



IMAC Holdings, Inc.

Q1 weak as company refocuses. Major change as company plans to merge with Brain Scientific. Lowering P/T to \$1.25.

COMPANY UPDATE

Rating: BUY

Ticker: **BACK**

Price: **\$0.14**
(intraday)

Target: **\$1.25**
(from \$1.50)

Q1 miss: IMAC recently (on May 19) reported its Q1 2023 (ending March) results. Revenue was \$2.1 million, compared with our estimate of \$2.7 million. Net loss was \$3.7 million or EPS of \$(0.11), compared with our estimates of \$(0.05). There was no Q1 guidance or consensus estimates.

Q1 revenue -46%: Q1 revenue was -46% y-o-y as the company operated fewer medical clinics and sold off its The Back Space business.

No guidance: Management declined to provide 2023 guidance.

Adjusting estimates: We are adjusting our 2023 estimates for revenue to \$8 million, from \$11 million, and for EPS to \$(0.22) from \$(0.20). Our estimates do not reflect the pending merger with Brain Scientific.

Announced merger with Brain Scientific: In March 2023, IMAC announced that it has executed a binding Letter of Intent to merge with Brain Scientific, Inc. (OTCQB:BRSFD), a Florida-based applied science technology company. Together, the companies would provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, CEO of Brain Scientific, is expected to serve as Chairman and CEO of the combined company. Terms are still being finalized, but this is planned as a strategic merger-of-equals. There has been no new update since the original announcement.

Closed clinics in Q1: In Q1, the company closed four underperforming locations and sold its Louisiana Orthopedic practice. 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 ~4 medical clinics.

Sold The Back Space: In February 2021, IMAC launched The Back Space (www.back.co), which specialized in chiropractic and spinal care services inside Walmart stores. In March 2023, IMAC sold The BackSpace for an undisclosed price to Curis Functional Health.

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 Brain Scientific, 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. We believe it has enough cash until mid-2023 so it will need to raise capital soon.

Risk/reward favorable: Maintaining our BUY rating, but lowering our 12-month price target to \$1.25 from \$1.50. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation fairly balances out the company's risks with its high growth prospect.

Company Description

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

United States
Healthcare

May 22, 2023

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

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.10 – 1.19
Shares Outstanding (million):	33
Market cap (\$million):	\$5
EV (\$million):	\$5
Debt (\$million):	\$0
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	\$0.3
Float (million shares):	27
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	3E	2E	3E
Q2 Jun	2E	3E	2E	3E
Q3 Sep	2E	3E	2E	3E
Q4 Dec	<u>2E</u>	<u>3E</u>	<u>2E</u>	<u>3E</u>
Total	8E	11E	8E	12E
EV/Revs	0.6x		0.6x	

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	(0.05)E	(0.03)E	(0.04)E
Q2 Jun	(0.03)E	(0.05)E	(0.03)E	(0.04)E
Q3 Sep	(0.04)E	(0.05)E	(0.03)E	(0.04)E
Q4 Dec	<u>(0.04)E</u>	<u>(0.05)E</u>	<u>(0.03)E</u>	<u>(0.04)E</u>
Total	(0.22)E	(0.20)E	(0.11)E	(0.16)E
P/E	N/A		N/A	

Important Disclosures

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

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

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

IMAC.

..delivers **Innovative** therapies with scientific support to prevent unnecessary surgeries and prescriptions.

..employs **Medical** doctors, physician assistants, and nurse practitioners to deliver all medical treatments.

..leads **Advancements** in life science collaboration with healthcare service delivery.

..commits to provide exceptional patient **Care** that is unique with high quality to each patient.



IMAC
REGENERATION CENTERS

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

Revenue:	Medical Professionals:
65% Medical	19 Medical
31% Physical Therapy	19 Physical Therapy
4% Chiropractic	15 Chiropractic

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

Source: Company reports.

Exhibit 2: IMAC Q1 2023 and Recent Highlights

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

- Net patient revenue decreased to \$2.4 million for the first quarter of 2023 from \$3.9 million for the first quarter of 2022.
- Working capital is (\$1.5 million) as of March 31, 2023 compared to working capital of \$0.5 million as of December 31, 2022.
- Adjusted EBITDA ¹ of (\$1.6 million) in the first quarter of 2023 compared to (\$2.5 million) in the first quarter of 2022.
- Sold the Louisiana market during the first quarter of 2023.
- Sold the BackSpace retail stores during the first quarter of 2023 .
- Closed four under performing locations during the first quarter of 2023.

Source: Company reports.

Exhibit 3: IMAC Revenue and Services Mix

	Three Months Ended	
	March 31,	
	2023	2022
	<i>(in thousands, unaudited)</i>	
Revenues:		
Outpatient facility services	\$ 1,905	\$ 3,661
Memberships	188	234
Total revenues	\$ 2,093	\$ 3,895

	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
		<i>(in thousands)</i>
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

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 Brain Scientific (March 20, 2023)

IMAC Holdings and Brain Scientific Announce a Strategic Merger to Create Synergistic End-To-End Neurological Solution

March 20, 2023

Combined company will provide total solutions, from diagnosis to treatment, for patients with neurological disorders including Parkinson's, Alzheimer's, and stroke.

BRENTWOOD, Tenn. and LAKEWOOD RANCH, Fla., March 20, 2023 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. ("IMAC")(Nasdaq: BACK), a regenerative rehabilitation company focused on treating musculoskeletal and neurodegenerative disease, and [Brain Scientific, Inc.](#) ("Brain Scientific") ([OTCQB:BRSEF](#)), a Florida-based applied science technology company, jointly announced today that they have executed a binding Letter of Intent to combine companies in a strategic merger-of-equals (the "Transaction").

Together, the companies would provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, Chief Executive Officer of Brain Scientific, is expected to serve as Chairman and CEO of the combined company.

"We believe that the combination of IMAC and Brain Scientific would be a match that provides a pathway to become a leader, a destination, and trusted brand in the growing field of neuro deficit disorders, diagnosis and treatment," said Jeff Ervin, CEO of IMAC. "Brain Scientific is developing an encouraging distribution pipeline of their 510(k) and CE cleared products and, under Hassan's leadership, we anticipate expense synergies and expanded service outlets will benefit all stakeholders."

IMAC is comprised of two business segments: outpatient medical centers and a clinical research division. IMAC owns or manages outpatient medical clinics that deliver regenerative rehabilitation services as a minimally invasive approach to acute and chronic musculoskeletal and neurological health problems. IMAC's research division is currently conducting a Phase I clinical trial evaluating a mesenchymal stem cell therapy candidate for bradykinesia due to Parkinson's disease.

Brain Scientific has over 24 patents, FDA and CE certification. Brain Scientific's disposable NeuroCap and portable NeuroEEG enable neurologists to save time, see more patients, and eliminate contamination risks. The company's neurology ecosystem provides clinicians and patients confidence in gaining rapid access to accurate EEG test results, making testing more efficient and allowing clinicians to focus on test readings rather than the labor-intensive application process of current electrode placement technology.

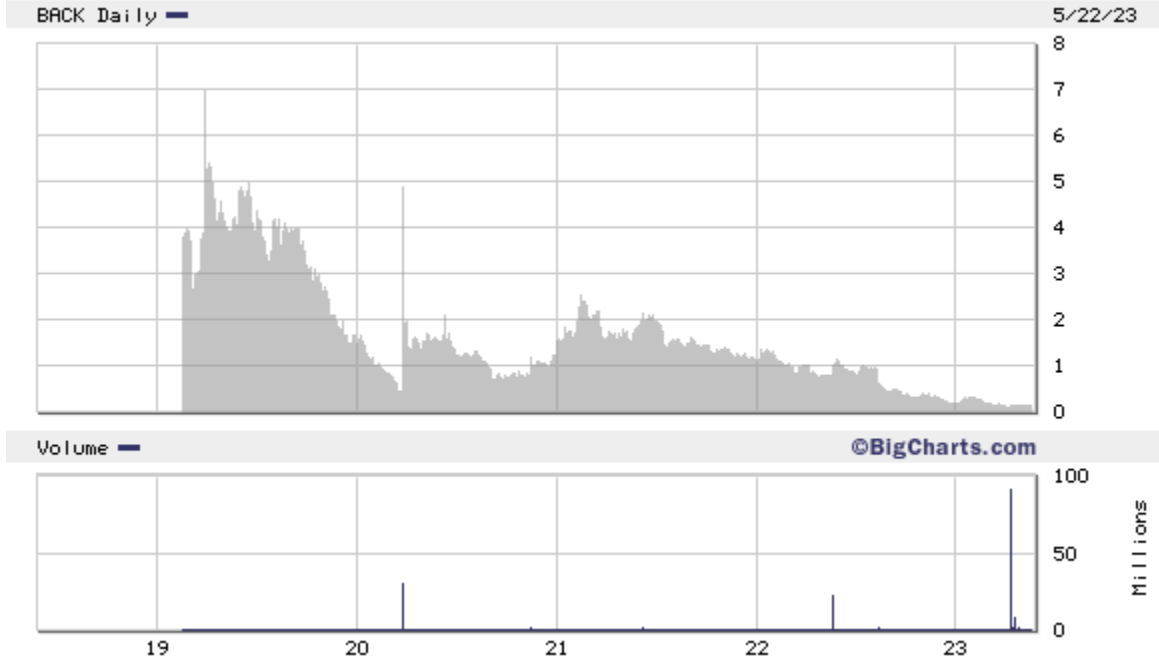
"At Brain Scientific, we are accelerating the time to prep, test, and read EEG studies anytime and are finally bringing EEG testing to remote locations and in the field," said Mr. Kotob. "We believe that a Brain Scientific and IMAC merger would allow us to accelerate our growth and expand into new channels and markets to provide those suffering from neurological disorders with the best care possible."

About Brain Scientific, Inc.

Brain Scientific Inc. ([brainscientific.com](#)) is an applied sciences technology company with multiple patents and FDA-cleared products. Brain Scientific is committed to developing next-gen solutions that advance the future of medical and OEM devices. Brain Scientific has two product lines covering neurology and precision motion. The NeuroCap™ and NeuroEEG™ are smart neurological diagnostic devices that simplify administration, shorten scan time, and cut costs. The [Piezo Motion](#) product line consists of ultra-efficient compact precision motors that will drive the next generation of OEM devices. To learn more about Brain Scientific's corporate strategy, products, or investor relations, please visit [brainscientific.com](#).

Source: Company reports.

Exhibit 7: IMAC Holdings, Inc. Stock Price (4-year since IPO February 2019)



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	Q2E	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	1.8	1.9	1.9	7.7	2.2	1.8	2.0	2.0	8.0
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	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
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	1.4	1.5	1.5	6.8	1.7	1.4	1.5	1.5	6.1
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	0.2	0.1	0.1	0.1	0.1	0.3
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	0.1	0.1	0.1	0.5	0.2	0.1	0.1	0.1	0.6
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	0.9	1.0	4.3	0.9	0.7	0.8	0.8	3.2
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	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Restructuring and other				0.1	0.1	0.0	0.0	3.8	4.5	8.4	1.4				1.4					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	2.8	3.0	3.1	14.8	3.2	2.7	2.9	2.9	11.8
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)	(1.1)	(1.2)	(1.2)	(7.1)	(1.0)	(0.9)	(0.9)	(0.9)	(3.7)
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)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
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	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)	(1.1)	(1.2)	(1.2)	(7.2)	(1.0)	(0.9)	(1.0)	(1.0)	(3.9)
Income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(2.0)	(2.0)	(1.7)	(4.8)	(10.5)	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.1)	(1.2)	(1.2)	(7.2)	(1.0)	(0.9)	(1.0)	(1.0)	(3.9)
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)	(1.1)	(1.2)	(1.2)	(7.2)	(1.0)	(0.9)	(1.0)	(1.0)	(3.9)
EBITDA	(1.3)	(1.3)	(0.9)	(4.2)	(7.7)	(2.5)	(1.2)	(1.9)	(2.2)	(7.8)	(2.0)	(0.8)	(0.9)	(0.9)	(4.6)	(0.7)	(0.6)	(0.7)	(0.7)	(2.7)
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	33.2	33.3	33.2	33.5	33.6	33.7	33.8	33.7
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	33.2	33.3	33.2	33.5	33.6	33.7	33.8	33.7
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)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.22)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.11)
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)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.22)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.11)
Margins																				
Patient expenses	11%	10%	10%	13%	11%	12%	8%	7%	11%	9%	13%	10%	10%	10%	11%	10%	10%	10%	10%	10%
Salaries and benefits	90%	86%	96%	83%	89%	95%	75%	88%	107%	90%	110%	80%	80%	80%	88%	76%	76%	76%	76%	76%
Share-based compensation	4%	4%	5%	3%	4%	5%	2%	2%	-10%	0%	0%	4%	4%	4%	3%	4%	4%	4%	4%	4%
Advertising and marketing	9%	9%	8%	10%	9%	10%	5%	6%	7%	7%	4%	7%	7%	7%	6%	7%	7%	7%	7%	7%
General and administrative	40%	48%	46%	45%	45%	47%	37%	49%	50%	45%	72%	50%	50%	50%	56%	40%	40%	40%	40%	40%
Operating margin	-67%	-70%	-79%	-66%	-70%	-81%	-36%	-168%	-201%	-113%	-177%	-62%	-61%	-61%	-93%	-46%	-47%	-47%	-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%	-62%	-63%	-63%	-94%	-47%	-49%	-48%	-48%	-48%
Y/Y % change																				
Total Revenue	-8%	35%	1%	26%	12%	27%	45%	8%	-20%	13%	-46%	-65%	-50%	-45%	-53%	5%	5%	5%	5%	5%
Patient expenses	-10%	-16%	-16%	43%	0%	35%	17%	-23%	-37%	-7%	-42%	-56%	-32%	-49%	-45%	-17%	5%	5%	5%	-2%
Salaries and benefits	-6%	28%	29%	38%	21%	35%	26%	-1%	2%	14%	-38%	-63%	-54%	-59%	-53%	-28%	0%	0%	0%	-10%
Share-based compensation	36%	1%	74%	84%	46%	71%	-35%	-55%	-339%	-100%	-100%	-13%	-10%	-122%	#DIV/0!	#DIV/0!	5%	5%	5%	45%
Advertising and marketing	10%	81%	25%	59%	42%	40%	-23%	-17%	-46%	-17%	-80%	-49%	-46%	-45%	-58%	106%	5%	5%	5%	21%
General and administrative	-1%	37%	67%	69%	41%	49%	12%	16%	-10%	13%	-17%	-53%	-49%	-45%	-41%	-42%	-16%	-16%	-16%	-25%
Operating income (loss)	-3%	41%	112%	96%	56%	53%	-25%	129%	144%	81%	18%	-40%	-82%	-83%	-61%	-73%	-20%	-20%	-20%	-47%
Net income (loss)	15%	-2%	19%	-2654%	111%	59%	-8%	271%	44%	74%	17%	-41%	-81%	-83%	-61%	-72%	-17%	-19%	-19%	-46%
EPS Diluted (pro forma)	-18%	-60%	-44%	-1328%	3%	-19%	-13%	34%	-60%	-25%	-7%	-52%	-61%	-52%	-39%	-72%	-18%	-21%	-21%	-47%

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	Q2E	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	0.1	(0.8)	(2.0)	(3.1)	(4.4)	(5.4)	(6.8)
Short term investments										0.0	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	0.5	0.5	0.5	0.6	0.5	0.6	0.6
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term note receivable										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.8	1.3	1.2	0.7	0.7	0.7	0.5	0.6	0.3	0.4	0.4	0.4	0.5	0.4	0.4	0.4
Total current assets	18.3	16.3	13.5	9.1	6.7	5.4	6.5	4.2	1.8	1.0	0.1	(1.1)	(2.0)	(3.5)	(4.4)	(5.8)
Property and equipment, net	1.8	1.9	1.8	2.3	2.3	2.1	1.8	1.6	0.7	0.8	0.6	0.8	0.9	1.4	1.5	2.0
Intangibles, net	8.9	8.8	8.5	10.5	10.2	10.0	5.9	1.4	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Deferred income tax										0.0	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	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Total assets	33.6	32.5	29.2	27.2	24.2	22.1	18.5	11.1	5.8	5.2	4.1	3.0	2.3	1.2	0.5	(0.4)
Liabilities and stockholders' equity																
Accounts payable	2.0	1.4	1.8	2.5	3.0	2.1	1.6	1.7	1.9	1.1	1.1	1.1	1.3	1.1	1.2	1.2
Accrued expenses	0.4	0.3	0.4	0.4	0.3	0.4	0.2		0.3	0.1	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	0.0
Deferred income tax										0.0	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	1.5	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	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total current liabilities	6.6	5.4	5.4	4.9	5.2	4.6	3.9	3.7	3.5	3.8	3.9	3.9	4.1	3.9	4.0	4.0
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.5	0.2	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	0.0
Operating lease	3.5	4.3	4.0	4.0	3.7	3.3	3.0	2.7	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
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	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Preferred stock																
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.5	0.5	0.6
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)	(51.3)	(52.5)	(53.7)	(54.7)	(55.6)	(56.6)	(57.5)
Accumulated other comprehensive income										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interest	(2.9)	(3.4)	(4.6)							0.0	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	(0.0)	(1.1)	(2.2)	(3.2)	(4.0)	(4.9)	(5.7)
Total stockholders' equity and liabil	33.6	32.5	29.2	27.2	24.2	22.1	18.5	11.1	5.8	5.2	4.1	3.0	2.3	1.2	0.5	(0.4)

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	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	28%	38%	34%	17%	17%	14%	13%	16%	16%	22%	22%	22%	22%	22%	22%	22%
Accounts payable as % of total rev	66%	40%	52%	58%	77%	42%	42%	49%	93%	60%	60%	60%	60%	60%	60%	60%
Accrued expenses as % of total rev	12%	10%	11%	8%	8%	8%	5%	0%	17%	5%	5%	5%	5%	5%	5%	5%
Activity Ratios																
A/R Days Sales Outstanding	54	35	30	25	40	55	75	75	46	25	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	\$0.00	-\$0.03	-\$0.07	-\$0.09	-\$0.12	-\$0.14	-\$0.17
Cash per Share (diluted)	\$1.16	\$0.54	\$0.44	\$0.27	\$0.16	\$0.06	\$0.10	\$0.02	\$0.01	\$0.00	-\$0.02	-\$0.06	-\$0.09	-\$0.13	-\$0.16	-\$0.20
Net cash per Share (diluted)	\$0.95	\$0.46	\$0.39	\$0.26	\$0.16	\$0.05	\$0.10	\$0.02	\$0.01	-\$0.04	-\$0.07	-\$0.11	-\$0.14	-\$0.18	-\$0.21	-\$0.25

Source: Company reports and Ascendant Capital Markets estimates

IMAC Holdings, Inc.

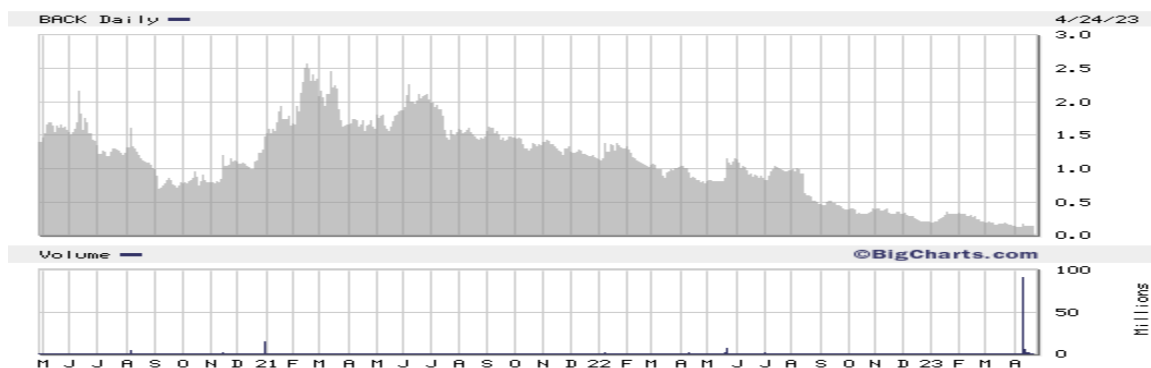
Cash Flow Statement (\$ mils)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating 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)	(1.1)	(1.2)	(1.2)	(7.2)	(1.0)	(0.9)	(1.0)	(1.0)	(3.9)	
Depreciation	0.4	0.4	0.5	0.3	1.6	0.4	0.4	0.5	0.3	1.6	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	
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	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.3	
Deferred rent																					
Inventory reserve																					
Deferred income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	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				1.4					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					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	0.6	(0.0)	(0.0)	0.7	(0.1)	0.1	(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)	(0.1)	(0.1)	0.1	(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	0.0	0.0	0.0	0.2	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	(0.9)	0.1	0.0	(0.6)	0.2	(0.2)	0.1	0.0	0.1	
Patient deposits	0.1	(0.0)	0.1	(0.2)	0.0	0.0	0.2	0.0	(0.3)	(0.1)	(0.0)	(0.3)	0.0	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)	(1.4)	(0.9)	(0.9)	(4.6)	(0.7)	(0.7)	(0.7)	(0.7)	(2.7)	
Cash flow from investing activities																					
Purchases of property and equi	(0.1)	(0.2)	(0.1)	(0.3)	(0.7)	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)		(0.3)	0.0	(0.3)	(0.7)	(0.3)	(0.7)	(0.3)	(0.7)	(2.0)	
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	0.0	0.1	1.1			1.1						0.0	
Net cash used in investing activ	(0.7)	(0.4)	(0.1)	(1.3)	(2.5)	(0.2)	(0.0)	0.0	(0.0)	(0.3)	1.1	(0.3)	0.0	(0.3)	0.4	(0.3)	(0.7)	(0.3)	(0.7)	(2.0)	
Cash flow from financing activities																					
Issuance of debt					0.0					0.0		1.5	0.0	0.0	1.5	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	
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	0.0	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					0.0					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)	1.5	0.0	0.0	1.5	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)	(0.3)	(0.9)	(1.2)	(2.8)	(1.0)	(1.3)	(1.0)	(1.3)	(4.7)	
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	0.1	(0.8)	0.8	(2.0)	(3.1)	(4.4)	(5.4)	(2.0)	
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	0.1	(0.8)	(2.0)	(2.0)	(3.1)	(4.4)	(5.4)	(6.8)	(6.8)	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

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

IMAC Holdings, Inc.



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

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

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

IMPORTANT DISCLOSURES

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

We may have a business relationship with companies covered in this report. Ascendant Capital Markets, LLC may make a market in the securities of the subject company. We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this report. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this report may fluctuate.

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

Risks & Considerations

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

Ascendant Capital Markets, LLC Rating System

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

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

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

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 14, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	49	98%	18	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	50	100%	18	36%

Other Important Disclosures

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

Dissemination of Research

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

General Disclaimer

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

Additional Disclosures

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