



## IMAC Holdings Reports Year End 2022 Financial Results and Corporate Update

April 1, 2023

*Revenue increased 14% annually driven by greater adoption of medical treatments.*

**BRENTWOOD, Tenn., March 31, 2023 (GLOBE NEWSWIRE)** -- IMAC Holdings, Inc. (Nasdaq: BACK) ("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 reported its financial results for the year ended December 31, 2022.

**Financial Highlights from FY 2022** (all comparisons are with IMAC for the year ended December 31 unless otherwise indicated):

- Annual revenue was \$16.1 million, up 14.3% from \$14.1 million in 2021
- Patient revenue increased to \$105 per visit compared to \$84 per visit in 2021

**Corporate Highlights in Q4 2022 and Year To Date 2023:**

- Completed the sale of The BackSpace to Curis Functional Health.
- Completed the third and final cohort dosing of our Phase 1 clinical study of umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's Disease.
- Sold one clinic and closed four small clinics while reducing corporate salaries and headcount.
- Executed a Letter of Intent to merge with Brain Scientific, Inc.

"We ended 2022 and started 2023 by taking steps to right-size the company in anticipation of executing a strategic merger. Earlier this month, we executed a Letter of Intent to merge with Brain Scientific, Inc. in the summer of 2023 and believe the companies have the ability to combine resources to provide neurological solutions, from diagnosis to treatment, for Parkinson's, Alzheimer's, and stroke. The combination of IMAC and Brain Scientific provides a pathway to become a leader, destination, and trusted supplier in the growing field of neuro deficit disorders, diagnosis and treatment," said Jeff Ervin, CEO of IMAC.

"I am excited about the team's efforts to complete a number of initiatives in the face of adverse situations to establish a platform for a merger and an amended vision for the company. Completing the dosing of our final patient in our Clinical Trial for Bradykinesia due to Parkinson's Disease is a testament to our medical doctors and regulatory advisors over a long process to advance stem cell research. We expect immaterial costs to complete the Phase I trial data collection. Other company initiatives were related to patient service delivery and locations. Inflationary pressures on staff retention during 2022 pressured our smaller clinic performance. As a result, we sold and closed select clinics outside of a concentrated geographic region to focus on medical clinics that have historically generated consistent earnings. Additionally, we sold The BackSpace during the first quarter of 2023 which allowed us to further reduce corporate costs while concentrating efforts towards the remaining medical clinics."

"Financially, we ended 2022 with record annual revenue, 14% revenue growth over 2021, and continued improvement of patient expenses as a percentage of revenue to increase our gross margin percentage. Going forward, the reduction of our service locations will impact revenue, although we anticipate a greater reduction in salaries and G&A to improve our overall operating margins in 2023. Additionally, we incurred a one-time \$0.30 per share impairment loss in 2022 due to the decline in equity value which will reduce future amortization costs by greater than 60 percent."

"Finally, we believe that we have taken necessary steps to execute a strategic merger while focusing our efforts on IMAC's core strength. IMAC will continue to deliver non-opioid, non-surgical treatments for optimal movement and function without pain. Our orthopedic business will continue to lead the company in the near term. We often find obesity to be a contributing factor to orthopedic pain. The addition of medical weight loss services has provided a widely accepted complement to our orthopedic care that guides users to better spinal health and physical function. We also expect to grow our neurological services and expand our sales footprint with the addition of Brain Scientific diagnostic tools and see further synergies if we are able to complete the combination of both company's resources in 2023."

### **Results of Operations for the Twelve Months Ended December 31, 2022 Compared to the Twelve Months Ended December 31, 2021**

Total revenue increased 14% from \$14.1 million in 2021 to \$16.1 million in 2022. Total revenues increased \$2.0 million due to a full year of service from one acquisition, same-store growth, and the opening of retail chiropractic clinics. The increase in operating expenses from \$24.4 million in 2021 to \$34.4 million in 2022 was driven by an \$8.4 million loss on impairment, resulting in an increase in operating loss to \$18.2 million versus a loss of \$10.0 million in 2021.

For the year ended December 31, 2022, the Company reported cash and cash equivalents of \$0.8 million, compared with approximately \$7.1 million as of December 31, 2021.

### **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 two business segments: outpatient medical centers 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 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).

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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, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, its ability to secure capital funding, 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 registration statement and in its other 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.

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