



IMAC Holdings, Inc.

Initiating Coverage with BUY and \$4.50 Target

Strong growth potential for its regeneration medicine outpatient medical clinics. We believe expected positive growth and commercialization milestones over the next year to be positive for stock.

Initiating with BUY: We are initiating coverage of IMAC Holdings with a BUY rating. IMAC operates outpatient medical clinics that provide regenerative, orthopedic, and minimally invasive procedures and therapies to treat sports and orthopedic injuries.

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.

Large market potential: Outpatient rehabilitation is anticipated to grow at a rate of 2% - 7% in the coming years, due to the aging baby boomer generation, sustained high rates of obesity, and healthcare access improvements. IMAC plans over the next year to expand into states with significant demand and underserved populations (including its recent entry into Florida).

Still early but high growth stage: IMAC's recent financial performance is reflective of its early development, expansion, and commercialization stage. In its recent Q4 2019 report, the company reported revenue of \$4.2 million (vs. \$3.3 million y-o-y). 2019 revenue was \$15 million (+126% y-o-y), and EPS was \$(0.84) (vs. \$(0.47) y-o-y). The majority of the growth from 2018 to 2019 was due to the company's acquisitions/openings of clinics (it had 15 clinics at the end of 2019 versus 11 at the end of 2018).

Growth is key: We believe that the biggest potential variable and challenge to our investment thesis is the ability of the company to successfully develop and grow its centers (both in the increase in number of centers and in revenue per centers). The company has grown significantly over the past year and should continue that growth over the medium and long term.

FDA IND: A major opportunity for IMAC is in the development of new regenerative products and technologies. IMAC has licensed an FDA Phase I approved stem cell product, and intends to file an IND application with the FDA to research and develop regenerative medicine products.

However, challenges exist: IMAC operates in a highly competitive environment and competes against a wide range of other medical or healthcare companies that are attempting to replicate or already have similar or alternative treatments as the company's main regeneration medicine products.

Coronavirus impact: The current coronavirus pandemic has negatively impacted IMAC's business along with many other companies and has been a huge disruption to the U.S. (and global) economy.

Positive high risks versus rewards: Overall, concerns outweighed by growth prospects and valuation. 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. We believe the ~billion dollars market potentials presents high rewards for the risks.

Current valuation attractive: We calculate a 12-month price target for shares of IMAC to be \$4.50 based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

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

April 14, 2020

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COVERAGE INITIATION

Rating: BUY

Ticker: IMAC

Price: \$1.73

Target: \$4.50

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.42 – 5.55
Shares Outstanding (million):	10
Market cap (\$million):	\$17
EV (\$million):	\$21
Debt (\$million):	\$4
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	~\$2
Float (million shares):	5
Short Interest (million shares):	~0.2
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2019A</u> (Cur.)	<u>2020E</u> (Cur.)	<u>2021E</u> (Cur.)
Q1 Mar	3A	3E	4E
Q2 Jun	4A	2E	4E
Q3 Sep	4A	3E	4E
Q4 Dec	<u>4A</u>	<u>4E</u>	<u>5E</u>
Total	15A	13E	16E
EV/Revs	1.4x	1.6x	1.3x

Earnings per Share (pro forma)

	<u>2019A</u> (Cur.)	<u>2020E</u> (Cur.)	<u>2021E</u> (Cur.)
Q1 Mar	(0.27)A	(0.17)E	(0.15)E
Q2 Jun	(0.23)A	(0.14)E	(0.14)E
Q3 Sep	(0.19)A	(0.18)E	(0.15)E
Q4 Dec	<u>(0.17)A</u>	<u>(0.21)E</u>	<u>(0.16)E</u>
Total	(0.84)A	(0.70)E	(0.60)E
P/E	N/A	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 22.

Exhibit 1: IMAC Holdings, Inc. Stock Price (1-year since IPO February 2019)



Source: Nasdaq.com

INVESTMENT THESIS

We are initiating coverage of IMAC Holdings with a BUY rating and a 12-month price target of \$4.50.

Based in Brentwood, TN, IMAC Holdings operates outpatient medical clinics that provide regenerative, orthopedic, and minimally invasive procedures and therapies to combine life science advancements with traditional medical care. IMAC's mix of medical and physical procedures are designed to improve patient experiences and outcomes, and reduce healthcare costs as compared to other treatment options. IMAC currently has 15 outpatient medical clinics in Kentucky, Missouri, Tennessee, Illinois, and Florida.

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. Its treatments are performed by licensed medical practitioners through its regenerative rehabilitation protocols designed to improve the physical health, to advance the quality of life and to lessen the pain of their patients. IMAC has partnered with several active and former professional athletes, including Ozzie Smith, David Price, Tony Delk and Mike Ditka, in the branding of its IMAC Regeneration Centers.

The demand for its services continues to grow fueled by an aging population and increased consumer preferences for organic healthcare solutions over traditionally invasive orthopedic practices. IMAC believes that its regenerative rehabilitation treatments are provided to patients at a much lower price than its primary competitors, including orthopedic surgeons, pain management clinics, and hospital systems targeting invasive joint reconstruction. Surgical joint replacements cost several times more than its therapies initially treating the same condition.

Exhibit 2: IMAC Holdings Overview

“IMAC” - Innovative Medical Advancements and Care

Founded in 2015 the company owns or manages outpatient clinics that provide regenerative, orthopedic and minimally invasive procedures and therapies. The centers are currently located in Illinois, Kentucky, Missouri, and Tennessee.

- IMAC Regeneration Centers are regenerative rehabilitation clinics that harness and boost your body’s ability to heal itself.
- From professional athletes with sports injuries to dependent seniors struggling to stay active with everyday pain, IMAC treats patients of all ages and backgrounds.
- Outpatient medical clinics provide minimally invasive orthopedic and regenerative therapies without the use of opioids .



Source: Company reports.

IMAC has grown significantly and differentiated itself from its competitors as a result of:

- *Minimally Invasive Approach to Traditional Orthopedic Care.* IMAC aims to rehabilitate patients’ musculoskeletal system to reduce pain and enhance mobility without major surgery or anesthesia. By combining physical therapy and regenerative medicine, IMAC is able to treat a variety of physical conditions by using a patient’s own body to help heal itself.
- *Strong Regional Presence.* IMAC owns six and manage nine clinics in five states, providing significant leverage for implementation of its marketing strategies and utilization of staff. IMAC believes it offers a broader platform of regenerative therapies than its regional competitors.
- *Do Not Prescribe Addictive Opioids.* IMAC does not use or offer opioid-based prescriptions as part of its treatment options in order to help patients avoid the dangers of opioid abuse and addiction. IMAC focuses on preventing the potential for addiction through its regenerative-based therapies that help alleviate chronic pain.
- *Utilizing Diverse Medical Specialists for Customized Care.* IMAC treatment protocols are customized by a team of medical doctors, nurse practitioners, chiropractors, and physical therapists and are designed to heal damaged tissue without major surgery or prescription pain medication. This team approach delivers comprehensive service while avoiding the higher costs of major reconstructive surgery by medical specialists.

A major opportunity for IMAC is in the development of new regenerative products and technologies. IMAC has licensed an FDA Phase I approved stem cell product, and intends to file an IND application with the FDA to research and develop regenerative medicine products. IMAC intends to conduct a low-cost trial with the goal of identifying innovative treatments to deliver within its IMAC Regeneration Centers.

Exhibit 3: IMAC Investment Highlights (as of 10/19)

Investment Highlights

- **Positioned to tap a large and growing market with treatments directed toward the aging U.S. population, with 10,000 baby boomers turning 65 daily through 2029**
- **Momentum demonstrated via increases in procedures and patients served**
 - More than 111,000 pro-forma patient visits in 2018 (16% YOY growth)
 - TTM 124,695 patient visits to June 30, 2019
- **Revenues are derived from multiple sources supporting payment for services**
 - Affordable, regenerative, cash-pay procedures account for about half of the company's revenues
 - Third-party payers cover physiological treatments, such as PT, which account for the remainder of net patient revenues
- **Market awareness leverages high-profile professional athlete brand ambassadors**
- **Patient Charges for 1H of 2019 were \$16.1m vs. \$1.9m for the same period in 2018**
- **Corporate Accounts division expected to provide material revenue in 2H19**
 - Non-surgical approach provides a low-cost alternative to surgery at known costs

Source: Company reports.

IMAC plans over the next year to expand into states with significant demand and underserved populations (including its recent entry into Florida). The key elements of IMAC's growth strategy are:

1. Open New Outpatient Locations and Facilities.
2. Expand Service Offerings to Employers, Government Programs, and Self-Insured Health Plans.
3. Continue to Obtain Endorsements from Well-Known Sports Celebrities.
4. Accelerate Research and Development of New Regenerative Products.
5. Expand Advertising and Marketing.
6. Offer State-of-the-Art Orthopedic Treatments.

IMAC's recent financial performance is reflective of its early development, expansion, and commercialization stage. In its recent Q4 2019 report, the company reported revenue of \$4.2 million (vs. \$3.3 million y-o-y). 2019 revenue was \$15 million (+126% y-o-y), and EPS was \$(0.84) (vs. \$(0.47) y-o-y). The majority of the growth from 2018 to 2019 was due to the company's acquisitions/openings of clinics (it had 15 clinics at the end of 2019 versus 11 at the end of 2018).

While there are huge uncertainties with the current coronavirus pandemic which has negatively impacted IMAC's business along with many other companies and has been a huge disruption to the U.S. (and global) economy. The company has started to offer advanced telemedicine therapeutics to its patients (due to Shelter In Place rules and recommendations), but we believe that has not offset the revenues from regular office visits. We believe Q1 and Q2 revenues will be down significantly from Q4's revenue. However, we believe the current crisis will ease by summer and IMAC's business will return to normal soon after (by Q4).

For 2020, we expect revenues of \$13 million (vs. \$15 million y-o-y). But for 2021, we expect strong revenue growth to \$16 million (+27% y-o-y).

Exhibit 4: IMAC 2019 Milestones (as of 10/19)

2019 Milestones

- ✓ **Completed Initial Public Offering – 1Q 2019**
- ✓ **Completed acquisition of Chicago-area clinics – 2Q 2019**
- ✓ **Completed EMR implementation of all acquired clinics – 3Q 2019**
- **Formal application to FDA for RMAT designation targeting neurological conditions – 4Q19**
- **Acquire at least one satellite clinic in existing markets – Q4 2019**
- **Derive additional sources of revenue from new initiative focused on a dedicated corporate accounts division: IMAC Regeneration Centers Corporate Partnerships – 2019**

Source: Company reports.

The company's balance sheet had ~\$0.4 million in cash (not counting ~\$2 million in raised capital in the just completed Q1) and \$3.7 million in debt as of December 2019. We believe IMAC has enough cash to fund its operations through Q2 of this year, but we estimate that it will need to raise capital by Q3 2020.

Our investment thesis factors in an uncertain development and commercialization process for its Regeneration Centers, a very competitive industry, uncertain macro environment, and balance sheet and investment uncertainties which is offset by the very large potential upside opportunities created from successful commercialization and growth. We believe that the current valuation for IMAC has already factored in many of its risks (principally its ability to grow revenues and centers) but is under valuing its overall growth and product prospects, resulting in a positive risk versus reward scenario for an investment in IMAC.

We believe the current valuation is attractive.

Our \$4.50 price target is based on a NPV analysis. Based on our expectations and assumptions, we calculate a 12-month price target for shares of IMAC to be \$4.50, representing significant upside from current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities. We acknowledge that IMAC is still at an early stage in its development, expansion, and commercialization, but we believe key commercial milestones over the next year should be positive catalysts for the stock.

INVESTMENT RISKS

Growth and Commercialization Risks

IMAC's goal is to develop and grow its regeneration medicine products and services. It also aims to grow its centers to other locations to other key strategic markets in the U.S. To be successful, IMAC will need to educate and increase awareness to its target market (patients and other medical providers) and to demonstrate superiority (more effective and/or lower costs) of its regenerative

medicine services. While the company has a long history of a successful practice and operations from its original center in Kentucky, it has not demonstrated the same level of success at all its new locations yet. The market for medical, physical therapy, and chiropractic services is characterized by frequent technological developments and innovations, new product and services, and evolving industry standards. This will require IMAC to develop its technologies, services, expertise and reputation, and continue to improve the effectiveness and consistency of its services. While the market opportunities are large, the growth and clinic center development cycles are long and uncertain (especially for the opening of new offices). There are always significant risks to grow (add new centers) and commercialize new products (grow revenue per center).

Coronavirus and Economic Uncertainties

While healthcare costs tends to be less correlated with economic activity and income levels due to their nondiscretionary nature, major deterioration in economic conditions tends to result in an overall decline in consumer spending. This was demonstrated during the 2008 and 2009 Great Recession and global economic slowdown. While consumer spending levels and economic conditions have improved significantly since and have been strong (until recently), the global macroeconomic environment can change any time. This is now the case as in the past month there is now huge uncertainties with the current coronavirus pandemic. This has negatively impacted IMAC's business along with many other companies and has been a huge disruption to the U.S. (and global) economy. Further economic weakness may result in depressed consumer spending levels; this may have a negative impact on IMAC, medical and healthcare services companies, its business partners, and consumers/patients.

Competition

IMAC operates in a highly competitive environment and competes against a wide range of other medical or healthcare companies that are attempting to replicate or already have similar or alternative treatments as the company's main regeneration medicine products. Although IMAC believes that its medical services are superior to competing products and treatments, there are always the possibility of new entrants or difficulties with existing competition or standard of care treatments. IMAC competes with other companies or providers using a variety of treatments for the conditions and ailments, including orthopedic surgeons, pain management clinics, hospital systems and outpatient surgery centers providing joint reconstruction and related surgeries. Many of these competitors are much larger or have greater resources, and proprietary technology; which could result in lower projected sales for IMAC services and at higher costs, reduced margins, and lowered profitability for the company.

Concentrated Products and Locations

The company is currently developing and providing regenerative, orthopedic and minimally invasive procedures and therapies. While it plans to expand its centers broadly (beyond its current 15 locations), the company's centers are currently just located in Kentucky, Missouri, Tennessee, Illinois, and Florida. In addition, many of these centers have been recently opened or acquired so they have not reached full revenue maturity or profitability. In addition, IMAC is developing an FDA Phase I approved stem cell product to help develop new regenerative medicine products for neurological diseases. If IMAC were to experience difficulties with commercialization or expansion of its centers or services, then it would have a material negative impact on its business and financials as there are no meaningful products or locations which can offset (particularly in the near term).

Capital Markets Risks

We believe IMAC has enough cash to fund its operations through Q2 of this year, but we estimate that it will need to raise capital by Q3 2020. While the company's sales have been rapidly growing, it has been generating losses and will need to expand its products and patients to grow revenue and achieve profitability. We believe that it will be at least a year and a half before the company can be cash flow self-sufficient and profitable from operations. Many early stage medical companies fund their operations from the sale of equity or debt capital until their products or services reach commercial success. Early stage medical or health services companies valuations tend to fluctuate widely, particularly in the past month with the volatility in the markets. There is always the chance that market interests and valuations for companies in this industry can decline significantly. The share price volatility in the past year (with a stock price range of \$0.42 – 5.55) in IMAC's share price may make capital raising much more difficult and expensive.

VALUATION

We are initiating coverage of IMAC with a BUY rating and a 12-month price target of \$4.50, which is based on a NPV analysis. As the company is still early in its development and rollout as a leading chain of regeneration medicine services, it currently generates significant losses so traditional valuation metrics are not useful. We believe a more accurate valuation should take into consideration the potential value of its services centers. We do acknowledge that this valuation is complex and requires a large number of forward assumptions that we have to estimate that may be imprecise and may vary significantly from actual results. This is particularly so for a company like IMAC which is still in early high growth mode.

However, we believe our assumptions are fair and provide a reasonable basis for our valuation analysis. Our analysis considers future estimated profitability from its IMAC centers (based on estimated future profits and discounted this back to a current value), though our valuation is currently only focused on the centers it has currently. We apply a high discount rate to capture the uncertainties associated generally with its early and high growth commercialization strategy. We then added up the values, made an assumption about future investments required and allocated the value based on current share count. Based on our NPV analysis, we arrived at our 12-month price target of \$4.50, which we believe appropriately balances out the company's risks with its high growth prospects.

IMAC's share price YTD has been about flat (from \$1.50 on December 31, 2019), but it has been in a wide volatile range of \$0.42 – 5.55 within the past year. However, we believe that there are near term catalysts that may drive the stock (particularly for key milestones expected in 2020). Offsetting this, are the huge uncertainties with the current coronavirus pandemic which has negatively impacted IMAC's business along with many other companies and has been a huge disruption to the U.S. (and global) economy. That said, we believe the current crisis will ease by summer and IMAC's business will return to normal soon after (by Q4). Over the long-term, we expect valuations for IMAC to improve as visibility into cash flow generation becomes clearer, resulting in significant upside to the current share price.

Exhibit 5: Company Valuation (DCF)

Product	Calculated NPV	Discount Rate	Estimated Annual Prof
IMAC Regeneration Centers	\$ 55	20%	\$ 1
Total	\$ 55		
Estimated additional investments required	\$ 10		
Current Value for existing shareholders	\$ 45		
Shares Outstanding (mils)	10		
Estimated Value per share	\$ 4.50		

Source: Ascendant Capital Markets estimates

COMPANY

Based in Brentwood, TN, IMAC Holdings is a growing chain of Innovative Medical Advancements and Care (IMAC) Regeneration Centers, combining life science advancements with traditional medical care for movement-restricting diseases and conditions. IMAC's mix of medical and physical procedures are designed to improve patient experiences and outcomes, and reduce healthcare costs as compared to other treatment options. IMAC currently has 15 outpatient medical clinics in Kentucky, Missouri, Tennessee, Illinois, and one just recently acquired in Florida.

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. Its treatments are performed by licensed medical practitioners through its regenerative rehabilitation protocols designed to improve the physical health, to advance the quality of life and to lessen the pain of their patients. IMAC has partnered with several active and former professional athletes, including Ozzie Smith, David Price, Tony Delk and Mike Ditka, in the branding of its IMAC Regeneration Centers.

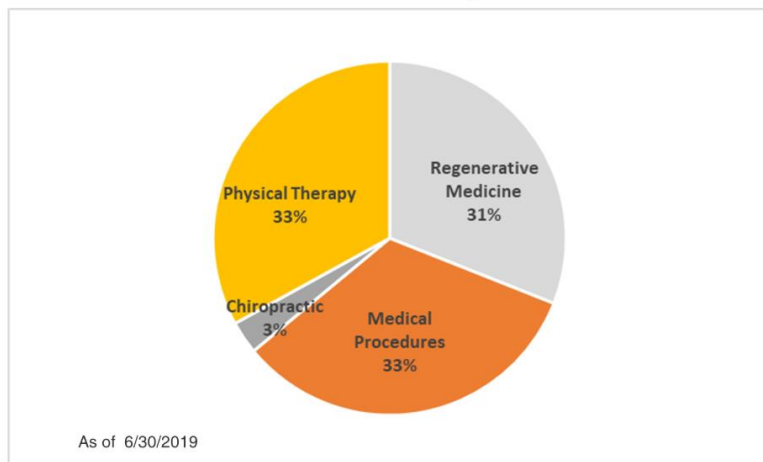
Dr. Matthew Wallis, DC, the company’s Chief Operating Officer, opened the first IMAC Regeneration Center in Paducah, Kentucky in August 2000, which remains the flagship location of the company’s current business. Dr. Jason Brame, DC joined Dr. Wallis in 2008. In 2015, Drs. Wallis and Brame hired Jeffrey Ervin as Chief Executive Officer to create and implement their growth strategy to be a leading chain of regeneration medicine centers. This resulted in the creation of IMAC Holdings to expand IMAC clinics outside of western Kentucky, to be owned or operated under the IMAC Regeneration Center brand.

Its medical clinics in Kentucky are held by a professional service corporation that is owned by Dr. Wallis and Dr. Brame, in order to comply with the state’s laws regulating the ownership of medical practices. The professional service corporation directs the provision of medical services to patients and employs the physicians and registered nurses at the clinics. Pursuant to the terms of a long- term, exclusive management services agreement, IMAC employs the non-medical provider staff for the clinics and provide comprehensive management and administrative services to operate the clinics.

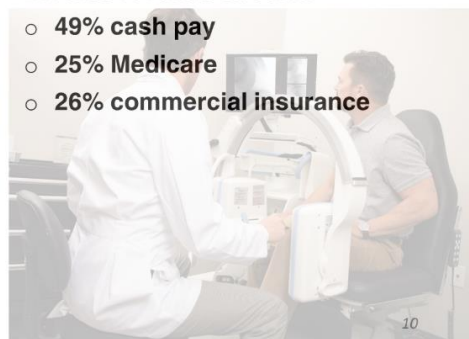
The company had its IPO in February 2019 (raising \$4.4 million selling 850,000 shares and warrants at \$5.13/units). As of March 2020, IMAC had 132 employees.

Exhibit 6: IMAC Services

Net Revenue Contribution by Service



- **Focus on non-invasive, non-opioid therapies**
- **Revenues are derived from multiple sources for payment of services**
- **Affordable and competitive**
- **Diverse revenue streams**
 - 49% cash pay
 - 25% Medicare
 - 26% commercial insurance



Source: Company reports.

Exhibit 7: IMAC Management Team



Jeffrey S. Ervin
CHIEF EXECUTIVE OFFICER AND
DIRECTOR

Chief Executive Officer



**Matthew C. Wallis,
DC**
CHIEF OPERATING OFFICER AND
DIRECTOR

Chief Operating Officer

JEFFREY S. ERVIN

Chairman, Chief Executive Officer & Co-Founder
of IMAC Holdings since March 2015

- Senior Financial Analyst for the Baptist Hospital System of Nashville
- Senior Financial Officer for Medicare.com parent Medx Publishing
- Instrumental in acquisition of Medicaid.com which was sold to United Healthcare Group
- Responsible for the negotiations and ultimate sale of Medicare.com to eHealth Insurance (NASD: EHTH)
- MBA from Vanderbilt University

MATTHEW C. WALLIS, DC

Director, Chief Operating Officer & Co-founder
of IMAC Holdings since March 2015

- Founder of IMAC Regeneration Center of Kentucky in August 2000
- Licensed chiropractor in Kentucky from 1998 to 2018, during which he established the first Integrated Medicine and Chiropractic ("IMAC") Regeneration Center
- Implemented consistent operating efficiencies for our sale
- Doctor of Chiropractic (DC) degree from Life University

Source: Company reports.

IMAC REGENERATION CENTERS

IMAC currently has 15 outpatient medical clinics in Kentucky, Missouri, Tennessee, and Illinois (not including a recently acquired clinic in Florida). IMAC offers an alternative to conventional surgery or joint replacement surgery by delivering minimally invasive medical treatments to help patients with sports injuries, back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions.

IMAC's licensed healthcare professionals provide each patient a custom treatment plan that integrates innovative regenerative medicine protocols (representing ~20% of revenue) with traditional, minimally invasive (minimizing skin punctures) medical procedures (~40% of revenue) in combination with physical therapies (~35% of revenue from physical therapy, and ~5% of revenue from chiropractic). IMAC does not use or offer opioid-based prescriptions as part of its treatments in order to help patients avoid the dangers of opioid abuse and addiction.

The demand for its services continues to grow fueled by an aging population and increasing consumer preferences for organic healthcare solutions over traditionally invasive orthopedic practices. IMAC believes that its regenerative rehabilitation treatments are provided to patients at a much lower price than its primary competitors, including orthopedic surgeons, pain management clinics and hospital systems targeting invasive joint reconstruction. Surgical joint replacements cost several times more than its therapies

initially treating the same condition. The U.S. government has recently adopted strict surgery pre-approval initiatives to reduce the cost for CMS and limit the proliferation of opioids since they accompany substantially all joint replacement surgeries.

IMAC believes patient satisfaction will be driven by the following five beliefs:

- that the body has the ability to heal itself, and better results occur with solutions to unlock the body's natural healing process;
- the power of doctors, from many different specializations, working together for the best patient care possible;
- that employees should know patients by their face, not by a chart number;
- consumers have a choice regardless of physician referral or insurance coverage; and
- a medical setting should be comforting.

The outpatient physical therapy industry is highly competitive, with thousands of clinics across the country. While some of its competitors offer regenerative medical treatments, IMAC believes that few companies have the multi-disciplinary approach of combining physical therapy and medical professionals working together to generate optimal regenerative health outcomes. IMAC's major competitive advantages are the ability to deliver medical treatments alongside complementary physical medicine and provide broadly affordable regenerative treatments.

IMAC clinics compete, directly or indirectly, with many types of healthcare providers including the physical therapy departments of hospitals, private therapy clinics, physician-owned therapy clinics, and chiropractors. Competitive factors include quality of care, cost, treatment outcomes, convenience of location, and relationships with, and ability to meet the needs of, referral and insurance payor sources.

IMAC has grown significantly and differentiated itself from its competitors as a result of:

- *Minimally Invasive Approach to Traditional Orthopedic Care.* IMAC aims to rehabilitate patients' musculoskeletal system to reduce pain and enhance mobility without major surgery or anesthesia. By combining physical therapy and regenerative medicine, IMAC is able to treat a variety of physical conditions by using a patient's own body to help heal itself.
- *Strong Regional Presence.* IMAC owns six and manage nine clinics in five states, providing significant leverage for implementation of its marketing strategies and utilization of staff. IMAC believes it offers a broader platform of regenerative therapies than its regional competitors.
- *Do Not Prescribe Addictive Opioids.* IMAC does not use or offer opioid-based prescriptions as part of its treatment options in order to help patients avoid the dangers of opioid abuse and addiction. IMAC focuses on preventing the potential for addiction through its regenerative-based therapies that help alleviate chronic pain.
- *Utilizing Diverse Medical Specialists for Customized Care.* IMAC treatment protocols are customized by a team of medical doctors, nurse practitioners, chiropractors and physical therapists and are designed to heal damaged tissue without major surgery or prescription pain medication. This team approach delivers comprehensive service while avoiding the higher costs of major reconstructive surgery by medical specialists.

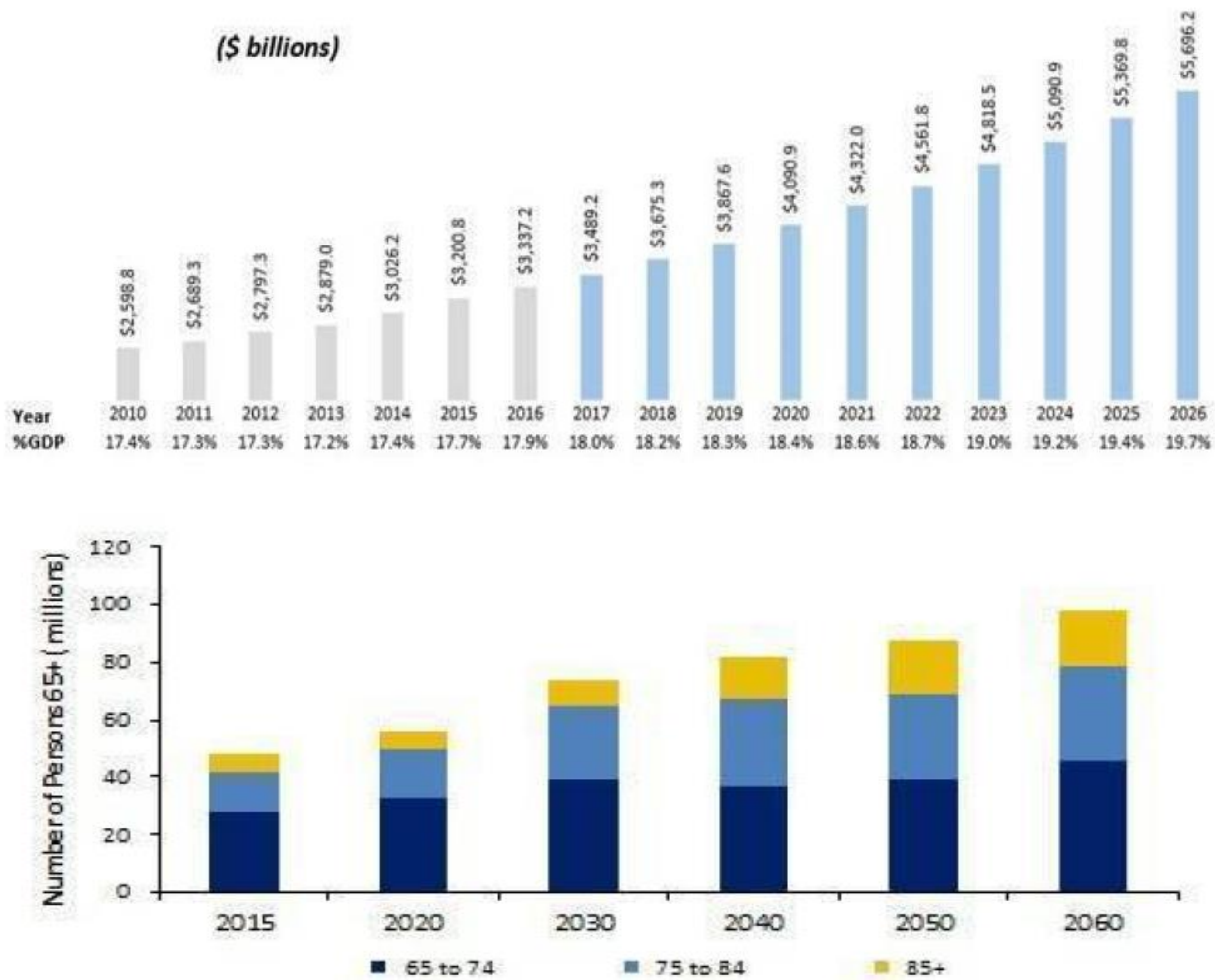
Exhibit 8: IMAC Regeneration Centers

Clinic Name	Location of Clinic	Date Opened or Acquired	Form and Date of Control	Primary Services Performed
IMAC Regeneration Center	Paducah, Kentucky	August 2000	Managed since June 28, 2018	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine
Ozzie Smith Center	Chesterfield, Missouri	May 2016	Full ownership effective June 1, 2018, when remaining 64% interest was acquired	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine
IMAC Regeneration Center	Murray, Kentucky	February 2017	Managed since June 28, 2018	Medical evaluations with x-rays, fluoroscopic joint and appendage injections, and physical medicine
David Price Center	Brentwood, Tennessee	May 2017	Managed since November 1, 2016	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine
Ozzie Smith Center	St. Peters, Missouri	August 2017	Full ownership effective June 1, 2018, when remaining 64% interest was acquired	Medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine
David Price Center	Murfreesboro, Tennessee	November 2017	Managed since November 2017	Medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine
Tony Delk Center	Lexington, Kentucky	July 2018	Managed since July 2, 2018	Medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine
Advantage Therapy	South Springfield, Missouri	August 2018 (originally opened August 2004)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy
Advantage Therapy	North Springfield, Missouri	August 2018 (originally opened March 2013)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy
Advantage Therapy	Monett, Missouri	August 2018 (originally opened May 2015)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy
Advantage Therapy	Ozark, Missouri	August 2018 (originally opened November 2015)	Full ownership effective August 1, 2018, when 100% interest was acquired	Occupational and physical therapy
Mike Ditka Center	Arlington Heights, Illinois	April 2019	Managed since April 19, 2019	Regenerative medicine, medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, and physical medicine
IMAC Regeneration Center	Buffalo Grove, Illinois	April 2019	Managed since April 19, 2019	Medical evaluations with x-ray, joint and appendage injections, and physical medicine
IMAC Regeneration Center	Elgin, Illinois	April 2019	Managed since April 19, 2019	Medical evaluations with x-ray, joint and appendage injections, and physical medicine
IMAC Regeneration Center	Rockford, Illinois	November 2019	Managed since November 7, 2019	Regenerative medicine, joint and appendage injections, and physical medicine

Source: Company reports.

IBIS World estimated that outpatient rehabilitation in the U.S. is an approximately \$30 billion industry, with approximately 90% of that revenue generated from physical rehabilitation services, including orthopedic, sports, geriatric and other forms of physical medicine. Outpatient rehabilitation is anticipated to grow at a rate of 2% - 7% in the coming years, due to the aging baby boomer generation, sustained high rates of obesity, and healthcare access improvements. As healthcare insurance providers seek to reduce medical costs and government regulation restricts access to opioid pain prescriptions, physical therapy and outpatient services are poised to capture a larger share of healthcare spending. As the workforce continues to grow, employer-based insurance expenditures will increase. In addition, government spending on Medicare will continue to be significant.

Exhibit 9: U.S. National Health Expenditure Projections 2017- 2026 and U.S. Population By Age Group



Source: Centers for Medicare & Medicaid Services and U.S. Census Bureau.

IMAC’s licensed healthcare professionals at its clinics utilize a combination of the following traditional and innovative treatments:

Medical Treatments. IMAC’s specialized team of doctors work together to provide the latest minimally invasive, prescription-free treatments for movement challenges or pain related to orthopedic conditions. The treatments are customized to treat the underlying condition instead of addressing the challenge with prescriptions or surgeries.

Regenerative Medicine. Regenerative therapy utilizes undifferentiated cellular tissue to regenerate damaged tissue. The majority of procedures utilize cells from the patient, harvested under minimal manipulation, and applied during the same visit to the clinic. These autologous cells help to heal degenerative soft tissue conditions, which cause pain or compromise the patient’s quality of life. Platelet therapies comprise the greatest percentage of regenerative procedures.

Physical Medicine. The company’s sports medicine practitioners start by collaboratively building a personalized physical medicine treatment plan designed to help patients.

Physical Therapy. With a combination of biomechanical loading and tissue mobilization, licensed physical rehabilitation therapists work with each patient to help the body restore skill within the joint or soft tissue.

Spinal Decompression. During this treatment, the spine is stretched and relaxed intermittently in a controlled manner, creating a negative pressure in the disc area that can pull herniated or bulging tissue back into the disc. Whether caused by trauma or degeneration, IMAC provides innovative, minimally invasive medical technology and care to relieve back pain and restore function.

Chiropractic Manipulation. Common for spine conditions, manual manipulation is used to increase range of motion, reduce nerve irritability and improve function.

Exhibit 10: IMAC Technology Services

Disruptive Technology – Replacing Surgery With Cellular Medicine

Surgical Intervention	Regenerative Medicine Solutions
<ul style="list-style-type: none"> • Orthopedic surgery is expensive and painful, with lengthy recovery 	<ul style="list-style-type: none"> • Minimally invasive regenerative therapy is less expensive with virtually no down time
<ul style="list-style-type: none"> • Payers face lost productivity from orthopedic injuries require an average of 6-8 weeks downtime* 	<ul style="list-style-type: none"> • Highly effective therapies at lower costs and minimal lost productivity
<ul style="list-style-type: none"> • 99.9% of orthopedic surgeries result in an opioid prescription post-operation 	<ul style="list-style-type: none"> • Treatments address the underlying disorder and alleviate pain

Source: Company reports.

Exhibit 11: IMAC Patient Case Study

Case Study: Torn ACL

24-year-old elite athlete with torn anterior cruciate ligament (“ACL”)

Case
Elite athlete tore ACL during soccer competition

Patient
Patient sought second opinion for speedier recovery than the 9 months expected after surgery

IMAC Evaluation
Practitioners review patient MRI and confirm diagnoses

Before **After**

IMAC Treatment
Patient goes through 12 weeks of treatments, twice in 13 months

Result
IMAC treatment successfully grew cartilage to space out bone grinding and alleviated all pain.
The patient experienced relief after just 2 weeks of treatment

Source: Company reports.

Exhibit 12: IMAC Target Markets

Aging Baby Boomers & Sports Injuries

Rank	Operating Room Procedure*	# of Procedures
Age 45-64		4,382,700
1	Arthroplasty of knee	314,800
2	Spinal fusion	216,500
3	Percutaneous coronary angioplasty	207,500
4	Laminectomy, excision of intervertebral disc	199,200
5	Hip replacement, total and partial	188,000
Age 65-84		4,094,500
1	Arthroplasty of knee	402,500
2	Hip replacement, total and partial	253,700
3	Percutaneous coronary angioplasty	205,200
4	Spinal fusion	155,900
5	Laminectomy, excision of intervertebral disc	149,000
Age 85+		561,700
1	Treatment, fracture or dislocation of hip and femur	85,800
2	Hip replacement, total and partial	61,700
3	Percutaneous coronary angioplasty	26,700
4	Colorectal resection	18,700
5	Arthroplasty of the knee	18,200

*99.9% of orthopedic procedures yield an opioid prescription

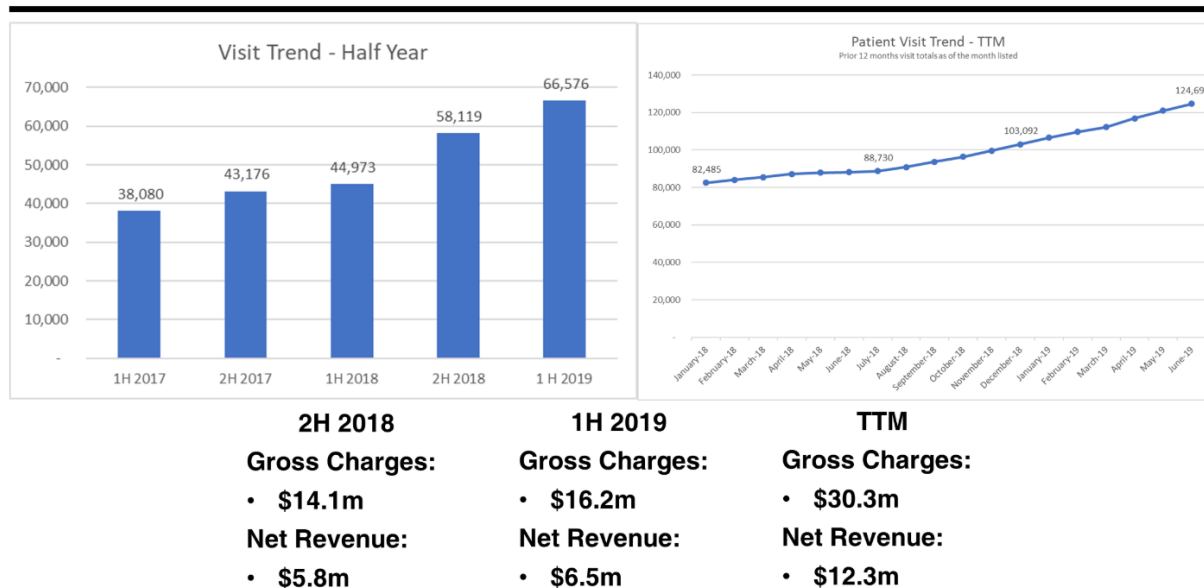
Rank	Operating room procedure	Aggregate cost for stays with OR procedure (\$ billions)	Mean cost per stay (\$ thousands)	Mean cost for IMAC treatment (\$ thousands)
1	Spinal fusion	\$12.0	\$28.9	\$9.2
2	Arthroplasty of the knee	\$11.8	\$16.3	\$7.9
3	Hip replacement, total & partial	\$8.3	\$17.1	\$8.1
4	Percutaneous coronary angioplasty (PTCA)	\$8.1	\$21.5	N/A
5	Cesarean section	\$7.0	\$6.1	N/A

SOURCE: Agency for Healthcare Research and Quality (AHRQ), Center for Delivery, Organization, and Markets, Healthcare Cost and Utilization Project (HCUP), 2014; published December 2017

Source: Company reports.

Exhibit 13: IMAC Visits Trends (as of 10/19)

Clinic Visits / Financial



**Pro Forma visit counts reflect the completion of our transactions consummated through June 30, 2018 as if they had occurred on January 1, 2017*

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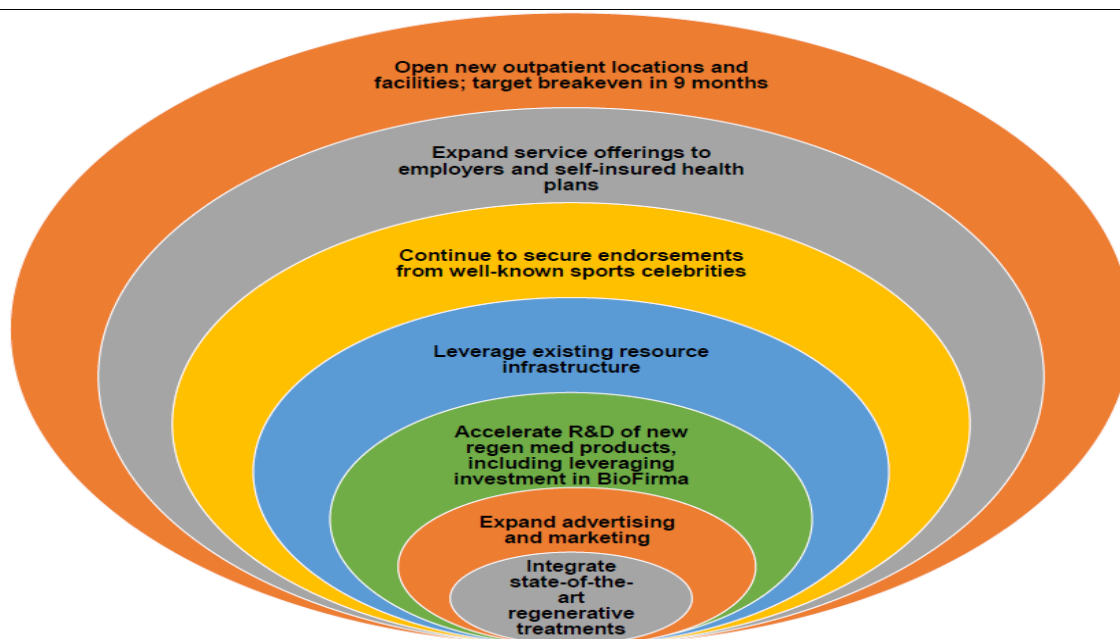
Source: Company reports.

IMAC plans to open additional IMAC Regeneration Centers in the states in which it currently operates, as well as in other strategic markets throughout the U.S. It intends to build on its familiarity and reputation within the demographic market to attract new patients and endorsements. The company’s strategic partnerships with regional and national sports celebrities have enabled it to increase visibility and become known for providing innovative regenerative-based therapies.

The key elements of IMAC’s growth strategy are:

1. Open New Outpatient Locations and Facilities.
2. Expand Service Offerings to Employers, Government Programs, and Self-Insured Health Plans.
3. Continue to Obtain Endorsements from Well- Known Sports Celebrities.
4. Leverage Existing Resources and Infrastructure
5. Accelerate Research and Development of New Regenerative Products.
6. Expand Advertising and Marketing.
7. Offer State-of-the-Art Orthopedic Treatments.

Exhibit 14: IMAC Growth Strategy



Source: Company reports.

A major opportunity for IMAC is in the development of new regenerative products and technologies. IMAC has licensed an FDA Phase I approved stem cell product from a research university, and intends to file an investigational new drug (IND) application with the FDA to research and develop regenerative medicine products for neurological diseases that restrict movement. IMAC intends to conduct a low-cost trial with the goal of identifying innovative treatments to deliver within its IMAC Regeneration Centers. The company plans to pursue a clinical trial utilizing regenerative advancements to alleviate symptoms of debilitating neurological conditions and diseases.

IMAC anticipate filing an IND application with the FDA using this licensed product during Q2 2020. It is estimated that the cost to conduct a 15 patient trial will be between \$400,000 - 700,000 and take up to 60 months, with initial enrolled patient data expected less than eight months after IND application acceptance.

FINANCIALS

IMAC fiscal year ends on December 31. We expect its next earnings report (for Q1 (ending March) 2020) to be in mid-May. Because the company is still early in its development, expansion, and commercialization as a leading chain of regeneration medicine centers company, it currently generates relatively low (but fast growing) revenues and significant losses.

IMAC's revenues are mainly derived from patient services from patient visits and procedures performed at its outpatient medical clinics. The fees are billed either to the patient or to a third-party payer, including Medicare or various insurance. IMAC recognizes patient service revenue, net of contractual and other adjustments, based on the historical trends of its cash collections and contractual write-offs. Contractual adjustments are negotiated discounts for patient services with third-party payers.

Other management service fees are derived from management services where the company provide billings and collections support to the clinics based on state specific regulations known as the corporate practice of medicine (“CPM”). Under the CPM, a business corporation is precluded from practicing medicine or employing a physician to provide professional medical services. In these cases, the company provide all administrative support to the physician-owned professional corporation (“PC”) through a limited liability company. The PC is consolidated due to control by contract (an “SMA” or Service Management Agreement). The fees the company derives from these arrangements are based on a percentage mark-up on the costs of the LLC.

Exhibit 15: IMAC’s Historical Financials

FYE Dec 31					
(in millions except EPS)	2017A	2018A	2019A	2020E	2021E
Total Revenue	0.8	6.7	15.1	12.6	16.0
Growth % (y/y)		753%	126%	-17%	27%
Operating income (loss)	(0.9)	(3.6)	(6.2)	(6.5)	(5.8)
Net income (pro forma)	(0.1)	(3.1)	(6.5)	(7.0)	(6.3)
EPS	\$ (0.01)	\$ (0.47)	\$ (0.84)	\$ (0.70)	\$ (0.60)
EBITDA	(0.8)	(2.2)	(3.8)	(4.2)	(3.4)

Source: Company reports and Ascendant Capital Markets estimates.

Recent Results (fiscal Q4 ending December 2019)

IMAC’s recent financial performance is reflective of its early development, expansion, and commercialization stage. In its Q4 2019 report (on March 26, 2020), the company reported revenue of \$4.2 million (vs. \$3.3 million y-o-y). Operating expenses were \$5.3 million, up from \$4.1 million (y-o-y). Q4 net loss was \$1.4 million and EPS was \$(0.17), compared with a net loss of \$0.9 million and EPS of \$(0.19) (y-o-y). Patient visits in Q4 were 36.3k, vs. 35.7k in Q3 and 30.6k in Q4 2018.

2019 revenue was \$15 million (+126% y-o-y), and EPS was \$(0.84) (vs. \$(0.47) y-o-y). The majority of the growth (y-o-y) from 2018 to 2019 was due to the company’s acquisitions/openings of clinics (it had 15 clinics at the end of 2019 versus 11 at the end of 2018).

The company does not provide specific quarterly financial guidance. However, we believe there are huge uncertainties with the current coronavirus pandemic which has negatively impacted IMAC’s business (its Kentucky clinics are now closed) along with many other companies and has been a huge disruption to the U.S. (and global) economy. The company has started to offer advanced telemedicine therapeutics to its patients (due to Shelter In Place rules and recommendations), but we believe that has not offset the revenues from regular office visits. We believe Q1 and Q2 revenues will be down significantly from Q4’s revenue. However, we believe the current crisis will ease by summer and IMAC’s business will return to normal soon after (by Q4).

For 2020, we expect revenues of \$13 million (vs. \$15 million y-o-y) and EPS of \$(0.70). For 2021, we expect a strong rebound in growth with revenues of \$16 million (+27% y-o-y) and EPS of \$(0.60).

We believe that the biggest potential variable and challenge to our financial model is the ability of the company to successfully develop and grow its centers (both in the increase in number of centers and in revenue per centers). How the coronavirus impacts patient visits near-term is also a major variable.

If the company can make significant progress towards their goals and the coronavirus impact is well mitigated, then revenue and earnings will likely be able to grow significantly (though likely still several years away before reaching sustained profitability). However, if the company has difficulties in making progress towards development and growth, then revenue and earnings will likely grow at a low rate or even not at all. Investors will be focused on the key milestones expected this year, including mitigating impact from the coronavirus and growing its centers and revenue opportunities.

The company's balance sheet had ~\$0.4 million in cash (not counting ~\$2 million in raised capital in the just completed Q1) and \$3.7 million in debt as of December 2019. We believe IMAC will need to raise additional cash to fund its operations by Q3. The company does have an equity line (ATM like) agreement in place.

Exhibit 16: IMAC's Key Financial Metrics

Recent Share Price (4/14/20)	\$ 1.73
52-Weeks Share Price (Low - High)	\$0.42 - 5.55
Shares Outstanding	10 million
Market Capitalization	\$17 million
Enterprise Value	\$21 million
Cash (12/31/19)	\$0 million
Debt (12/31/19)	\$4 million
2019A Revenue	\$15 million
2019A Net loss	\$6 million
2019A EPS	\$ (0.84)
2020E Revenue	\$13 million
2020E Net loss	\$7 million
2020E EPS	\$ (0.70)

Source: Company reports and Ascendant Capital Markets estimates.

Exhibit 17: Consensus Expectations

	Revenue (mil)			EPS	
	2020E	2021E		2020E	2021E
Q1 Mar	\$6E		Q1 Mar	\$0.00E	
Q2 Jun	\$6E		Q2 Jun	\$0.00E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$23E	\$33E	Total	\$0.00E	\$0.24E

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

Source: Company report, Thomson Reuters, and Ascendant Capital Markets estimates

FINANCIAL MODEL

IMAC Holdings, Inc.

Income Statement (\$ mils)	2017	Mar-18	Jun-18	Sep-18	Dec-18	2018	Mar-19	Jun-19	Sep-19	Dec-19	2019	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.786	0.268	0.635	2.526	3.273	6.701	2.770	3.757	4.356	4.244	15.126	2.798	2.254	3.267	4.260	12.579	3.917	3.584	3.888	4.601	15.989
Patient expenses	0.063	0.037	0.049	0.340	0.508	0.934	0.436	0.928	0.951	0.226	2.540	0.476	0.383	0.523	0.682	2.063	0.548	0.502	0.544	0.644	2.239
Salaries and benefits	0.968	0.447	0.588	1.674	2.021	4.730	2.065	2.593	2.878	2.987	10.523	1.986	1.600	2.320	2.982	8.888	2.702	2.473	2.682	3.175	11.033
Share-based compensation	0.019	0.004	0.004	0.004	0.004	0.015	0.004	0.172	0.113	0.104	0.392	0.084	0.068	0.098	0.128	0.377	0.117	0.108	0.117	0.138	0.480
Advertising and marketing	0.120	0.093	0.085	0.292	0.389	0.859	0.347	0.349	0.318	0.224	1.238	0.224	0.180	0.261	0.341	1.006	0.235	0.215	0.233	0.276	0.959
General and administrative	0.466	0.240	0.737	1.004	1.082	3.063	0.977	1.430	1.311	1.346	5.064	1.063	0.857	1.241	1.619	4.780	1.253	1.147	1.244	1.472	5.117
Depreciation and amortization	0.066	0.031	0.089	0.424	0.106	0.651	0.286	0.397	0.422	0.448	1.553	0.500	0.500	0.500	0.500	2.000	0.500	0.500	0.500	0.500	2.000
Restructuring and other						0.000					0.000					0.000					0.000
Total operating expenses	1.701	0.852	1.553	3.738	4.110	10.252	4.114	5.869	5.993	5.335	21.312	4.333	3.588	4.943	6.252	19.115	5.357	4.944	5.321	6.206	21.827
Operating income (loss)	(0.915)	(0.584)	(0.918)	(1.212)	(0.837)	(3.551)	(1.345)	(2.112)	(1.637)	(1.092)	(6.186)	(1.535)	(1.334)	(1.676)	(1.991)	(6.536)	(1.440)	(1.360)	(1.433)	(1.604)	(5.837)
Interest income (expense)	(0.012)	(0.020)	(0.031)	(0.044)	(0.052)	(0.146)	(0.031)	(0.085)	(0.074)	(0.061)	(0.251)	(0.074)	(0.114)	(0.114)	(0.114)	(0.416)	(0.114)	(0.114)	(0.114)	(0.114)	(0.456)
Other income (expense)	0.870	0.200	0.216	0.276	(0.048)	0.644	(0.224)	0.296	0.163	(0.296)	(0.061)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Income before income taxes	(0.057)	(0.405)	(0.732)	(0.980)	(0.937)	(3.054)	(1.599)	(1.901)	(1.549)	(1.448)	(6.497)	(1.609)	(1.448)	(1.790)	(2.105)	(6.952)	(1.554)	(1.474)	(1.547)	(1.718)	(6.293)
Income taxes						0.000					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(0.057)	(0.405)	(0.732)	(0.980)	(0.937)	(3.054)	(1.599)	(1.901)	(1.549)	(1.448)	(6.497)	(1.609)	(1.448)	(1.790)	(2.105)	(6.952)	(1.554)	(1.474)	(1.547)	(1.718)	(6.293)
Nonrecurring/noncash adjustments						0.000					0.000					0.000					0.000
Net income (pro forma)	(0.057)	(0.405)	(0.732)	(0.980)	(0.937)	(3.054)	(1.599)	(1.901)	(1.549)	(1.448)	(6.497)	(1.609)	(1.448)	(1.790)	(2.105)	(6.952)	(1.554)	(1.474)	(1.547)	(1.718)	(6.293)
EBITDA	(0.830)					(2.241)					(3.802)	(0.951)	(0.766)	(1.078)	(1.363)	(4.159)	(0.822)	(0.753)	(0.816)	(0.966)	(3.358)
Shares, Basic	6.6	4.5	4.5	4.5	5.0	6.6	5.9	8.1	8.4	8.6	7.8	9.5	10.0	10.1	10.2	10.0	10.3	10.4	10.5	10.6	10.5
Shares, Diluted	6.6	4.5	4.5	4.5	5.0	6.6	5.9	8.1	8.4	8.6	7.8	9.5	10.0	10.1	10.2	10.0	10.3	10.4	10.5	10.6	10.5
EPS Basic (pro forma)	(\$0.01)	(\$0.09)	(\$0.16)	(\$0.22)	(\$0.19)	(\$0.47)	(\$0.27)	(\$0.23)	(\$0.19)	(\$0.17)	(\$0.84)	(\$0.17)	(\$0.14)	(\$0.18)	(\$0.21)	(\$0.70)	(\$0.15)	(\$0.14)	(\$0.15)	(\$0.16)	(\$0.60)
EPS Diluted (pro forma)	(\$0.01)	(\$0.09)	(\$0.16)	(\$0.22)	(\$0.19)	(\$0.47)	(\$0.27)	(\$0.23)	(\$0.19)	(\$0.17)	(\$0.84)	(\$0.17)	(\$0.14)	(\$0.18)	(\$0.21)	(\$0.70)	(\$0.15)	(\$0.14)	(\$0.15)	(\$0.16)	(\$0.60)
Margins																					
Patient expenses	8%	14%	8%	13%	16%	14%	16%	25%	22%	5%	17%	17%	17%	16%	16%	16%	14%	14%	14%	14%	14%
Salaries and benefits	123%	167%	93%	66%	62%	71%	75%	69%	66%	70%	70%	71%	71%	71%	70%	71%	69%	69%	69%	69%	69%
Share-based compensation	2%	1%	1%	0%	0%	0%	0%	5%	3%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Advertising and marketing	15%	35%	13%	12%	12%	13%	13%	9%	7%	5%	8%	8%	8%	8%	8%	8%	6%	6%	6%	6%	6%
General and administrative	59%	89%	116%	40%	33%	46%	35%	38%	30%	32%	33%	38%	38%	38%	38%	38%	32%	32%	32%	32%	32%
Operating margin	-116%	-218%	-145%	-48%	-26%	-53%	-49%	-56%	-38%	-26%	-41%	-55%	-59%	-51%	-47%	-52%	-37%	-38%	-37%	-35%	-37%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-7%	-151%	-115%	-39%	-29%	-46%	-58%	-51%	-36%	-34%	-43%	-58%	-64%	-55%	-49%	-55%	-40%	-41%	-40%	-37%	-39%
YY % change																					
Total Revenue						753%	934%	492%	72%	30%	126%	1%	-40%	-25%	0%	-17%	40%	59%	19%	8%	27%
Patient expenses						1377%	1074%	1810%	180%	-56%	172%	9%	-59%	-45%	202%	-19%	15%	31%	4%	-5%	9%
Salaries and benefits						389%	362%	341%	72%	48%	122%	-4%	-38%	-19%	0%	-16%	36%	55%	16%	6%	24%
Share-based compensation						-20%	0%	4475%	2914%	2671%	2515%	2139%	-61%	-13%	23%	-4%	40%	59%	19%	8%	27%
Advertising and marketing						617%	272%	309%	9%	-42%	44%	-36%	-48%	-18%	52%	-19%	5%	19%	-11%	-19%	-5%
General and administrative						558%	308%	94%	31%	24%	65%	9%	-40%	-5%	20%	-6%	18%	34%	0%	-9%	7%
Operating income (loss)						288%	130%	130%	35%	30%	74%	14%	-37%	2%	82%	6%	-6%	2%	-15%	-19%	-11%
Net income (loss)						5240%	295%	160%	58%	54%	113%	1%	-24%	16%	45%	7%	-3%	2%	-14%	-18%	-9%
EPS Diluted (pro forma)						5235%	203%	45%	-14%	-10%	80%	-37%	-38%	-4%	23%	-17%	-11%	-2%	-17%	-21%	-14%

Source: Company reports and Ascendant Capital Markets estimates.

IMAC Holdings, Inc.

Balance Sheet (\$ mils)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Fiscal Year End: December 31	Q4A	Q1	Q2	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																	
Cash and cash equivalents	0.128			0.242	0.194	3.066	2.231	0.741	0.374	0.168	(1.259)	(2.791)	(4.641)	(6.143)	(7.564)	(8.961)	(10.466)
Short term investments										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts receivable, net	0.139			0.679	0.304	0.665	1.101	0.778	1.258	0.777	0.626	0.907	1.183	1.088	0.996	1.080	1.278
Deferred income taxes										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Short-term note receivable										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid expenses and other	0.442			0.432	0.170	0.401	0.689	0.644	0.946	0.615	0.496	0.719	0.937	0.862	0.788	0.855	1.012
Total current assets	0.708			1.353	0.668	4.132	4.022	2.163	2.578	1.560	(0.137)	(1.165)	(2.520)	(4.194)	(5.780)	(7.026)	(8.176)
Property and equipment, net	0.543			3.420	3.334	3.221	3.589	4.005	3.692	3.692	3.692	3.692	3.692	3.692	3.692	3.692	3.692
Intangibles, net				6.243	6.300	6.169	9.662	9.478	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210
Deferred income tax										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Security deposits	0.028			0.438	0.438	0.441	0.509	0.498	0.499	0.499	0.499	0.499	0.499	0.499	0.499	0.499	0.499
Other					0.335	4.027	4.627	4.873	4.439	4.439	4.439	4.439	4.439	4.439	4.439	4.439	4.439
Total assets	1.279			11.454	11.075	17.990	22.409	21.017	20.418	19.401	17.703	16.676	15.320	13.647	12.061	10.815	9.664
Liabilities and stockholders' equity																	
Accounts payable	0.057			0.883	1.262	1.548	2.227	2.287	2.910	1.679	1.352	1.960	2.556	2.350	2.150	2.333	2.761
Accrued expenses	0.096						0.312	0.312	0.421	0.140	0.113	0.163	0.213	0.196	0.179	0.194	0.230
Patient deposits	0.131			0.851	0.454	0.940	1.316	0.813	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190
Acquisition liabilities				7.259	7.259	0.010				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred income tax										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating lease						0.725	0.623	1.016	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025
Short term debt	0.191			4.252	4.856	3.280	1.671	1.503	1.520	3.520	3.520	3.520	3.520	3.520	3.520	3.520	3.520
Total current liabilities	0.474			13.245	13.831	6.502	6.150	5.931	6.066	6.553	6.200	6.858	7.504	7.281	7.064	7.262	7.726
Deferred income taxes										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Warrant liabilities										0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other long term liabilities	0.065			0.201	0.774	0.735	1.328	1.299	0.579	0.579	0.579	0.579	0.579	0.579	0.579	0.579	0.579
Operating lease	0.060			0.605		3.310	3.543	3.791	3.661	3.661	3.661	3.661	3.661	3.661	3.661	3.661	3.661
Long term debt	0.509			0.446	0.401	0.357	2.100	2.233	2.176	2.176	2.176	2.176	2.176	2.176	2.176	2.176	2.176
Total other liabilities	0.634			1.252	1.176	4.402	6.971	7.324	6.415	6.415	6.415	6.415	6.415	6.415	6.415	6.415	6.415
Preferred stock	0.007																
Common stock				0.007	0.005	0.007	0.008	0.008	0.009	0.113	0.217	0.321	0.425	0.529	0.632	0.736	0.840
Additional paid-in capital	1.232			1.232	1.234	14.280	18.677	18.863	20.051	20.051	20.051	20.051	20.051	20.051	20.051	20.051	20.051
Retained earnings	(0.491)			(2.607)	(3.545)	(5.144)	(7.045)	(8.594)	(10.042)	(11.651)	(13.099)	(14.889)	(16.994)	(18.548)	(20.022)	(21.569)	(23.287)
Accumulated other comprehensive income																	
Non-controlling interest	(0.576)			(1.674)	(1.626)	(2.057)	(2.353)	(2.516)	(2.080)	(2.080)	(2.080)	(2.080)	(2.080)	(2.080)	(2.080)	(2.080)	(2.080)
Total stockholders' equity	0.171			(3.043)	(3.932)	7.086	9.287	7.762	7.937	6.432	5.088	3.402	1.401	(0.049)	(1.419)	(2.862)	(4.476)
Total stockholders' equity and liabili	1.279			11.454	11.075	17.990	22.409	21.017	20.418	19.401	17.703	16.676	15.320	13.647	12.061	10.815	9.664

Balance Sheet Drivers

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
	Q4A	Q1A	Q2	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	225%	0%	0%	17%	5%	14%	18%	15%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Accounts payable as % of total rev	29%	0%	0%	35%	39%	56%	59%	53%	69%	60%	60%	60%	60%	60%	60%	60%	60%
Accrued expenses as % of total rev	49%	0%	0%	0%	0%	0%	8%	7%	10%	5%	5%	5%	5%	5%	5%	5%	5%
Activity Ratios																	
A/R Days Sales Outstanding	64	0	0	24	8	22	26	16	27	25	25	25	25	25	25	25	25
Book & Cash Value (per share)																	
Book Value per Share (diluted)	\$0.03	\$0.00	\$0.00	-\$0.67	-\$0.79	\$1.20	\$1.15	\$0.93	\$0.92	\$0.68	\$0.51	\$0.34	\$0.14	\$0.00	-\$0.14	-\$0.27	-\$0.42
Cash per Share (diluted)	\$0.02	\$0.00	\$0.00	\$0.05	\$0.04	\$0.52	\$0.28	\$0.09	\$0.04	\$0.02	-\$0.13	-\$0.28	-\$0.45	-\$0.60	-\$0.73	-\$0.85	-\$0.99
Net cash per Share (diluted)	-\$0.09	\$0.00	\$0.00	-\$0.98	-\$1.01	-\$0.10	-\$0.19	-\$0.36	-\$0.39	-\$0.58	-\$0.70	-\$0.84	-\$1.01	-\$1.15	-\$1.27	-\$1.40	-\$1.52

Source: Company reports and Ascendant Capital Markets estimates

IMAC Holdings, Inc.

Cash Flow Statement (\$ mils)	2017	Mar-18	Jun-18	Sep-18	Dec-18	2018	Mar-19	Jun-19	Sep-19	Dec-19	2019	Mar-20	Jun-20	Sep-20	Dec-20	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																						
Net income	(0.917)	(0.690)	(0.950)	(1.256)	(0.889)	(3.785)	(2.030)	(2.197)	(1.712)	(1.013)	(6.952)	(1.609)	(1.448)	(1.790)	(2.105)	(6.952)	(1.554)	(1.474)	(1.547)	(1.718)	(6.293)	
Depreciation	0.066	0.031	0.089	0.424	0.106	0.651	0.286	0.397	0.422	0.448	1.553	0.500	0.500	0.500	0.500	2.000	0.500	0.500	0.500	0.500	2.000	
Amortization						0.000					0.000					0.000					0.000	
Debt related amortization expense						0.000				0.639	0.639					0.000					0.000	
Stock comp						0.000		0.175	0.113	0.104	0.392	0.104	0.104	0.104	0.104	0.416	0.104	0.104	0.104	0.104	0.416	
Deferred rent	0.065	0.002	0.137	(0.003)	(0.003)	0.133	(0.013)	0.013			0.000					0.000					0.000	
Inventory reserve						0.000					0.000					0.000					0.000	
Deferred income taxes						0.000					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Change in fair value of warrant liability						0.000	0.639	0.000	0.000	(0.639)	0.000					0.000					0.000	
Writedowns and impairments						0.000					0.000					0.000					0.000	
Other gains/losses	0.014	0.086	(0.191)	0.000	0.000	(0.106)					0.000					0.000					0.000	
Other						0.000		0.151	(0.151)		0.000					0.000					0.000	
Changes in operating assets and liabilities:																						
Accounts receivable	0.208	(0.001)	(0.387)	(0.161)	0.377	(0.170)	(0.361)	0.102	0.324	(0.477)	(0.413)	0.481	0.151	(0.281)	(0.276)	0.075	0.096	0.092	(0.084)	(0.198)	(0.095)	
Inventory						0.000					0.000					0.000					0.000	
Prepaid expenses & other current assets			0.252	(0.348)		(0.096)					0.000	0.330	0.120	(0.223)	(0.219)	0.008	0.076	0.073	(0.067)	(0.157)	(0.075)	
Income tax						0.000					0.000					0.000					0.000	
Other assets	(0.118)	(0.118)	(0.726)	0.104	0.260	(0.480)	(0.234)	0.065	0.056	(0.270)	(0.383)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Accounts payable	0.054	0.137	0.451	0.238	0.378	1.204	0.361	0.314	0.061	0.622	1.359	(1.231)	(0.326)	0.608	0.596	(0.353)	(0.206)	(0.200)	0.182	0.428	0.204	
Patient deposits	0.131	(0.022)	0.485	0.257	(0.396)	0.323	0.485	0.376	(0.503)	(0.624)	(0.265)	(0.281)	(0.027)	0.051	0.050	(0.208)	(0.017)	(0.017)	0.015	0.036	0.017	
Deferred revenue						0.000					0.000					0.000					0.000	
Other liabilities	0.060	(0.002)	0.685	(0.138)	(0.029)	0.516	(0.027)	(0.031)	(0.029)	0.086	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Net cash (used in) provided by	(0.437)	(0.577)	(0.154)	(0.883)	(0.195)	(1.808)	(0.894)	(0.785)	(1.116)	(1.273)	(4.069)	(1.706)	(0.927)	(1.032)	(1.350)	(5.015)	(1.002)	(0.921)	(0.897)	(1.006)	(3.826)	
Cash flow from investing activities																						
Purchases of property and equipment	(0.473)	(1.192)	(1.215)	0.000	0.826	(1.580)	(0.042)	(0.347)	(0.299)	(0.512)	(1.200)	(0.500)	(0.500)	(0.500)	(0.500)	(2.000)	(0.500)	(0.500)	(0.500)	(0.500)	(2.000)	
Purchases of short-term investments						0.000					0.000					0.000					0.000	
Acquisitions		(0.124)	0.230	0.242	(0.372)	(0.024)					0.000					0.000					0.000	
Other						0.000				0.147	0.147					0.000					0.000	
Net cash used in investing activities	(0.473)	(1.316)	(0.985)	0.242	0.455	(1.604)	(0.042)	(0.347)	(0.299)	(0.365)	(1.053)	(0.500)	(0.500)	(0.500)	(0.500)	(2.000)	(0.500)	(0.500)	(0.500)	(0.500)	(2.000)	
Cash flow from financing activities																						
Issuance of debt	0.225	2.338	0.831	0.862	0.143	4.173	0.100	0.020	0.113	(0.143)	0.089	2.000	0.000	0.000	0.000	2.000	0.000	0.000	0.000	0.000	0.000	
Repayment of debt	(0.088)	(0.023)	(0.082)	(0.192)	(0.062)	(0.359)	(0.181)	(0.030)	(0.188)	0.103	(0.297)					0.000					0.000	
Issuance of stock						0.000	3.839	0.000	0.000	1.312	5.151	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Proceeds from stock option exercises						0.000	0.050	0.308	0.000		0.357					0.000					0.000	
Other	0.024		0.052	0.000	(0.388)	(0.335)					0.000				0.000	0.000					0.000	
Dividends and distributions						0.000					0.000				0.000	0.000					0.000	
Cash provided by (used in) financing activities	0.161	2.315	0.801	0.670	(0.307)	3.479	3.808	0.298	(0.075)	1.271	5.301	2.000	0.000	0.000	0.000	2.000	0.000	0.000	0.000	0.000	0.000	
Effect of exchange rate on cash						0.000					0.000					0.000					0.000	
Net increase (decrease) in cash	(0.748)	0.423	(0.338)	0.029	(0.048)	0.067	2.871	(0.834)	(1.490)	(0.367)	0.179	(0.206)	(1.427)	(1.532)	(1.850)	(5.015)	(1.502)	(1.421)	(1.397)	(1.506)	(5.826)	
Beginning cash and equivalents	0.876	0.128	0.551	0.213	0.242	0.128	0.194	3.066	2.231	0.741	0.194	0.374	0.168	(1.259)	(2.791)	0.374	(4.641)	(6.143)	(7.564)	(8.961)	(4.641)	
Ending cash and equivalents	0.128	0.551	0.213	0.242	0.194	0.194	3.066	2.231	0.741	0.374	0.374	0.168	(1.259)	(2.791)	(4.641)	(4.641)	(6.143)	(7.564)	(8.961)	(10.466)	(10.466)	

Source: Company reports and Ascendant Capital Markets estimates

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IMAC Holdings, Inc.

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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

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	3	7%	1	33%
Sell	0	0%	0	0%
Total	43	100%	13	30%

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