



# IMAC Holdings, Inc.

*Slight Q1 miss, but new opportunities and locations should drive 2022.  
Lowering P/T to \$5.50.*

## COMPANY UPDATE

**Rating: BUY**

Ticker: IMAC

Price: \$0.83

Target: \$5.50  
(from \$6.00)

**Slight Q1 miss:** IMAC recently (on May 13) reported its Q1 2022 (ending March) results. Revenue was \$3.9 million, compared with our estimate of \$4.7 million. Net loss was \$3.2 million or EPS of \$(0.12), compared with our estimate of \$(0.09).

**Clinics visits +4%:** Q1 revenue was +27% y-o-y as the company's business returns to normal post pandemic along with recent office acquisitions and the launch of The Back Space. Patient visits grew at +4% y-o-y. In addition, clinics realized improved pricing as revenue per visit increased over 20% y-o-y.

**No guidance:** Management declined to provide 2022 guidance.

**Adjusting estimates:** We are adjusting our 2022 estimates for revenue to \$18 million, from \$20 million, and for EPS to \$(0.39) from \$(0.36).

**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. Following the model of its first and flagship IMAC Regeneration Center in Kentucky, the company is attempting to replicate its success into a leading chain of regeneration medicine centers.

**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. IMAC now has ~15 medical clinics located in Florida, Illinois, Kentucky, Missouri, and Tennessee.

**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:** A major opportunity for IMAC is in the development of new regenerative products and technologies. 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 introduction 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 \$4 million in cash and no debt. We believe it has enough cash until late-2022.

**Positive high risks versus rewards:** It is positive to see patient visits improving from the significant declines during the beginning of the pandemic (March 2020). We believe the demand for its services will grow fueled by an aging population and increased consumer preferences for new healthcare solutions over traditionally invasive orthopedic practices.

**Current valuation attractive:** Maintaining our BUY rating, but lowering our 12-month price target to \$5.50 from \$6.00. 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

May 14, 2022

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### Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.75 – 2.75
Shares Outstanding (million):	26
Market cap (\$million):	\$22
EV (\$million):	\$18
Debt (\$million):	\$0
Cash (\$million):	\$4
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	19
Short Interest (million shares):	0.3
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	5E	
Q2 Jun	4E	5E	6E	
Q3 Sep	5E		6E	
Q4 Dec	<u>5E</u>		<u>6E</u>	
Total	<b>18E</b>	<b>20E</b>	<b>23E</b>	
EV/Revs	1.0x		1.2x	

### 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	(0.09)E	(0.07)E	(0.08)E
Q2 Jun	(0.09)E		(0.08)E	(0.09)E
Q3 Sep	(0.09)E		(0.09)E	
Q4 Dec	<u>(0.10)E</u>	<u>(0.09)E</u>	<u>(0.10)E</u>	<u>(0.09)E</u>
Total	<b>(0.39)E</b>	<b>(0.36)E</b>	<b>(0.34)E</b>	
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

<b>Revenue:</b>	<b>Medical Professionals:</b>
65% Medical	19 Medical
31% Physical Therapy	19 Physical Therapy
4% Chiropractic	15 Chiropractic

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

## Exhibit 2: IMAC Q1 and Recent Highlights

### Financial and Corporate Highlights from Q1 2022:

- Total Revenue was \$3.9 million, compared with \$3.0 million in Q1 2021, an increase of 28%
- Patient visits were up 3.7% to 39,809 in IMAC clinics
- Completed repayment of three loans of over \$4.34 million, which represented more than 95% of the company's debt
- 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 the The Back Company Franchise to expand our chiropractic service locations
- Engaged Dr. Ben Lerner as Chief Operating Officer, bringing decades of valuable healthcare growth experience to the executive team.
- Initiated the third and final cohort of its Phase 1 clinical trial for the treatment of bradykinesia due to Parkinson's disease.

Source: Company reports.

**Exhibit 3: IMAC Revenue and Services Mix**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
<i>( in thousands, unaudited )</i>		
<b>Revenues:</b>		
Outpatient facility services	\$ 3,661	\$ 2,880
Memberships	234	145
<b>Total revenues</b>	<b>\$ 3,895</b>	<b>\$ 3,025</b>

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues:</b>		
Medical treatments	68%	63%
Physical therapy	24%	30%
Chiropractic care	2%	2%
Memberships	6%	5%
	100%	100%

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>Visits:</b>	
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 (as of Fall 2021)

## 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

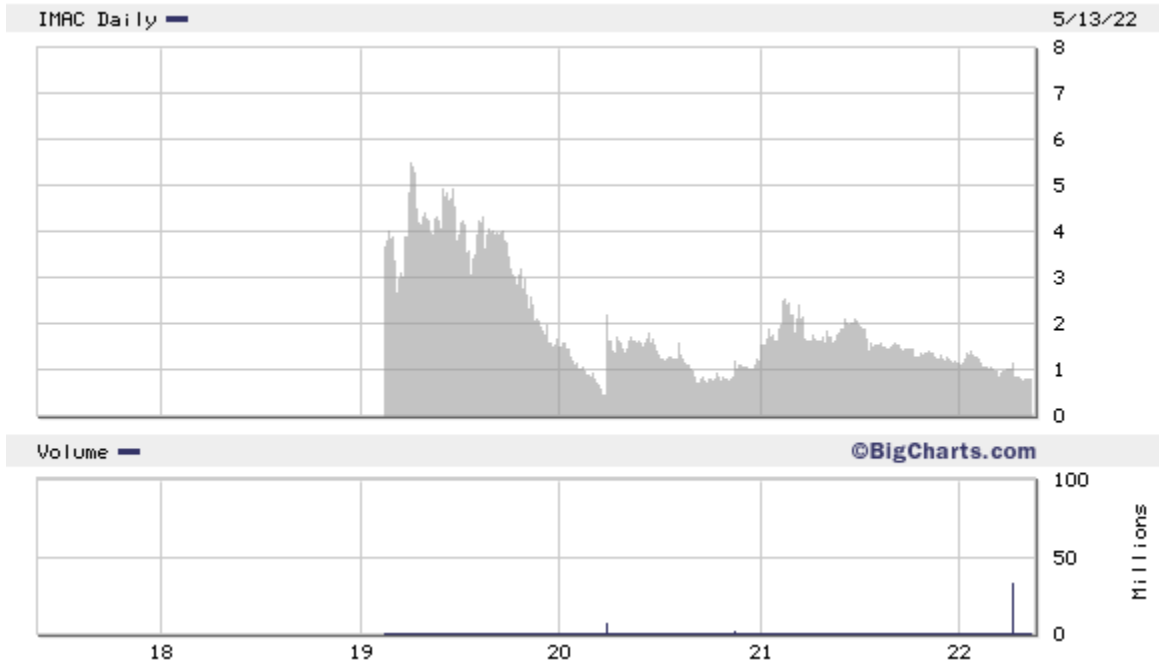


## *the* **BACKSPACE**

- 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

Source: Company reports.

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



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

## 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	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	<b>3.3</b>	<b>2.6</b>	<b>3.5</b>	<b>3.5</b>	<b>12.8</b>	<b>3.1</b>	<b>3.5</b>	<b>3.5</b>	<b>4.4</b>	<b>14.4</b>	<b>3.9</b>	<b>4.4</b>	<b>4.7</b>	<b>5.4</b>	<b>18.4</b>	<b>4.9</b>	<b>5.5</b>	<b>5.9</b>	<b>6.8</b>	<b>23.0</b>
Patient expenses	0.4	0.4	0.4	0.4	1.6	0.3	0.3	0.4	0.6	1.6	0.5	0.5	0.5	0.6	2.1	0.5	0.6	0.6	0.7	2.5
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	3.4	3.7	4.2	15.0	3.7	4.1	4.4	5.1	17.3
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	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.3	0.9
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	0.4	0.4	0.4	1.5	0.3	0.4	0.4	0.5	1.6
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	1.8	1.9	2.2	7.6	1.7	1.9	2.1	2.4	8.1
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	0.0					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	6.6	7.1	8.1	28.8	6.9	7.7	8.2	9.4	32.2
<b>Operating income (loss)</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(1.3)</b>	<b>(1.5)</b>	<b>(6.5)</b>	<b>(2.0)</b>	<b>(2.4)</b>	<b>(2.8)</b>	<b>(2.9)</b>	<b>(10.1)</b>	<b>(3.1)</b>	<b>(2.2)</b>	<b>(2.4)</b>	<b>(2.7)</b>	<b>(10.4)</b>	<b>(2.0)</b>	<b>(2.2)</b>	<b>(2.3)</b>	<b>(2.6)</b>	<b>(9.1)</b>
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	(0.0)	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)	(2.3)	(2.4)	(2.7)	(10.5)	(2.0)	(2.2)	(2.3)	(2.6)	(9.2)
Income taxes					0.0					0.0		0.0	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)	(2.3)	(2.4)	(2.7)	(10.5)	(2.0)	(2.2)	(2.3)	(2.6)	(9.2)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
<b>Net income (pro forma)</b>	<b>(1.7)</b>	<b>(2.0)</b>	<b>(1.4)</b>	<b>0.2</b>	<b>(5.0)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(4.8)</b>	<b>(10.5)</b>	<b>(3.2)</b>	<b>(2.3)</b>	<b>(2.4)</b>	<b>(2.7)</b>	<b>(10.5)</b>	<b>(2.0)</b>	<b>(2.2)</b>	<b>(2.3)</b>	<b>(2.6)</b>	<b>(9.2)</b>
EBITDA	(1.1)	(1.2)	(0.7)	(0.8)	(3.8)	(1.3)	(1.3)	(0.9)	(4.2)	(7.7)	(2.5)	(1.6)	(1.7)	(2.0)	(7.8)	(1.4)	(1.5)	(1.6)	(1.9)	(6.4)
Shares, Basic	9.6	10.2	11.8	12.6	11.1	13.4	25.1	25.3	26.2	22.6	26.4	26.5	26.6	26.7	26.5	26.9	27.0	27.1	27.2	27.0
Shares, Diluted	9.6	10.2	11.8	12.6	11.1	13.4	25.1	25.3	26.2	22.6	26.4	26.5	26.6	26.7	26.5	26.9	27.0	27.1	27.2	27.0
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)	(\$0.09)	(\$0.09)	(\$0.10)	(\$0.39)	(\$0.07)	(\$0.08)	(\$0.09)	(\$0.10)	(\$0.34)
<b>EPS Diluted (pro forma)</b>	<b>(\$0.18)</b>	<b>(\$0.20)</b>	<b>(\$0.12)</b>	<b>\$0.02</b>	<b>(\$0.45)</b>	<b>(\$0.15)</b>	<b>(\$0.08)</b>	<b>(\$0.07)</b>	<b>(\$0.19)</b>	<b>(\$0.47)</b>	<b>(\$0.12)</b>	<b>(\$0.09)</b>	<b>(\$0.09)</b>	<b>(\$0.10)</b>	<b>(\$0.39)</b>	<b>(\$0.07)</b>	<b>(\$0.08)</b>	<b>(\$0.09)</b>	<b>(\$0.10)</b>	<b>(\$0.34)</b>
<b>Margins</b>																				
Patient expenses	11%	16%	12%	12%	13%	11%	10%	10%	13%	11%	12%	11%	11%	11%	11%	11%	11%	11%	11%	11%
Salaries and benefits	88%	91%	75%	75%	82%	90%	86%	96%	83%	89%	95%	78%	78%	78%	82%	75%	75%	75%	75%	75%
Share-based compensation	2%	5%	3%	2%	3%	4%	4%	5%	3%	4%	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Advertising and marketing	7%	7%	7%	8%	7%	9%	9%	8%	10%	9%	10%	8%	8%	8%	8%	7%	7%	7%	7%	7%
General and administrative	37%	47%	28%	33%	36%	40%	48%	46%	45%	45%	47%	40%	40%	40%	41%	35%	35%	35%	35%	35%
Operating margin	-60%	-66%	-38%	-42%	-50%	-67%	-70%	-79%	-66%	-70%	-81%	-51%	-50%	-49%	-57%	-41%	-40%	-40%	-39%	-40%
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%	-51%	-51%	-49%	-57%	-41%	-40%	-40%	-39%	-40%
<b>Y/Y % change</b>																				
Total Revenue	20%	-32%	-20%	-18%	-15%	-8%	35%	1%	26%	12%	27%	27%	34%	24%	28%	25%	25%	25%	25%	25%
Patient expenses	-13%	-56%	-55%	82%	-36%	-10%	-16%	-16%	43%	0%	35%	42%	43%	1%	26%	16%	25%	25%	25%	23%
Salaries and benefits	42%	-10%	-9%	-13%	0%	-6%	28%	29%	38%	21%	35%	14%	9%	17%	18%	-2%	20%	20%	20%	15%
Share-based compensation	2063%	-29%	-4%	-22%	0%	36%	1%	74%	84%	46%	71%	43%	0%	46%	35%	3%	25%	25%	25%	20%
Advertising and marketing	-30%	-50%	-26%	26%	-25%	10%	81%	25%	59%	42%	40%	12%	28%	-4%	16%	-8%	9%	9%	9%	5%
General and administrative	26%	-15%	-27%	-15%	-10%	-1%	37%	67%	69%	41%	49%	6%	17%	11%	19%	-6%	9%	9%	9%	6%
Operating income (loss)	48%	-19%	-20%	34%	5%	3%	41%	112%	96%	56%	53%	-7%	-14%	-7%	3%	-36%	-2%	-2%	-2%	-12%
Net income (loss)	8%	7%	-8%	-113%	-23%	15%	-2%	19%	-2654%	111%	59%	13%	39%	-45%	-1%	-36%	-2%	-2%	-2%	-12%
EPS Diluted (pro forma)	-33%	-15%	-35%	-109%	-46%	-18%	-60%	-44%	-1328%	3%	-19%	7%	33%	-46%	-16%	-38%	-4%	-4%	-4%	-14%

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	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	1.3	2.8	1.7	2.6	15.6	13.6	11.2	7.1	4.3	1.7	(0.2)	(2.8)	(5.0)	(8.3)	(10.6)	(14.3)
Short term investments										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	1.2	1.3	1.5	1.4	1.5	1.6	1.9
Deferred income taxes										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
Prepaid expenses and other	0.8	0.6	0.7	0.6	0.8	1.3	1.2	0.7	0.7	1.0	1.0	1.2	1.1	1.2	1.3	1.5
<b>Total current assets</b>	<b>3.5</b>	<b>4.9</b>	<b>3.8</b>	<b>4.8</b>	<b>18.3</b>	<b>16.3</b>	<b>13.5</b>	<b>9.1</b>	<b>6.7</b>	<b>3.9</b>	<b>2.1</b>	<b>(0.2)</b>	<b>(2.6)</b>	<b>(5.6)</b>	<b>(7.7)</b>	<b>(10.9)</b>
Property and equipment, net	3.5	3.3	1.9	1.8	1.8	1.9	1.8	2.3	2.3	2.5	2.3	2.6	2.8	4.2	4.4	5.8
Intangibles, net	9.1	9.1	8.9	8.7	8.9	8.8	8.5	10.5	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Deferred income tax										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	4.7	4.7	4.7	4.7	4.7	4.7	4.7
<b>Total assets</b>	<b>21.1</b>	<b>21.9</b>	<b>19.4</b>	<b>19.7</b>	<b>33.6</b>	<b>32.5</b>	<b>29.2</b>	<b>27.2</b>	<b>24.2</b>	<b>21.7</b>	<b>19.7</b>	<b>17.6</b>	<b>15.5</b>	<b>13.9</b>	<b>12.0</b>	<b>10.1</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	3.3	2.5	2.4	1.7	2.0	1.4	1.8	2.5	3.0	2.6	2.8	3.2	2.9	3.3	3.5	4.1
Accrued expenses			0.3	0.3	0.4	0.3	0.4	0.4	0.3	0.2	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	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Acquisition liabilities	0.5	0.3								0.0	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	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
<b>Total current liabilities</b>	<b>9.3</b>	<b>8.8</b>	<b>6.0</b>	<b>6.0</b>	<b>6.6</b>	<b>5.4</b>	<b>5.4</b>	<b>4.9</b>	<b>5.2</b>	<b>4.8</b>	<b>5.0</b>	<b>5.4</b>	<b>5.1</b>	<b>5.5</b>	<b>5.7</b>	<b>6.3</b>
Deferred income taxes										0.0	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	0.0
Other long term liabilities	0.5	0.4	0.4	0.5	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Operating lease	3.7	3.5	3.7	3.5	3.5	4.3	4.0	4.0	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
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
<b>Total other liabilities</b>	<b>4.5</b>	<b>5.2</b>	<b>6.8</b>	<b>6.0</b>	<b>4.2</b>	<b>4.7</b>	<b>4.3</b>	<b>4.3</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
Preferred stock										0.2	0.4	0.6	0.8	1.0	1.2	1.4
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.6	0.8	1.0	1.2	1.4
Additional paid-in capital	21.5	24.1	24.1	25.5	42.7	44.8	44.8	46.1	46.3	46.3	46.3	46.3	46.3	46.3	46.3	46.3
Retained earnings	(11.8)	(13.8)	(15.2)	(15.0)	(17.0)	(19.0)	(20.8)	(28.2)	(31.4)	(33.6)	(36.0)	(38.7)	(40.7)	(42.9)	(45.2)	(47.8)
Accumulated other comprehensive income										0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
<b>Total stockholders' equity</b>	<b>7.3</b>	<b>7.9</b>	<b>6.5</b>	<b>7.8</b>	<b>22.8</b>	<b>22.4</b>	<b>19.5</b>	<b>18.0</b>	<b>15.0</b>	<b>12.9</b>	<b>10.7</b>	<b>8.2</b>	<b>6.4</b>	<b>4.4</b>	<b>2.3</b>	<b>(0.2)</b>
<b>Total stockholders' equity and liabil</b>	<b>21.1</b>	<b>21.9</b>	<b>19.4</b>	<b>19.7</b>	<b>33.6</b>	<b>32.5</b>	<b>29.2</b>	<b>27.2</b>	<b>24.2</b>	<b>21.7</b>	<b>19.7</b>	<b>17.6</b>	<b>15.5</b>	<b>13.9</b>	<b>12.0</b>	<b>10.1</b>

**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	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	25%	23%	20%	18%	28%	38%	34%	17%	17%	22%	22%	22%	22%	22%	22%	22%
Accounts payable as % of total rev	99%	99%	68%	49%	66%	40%	52%	58%	77%	60%	60%	60%	60%	60%	60%	60%
Accrued expenses as % of total rev	0%	0%	9%	10%	12%	10%	11%	8%	8%	5%	5%	5%	5%	5%	5%	5%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	39	52	37	39	54	35	30	25	40	25	25	25	25	25	25	25
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$0.76	\$0.78	\$0.55	\$0.62	\$1.70	\$0.89	\$0.77	\$0.69	\$0.57	\$0.49	\$0.40	\$0.31	\$0.24	\$0.17	\$0.08	-\$0.01
Cash per Share (diluted)	\$0.13	\$0.28	\$0.14	\$0.21	\$1.16	\$0.54	\$0.44	\$0.27	\$0.16	\$0.06	-\$0.01	-\$0.11	-\$0.19	-\$0.31	-\$0.40	-\$0.53
Net cash per Share (diluted)	-\$0.34	-\$0.30	-\$0.25	-\$0.15	\$0.95	\$0.46	\$0.39	\$0.26	\$0.16	\$0.06	-\$0.02	-\$0.11	-\$0.19	-\$0.32	-\$0.40	-\$0.54

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	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																				
Net income	(2.1)	(2.0)	(1.5)	(0.0)	(5.5)	(2.2)	(2.5)	(2.9)	(2.9)	(10.5)	(3.2)	(2.3)	(2.4)	(2.7)	(10.5)	(2.0)	(2.2)	(2.3)	(2.6)	(9.2)
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	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
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	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					0.0
Other					0.0					0.0					0.0					0.0
<b>Changes in operating assets and liabilities:</b>																				
Accounts receivable	(0.1)	(0.1)	0.1	(0.1)	(0.2)	(0.3)	0.5	0.2	(0.1)	0.3	(0.5)	0.5	(0.1)	(0.2)	(0.3)	0.1	(0.2)	(0.1)	(0.2)	(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)	(0.1)	(0.2)	(0.5)	0.1	(0.1)	(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	(0.4)	0.2	0.4	0.7	(0.3)	0.4	0.2	0.5	0.8
Patient deposits	0.1	0.1	0.0	(0.1)	0.1	0.1	(0.0)	0.1	(0.2)	0.0	0.0	(0.1)	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	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	0.0	0.0	0.0
<b>Net cash (used in) provided by</b>	<b>(1.2)</b>	<b>(1.8)</b>	<b>(1.0)</b>	<b>(2.0)</b>	<b>(6.0)</b>	<b>(1.7)</b>	<b>(2.6)</b>	<b>(1.4)</b>	<b>(1.8)</b>	<b>(7.6)</b>	<b>(2.4)</b>	<b>(1.9)</b>	<b>(1.7)</b>	<b>(1.9)</b>	<b>(8.0)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.6)</b>	<b>(1.8)</b>	<b>(6.4)</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equip	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.3)	(0.7)	(0.2)	(0.7)	(0.2)	(0.7)	(1.8)	(0.7)	(1.8)	(0.7)	(1.8)	(5.0)
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
<b>Net cash used in investing acti</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(2.5)</b>	<b>(0.2)</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(0.7)</b>	<b>(1.8)</b>	<b>(0.7)</b>	<b>(1.8)</b>	<b>(0.7)</b>	<b>(1.8)</b>	<b>(5.0)</b>
<b>Cash flow from financing activities</b>																				
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	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)				(0.2)					0.0
Issuance of stock	1.4	2.4	(0.0)	1.4	5.2	17.2	1.8			19.0		0.0	0.0	0.0	0.0	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					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
<b>Cash provided by (used in) fina</b>	<b>2.3</b>	<b>3.6</b>	<b>(0.1)</b>	<b>3.0</b>	<b>8.8</b>	<b>15.4</b>	<b>0.9</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>14.5</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
<b>Net increase (decrease) in cash</b>	<b>0.9</b>	<b>1.5</b>	<b>(1.1)</b>	<b>1.0</b>	<b>2.3</b>	<b>13.0</b>	<b>(2.0)</b>	<b>(2.4)</b>	<b>(4.1)</b>	<b>4.5</b>	<b>(2.8)</b>	<b>(2.6)</b>	<b>(1.9)</b>	<b>(2.6)</b>	<b>(10.0)</b>	<b>(2.1)</b>	<b>(3.3)</b>	<b>(2.3)</b>	<b>(3.7)</b>	<b>(11.5)</b>
<b>Beginning cash and equivalents:</b>	<b>0.4</b>	<b>1.3</b>	<b>2.8</b>	<b>1.7</b>	<b>0.4</b>	<b>2.6</b>	<b>15.6</b>	<b>13.6</b>	<b>11.2</b>	<b>2.6</b>	<b>7.1</b>	<b>4.3</b>	<b>1.7</b>	<b>(0.2)</b>	<b>7.1</b>	<b>(2.8)</b>	<b>(5.0)</b>	<b>(8.3)</b>	<b>(10.6)</b>	<b>(2.8)</b>
<b>Ending cash and equivalents</b>	<b>1.3</b>	<b>2.8</b>	<b>1.7</b>	<b>2.6</b>	<b>2.6</b>	<b>15.6</b>	<b>13.6</b>	<b>11.2</b>	<b>7.1</b>	<b>7.1</b>	<b>4.3</b>	<b>1.7</b>	<b>(0.2)</b>	<b>(2.8)</b>	<b>(2.8)</b>	<b>(5.0)</b>	<b>(8.3)</b>	<b>(10.6)</b>	<b>(14.3)</b>	<b>(14.3)</b>

Source: Company reports and Ascendant Capital Markets estimates

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## 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

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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 April 17, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	41	98%	13	32%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	13	31%

### 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

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