customer and program base, IVFH hired a Director of National Accounts in late October and is pursuing new airline and non-airline relationships.

Local Distribution: Revenue decreased 18.6%, but the rate of decline moderated from approximately 31% in the first quarter and 24% in the second quarter. IVFH is working to extend that improvement by retaining existing customers, developing new relationships, and converting those relationships into recurring sales.

For the first nine months of 2026, revenue decreased 21.5% to $37.2 million from $47.3 million in the prior-year period. Digital Channels revenue decreased 18.3%; National Distribution revenue decreased 25.1%; and Local Distribution revenue decreased 24.7%.

Third-quarter gross margin was 23.3%, compared with 24.6% in the prior-year period, and gross profit declined to $2.8 million. Selling, general and administrative expenses decreased to $3.0 million from $3.2 million, primarily because of lower payroll and related costs and lower office, facility, and vehicle costs. Those reductions were partially offset by share-based compensation expense of approximately $229 thousand, compared with a net benefit of approximately $691 thousand in the prior-year period.

The Company reported a third-quarter operating loss of $184 thousand, compared with operating income of $663 thousand in the prior-year period. Net loss from continuing operations was $181 thousand, or $(0.003) per diluted share, compared with net income of $651 thousand, or $0.012 per diluted share. Adjusted EBITDA, a non-GAAP measure, was approximately $238 thousand, compared with $348 thousand in the prior-year period.

For the first nine months of 2026, the Company reported net income from continuing operations of $528 thousand and net cash provided by operating activities of $361 thousand, compared with net income from continuing operations of $1.7 million and $688 thousand of net cash used in operating activities in the prior-year period. At September 30, 2026, cash and cash equivalents were $1.7 million, compared with $927 thousand at December 31, 2025. Current liabilities declined to $3.4 million from $12.4 million, and stockholders' equity increased to $8.4 million from $6.2 million. These balance-sheet changes partly reflect the sale of the Pennsylvania facility and repayment of the associated debt.

Gary Schubert, Chief Executive Officer of IVFH, stated, "Our third-quarter results were below our expectations and reflect the work still ahead as we evaluate the factors affecting revenue and work to replace lost business and return to growth. Our priorities are clear: restore Digital sales following the platform transition, broaden the National Distribution customer and program base, and continue improving Local Distribution's trajectory while maintaining expense and cash-flow discipline.

"At our largest Digital partner, the transition off the retiring legacy platform is complete. We are rebuilding the affected assortment with comparable products, new vendors, and new items, and working to convert that assortment into recurring sales while continuing to evaluate the pressure on Digital revenue. In National Distribution, our new Director of National Accounts is charged with expanding the pipeline beyond the programs and customers that drove the recent decline. In Local Distribution, the rate of decline has moderated for two consecutive quarters, and our teams remain focused on retention, new relationships, and repeat business.

"We are also strengthening the operating foundation needed to support growth. These efforts continue the work we outlined in the third quarter of 2025. Erik Saterbo's employment agreement as Chief Financial Officer became effective in September. Our objectives are to strengthen finance and accounting, improve internal controls and cash management, and make transactions more efficient and easier to trace. In October, we entered into an agreement with NetSuite and began planning a broader modernization of our ERP and related architecture. The implementation scope and schedule remain to be finalized, with a planning objective of approximately 12 months.

"We reduced operating expenses, generated positive adjusted EBITDA in the third quarter, and produced positive operating cash flow through the first nine months, although we reported a net loss from continuing operations in the third quarter. We will maintain that discipline and manage working capital carefully while directing resources toward the customers, vendors, products, and capabilities that can restore revenue and build a more effective platform for sustainable growth."

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 artisan food makers with professional chefs nationwide. We curate the assortment and provide the experience and tech-enabled tools that help professional chefs create unforgettable experiences for their guests. Additional information is available at 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. If one or more of these underlying assumptions prove incorrect, actual results may differ materially from those described herein. Forward-looking statements may be identified by words such as "should," "could," "will," "anticipate," "believe," "intend," "plan," "might," "potentially," "targeting," or "expect," or similar expressions. Additional factors that could 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/.

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

	September 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,663,381	$ 927,468
Cash, restricted	-	507,517
Accounts receivable, net of allowance for credit losses of $189,884 and $218,319, respectively	4,981,264	5,300,190
Inventory, net	2,654,584	3,473,604
Other current assets	680,478	144,143
Asset held for sale - discontinued operations	-	6,144,793
Current assets - discontinued operations	18,512	281,699
Total current assets	9,998,219	16,779,414
Property and equipment, net	1,165,665	1,273,310
Right of use assets - operating leases, net	302,088	512,389
Right of use assets - finance leases, net	14,638	205,340
Amortizable intangible assets, net	273,324	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	$ 12,010,934	$ 19,581,021
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,701,601	$ 2,456,429
Accrued payroll	335,717	79,559
Accrued liabilities	570,865	499,811
Accrued separation costs - related parties, current portion	425,376	109,236
Stock appreciation rights liability	-	16,143
Notes payable, current portion	69,058	66,026
Lease liability - operating leases, current	260,318	285,534
Lease liability - finance leases, current	-	48,866
Current liabilities - discontinued operations	19,288	8,877,624
Total current liabilities	3,382,223	12,439,228
Note payable non-current	164,532	216,947
Accrued separation costs - related parties, non-current	-	400,000
Lease liability - operating leases, non-current	49,629	234,963
Lease liability - finance leases, non-current	-	52,683
Total liabilities	3,596,384	13,343,821
Commitments & contingencies (see note 18)		-
Stockholders' equity		
Common stock: $0.0001 par value; 500,000,000 shares authorized; 58,559,901 and 57,493,776 shares issued, and 55,715,604 and 54,649,479 shares outstanding at September 30, 2026 and December 31, 2025, respectively	5,853	5,746
Additional paid-in capital	45,795,786	45,647,902
Treasury stock: 2,644,297 shares outstanding at September 30, 2026 and December 31, 2025	(1,141,372)	(1,141,372)
Accumulated deficit	(36,245,717)	(38,275,076)
Total stockholders' equity	8,414,550	6,237,200
Total liabilities and stockholders' equity	$ 12,010,934	$ 19,581,021

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

	For the Three Months Ended September 30, 2026	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Revenue	$ 11,951,720	$ 15,676,898	$ 37,185,415	$ 47,340,603
Cost of goods sold	9,163,750	11,820,619	27,856,354	35,285,248

Gross margin	2,787,970	3,856,279	9,329,061	12,055,355
Selling, general and administrative expenses	2,972,067	3,192,918	8,767,452	10,304,968
Total operating expenses	2,972,067	3,192,918	8,767,452	10,304,968
Operating income (loss)	(184,097)	663,361	561,609	1,750,387
Other income (expense):				
Interest income (expense), net	2,896	(15,274)	(5,036)	(22,925)
Other leasing income	-	2,512	-	2,512
Total other income (expense)	2,896	(12,762)	(5,036)	(20,413)
Net income (loss) before taxes	(181,201)	650,599	556,573	1,729,974
Income tax expense	-	-	28,391	-
Net income (loss) from continuing operations	$ (181,201)	$ 650,599	$ 528,182	$ 1,729,974
Net income (loss) from discontinued operations	$ 5,900	$ (2,369,795)	$ 1,501,177	$ (3,821,096)
Consolidated net income (loss)	$ (175,301)	$ (1,719,196)	$ 2,029,359	$ (2,091,122)
Net income (loss) per share from continuing operations - basic	$ (0.003)	$ 0.012	$ 0.010	$ 0.032
Net income (loss) per share from continuing operations - diluted	$ (0.003)	$ 0.012	$ 0.010	$ 0.032
Net income (loss) per share from discontinued operations - basic	$ 0.000	$ (0.043)	$ 0.027	$ (0.070)
Net income (loss) per share from discontinued operations - diluted	$ 0.000	$ (0.043)	$ 0.027	$ (0.070)
Weighted average shares outstanding - basic	54,726,344	54,785,684	54,675,382	54,514,230
Weighted average shares outstanding - diluted	54,726,344	54,785,684	54,675,384	54,514,230

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

	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025
Cash flows from operating activities:		
Net income (loss)	$ 2,029,359	$ (2,091,122)
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 sale of fixed assets	-	106,591
Loss on extinguishment of debt	608,539	-
Depreciation and amortization	213,564	321,402
Amortization of right of use asset	210,302	184,426
Amortization of discount on notes payable	-	3,852
Stock based compensation	276,502	361,115
Gain on derecognition of note payable and accrued interest	-	(39,154)
Change in value of stock appreciation rights	(16,143)	(1,077,098)
Inventory valuation adjustment associated with facility closure		1,376,699
Provision for (reversal of) credit losses	(54,033)	61,831
Changes in assets and liabilities:		
Accounts receivable, net	569,142	2,837,800
Inventory, net	819,020	367,600
Other current assets	(536,334)	(114,539)
Accounts payable and accrued liabilities	(778,965)	(2,753,747)

Accrued separation costs - related parties	(83,860)	(48,221)
Deferred revenue	-	(5,700)
Operating lease liability	(210,551)	(179,329)
Net cash provided by (used in) operating activities	361,265	(687,594)
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)	(229,278)
Cash received from disposition of asset	10,000	54,500
Net cash provided by (used in) investing activities	8,761,182	(174,778)
Cash flows from financing activities:		
Payment for taxes related to shares issued for equity awards	(128,511)	-
Principal payments on debt	(8,826,354)	(132,478)
Principal payments on financing leases	(6,189)	(179,260)
Cash received from line of credit	-	500,000
Principal payments on line of credit	-	(500,000)
Net cash used in financing activities	(8,961,054)	(311,738)
Increase (decrease) in cash and cash equivalents, and restricted cash	161,393	(1,174,110)
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	$ 1,663,381	$ 1,191,839
Cash and cash equivalents, and restricted cash at end of period - discontinued operations	$ 18,024	$ 14,246
Cash and cash equivalents, and restricted cash at end of period	$ 1,681,405	$ 1,206,085
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 197,138	$ 612,293
Taxes	$ 28,391	$ -
Non-cash investing and financing activities:		
Issuance of common stock under compensation plans	$ 107	$ 82
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	-	$ 1,892

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

	Q3 2026	Q3 2025	2026 YTD	2025 YTD
Net Income (Loss) From Continuing Operations (GAAP)	**$ (181,201)**	**$ 650,599**	**$ 528,182**	**$ 1,729,974**
Depreciation & Amortization (1)	$ 71,662	$ 72,555	$ 213,564	$ 212,215
Interest expense (income), net	$ (2,896)	$ 15,274	$ 5,036	$ 22,925
Income tax provision	$ -	$ -	$ 28,391	$ -
EBITDA (Non-GAAP) (2)	**$ (112,435)**	**$ 738,428**	**$ 775,173**	**$ 1,965,114**
Adjustments:				
Separation Costs	$ -	$ 174,000	$ -	$ 178,231
Other Restructuring Costs	$ 119,111	$ 1,148	$ 124,895	$ 15,234
Stock Compensation Expense (3)	$ 228,754	$ (691,122)	$ 260,359	$ (715,983)
Other Legal & Transactional	$ 3,060	$ 125,000	$ 97,923	$ 222,560
Adjusted EBITDA (Non-GAAP) (4)	**$ 238,490**	**$ 347,454**	**$ 1,258,350**	**$ 1,665,156**
Adjustments:				
Depreciation	$ (50,084)	$ (50,977)	$ (148,829)	$ (147,480)
Interest expense (income), net	$ 2,896	$ (15,274)	$ (5,036)	$ (22,925)
Income tax provision	$ -	$ -	$ (28,391)	$ -
Adjusted Net Income (Non-GAAP) (5)	**$ 191,302**	**$ 281,204**	**$ 1,076,094**	**$ 1,494,751**
Adjusted Diluted EPS (Non-GAAP)	**$ 0.003**	**$ 0.005**	**$ 0.020**	**$ 0.027**
Weighted-average diluted shares outstanding (Non-GAAP) (6)	**54,726,344**	**54,785,684**	**54,675,384**	**54,514,230**

	Q3 2026	Q3 2025	2026 YTD	2025 YTD
Revenue (GAAP)	$ 11,951,720	$ 15,676,898	$ 37,185,415	$ 47,340,603
Gross profit (GAAP)	**$ 2,787,970**	**$ 3,856,279**	**$ 9,329,061**	**$ 12,055,355**
Inventory Reserve	$ -	$ -	$ -	$ -
Adjusted Gross Profit (Non-GAAP) (7)	**$ 2,787,970**	**$ 3,856,279**	**$ 9,329,061**	**$ 12,055,355**
Adjusted Gross Profit Margin (Non-GAAP)	**23.3%**	**24.6%**	**25.1%**	**25.5%**

	Q3 2026	Q3 2025	2026 YTD	2025 YTD
Adjusted EBITDA (Non-GAAP) (4)	**$ 238,490**	**$ 347,454**	**$ 1,258,350**	**$ 1,665,156**
Interest expense (income), net	$ 2,896	$ (15,274)	$ (5,036)	$ (22,925)
Income Tax Expense – net	$ -	$ -	$ (28,391)	$ -
Maintenance Capital Expenditures (8)	$ -	$ (1,236)	$ (27,339)	$ (29,317)
Adjusted Free Cash Flow (Non-GAAP) (9)	**$ 241,386**	**$ 330,944**	**$ 1,197,584**	**$ 1,612,914**

(1) Includes non-cash depreciation and amortization charges.

(2) Earnings before interest, taxes, depreciation, and amortization.

(3) Includes stock and options based compensation expense.

(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 adjustments for non-core items, including one-time organizational restructuring costs, gains or losses on sales of assets or subsidiaries, trade name impairments, amortization, losses on debt extinguishment, and stock-related expenses in 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 are included in "Acquisition of property and equipment (GAAP)" on the consolidated statement of cash flows. They represent management's estimate of the capital spending needed to maintain the Company's current operations and exclude acquisitions (net of cash acquired) and capital expenditures intended to fund growth.

(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 helps investors understand the cash generated by ongoing operations, before working capital changes and non-recurring items, after maintenance capital expenditures. Adjusted Free Cash Flow is not a measure of cash available for discretionary spending because it does not deduct certain nondiscretionary obligations