



## IMAC Holdings Reports 2020 Financial Results and Corporate Update

March 4, 2021

BRENTWOOD, Tenn., March 04, 2021 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. (Nasdaq: IMAC) ("IMAC" or the "Company"), a provider of innovative medical advancements and care specializing in regenerative rehabilitation orthopedic treatments without the use of surgery or opioids, today announced financial results for the year ended December 31, 2020.

### Financial Highlights from 4Q20:

- 4Q20 GAAP EPS of \$0.02, compared with GAAP EPS of \$(0.15) in 4Q19

**Financial Highlights from FY 2020** (all comparisons are with IMAC for the year ended December 31, 2019 unless otherwise indicated):

- Cash as of December 31, 2020 was \$2.6 million, compared with \$0.4 million as of December 31, 2019
- Total net patient revenue was \$12.8 million, compared with \$15.1 million, a decline of 15%
- Net loss was \$5.0 million or \$0.45 per share, compared with a net loss of \$6.5 million or \$0.84 per share
- Billable visits to IMAC clinics declined 9% from 137,320 in 2019 to 125,633 in 2020

### Corporate Highlights in Q4 2020 and Year To Date:

- Announced formation of The Back Space, a wholly owned subsidiary operating retail healthcare centers, and partnered with a Fortune 500 company. The Back Space specializes in chiropractic and spinal care services inside the partner's locations.
- Expanded Florida presence with acquisitions of Willmitch Chiropractic and Synergy Healthcare in Tampa and Orlando, respectively
- Reached 1,000 members in its subscription-based wellness maintenance programs just one year after introducing them in January 2020
- Announced regenerative medicine service expansion to include treatment of chronic wounds through cell-based amniotic-infused mesh applications in its IMAC Regeneration Centers
- Following FDA authorization, initiated Phase 1 clinical study of umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's Disease and completed first of three patient cohorts
- Maurice "Mo" Evans, Michael Pruitt and Cary Sucoff joined IMAC's board of directors

"The first half of 2020 was difficult for IMAC to navigate and our team struggled through challenges we may never experience again. The adversity was tackled as a cohesive management team, strengthening our operations to deliver on the business plan entering 2021. As a result, we completed 2020 with a cash position 600% greater than 2019, and accounts payable and accrued expenses 42% less than 2019. Additionally, we were able to consolidate debt at lower interest rates and maintain a clean equity table for our shareholders while experiencing a downturn in revenues and traffic," commented Jeffrey Ervin, IMAC's Chief Executive Officer.

"Our development initiatives continued despite economic headwinds allowing us to introduce new service lines (telemedicine and fall prevention), expand our payor network (US Department of Labor and self-insured employers), and grow our service footprint including our first Florida location. We believe the greatest achievement for IMAC value creation in 2020 came with the culmination of nearly three years of work which resulted in FDA authorization for our Investigational New Drug application and subsequent Phase 1 clinical trial dosing.

"Already in 2021, we have completed our first of three clinical trial cohorts and expect to complete all dosing of trial participants this year. We have also completed acquisitions of two central Florida clinics to expand the IMAC Regeneration Centers in high demand areas. Finally, we are very excited about our upcoming launch of IMAC's newest flagship brand, The Back Space, which will provide in-store spinal health and chiropractic care in retail healthcare centers in collaboration with our Fortune 500 partner. Our newly announced partnership will open retail locations serving an underserved population in a growing market as we launch our test market in the coming months. We have come a long way in the two years since our initial public offering and look forward to providing updates on our progress."

### Results of Operations for the Twelve Months Ended December 31, 2020 Compared to the Twelve Months Ended December 31, 2019

Net patient revenue declined 15% from \$15.1 million in 2019 to \$12.8 million in 2020, primarily due to the COVID-19 outbreak that negatively affected patient volumes in the second, third, and fourth quarters. The decrease in operating expenses from \$21.3 million in 2019 to \$19.3 million in 2020 was driven primarily by a decline in direct patient expenses, advertising and marketing expenses, and general and administrative expenses. An increase in operating loss to \$6.5 million in 2020 versus a loss of \$6.2 million in 2019 was driven by the decline in total revenue partially offset by the decline in total operating expenses. Net loss attributable to IMAC Holdings improved to \$5.0 million in 2020 from \$6.5 million in 2019 primarily due to a gain on the extinguishment of debt.

For the year ended December 31, 2020, the Company reported cash and cash equivalents of \$2.6 million, compared with approximately \$0.4 million as of December 31, 2019.

#### About IMAC Holdings, Inc.

IMAC was created in March 2015 to expand on the footprint of the original IMAC Regeneration Center, which opened in Kentucky in August 2000. IMAC Regeneration Centers combine life-science advancements with traditional medical care for movement restricting diseases and conditions. IMAC owns or manages more than 15 outpatient clinics that provide regenerative, orthopedic and minimally invasive procedures and therapies. It has partnered with several active and former professional athletes including Ozzie Smith, David Price, Mike Ditka and Tony Delk. IMAC's outpatient medical clinics emphasize treating sports and orthopedic injuries and movement-restricting diseases without surgery or opioids. More information about IMAC Holdings, Inc. is available at [www.imacregeneration.com](http://www.imacregeneration.com).

#### Safe Harbor Statement

This press release contains forward-looking statements. These forward-looking statements, and terms such as "anticipate," "expect," "believe," "may," "will," "should" or other comparable terms, are based largely on IMAC's expectations and are subject to a number of risks and uncertainties, certain of which are beyond IMAC's control. Actual results could differ materially from these forward-looking statements as a result of, among other factors, risks and uncertainties associated with its ability to raise additional funding, its ability to maintain and grow its business, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets, marketing and other business development initiatives, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the skills and experience necessary to meet customers' requirements, and its ability to protect its intellectual property. IMAC encourages you to review other factors that may affect its future results in its public filings with the Securities and Exchange Commission. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this press release will in fact occur. More information about IMAC Holdings, Inc. is available at [www.imacregeneration.com](http://www.imacregeneration.com).

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#### Financial Tables Follow

**IMAC Holdings, Inc.**  
**Consolidated Balance Sheet**  
**December 31, 2020 and 2019**

	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,623,952	\$ 373,689
Accounts receivable, net	1,513,683	1,258,325
Deferred compensation, current portion	309,375	312,258
Other assets	310,359	633,303
Total current assets	4,757,369	2,577,575
Property and equipment, net	1,777,042	3,692,009
Other assets:		
Goodwill	2,040,696	2,040,696
Intangible assets, net	6,611,551	7,169,072
Deferred equity costs	-	170,274
Deferred compensation, net of current portion	354,906	549,563
Security deposits	388,074	499,488
Right of use asset	3,816,035	3,719,401
Total other assets	13,211,595	14,148,494
Total assets	\$ 19,746,006	\$ 20,418,078

#### LIABILITIES AND STOCKHOLDERS' EQUITY

##### Current liabilities:

Accounts payable and accrued expenses	\$ 1,692,283	\$ 2,909,666
Patient deposits	295,071	189,691
Notes payable, current portion	2,527,324	1,422,554

Finance lease obligation, net of current portion	18,242	17,473
Lines of credit	-	79,961
Liability to issue common stock, current portion	339,375	421,044
Operating lease liability, current portion	1,078,107	1,025,247
Total current liabilities	<u>5,950,402</u>	<u>6,065,636</u>
Long-term liabilities:		
Notes payable, net of current portion	1,958,883	2,109,065
Finance lease obligation, net of current portion	48,323	66,565
Liability to issue common stock, net of current portion	468,760	578,866
Operating lease liability, net of current portion	<u>3,506,484</u>	<u>3,660,654</u>
Total liabilities	11,932,852	12,480,786
Stockholders' equity:		
Preferred stock - \$0.001 par value, 5,000,000 authorized, nil issued and outstanding at December 31, 2020 and 2019	-	-
Common stock; \$0.001 par value, 30,000,000 authorized; 12,839,972 and 8,913,258 shares issued at December 31, 2020 and 2019, respectively; 12,747,055 and 8,913,258 shares outstanding at December 31, 2020 and 2019, respectively.	12,834	8,907
Additional paid-in capital	25,465,007	20,050,634
Accumulated deficit	(15,045,783)	(10,042,050)
Non-controlling interest	<u>(2,618,904)</u>	<u>(2,080,199)</u>
Total stockholders' equity	<u>7,813,154</u>	<u>7,937,292</u>
Total liabilities and stockholders' equity	\$ 19,746,006	\$ 20,418,078

**IMAC Holdings, Inc.**  
**Consolidated Statement of Operations**  
**For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Total patient revenue, net	\$ 12,822,711	\$ 15,100,708
Management fees	<u>12,487</u>	<u>25,318</u>
Total revenue	12,835,198	15,126,026
Operating expenses:		
Patient expenses	1,623,999	2,540,323
Salaries and benefits	10,495,284	10,523,409
Share-based compensation	392,050	392,217
Advertising and marketing	933,338	1,238,352
Grant funds	(415,978)	-
General and administrative	4,566,554	5,064,437
Depreciation and amortization	<u>1,722,465</u>	<u>1,552,919</u>
Total operating expenses	<u>19,307,712</u>	<u>21,311,657</u>
Operating loss	(6,472,514)	(6,185,631)
Other income (expense):		
Interest income	6,073	7,794
Other income (expense)	6	(16,132)
Beneficial conversion interest expense	-	(639,159)
Gain on extinguishment of debt	1,550,843	-
Gain (loss) on sale of assets	(63,779)	140,074
Interest expense	<u>(563,067)</u>	<u>(258,535)</u>
Total other income (expenses)	<u>930,076</u>	<u>(765,958)</u>
Net loss before income taxes	(5,542,438)	(6,951,589)
Income taxes	<u>-</u>	<u>-</u>

Net loss		(5,542,438)		(6,951,589)
Net loss attributable to non-controlling interest		538,705		454,359
Net loss attributable to IMAC Holdings, Inc.	\$	(5,003,733)	\$	(6,497,230)
Net loss per share attributable to common stockholders				
Basic and diluted	\$	(0.45)	\$	(0.84)
Weighted average common shares outstanding				
Basic and diluted		11,050,144		7,753,642

**IMAC Holdings, Inc.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	<u>Year Ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net loss	\$ (5,542,438)	\$ (6,951,589)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,722,465	1,552,919
Beneficial conversion interest expense	-	639,159
Share based compensation	392,050	392,217
Loss on disposition of assets	(63,779)	
Gain on extinguishment of debt	(1,550,843)	
Amortization of debt	237,143	
(Increase) decrease in operating assets:		
Accounts receivable, net	(234,518)	(412,805)
Other assets	162,891	(271,654)
Security deposits	111,081	(111,400)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(1,460,376)	1,359,099
Patient deposits	105,380	(264,689)
Net cash used in operating activities	<u>(5,993,386)</u>	<u>(4,068,743)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(125,987)	(1,200,216)
Purchase of license fee	(243,750)	-
Acquisition of Florida	(200,000)	-
Proceeds from sale of fixed assets	-	147,096
Net cash used in investing activities	<u>(569,737)</u>	<u>(1,053,120)</u>
Cash flows from financing activities:		
Proceeds from initial public offering, net of related fees	-	3,839,482
Proceeds from warrants exercised	-	357,345
Proceeds from issuance of common stock	5,181,855	1,311,697
Proceeds from notes payable	5,391,520	212,800
Payments on notes payable	(1,505,055)	(123,348)
Payments of debt issuance costs	(157,500)	-
Proceeds from line of credit	-	20,000
Payments on line of credit	(79,961)	(300,000)
Payments on finance lease obligation	(17,473)	(16,740)
Net cash provided by financing activities	<u>8,813,386</u>	<u>5,301,236</u>
Net increase in cash	2,250,263	179,373
Cash, beginning of period	<u>373,689</u>	<u>194,316</u>
Cash, end of period	\$ 2,623,952	\$ 373,689

**Supplemental cash flow information:**

Interest paid	\$	63,152	\$	97,147
Taxes paid	\$	-	\$	18,533
Non Cash Financing and Investing:				
Business acquisition via stock issuance	\$	-	\$	3,771,978
Debt discount notes payable	\$	305,000	\$	-
Debt payments by sale of property and equipment	\$	1,232,500	\$	-
Gain on extinguishment of debt	\$	1,700,603	\$	-



Source: IMAC Holdings, Inc.