



IMAC Holdings, Inc.

Q2 revenue upside. Positive valuation as new opportunities/locations and Back Space should drive strong growth. Lowering P/T to \$5.00.

COMPANY UPDATE

Rating: BUY

Ticker: BACK

Price: \$0.47
(intraday)

Target: \$5.00
(from \$5.50)

Q2 revenue upside: IMAC recently (on August 16) reported its Q2 2022 (ending June) results. Revenue was \$5.0 million, compared with our estimate of \$4.4 million and consensus of \$4.2 million. Net loss was \$3.2 million or EPS of \$(0.12), compared with our and consensus estimates of \$(0.09). There was no Q2 guidance.

Clinics visits -5%: Q2 revenue was +45% y-o-y as the company's business returns to normal post pandemic along with recent office acquisitions and the strong launch of The Back Space. Patient visits declined at -5% y-o-y, however same store visits were +0.9%. Sequentially, Q2 BackSpace visit growth was +207%.

No guidance: Management declined to provide 2022 guidance.

Adjusting estimates: We are adjusting our 2022 estimates for revenue to \$19 million, from \$18 million, and for EPS to \$(0.35) from \$(0.39).

Focused on regeneration medicine clinics: IMAC clinics provide regenerative, orthopedic, and minimally invasive procedures and therapies focused around treating sports and orthopedic injuries as an alternative to traditional surgeries for repair or joint replacement. IMAC now has ~15 medical clinics located in Florida, Illinois, Kentucky, Missouri, and Louisiana.

Industry growth: Outpatient rehabilitation is anticipated to grow at a rate of 2% - 7% in the coming years, due to the aging baby boomer generation, high rates of obesity, and healthcare access improvements.

Major expansion of new back store: In February 2021, IMAC launched The Back Space (www.back.co). The Back Space now operates 10 retail healthcare centers specializing in chiropractic and spinal care services inside Walmart stores. Due to early success, the company recently (in April) announced that it will open 20 more locations (corporate and franchised) over the next year.

Clinical trial progressing: IMAC is currently in clinical trials to develop a regenerative medicine stem cell product. In March 2021, it completed the first of three patient cohorts (with 5 patients in cohort #1) for the study of umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's Disease. It is currently enrolling patients in cohort #3 (final one in this Phase 1 trial and is expected to be completed in the summer).

Large growth opportunities: With the expanded rollout of The Back Space, new and potential office acquisitions, and its FDA trials, we believe IMAC is poised well for significant growth opportunities in the near and longer term.

Balance sheet: The company has ~\$6 million in cash and no debt. In August (current Q3), the company raised \$4 million (selling 5.2 million shares at \$0.76/share). We believe it has enough cash until mid-2023.

New ticker and strategic alternatives: In August, IMAC changed its stock ticker to BACK from IMAC for greater recognition of its services for assisting with optimal spinal health and whole-body wellness. In July, the company announced that it was exploring strategic alternatives though it provided no timetable and all options for increasing shareholder value were open.

Current valuation attractive: Maintaining our BUY rating, but lowering our 12-month price target to \$5.00 from \$5.50. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation fairly balances out the company's risks with its high growth prospect.

Company Description

Based in Brentwood, TN, IMAC Holdings operates outpatient medical clinics that provide regenerative, orthopedic, and minimally invasive procedures and therapies to treat sports and orthopedic injuries.

United States
Healthcare

August 31, 2022

Edward Woo, CFA
(561) 327-9435
ewoo@ascendant.com

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.44 – 1.65
Shares Outstanding (million):	30
Market cap (\$million):	\$14
EV (\$million):	\$8
Debt (\$million):	\$0
Cash (\$million):	\$6
Avg. Daily Trading Vol. (\$million):	\$0.4
Float (million shares):	21
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2022E</u> <u>(Cur.)</u>	<u>2022E</u> <u>(Old)</u>	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>
Q1 Mar	4A		5E	
Q2 Jun	5A	4E	6E	
Q3 Sep	5E		6E	
Q4 Dec	<u>5E</u>		<u>7E</u>	<u>6E</u>
Total	19E	18E	24E	23E
EV/Revs	0.4x		0.3x	

Earnings per Share (pro forma)

	<u>2022E</u> <u>(Cur.)</u>	<u>2022E</u> <u>(Old)</u>	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>
Q1 Mar	(0.12)A		(0.06)E	(0.07)E
Q2 Jun	(0.07)A	(0.09)E	(0.07)E	(0.08)E
Q3 Sep	(0.08)E	(0.09)E	(0.07)E	(0.09)E
Q4 Dec	<u>(0.08)E</u>	<u>(0.10)E</u>	<u>(0.08)E</u>	<u>(0.10)E</u>
Total	(0.35)E	(0.39)E	(0.28)E	(0.34)E
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 11.

Exhibit 1: IMAC Holdings Overview (as of Fall 2021)

IMAC.

- ..delivers **Innovative** therapies with scientific support to prevent unnecessary surgeries and prescriptions.
- ..employs **Medical** doctors, physician assistants, and nurse practitioners to deliver all medical treatments.
- ..leads **Advancements** in life science collaboration with healthcare service delivery.
- ..commits to provide exceptional patient **Care** that is unique with high quality to each patient.



IMAC
REGENERATION CENTERS

IMAC Holdings, founded in 2015, owns and manages 18 outpatient clinics delivering orthopedic, regenerative, and minimally invasive procedures and therapies for movement-restricted conditions

<p>Revenue:</p> <ul style="list-style-type: none"> 65% Medical 31% Physical Therapy 4% Chiropractic 	<p>Medical Professionals:</p> <ul style="list-style-type: none"> 19 Medical 19 Physical Therapy 15 Chiropractic
---	---

Locations:

<p>Illinois (3): Arlington Heights, Elgin, Naperville</p> <p>Kentucky (3): Lexington, Murray, Paducah</p> <p>Missouri (6): Chesterfield, Ozark, Springfield (2), St. Peters, Webster Groves</p>	<p>Locations:</p> <p>Florida (4): Bonita Springs, Ft. Pierce, Orlando, Tampa</p> <p>Louisiana: Baton Rouge</p> <p>Tennessee: Brentwood</p>
--	--

Source: Company reports.

Exhibit 2: IMAC Q2 and Recent Highlights

Financial and Corporate Highlights from Q2 2022:

- Total Revenue was \$5.0 million, compared with \$3.5 million in Q2 2021, an increase of 45%
- Patient visits to IMAC clinics 42,495, down 5.1% from Q2 2021; same store increase .9%
- Sequential quarter The BackSpace visit growth of 207%
- Successfully completed its pilot program for The Back Space retail chiropractic concept at select Walmart stores, with a commitment to triple its store count with at least 20 additional locations in Walmart over the next 12 months
- Launched certified organic vitamin and supplement product line
- Amended NASDAQ trading symbol from "IMAC" to "BACK"
- Completed a \$3.9m Registered Direct offering

Source: Company reports.

Exhibit 3: IMAC Revenue and Services Mix

	Three Months Ended June 30,	
	2022	2021
	<i>(in thousands, unaudited)</i>	
Revenues:		
Outpatient facility services	\$ 4,744	\$ 3,260
Memberships	289	203
Total revenues	\$ 5,033	\$ 3,463

	Three Months Ended June 30,	
	2022	2021
	Revenues:	
Medical treatments	66%	64%
Physical therapy	26%	31%
Chiropractic care	2%	3%
Memberships	6%	2%
	100%	100%

	Year Ended December 31,	
	2021	2020
Visits:		
Physical therapy	56,261	48,553
Chiropractic care	20,265	15,644
Medical treatments	39,036	38,002
Other	262	230
Membership	52,684	33,059
	168,508	135,488

Source: Company reports.

Exhibit 4: IMAC Strategy



→ Investment Summary

Recent growth targeting clinics at COVID-impacted valuations expected to improve future performance

Strategic initiatives with proprietary neurological research may create partnership opportunities

IMAC is positioned to leverage large and growing market with treatments directed toward the aging population

Consolidation of fragmented chiropractic industry for affordable and accessible spinal health and wellness for most afflicted population

Source: Company reports.

Exhibit 5: FDA Clinical Trial (as of Fall 2021)

PROPRIETARY DEVELOPMENT

Neurological Research

- Acquired rights to umbilical stem cell product from research university
- FDA Investigational New Drug Phase 1 Authorization received August 5, 2020
- FDA approved open enrollment November 4, 2020

Evaluate Umbilical Cord-derived Allogeneic Mesenchymal Stem Cells for the Treatment of Bradykinesia

The safety and scientific validity of this study is the responsibility of the study sponsor and investigators. Listing a study does not mean it has been evaluated by the U.S. Federal Government. [Know the risks and potential benefits](#) of clinical studies and talk to your health care provider before participating. Read our [disclaimer](#) for details.

ClinicalTrials.gov Identifier: NCT04385056

Recruitment Status: Recruiting
 First Posted: May 12, 2020
 Last Update Posted: January 6, 2021
[See Contacts and Locations](#)

Sponsor: IMAC Holdings, Inc.
 Information provided by (Responsible Party): IMAC Holdings, Inc.

Study Details | **Tabular View** | No Results Posted | Disclaimer | How to Read a Study Record

Study Description Go to ▾

Brief Summary:
 Investigate the safety and tolerability of umbilical cord-derived allogeneic mesenchymal stem cells to treat patients with Bradykinesia.

Condition or disease	Intervention/treatment	Phase
Bradykinesia	Biological: MSCTC-0010	Phase 1

Detailed Description:
 While the pathophysiological changes that result in the symptoms of bradykinesia are poorly understood, an inflammatory component appears to be involved. Human umbilical cord-derived allogeneic mesenchymal stem cells have documented anti-inflammatory properties, which suggest these cells may be effective at treating Bradykinesia. It is understood that perinatal products are potent immune modulators. It is believed that the positive symptomatic effects are secondary to the modulation of the immune system, and specifically the reduction in pathological inflammation. The study is designed to evaluate the safety and tolerability of umbilical cord-derived allogeneic mesenchymal stem cells to treat patients with Bradykinesia.

Phase I Clinical Trial

- Investigator-initiated trial; IMAC medical doctors approved as Investigators for trial
- Opens door to possible Regenerative Medicine Advanced Therapy designation and research grant
- 15-patient trial conducted in 3 IMAC clinics during 12-month study
- First patient dose administered December, 2020
- Completion of first cohort of trial February, 2021
- Second cohort start of trial started August, 2021



Mesenchymal Stem Cells for Bradykinesia due to Parkinson's Disease

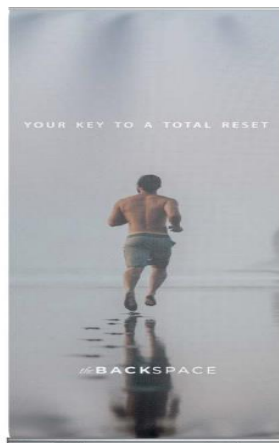
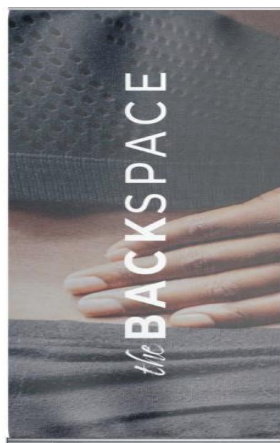
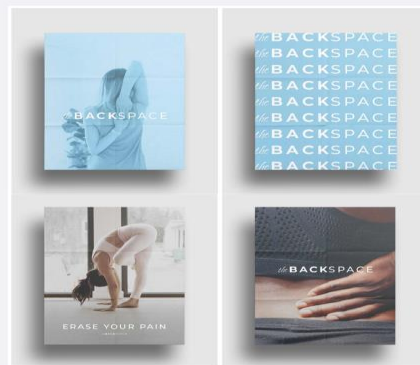
Source: Company reports.

Exhibit 6: The Back Space

RETAIL CHIROPRACTIC

Industry is large and growing

- ~35 million U.S. Adults (~11% of U.S. population) seek chiropractic care each year
- The U.S. chiropractic market has been estimated at ~\$12.3 billion annually and is growing at a CAGR of 4.3%, according to Grand View Research
- Only public chiropractic comparable is The Joint (Nasdaq: JYNT)
 - \$709M Market Cap represents 11x sales, 50x EBITDA
- Complements our medical clinics
- First store opened May, 2021, with Fortune 500 partner



the BACKSPACE

- Walk-in spinal health and wellness
- \$4,000,000 from recent funding to launch brand and storefronts
- 10 store test market with Walmart
- First store opened in May, 2021
- Cash based services \$25 each
 - Manual Chiropractic Adjustment
 - Percussion Therapy
 - Muscle Stimulation
- Monthly Membership for \$65 includes 4 services per month

IMAC Holdings Completes Walmart Pilot Program, Affirms Commitment to Growth

April 7, 2022

The Company plans to add 20 locations in the next 12 months

BRENTWOOD, Tenn., April 07, 2022 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. (Nasdaq: IMAC) ("IMAC" or the "Company"), today announces the successful completion of its pilot program for The Back Space retail chiropractic concept located in select Walmart stores. As a result, the Company is committed to tripling its store count with at least 20 additional locations over the next twelve months with a further goal of adding significantly more stores over the next three years. The Company expects the new stores to be a combination of corporate and The Back Company franchise locations to address market demand.

"We are excited to guide our prospective franchisees with the experience gained during our ten-store pilot program. During the pilot, we learned that our price point resonates well with consumers and a potential price increase could yield increased revenue without diminishing the consistent desire for care," said Dr. Ben Lerner, Chief Operating Officer of IMAC. "Similar models by competitors have proven an increased demand for spinal health that this fragmented industry has yet to meet. We believe our location inside Walmart stores and the foot traffic therein provides a significant competitive advantage."

The Back Space's retail healthcare centers specialize in chiropractic adjustments and percussion tool therapies for soft tissue recovery, muscle relaxation and spinal wellness. Services are offered on a walk-in and appointment basis, priced at \$25 per treatment, with memberships available for \$65 per month that are valid at any The Back Space location.

Source: Company reports.

Exhibit 7: IMAC Holdings, Inc. Stock Price (3-year since IPO February 2019)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 8: Consensus Expectations (as of August 15, 2022)

	Revenue			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$3.9A		Q1 Mar	\$(0.12)A	
Q2 Jun	\$4.2E		Q2 Jun	\$(0.09)E	
Q3 Sep	\$4.3E		Q3 Sep	\$(0.08)E	
Q4 Dec			Q4 Dec		
Total	\$18.4E	\$21.7E	Total	\$(0.36)E	\$(0.33)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

IMAC Holdings, Inc.

Income Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	3.3	2.6	3.5	3.5	12.8	3.1	3.5	3.5	4.4	14.4	3.9	5.0	4.7	5.4	19.0	4.9	6.3	5.9	7.0	24.0
Patient expenses	0.4	0.4	0.4	0.4	1.6	0.3	0.3	0.4	0.6	1.6	0.5	0.4	0.5	0.6	2.0	0.5	0.7	0.6	0.8	2.6
Salaries and benefits	2.9	2.3	2.6	2.6	10.5	2.8	3.0	3.4	3.6	12.7	3.7	3.8	3.7	4.2	15.4	3.7	4.7	4.4	5.2	18.0
Share-based compensation	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.2	0.1	0.6	0.2	0.1	0.2	0.2	0.7	0.2	0.3	0.2	0.3	1.0
Advertising and marketing	0.2	0.2	0.2	0.3	0.9	0.3	0.3	0.3	0.4	1.3	0.4	0.2	0.4	0.4	1.4	0.3	0.4	0.4	0.5	1.7
General and administrative	1.2	1.2	1.0	1.2	4.6	1.2	1.7	1.6	1.9	6.4	1.8	1.9	1.9	2.2	7.7	1.7	2.2	2.1	2.4	8.4
Depreciation and amortization	0.5	0.5	0.4	0.4	1.7	0.4	0.4	0.5	0.3	1.6	0.4	0.4	0.4	0.4	1.8	0.4	0.4	0.4	0.4	1.8
Restructuring and other		(0.4)			(0.4)				0.1	0.1	0.0	0.0		0.1						0.0
Total operating expenses	5.3	4.3	4.8	4.9	19.3	5.1	5.9	6.3	7.2	24.5	7.0	6.8	7.1	8.1	29.0	6.9	8.7	8.2	9.6	33.4
Operating income (loss)	(2.0)	(1.7)	(1.3)	(1.5)	(6.5)	(2.0)	(2.4)	(2.8)	(2.9)	(10.1)	(3.1)	(1.8)	(2.4)	(2.7)	(10.0)	(2.0)	(2.5)	(2.3)	(2.7)	(9.4)
Interest income (expense)	(0.1)	(0.1)	(0.1)	(0.2)	(0.6)	(0.2)	(0.1)	(0.1)	(0.1)	(0.5)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other income (expense)	0.3	(0.2)	0.0	1.9	2.0	0.2	0.5	1.2	(1.9)	0.1	(0.0)	(0.0)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(1.7)	(2.0)	(1.4)	0.2	(5.0)	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(2.4)	(2.7)	(10.0)	(2.0)	(2.5)	(2.3)	(2.7)	(9.4)
Income taxes					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(1.7)	(2.0)	(1.4)	0.2	(5.0)	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(2.4)	(2.7)	(10.0)	(2.0)	(2.5)	(2.3)	(2.7)	(9.4)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(1.7)	(2.0)	(1.4)	0.2	(5.0)	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(2.4)	(2.7)	(10.0)	(2.0)	(2.5)	(2.3)	(2.7)	(9.4)
EBITDA	(1.1)	(1.2)	(0.7)	(0.8)	(3.8)	(1.3)	(1.3)	(0.9)	(4.2)	(7.7)	(2.5)	(1.2)	(1.7)	(2.0)	(7.4)	(1.4)	(1.8)	(1.6)	(1.9)	(6.7)
Shares, Basic	9.6	10.2	11.8	12.6	11.1	13.4	25.1	25.3	26.2	22.6	26.4	26.8	30.0	33.0	29.0	33.2	33.3	33.4	33.5	33.4
Shares, Diluted	9.6	10.2	11.8	12.6	11.1	13.4	25.1	25.3	26.2	22.6	26.4	26.8	30.0	33.0	29.0	33.2	33.3	33.4	33.5	33.4
EPS Basic (pro forma)	(\$0.18)	(\$0.20)	(\$0.12)	\$0.02	(\$0.45)	(\$0.15)	(\$0.08)	(\$0.07)	(\$0.19)	(\$0.47)	(\$0.12)	(\$0.07)	(\$0.08)	(\$0.08)	(\$0.35)	(\$0.06)	(\$0.07)	(\$0.07)	(\$0.08)	(\$0.28)
EPS Diluted (pro forma)	(\$0.18)	(\$0.20)	(\$0.12)	\$0.02	(\$0.45)	(\$0.15)	(\$0.08)	(\$0.07)	(\$0.19)	(\$0.47)	(\$0.12)	(\$0.07)	(\$0.08)	(\$0.08)	(\$0.35)	(\$0.06)	(\$0.07)	(\$0.07)	(\$0.08)	(\$0.28)
Margins																				
Patient expenses	11%	16%	12%	12%	13%	11%	10%	10%	13%	11%	12%	8%	11%	11%	10%	11%	11%	11%	11%	11%
Salaries and benefits	88%	91%	75%	75%	82%	90%	86%	96%	83%	89%	95%	75%	78%	78%	81%	75%	75%	75%	75%	75%
Share-based compensation	2%	5%	3%	2%	3%	4%	4%	5%	3%	4%	5%	2%	4%	4%	4%	4%	4%	4%	4%	4%
Advertising and marketing	7%	7%	7%	8%	7%	9%	9%	8%	10%	9%	10%	5%	8%	8%	7%	7%	7%	7%	7%	7%
General and administrative	37%	47%	28%	33%	36%	40%	48%	46%	45%	45%	47%	37%	40%	40%	41%	35%	35%	35%	35%	35%
Operating margin	-60%	-66%	-38%	-42%	-50%	-67%	-70%	-79%	-66%	-70%	-81%	-36%	-50%	-49%	-52%	-41%	-39%	-39%	-38%	-39%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-52%	-79%	-41%	5%	-39%	-65%	-58%	-49%	-111%	-73%	-81%	-37%	-50%	-49%	-53%	-41%	-39%	-40%	-38%	-39%
Y/Y % change																				
Total Revenue	20%	-32%	-20%	-18%	-15%	-8%	35%	1%	26%	12%	27%	45%	34%	24%	32%	25%	25%	25%	29%	26%
Patient expenses	-13%	-56%	-55%	82%	-36%	-10%	-16%	-16%	43%	0%	35%	17%	43%	1%	21%	16%	74%	25%	29%	34%
Salaries and benefits	42%	-10%	-9%	-13%	0%	-6%	28%	29%	38%	21%	35%	26%	9%	17%	21%	-2%	25%	20%	24%	17%
Share-based compensation	2063%	-29%	-4%	-22%	0%	36%	1%	74%	84%	46%	71%	-35%	0%	46%	18%	3%	212%	25%	29%	42%
Advertising and marketing	-30%	-50%	-26%	26%	-25%	10%	81%	25%	59%	42%	40%	-23%	28%	-4%	7%	-8%	82%	9%	13%	18%
General and administrative	26%	-15%	-27%	-15%	-10%	-1%	37%	67%	69%	41%	49%	12%	17%	11%	20%	-6%	19%	9%	13%	9%
Operating income (loss)	48%	-19%	-20%	34%	5%	3%	41%	112%	96%	56%	53%	-25%	-15%	-7%	-1%	-37%	36%	-2%	0%	-5%
Net income (loss)	8%	7%	-8%	-113%	-23%	15%	-2%	19%	-2654%	111%	59%	-8%	39%	-45%	-5%	-37%	33%	-2%	0%	-6%
EPS Diluted (pro forma)	-33%	-15%	-35%	-109%	-46%	-18%	-60%	-44%	-1328%	3%	-19%	-13%	17%	-57%	-26%	-50%	7%	-12%	-1%	-18%

Source: Company reports and Ascendant Capital Markets estimates.

IMAC Holdings, Inc.

Balance Sheet (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	1.3	2.8	1.7	2.6	15.6	13.6	11.2	7.1	4.3	1.6	5.5	3.4	1.8	(0.4)	(2.3)	(4.8)
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	1.4	1.5	1.4	1.5	1.8	1.3	1.2	1.2	1.7	3.1	1.3	1.5	1.4	1.7	1.6	1.9
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term note receivable									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.8	0.6	0.7	0.6	0.8	1.3	1.2	0.7	0.7	0.7	1.0	1.2	1.1	1.4	1.3	1.5
Total current assets	3.5	4.9	3.8	4.8	18.3	16.3	13.5	9.1	6.7	5.4	7.9	6.1	4.3	2.7	0.6	(1.3)
Property and equipment, net	3.5	3.3	1.9	1.8	1.8	1.9	1.8	2.3	2.3	2.1	1.8	1.4	1.0	1.1	0.7	0.8
Intangibles, net	9.1	9.1	8.9	8.7	8.9	8.8	8.5	10.5	10.2	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Security deposits	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other	4.4	4.1	4.4	4.2	4.2	5.2	5.0	5.0	4.7	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Total assets	21.1	21.9	19.4	19.7	33.6	32.5	29.2	27.2	24.2	22.1	24.3	22.2	19.9	18.5	16.0	14.1
Liabilities and stockholders' equity																
Accounts payable	3.3	2.5	2.4	1.7	2.0	1.4	1.8	2.5	3.0	2.1	2.8	3.2	2.9	3.8	3.5	4.2
Accrued expenses			0.3	0.3	0.4	0.3	0.4	0.4	0.3	0.4	0.2	0.3	0.2	0.3	0.3	0.3
Patient deposits	0.3	0.4	0.4	0.3	0.4	0.4	0.5	0.3	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Acquisition liabilities	0.5	0.3									0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Operating lease	1.0	1.0	1.1	1.1	1.2	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Short term debt	4.2	4.6	1.9	2.5	2.6	1.9	1.1	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total current liabilities	9.3	8.8	6.0	6.0	6.6	5.4	5.4	4.9	5.2	4.6	5.1	5.6	5.2	6.1	5.9	6.6
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.5	0.4	0.4	0.5	0.5	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating lease	3.7	3.5	3.7	3.5	3.5	4.3	4.0	4.0	3.7	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Long term debt	0.4	1.3	2.7	2.0	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total other liabilities	4.5	5.2	6.8	6.0	4.2	4.7	4.3	4.3	4.0	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Preferred stock																
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.4	0.5
Additional paid-in capital	21.5	24.1	24.1	25.5	42.7	44.8	44.8	46.1	46.3	47.3	47.3	47.3	47.3	47.3	47.3	47.3
Retained earnings	(11.8)	(13.8)	(15.2)	(15.0)	(17.0)	(19.0)	(20.8)	(28.2)	(31.4)	(33.2)	(35.6)	(38.2)	(40.2)	(42.7)	(45.0)	(47.7)
Accumulated other comprehensive income											4.0	4.0	4.0	4.0	4.0	4.0
Non-controlling interest	(2.4)	(2.4)	(2.4)	(2.6)	(2.9)	(3.4)	(4.6)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	7.3	7.9	6.5	7.8	22.8	22.4	19.5	18.0	15.0	14.1	15.8	13.2	11.3	8.9	6.7	4.1
Total stockholders' equity and liabilities	21.1	21.9	19.4	19.7	33.6	32.5	29.2	27.2	24.2	22.1	24.3	22.2	19.9	18.5	16.0	14.1

Balance Sheet Drivers

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	25%	23%	20%	18%	28%	38%	34%	17%	17%	14%	22%	22%	22%	22%	22%	22%
Accounts payable as % of total rev	99%	99%	68%	49%	66%	40%	52%	58%	77%	42%	60%	60%	60%	60%	60%	60%
Accrued expenses as % of total rev	0%	0%	9%	10%	12%	10%	11%	8%	8%	8%	5%	5%	5%	5%	5%	5%
Activity Ratios																
A/R Days Sales Outstanding	39	52	37	39	54	35	30	25	40	55	25	25	25	25	25	25
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$0.76	\$0.78	\$0.55	\$0.62	\$1.70	\$0.89	\$0.77	\$0.69	\$0.57	\$0.53	\$0.53	\$0.40	\$0.34	\$0.31	\$0.20	\$0.12
Cash per Share (diluted)	\$0.13	\$0.28	\$0.14	\$0.21	\$1.16	\$0.54	\$0.44	\$0.27	\$0.16	\$0.06	\$0.18	\$0.10	\$0.06	-\$0.01	-\$0.07	-\$0.14
Net cash per Share (diluted)	-\$0.34	-\$0.30	-\$0.25	-\$0.15	\$0.95	\$0.46	\$0.39	\$0.26	\$0.16	\$0.05	\$0.18	\$0.10	\$0.05	-\$0.02	-\$0.07	-\$0.15

Source: Company reports and Ascendant Capital Markets estimates

IMAC Holdings, Inc.

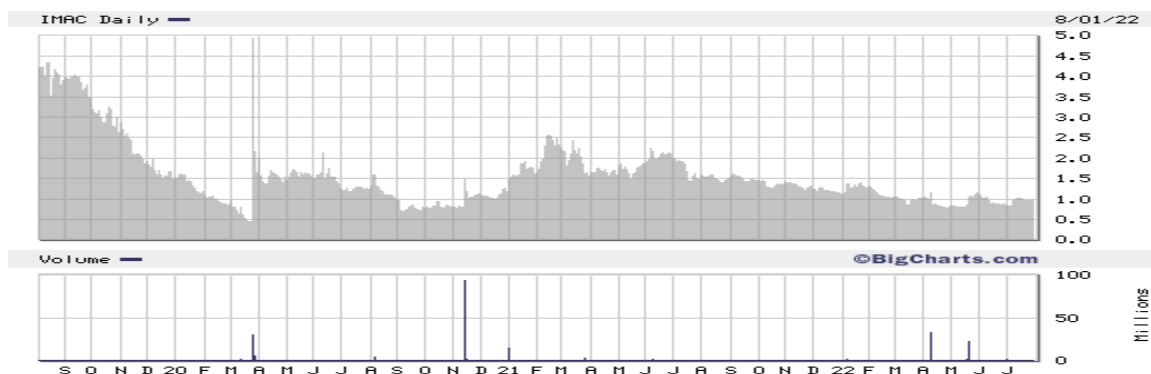
Cash Flow Statement (\$ mils)	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(2.1)	(2.0)	(1.5)	(0.0)	(5.5)	(2.2)	(2.5)	(2.9)	(2.9)	(10.5)	(3.2)	(1.8)	(2.4)	(2.7)	(10.0)	(2.0)	(2.5)	(2.3)	(2.7)	(9.4)	
Depreciation	0.5	0.5	0.4	0.4	1.7	0.4	0.4	0.5	0.3	1.6	0.4	0.4	0.4	0.4	1.8	0.4	0.4	0.4	0.4	1.8	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expense				(1.3)	(1.3)				0.3	0.3					0.0					0.0	
Stock comp	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.2	0.1	0.6	0.2	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.3	
Deferred rent																					
Inventory reserve																					
Deferred income taxes					0.0					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in fair value of warrant liability					0.0					0.0					0.0					0.0	
Writedowns and impairments					0.0					0.0					0.0					0.0	
Other gains/losses		(0.0)	0.0	0.1	0.1	0.0	(0.0)	0.1	0.0	0.1	0.0	0.0			0.1					0.0	
Other					0.0					0.0			0.0		0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	(0.1)	(0.1)	0.1	(0.1)	(0.2)	(0.3)	0.5	0.2	(0.1)	0.3	(0.5)	(1.3)	1.7	(0.2)	(0.3)	0.1	(0.4)	0.1	(0.3)	(0.4)	
Inventory					0.0					0.0					0.0					0.0	
Prepaid expenses & other curre	0.1	(0.0)	0.2	(0.1)	0.1					0.0			(0.3)	(0.2)	(0.5)	0.1	(0.3)	0.1	(0.2)	(0.3)	
Income tax					0.0					0.0					0.0					0.0	
Other assets	(0.1)	0.4	(0.2)	0.1	0.2	(0.2)	(0.5)	(0.0)	0.5	(0.1)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.4	(0.7)	(0.2)	(0.9)	(1.5)	0.3	(0.6)	0.5	0.1	0.3	0.5	(0.9)	0.7	0.4	0.7	(0.3)	0.9	(0.2)	0.6	0.9	
Patient deposits	0.1	0.1	0.0	(0.1)	0.1	0.1	(0.0)	0.1	(0.2)	0.0	0.0	0.2	(0.2)	0.0	0.0	(0.0)	0.1	(0.0)	0.1	0.1	
Deferred revenue					0.0					0.0					0.0					0.0	
Other liabilities					0.0				(0.2)	(0.2)					(0.0)	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(1.2)	(1.8)	(1.0)	(2.0)	(6.0)	(1.7)	(2.6)	(1.4)	(1.8)	(7.6)	(2.4)	(3.4)	0.1	(2.0)	(7.8)	(1.6)	(1.7)	(1.9)	(2.0)	(7.1)	
Cash flow from investing activities																					
Purchases of property and equij	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.3)	(0.7)	(0.2)	(0.0)	(0.2)	(0.0)	(0.5)	(0.0)	(0.5)	(0.0)	(0.5)	(1.1)	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions	(0.2)	(0.2)		0.0	(0.4)	(0.6)	(0.2)		(1.0)	(1.7)					0.0					0.0	
Other					0.0	(0.1)	(0.0)	0.0	0.0	(0.0)	0.0				0.0					0.0	
Net cash used in investing acti	(0.2)	(0.2)	(0.0)	(0.1)	(0.6)	(0.7)	(0.4)	(0.1)	(1.3)	(2.5)	(0.2)	(0.0)	(0.2)	(0.0)	(0.5)	(0.0)	(0.5)	(0.0)	(0.5)	(1.1)	
Cash flow from financing activities																					
Issuance of debt	1.2	1.7		2.5	5.4					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(0.3)	(0.5)	(0.0)	(0.9)	(1.8)	(1.8)	(0.8)	(0.9)	(0.9)	(4.5)	(0.2)	(0.0)			(0.2)					0.0	
Issuance of stock	1.4	2.4	(0.0)	1.4	5.2	17.2	1.8			19.0		0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exercises				0.0	0.0					0.0					0.0					0.0	
Other	(0.0)	0.0			0.0					0.0					4.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	2.3	3.6	(0.1)	3.0	8.8	15.4	0.9	(0.9)	(0.9)	14.5	(0.2)	0.8	4.0	0.0	4.6	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	0.9	1.5	(1.1)	1.0	2.3	13.0	(2.0)	(2.4)	(4.1)	4.5	(2.8)	(2.7)	3.9	(2.1)	(3.7)	(1.6)	(2.2)	(1.9)	(2.5)	(8.2)	
Beginning cash and equivalents	0.4	1.3	2.8	1.7	0.4	2.6	15.6	13.6	11.2	2.6	7.1	4.3	1.6	5.5	7.1	3.4	1.8	(0.4)	(2.3)	3.4	
Ending cash and equivalents	1.3	2.8	1.7	2.6	2.6	15.6	13.6	11.2	7.1	7.1	4.3	1.6	5.5	3.4	3.4	1.8	(0.4)	(2.3)	(4.8)	(4.8)	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

IMAC Holdings, Inc.



<https://bigcharts.marketwatch.com/>

	Report Date		Price
Report	Date	Rating	Target
1	4/14/2020	Buy	4.50
2	5/17/2020	Buy	4.25
3	8/18/2020	Buy	4.50
4	11/15/2020	Buy	4.75
5	3/13/2021	Buy	5.00
6	5/19/2021	Buy	5.25
7	8/27/2021	Buy	5.50
8	11/22/2021	Buy	5.75
9	4/16/2022	Buy	6.00
10	5/14/2022	Buy	5.50

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

IMPORTANT DISCLOSURES

This report has been distributed by Ascendant Capital Markets, LLC and is for the sole use of our clients. This report is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. This report contains information from various sources, including United States government publications, The Wall Street Journal and other periodicals, Yahoo! Finance and other sources, and is for informational purposes only and is not a recommendation to trade in the securities of the companies mentioned within the report. We seek to update our research and recommendations as appropriate, but the large majority of reports are published at irregular intervals as we consider appropriate and, in some cases, as constrained by industry regulations.

We may have a business relationship with companies covered in this report. Ascendant Capital Markets, LLC may make a market in the securities of the subject company. We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered

companies referred to in this report. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this report may fluctuate.

Following are some general risks that can adversely impact future operational and financial performance and share price valuation: (1) industry fundamentals with respect to legislation, mandates, incentives, customer demand, or product pricing; (2) issues relating to competing companies or products; (3) unforeseen developments with respect to management, financial condition or accounting policies or practices; or (4) external factors that affect the interest rates, currency, the economy or major segments of the economy. Past performance is not a guide to future performance, future returns are not guaranteed, and loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Our report is disseminated primarily electronically, and, in some cases, in printed form. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof. Copyright Ascendant Capital Markets, LLC. No part of this material may be copied, photocopied or duplicated by any means or redistributed without the prior written consent of Ascendant Capital Markets, LLC.

Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials/studies, failure to gain/maintain regulatory approvals/licenses to operate, ability to find new or maintain existing patients for its services, failure to obtain suitable reimbursements, competition, changing macroeconomic factors, investor sentiment for investing in healthcare stocks, and changes in consumer or government priorities for healthcare.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Rating System

Prior to January 31, 2014, ASCM used the following rating system:

Strong Buy: We expect the stock to provide a total return of 30% or more within a 12-month period.

Buy: We expect the stock to provide a total return of between 10% and 30% within a 12-month period.

Neutral: We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.

Sell: We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

Speculative Buy: This rating is reserved for companies we believe have tremendous potential, but whose stocks are illiquid or whose equity market capitalizations are very small, often in the definition of a nano cap (below \$50 million in market cap). In general, for stocks ranked in this category, we expect the stock to provide a total return of 50% or more within a 12-month period. However, because of the illiquid nature of the stock's trading and/or the nano cap nature of the investment, we caution that these investments may not be suitable for all parties.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 14, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	41	98%	15	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	15	36%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

Dissemination of Research

Ascendant Capital Markets, LLC research is distributed electronically via the Thomson Reuters platforms, Bloomberg, Capital IQ and FactSet. Please contact your investment advisor or institutional salesperson for more information.

General Disclaimer

The information and opinions in this report were prepared by Ascendant Capital Markets, LLC. This information is not intended to be used as the primary basis of investment decisions and because of individual client objectives it should not be construed as advice designed to meet the particular investment needs of any investor. This material is for information purposes only and is not an offer or solicitation with respect to the purchase or sale of any security. The reader should assume that Ascendant Capital Markets, LLC may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The opinions, estimates, and projections contained in this report are those of Ascendant Capital Markets, LLC as of the date of this report and are subject to change without notice. Ascendant Capital Markets, LLC endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, Ascendant Capital Markets, LLC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein, and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to Ascendant Capital Markets, LLC, or its affiliates that is not reflected in this report. This report is not to be construed as an offer or solicitation to buy or sell any security.

Additional Disclosures

Ascendant Capital Markets, LLC is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and a member of the FINRA and SIPC. Ascendant Capital Markets, LLC is not a Registered Investment Advisor nor is it an investment advisor registered with the Securities and Exchange Commission or with the securities regulators of any state, and at the present time is not eligible to file for federal registration.