



IMAC Holdings Reports Record Revenue of \$5M in Second Quarter

August 15, 2022

Fifth consecutive quarter of comparable revenue growth from sustainable price improvements

BRENTWOOD, Tenn., Aug. 15, 2022 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. (Nasdaq: BACK) ("IMAC" "BACK" or the "Company"), a provider of innovative medical advancements and care specializing in regenerative rehabilitation orthopedic and neurological treatments, today reported its preliminary financial results for the second quarter ended June 30, 2022.

Financial and Corporate Highlights from Q2 2022:

- Total Revenue was \$5.0 million, compared with \$3.5 million in Q2 2021, an increase of 45%
- Patient visits to IMAC clinics 42,495, down 5.1% from Q2 2021; same store increase .9%
- Sequential quarter The BackSpace visit growth of 207%
- Successfully completed its pilot program for The Back Space retail chiropractic concept at select Walmart stores, with a commitment to triple its store count with at least 20 additional locations in Walmart over the next 12 months
- Launched certified organic vitamin and supplement product line
- Amended NASDAQ trading symbol from "IMAC" to "BACK"
- Completed a \$3.9m Registered Direct offering

"We achieved record revenue during the second quarter of 2022. The team executed several initiatives to improve operating efficiency in the IMAC Regeneration Centers while also driving greater recognition and adoption of The BackSpace, our retail spinal health clinics," said Jeffrey Ervin, CEO of BACK.

"The IMAC medical clinics continued price improvements as revenue per visit increased substantially from the comparable quarter in 2021. The increase came from operating and payor mix improvements as we are finding greater success by lessening the dependence on Medicare as a payor.

"We are encouraged by the consumer adoption of The BackSpace spinal health and wellness services. The BackSpace experienced over 200% sequential quarter growth, and over 1,000% same store growth from the comparable quarter. We expect The BackSpace to have a greater impact on total revenue in the second half of the year based on continued growth and a ten percent price increase for chiropractic memberships. Additionally, we believe the recent addition of stretching services expands our universe of prospective patients," concluded Mr. Ervin.

About IMAC Holdings, Inc.

IMAC Holdings owns and manages health and wellness centers that deliver sports medicine, orthopedic care, and restorative joint and tissue therapies for movement restricting pain and neurodegenerative diseases. IMAC is comprised of three business segments: outpatient medical centers, The Back Space, and a clinical research division. With treatments to address both young and aging populations, IMAC Holdings 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 The Back Company retail spinal 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.

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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.imacholdings.com.

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Financial Tables

IMAC HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2022 (Unaudited)	December 31, 2021
<u>ASSETS</u>		
Current assets:		
Cash	\$ 1,614,190	\$ 7,118,980
Accounts receivable, net	3,055,017	1,209,333
Deferred compensation, current portion	173,963	191,657
Other assets	528,769	547,536
Total current assets	5,371,939	9,067,506
Property and equipment, net	2,050,074	2,323,163
Other assets:		
Goodwill	4,661,796	4,661,796
Intangible assets, net	5,351,779	5,797,469
Deferred compensation, net of current portion	-	73,816
Security deposits	351,819	357,050
Right of use assets	4,280,675	4,948,393
Total other assets	14,646,069	15,838,524
Total assets	\$ 22,068,082	\$ 27,229,193
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,100,709	\$ 2,523,332
Patient deposits	506,495	320,917
Notes payable, current portion	78,618	254,487
Finance lease obligation, current portion	19,469	19,050
Liability to issue common stock, current portion	387,230	337,935
Operating lease liability, current portion	1,470,241	1,478,140
Total current liabilities	4,562,762	4,933,861
Long-term liabilities:		
Notes payable, net of current portion	72,562	104,697
Finance lease obligation, net of current portion	19,432	29,273
Liability to issue common stock, net of current portion	-	189,375
Operating lease liability, net of current portion	3,318,566	4,018,926
Total liabilities	7,973,322	9,276,132
Commitments and Contingencies – Note 14		
Stockholders' equity:		
Preferred stock - \$0.001 par value, 5,000,000 authorized, none issued and outstanding at June 30, 2022 and December 31, 2021, respectively.	-	-
Common stock - \$0.001 par value, 30,000,000 authorized; 27,543,409 and 26,876,409 shares issued at June 30, 2022 and December 31, 2021, respectively; and 27,289,911 and 26,218,167 outstanding at June 30, 2022 and December 31, 2021, respectively.	27,290	26,218
Additional paid-in capital	47,280,628	46,133,777
Accumulated deficit	(33,213,158)	(28,206,934)
Total stockholders' equity	14,094,760	17,953,061

Total liabilities and stockholders' equity

\$ 22,068,082 \$ 27,229,193

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Patient revenues, net	\$ 5,033,088	\$ 3,462,814	\$ 8,928,075	\$ 6,487,622
Other income	-	2,701	-	6,078
Management fees	-	-	-	36,068
Total revenue	5,033,088	3,465,515	8,928,075	6,529,768
Operating expenses:				
Patient expenses	397,235	339,951	857,708	681,363
Salaries and benefits	3,782,518	2,996,674	7,492,796	5,750,922
Share-based compensation	80,571	123,169	269,691	233,776
Advertising and marketing	242,562	315,529	613,050	581,077
General and administrative	1,857,915	1,661,193	3,673,162	2,880,531
Depreciation and amortization	438,612	441,804	885,384	864,005
(Gain) loss on disposal or impairment of assets	34,832	(49)	82,261	3,994
Total operating expenses	6,834,245	5,878,271	13,874,052	10,995,668
Operating loss	(1,801,157)	(2,412,756)	(4,945,977)	(4,465,900)
Other income (expense):				
Interest income	1,321	-	1,321	-
Other expense	(39,530)	243	(52,704)	243
Interest expense	(4,733)	(126,228)	(8,864)	(302,507)
Total other expenses	(42,942)	(125,985)	(60,247)	(302,264)
Net loss before income taxes	(1,844,099)	(2,538,741)	(5,006,224)	(4,768,164)
Income taxes	-	-	-	-
Net loss	(1,844,099)	(2,538,741)	(5,006,224)	(4,768,164)
Net loss per share attributable to common stockholders				
Basic and diluted	\$ (0.07)	\$ (0.10)	\$ (0.19)	\$ (0.24)
Weighted average common shares outstanding				
Basic and diluted	26,800,926	25,143,201	26,584,532	19,476,793

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

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		

Net loss	\$ (5,006,224)	\$ (4,768,164)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	885,384	864,005
Share based compensation	269,691	233,776
Loss on disposition of assets	82,261	3,994
Changes in operating assets:		
Accounts receivable, net	(1,845,684)	173,340
Other assets	18,767	(630,626)
Security deposits	5,231	(7,349)
Right of use/lease liability	(40,541)	-
Accounts payable and accrued expenses	(417,271)	(317,776)
Patient deposits	185,578	118,172
Net cash from operating activities	(5,862,808)	(4,330,628)
Cash flows from investing activities:		
Purchase of property and equipment	(256,279)	(240,938)
Brand development	-	(66,495)
Acquisitions	-	(731,909)
Proceeds from sale of property and equipment	2,060	2,650
Net cash from investing activities	(254,219)	(1,036,692)
Cash flows from financing activities:		
Proceeds from issuance of common stock	829,663	19,005,323
Payments on notes payable	(208,004)	(2,624,102)
Payments on finance lease obligation	(9,422)	(16,243)
Net cash from financing activities	612,237	16,364,978
Net increase in cash	(5,504,790)	10,997,658
Cash, beginning of period	7,118,980	2,623,952
Cash, end of period	\$ 1,614,190	\$ 13,621,610
<u>Supplemental cash flow information:</u>		
Interest paid	\$ 8,864	\$ 183,849