



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

May 20, 2026

Key First Quarter reported data points:

- Revenue of \$12.2 million, -19.0% vs. Q1 2025
- GAAP net income from continuing operations of \$343 thousand vs. \$254 thousand in Q1 2025
- GAAP net income from continuing operations per fully diluted share of \$0.006 vs. \$0.005 in Q1 2025
- Non-GAAP adjusted EBITDA of \$441 thousand vs. \$593 thousand in Q1 2025

BROADVIEW, Ill., May 20, 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 March 31, 2026. For the first quarter of 2026, revenue was \$12.2 million compared with \$15.0 million in the prior-year period. The revenue decline reflected known transition-related and competitive headwinds across Digital Channels, National Distribution, and Local Distribution. These results primarily relate to ongoing marketplace transition activity within Digital Channels, competitive pressures within National Distribution, and customer attrition within Local Distribution.

Despite the lower revenue base, the Company continued to make progress improving operational discipline and simplifying the business. Operating income increased to \$351 thousand compared with \$260 thousand in Q1 2025, while net income from continuing operations increased to \$343 thousand compared with \$254 thousand in the prior-year period. Adjusted EBITDA was \$441 thousand for Q1 2026 compared with \$593 thousand in Q1 2025. Selling, general and administrative expenses declined approximately \$888 thousand year over year, net cash used in operating activities improved significantly to \$234 thousand from an approximate outflow of \$1 million in the same period last year, and the Company materially strengthened its balance sheet following the sale of its former Pennsylvania facility.

Gary Schubert, Chief Executive Officer of IVFH, stated, "Q1 was not a revenue recovery quarter. Revenue remained under pressure across several parts of the business, and we still have meaningful work ahead of us. What we believe is important, however, is that the business is becoming operationally healthier and financially simpler. During the quarter, we reduced selling, general and administrative expenses meaningfully, improved operating income despite lower revenue, generated positive income from continuing operations, and materially strengthened the balance sheet. Those are important foundational steps as we continue rebuilding the business.

"The most significant strategic development during the quarter was the completion of the sale of our former Mountain Top, Pennsylvania facility. The transaction eliminated effectively all of the company's debt and associated interest expense of approximately \$850 thousand per year, released restricted cash, reduced balance sheet complexity, and sharpened management's focus on the continuing operations that will drive IVFH's future performance. At March 31, 2026, current liabilities declined to \$3.3 million compared with \$12.4 million at December 31, 2025, while stockholders' equity increased to \$8.1 million from \$6.2 million.

"Digital Channels remained our largest business segment, representing approximately 54.5% of first quarter revenue. Digital revenue declined year over year, primarily reflecting the ongoing transition from a legacy marketplace environment to a newer platform environment at our largest digital partner, combined with broader marketplace competitiveness. While the transition has taken longer than expected, we believe we are nearing the end of the most disruptive phase of that migration and its' continued drag on year over year comparability.

"At the same time, we are beginning to see encouraging operational improvements within Digital Channels. During Q1, we materially increased new item setup activity, supported in part by our AI-enabled HUB platform. While newly added items typically take time to build discoverability and recurring purchasing patterns, we believe improving item throughput, item maintenance, and overall marketplace uptime are important building blocks toward stabilizing and rebuilding Digital performance into the future.

"National Distribution revenue also remained under pressure during the quarter primarily due to competitive dynamics and airline menu-cycle changes. Our focus remains on the areas we can directly control: execution, fulfillment reliability, customer responsiveness, procurement discipline, and competitiveness. We believe recent operational and leadership changes have improved execution and strengthened customer relationships, and we are seeing an improving pipeline of bid opportunities as we move through 2026.

"Local Distribution remains the most challenged part of the business, although the rate of decline moderated compared with the fourth quarter of 2025. Our focus continues to be rebuilding customer confidence through service reliability, fulfillment execution, procurement discipline, and accountability. We are beginning to see early signs of stabilization, including improved operational execution and the addition of new customers, although rebuilding this segment will take time.

"Our key message for 2026 is disciplined execution and operational stabilization. We are continuing to pursue new customers, expand vendor and item relationships, improve fulfillment consistency, strengthen item maintenance workflows, and operate the business with greater accountability and efficiency. We believe the operational foundation of the business is improving, but our next challenge is converting that operational discipline into sustainable long-term 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 on the forefront of food trends. Our gourmet foods marketplace connects the variety of artisan food makers with 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.

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

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,231,164	\$ 927,468
Cash, restricted	-	507,517
Accounts receivable, net	5,303,526	5,300,190
Inventory, net	3,128,986	3,473,604
Other current assets	95,500	144,143
Asset held-for-sale - discontinued operations	-	6,144,793
Current assets - discontinued operations	<u>17,281</u>	<u>281,699</u>
Total current assets	9,776,457	16,779,414
Property and equipment, net	1,265,742	1,273,310
Right of use assets - operating leases, net	443,493	512,389
Right of use assets - finance leases, net	51,711	205,340
Amortizable intangible assets, net	316,480	338,059
Indefinite-lived intangible assets	217,000	217,000
Other noncurrent assets	40,000	40,000
Noncurrent assets - discontinued operations	-	<u>215,509</u>
Total assets	<u>\$ 12,110,883</u>	<u>\$ 19,581,021</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,824,850	\$ 3,035,799
Accrued separation costs - related parties, current portion	19,759	109,236
Stock appreciation rights liability	733	16,143
Notes payable, current portion	67,022	66,026
Lease liability - operating leases, current	294,679	285,534
Lease liability - finance leases, current	23,427	48,866
Current liabilities - discontinued operations	<u>20,771</u>	<u>8,877,624</u>
Total current liabilities	3,251,241	12,439,228
Note payable non-current, net of discount	199,633	216,947
Accrued separation costs - related parties, non-current	400,000	400,000
Lease liability - operating leases, non-current	158,659	234,963
Lease liability - finance leases, non-current	-	<u>52,683</u>
Total liabilities	4,009,533	13,343,821
Commitments & Contingencies	-	-
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 March 31, 2026 and December 31, 2025, respectively
 Additional paid-in capital
 Treasury stock: 2,644,297 shares outstanding at March 31, 2026 and December 31, 2025
 Accumulated deficit
 Total stockholders' equity

	5,746	5,746
	45,671,776	45,647,902
	(1,141,372)	(1,141,372)
	(36,434,800)	(38,275,076)
	<u>8,101,350</u>	<u>6,237,200</u>
Total liabilities and stockholders' equity	<u>\$ 12,110,883</u>	<u>\$ 19,581,021</u>

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

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Revenue	\$ 12,176,573	\$ 15,026,015
Cost of goods sold	<u>9,053,952</u>	<u>11,105,751</u>
Gross margin	3,122,621	3,920,264
Selling, general and administrative expenses	<u>2,771,928</u>	<u>3,659,808</u>
Total operating expenses	2,771,928	3,659,808
Operating income	350,693	260,456
Other (expense) income:		
Interest expense, net	<u>(7,302)</u>	<u>(6,637)</u>
Total expense	(7,302)	(6,637)
Net income before taxes	343,391	253,819
Income tax expense	-	-
Net income from continuing operations	<u>\$ 343,391</u>	<u>\$ 253,819</u>
Net income (loss) from discontinued operations	<u>\$ 1,496,885</u>	<u>\$ (684,255)</u>
Consolidated net income (loss)	<u>\$ 1,840,276</u>	<u>\$ (430,436)</u>
Net income per share from continuing operations - basic	<u>\$ 0.006</u>	<u>\$ 0.005</u>
Net income per share from continuing operations - diluted	<u>\$ 0.006</u>	<u>\$ 0.005</u>
Net income (loss) per share from discontinued operations - basic	<u>\$ 0.027</u>	<u>\$ (0.013)</u>
Net income (loss) per share from discontinued operations - diluted	<u>\$ 0.027</u>	<u>\$ (0.013)</u>
Weighted average shares outstanding - basic	<u>54,649,749</u>	<u>53,962,273</u>
Weighted average shares outstanding - diluted	<u>54,649,749</u>	<u>53,962,273</u>

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

For the Three Months Ended March 31,	For the Three Months Ended March 31,
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	<u>2026</u>	<u>2025</u>
Cash flows used in operating activities:		
Net income (loss)	\$ 1,840,276	\$ (430,436)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Gain on disposition of assets	(2,685,277)	-
Loss on early extinguishment of debt	608,539	-
Depreciation and amortization	60,330	109,621
Amortization of right of use asset	68,896	61,469
Amortization of discount on notes payable	-	1,284
Stock based compensation	23,874	101,201
Change in value of stock appreciation rights	(15,410)	60,595
Provision for credit losses	8,199	27,555
Changes in assets and liabilities:		
Accounts receivable, net	184,649	1,517,007
Inventory, net	344,618	(505,814)
Other current assets	48,643	(111,392)
Accounts payable and accrued liabilities	(564,461)	(1,664,232)
Accrued separation costs - related parties	(89,477)	(83,333)
Deferred revenue	-	(2,092)
Operating lease liability	(67,159)	(58,840)
Net cash used in operating activities	<u>(233,760)</u>	<u>(977,407)</u>
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)	(163,366)
Cash received from disposition of asset	10,000	-
Net cash provided by (used in) investing activities	<u>8,761,182</u>	<u>(163,366)</u>
Cash flows from financing activities:		
Payments on debt	(8,793,288)	(45,604)
Payments on financing leases	(6,189)	(88,544)
Borrowings from line of credit	-	500,000
Payments on line of credit	-	(500,000)
Net cash used in financing activities	<u>(8,799,477)</u>	<u>(134,148)</u>
Decrease in cash and cash equivalents, and restricted cash	(272,055)	(1,274,921)
Cash and cash equivalents, and restricted cash at beginning of period	<u>1,520,012</u>	<u>2,380,195</u>
Cash and cash equivalents, and restricted cash at end of period - continuing operations	\$ 1,231,164	\$ 1,081,538
Cash and cash equivalents, and restricted cash at end of period - discontinued operations	\$ 16,793	\$ 23,736
Cash and cash equivalents, and restricted cash at end of period	<u>\$ 1,247,957</u>	<u>\$ 1,105,274</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ 213,358</u>	<u>\$ 204,813</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Q1 2026</u>	<u>Q1 2025</u>
Net Income From Continuing Operations (GAAP)	\$343,391	\$253,819
Depreciation & Amortization (1)	\$60,330	\$71,749
Interest expense - net	\$7,302	\$6,637
Income tax provision	\$-	\$-
EBITDA (Non-GAAP) (2)	\$411,023	\$332,205
<i>Adjustments:</i>		
Other Restructuring Costs	\$5,754	\$7,392
Stock Compensation Expense (3)	\$8,464	\$161,796

Other Legal & Transactional	\$15,350	\$91,772
Adjusted EBITDA (Non-GAAP) (4)	\$440,591	\$593,165
<i>Adjustments:</i>		
Depreciation	\$(38,751)	\$(50,171)
Interest expense - net	\$(7,302)	\$(6,637)
Income tax provision	\$-	\$-
Adjusted Net Income (Non-GAAP) (5)	\$394,538	\$536,357
Adjusted Diluted EPS (Non-GAAP)	\$0.007	\$0.010
Weighted-average diluted shares outstanding (Non-GAAP) (6)	54,649,479	53,962,273

	Q1 2026	Q1 2025
Revenue (GAAP)	\$12,176,573	\$15,026,015
Gross profit (GAAP)	\$3,122,621	\$3,920,264
Inventory Reserve	\$-	\$-
Adjusted Gross profit (Non-GAAP) (7)	\$3,122,621	\$3,920,264
Adjusted Gross profit margin % (Non-GAAP)	25.64%	26.09%

	Q1 2026	Q1 2025
Adjusted EBITDA (Non-GAAP) (4)	\$440,591	\$593,165
Interest Expense - net	\$(7,302)	\$(6,637)
Income Tax Expense - net	\$-	\$-
Maintenance Capital Expenditures (8)	\$(27,339)	\$(9,221)
Adjusted Free Cash Flow (Non-GAAP) (9)	\$405,950	\$577,307

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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