



IMAC Holdings, Inc.

Reports Q1 results as it exits legacy business. Acquisition of Theralink completed. Raising P/T to \$8.25.

United States
Healthcare

May 31, 2024

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COMPANY UPDATE

Rating: **BUY**

Ticker: **BACK**

Price: **\$2.85**

Target: **\$8.25**
(from \$8.00)

Q1 results: IMAC recently (on May 15) reported its Q1 2024 (ending March) results. Net loss was \$0.4 million or EPS of \$(0.35), compared with our estimates of \$(0.91). There was no Q1 guidance or consensus estimates.

Exits legacy business: In Q4, the company completed the exit of its legacy medical clinics business. It is now included as discontinued operations for current and historical financials. We have not adjusted our historical financials so comparability with the company's historical results may be difficult.

No guidance: Management has not provided 2024 guidance.

Adjusting estimates: We are adjusting our 2024 EPS estimates to \$(2.53) from \$(3.62).

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%.

Acquisition of Theralink assets completed: Originally expected to close in late 2023, the merger took longer than expected. However, on May 1, 2024, IMAC completed the acquisition of the assets of Theralink as opposed to the proposed reverse merger of the company.

New business: IMAC is now a clinical research and commercialization company. The company is focused on innovative medical advancements and care in the oncology and neurological medical specialties. The company's technology, through its patented phosphoprotein and protein biomarker platform and lab developed tests (LDTs), targets multiple areas of oncology and drug development. Its LDTs are utilized by oncologists in the U.S. to assist in delivering a targeted treatment plan for their patients with advanced breast cancer.

Large growth opportunities: With the merger with Theralink completed, we believe IMAC is poised for solid growth opportunities in the long term.

Balance sheet: The company has ~\$0 million in cash and no debt. In Q3, the company raised \$4 million as part of its pending merger with Theralink. We believe it has enough cash until mid-2024 so it will need to raise capital soon.

Risk/reward favorable: Maintaining our BUY rating, but raising our 12-month price target to \$8.25 from \$8.00. This is based on a NPV analysis (factoring in its recent merger), 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 previously operated outpatient medical clinics that provide regenerative, orthopedic, and minimally invasive procedures and therapies to treat sports and orthopedic injuries.

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.22 – 7.75
Shares Outstanding (million):	1.1
Market cap (\$million):	\$3
EV (\$million):	\$3
Debt (\$million):	\$0
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	\$3
Float (million shares):	1
Short Interest (million shares):	0.2
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Mar	0A	0E	0E	
Q2 Jun	0E		0E	
Q3 Sep	0E		0E	
Q4 Dec	<u>0E</u>		<u>0E</u>	
Total	0E		0E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>
Q1 Mar	(0.35)A	(0.91)E	(0.87)E	(0.91)E
Q2 Jun	(0.44)E	(0.91)E	(0.87)E	(0.91)E
Q3 Sep	(0.87)E	(0.90)E	(0.87)E	(0.90)E
Q4 Dec	<u>(0.87)E</u>	<u>(0.90)E</u>	<u>(0.87)E</u>	<u>(0.90)E</u>
Total	(2.53)E	(3.62)E	(3.48)E	(3.62)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 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> <p>65% Medical</p> <p>31% Physical Therapy</p> <p>4% Chiropractic</p>	<p>Medical Professionals:</p> <p>19 Medical</p> <p>19 Physical Therapy</p> <p>15 Chiropractic</p>
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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 Q3 2023 and Recent Highlights (as of November 2023)

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

- Net patient revenue decreased to \$1.6 million for the third quarter of 2023 from \$3.8 million for the third quarter of 2022.
- Working capital is (\$0.4) million as of September 30, 2023 compared to working capital of \$0.5 million as of December 31, 2022.
- Adjusted EBITDA ¹ of (\$0.5 million) in the third quarter of 2023 compared to (\$1.9 million) in the third quarter of 2022.

Significant recent developments of the company for the third quarter of 2023 are set forth in the bullets below.

- On July 25, 2023, the Company entered into a definitive securities purchase agreement with several institutional and accredited investors, including existing significant investors of Theralink Technologies, Inc., its previously announced merger partner (OTC:THER) (“Theralink”), and Theralink’s Chairman, for the sale of its preferred stock and warrants. IMAC sold an aggregate of 2,500 shares of its Series A-1 Convertible Preferred Stock, stated value \$1,000 per share, 1,800 shares of its Series A-2 Convertible Preferred Stock, stated value \$1,000 per share, and Warrants to purchase up to 2,075,702 shares of its common stock for aggregate gross proceeds of \$4.3 million before deducting placement agent fees and other offering expenses. The shares of A-1 Convertible Preferred Stock, shall bear a 12% dividend, and are initially convertible into an aggregate of 763,126 shares of common stock of the Company, and the shares of Series A-2 Convertible Preferred Stock are initially convertible into an aggregate of 549,451 shares of common stock of the Company, in each case, at a conversion price of \$3.276 per share. The Warrants have an exercise price of \$3.27 per share, are exercisable immediately, and will expire five years from the date of shareholder approval of this private placement. It is expected that approximately \$3.0 million of the proceeds of the offering will be used to make a loan to Theralink for investment into sales and marketing efforts and general working capital purposes as the companies continue to take formal steps together in advancing their merger previously announced on May 23, 2023. * Retrospectively restated for the effect of 30-for-1 reverse stock split. (Note 10)

The Company also entered into a Registration Rights Agreement, pursuant to which it agreed to file a registration statement with the Securities and Exchange Commission (the “SEC”) covering the resale of the shares of the Company’s common stock underlying the Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and Warrants no later than 45 days following the closing of the planned merger.

The foregoing summary is qualified in its entirety by reference to the full text of each of the Certificate of Designation for the Series A-1 Convertible Preferred Stock and Series A-2 Convertible Preferred Stock, the Warrants, the Securities Purchase Agreement and the Registration Rights Agreement, attached as Exhibits 3.1, 3.2, 4.1, 10.1 and 10.2, respectively, each of which is incorporated herein in its entirety.

- Effective on September 7, 2023, the Company implemented a 30-for-1 reverse stock split of the issued and outstanding shares of common stock. Under the reverse split, every thirty shares of outstanding shares issued and outstanding were automatically converted into one share of ordinary share, with a par value of \$0.001 each. Except as otherwise indicated, all information in the condensed consolidated financial statements concerning share and per share data gives retroactive effect to the 30-for-1 reverse stock split. The total number of outstanding common shares immediately before the reverse split was 60,000,000 and immediately after the reverse split was 2,000,000.
- On October 1, 2023, the Company executed an agreement to sell all the assets of the Murray, KY location.

Source: Company reports.

Exhibit 3: 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 4: 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 5: Acquisition of Theralink's Assets Completed (May 7, 2024)

FRANKLIN, Tenn., May 07, 2024 (GLOBE NEWSWIRE) -- On May 1, 2024, as previously announced, pursuant to that certain Settlement and Release Agreement, by and between IMAC Holdings, Inc. (NASDAQ: BACK) ("BACK") and Theralink Technologies, Inc. ("Theralink"), BACK acquired the assets of Theralink, other than certain excluded assets, in settlement of the default by Theralink of certain outstanding debt and BACK's agreement to issue certain shares of preferred stock of BACK to Theralink and/or certain holders of debt of Theralink, as applicable, in the future following the completion of a third party valuation of Theralink's business.

With BACK already in possession of such assets of Theralink, and a merger with Theralink no longer necessary to acquire such assets, on May 6, 2024, BACK, IMAC Merger Sub, Inc. ("Merger Sub") and Theralink entered into a Termination Agreement, which immediately terminated the Agreement and Plan of Merger, dated May 26, 2023, by and between BACK, Merger Sub and Theralink ("Merger Agreement").

BACK is formally withdrawing the corresponding Registration Statement on Form S-4, in connection with such termination of the Merger Agreement.

"Considering the lengthy regulatory approval process the transaction has already incurred, BACK found a more efficient direction for shareholders going forward. We believe this settlement allows Theralink's incredible advancements for breast cancer diagnostics to survive and thrive in its new home at BACK, as commercialization of the services kicks off in an unobstructed direction," said Jeff Ervin, Chief Executive Officer of IMAC Holdings, Inc. "We are in the process of transitioning key employees to stabilize the business operations and capitalize on the team's significant proteomic analysis and precision medicine success."

Source: Company reports.

Exhibit 6: New CEO (May 24, 2024)

Faith Zaslavsky appointed as CEO to succeed Jeff Ervin

FRANKLIN, Tenn., May 24, 2024 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. (Nasdaq: BACK) ("IMAC") today announced leadership transitions to the board of directors and executive team. Faith Zaslavsky has been appointed chief executive officer, succeeding Jeff Ervin, to lead newly acquired assets in the proteomics and precision medicine industry.

"I am excited and honored to join IMAC and continue the mission that Jeff and team created, which is focused on providing better outcomes for patients," said Ms. Zaslavsky. "In the 23 years of working in the genomic space, I have never been more excited about a product and the brilliant and dynamic individuals who have worked hard to bring this cutting-edge technology to patients and providers. Our technology and the people behind it create a game changing advancement in precision medicine by providing physicians the ability to create a highly specific and personalized treatment plan for patients facing the cancer journey."

Ms. Zaslavsky previously served as COO and CEO at Theralink Technologies. Prior to Theralink, Ms. Zaslavsky served as President of Oncology for Myriad Genetics. Her responsibilities have included overseeing all commercial functions which include leading Medical Services, Medical Affairs, National and Enterprise Accounts, and Sales and Marketing. She has spent 23 years leading and transforming teams, designing solutions for physicians to support care, and advocating for patients facing a journey with cancer. She also serves on the American Society of Breast Surgeons Foundation Board of Directors.

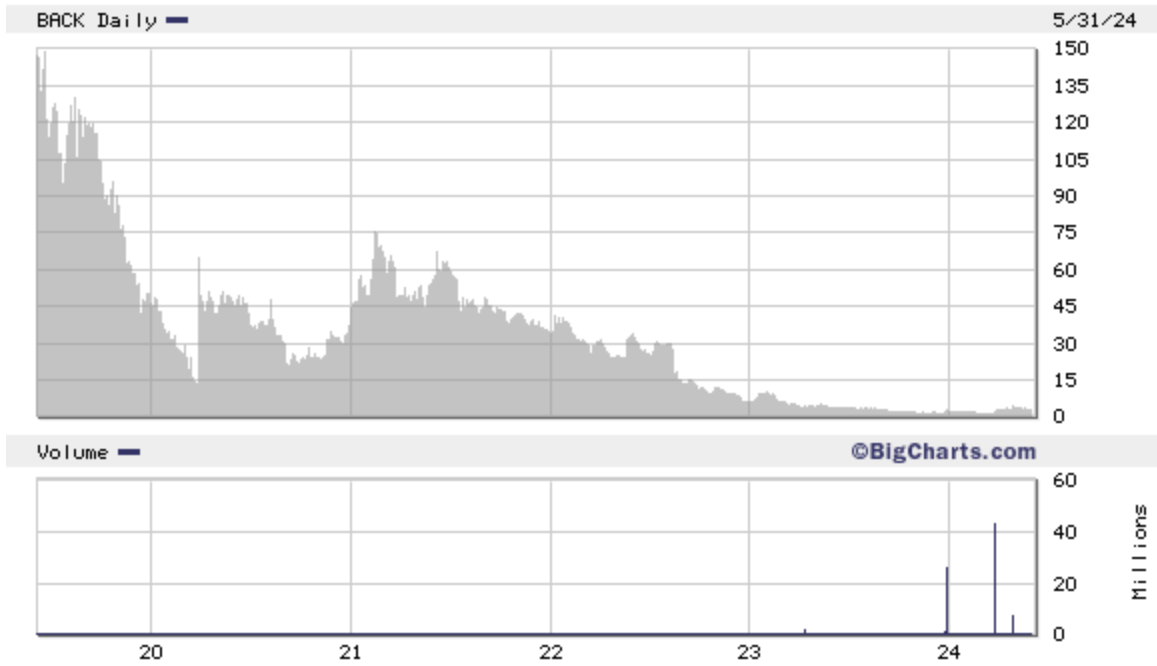
The RPPA technology acquired has proven through multiple clinical trials to be a superior indicator of the presence of key biomarkers associated with drug selection in Breast Cancer and other cancers. BACK is poised to continue the progress of this technology and establish RPPA as an essential test for all breast cancer patients and many other cancers and other conditions in the near future.

"IMAC has delivered innovative treatments for predictable and safe outcomes to patients since its inception, and I am excited that will continue in the oncology specialty for physicians seeking optimal care for patients with advanced breast cancer," said Mr. Ervin. "Faith has a tremendous passion for patients and the experience to lead this exceptional technology into commercialization."

The board of directors will consist of three independent board members effective today. The board accepted the resignation of BACK co-founders Dr. Matt Wallis and Mr. Ervin from the board. Mr. Ervin will serve as a transition consultant.

Source: Company reports.

Exhibit 7: IMAC Holdings, Inc. Stock Price (5-years)



*Reflects a 1:30 reverse stock split in September 2023

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

FINANCIAL MODEL

IMAC Holdings, Inc.

Income Statement (\$ mils)	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	Mar-25	Jun-25	Sep-25	Dec-25	2025
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	3.9	5.0	3.8	3.5	16.2	2.1	1.3	1.6	(5.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Patient expenses	0.5	0.4	0.3	0.4	1.5	0.3	0.2	0.1	(0.6)	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Salaries and benefits	3.7	3.8	3.3	3.7	14.5	2.3	1.3	0.9	(3.1)	1.3	0.2	0.2	0.5	0.5	1.4	0.5	0.5	0.5	0.5	2.0
Share-based compensation	0.2	0.1	0.1	(0.4)	0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advertising and marketing	0.4	0.2	0.2	0.2	1.1	0.1	0.0	0.0	(0.1)	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and administrative	1.8	1.9	1.9	1.7	7.3	1.5	0.9	1.1	(2.1)	1.5	0.3	0.3	0.5	0.5	1.6	0.5	0.5	0.5	0.5	2.0
Depreciation and amortization	0.4	0.4	0.5	0.3	1.6	0.2	0.1	0.1	(0.3)	0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restructuring and other	0.0	0.0	3.8	4.5	8.4	1.4	0.3	2.2	(0.5)	3.4					0.0					0.0
Total operating expenses	7.0	6.8	10.1	10.5	34.5	5.8	2.7	4.5	(6.6)	6.4	0.4	0.5	1.0	1.0	2.9	1.0	1.0	1.0	1.0	4.0
Operating income (loss)	(3.1)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(2.9)	1.6	(6.4)	(0.4)	(0.5)	(1.0)	(1.0)	(2.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Interest income (expense)	(0.0)	(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)	0.0	0.0	0.0	0.0	0.0
Other income (expense)	(0.0)	(0.0)	0.0	0.0	(0.0)			0.0	(3.0)	(2.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(2.9)	(1.4)	(9.4)	(0.4)	(0.5)	(1.0)	(1.0)	(2.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
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)	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(2.9)	(1.4)	(9.4)	(0.4)	(0.5)	(1.0)	(1.0)	(2.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Nonrecurring/noncash adjustments			3.8	4.5	8.3					0.0					0.0					0.0
Net income (pro forma)	(3.2)	(1.8)	(2.5)	(2.5)	(10.0)	(3.7)	(1.4)	(2.9)	(1.4)	(9.4)	(0.4)	(0.5)	(1.0)	(1.0)	(2.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
EBITDA	(2.5)	(1.2)	(1.9)	(2.2)	(7.8)	(2.0)	(1.0)	(0.5)	1.3	(2.1)	(0.4)	(0.5)	(1.0)	(1.0)	(2.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Shares, Basic	0.9	0.9	0.9	1.1	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Shares, Diluted	0.9	0.9	0.9	1.1	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
EPS Basic (pro forma)	(\$3.60)	(\$2.06)	(\$2.72)	(\$2.25)	(\$10.57)	(\$3.36)	(\$1.27)	(\$2.63)	(\$1.27)	(\$8.47)	(\$0.35)	(\$0.44)	(\$0.87)	(\$0.87)	(\$2.53)	(\$0.87)	(\$0.87)	(\$0.87)	(\$0.87)	(\$3.48)
EPS Diluted (pro forma)	(\$3.60)	(\$2.06)	(\$2.72)	(\$2.25)	(\$10.57)	(\$3.36)	(\$1.27)	(\$2.63)	(\$1.27)	(\$8.47)	(\$0.35)	(\$0.44)	(\$0.87)	(\$0.87)	(\$2.53)	(\$0.87)	(\$0.87)	(\$0.87)	(\$0.87)	(\$3.48)
Margins										#DIV/0!										
Patient expenses	12%	8%	7%	11%	9%	13%	13%	9%	12%	#DIV/0!										
Salaries and benefits	95%	75%	88%	107%	90%	110%	93%	58%	63%	#DIV/0!										
Share-based compensation	5%	2%	2%	-10%	0%	0%	0%	0%	0%	#DIV/0!										
Advertising and marketing	10%	5%	6%	7%	7%	4%	3%	1%	2%	#DIV/0!										
General and administrative	47%	37%	49%	50%	45%	72%	66%	72%	41%	#DIV/0!										
Operating margin	-81%	-36%	-168%	-201%	-113%	-177%	-103%	-185%	-32%	NM										
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%										
Net margin	-81%	-37%	-167%	-201%	-113%	-177%	-104%	-186%	28%	NM										
YY % change																				
Total Revenue	27%	45%	8%	-20%	13%	-46%	-73%	-59%	-244%	-100%	-100%	-100%	-100%	-100%	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!
Patient expenses	35%	17%	-23%	-37%	-7%	-42%	-56%	-48%	-258%	-100%	-100%	-100%	-100%	-100%	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!
Salaries and benefits	35%	26%	-1%	2%	14%	-38%	-67%	-73%	-185%	-91%	-94%	-84%	-45%	-116%	0%	233%	150%	0%	0%	48%
Share-based compensation	71%	-35%	-55%	-339%	-100%	-100%	-100%	-100%	-100%	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!
Advertising and marketing	40%	-23%	-17%	-46%	-17%	-80%	-85%	-96%	-146%	-99%	-100%	-100%	-100%	-100%	-100%	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!
General and administrative	49%	12%	16%	-10%	13%	-17%	-52%	-39%	-218%	-80%	-83%	-66%	-56%	-124%	7%	93%	67%	0%	0%	28%
Operating income (loss)	53%	-25%	129%	144%	81%	18%	-23%	-54%	-123%	-65%	-89%	-64%	-65%	-163%	-54%	145%	100%	0%	0%	38%
Net income (loss)	59%	-8%	271%	44%	74%	17%	-24%	-54%	-80%	-49%	-89%	-64%	-66%	-29%	-69%	146%	100%	0%	0%	38%
EPS Diluted (pro forma)	-19%	-13%	34%	-60%	-25%	-7%	-39%	-3%	-44%	-20%	-89%	-66%	-67%	-31%	-70%	146%	100%	0%	0%	38%

Source: Company reports and Ascendant Capital Markets estimates.

Reflects a 1:30 reverse stock split in September 2023

IMAC Holdings, Inc.

Balance Sheet (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
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	4.3	1.6	2.8	0.8	0.4	0.2	0.2	0.2	0.0	(0.5)	(1.5)	(2.5)	(3.5)	(4.5)	(5.5)	(6.5)
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	1.7	3.1	3.2	2.9	1.1	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term note receivable									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.7	0.7	0.5	0.6	0.3	0.4	1.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total current assets	6.7	5.4	6.5	4.2	1.8	1.3	2.1	1.1	0.9	0.4	(0.6)	(1.6)	(2.6)	(3.6)	(4.6)	(5.6)
Property and equipment, net	2.3	2.1	1.8	1.6	0.7	0.6	0.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangibles, net	10.2	10.0	5.9	1.4	1.2	0.9	0.9		0.0	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	0.0
Security deposits	0.4	0.4	0.3	0.3	0.2	0.2	0.2		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	4.7	4.3	4.0	3.6	1.9	1.7	0.9		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	24.2	22.1	18.5	11.1	5.8	4.6	4.3	1.1	0.9	0.4	(0.6)	(1.6)	(2.6)	(3.6)	(4.6)	(5.6)
Liabilities and stockholders' equity																
Accounts payable	3.0	2.1	1.6	1.7	1.9	2.4	1.7	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Accrued expenses	0.3	0.4	0.2		0.3	0.3	0.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Patient deposits	0.3	0.5	0.6	0.2	0.2	0.2	0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition liabilities									0.0	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	0.0
Operating lease	1.5	1.5	1.5	1.7	1.0	1.0	0.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt	0.1	0.1	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
Total current liabilities	5.2	4.6	3.9	3.7	3.5	3.9	2.5	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Deferred income taxes									0.0	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	0.0
Other long term liabilities	0.2	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating lease	3.7	3.3	3.0	2.7	1.3	1.0	0.7		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	0.1	0.1	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
Total other liabilities	4.0	3.4	3.1	2.7	1.3	1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred stock							4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	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	0.0
Additional paid-in capital	46.3	47.3	51.1	51.1	51.2	51.2	51.3	55.2	55.1	55.1	55.1	55.1	55.1	55.1	55.1	55.1
Retained earnings	(31.4)	(33.2)	(39.5)	(46.5)	(50.2)	(51.6)	(54.5)	(55.9)	(56.3)	(56.8)	(57.8)	(58.8)	(59.8)	(60.8)	(61.8)	(62.8)
Accumulated other comprehensive income									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interest									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	15.0	14.1	11.6	4.7	1.0	(0.4)	1.0	(0.8)	(1.2)	(1.7)	(2.7)	(3.7)	(4.7)	(5.7)	(6.7)	(7.7)
Total stockholders' equity and liabil	24.2	22.1	18.5	11.1	5.8	4.6	4.3	1.1	0.9	0.4	(0.6)	(1.6)	(2.6)	(3.6)	(4.6)	(5.6)

Balance Sheet Drivers

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	17%	14%	13%	16%	16%	26%	71%	-4%								
Accounts payable as % of total rev	77%	42%	42%	49%	93%	182%	108%	-12%								
Accrued expenses as % of total rev	8%	8%	5%	0%	17%	22%	19%	-26%								
Activity Ratios																
A/R Days Sales Outstanding	40	55	75	75	46	45	42	-13								
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$17.04	\$15.78	\$12.64	\$4.23	\$0.91	-\$0.32	\$0.93	-\$0.68	-\$1.08	-\$1.51	-\$2.39	-\$3.26	-\$4.13	-\$5.00	-\$5.87	-\$6.74
Cash per Share (diluted)	\$4.86	\$1.81	\$3.10	\$0.69	\$0.35	\$0.22	\$0.20	\$0.20	\$0.02	-\$0.42	-\$1.29	-\$2.16	-\$3.03	-\$3.90	-\$4.77	-\$5.65
Net cash per Share (diluted)	\$4.66	\$1.64	\$2.97	\$0.60	\$0.28	\$0.16	\$0.16	\$0.20	\$0.02	-\$0.42	-\$1.29	-\$2.16	-\$3.03	-\$3.90	-\$4.77	-\$5.65

Source: Company reports and Ascendant Capital Markets estimates

IMAC Holdings, Inc.

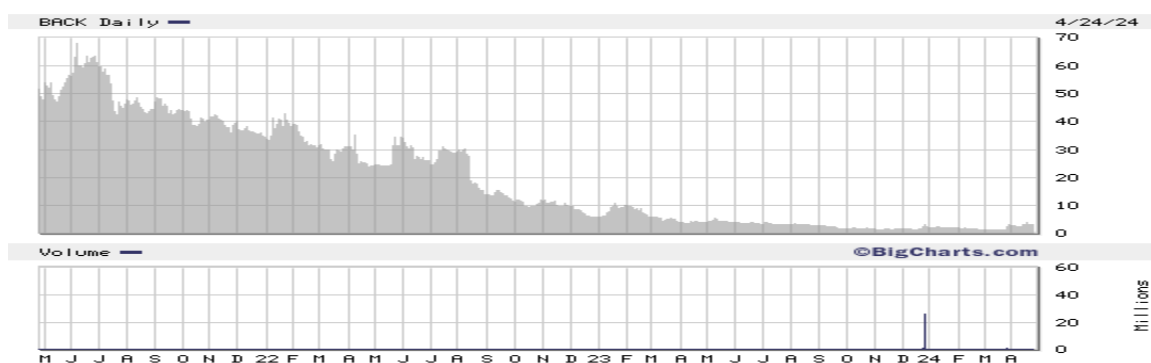
Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(3.2)	(1.8)	(6.3)	(7.0)	(18.3)	(3.7)	(1.4)	(2.9)	(1.5)	(9.4)	(0.4)	(0.5)	(1.0)	(1.0)	(2.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	
Depreciation	0.4	0.4	0.5	0.3	1.6	0.2	0.1	0.1	0.0	0.4		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Amortization					0.0					0.0					0.0					0.0	
Debt related amortization expense					0.0					0.0					0.0					0.0	
Stock comp	0.2	0.1	0.1	0.1	0.4	0.1	0.0	(0.0)	(0.0)	0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Deferred rent					0.0					0.0					0.0					0.0	
Inventory reserve					0.0		0.0	0.1	(0.1)	0.0					0.0					0.0	
Deferred income taxes					0.0					0.0					0.0					0.0	
Change in fair value of warrant liability					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Writedowns and impairments			3.9	4.4	8.3	1.4	0.3	1.9	1.4	5.0					0.0					0.0	
Other gains/losses	0.0	0.0	(0.1)	0.1	0.1	0.0	(0.0)	0.0	0.3	0.3	(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	(0.5)	(1.3)	(0.1)	0.3	(1.7)	0.2	0.4	0.5	0.4	1.4	0.0	0.0	0.0	0.0	0.0	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		0.0	0.0	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	0.0	(0.0)	0.2	(0.1)	0.1	0.2	(0.2)	(0.1)	0.8	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.5	(0.9)	(0.5)	0.1	(0.8)	0.2	0.5	(0.8)	(0.3)	(0.4)	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	
Patient deposits	0.0	0.2	0.0	(0.3)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Deferred revenue					0.0					0.0					0.0					0.0	
Other liabilities		(0.0)	(0.1)	0.1	0.0	(0.0)	0.0	0.0	(0.7)	(0.7)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(2.4)	(3.4)	(2.4)	(2.1)	(10.3)	(1.4)	(0.3)	(1.3)	0.2	(2.8)	(0.2)	(0.5)	(1.0)	(1.0)	(2.7)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	
Cash flow from investing activities																					
Purchases of property and equi	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)					0.0		0.0	0.0	0.0	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					0.0			(3.0)		(3.0)					0.0					0.0	
Other	0.0		0.1	0.0	0.1	1.1	0.1	0.0	0.1	1.2					0.0					0.0	
Net cash used in investing acti	(0.2)	(0.0)	0.0	(0.0)	(0.3)	1.1	0.1	(3.0)	0.1	(1.8)	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	
Repayment of debt	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)				(0.0)					0.0	
Issuance of stock		0.8	3.6	0.1	4.5	0.0	0.0	4.3	(0.3)	4.1		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	(0.2)	0.8	3.5	0.0	4.2	(0.0)	0.0	4.3	(0.3)	4.0	(0.0)	0.0	0.0	0.0	(0.0)	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	(2.8)	(2.7)	1.2	(2.1)	(6.4)	(0.4)	(0.1)	(0.0)	(0.0)	(0.5)	(0.2)	(0.5)	(1.0)	(1.0)	(2.7)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	
Beginning cash and equivalents	7.1	4.3	1.6	2.8	7.1	0.8	0.4	0.2	0.2	0.8	0.2	0.0	(0.5)	(1.5)	0.2	(2.5)	(3.5)	(4.5)	(5.5)	(2.5)	
Ending cash and equivalents	4.3	1.6	2.8	0.8	0.8	0.4	0.2	0.2	0.2	0.2	0.0	(0.5)	(1.5)	(2.5)	(2.5)	(3.5)	(4.5)	(5.5)	(6.5)	(6.5)	

Source: Company reports and Ascendant Capital Markets estimates

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IMAC Holdings, Inc.



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

	Report Date		Price
Report	Date	Rating	Target
1	4/14/2020	Buy	135.00
2	5/17/2020	Buy	127.50
3	8/18/2020	Buy	135.00
4	11/15/2020	Buy	142.50
5	3/13/2021	Buy	150.00
6	5/19/2021	Buy	157.50
7	8/27/2021	Buy	165.00
8	11/22/2021	Buy	172.50
9	4/16/2022	Buy	180.00
10	5/14/2022	Buy	165.00
11	8/31/2022	Buy	150.00
12	12/6/2022	Buy	135.00
13	4/5/2023	Buy	45.00
14	5/22/2023	Buy	37.50
15	8/21/2023	Buy	34.50
16	11/22/2023	Buy	10.00
17	4/24/2024	Buy	8.00

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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 Distribution of Investment Ratings (as of April 15, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	55	98%	18	33%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	56	100%	18	32%

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