



IMAC Holdings, Inc.

Q2 weak as company refocuses. Major change as company plans to reverse merge with Theralink. Lowering P/T to \$1.15.

COMPANY UPDATE

Rating: BUY

Ticker: BACK

Price: \$0.11

Target: \$1.15
(from \$1.25)

Q2 miss: IMAC recently (on August 21) reported its Q2 2023 (ending June) results. Revenue was \$1.3 million, compared with our estimate of \$1.8 million. Net loss was \$1.4 million or EPS of \$(0.04), compared with our estimates of \$(0.03). There was no Q2 guidance or consensus estimates.

Q2 revenue -73%: Q2 revenue was -73% y-o-y as the company operated fewer medical clinics and sold off its The Back Space business (in Q1).

No guidance: Management declined to provide 2023 guidance.

Adjusting estimates: We are adjusting our 2023 estimates for revenue to \$6 million, from \$8 million, and for EPS to \$(0.20) from \$(0.22). Our estimates do not reflect the pending merger with Theralink.

Announced merger with Theralink: In May 2023, IMAC announced a Plan of Merger in which Theralink will merge with IMAC in a stock-for-stock reverse merger transaction. The merger will result in a combined company that will focus on end-to-end proteomics testing, one of the most robust and growing areas of medicine.

Theralink: Theralink Technologies (OTC: THER) is a proteomics-based, precision medicine company with a nationally CLIA-certified and CAP-accredited laboratory located in Golden, Colorado. Theralink provides precision oncology data through its powerful Theralink Reverse Phase Protein Array assays to assist the biopharmaceutical industry and clinical oncologists in identifying likely responders and non-responders to both FDA-approved and investigational drug treatments. Theralink intends to help improve cancer outcomes for patients, help reveal therapeutic options for oncologists, and support biopharmaceutical drug development.

Structure of merger: Theralink stakeholders are expected to own ~85% of the combined company, and pre-merger IMAC equity holders are expected to own ~15%. The merger is expected to close in late Q3 or early Q4 2023.

Closed clinics in Q2: In Q2, the company closed 1 underperforming location. IMAC clinics provide regenerative, orthopedic, and minimally invasive procedures and therapies focused around treating sports and orthopedic injuries as an alternative to traditional surgeries for repair or joint replacement. IMAC now has ~3 medical clinics.

Clinical trial progressing: IMAC is currently in clinical trials to develop a regenerative medicine stem cell product. In March 2021, it completed the first of three patient cohorts (with 5 patients in cohort #1) for the study of umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's Disease. In September 2022, it has completed patients in cohort #3 (final one in this Phase 1 trial).

Large growth opportunities: With the potential merger with Theralink, a renewed focus on its remaining medical clinics, a lower cost structure, and its FDA trials, we believe IMAC is poised for solid growth opportunities in the near and longer term.

Balance sheet: The company has ~\$0 million in cash and no debt. In July, the company raised \$4 million as part of its pending merger with Theralink. We believe it has enough cash until 2024 (and through the closing of the merger).

Risk/reward favorable: Maintaining our BUY rating, but lowering our 12-month price target to \$1.15 from \$1.25. 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 Franklin, TN, IMAC Holdings operates outpatient medical clinics that provide regenerative, orthopedic, and minimally invasive procedures and therapies to treat sports and orthopedic injuries.

United States
Healthcare

August 21, 2023

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.10 – 0.61
Shares Outstanding (million):	33
Market cap (\$million):	\$4
EV (\$million):	\$4
Debt (\$million):	\$0
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	29
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	2A		1E	2E
Q2 Jun	1A	2E	1E	2E
Q3 Sep	1E	2E	1E	2E
Q4 Dec	<u>1E</u>	<u>2E</u>	<u>1E</u>	<u>2E</u>
Total	6E	8E	5E	8E
EV/Revs	0.7x		0.8x	

Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.11)A		(0.02)E	(0.03)E
Q2 Jun	(0.04)A	(0.03)E	(0.02)E	(0.03)E
Q3 Sep	(0.02)E	(0.04)E	(0.02)E	(0.03)E
Q4 Dec	<u>(0.02)E</u>	<u>(0.04)E</u>	<u>(0.02)E</u>	<u>(0.03)E</u>
Total	<u>(0.20)E</u>	<u>(0.22)E</u>	<u>(0.07)E</u>	<u>(0.11)E</u>
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 12.

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

IMAC.

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



IMAC
REGENERATION CENTERS

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

<p>Revenue:</p> <ul style="list-style-type: none"> 65% Medical 31% Physical Therapy 4% Chiropractic 	<p>Medical Professionals:</p> <ul style="list-style-type: none"> 19 Medical 19 Physical Therapy 15 Chiropractic
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<p>Locations:</p> <p>Illinois (3): Arlington Heights, Elgin, Naperville</p> <p>Kentucky (3): Lexington, Murray, Paducah</p> <p>Missouri (6): Chesterfield, Ozark, Springfield (2), St. Peters, Webster Groves</p>	<p>Locations:</p> <p>Florida (4): Bonita Springs, Ft. Pierce, Orlando, Tampa</p> <p>Louisiana: Baton Rouge</p> <p>Tennessee: Brentwood</p>
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Source: Company reports.

Exhibit 2: IMAC Q2 2023 and Recent Highlights

Significant financial metrics of the Company for the second quarter of 2023 are set forth in the bullets below.

- Net patient revenue decreased to \$1.3 million for the second quarter of 2023 from \$2.1 million for the first quarter of 2023.
- Working capital is (\$2.6 million) as of June 30, 2023 compared to working capital of \$0.5 million as of December 31, 2022.
- Adjusted EBITDA¹ of (\$1.0 million) in the second quarter of 2023 compared to (\$1.3 million) in the second quarter of 2022.
- Sold the Illinois market during the second quarter of 2023.
- Closed two under performing locations during the second quarter of 2023 and sold another location.

(1) Adjusted EBITDA is a non-GAAP financial measure most closely comparable to the GAAP measure of net loss. See “Reconciliation of Non-GAAP Financial Matters” below for a full reconciliation of the GAAP and non-GAAP measures.

Source: Company reports.

Exhibit 3: IMAC Revenue and Services Mix

	Three Months Ended June 30,	
	2023	2022
<i>(in thousands, unaudited)</i>		
Revenues:		
Outpatient facility services	\$ 1,204	\$ 4,744
Memberships	140	289
Total revenues	\$ 1,344	\$ 5,033

	Year Ended December 31,	
	2022	2021
<i>(in thousands)</i>		
Revenues:		
Outpatient facility services	\$ 14,824	\$ 13,475
Memberships	684	656
Retail clinics	678	33
Total revenues	\$ 16,186	\$ 14,164

	Year Ended December 31,	
	2022	2021
Visits:		
Physical therapy	35,342	56,261
Chiropractic care	26,998	20,265
Medical treatments	39,916	39,036
Other	3,552	262
Membership	48,029	52,684
	153,837	168,508

Source: Company reports.

Exhibit 4: IMAC Strategy (as of 2022)



→ **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

ClinicalTrials.gov Identifier: NCT04385056

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.

Recruitment Status: Recruiting
 First Posted: May 12, 2020
 Last Update Posted: January 8, 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

IMAC Holdings, Inc. Announces Completion of Third Cohort of its Phase 1 Clinical Study of Umbilical Cord-Derived Mesenchymal Stem Cells for the Treatment of Bradykinesia Due to Parkinson's Disease

September 9, 2022

BRENTWOOD, Tenn., Sept. 09, 2022 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. (Nasdaq: BACK) ("IMAC" or "the Company"), today announces it has completed the third cohort of its Phase 1 clinical trial for its investigational compound utilizing umbilical cord-derived allogeneic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's disease.

Source: Company reports.

Exhibit 6: Announced Merger With Theralink (May 23, 2023)

Theralink® Signs Definitive Merger Agreement to be Acquired by IMAC Holdings, a Nasdaq Listed Company

May 23, 2023 09:43 ET | Source: [IMAC Holdings, Inc.](#)

Follow

Theralink's patented technology is helping to solve a significant problem in cancer treatment by providing game changing technology that can predict

FDA-approved drugs that may be effective in each solid tumor cancer

Golden, Colorado, May 23, 2023 (GLOBE NEWSWIRE) -- **Theralink Technologies, Inc. (OTC: THER) ("Theralink") and IMAC Holdings, Inc. (Nasdaq: BACK) ("IMAC")**, today announced that they have entered into a definitive Agreement and Plan of Merger (the "Merger Agreement") under which Theralink will merge with a newly-formed wholly-owned subsidiary of IMAC in a stock-for-stock reverse merger transaction (the "Merger") in which Theralink will survive as a wholly-owned subsidiary of IMAC, a Nasdaq-listed company. If completed, the Merger will result in a combined company that will focus on end-to-end proteomics testing, one of the most robust and growing areas of medicine.

The Theralink® Test for Advanced Breast Cancer measures the abundance and activation of 32 clinically actionable biomarkers. The test reports which of the 32 biomarkers are highly expressed or activated and the FDA-approved therapeutics that target them. This test is a novel tool that broadens actionability and supports oncologists in selecting the most effective treatment plan for their cancer patients.

About Theralink Technologies, Inc.

Theralink Technologies is a proteomics-based, precision medicine company with a nationally CLIA-certified and CAP-accredited laboratory located in Golden, Colorado. Through its unique and patented phosphoprotein and protein biomarker platform and LDTs, Theralink's technology targets multiple areas of oncology and drug development. In addition to the Company's first assay for advanced breast cancer, Theralink is actively working on a second assay that is planned to be pan-tumor for solid tumors across multiple tumor types such as ovarian, endometrial, pancreatic, liver, head and neck, colorectal, lung, prostate, among others. Theralink provides precision oncology data through its powerful Theralink® Reverse Phase Protein Array assays to assist the biopharmaceutical industry and clinical oncologists in identifying likely responders and non-responders to both FDA-approved and investigational drug treatments. Theralink intends to help improve cancer outcomes for patients, help reveal therapeutic options for oncologists, and support biopharmaceutical drug development by using a beyond-genomics approach to molecular profiling that directly measures drug target levels and activity. For more information, please visit www.theralink.com.

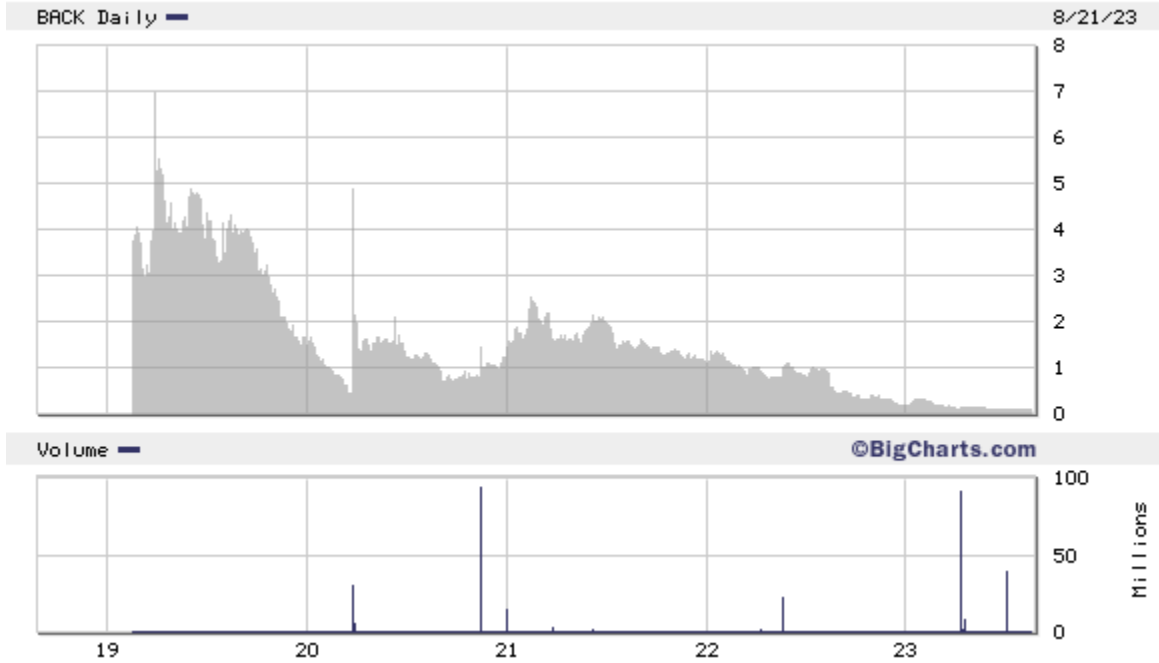
Source: Company reports.

Exhibit 7: Merger Transaction (May 23, 2023)**About the Transaction**

The Merger is structured as a stock for stock reverse merger whereby all of Theralink's outstanding equity interests are to be exchanged for shares of IMAC common stock. Theralink stakeholders are expected to own approximately 85% of the combined company, and pre-merger IMAC equity holders are expected to own approximately 15% of the combined company, on a fully diluted basis calculated using the treasury stock method, subject to certain adjustments provided for in the Merger Agreement. The boards of directors of both companies have unanimously approved the Merger Agreement. The merger is expected to close late in the third quarter or early in the fourth quarter of 2023, subject to satisfying certain closing conditions, including the completion of satisfactory due diligence by both parties and the receipt of shareholder approval by both companies. All current IMAC directors but one will resign effective upon the closing of the Merger, and the existing directors of Theralink shall be appointed to the board of IMAC, with Jeffrey Busch to serve as Chairman.

Source: Company reports.

Exhibit 8: IMAC Holdings, Inc. Stock Price (5-years)



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

FINANCIAL MODEL

IMAC Holdings, Inc.

Income Statement (\$ mils)	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	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	3.1	3.5	3.5	4.4	14.4	3.9	5.0	3.8	3.5	16.2	2.1	1.3	1.3	1.4	6.2	1.3	1.3	1.3	1.4	5.3
Patient expenses	0.3	0.3	0.4	0.6	1.6	0.5	0.4	0.3	0.4	1.5	0.3	0.2	0.1	0.1	0.7	0.1	0.1	0.1	0.1	0.5
Salaries and benefits	2.8	3.0	3.4	3.6	12.7	3.7	3.8	3.3	3.7	14.5	2.3	1.3	1.1	1.1	5.7	1.0	1.0	1.0	1.1	4.0
Share-based compensation	0.1	0.1	0.2	0.1	0.6	0.2	0.1	0.1	(0.4)	0.0				0.1	0.1	0.1	0.1	0.1	0.2	
Advertising and marketing	0.3	0.3	0.3	0.4	1.3	0.4	0.2	0.2	0.2	1.1	0.1	0.0	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.4
General and administrative	1.2	1.7	1.6	1.9	6.4	1.8	1.9	1.9	1.7	7.3	1.5	0.9	0.7	0.7	3.7	0.5	0.5	0.5	0.6	2.1
Depreciation and amortization	0.4	0.4	0.5	0.3	1.6	0.4	0.4	0.5	0.3	1.6	0.2	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.5
Restructuring and other				0.1	0.1	0.0	0.0	3.8	4.5	8.4	1.4	0.3			1.7					0.0
Total operating expenses	5.1	5.9	6.3	7.2	24.5	7.0	6.8	10.1	10.5	34.5	5.8	2.7	2.1	2.2	12.9	1.8	2.0	1.9	2.0	7.8
Operating income (loss)	(2.0)	(2.4)	(2.8)	(2.9)	(10.1)	(3.1)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(0.8)	(0.8)	(6.7)	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)
Interest income (expense)	(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)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other income (expense)	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	0.0	0.0	0.0
Income before income taxes	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(0.8)	(0.8)	(6.7)	(0.6)	(0.6)	(0.6)	(0.6)	(2.5)
Income taxes					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(0.8)	(0.8)	(6.7)	(0.6)	(0.6)	(0.6)	(0.6)	(2.5)
Nonrecurring/noncash adjustments					0.0			3.8	4.5	8.3					0.0					0.0
Net income (pro forma)	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(2.5)	(2.5)	(10.0)	(3.7)	(1.4)	(0.8)	(0.8)	(6.7)	(0.6)	(0.6)	(0.6)	(0.6)	(2.5)
EBITDA	(1.3)	(1.3)	(0.9)	(4.2)	(7.7)	(2.5)	(1.2)	(1.9)	(2.2)	(7.8)	(2.0)	(1.0)	(0.6)	(0.7)	(4.2)	(0.4)	(0.4)	(0.4)	(0.5)	(1.8)
Shares, Basic	13.4	25.1	25.3	26.2	22.6	26.4	26.8	27.4	33.0	28.3	33.0	33.1	33.3	33.4	33.2	33.6	33.7	33.8	33.9	33.8
Shares, Diluted	13.4	25.1	25.3	26.2	22.6	26.4	26.8	27.4	33.0	28.3	33.0	33.1	33.3	33.4	33.2	33.6	33.7	33.8	33.9	33.8
EPS Basic (pro forma)	(\$0.15)	(\$0.08)	(\$0.07)	(\$0.19)	(\$0.47)	(\$0.12)	(\$0.07)	(\$0.09)	(\$0.07)	(\$0.35)	(\$0.11)	(\$0.04)	(\$0.02)	(\$0.02)	(\$0.20)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.07)
EPS Diluted (pro forma)	(\$0.15)	(\$0.08)	(\$0.07)	(\$0.19)	(\$0.47)	(\$0.12)	(\$0.07)	(\$0.09)	(\$0.07)	(\$0.35)	(\$0.11)	(\$0.04)	(\$0.02)	(\$0.02)	(\$0.20)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.07)
Margins																				
Patient expenses	11%	10%	10%	13%	11%	12%	8%	7%	11%	9%	13%	13%	10%	10%	12%	10%	10%	10%	10%	10%
Salaries and benefits	90%	86%	96%	83%	89%	95%	75%	88%	107%	90%	110%	93%	80%	80%	93%	76%	76%	76%	76%	76%
Share-based compensation	4%	4%	5%	3%	4%	5%	2%	2%	-10%	0%	0%	0%	4%	4%	2%	4%	4%	4%	4%	4%
Advertising and marketing	9%	9%	8%	10%	9%	10%	5%	6%	7%	7%	4%	3%	7%	7%	5%	7%	7%	7%	7%	7%
General and administrative	40%	48%	46%	45%	45%	47%	37%	49%	50%	45%	72%	66%	50%	50%	61%	40%	40%	40%	40%	40%
Operating margin	-67%	-70%	-79%	-66%	-70%	-81%	-36%	-168%	-201%	-113%	-177%	-103%	-60%	-60%	-109%	-47%	-46%	-46%	-46%	-46%
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	-65%	-58%	-49%	-111%	-73%	-81%	-37%	-167%	-201%	-113%	-177%	-104%	-60%	-60%	-109%	-47%	-46%	-46%	-46%	-46%
Y/Y % change																				
Total Revenue	-8%	35%	1%	26%	12%	27%	45%	8%	-20%	13%	-46%	-73%	-65%	-60%	-62%	-40%	0%	0%	0%	-14%
Patient expenses	-10%	-16%	-16%	43%	0%	35%	17%	-23%	-37%	-7%	-42%	-56%	-53%	-63%	-53%	-53%	-24%	0%	0%	-26%
Salaries and benefits	-6%	28%	29%	38%	21%	35%	26%	-1%	2%	14%	-38%	-67%	-68%	-70%	-60%	-59%	-18%	-5%	-5%	-30%
Share-based compensation	36%	1%	74%	84%	46%	71%	-35%	-55%	-339%	-100%	-100%	-100%	-37%	-116%	#DIV/0!	#DIV/0!	#####	0%	0%	96%
Advertising and marketing	10%	81%	25%	59%	42%	40%	-23%	-17%	-46%	-17%	-80%	-85%	-62%	-60%	-73%	18%	156%	0%	0%	23%
General and administrative	-1%	37%	67%	69%	41%	49%	12%	16%	-10%	13%	-17%	-52%	-64%	-60%	-49%	-67%	-39%	-20%	-20%	-43%
Operating income (loss)	3%	41%	112%	96%	56%	53%	-25%	129%	144%	81%	18%	-23%	-87%	-88%	-63%	-84%	-55%	-23%	-23%	-64%
Net income (loss)	15%	-2%	19%	-2654%	111%	59%	-8%	271%	44%	74%	17%	-24%	-87%	-88%	-63%	-84%	-56%	-23%	-23%	-64%
EPS Diluted (pro forma)	-18%	-60%	-44%	-1328%	3%	-19%	-13%	34%	-60%	-25%	-7%	-39%	-74%	-67%	-43%	-84%	-57%	-24%	-25%	-64%

Source: Company reports and Ascendant Capital Markets estimates.

IMAC Holdings, Inc.

Balance Sheet (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	15.6	13.6	11.2	7.1	4.3	1.6	2.8	0.8	0.4	0.2	2.4	1.8	1.3	0.9	0.4	(0.0)
Short term investments											0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	1.8	1.3	1.2	1.2	1.7	3.1	3.2	2.9	1.1	0.7	0.4	0.4	0.3	0.4	0.4	0.4
Deferred income taxes											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
Prepaid expenses and other	0.8	1.3	1.2	0.7	0.7	0.7	0.5	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Total current assets	18.3	16.3	13.5	9.1	6.7	5.4	6.5	4.2	1.8	1.3	3.1	2.4	1.9	1.5	1.1	0.7
Property and equipment, net	1.8	1.9	1.8	2.3	2.3	2.1	1.8	1.6	0.7	0.6	0.4	0.3	0.2	0.1	(0.0)	(0.2)
Intangibles, net	8.9	8.8	8.5	10.5	10.2	10.0	5.9	1.4	1.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Security deposits	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other	4.2	5.2	5.0	5.0	4.7	4.3	4.0	3.6	1.9	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total assets	33.6	32.5	29.2	27.2	24.2	22.1	18.5	11.1	5.8	4.6	6.3	5.6	5.0	4.4	3.9	3.3
Liabilities and stockholders' equity																
Accounts payable	2.0	1.4	1.8	2.5	3.0	2.1	1.6	1.7	1.9	2.4	0.8	0.8	0.8	0.8	0.8	0.8
Accrued expenses	0.4	0.3	0.4	0.4	0.3	0.4	0.2		0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1
Patient deposits	0.4	0.4	0.5	0.3	0.3	0.5	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Acquisition liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax											0.0	0.0	0.0	0.0	0.0	0.0
Operating lease	1.2	1.4	1.5	1.5	1.5	1.5	1.7		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Short term debt	2.6	1.9	1.1	0.3	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	6.6	5.4	5.4	4.9	5.2	4.6	3.9	3.7	3.5	3.9	2.1	2.1	2.0	2.1	2.1	2.1
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities											0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.5	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Operating lease	3.5	4.3	4.0	4.0	3.7	3.3	3.0	2.7	1.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Long term debt	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	4.2	4.7	4.3	4.3	4.0	3.4	3.1	2.7	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Preferred stock											0.1	0.1	0.2	0.2	0.3	0.3
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.3	0.3
Additional paid-in capital	42.7	44.8	44.8	46.1	46.3	47.3	51.1	51.1	51.2	51.2	51.2	51.2	51.2	51.2	51.2	51.2
Retained earnings	(17.0)	(19.0)	(20.8)	(28.2)	(31.4)	(33.2)	(39.5)	(46.5)	(50.2)	(51.6)	(52.4)	(53.2)	(53.8)	(54.5)	(55.1)	(55.7)
Accumulated other comprehensive income											4.3	4.3	4.3	4.3	4.3	4.3
Non-controlling interest	(2.9)	(3.4)	(4.6)								0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	22.8	22.4	19.5	18.0	15.0	14.1	11.6	4.7	1.0	(0.4)	3.2	2.4	1.9	1.3	0.7	0.1
Total stockholders' equity and liabil	33.6	32.5	29.2	27.2	24.2	22.1	18.5	11.1	5.8	4.6	6.3	5.6	5.0	4.4	3.9	3.3

Balance Sheet Drivers

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	28%	38%	34%	17%	17%	14%	13%	16%	16%	26%	22%	22%	22%	22%	22%	22%
Accounts payable as % of total rev	66%	40%	52%	58%	77%	42%	42%	49%	93%	182%	60%	60%	60%	60%	60%	60%
Accrued expenses as % of total rev	12%	10%	11%	8%	8%	8%	5%	0%	17%	22%	5%	5%	5%	5%	5%	5%
Activity Ratios																
A/R Days Sales Outstanding	54	35	30	25	40	55	75	75	46	45	25	25	25	25	25	25
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$1.70	\$0.89	\$0.77	\$0.69	\$0.57	\$0.53	\$0.42	\$0.14	\$0.03	-\$0.01	\$0.10	\$0.07	\$0.06	\$0.04	\$0.02	\$0.00
Cash per Share (diluted)	\$1.16	\$0.54	\$0.44	\$0.27	\$0.16	\$0.06	\$0.10	\$0.02	\$0.01	\$0.01	\$0.07	\$0.05	\$0.04	\$0.03	\$0.01	\$0.00
Net cash per Share (diluted)	\$0.95	\$0.46	\$0.39	\$0.26	\$0.16	\$0.05	\$0.10	\$0.02	\$0.01	\$0.01	\$0.07	\$0.05	\$0.04	\$0.02	\$0.01	\$0.00

Source: Company reports and Ascendant Capital Markets estimates

IMAC Holdings, Inc.

Cash Flow Statement (\$ mils)	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	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(2.2)	(2.5)	(2.9)	(2.9)	(10.5)	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(0.8)	(0.8)	(6.7)	(0.6)	(0.6)	(0.6)	(0.6)	(2.5)	
Depreciation	0.4	0.4	0.5	0.3	1.6	0.4	0.4	0.5	0.3	1.6	0.2	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.5	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expense				0.3	0.3					0.0					0.0					0.0	
Stock comp	0.1	0.1	0.2	0.1	0.6	0.2	0.1	0.1	0.1	0.4	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	
Deferred rent										0.0					0.0					0.0	
Inventory reserve										0.0					0.0					0.0	
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			3.9	4.4	8.3	1.4	0.3			1.7					0.0	
Other gains/losses	0.0	(0.0)	0.1	0.0	0.1	0.0	0.0	(0.1)	0.1	0.1	0.0	(0.0)		0.0	0.0					0.0	
Other					0.0			(0.0)		0.0				0.0	0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	(0.3)	0.5	0.2	(0.1)	0.3	(0.5)	(1.3)	(0.1)	0.3	(1.7)	0.2	0.4	0.3	(0.0)	0.8	0.0	(0.0)	0.0	(0.0)	0.0	
Inventory					0.0					0.0					0.0					0.0	
Prepaid expenses & other current assets					0.0					0.0			0.1	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)	0.0	
Income tax					0.0					0.0					0.0					0.0	
Other assets	(0.2)	(0.5)	(0.0)	0.5	(0.1)	0.0	(0.0)	0.2	(0.1)	0.1	0.2	(0.2)	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.3	(0.6)	0.5	0.1	0.3	0.5	(0.9)	(0.5)	0.1	(0.8)	0.2	0.5	(1.6)	0.0	(0.9)	(0.1)	0.1	(0.0)	0.0	0.0	
Patient deposits	0.1	(0.0)	0.1	(0.2)	0.0	0.0	0.2	0.0	(0.3)	(0.1)	(0.0)	(0.0)	(0.2)	0.0	(0.3)	(0.0)	0.0	(0.0)	0.0	0.0	
Deferred revenue					0.0					0.0					0.0					0.0	
Other liabilities				(0.2)	(0.2)		(0.0)	(0.1)	0.1	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(1.7)	(2.6)	(1.4)	(1.8)	(7.6)	(2.4)	(3.4)	(2.4)	(2.1)	(10.3)	(1.4)	(0.3)	(2.1)	(0.7)	(4.5)	(0.4)	(0.4)	(0.4)	(0.5)	(1.8)	
Cash flow from investing activities																					
Purchases of property and equip	(0.1)	(0.2)	(0.1)	(0.3)	(0.7)	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)					0.0	0.0	0.0	0.0	0.0	0.0	
Purchases of short-term investments					0.0					0.0					0.0					0.0	
Acquisitions	(0.6)	(0.2)		(1.0)	(1.7)					0.0					0.0					0.0	
Other	(0.1)	(0.0)	0.0	0.0	(0.0)	0.0		0.1	0.0	0.1	1.1	0.1		1.1	1.1					0.0	
Net cash used in investing acti	(0.7)	(0.4)	(0.1)	(1.3)	(2.5)	(0.2)	(0.0)	0.0	(0.0)	(0.3)	1.1	0.1	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0.0	
Cash flow from financing activities																					
Issuance of debt					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(1.8)	(0.8)	(0.9)	(0.9)	(4.5)	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)	(0.0)	(0.0)			(0.0)					0.0	
Issuance of stock	17.2	1.8			19.0		0.8	3.6	0.1	4.5	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exercises					0.0					0.0					0.0					0.0	
Other					0.0					0.0			4.3		4.3					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	15.4	0.9	(0.9)	(0.9)	14.5	(0.2)	0.8	3.5	0.0	4.2	(0.0)	0.0	4.3	0.0	4.3	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	13.0	(2.0)	(2.4)	(4.1)	4.5	(2.8)	(2.7)	1.2	(2.1)	(6.4)	(0.4)	(0.1)	2.2	(0.7)	1.0	(0.4)	(0.4)	(0.4)	(0.5)	(1.8)	
Beginning cash and equivalents	2.6	15.6	13.6	11.2	2.6	7.1	4.3	1.6	2.8	7.1	0.8	0.4	0.2	2.4	0.8	1.8	1.3	0.9	0.4	1.8	
Ending cash and equivalents	15.6	13.6	11.2	7.1	7.1	4.3	1.6	2.8	0.8	0.8	0.4	0.2	2.4	1.8	1.8	1.3	0.9	0.4	(0.0)	(0.0)	

Source: Company reports and Ascendant Capital Markets estimates

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IMAC Holdings, Inc.



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

Report	Report Date	Rating	Price Target
1	4/14/2020	Buy	4.50
2	5/17/2020	Buy	4.25
3	8/18/2020	Buy	4.50
4	11/15/2020	Buy	4.75
5	3/13/2021	Buy	5.00
6	5/19/2021	Buy	5.25
7	8/27/2021	Buy	5.50
8	11/22/2021	Buy	5.75
9	4/16/2022	Buy	6.00
10	5/14/2022	Buy	5.50
11	8/31/2022	Buy	5.00
12	12/6/2022	Buy	4.50
13	4/5/2023	Buy	1.50
14	5/22/2023	Buy	1.25

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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.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	16	31%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	16	31%

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