



## IMAC Holdings Reports Third Quarter 2021 Financial Results and Provides Corporate Update

November 10, 2021

BRENTWOOD, Tenn., Nov. 10, 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 announces financial results for the third quarter ended September 30, 2021.

**Financial Highlights from 3Q 2021** (all comparisons are with the quarter ended September 30, 2020, unless otherwise indicated):

- Total revenue was \$3.49 million, compared with \$3.48 million
- Total patient visits at IMAC Centers were up 10% to 43,451, compared to 39,345
- Net loss was \$1.7 million, or a loss of \$0.07 per share, compared with a net loss of \$1.4 million, or a loss of \$0.12 per share
- Cash as of September 30, 2021, was \$11.2 million compared to \$2.6 million as of December 31, 2020
- Notes payable fell to \$1.2 million, compared with \$4.5 million as of December 31, 2020

### Recent Corporate Highlights:

- Purchased Louisiana Orthopaedic & Sports Rehab Institute in Baton Rouge, Louisiana
- Formed The Back Space, a wholly owned subsidiary, operating retail spine care centers within Walmart stores. The Back Space opened more clinics in Nashville-area Walmart stores, with additional locations in the Orlando and St. Louis markets also expected to be opened as part of the initial pilot program
- Launched its dedicated acute injury service line as well as a toll-free hotline for around-the-clock access to schedule patients with acute sports, accident, and work-related injuries at IMAC Centers in Florida, Illinois, Kentucky, Missouri, Tennessee, and Louisiana
- Initiated the second cohort of its Phase 1 clinical trial for its investigational compound utilizing umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's disease

"Our third quarter performance was marked by execution of strategic corporate initiatives. We made progress on the operational infrastructure and early launch of The Back Space concept, with retail healthcare centers in Walmart locations specializing in chiropractic and spinal care services. The initial ten-store pilot program will continue to open stores in the fourth quarter, including those in the Orlando and St. Louis markets. The Back Space is an important segment for us, and while its current impact to our financial picture is limited, positioning convenient and affordable chiropractic and general spinal care in a retail setting is an opportunity we plan to continue actively pursuing.

"It is also worth noting that the financial health of our balance sheet offers us flexibility and the opportunity to pursue both our medical clinic business as well as the Back Space retail clinic service lines. At the end of the third quarter, our cash was over \$11 million, our notes payable had been whittled down to just over \$1 million, and our working capital position was over \$8 million. We have the capital necessary to execute our strategic growth objectives.

"The third quarter was certainly not without its challenges, however. The delta variant of COVID contributed to a market-specific decline in our core medical clinic operations in western Kentucky, an area that was intensely affected by the delta variant over the summer months, resulting in a decline of nearly 1,900 patient visits from the comparable quarter for that market. Nonetheless, we still experienced a 10% rise in total patient visits in the quarter to 43,451.

"In closing, I certainly want to thank all of our shareholders for their confidence in the IMAC team, and we look forward to updating investors as our strategic objectives are implemented," concluded Mr. Ervin.

### Results of Operations for the Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020

- Total revenue increased from \$3.48 million in the 2020 period to \$3.49 million in the 2021 period. The prevalence of the delta variant of COVID in the third quarter of 2021 in the Company's key markets negatively impacted results
- The increase in total operating expenses from \$4.8 million in the third quarter of 2020 to \$6.3 million in the third quarter of 2021 was driven predominantly by:
  - an increase in salaries and benefits (+\$755,000 YOY) due to the addition of new employees in 2021 with acquisitions and launch of The Back Space as compared to the reduction in workforce due to the onset of the COVID pandemic in 2020
  - an increase in general and administrative expenses (+641,000 YOY) due to increased collection, rent, and clinical expenses impacted by acquired clinics

- Net loss attributable to IMAC Holdings was \$1.7 million, or (\$0.07) per share, in the third quarter of 2021 versus a net loss off \$1.4 million, or (\$0.12) per share, in the year-ago period
- Cash at September 30, 2021 was \$11.2 million, compared to \$2.6 million at December 30, 2020

#### About IMAC Holdings, Inc.

IMAC Holdings owns and manages health and wellness centers that deliver sports medicine, orthopedic, and life science therapies for movement restricting diseases. IMAC is comprised of three business segments: outpatient medical centers, The Back Space, and a clinical research division. With treatments to address the aging population, IMAC Holdings owns or manages 18 outpatient medical clinics and has partnered with several active and former professional athletes, including Ozzie Smith, David Price, Mike Ditka, and Tony Delk, to promote a minimally invasive approach to sports medicine. IMAC's The Back Space retail spine health and wellness treatment centers deliver chiropractic care within Walmart locations. 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. For more information visit [www.imacholdings.com](http://www.imacholdings.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 maintain and grow its business, the variability of its 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.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
 (Unaudited)

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 11,194,322	\$ 2,623,952
Accounts receivable, net	1,155,425	1,513,683
Deferred compensation, current portion	237,729	309,375
Other assets	958,816	310,359
Total current assets	13,546,292	4,757,369
Property and equipment, net	1,777,263	1,777,042
Other assets:		
Goodwill	2,040,696	2,040,696
Intangible assets, net	6,462,287	6,611,551
Deferred compensation, net of current portion	122,875	354,906
Security deposits	357,050	388,407
Right of use asset	4,857,388	3,816,035
Total other assets	13,840,296	13,211,595
Total assets	\$ 29,163,851	\$ 19,746,006

#### LIABILITIES AND STOCKHOLDERS' EQUITY

##### Current liabilities:

Accounts payable and accrued expenses	\$ 1,807,046	\$ 1,692,283
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Patient deposits	549,767	295,071
Notes payable, current portion, net of deferred loan costs	1,078,384	2,527,324
Finance lease obligation, current portion	18,844	18,242
Liability to issue common stock, current portion	394,575	339,375
Operating lease liability, current portion	1,517,485	1,078,107
Total current liabilities	<u>5,366,101</u>	<u>5,950,402</u>
Long-term liabilities:		
Notes payable, net of current portion	121,766	1,958,883
Finance lease obligation, net of current portion	34,113	48,323
Liability to issue common stock, net of current portion	189,385	468,760
Operating lease liability, net of current portion	3,927,739	3,506,484
Total liabilities	9,639,104	11,932,852
Commitments and Contingencies – Note 14		
Stockholders' equity:		
Preferred stock - \$0.001 par value, 5,000,000 authorized, none issued and outstanding at September 30, 2021 and December 31, 2020, respectively.	-	-
Common stock - \$0.001 par value, 30,000,000 authorized; 25,980,598 and 12,839,972 shares issued at September 30, 2021 and December 31, 2020, respectively; and 25,322,356 and 12,747,055 outstanding at September 30, 2021 and December 31, 2020, respectively.	25,323	12,747
Additional paid-in capital	44,824,906	25,465,094
Accumulated deficit	(20,752,598)	(15,045,783)
Non-controlling interest	(4,572,884)	(2,618,904)
Total stockholders' equity	<u>19,524,747</u>	<u>7,813,154</u>
Total liabilities and stockholders' equity	\$ 29,163,851	\$ 19,746,006

**IMAC HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Patient revenues, net	\$ 3,487,482	\$ 3,477,841	\$ 9,975,104	\$ 9,359,490
Other income	14	-	6,092	-
Management fees	-	-	36,068	12,487
Total revenue	<u>3,487,496</u>	<u>3,477,841</u>	<u>10,017,264</u>	<u>9,371,977</u>
Operating expenses:				
Patient expenses	361,141	428,615	1,042,504	1,213,799
Salaries and benefits	3,377,070	2,622,266	9,127,992	7,882,665
Share-based compensation	188,490	108,377	422,266	311,406
Advertising and marketing	294,046	234,694	875,123	650,861
Grant funds	-	-	-	(415,978)
General and administrative	1,603,056	961,521	4,483,587	3,406,116
Depreciation and amortization	450,579	430,121	1,314,584	1,334,267
Total operating expenses	<u>6,274,382</u>	<u>4,785,594</u>	<u>17,266,056</u>	<u>14,383,136</u>
Operating loss	(2,786,886)	(1,307,753)	(7,248,792)	(5,011,159)
Other income (expense):				
Interest income	1,754	6,028	1,754	6,067
Other income	-	6	135	6
Gain (loss) on extinguishment of debt	-	9,783	108	(99,761)
Gain on lease modification	57,086	-	57,086	-
Loss on disposal of assets	(56,270)	(39,047)	(60,264)	(60,272)
Interest expense	<u>(108,315)</u>	<u>(141,416)</u>	<u>(410,822)</u>	<u>(352,541)</u>

Total other expenses	<u>(105,745)</u>	<u>(164,646)</u>	<u>(412,003)</u>	<u>(506,501)</u>
Net loss before income taxes	(2,892,631)	(1,472,399)	(7,660,795)	(5,517,660)
Income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	(2,892,631)	(1,472,399)	(7,660,795)	(5,517,660)
Net loss attributable to the non-controlling interest	<u>1,171,895</u>	<u>42,741</u>	<u>1,953,980</u>	<u>323,769</u>
Net loss attributable to IMAC Holdings, Inc.	\$ (1,720,736)	\$ (1,429,658)	\$ (5,706,815)	\$ (5,193,891)
Net loss per share attributable to common stockholders				
Basic and diluted	\$ (0.07)	\$ (0.12)	\$ (0.27)	\$ (0.49)
Weighted average common shares outstanding				
Basic and diluted	25,322,356	11,839,972	21,446,726	10,549,899

**IMAC HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Net loss	\$ (7,660,795)	\$ (5,517,660)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,314,584	1,334,267
Share based compensation	422,266	311,406
Loss on disposition of assets	60,264	1,959
(Increase) decrease in operating assets:		
Accounts receivable, net	358,258	(154,292)
Other assets	(674,539)	251,976
Security deposits	36,357	86,081
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	147,815	(518,074)
Patient deposits	<u>254,696</u>	<u>183,987</u>
Net cash used in operating activities	<u>(5,741,094)</u>	<u>(4,020,350)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(371,882)	(52,626)
Purchase of license fee	-	(243,750)
Brand development	(66,495)	-
Acquisitions (Note 6)	(731,909)	(200,000)
Proceeds from sale of fixed assets	<u>14,450</u>	<u>-</u>
Net cash used in investing activities	<u>(1,155,836)</u>	<u>(496,376)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	19,005,323	3,736,613
Proceeds from notes payable	-	2,891,520
Payments on notes payable	(3,517,195)	(737,758)
Payments of debt issuance costs	-	(70,000)
Payments on finance lease obligation	<u>(20,828)</u>	<u>(13,034)</u>
Net cash provided by financing activities	<u>15,467,300</u>	<u>5,807,341</u>
Net increase in cash	8,570,370	1,290,615
Cash, beginning of period	<u>2,623,952</u>	<u>373,689</u>
Cash, end of period	\$ 11,194,322	\$ 1,664,304

**Supplemental cash flow information:**

Interest paid	\$	219,573	\$	63,152
<b>Non cash financing and investing:</b>				
Debt discount notes payable	\$	-	\$	115,000
Debt payment by sale of property and equipment	\$	-	\$	1,232,500



Source: IMAC Holdings, Inc.