

CV Holdings, Inc. Update and Financial Statements for Year Ended December 31, 2025

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NEWPORT BEACH, Calif., April 30, 2026 (GLOBE NEWSWIRE) -- CV Holdings, Inc. (OTC Pink Limited: CVHL) (the "Company") today reported a net loss for the year ended December 31, 2025 of \$(16,241,821) or \$(0.25) per common share with weighted average common shares of 64,413,784 issued and outstanding during 2025. The net loss was also \$(0.25) per diluted common share based on 64,413,784 common shares outstanding on a fully-diluted basis. The net loss for the year ended December 31, 2025 was primarily due to interest expense on preferred equity of \$16,166,901 as well as the Company's credit loss expense of \$7,357,049 and interest on line of credit of \$7,768,609. Salaries and related payroll expenses were \$7,601,740 and general and administrative expenses were \$3,993,494.

For comparative purposes, for the year ended December 31, 2024, the Company reported a net loss of \$(18,153,285) or \$(0.28) per common share with weighted average common shares of 64,413,784 issued and outstanding during 2024. All outstanding warrants expired during 2024, and accordingly the net loss was also \$(0.28) per diluted common share based on 64,413,784 common shares outstanding on a fully diluted basis. Interest expense on preferred equity during 2023 was \$14,457,898, credit loss expense was \$8,952,270, interest on line of credit was \$8,717,228, salaries and related payroll expenses were \$7,597,857 and general and administrative expenses were \$4,003,317.

Liquidity

As of December 31, 2025, the Company had unrestricted cash of \$3,402,874, as compared to \$2,688,388 of unrestricted cash as of December 31, 2024. The Company's primary sources of cash flow consisted of interest and other income earned on equipment finance contracts held by its principal business, Centra Funding, LLC ("Centra").

As described below, the Company was unable to begin redeeming its Senior Non-Convertible Preferred Stock, the initial installment of which was required to be paid in June 2020, and this obligation was deferred for a period of one year. Since June 2021, this obligation has been deferred in increments, most recently to June 30, 2027, in the sole discretion of Colborne (as defined below), the sole holder of the Company's preferred stock. As noted below, as of December 31, 2025, the liquidation preference of the Senior Non-Convertible Preferred Stock had reached approximately \$145 million, and this amount continues to accrete additional dividends while it remains outstanding.

The Company remains unable to redeem the Senior Non-Convertible Preferred Stock as required, is unlikely to become able to do so for the foreseeable future and may never be able to do so. If the Company is unsuccessful in negotiating continued forbearance or a restructuring of these obligations, Colborne may, at its election, require that all outstanding shares of Colborne Preferred Stock (as defined below) be redeemed, including those which are not currently scheduled to be redeemed, or otherwise pursue remedies against the Company.

If Colborne were to pursue remedies, the Company could be required to take drastic measures, including the liquidation and winding down of its operations, and it is unclear how much, if any, value would be allocated to the Company's common stock as a result. There can be no assurance that Colborne will continue to forbear or agree to a restructuring of these obligations that would provide significant value to common stockholders, and, consequently, an investment in the Company's common stock is highly risky and speculative.

Colborne Investment Update

Since its first investment in 2015, Colborne Brighton, LLC ("Colborne"), an entity formerly controlled by Tiptree Advisors and currently managed by the Company's Chairman and Chief Executive Officer, has funded a total of \$50,000,000 in capital, fulfilling its \$50,000,000 commitment in the form of a \$20,000,000 investment in the Company's Senior Non-Convertible Preferred Stock and a \$30,000,000 investment in the Company's Senior Perpetual Preferred Stock (together the "Colborne Preferred Stock"). During 2021, the outstanding Senior Perpetual Preferred Stock was converted automatically to Senior Non-Convertible Preferred Stock pursuant to its terms as described more fully in the Company's April 2016 press release.

As of December 31, 2025, Colborne owned a total of 34,225,568 shares of common stock of the Company, obtained through (i) the issuance by the Company of common shares to Colborne related to the Colborne Preferred Stock and (ii) unrelated open-market third-party purchases by Colborne approved by the Company, representing in total approximately 53.1% of the Company's issued and outstanding common stock.

As of December 31, 2025, Colborne remained entitled to require the issuance of another 27,622,907 common shares in connection with its remaining Senior Perpetual Preferred Stock. On a pro forma basis, assuming the full amount of common stock

associated with the Colborne Preferred Stock is issued to Colborne, the Company's outstanding fully diluted shares of common stock would increase from the current fully diluted amount of 64,413,784 to 92,036,691, and Colborne would own approximately 67% of the Company's issued and outstanding common stock.

The Company was required to begin redeeming the outstanding shares of Senior Non-Convertible Preferred Stock through cash payments to be made by the Company in equal quarterly installments over a two-year period beginning in June 2020. In June 2020, the Company informed Colborne that it did not have sufficient legally available funds to complete these redemptions and offered to discuss the remedies available to Colborne or other mutually acceptable options. In response, Colborne offered to toll the mandatory redemption for one year while reserving all the rights and remedies available to it, and to work with the Company on mutually acceptable alternatives. In June 2021, this obligation was deferred for an additional six months, was subsequently deferred in increments through June 30, 2027 and may be deferred further in the sole discretion of Colborne.

Important Reminder Regarding Transfer and Ownership Restrictions

Current and potential investors in the Company's common stock are reminded that the Company's Articles of Incorporation and Bylaws, each as amended and/or restated from time to time (collectively, the "Charter"), restrict beneficial ownership and constructive ownership and transfer of the Company's common stock for the purpose, among others, of the Company's maintenance of its ability to utilize the net operating loss carryovers, capital loss carryovers, general business credit carryovers, alternative minimum tax credit carryovers and foreign tax credit carryovers, as well as any "net unrealized built-in loss" within the meaning of section 382 of the Internal Revenue Code, of the Company or any direct or indirect subsidiary thereof ("tax benefits").

Among other restrictions, the Charter provides that no person may beneficially own or constructively own shares of the Company's common stock in excess of 4.9 percent (by value or by number of shares, whichever is more restrictive) of the outstanding shares of common stock of the Company or such other percentage determined by the board of directors unless such person is an excepted holder (in which case the excepted holder limit for such excepted holder shall be applicable). **As of the date hereof, this limitation is 3,156,275 shares.**

Any person who beneficially owns or constructively owns or attempts to beneficially own or constructively own shares of common stock which causes or will cause a person to beneficially own or constructively own shares of common stock in excess or in violation of the above limitation must immediately notify the Company, or in the case of such a proposed or attempted transaction, give at least fifteen (15) days prior written notice, and shall provide to the Company such other information as the Company may request in order to determine the effect, if any, of such transfer on the Company's ability to utilize its tax benefits.

If the restrictions on transfer or ownership are violated, the shares of common stock in excess or in violation of the above limitation (or any of the other ownership and transfer limitations set out in the Charter) will be automatically transferred to a trustee of a trust for the benefit of one or more charitable beneficiaries effective as of the close of business on the business day prior to the date of such transfer (or other event). In addition, the Company may redeem shares upon the terms and conditions specified by the board of directors in its sole discretion, refuse to give effect to such transfer on the books of the Company or institute proceedings to enjoin such transfer or other event if the board of directors determines that ownership or a transfer or other event may violate the restrictions described above. Furthermore, if the ownership restrictions above would be violated, or upon the occurrence of certain events, attempted transfers in violation of the restrictions described above may be void ab initio.

As noted, from time to time the Company has made or approved privately negotiated purchases of its common stock. Shareholders wishing to sell common stock are encouraged to contact the Company.

Financial Reporting

Included in this press release are the audited consolidated balance sheets, statements of operations, and statements of cash flows of CV Holdings, Inc. and its subsidiary entities as of and for the years ended December 31, 2025 and December 31, 2024.

Update on the Business

Consolidated Update

During 2025, Centra, the Company's equipment finance business, returned to profitability, driven principally by a substantial reduction in credit loss expense. As of December 31, 2025, the Company had investments in approximately \$139,000,000 of wholly owned equipment finance contracts originated by Centra. This compares with approximately \$147,000,000 of wholly owned equipment finance contracts as of December 31, 2024.

As shown in the following table, the Company's income from operations increased by 51.9% to \$7,773,985 driven by a \$1,055,514 increase in revenues and a \$1,601,162 decrease in operating expenses (the latter due principally to decreased allowance for credit losses at Centra). This increase in operating income was augmented by a decrease in Centra's interest expense in 2025 due principally to reductions in its average debt balance and the average applicable interest rate (including the benefit of interest rate hedges). Excluding the pay-in-kind dividends on the Colborne Preferred Stock, the Company had EBITDA of \$5,376 in the year ended December 31, 2025 compared to \$(3,599,918) in the year ended December 31, 2024.

Year Ended December 31, 2025	Year Ended December 31, 2024
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Income from operations	\$ 7,773,985	\$ 5,117,310
Interest on line of credit	\$ (7,768,609)	\$ (8,717,228)
Net loss	\$ (16,241,821)	\$ (18,153,285)
Interest expense on preferred equity	16,166,901	14,457,898
Taxes	<u>80,296</u>	<u>95,469</u>
EBITDA	5,376	(3,599,918)

During 2025, litigation continued in respect of the foreclosure and sale at auction in 2024 of the two properties that had collateralized the sole remaining portfolio loan of CVCF, the Company's commercial real estate joint venture. As disclosed previously, in 2024 the Company wrote off the remaining value of its investment in CVCF. The Company has completed the liquidation of its other businesses.

The performance of loans originated by Centra in 2023, 2024 and 2025 has generally improved with each successive semiannual cohort, currently appears to Centra's management to be materially better in aggregate than that of the loans originated in 2021 and 2022, and the performance of the most recent cohorts appears thus far to be broadly consistent in aggregate with the performance of loans originated by Centra prior to 2020. However, the continued growth of the amount owed on the Colborne Preferred Stock, which is senior to the Company's common shares, has created a dilutive effect to common stockholders. As noted above, additional dilution is likely if Colborne ceases to forbear and this leads to a restructuring of the Company.

The Company's primary deferred tax asset is the net operating losses ("NOL"s), consisting of approximately \$502 million and \$299 million for federal and state purposes, respectively, through December 31, 2025. The federal NOLs were generated primarily from 2008 through 2012, and the state NOLs were generated primarily in California, Connecticut and Massachusetts.

Centra Funding, LLC

On November 28, 2016, the Company, through a newly-formed subsidiary, Centra Funding, LLC closed its acquisition of Centra Leasing, Inc., as more fully described in the Company's November 28, 2016 press release. Centra's business is focused on commercial "small ticket" equipment finance contracts. Originations utilize a vendor-based model, employing direct vendor- and broker-focused sales staff. Centra's business is nationwide and spans many industries, with finance contracts averaging approximately \$40,000 at origination.

For the year ended December 31, 2025, Centra posted net income of \$1,976,237, driven by several factors: (i) an approximate \$548 thousand increase in interest income; (ii) a year-over-year reduction of approximately \$1.6 million in credit loss expense as a result of the tapering off of increased reserving for loans originated during 2021 and 2022, as well as lower initial reserving due to decreased originations in 2025; (iii) approximately \$949 thousand in reduced interest expense as a result of lower loan balances, efficacy of hedges and lower amortization of financing costs; and (iv) higher syndication income.

The Company believes that the additional reserving for loans originated during 2021 and 2022 is substantially completed. As noted above, the performance of loans originated by Centra in 2023, 2024 and 2025 has generally improved with each successive semiannual cohort, currently appears to Centra's management to be materially better in aggregate than that of the loans originated in 2021 and 2022, and the performance of the most recent cohorts appears thus far to be broadly consistent in aggregate with the performance of loans originated by Centra prior to 2020. No assurance can be given, however, as to the ultimate performance of Centra's portfolio.

Centra made further improvements to its servicing capabilities during 2025. In June 2025, Centra established a Vermont-based captive subsidiary for its force-placed insurance activities and anticipates that this will increase the profitability of these activities. Throughout 2025, Centra continued to invest in enhancements to its technological platforms designed to improve the customer experience and provide greater operating efficiency.

As of December 31, 2025, Centra had \$115,175,515 of borrowings and was in compliance with all covenants of its debt facility agented by an affiliate of Wells Fargo Bank. On April 29, 2026, the Company prepaid and terminated this facility and entered into a Loan and Security Agreement with Capital One, National Association, as agent. The new agreement, structured as a non-recourse, bankruptcy-remote senior revolving credit facility, has a maximum revolver amount of \$175,000,000 which the Company may request be increased to \$250,000,000, bears interest at a per annum rate of Term SOFR plus 2.00% and matures on April 29, 2029.

Other Businesses

During 2024, the two properties that had secured CVCF's final commercial real estate loan were foreclosed on and sold; the former owner of these properties has engaged in extensive litigation with respect to this process, which continued during 2025. The Company wrote off the remaining value of its investment in CVCF in 2024.

The Company terminated its last servicing contract for non-performing residential loans and real estate owned properties as of June 15, 2019. The last asset was liquidated in 2021 and the related corporate entities were dissolved in 2024. As previously disclosed, in 2022 the Company completed the winddown of its venture leasing business.

In 2006 and 2007, the Company issued two series of collateralized debt obligations ("CDOs"), described more fully in previous press releases. The CDO bonds are non-recourse to the Company. As previously disclosed, the company does not expect to recover any of its investment in either CDO, and since virtually all assets in both CDOs have been disposed of or written off, the CDOs are not expected to generate any meaningful future income to the Company. In April 2026 the Company was informed that the trustee plans to make final distributions in respect of both CDOs in the coming months.

Additional information is available at: www.cvhldgs.com.

Annual Meeting of Stockholders

On October 14, 2025, at an annual meeting of the Company's stockholders, James Crystal was elected director by a vote of the majority of the outstanding common shares of the Company.

Dividends

The Company has suspended dividends on shares of its outstanding common stock since the fourth quarter of 2008, and dividends are expected to remain suspended for the foreseeable future.

Litigation

As of December 31, 2025, the Company was not directly involved in any litigation.

Financial Statements

Below are summary audited financial statements of the Company including its consolidated balance sheets, statements of operations and statements of cash flows.

CV Holdings, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

	2025	2024
Assets		
Cash	\$ 3,402,874	\$ 2,688,388
Prepaid expenses and other assets	461,486	780,718
Contracts receivable, net	139,906,307	147,443,465
Investment in real estate joint venture	3,937,969	3,937,969
Investments in Opportunity Funds	-	-
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Total assets	<u>\$ 147,708,636</u>	<u>\$ 154,850,540</u>
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable, accrued expenses and other liabilities	\$ 10,014,585	\$ 9,884,442
Line of credit	115,175,515	121,516,637
Mandatorily redeemable senior non-convertible preferred stock	144,700,548	129,128,088
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Total liabilities	<u>269,890,648</u>	<u>260,529,167</u>

Commitments and Contingencies

Stockholders' Deficit

Common stock, \$0.01 par value; 200,000,000 shares authorized;		
64,413,784 issued and outstanding	644,136	644,136
Additional paid-in capital	10,295,229	10,295,229
Other comprehensive income - derivative instruments	(229,521)	32,043
Accumulated deficit	(132,891,856)	(116,650,035)
	<u>(122,182,012)</u>	<u>(105,678,627)</u>
Total liabilities and stockholders' deficit	<u>\$ 147,708,636</u>	<u>\$ 154,850,540</u>

CV Holdings, Inc. and Subsidiaries

Consolidated Statements of Operations

Years Ended December 31, 2025 and 2024

	2025	2024
Revenues		
Interest income	\$ 23,805,255	\$ 23,257,567
Force-placed insurance, early termination and other income	2,721,013	2,536,240
Management fees from affiliates	200,000	200,000
Loss from unconsolidated entities	-	(323,053)
	<u>26,726,268</u>	<u>25,670,754</u>
Operating Expenses		
Salaries and related payroll	7,601,740	7,597,857
General and administrative	3,993,494	4,003,317
Credit loss expense	7,357,049	8,952,270
	<u>18,952,283</u>	<u>20,553,444</u>
Income from operations	<u>7,773,985</u>	<u>5,117,310</u>
Interest Expense and Other		
Interest on senior non-convertible preferred stock	(16,166,901)	(14,457,898)
Interest on line of credit	(7,768,609)	(8,717,228)
	<u>(23,935,510)</u>	<u>(23,175,126)</u>
Loss before income tax provision	(16,161,525)	(18,057,816)
Income Tax Provision	<u>(80,296)</u>	<u>(95,469)</u>
Net loss	<u>\$ (16,241,821)</u>	<u>\$ (18,153,285)</u>

CV Holdings, Inc. and Subsidiaries

Consolidated Statements of Cash
Flows Years Ended December 31,
2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Net loss	\$ (16,241,821)	\$ (18,153,285)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Credit loss expense	7,357,049	8,952,270
Amortization of financing costs	315,102	363,410
Paid in-kind interest on mandatorily redeemable preferred stock	15,572,460	13,977,233
Loss from unconsolidated entities	-	323,053
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(27,913)	325,351
Accounts payable, accrued expenses and other liabilities	(99,378)	737,673
	<u>6,875,499</u>	<u>6,525,705</u>
Net cash provided by operating activities	<u>6,875,499</u>	<u>6,525,705</u>
Cash Flows From Investing Activities		
Funding of contracts receivable	(101,967,504)	(112,532,623)
Principal payments on contracts receivable	102,147,613	97,333,512
Distributions from Invictus CVCF Fund I, LLC	-	620,000
	<u>180,109</u>	<u>(14,579,111)</u>
Net cash provided by (used in) investing activities	<u>180,109</u>	<u>(14,579,111)</u>
Cash Flows From Financing Activities		
Payments of financing costs	-	(702,403)
Borrowings on line of credit	103,251,024	113,733,572
Payments on line of credit	(109,592,146)	(104,825,884)
	<u>(6,341,122)</u>	<u>8,205,285</u>
Net cash (used in) provided by financing activities	<u>(6,341,122)</u>	<u>8,205,285</u>
Net increase in cash	714,486	151,879
Cash, Beginning	<u>2,688,388</u>	<u>2,536,509</u>
Cash, Ending	<u>\$ 3,402,874</u>	<u>\$ 2,688,388</u>
Supplemental Disclosure of Cash Flows Information		
Cash paid during the year for:		
Interest, net of cash received from derivative instrument	<u>\$ 7,423,040</u>	<u>\$ 8,230,510</u>
Income tax provision	<u>\$ 80,296</u>	<u>\$ 95,469</u>
Non-cash charge-offs on contracts receivable	<u>\$ 9,749,451</u>	<u>\$ 9,994,650</u>

About CV Holdings, Inc.

CV Holdings, Inc. is a specialty finance company with ownership in finance platforms across multiple businesses, principally small-ticket equipment financing.

Our common stock is currently traded on the Pink® Open Market operated by OTC Markets Group, or OTC Markets. While not a requirement, OTC Markets encourages companies having their securities quoted thereon to provide adequate current information in accordance with its disclosure guidelines. We will evaluate the need to issue press releases containing information similar to the information disclosed herein. We do not undertake any obligation, nor do we give any assurance that we will provide timely periodic disclosures or any public disclosure at all.

We conduct our operations so as to not be or become regulated as an investment company under the Investment Company Act of 1940.

Forward-Looking Information and Other Information

This press release contains forward-looking statements based upon the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or are within its control. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in its forward-looking statements.

The factors that could cause actual results to vary from the Company's forward-looking statements include: the U.S. economy in general; the Company's liquidity and ability to continue to cover its operating cash requirements; the Company's ability to redeem or renegotiate the redemption of the outstanding shares of its preferred stock; the growth of its Centra business; the Company's ability to raise and deploy capital in support of its current operations; the Company's future operating results; its business operations and prospects; availability, terms and deployment of short-term and long-term capital; availability of qualified employees; changes in interest rates; adverse development in the debt securities, credit and capital markets, adverse developments in the commercial finance market; performance and financial condition of borrowers and corporate customers; any future litigation that may arise; the ultimate resolution of the Company's defaulted loans; the performance of the Company's joint venture investments; the ongoing effects of the COVID-19 pandemic on the Company or the markets in which it operates; and the ability of the Company to continue as a going concern. The Company undertakes no obligation to publicly update or revise any of the forward-looking statements.

In addition, this press release contains summary financial information about the Company. This summary financial information does not represent the entire audited financial statements of the Company.

FOR FURTHER INFORMATION

AT CV HOLDINGS, INC.:

Jim Crystal

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