UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-38797

IMAC Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**83-0784691** (I.R.S. Employer Identification No.)
3401 Mallory Lane, Suite 100, Franklin, Tennessee (Address of Principal Executive Offices)	**37067** (Zip Code)

(844) 266-4622
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**BACK**	**The NASDAQ Stock Market LLC**
Warrants to Purchase Common Stock	**IMACW**	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's voting common stock held by non-affiliates based on the closing stock price on June 30, 2022, was approximately $6 million. For purposes of this computation only, all executive officers and directors have been deemed affiliates.

The number of outstanding shares of the registrant's common stock, par value $0.001 per share, as of March 28, 2023 was 33,017,049.

DOCUMENTS INCORPORATED BY REFERENCE

None.

IMAC HOLDINGS, INC.

FORM 10-K—ANNUAL REPORT
For the Fiscal Year Ended December 31, 2022

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PART I

Cautionary Statement Regarding Forward-Looking Statements

Portions of this Annual Report on Form 10-K (including information incorporated by reference) include "forward-looking statements" based on our current beliefs, expectations, and projections regarding our business strategies, market potential, future financial performance, industry, and other matters. This includes, in particular, "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K, as well as other portions of this Annual Report on Form 10-K. The words "believe," "expect," "anticipate," "project," "could," "would," and similar expressions, among others, generally identify "forward-looking statements," which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to risks, uncertainties, and other factors that could cause our actual results to differ materially from those projected, anticipated, or implied in the forward-looking statements. The most significant of these risks, uncertainties, and other factors are described in "Item 1A — Risk Factors" of this Annual Report on Form 10-K. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Unless the context requires otherwise, references herein to "we," "us," "our," "our company," "our business" or "IMAC Holdings" are to IMAC Holdings, Inc., a Delaware corporation, and prior to the Corporate Conversion discussed herein, IMAC Holdings, LLC, a Kentucky limited liability company, and in each case, their consolidated subsidiaries.

ITEM 1. BUSINESS

Overview

We are a provider and manager of value-based, conservative medical care combining life science advancements with traditional medical care for movement-restricting diseases and conditions in IMAC Regeneration Centers and BackSpace clinics. Our Innovative Medical Advancements and Care (IMAC) Regeneration Centers combine medical and physical procedures to improve patient experiences and outcomes and reduce healthcare costs as compared to other available treatment options. As of December 31, 2022, we own three and manage seven outpatient clinics that provide regenerative, orthopedic and minimally invasive procedures and therapies. Our treatments are performed by licensed medical practitioners through our regenerative rehabilitation protocols designed to improve the physical health, to advance the quality of life and to lessen the pain of our patients. We do not prescribe opioids, but instead offer an alternative to conventional surgery or joint replacement surgery by delivering minimally invasive medical treatments to help patients with sports injuries, back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. Our employees focus on providing exceptional customer service to give our patients a memorable and caring experience. We believe that we have priced our treatments to be affordable by 95% of the population and are well positioned in the expanding regenerative medical sector.

Our licensed healthcare professionals provide each patient a custom treatment plan that integrates innovative regenerative medicine protocols (representing 9% of our revenue) with traditional, minimally invasive (minimizing skin punctures) medical procedures (representing 63% of our revenue) in combination with physical therapies (representing 22% of our revenue), chiropractic care (representing 5% of our revenue) and the remaining 1% of our revenue from memberships. We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. We have successfully treated patients that were previously addicted to opioids because of joint or soft tissue related pain. Further, our procedures comply with all professional athletic league drug restriction policies, including the NFL, NBA, NHL and MLB.

Dr. Matthew Wallis, DC, our President, opened the first IMAC Regeneration Center in Paducah, Kentucky in August 2000, which remains the flagship location of our current business. Dr. Jason Brame, DC joined Dr. Wallis in 2008. In 2015, Drs. Wallis and Brame hired Jeffrey S. Ervin as our Chief Executive Officer to collectively create and implement their growth strategy. The result was the formal creation of IMAC Holdings, Limited Liability Company ("LLC") to expand IMAC clinics outside of western Kentucky, with such facilities to remain owned or operated under the group using the IMAC Regeneration Center name and services. In June 2018, we completed a corporate conversion in which IMAC Holdings, LLC was converted to IMAC Holdings, Inc. to consolidate ownership of existing clinics and implement our growth strategy. In February 2019, we completed an initial public offering and our shares commenced trading on the Nasdaq Capital Market.

We are focused on providing natural, non-opioid solutions to pain as consumers increasingly demand conservative treatments for an aging population. The demand for our services continues to grow fueled by consumer preferences for organic healthcare solutions over traditionally invasive orthopedic practices. We believe that our regenerative rehabilitation treatments are provided to patients at a much lower price than our primary competitors, including orthopedic surgeons, pain management clinics and hospital systems targeting invasive joint reconstruction. Surgical joint replacements cost several times more than our therapies initially treating the same condition. The U.S. government has recently adopted strict surgery pre-approval initiatives to reduce the cost for CMS and limit the proliferation of opioids since they accompany substantially all joint replacement surgeries.

We believe patient satisfaction is driven by our five fundamental beliefs:

- We believe that the body has the ability to heal itself, and better results occur with our solutions to unlock the body's natural healing process;
- We believe in the power of doctors, from many different specializations, working together for the best patient care possible;
- We believe that employees should know patients by their face, not by a chart number;
- We believe consumers have a choice regardless of physician referral or insurance coverage; and
- We believe a medical setting should be comforting.

We are led by senior executive officers who together have more than 100 years of combined experience in the healthcare services industry. Jeffrey S. Ervin, co-founder of IMAC Holdings and our Chief Executive Officer, joined us in March 2015. Mr. Ervin has a history of sourcing private equity investments and managing private equity operations in the healthcare and other growth industries. Mr. Ervin earned an M.B.A. degree from Vanderbilt University. The founder of our company, Matthew C. Wallis, DC, a licensed chiropractor, is our President. Dr. Wallis has implemented strategies in the company to create consistent operating efficiencies for our sales, marketing and service delivery operations. Sheri F. Gardzina serves as our Chief Financial Officer and joined the company in November 2017. Mrs. Gardzina earned an M.B.A. and M.S. from Northeastern University and is a licensed Certified Public Accountant. Ben Lerner, DC, a licensed chiropractor, joined the team in February 2022 as our Chief Operating Officer. Dr. Lerner left the company in February 2023 to pursue other opportunities.

Recent Developments

On March 20, 2023, we announced an executed letter of intent for a strategic merger-of-equals with Brain Scientific, Inc. (OTCQB:BRSFD), a Florida-based applied science technology company. Together, the companies will provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, Chief Executive Officer of Brain Scientific, is expected to serve as Chairman and CEO of the combined company. The details related to this merger-of-equals are still being negotiated and have not been finalized.

The Company believes, although there can be no assurance, that, when reported, the revenues and net earnings for the year ended December 2023 of the combined Companies will exceed those reported for 2022. Consummation of the transactions contemplated by the letter of intent (collectively, the "Brain Scientific Acquisition") is subject to the execution and delivery of a definitive Share and Asset Purchase Agreement and the satisfaction of the closing conditions which will be contained therein. It is contemplated that the Brain Scientific Acquisition will be consummated in 2023, but there can be no assurance that a definitive Share and Asset Purchase Agreement will be entered into, or that the Brain Scientific Acquisition will be consummated upon the terms set forth in the letter of intent or otherwise. Additionally, there will be a number of risks attendant upon the Brain Scientific Acquisition. See "Risk Factors – Risks Related to the Brain Scientific Acquisition", "Management's Discussion and Analysis of Financial Condition and Results of Operations – The Brain Scientific Acquisition" and "Business – Brain Scientific Acquisitions".

Our Operations

As of December 31, 2022, we operated 10 outpatient medical clinics in five states and 10 BackSpace locations in three states. Given the Company's current financial position, during the first quarter of 2023, the Company decided to close four underperforming locations and in addition sold its Louisiana Orthopedic practice as well as The BackSpace, LLC operations in an effort to raise sufficient capital to support on-going operations. Management has been actively exploring various strategic alternatives in an effort to support operations in 2023 and beyond.

Below is a description of each of our outpatient medical clinics as of December 31, 2022 along with each location's current status:

Kentucky Market

In November 2015, we relocated our Paducah, Kentucky operations into a 10,200 square foot build-to-suit facility. This facility serves as an anchor clinic for the western Kentucky market of roughly 50,000 residents. The clinic performs medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, regenerative medicine and physical medicine. The lease term ended in December 2020 and is now continuing on a month-to-month basis.

In March 2018, we purchased a medical practice building in Lexington, Kentucky, for $1.2 million. The Lexington, Kentucky clinic was our seventh IMAC outpatient medical clinic, which we named the Tony Delk Center, and opened on July 2, 2018. This building was sold in June 2020 and we then entered into a lease for the building that expires in July 2025. This clinic discontinued patient care in January 2023.

We opened a 4,700 square foot facility in Murray, Kentucky, a town of nearly 15,000 residents near the Tennessee border in February 2017. This facility provides medical evaluations, fluoroscopic joint and appendage injections, and physical medicine and refers patients to Paducah for regenerative PRP medical procedures. The lease is scheduled to expire in December 2023.

Missouri Market, St. Louis

In January 2016, IMAC of St. Louis, LLC, doing business as the Ozzie Smith Center, executed a lease for a 13,300 square foot facility in Chesterfield, Missouri, a suburb 18 miles west of downtown St. Louis. The Ozzie Smith Center opened in May 2016. Dr. Devin Bell, D.O. is the medical director. The clinic performs medical evaluations with x-ray, fluoroscopic spine, joint and appendage injections, regenerative PRP medicine and physical medicine. Namesake Ozzie Smith was inducted into the Major League Baseball Hall of Fame in 2002 and replicas of his 13 gold glove trophies are in the lobby of the clinic. The lease agreement runs until August 2026.

The Ozzie Smith Center opened a satellite facility in St. Peters, Missouri to assist with demand from suburbs west of the Missouri River. The St. Peters clinic opened for business in July 2017. The facility operates under the direction of Dr. Bell and offers patient medical evaluations with x-ray, fluoroscopic joint and appendage injections, and physical medicine. This clinic discontinued patient care in December 2021. The lease expired in August 2022.

The Ozzie Smith Center acquired the chiropractic clinic of Lockwood Chiropractic in Webster Groves, Missouri, a suburb of St. Louis, in November 2020. The clinic relocated to a new medical facility in January 2022, which gives us the opportunity to expand medical services to broaden our patient base while expanding into neighboring suburbs. The lease expires in January 2029.

Missouri Market, Springfield

In August 2018, we acquired the physical and occupational therapy provider, Advantage Therapy, which operated four locations in the Springfield, Missouri metropolitan area. The South Springfield location originally occupied 5,000 square feet, until it was relocated in September 2019 to a 7,520 square feet location which has a lease that expires in June 2024. The North Springfield, Monett and Ozark locations function as satellite locations. The North Springfield location functions within 2,400 square feet with a lease that expired in May 2022. The Monett location occupied 2,200 square feet pursuant to a lease that expired in February 2021. We negotiated with the landlord to exit the lease early, and closed the facility in December 2020. The Ozark location operated in approximately 1,000 square feet, until it was relocated in 2019 to a 2,740 square foot location with a lease that expires in May 2024. Advantage Therapy is an established business with more than ten years of operations in the Springfield, Missouri market. The North Springfield and Ozark locations discontinued patient care in 2022.

Tennessee Market

The David Price Center opened in Brentwood, Tennessee in May 2017, however, this clinic discontinued patient care in April 2022. The 7,500 square foot location is leased through July 2024 and is being used as corporate office space as of December 31, 2022.

In November 2017, a 5,500 square foot facility was opened in Murfreesboro, Tennessee however, this clinic discontinued patient care in February 2021.

Chicago Market

In April 2019, we acquired the non-medical assets of, and management agreements for, a regenerative medicine and physical medicine practice operating in three locations in the Chicago, Illinois metropolitan area. The Arlington Heights location occupies 3,390 square feet and has a lease which expires in July 2023. The Elgin location occupies 3,880 square feet and has a lease which expires in October 2023. The Elgin location was sold in November 2022.

In November 2019, we entered into a management agreement for an occupational and physical therapy practice in Rockford, Illinois. This location occupies 3,056 square feet and has a lease that expires in July 2023. This management agreement was terminated in 2021.

In June 2021, we completed an asset purchase in Naperville, Illinois. The clinic provides a wide variety of orthopedic treatments for various conditions through a combination of medical and physical rehabilitation services. This location occupies 2,153 square feet and has a lease that expires in July 2025. This clinic was sold in July 2022 and the lease terminated effective December 1, 2022.

Florida Market

In January 2020, we acquired the assets and assumed the building lease liability of Chiropractic Health of Southwest Florida, Inc. in Bonita Springs, Florida. The building lease expires in December 2024. The acquisition of this practice expanded our presence into a new market where we have extended our service offering to incorporate medical procedures to the existing physical therapy, chiropractic care and soft tissue therapies. This clinic discontinued patient care in March 2022.

In February 2021, we acquired the business of Willmitch Chiropractic, P.A. in Tampa, Florida. This location provides chiropractic care and occupies 3,613 square feet with a lease that expires in April 2026. This clinic discontinued patient care in January 2023.

In March 2021, we completed an asset purchase in Orlando, Florida. The clinic operates in 2,500 square feet with a lease that expires in September 2023. This clinic discontinued patient care in March 2022.

In June 2021, we completed an asset purchase in Fort Piece, Florida. The clinic provides chiropractic care and will be incorporating medical procedures. This clinic occupies 3,368 square feet with a lease that expires in May 2026. This clinic discontinued patient care in January 2023.

IMAC Medical of Louisiana

In October 2021, we acquired the assets and management agreement of IMAC Medical of Louisiana in Baton Rouge, Louisiana. The location occupies 9,000 of square feet with a lease that expires in December 2026. This clinic was sold in January 2023. See Note 15 for additional information.

BackSpace

As of December 31, 2022 we had 10 BackSpace clinics in Florida, Missouri and Tennessee. These clinics are located in Walmart and provide chiropractic adjustments, nerve and muscle stimulation, and percussion tool therapies for soft tissue recovery, muscle relaxation, and spinal wellness. The BackSpace operations were sold in February 2023. See Note 15 for additional information.

Our Services

The licensed healthcare professionals at our clinics work with each patient to create a protocol customized for each patient by utilizing a combination of the following traditional and innovative treatments:

Medical Treatments. Our specialized team of doctors work together to provide the latest minimally invasive, prescription-free treatments for movement challenges or pain related to orthopedic conditions. The treatments are customized to treat the underlying condition instead of addressing the challenge with prescriptions or surgeries.

Regenerative Medicine. Regenerative therapy at IMAC Regeneration Centers utilizes undifferentiated cellular tissue to regenerate damaged tissue. The majority of our procedures utilize cells from the patient, harvested under minimal manipulation, and applied during the same visit to the clinic. These autologous cells help to heal degenerative soft tissue conditions, which cause pain or compromise the patient’s quality of life. Platelet therapies comprise the greatest percentage of regenerative procedures. Independent studies in this area, including a recent safety and feasibility study published by Dr. Peter B. Fodor, “Adipose Derived Stromal Cell Injections for Pain Management of Osteoarthritis in the Human Knee Joint” (Aesthetic Surgery Journal, February 2016), have supported claims that autologous cell treatments using adipose and bone marrow lead to improved function and decreased pain within joints, muscles and connective tissue and can help alleviate osteoarthritis and degenerative disease. We believe that we have followed the increasingly accepted protocols described in this and other similar studies in connection with our regenerative therapies.

Physical Medicine. Our team of medical practitioners start by collaboratively building a personalized physical medicine treatment plan designed to help patients get back to living the life they deserve.

Physical Therapy. With a combination of biomechanical loading and tissue mobilization, our licensed physical rehabilitation therapists work with each patient to help the body restore skill within the joint or soft tissue.

Spinal Decompression. During this treatment, the spine is stretched and relaxed intermittently in a controlled manner, creating a negative pressure in the disc area that can pull herniated or bulging tissue back into the disc. Whether caused by trauma or degeneration, we realize the impact a spinal injury can have on the quality of one’s life and are committed to providing the most innovative, minimally invasive medical technology and care to relieve back pain and restore function.

Chiropractic Manipulation. Common for spine conditions, manual manipulation is used to increase range of motion, reduce nerve irritability and improve function.

FDA Clinical Trial

In November 2017, we engaged a medical consulting group to advise us on current regenerative medicine therapy protocols and to organize a clinical trial towards an investigational new drug application (IND) with the FDA, while pursuing a voluntary Regenerative Medicine Advanced Therapy (RMAT) designation. This process is defined under Section 3033 of the 21st Century Cures Act. We intend to conduct an investigator-initiated trial utilizing regenerative advancements to alleviate symptoms of debilitating, neurological conditions and diseases. Stem cell therapy is emerging as a potentially revolutionary new way to treat disease and injury, with wide-ranging medical benefits. It aims to repair damaged and diseased body parts with Healthy new cells provided by stem cell transplants.

The medical consulting group has assisted us in conducting research, establishing patient engagement tools and developing clinical strategies to achieve the IND and RMAT. We executed a technology transfer agreement with a research university to license an FDA Phase I approved mesenchymal stem cell drug candidate. We submitted an IND application with the FDA using this therapeutic product in May 2020, and the FDA Office of Tissues and Advanced Therapies authorized the Phase I clinical trial in August 2020. IMAC physicians were trained to administer treatments within IMAC facilities and the FDA approved opening enrollment for the trial in November 2020. The first enrollee was treated in December 2020, utilizing umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's disease. The Phase 1 clinical trial consists of a 15-patient dose escalation safety and tolerability study. The trial is divided into three groups: (1) five patients with bradykinesia due to Parkinson's disease received a low intravenous dose, (2) five patients received a medium intravenous dose, (3) and five patients received a high intravenous dose. Each trial participant received an intravenous infusion of stem cells and will be tracked for 12 months for data collection. The final patient was dosed on September 6, 2022.

No assurance can be given that the FDA will approve advancement beyond a Phase I study or the RMAT designation. We believe the RMAT designation may be helpful in differentiating our services and gaining a broader collaborative connection with the FDA. Failure to earn the RMAT designation will result in unfulfilled research expenses, but should not have a materially adverse effect on our operations or financial condition.

Our Growth Strategy

We have developed a comprehensive approach and well-defined model delivering movement-optimizing medical treatments for minimally invasive orthopedic and neurological care. We recognize that patients often have broad set of conditions that restrict their movement and we provide a comprehensive physical evaluation to target all conditions that impact someone's ability to function optimally. The key elements of our strategy that we believe will propel our growth are:

Offer State-of-the-Art Orthopedic Treatments. Our regenerative rehabilitation techniques are used to prevent arthritis, treat meniscus tears, defeat muscle deterioration and address other damaged tissue conditions. We will continue offering innovative therapies and recently approved medical technologies, including alternative medicine treatments, and will adapt our treatment offerings as new treatments are developed and come to market.

Provide Multi-Specialty Medical Services. We recognized consistent patterns in our patients' deficiencies. Instead of sending the patient to other medical specialists, we have incorporated complementary medical services to our patients for added convenience and satisfaction. By bringing together a diverse array of medical specialists and services, we are able to treat more health conditions and attract a larger base of patients. For example, obesity is a significant contributor to poor orthopedic function. While not a primary service offering, we offer medical weight loss protocols to assist with alleviating joint and back pain.

Advertising and Marketing

Our corporate advertising and marketing efforts focus on increasing our brand awareness and communicating our commitment to "success without major surgery," along with other competitive advantages our company offers. Our marketing strategy is to offer an innovative and recently approved medical technologies for movement and orthopedic therapies that appeal to a wide range of potential patients, continually elevate awareness of our brand and generate demand for our outpatient medical services. We rely on a number of channels in this area, including digital advertising, email marketing, social media and affiliate marketing, as well as through strategic partnerships with well-known sports celebrities to build our endorsements and draw patients to our IMAC Regeneration Centers. Our celebrity endorsers appear in our press marketing and social media marketing efforts and help generate interest in our brand and services. We maintain our website at www.imacregeneration.com. Advertising and marketing expense was approximately $1,100,000 and $1,325,000 for the years ended December 31, 2022, and 2021, respectively.

Our sales and marketing strategy focuses on individuals who seek to maintain, restore and maximize their health and wellness. A majority of our customers are located within 25 miles of one of our outpatient medical clinics. During the years ended December 31, 2022 and 2021, no single customer accounted for more than 10% of our consolidated revenue.

Competition and Our Competitive Advantages

The outpatient physical therapy industry is highly competitive, with thousands of clinics across the country. While some of our competitors offer regenerative medical treatments as an effective treatment for degenerative health conditions, we believe that few companies have the multi-disciplinary approach of combining physical therapy and medical professionals working together to generate optimal regenerative health outcomes. One of our major competitive advantages is the ability to deliver medical treatments alongside complementary physical medicine and provide broadly affordable regenerative treatments.

Competitive factors affecting our business include quality of care, cost, treatment outcomes, convenience of location, and relationships with, and ability to meet the needs of, referral and insurance payor sources. Our clinics compete, directly or indirectly, with many types of healthcare providers including the physical therapy departments of hospitals, private therapy clinics, physician-owned therapy clinics, and chiropractors. We may face more intense competition if consolidation of the therapy industry continues.

We believe that we differentiate ourselves from our competition as a result of the following competitive strengths:

Our Minimally Invasive Approach to Traditional Orthopedic Care. We pay particular attention to rehabilitating our patients' musculoskeletal system to reduce pain and enhance mobility without major surgery or anesthesia. By combining physical therapy and regenerative medicine, we are able to treat a variety of physical conditions by using a patient's own body to help heal itself.

Strong Regional Presence. We own three and manage seven clinics in five states, providing us leverage for implementation of our marketing strategies and utilization of our staff. We believe we offer a broader platform of regenerative therapies than our regional competitors.

We Do Not Prescribe Addictive Opioids. We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. We focus on preventing the potential for addiction through our regenerative-based therapies that help alleviate chronic pain.

Utilizing Diverse Medical Specialists for Customized Care. Our treatment protocols are customized by a team of medical doctors, nurse practitioners, chiropractors and physical therapists and are designed to heal damaged tissue without major surgery or prescription pain medication. This team approach delivers comprehensive service while avoiding the higher costs of major reconstructive surgery by medical specialists.

Protection of Proprietary Information

We own various U.S. federal trademark registrations and applications, and unregistered trademarks, including the registered mark "IMAC Regeneration Center." We rely on trademark laws in the United States, as well as confidentiality procedures and contractual provisions, to protect our proprietary information and brand. We cannot assure you that existing trademark laws or contractual rights will be adequate for protecting our intellectual property and proprietary information. Protection of confidential information, trade secrets and other intellectual property rights in the markets in which we operate and compete is highly uncertain and may involve complex legal questions. We cannot completely prevent the unauthorized use or infringement of our confidential information or intellectual property rights as such prevention is inherently difficult. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our confidential information and intellectual property protection.

We are not aware of any claims of infringement or other challenges to our rights in our trademarks. We do not expect to need any additional intellectual property rights to carry out our growth and expansion strategy.

For years ended December 31, 2022 and 2021, we did not incur any material time or labor for the development of the technology we use in our operations.

Government Regulation

Numerous federal, state and local regulations regulate healthcare services and those who provide them. Some states into which we may expand have laws requiring facilities employing health professionals and providing health-related services to be licensed and, in some cases, to obtain a certificate of need (that is, demonstrating to a state regulatory authority the need for, and financial feasibility of, new facilities or the commencement of new healthcare services). None of the states in which we currently operate require a certificate of need for the operation of our physical therapy business functions. Our healthcare professionals and/or medical clinics, however, are required to be licensed, as determined by the state in which they provide services. Failure to obtain or maintain any required certificates, approvals or licenses could have a material adverse effect on our business, financial condition and results of operations.

Regulations Controlling Fraud and Abuse. Various federal and state laws regulate financial relationships involving providers of healthcare services. These laws include Section 1128B(b) of the Social Security Act (42 U.S. C. § 1320a-7b(b)) (the "Fraud and Abuse Law"), under which civil and criminal penalties can be imposed upon persons who, among other things, offer, solicit, pay or receive remuneration in return for (i) the referral of patients for the rendering of any item or service for which payment may be made, in whole or in part, by a Federal health care program (including Medicare and Medicaid); or (ii) purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, ordering any good, facility, service, or item for which payment may be made, in whole or in part, by a Federal health care program (including Medicare and Medicaid). We believe that our business procedures and business arrangements are in compliance with these provisions. However, the provisions are broadly written and the full extent of their specific application to specific facts and arrangements to which we are a party is uncertain and difficult to predict. In addition, several states have enacted state laws similar to the Fraud and Abuse Law, which may be more restrictive than the federal Fraud and Abuse Law.

Stark Law. Provisions of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. §1395nn) (the "Stark Law") prohibit referrals by a physician of "designated health services" which are payable, in whole or in part, by Medicare or Medicaid, to an entity in which the physician or the physician's immediate family member has an investment interest or other financial relationship, subject to several exceptions. Unlike the Fraud and Abuse Law, the Stark Law is a strict liability statute. Proof of intent to violate the Stark Law is not required. Physical therapy services are among the "designated health services." Further, the Stark Law has application to our management contracts with individual physicians and physician groups, as well as, any other financial relationship between us and referring physicians, including medical advisor arrangements and any financial transaction resulting from a clinic acquisition. The Stark Law also prohibits billing for services rendered pursuant to a prohibited referral. Several states have enacted laws similar to the Stark Law. These state laws may cover all (not just Medicare and Medicaid) patients. As with the Fraud and Abuse Law, we consider the Stark Law in planning our outpatient clinics, establishing contractual and other arrangements with physicians, marketing and other activities, and believe that our operations are in substantial compliance with the Stark Law. If we violate the Stark Law or any similar state laws, our financial results and operations could be adversely affected. Penalties for violations include denial of payment for the services, significant civil monetary penalties, and exclusion from the Medicare and Medicaid programs.

HIPAA. In an effort to further combat healthcare fraud and protect patient confidentially, Congress included several anti-fraud measures in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). HIPAA created a source of funding for fraud control to coordinate federal, state and local healthcare law enforcement programs, conduct investigations, provide guidance to the healthcare industry concerning fraudulent healthcare practices, and establish a national data bank to receive and report final adverse actions. HIPAA also criminalized certain forms of health fraud against all public and private payers. Additionally, HIPAA mandates the adoption of standards regarding the exchange of healthcare information in an effort to ensure the privacy and electronic security of patient information and standards relating to the privacy of health information. Sanctions for failing to comply with HIPAA include criminal penalties and civil sanctions. In February of 2009, the American Recovery and Reinvestment Act of 2009 ("ARRA") was signed into law. Title XIII of ARRA, the Health Information Technology for Economic and Clinical Health Act ("HITECH"), provided for substantial Medicare and Medicaid incentives for providers to adopt electronic health records ("EHRs") and grants for the development of health information exchange ("HIE"). Recognizing that HIE and EHR systems will not be implemented unless the public can be assured that the privacy and security of patient information in such systems is protected, HITECH also significantly expanded the scope of the privacy and security requirements under HIPAA. Most notable are the mandatory breach notification requirements and a heightened enforcement scheme that includes increased penalties, and which now apply to business associates as well as to covered entities. In addition to HIPAA, a number of states have adopted laws and/or regulations applicable in the use and disclosure of individually identifiable health information that can be more stringent than comparable provisions under HIPAA.

We believe that our operations comply with applicable standards for privacy and security of protected healthcare information. We cannot predict what negative effect, if any, HIPAA/HITECH or any applicable state law or regulation will have on our business.

Cybersecurity. We are a medical provider and comply with HIPAA and data sensitivity requirements as regulated by local and federal authorities. Our patient data is hosted, managed and secured with an approved Electronic Medical Record vendor. Cybersecurity is of paramount importance and our executive officers have implemented routine cyber breach insurance policies to protect our company from potential predatory initiatives to access patient and company data. See "Risk Factors – Our reputation and relationships with patients would be harmed if our patients' data, particularly personally identifying data, were to be subject to a cyber-attack or otherwise by unauthorized persons."

FDA Drug Approval Process

In the United States, pharmaceutical products are subject to extensive regulation by the Food and Drug Administration (the "FDA"). The Federal Food, Drug, and Cosmetic Act ("FDC Act") and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling and import and export of pharmaceutical products. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending new drug applications ("NDAs"), warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution. As a result of these regulations, pharmaceutical product development and approval are very expensive and time consuming.

Pharmaceutical product development for a new product or certain changes to an approved product in the United States typically involves preclinical laboratory and animal tests, the submission to the FDA of an investigational new drug ("IND"), which must become effective before clinical testing may commence, and adequate and well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA pre-market approval requirements typically takes many years and the actual time required may vary substantially based upon the type, complexity and novelty of the product or disease.

Clinical trials to support NDAs for marketing approval are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy human subjects or patients, the drug is tested to assess pharmacological actions, side effects associated with increasing doses and, if possible, early evidence on effectiveness. For dermatology products, Phase 2 usually involves trials in a limited patient population to determine metabolism, pharmacokinetics, the effectiveness of the drug for a particular indication, dosage tolerance and optimum dosage, and to identify common adverse effects and safety risks. If a compound demonstrates evidence of effectiveness and an acceptable safety profile in Phase 2 evaluations, Phase 3 clinical trials are undertaken to obtain the additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites, to permit the FDA to evaluate the overall benefit-risk relationship of the drug and to provide adequate information for the labeling of the drug. In most cases the FDA requires two adequate and well-controlled Phase 3 clinical trials with statistically significant results to demonstrate the efficacy of the drug. A single Phase 3 clinical trial with other confirmatory evidence may be sufficient in rare instances where the study is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of an effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

After completion of the required activities, including clinical testing, a NDA is prepared and submitted to the FDA. FDA approval of the NDA is required before marketing of the product may begin in the United States.

The FDA also may refer applications for novel drug products, or drug products that present difficult questions of safety or efficacy, to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with the FDA's good clinical practice requirements. Additionally, the FDA typically inspects the facility or the facilities at which the drug is manufactured and may inspect the sponsor company and investigator sites that participated in the clinical trials. The FDA will not approve the product unless compliance with current good manufacturing practice ("cGMP") is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective for the stated indication.

After the FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing, or information, in order for the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction following FDA review of a resubmission of the NDA, the FDA will issue an approval letter.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy ("REMS"), to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals and elements to assure safe use ("ETASU"). ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA generally uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Section 505(b)(2) New Drug Applications

Most drug products obtain FDA marketing approval pursuant to an NDA filed under section 505(b)(1) of the FDC Act. An alternative is a special type of NDA, commonly referred to as a Section 505(b)(2) NDA ("505(b)(2) NDA"), which enables the applicant to rely, in part, on the FDA's previous approval of a similar product, or published literature, in support of its application.

505(b)(2) NDAs often provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by, or for, the applicant and for which the applicant has not obtained a right of reference. If the 505(b)(2) NDA applicant can establish that reliance on the FDA's previous approval is scientifically appropriate, it may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all, or some, of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) NDA applicant.

Biologics

Biological products used for the prevention, treatment or cure of a disease or condition of a human being are subject to regulation under the FDC Act, except the section of the FDC Act which governs the approval of NDAs. Biological products are approved for marketing under provisions of the Public Health Service Act ("PHSA"), via a Biologics License Application ("BLA"). However, the application process and requirements for approval of BLAs and BLA supplements, including review timelines, are very similar to those for NDAs and NDA supplements, and biologics are associated with similar approval risks and costs as other drugs.

Post-Approval Requirements

Once a NDA is approved, a product will be subject to certain post-approval requirements. For instance, the FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling.

Adverse event reporting and submission of periodic safety reports is required following FDA approval of a NDA. The FDA also may require post-marketing testing, known as Phase 4 testing, REMS and surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality-control, drug manufacture, packaging and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality-control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with regulatory standards, if it encounters problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

Pediatric Information

Under the Pediatric Research Equity Act, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. The FDA may grant full or partial waivers, or deferrals, for submission of data.

The Best Pharmaceuticals for Children Act ("BPCA") provides NDA holders a six-month extension of any exclusivity, patent or non-patent, for a drug if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, the FDA making a written request for pediatric studies and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information. Information related to the product, patient population, phase of investigation, study sites and investigators and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Competitors may use this publicly available information to gain knowledge regarding the progress of our programs.

Regenerative Medicine Advanced Therapies (RMAT) Designation

The FDA has established a Regenerative Medicine Advanced Therapy ("RMAT") designation as part of its implementation of the 21st Century Cures Act, or Cures Act. The RMAT designation program is intended to fulfill the Cures Act requirement that the FDA facilitate an efficient development program for, and expedite review of, any drug that meets the following criteria: (1) it qualifies as a RMAT, which is defined as a cell therapy, therapeutic tissue engineering product, human cell and tissue product, or any combination product using such therapies or products, with limited exceptions; (2) it is intended to treat, modify, reverse, or cure a serious or life-threatening disease or condition; and (3) preliminary clinical evidence indicates that the drug has the potential to address unmet medical needs for such a disease or condition. Like breakthrough therapy designation, RMAT designation provides potential benefits that include more frequent meetings with FDA to discuss the development plan for the product candidate, and eligibility for rolling review and priority review. Products granted RMAT designation may also be eligible for accelerated approval on the basis of a surrogate or intermediate endpoint reasonably likely to predict long-term clinical benefit, or reliance upon data obtained from a meaningful number of sites, including through expansion to additional sites. RMAT-designated products that receive accelerated approval may, as appropriate, fulfill their post-approval requirements through the submission of clinical evidence, clinical studies, patient registries, or other sources of real world evidence (such as electronic health records); through the collection of larger confirmatory data sets; or via post-approval monitoring of all patients treated with such therapy prior to approval of the therapy.

Other Regulatory Factors. Political, economic and regulatory influences are fundamentally changing the healthcare industry in the United States. Congress, state legislatures and the private sector continue to review and assess alternative healthcare delivery and payment systems. Potential alternative approaches could include mandated basic healthcare benefits, controls on healthcare spending through limitations on the growth of private health insurance premiums and Medicare and Medicaid spending, the creation of large insurance purchasing groups, and price controls. Legislative debate is expected to continue in the future and market forces are expected to demand only modest increases or reduced costs. For instance, managed care entities are demanding lower reimbursement rates from healthcare providers and, in some cases, are requiring or encouraging providers to accept capitated payments that may not allow providers to cover their full costs or realize traditional levels of profitability. We cannot reasonably predict what impact the adoption of federal or state healthcare reform measures or future private sector reform may have on our business.

In recent years, federal and state governments have launched several initiatives aimed at uncovering behavior that violates the federal civil and criminal laws regarding false claims and fraudulent billing and coding practices. Such laws require providers to adhere to complex reimbursement requirements regarding proper billing and coding in order to be compensated for their services by government payers. Our compliance program requires adherence to applicable law and promotes reimbursement education and training; however, a determination that our clinics' billing and coding practices are false or fraudulent could have a material adverse effect on us.

As a result of our participation in the Medicare and Medicaid programs, we are subject to various governmental inspections, reviews, audits and investigations to verify our compliance with these programs and applicable laws and regulations. Managed care payers may also reserve the right to conduct audits. An adverse inspection, review, audit or investigation could result in refunding amounts we have been paid; fines penalties and/or revocation of billing privileges for the affected clinics; exclusion from participation in the Medicare or Medicaid programs or one or more managed care payer network; or damage to our reputation.

We and our outpatient medical clinics are subject to federal and state laws prohibiting entities and individuals from knowingly and willfully making claims to Medicare, Medicaid and other governmental programs and third-party payers that contain false or fraudulent information. The federal False Claims Act encourages private individuals to file suits on behalf of the government against healthcare providers such as us. As such suits are generally filed under seal with a court to allow the government adequate time to investigate and determine whether it will intervene in the action, the implicated healthcare providers often are unaware of the suit until the government has made its determination and the seal is lifted. Violations or alleged violations of such laws, and any related lawsuits, could result in (i) exclusion from participation in Medicare, Medicaid and other federal healthcare programs, or (ii) significant financial or criminal sanctions, resulting in the possibility of substantial financial penalties for small billing errors that are replicated in a large number of claims, as each individual claim could be deemed a separate violation. In addition, many states also have enacted similar statutes, which may include criminal penalties, substantial fines, and treble damages.

Employees and Human Capital Management

As of March 28, 2023, we employed 85 individuals, of which 85 were full-time employees. As of that date, none of our employees were governed by collective bargaining agreements or were members of a union. We consider our relations with our employees to be good. Integrating new staff into our culture is important for developing a positive work environment and maintaining future job satisfaction. Since December 2017, we have issued a semi-annual employee satisfaction survey to identify opportunities to enhance our corporate culture. We strive for greater diversity and inclusion through our employment and management practices. Today, our full-time employees range in age from 21-70 years, 25% of our executive team is female, 33% of our medical doctors represent a racial minority, and 74% of our full-time staff is female. We remain further committed to increasing the diversity of our employee base.

In the states in which our current outpatient clinics are located, persons performing designated medical or physical therapy services are required to be licensed by the state. Based on standard employee screening systems in place, all persons currently employed by us who are required to be licensed are licensed. We are not aware of any federal licensing requirements applicable to our employees.

Medical Advisory Board

We have a Medical Advisory Board comprised of all IMAC medical physicians. The Advisory Board meets annually to discuss matters relating to our therapies, range of medical treatments and strategic direction, and periodically presents its suggestions to our Board and to executive management. Members of the Advisory Board are reimbursed by us for out-of-pocket expenses incurred in serving on the Advisory Board.

Business Transactions

Willmitch Chiropractic, P.A. We acquired this clinic located in Tampa, Florida in February 2021. This acquisition continues our expansion into the Florida market and the founder, Martin Willmitch, will remain with the Company and serve as Vice President of Managed Care.

NHC Chiropractic, PPLC dba Synergy Healthcare. We acquired the assets of this practice in Orlando, Florida in March 2021. The clinic provides chiropractic care and the Company is implementing its regenerative rehabilitation offering, including its patient wellness subscriptions to the clinic's established services.

Fort Pierce Chiropractic. We completed an asset purchase of this clinic located in Fort Pierce, Florida and the third Florida addition during 2021. This clinic provides chiropractic care and the Company will be introducing medical services to the current patient base.

Active Medical Center. We acquired the assets of this clinic located in Naperville, Illinois in June 2021. This clinic provides a variety of orthopedic treatments for various conditions through a combination of medical and physical rehabilitation services and will join the other clinic in the Chicago area.

Louisiana Orthopaedic & Sports Rehab Institute. We completed the acquisition of this practice management company in Baton Rouge, Louisiana in October 2021. The founder of this clinic, Allen Johnston, M.D., will be joining IMAC as a Medical Director, as we expand our presence into Louisiana.

BackSpace. BackSpace entered into three management agreements with ChiroMart, LLC, ChiroMart Missouri, LLC and ChiroMart Florida, LLC. These are related to the BackSpace locations operated in Walmart's located in Tennessee, Missouri and Florida, respectively.

Corporate Information and Incorporation

The first IMAC Regeneration Center was organized in August 2000 as a Kentucky professional service corporation. That center was the forerunner to our current business and remains our flagship location. Matthew C. Wallis, DC and Jason Brame, DC, together with Jeffrey S. Ervin, became the founding members of IMAC Holdings, LLC, a Kentucky limited liability company organized in March 2015, to expand our management team to support our clinical expansion while meeting the requirements of state healthcare practice guidelines and ownership laws.

Our consolidated financial statements include the accounts of IMAC Holdings, Inc. and the following entities which are consolidated due to direct ownership of a controlling voting interest or other rights granted to us as the sole general partner or managing member of the entity: IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis"), IMAC Management Services, LLC ("IMAC Management"), IMAC Regeneration Management, LLC ("IMAC Texas"), IMAC Regeneration Management of Nashville, LLC ("IMAC Nashville"), IMAC Management of Illinois, LLC ("IMAC Illinois"), Advantage Hand Therapy and Orthopedic Rehabilitation, LLC ("Advantage Therapy"), IMAC Management of Florida, LLC ("IMAC Florida"), Louisiana Orthopaedic & Sports Rehab ("IMAC Louisiana") and The Back Space, LLC ("BackSpace"); the following entity which is consolidated with IMAC Regeneration Management of Nashville, LLC due to control by contract: IMAC Regeneration Center of Nashville, PC ("IMAC Nashville PC"); the following entities which are consolidated with IMAC Management of Illinois, LLC due to control by contract: Progressive Health and Rehabilitation, Ltd., Illinois Spine and Disc Institute, Ltd. and Ricardo Knight, P.C.; the following entities which are consolidated with IMAC Management Services, LLC due to control by contract: Integrated Medicine and Chiropractic Regeneration Center PSC (Kentucky PC) and IMAC Medical of Kentucky, PSC (Kentucky PSC); the following entities which are consolidated with IMAC Florida due to control by contract: Willmitch Chiropractic, P.A. and IMAC Medical of Florida, P.A.; the following entity which is consolidated with Louisiana Orthopaedic & Sports Rehab due to control by contract: IMAC Medical of Louisiana, a Medical Corporation; and the following entities which are consolidated with BackSpace due to control by contract: ChiroMart LLC, ChiroMart Florida LLC, and ChiroMart Missouri LLC.

Effective June 1, 2018, IMAC Holdings converted into a Delaware corporation and we changed our name to IMAC Holdings, Inc., which is referred to herein as the Corporate Conversion. In conjunction with the conversion, all of our outstanding membership interests were exchanged on a proportional basis into shares of common stock.

Our principal executive offices are located at 3401 Mallory Lane, Suite 100, Franklin, Tennessee, 37067 and our telephone number is (844) 266-IMAC (4622). We maintain a corporate website at imacholdings.com.

Available Information

We file electronically with the Securities and Exchange Commission (the "SEC"), our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"). The public may read and copy any materials filed by us with the SEC at the SEC's Public Reference Room at 100 F Street, NW, Washington, D.C. 20549. The public may obtain information on the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (www.sec.gov), which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available free of charge on our website at https://imacregeneration.com as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Such reports will remain available on our website for at least 12 months and are also available free of charge by written request or by contacting us at 844-266-4622.

The contents of our website or any other website are not incorporated by reference into this Annual Report.

ITEM 1A. RISK FACTORS

In addition to the information set forth at the beginning of this Form 10-K entitled "Cautionary Statement Regarding Forward-Looking Statements," you should consider that there are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operation may be materially and adversely affected. In such case, the trading price of our securities could decline and investors could lose all or part of their investment. These risk factors may not identify all risks that we face and our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations.

Risks Relating to Our Company, Business and Industry

We recorded a net loss for the twelve months ended December 31, 2022 and December 31, 2021 and there can be no assurance that our future operations will result in net income; we received a going concern qualification.

For the twelve months ended December 31, 2022 and December 31, 2021, we had net revenue of approximately $16,186,000 and $14,386,000, respectively, and we had net loss of approximately $18,313,000 and $10,542,000, respectively. There can be no assurance that our future operations will result in net income. Our failure to increase our revenues or improve our gross margins will harm our business. We may not be able to sustain or increase profitability on a quarterly or annual basis in the future. If our revenues grow more slowly than we anticipate, our gross margins fail to improve or our operating expenses exceed our expectations, our operating results will suffer. The fee we charge for our management services may decrease, which would reduce our revenues and harm our business. If we are unable to sell our services at acceptable prices relative to our costs, or if we fail to develop and introduce new services on a timely basis and services from which we can derive additional revenues, our financial results will suffer.

As discussed in Note 3 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern.

Risks related to the Brain Scientific Acquisition. Although the Company has entered into the letter of intent with respect to the Brain Scientific Acquisition, such acquisition is subject to the execution and delivery of a definitive Share and Asset Purchase Agreement and the satisfaction of the closing conditions which will be contained therein. There can be no assurance that the Brain Scientific Acquisition will be consummated. In the event that the Brain Scientific Acquisition is consummated, there can be no assurance that it will prove to be beneficial to the Company. The Company believes, although there can be no assurance, that, when reported, the revenues and net earnings for the year ended December 2023 of the combined Companies will exceed those reported for 2022. In addition to the specific risks associated with the Brain Scientific Acquisition, such acquisition will be subject to general acquisition-related risks. See "Acquisition-Related Risks".

Acquisiton-Related Risks. As part of its growth strategy, the Company will seek to acquire or invest in complementary (including competitive) businesses, products or technologies. Although the Company has identified potential acquisition candidates, it currently has no commitments or agreements with respect to any such acquisitions or investments other than the Brain scientific Acquisition, and there can be no assurance that it will eventually consummate the Brain Scientific acquisition or any other acquisition or investment. The process of integrating acquired assets into the Company's operations may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for the ongoing development of the Company's business. In addition, the Company has limited experience in performing acquisitions and managing growth. There can be no assurance that the anticipated benefits of any acquisition will be realized. In addition, future acquisitions by the Company could result in potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities and amortization expenses related to goodwill and other intangible assets, any of which could materially adversely affect the Company's operating results and financial position. In addition, acquisitions also involve other risks, including risks inherent in entering markets in which the Company has no or limited prior experience and the potential loss of key employees.

Further, because of our small size and limited operating history, our company is particularly susceptible to adverse effects from changes in the law, economic conditions, consumer tastes, competition and other contingencies or events beyond our control. It may be more difficult for us to prepare for and respond to these types of risks than it would be for a company with an established business and operating cash flow. Due to changing circumstances or an inability to implement any portion of our growth strategy, we may be forced to dramatically change our planned operations.

We have incurred significant losses since our inception. We expect to incur losses this year and may never achieve or maintain profitability.

Our recurring losses from operations raise substantial doubt regarding our ability to continue as a going concern.

Our future success depends on our ability to attract and retain qualified personnel, and changes in management may negatively affect our business.

We have a need for additional funding. If we are unable to raise capital when needed, we could be forced to delay, reduce, or eliminate our development.

We may form or seek strategic alliances in the future, and we may not realize the benefits of such alliances.

We have suffered a disruption of the operation of our business as a result of the outbreak of coronavirus in the United States. Closures due to government orders or guidance and other related effects of the coronavirus pandemic may cause a material adverse effect on our business.

In March 2020, federal, state and local government authorities issued orders and guidance in order to combat the spread of the coronavirus pandemic. These actions have required or encouraged our patients to remain at home except for essential activities and may reduce patient visits to our clinics. For example, the governor of Kentucky ordered all chiropractic facilities in the state of Kentucky to close effective March 20, 2020, which caused us to close our Kentucky chiropractic facilities until such order was lifted on May 4, 2020. The full extent and duration of such actions and their impacts over the longer term remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the coronavirus and the extent and effectiveness of containment actions taken.

The coronavirus pandemic appears likely to cause significant economic harm across the United States, and the negative economic conditions that may result in reduced patient demand in our industry. We may experience a material loss of patients and revenue as a result of the suspension of any operations. Initiatives to implement telehealth engagement with patients may not be adopted by existing and new patients. Patient habits may also be altered in the medium to long term. Negative economic conditions, a decrease in our revenue and consequent longer-term trends harmful to our business may all exert pressure on our company during the pendency of emergency restrictions on our operations and beyond. Due to such conditions, we terminated the employment of 11% of our employees on March 20, 2020, to reduce costs associated with non-essential personnel.

We cannot predict with certainty when public health and economic conditions will return to normal. A decline in patient visits and/or the possible suspension of operations mandated in response to the coronavirus, and the consequent loss of revenue and cash flow during this period may make it difficult for us to obtain capital necessary to fund our operations.

We may fail completely to implement key elements of our growth and expansion strategy, which could adversely affect our operations and financial performance.

If we cannot implement one or more key elements of our growth and expansion strategy, including raising sufficient capital, hiring and retaining qualified staff, leasing and developing acceptable premises for our medical clinics, securing necessary service contracts on favorable or adequate terms, generating sufficient revenue and achieving numerous other objectives, our projected financial performance may be materially adversely affected. Even if all of the key elements of our growth and expansion strategy are successfully implemented, we may not achieve the favorable results, operations and financial performance that we anticipate.

The development and operation of our medical clinics will require additional capital, and we may not be able to obtain additional capital on favorable or even acceptable terms. We may also have to incur additional debt, which may adversely affect our liquidity and operating performance.

Our ability to successfully grow our business and implement our growth strategy depends in large part on the availability of adequate capital to finance operations. We can give no assurance that we will continue to have sufficient capital to support the continued operations of our company. Changes in our growth and expansion strategy, lower than anticipated revenue for the medical clinics, unanticipated and/or uncontrollable events in the credit or equity markets, changes to our liquidity, increased expenses, and other events may cause us to seek additional debt or equity financing. Financing may not be available on favorable or acceptable terms, or at all, and our failure to raise capital could adversely affect our operations and financial condition.

Additional equity financing may result in a dilution of the pro rata ownership stake of our stockholders. Further, we may be required to offer subsequent investors investment terms, such as preferred distributions and voting rights, that are superior to the rights of existing stockholders, which could have an adverse effect on the value of the investment of our existing stockholders.

Additional debt financing, if available, may involve significant cash payment obligations, covenants and financial ratios that restrict our ability to operate and grow our business, and would cause us to incur additional interest expense and financing costs. As a consequence, our operating performance may be materially adversely affected.

We may be unable to obtain financing on acceptable terms, or at all, which could materially adversely affect our operations and ability to successfully implement our growth and expansion strategy.

Our growth strategy relies on obtaining sufficient financing, including one or more equipment lines to purchase medical and office equipment and one or more lines of credit for operating and related expenses. We may not be able to obtain financing on acceptable terms or in the amount anticipated by our growth and expansion strategy. If unable to secure the amount of financing anticipated by our growth and expansion strategy, we may be unable to implement one or more portions of our growth and expansion strategy. If we accept less favorable terms for our financing than anticipated, we may incur additional expenses and restrictions on operations and may be less liquid and less profitable than expected. Should either of these events occur, we could suffer material adverse effects to our ability to implement our growth and expansion strategy and operate successfully.

We may seek additional funding through a combination of equity offerings, debt financing, government or third-party funding, commercialization, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or rights of the stockholders. Any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our existing capital stock. In addition, the issuance of additional shares by us, or the possibility of such issuance, may cause the market price of our shares to decline. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matter, which may make it more difficult for us to obtain additional capital and the pursue business opportunities.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our efforts, our ability to support our business growth and to respond to business challenges could be significantly limited, and we could be forced to halt operations. Accordingly, our business may fail, in which case you would lose the entire amount of your investment in our common stock.

Our independent registered public accounting firm has indicated that our financial condition raises substantial doubt as to our ability to continue as a going concern.

Our financial statements have been prepared assuming that we will continue to operate as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. However, our independent registered public accounting firm has included in its audit opinion for the year ended December 31, 2022 a statement that there is substantial doubt as to our ability to continue as a going concern as a result of continued losses and financial condition at December 31, 2022, unless we are able to obtain additional financing, enter into strategic alliances or sell assets. The reaction of investors to the inclusion of a going concern statement by our auditors, our current lack of cash resources and our potential inability to continue as a going concern may adversely affect our share price and our ability to raise new capital or enter into strategic alliances. If we become unable to obtain additional capital and to continue as a going concern, we may have to liquidate our assets and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our financial statements.

We will manage, but will not own, certain of the medical clinics or employ the medical service providers who will treat patients at the clinics.

Several of our medical clinics will be owned exclusively by a professional service corporation in order to comply with state laws regulating the ownership of medical practices. We will, in turn, through a contractual arrangement, provide long-term, exclusive management services to those professional service corporations and their medical professionals. All employees who provide direct medical services to patients will be employed by the professional service corporation. These management services agreements protect us from certain liability and provide a structured engagement to deliver non-medical, comprehensive management and administrative services to help the medical professionals operate the business. The management services agreements authorize us to act on behalf of the professional service corporation, but do not authorize the professional service corporations to act on our behalf or enter into contracts with third parties on our behalf. We will employ the non-medical provider staff for the clinics and provide comprehensive management and administrative services to help the professional service corporation operate the clinics. We may also loan money to the professional service corporation for certain payroll and development costs, although we have no obligation to do so. This arrangement makes our financial and operational success highly dependent on the professional service corporation. Under our management service agreements, we provide exclusive comprehensive management and related administrative services to the professional service corporation and receive management fees. Due to this financial and operational control by contract, our financial statements consolidate the financial results of the professional service corporations. However, we will have little, if any, tangible assets as to those operations. These characteristics increase the risk associated with an investment in our company.

Our management services agreements may be terminated.

The management services agreements we have with several of our clinics may be terminated by mutual agreement of us and the applicable clinic, by a non-breaching party after 30 days following an uncured breach by the other party, upon a bankruptcy of either party or by us upon 90 days' prior written notice to the clinic. The termination of a management services agreement would result in the termination of payment of management fees from the applicable clinic, which could have an adverse effect on our operating results and financial condition.

We do not control the delivery of medical care at any of our facilities.

We have no direct control over the medical care in any of our facilities. State medical boards govern the licensing and delivery of medical care within a state. For this reason, the medical practitioners are solely responsible for making medical decisions with their abilities and experience. We run the risk of being associated with a medical practitioner that performs poorly or does not comply with medical board legislation. When we are responsible for the recruitment or staffing of medical professionals, we may hire a professional that delivers care outside of medical protocols. Our inability to exercise control over the medical care and managed centers increases the risks associated with an investment in our company.

State medical boards may amend licensing requirements for medical service providers, service delivery oversight for midlevel practitioners, and ownership or location requirements for the delivery of medical treatments.

We have no direct control over the medical care in any of our facilities. State medical boards govern the licensing and delivery of medical care within a state. Each state medical board controls the level of licensing required for each medical practitioner and the requirements to obtain such a license to deliver medical care. Furthermore, the state medical board typically determines the required practitioner oversight for medical practitioners based on their license achieved, earned degrees and continuing education. The current requirements for these practitioners may change in the future and we run the risk of additional expenses necessary to meet the state medical board requirements. The state medical board may also determine the location in which services are delivered. We risk the loss of revenue or retrofitting expense if the state medical board amends location requirements for the delivery of certain treatments. Similarly, state medical boards may amend ownership or management requirements for the operation of medical clinics within their respective state. The board may also investigate or dispute the legal establishment of owned or managed medical clinics. We risk a material loss of ownership of or management control and subsequent fee from medical clinics that are in our possession or control.

Adverse medical outcomes are possible with conservative and minimally invasive treatments.

Medical practitioners performing services at our IMAC facilities run the risk of delivering treatments for which the patient may experience a poor outcome. This is possible with non-invasive and minimally invasive services alike, including the use of autologous treatments in which a patient’s own cells are used to regenerate damaged tissues. At our IMAC Regeneration Centers, a minimally invasive treatment involves puncturing the skin with a needle or a minor incision which could lead to infection, bleeding, pain, nausea, or other similar results. Non-invasive and conservative physical medicine treatments may possibly cause soft tissue tears, contusions, heart conditions, stroke, and other physically straining conditions. The treatments or potential clinical research studies may yield further patient risks. An adverse outcome may include but not be limited to a loss of feeling, chronic pain, long-term disability, or death. We have obtained medical malpractice coverage in the event an adverse outcome occurs. However, the insurance limits may be exceeded or liability outside of the coverage may adversely impact the financial performance of the business, including any potential negative media coverage on patient volume.

Potential conflicts of interest exist with respect to the management services agreement that we have entered into concerning our clinics in Kentucky, and it is possible our interests and the affiliated owners of those clinics may diverge.

Our medical clinics in Kentucky are held by a professional service corporation that is owned by Matthew C. Wallis, DC, our President, a director and co-founder of our company, and Jason Brame, DC, a co-founding member of our company, in order to comply with the state's laws regulating the ownership of medical practices. The professional service corporation directs the provision of medical services to patients and employs the physicians and registered nurses at the clinics, we do not. Rather, pursuant to the terms of a long-term, exclusive management services agreement, we employ the non-medical provider staff for the clinics and provide comprehensive management and administrative services to help the professional service corporation operate the clinics. We believe that the service fees and other terms of our management services agreement are standard in the outpatient healthcare practice area. Nonetheless, the management services agreement presents the possibility of a conflict of interest in the event that issues arise with regard to the respective medical and non-medical services being provided at the clinics, including quality of care issues of which we become aware and billing and collection matters that we handle on behalf of the physician practices, where our interests may diverge from those of Drs. Wallis and Brame acting on behalf of the professional service corporation. No such issues, however, have occurred during this arrangement.

The management services agreement provides that we will have the right to control the daily operations of the medical clinics subject, in the case of practicing medicine, to the direction of Drs. Wallis and Brame acting on behalf of the professional service corporation. Our interests with respect to such direction may be at odds with those of Drs. Wallis and Brame, requiring them to recuse themselves from our decisions relating to such matters, or even from further involvement with our company.

We comply with applicable state law with respect to transactions (including business opportunities and management services agreements) involving potential conflicts. Applicable state corporate law requires that all transactions involving our company and any director or executive officer (or other entities with which they are affiliated) are subject to full disclosure and approval of the majority of the disinterested independent members of our Board of Directors, approval of the majority of our stockholders or the determination that the contract or transaction is intrinsically fair to us. More particularly, our policy is to have any related party transactions (i.e., transactions involving a director, an officer or an affiliate of our company) be approved solely by a majority of the disinterested independent directors serving on the Board of Directors.

Drs. Wallis and Brame are significant holders of our outstanding shares of common stock and we anticipate they will continue to own a significant percentage of our outstanding shares. Dr. Wallis founded our original IMAC medical clinic in Paducah, Kentucky in August 2000 and, with Jeffrey S. Ervin, our Chief Executive Officer, founded our current company in March 2015. Dr. Wallis, working with Mr. Ervin, will be substantially responsible for selecting the business direction we take, the medical clinics we open in the future and the services we may provide. The management services agreement may present Drs. Wallis and Brame with conflicts of interest.

The loss of the services of Jeffrey S. Ervin or Matthew C. Wallis, DC for any reason would materially and adversely affect our business operations and prospects.

Our financial success is dependent to a significant degree upon the efforts of Jeffrey S. Ervin, our Chief Executive Officer, and Matthew C. Wallis, DC, our President. Mr. Ervin, who has unique knowledge regarding the roll-out of our IMAC Regeneration Centers, and Dr. Wallis, who has extensive business contacts, would be extremely difficult to replace. We have entered into employment arrangements with Mr. Ervin and Dr. Wallis, however there can be no assurance that Mr. Ervin or Dr. Wallis will continue to provide services to us. A voluntary or involuntary departure by either executive could have a materially adverse effect on our business operations if we were not able to attract a qualified replacement for him in a timely manner. We do not have a key-man life insurance policy for our benefit on the life of either Mr. Ervin or Dr. Wallis.

***We will depend heavily on the efforts of our key personnel*.**

Our success depends, to a significant extent, upon the efforts and abilities of our officers and key employees, including medical and chiropractic doctors and other practitioners. Loss or abatement of the services of any of these persons, could have a material adverse effect on us and our business, operations and financial performance.

Our success also will depend on our ability to identify, attract, hire, train and motivate highly skilled managerial personnel, medical doctors, chiropractors, licensed physical therapists, and other practitioners. Failure to attract and retain key personnel could have a material adverse effect on our business, prospects, financial condition and results of operation. Further, the quality, philosophy and performance of key personnel could adversely affect our operations and performance.

We may fail to obtain the business licenses and any other licenses necessary to operate our medical clinics, or the necessary engineering, building, occupancy and other permits to develop the premises for the clinics, which would materially adversely affect our growth and expansion strategy.

If we cannot obtain approval for business licenses or any other licenses necessary to operate our medical clinics, it could materially adversely affect our growth and expansion strategy and could result in a failure to implement our growth and expansion strategy. Failure to obtain the necessary engineering, building, occupancy and other permits from applicable governmental authorities to develop the premises for our medical clinics could also materially adversely affect our growth and expansion strategy and could result in a failure to implement our growth and expansion strategy.

We may face strong competition from other providers in our primary service areas, and increased competition from new competitors, which may hinder our ability to obtain and retain customers.

We will be in competition with other more established companies using a variety of treatments for the conditions and ailments that our services are intended to treat, including orthopedic surgeons, pain management clinics, hospital systems and outpatient surgery centers providing joint reconstruction and related surgeries. These companies may be better capitalized and have more established name recognition than us. We may face additional competition in the future if other providers enter our primary service areas. Competition from existing providers and providers that may begin competing with us in the future could materially adversely affect our operations and financial performance.

Further, the services provided by our company are relatively new and unique. We cannot be certain that our services will achieve or sustain market acceptance, or that a sufficient volume of patients in the Florida, Illinois, Kentucky, Louisiana, Missouri and Tennessee areas will utilize our services. We will be in competition with alternative treatment methods, including those presently existing and those that may develop in the future. As such, our growth and expansion strategy carries many unknown factors that subject us and our investors to a high degree of uncertainty and risk.

We are competing in a dynamic market with risk of technological change.

The market for medical, physical therapy and chiropractic services is characterized by frequent technological developments and innovations, new product and service introductions, and evolving industry standards. The dynamic character of these products and services will require us to effectively use leading and new technologies, develop our expertise and reputation, enhance our current service offerings and continue to improve the effectiveness, feasibility and consistency of our services. There can be no assurance that we will be successful in responding quickly, cost-effectively and sufficiently to these and other such developments.

Our success will depend largely upon general economic conditions and consumer acceptance in our primary service areas.

Our current primary service areas are located in certain geographical areas in the states of Florida, Illinois, Kentucky, Louisiana and Missouri. Our operations and profitability could be adversely affected by a local economic downturn, changes in local consumer acceptance of our approach to healthcare, and discretionary spending power, and other unforeseen or unexpected changes within those areas.

We are required to comply with numerous government laws and regulations, which could change, increasing costs and adversely affecting our financial performance and operations.

Medical and chiropractic service providers are subject to extensive federal, state and local regulation, including but not limited to regulation by the U.S. Food and Drug Administration, Centers for Medicare & Medicaid Services, and other government entities. We are subject to regulation by these entities as well as a variety of other laws and regulations. Compliance with such laws and regulations could require substantial capital expenditures. Such regulations may be changed from time to time, or new regulations adopted, which could result in additional or unexpected costs of compliance.

Changes to national health insurance policy and third-party insurance carrier fee schedules for traditional medical treatments could decrease patient revenue and adversely affect our financial performance and operations.

Political, economic and regulatory influences are subjecting medical and chiropractic service providers, health insurance providers and other participants in the healthcare industry in the United States to potential fundamental changes. Potential changes to nationwide health insurance policy are currently being debated. We cannot predict what impact the adoption of any federal or state healthcare reform or private sector insurance reform may have on our business.

We receive payment for the services we render to patients from their private health insurance providers and from Medicare and Medicaid. If third-party payers change the expected fee schedule (the amount paid by such payers for services rendered by us), we could experience a loss of revenue, which could adversely affect financial performance.

At the present time, most private health insurance providers do not cover the regenerative medical treatments provided at our medical clinics. However, traditional physical medical treatments provided at our medical clinics, such as physical therapy, chiropractic services and medical evaluations, are covered by most health insurance providers. Medicare and Medicaid take the same position as private insurers and reimburse patients for traditional physical medical treatments but not for regenerative medical treatments. If private health insurance providers and Medicare and Medicaid were to begin covering regenerative medical treatments, the revenue we would receive on a per-treatment basis would likely decline given their tighter fee schedules. Further, such a change might result in increased competition as additional healthcare providers begin offering our customized services.

We could be adversely affected by changes relating to the IMAC Regeneration Center brand name.

We are a holding company in which our medical clinics are formed in separate subsidiaries. Our subsidiaries are currently operating in Florida, Illinois, Kentucky, Louisiana and Missouri. As a consequence of this entity structure, any adverse change to the brand, reputation, financial performance or other aspects of the IMAC Regeneration Center brand at any one location could adversely affect the operations and financial performance of the entire company.

We may incur losses that are not covered by insurance.

We maintain insurance policies against professional liability, general commercial liability and other potential losses of our company. All of the regenerative, medical, physical therapy and chiropractic treatments performed at our clinics are covered by our malpractice insurance; however, there is an upper limit to the payout allowable in the event of our malpractice. Poor patient outcomes for healthcare providers may result in legal actions and/or settlements outside of the scope of our malpractice insurance coverage. Regenerative medicine represents approximately 2% of our patient visits and 9% of our revenue. Future innovations in regenerative medicine may require review or approval of such innovations by governmental regulators. During formal research studies performed in collaboration with regulators, we may be required to obtain new insurance policies and there is no assurance that insurance policy underwriters will provide coverage for such research initiatives. If an uninsured loss or a loss in excess of insured limits occurs, our financial performance and operation could suffer material adverse effects.

We are susceptible to risks relating to investigation or audit by the Centers for Medicare & Medicaid Services ("CMS"), health insurance providers and the IRS.

We may be audited by CMS or any health insurance provider that pays us for services provided to patients. Any such audit may result in reclaimed payments, which would decrease our revenue and adversely affect our financial performance. Our federal tax returns may be audited by the IRS and our state tax returns may be audited by applicable state government authorities. Any such audit may result in the challenge and disallowance of some of our deductions or an increase in our taxable income. No assurance can be made with regard to the deductibility of certain tax items or the position taken by us on our tax returns. Further, an audit or any litigation resulting from an audit could unexpectedly increase our expenses and adversely affect financial performance and operations.

We are subject to the possible repayment of a claimed CMS overpayment, but we cannot predict the outcome.

On April 15, 2021, the Company received notification from Covent Bridge Group, a Center for Medicare & Medicaid Services ("CMS") contractor, that they are recommending to CMS that the Company was overpaid in the amount of $2,921,868. This amount represents a statistical extrapolation of $11,530 of charges from a sample of 40 claims for the periods February 2017 to November 2020.

On June 3, 2021, the Company received a request for payment from CMS in the amount of $2,918,472. The Company began its own internal audit process and initiated the appropriate appeals. The Company received a notification dated September 30, 2021, from CMS that they "found the request to be favorable by reversing the extrapolation to actual". The Company received a separate notification stating "the extrapolated overpayment was reduced to the actual overpayment amount for the sampled denied claims $5,327.73," which had been paid as of December 31, 2021.

On October 21, 2021, the Company received notification from Covent Bridge Group, a Center for Medicare & Medicaid Services ("CMS") contractor, that they are recommending to CMS that the Company was overpaid in the amount of $2,716,056.33. This amount represents a statistical extrapolation of $6,791.33 of charges from a sample of 38 claims for the periods July 2017 to November 2020 for Progressive Health & Rehabilitation, Ltd ("Progressive Health"). The Company entered into a management agreement with Progressive Health in April 2019 and therefore liable for only a portion of the sampled claims. There were a total of 38 claims reviewed, 25 of these claims were from the period prior to the management agreement with the Company and the remaining 13 claims were related to the period that Progressive Health was managed by the Company. In December 2021, the Company received a request for payment from CMS in the amount of $2,709,265. The Company has begun its own internal audit process and has initiated the appropriate appeals. The Company has accrued $20,000 for this potential overpayment.

On May 17, 2022, the Company received notification from Covent Bridge Group, a Center for Medicare & Medicaid Services ("CMS") contractor, that they are recommending to CMS that the Company was overpaid in the amount of $492,086.22 related to Advantage Therapy. This amount represents a statistical extrapolation of charges from a sample, the actual amount found to be overpaid was $10,420.22. On May 27, 2022 the Company received a request for payment from CMS in the amount of $481,666.00. The Company has begun its own internal audit process and has initiated the appropriate appeals. Prior to this May 2022 notification, CMS had implemented a pre-payment audit for Advantage Therapy. As of December 31, 2022, this audit had resulted in a recoupment balance of approximately $91,000 of Medicare accounts receivable.

On December 9, 2022, the Company received a suspension of payment notification from Covent Bridge Group, a Center for Medicare & Medicaid Services contractor, for IMAC Regeneration Center of Kentucky. On December 22, 2022, the Company responded to the payment suspension with a Rebuttal of Notice. The suspension of payment will remain in effect until the Rebuttal of Notice is answered. Guidelines suggest a 30 to 45 day response time, although no response has been provided nor any explanation regarding the payment suspension as of the date of this filing.

The Food and Drug administration has pursued bad actors in the regenerative medicine therapy industry, and we could be included in any broad investigation.

The U.S. Food and Drug Administration has pursued bad actors in the regenerative medicine therapy industry. Since we provide regenerative medicine treatments, we may be subject to broad investigations from the FDA or state medical boards regarding the marketing and medical delivery of our treatments. In November 2017, we engaged a medical consulting group to advise us on current protocols in this area and to organize a clinical trial towards an investigational new drug application with the FDA, while pursuing a voluntary regenerative medicine advanced therapy (RMAT) designation under Section 3033 of the 21st Century Cures Act.

We depend on enrollment of patients in our clinical trials for our product candidates. If we experience delays or difficulties enrolling in our clinical trials, our research and development efforts and business, financial condition, and results of operations could be materially adversely affected.

Successful and timely completion of the clinical trial will require that we enroll a sufficient number of patient candidates. This trial and other trials we may conduct may be subject to delays for a variety of reasons, including as a result of patient enrollment taking longer than anticipated, patient withdrawal or adverse events. These types of developments could cause us to delay the trial or halt further development.

Our clinical trial will compete with other clinical trials that are in the same therapeutic areas as our product candidates, and this competition reduces the number and types of patients available to us, as some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. In addition, there may be limited patient pools from which to draw for clinical studies. In addition to the rarity of some diseases, the eligibility criteria of our clinical studies will further limit the pool of available study participants as we will require that patients have specific characteristics that we can measure or to assure their disease is either severe enough or not too advanced to include them in a study. Patient enrollment depends on many factors, including:

- the size and nature of the patient population;
- the severity of the disease under investigation;
- eligibility criteria for the trial;
- the proximity of patients to clinical sites;
- the design of the clinical protocol;
- the ability to obtain and maintain patient consents;
- the ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the risk that patients enrolled in clinical trials will drop out of the trials before the administration of our product candidates or trial completion;
- the availability of competing clinical trials;
- the availability of new drugs approved for the indication the clinical trial is investigating; and
- clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies.

These factors may make it difficult for us to enroll enough patients to complete our clinical trial in a timely and cost-effective manner. In addition, our clinical trial has experienced, and continues to experience, some delays in patient enrollment as a result of the COVID-19 pandemic, as some clinical sites in high impact areas have delayed new patient enrollment as dictated by local conditions. Such delays have impacted and could further adversely affect the expected timelines for our product development and approval process and may adversely affect our business, financial condition and results of operations. Delays in the completion of any clinical trial increases our costs.

We rely on Contract Research Organizations ("CROs") to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may be delayed in completing this phase of the clinical trial.

We have relied and will continue to rely on CROs for the execution of our preclinical and clinical studies and monitor and manage data for our clinical programs. We control only certain aspects of our CROs' activities, but we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards. Our reliance on the CROs does not relieve us of these regulatory responsibilities. We and our CROs are required to comply with the FDA's regulations, which are regulations and guidelines enforced by the FDA and comparable regulatory authorities meant to protect the rights and health of clinical trial subjects. The FDA and comparable regulatory authorities enforce their regulations through periodic inspections of trial sponsors, principal investigators and clinical trial sites. If we or our CROs fail to comply with applicable good clinical practices ("GCPs"), the clinical data generated in our clinical trials may be deemed unreliable, and the FDA (or similar foreign authorities) may require us to perform additional clinical trials before approving our product candidates. We cannot assure you that, upon inspection, the FDA (or similar foreign authorities) will determine that any of our clinical trials comply with GCPs.

In addition, our CROs are not our employees, and we cannot control whether or not they devote sufficient time and resources to our non-clinical, preclinical or clinical programs. Our CROs may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical studies or other drug development activities, which could impede their ability to devote appropriate time to our clinical programs. If our CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements, or for other reasons, our clinical trials may be extended, delayed or terminated. As a result, our financial results and the commercial prospects for the clinical trial would be harmed, our costs could increase and our ability to generate revenues could be delayed or ended.

If any of our relationships with these CROs change or terminate, we may not be able to enter into arrangements with alternative CROs or clinical study management organizations, or be able to do so on commercially reasonable terms. Switching or adding additional CROs or other clinical study management organizations involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO or clinical study management organization commences work. As a result, delays could occur, which could compromise our ability to meet our desired development timelines.

We have no experience as a company in bringing a drug to regulatory approval.

As a company, we have never obtained regulatory approval for, or commercialized, a drug or biologic. It is possible that the FDA may refuse to accept any or all of our planned BLAs for substantive review or may conclude after review of our data that our application is insufficient to obtain regulatory approval of any product candidate. If the FDA does not accept or approve any or all of our planned BLAs, it may require that we conduct additional preclinical, clinical or manufacturing validation studies, which may be costly, and submit that data before it will reconsider our applications. Depending on the extent of these or any other FDA required studies, approval of any BLA or application that we submit may be significantly delayed, possibly for several years, or may require us to expend more resources than we have available.

We may be subject, directly or indirectly, to foreign, federal and state healthcare laws, including applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our business operations and current and future arrangements with third-party payors, healthcare providers and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, develop, market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal healthcare Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation;

- the federal False Claims Act imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program;

- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;

- the federal transparency requirements under the ACA requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report to the Department of Health and Human Services information related to physician payments and other transfers of value and ownership and investment interests held by physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse midwives), and their immediate family members and payments or other transfers of value made to such physician owners;

- analogous state laws and regulations, such as state anti-kickback and false claims laws, and transparency laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures and pricing information; and

- efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, imprisonment and the curtailment or restructuring of our operations. Further, defending against any such actions, even if successful, can be costly, time-consuming and may require significant personnel resources. If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Any significant disruption in our computer systems or those of third parties that we utilize in our operations could result in a loss or degradation of service and could adversely impact our business.

Our reputation and ability to attract, retain and serve our patients and users is dependent upon the reliable performance of our computer systems and those of third parties that we utilize in our operations. These systems may be subject to damage or interruption from earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm these systems. Interruptions in these systems, or to the internet in general, could make our service unavailable or impair our ability to deliver content to our customers. Service interruptions, errors in our software or the unavailability of computer systems used in our operations could diminish the overall attractiveness of our services to existing and potential patients. In addition, during the second half of 2019, we began the implementation of an updated medical and financial platform in our clinics.

Our servers and those of third parties we use in our operations are vulnerable to computer viruses, physical or electronic break-ins and similar disruptions and periodically experience directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of data. Any attempt by hackers to disrupt our service or otherwise access our systems, if successful, could harm our business, be expensive to remedy and damage our reputation. We have implemented certain systems and processes to thwart hackers and, to date, hackers have not had a material impact on our service or systems. However, this is no assurance that hackers may not be successful in the future. Efforts to prevent hackers from disrupting our service or otherwise accessing our systems are expensive to implement and may limit the functionality of or otherwise negatively impact our service offering and systems. Any significant disruption to our service or access to our systems could result in a loss of patients and adversely affect our business and results of operation.

We utilize our own communications and computer hardware systems located either in our facilities or in that of a third-party data center. In addition, we utilize third-party internet-based or “cloud” computing services in connection with our business operations. We also utilize third-party content delivery networks to help us stream content to our patients and other parties over the internet. Problems faced by us or our service providers, including technological or business-related disruptions, could adversely impact the experience of our audiences and users.

During the normal course of business, we may choose to pursue services with a different third-party vendor or pursue a change in systems which could result in interruptions and delays in our service and operations as well as loss, misuse, or theft of data. We have implemented systems and processes to mitigate these risks and, to date, have not experienced a material impact on our services or systems due to change in systems or third-party. However, this is no assurance that a change in systems or services used by us or a change in third-party vendors may not have a material impact in the future. Any significant disruption to our service or access to our systems could result in a loss of patients and adversely affect our business and results of operations.

Our reputation and relationships with patients would be harmed if our patients’ data, particularly personally identifying data, were to be subject to a cyber-attack or otherwise accessed by unauthorized persons.

We maintain personal data regarding our patients, including their names and other information. With respect to personally identifying data, we rely on licensed encryption and authentication technology to secure such information. We also take measures to protect against unauthorized intrusion into our patients’ data. Despite these measures, we could experience, though we have not to date experienced, a cyber-attack or other unauthorized intrusion into our patients’ data. Our security measures could also be breached due to employee error, malfeasance, system errors or vulnerabilities, or otherwise. In the event our security measures are breached, or if our services are subject to attacks that impair or deny the ability of patients to access our services, current and potential patients may become unwilling to provide us the information necessary for them to become users of our services or may curtail or stop using our services. In addition, we could face legal claims for such a breach. The costs relating to any data breach could be material and exceed the limits of the insurance we maintain against the risks of a data breach. For these reasons, should an unauthorized intrusion into our patients’ data occur, our business could be adversely affected. Changes to operating rules could increase our operating expenses and adversely affect our business and results of operations.

Changes in accounting principles or guidance, or in their interpretations, could result in unfavorable accounting charges or effects, including changes to our previously filed consolidated financial statements, which could cause our stock price to decline.

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles and guidance. A change in these principles or guidance, or in their interpretations, may have a significant negative effect on our reported results and retrospectively affect previously reported results, which, in turn, could cause our stock price to decline.

Our management has identified material weaknesses in our internal controls over our financial reporting.

Our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are not effective because of certain material weaknesses in our internal control over financial reporting. The material weaknesses relates to the absence of in-house accounting personnel with the ability to properly account for complex transactions and the lack of separation of duties between accounting and other functions.

We anticipate expanding our accounting functions with dedicated staff and improving our internal accounting procedures and separation of duties when we can absorb the costs of such expansion and improvement with additional capital resources. In the meantime, management will continue to observe and assess our internal accounting function and make necessary improvements whenever they may be required. If our remedial measures are insufficient to address the material weakness, or if additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements, and we could be required to restate our financial results. In addition, if we are unable to successfully remediate this material weakness and if we are unable to produce accurate and timely financial statements, our stock price may be adversely affected and we may be unable to maintain compliance with applicable stock exchange listing requirements.

We are an "emerging growth company" and our election to delay adoption of new or revised accounting standards applicable to public companies may result in our consolidated financial statements not being comparable to those of some other public companies. As a result of this and other reduced disclosure requirements applicable to emerging growth companies, our securities may be less attractive to investors.

As a public reporting company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" under the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. In particular, as an emerging growth company, we:

- are not required to obtain an attestation and report from our auditors on our management's assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;

- are not required to provide a detailed narrative disclosure discussing our compensation principles, objectives and elements and analyzing how those elements fit with our principles and objectives (commonly referred to as "compensation discussion and analysis");

- are not required to obtain a non-binding advisory vote from our stockholders on executive compensation or golden parachute arrangements (commonly referred to as the "say-on-pay," "say-on-frequency" and "say-on-golden-parachute" votes);

- are exempt from certain executive compensation disclosure provisions requiring a pay-for-performance graph and CEO pay ratio disclosure;

- may present only two years of audited financial statements and only two years of related Management's Discussion & Analysis of Financial Condition and Results of Operations, or MD&A; and

- are eligible to claim longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act.

We intend to take advantage of all of these reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under §107 of the JOBS Act. Our election to use the phase-in periods may make it difficult to compare our consolidated financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the phase-in periods under §107 of the JOBS Act.

Certain of these reduced reporting requirements and exemptions were already available to us due to the fact that we also qualify as a "smaller reporting company" under SEC rules. For instance, smaller reporting companies are not required to obtain an auditor attestation and report regarding management's assessment of internal control over financial reporting, are not required to provide a compensation discussion and analysis, are not required to provide a pay-for-performance graph or CEO pay ratio disclosure, and may present only two years of audited financial statements and related MD&A disclosure.

Under the JOBS Act, we may take advantage of the above-described reduced reporting requirements and exemptions for up to five years after our initial sale of common equity pursuant to a registration statement declared effective under the Securities Act, or such earlier time that we no longer meet the definition of an emerging growth company. In this regard, the JOBS Act provides that we would cease to be an "emerging growth company" if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our common stock held by non-affiliates, or issue more than $1.0 billion in principal amount of non-convertible debt over a three-year period. Under current SEC rules, however, we will continue to qualify as a "smaller reporting company" for so long as we have a public float (*i.e.*, the market value of common equity held by non-affiliates) of less than $250 million as of the last business day of our most recently completed second fiscal quarter.

Risks Relating to Ownership of Our Common Stock and Warrants

Our stock price is volatile and an investment could decline in value.

The market price of our common stock fluctuates substantially as a result of many factors, some of which are beyond our control. During the 52-week period prior to the filing of this Annual Report, the market price of our common stock ranged from a low of $0.15 per share to a high of $1.46 per share, and as of March 28, 2023, was $0.15 per share. These fluctuations could cause you to lose all or part of the value of your investment in our common stock and/or warrants. Factors that could cause fluctuations in the market price of our common stock include the following:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts;

- publication of research reports about us or the outpatient medical clinic business;
- announcements by us or our competitors of significant contracts, acquisitions or capital commitments;
- announcements by third parties of significant claims or proceedings against us;
- changes affecting the availability of financing in the outpatient medical services market;
- regulatory developments in the outpatient medical clinic business;
- significant future sales of our common stock;
- additions or departures of key personnel;
- the realization of any of the other risk factors presented in this prospectus; and
- general economic, market and currency factors and conditions unrelated to our performance.

In addition, the stock market in general has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to operating performance of individual companies. These broad market factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A class action suit against us could result in significant liabilities and, regardless of the outcome, could result in substantial costs and the diversion of our management's attention and resources.

Our stock price is below $1.00 per share, and if it continues, our common stock may be subject to delisting from The Nasdaq Capital Market.

Our common stock closed below the required minimum $1.00 per share for 30 consecutive business days and we received a deficiency notice from Nasdaq regarding our failure to comply with Nasdaq Marketplace Rule 5550(a)(2) on September 21, 2022. When the notice was received, pursuant to Marketplace Rule 5810(c)(3)(A), we become subject to a period of 180 calendar days to regain compliance with Rule 5550(a)(2). If at any time the bid price of our common stock closes at $1.00 per share or more for a minimum of 10 consecutive business days, we will regain compliance with Rule 5550(a)(2). We did not regain compliance with Rule 5550(a)(2) prior to the expiration of the Nasdaq compliance period. We appealed the delisting determination to a Nasdaq hearing panel and the panel stayed the delisting. The Company received an extension through September 18, 2023. We are currently evaluating our alternatives to resolve any listing deficiency. To the extent that we are unable to resolve a listing deficiency, there is a risk that our common stock may be delisted from Nasdaq, which would adversely impact liquidity of our common stock and potentially result in even lower bid prices for our common stock. If shares of our common stock become subject to the penny stock rules, it would become more difficult to trade them.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. Thus, our ability to utilize carryforwards of our net operating losses and other tax attributes to reduce future tax liabilities may be substantially restricted. Further, U.S. tax laws limit the time during which these carryforwards may be applied against future taxes. Therefore, we may not be able to take full advantage of these carryforwards for federal or state tax purposes. As of December 31, 2022, we had federal and state net operating loss carryforwards of approximately $37.0 million and $39.3 million, respectively.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, or if our actual results differ significantly from our guidance, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

In addition, from time to time, we may release earnings guidance or other forward-looking statements in our earnings releases, earnings conference calls or otherwise regarding our future performance that represent our management's estimates as of the date of release. Some or all of the assumptions of any future guidance that we furnish may not materialize or may vary significantly from actual future results. Any failure to meet guidance or analysts' expectations could have a material adverse effect on the trading price or volume of our stock.

Anti-takeover provisions in our charter documents could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Our corporate documents and the Delaware General Corporation Law contain provisions that may enable our board of directors to resist a change in control of our company even if a change in control were to be considered favorable by you and other stockholders. These provisions:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to help defend against a takeover attempt;
- establish advance notice requirements for nominating directors and proposing matters to be voted on by stockholders at stockholder meetings;
- provide that stockholders are only entitled to call a special meeting upon written request by $33^1/_3$% of the outstanding common stock; and
- require supermajority stockholder voting to effect certain amendments to our certificate of incorporation and bylaws.

In addition, Delaware law prohibits large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or consolidating with us except under certain circumstances. These provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire.

We have 5,000,000 authorized unissued shares of preferred stock, and our board has the ability to designate the rights and preferences of this preferred stock without your vote.

Our certificate of incorporation authorizes our board of directors to issue “blank check” preferred stock and to fix the rights, preferences, privileges and restrictions, including voting rights, of these shares, without further stockholder approval. The rights of the holders of common stock will be subject to and may be adversely affected by the rights of holders of any preferred stock that may be issued in the future. As indicated in the preceding risk factor, the ability to issue preferred stock without stockholder approval could have the effect of making it more difficult for a third party to acquire a majority of the voting stock of our company thereby discouraging, delaying or preventing a change in control of our company. We currently have no outstanding shares of preferred stock, or plans to issue any such shares in the future.

Concentration of ownership of our common stock among our existing executive officers and directors may limit our other stockholders from influencing significant corporate decisions.

Jeffrey S. Ervin, our Chief Executive Officer, Matthew C. Wallis, DC, our President, and our other executive officers and directors own a significant percentage of our outstanding shares. These persons, acting together, are able to influence all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of this group of stockholders may not coincide with our interests or the interests of other stockholders.

We do not expect to pay any dividends on our common stock for the foreseeable future.

We currently expect to retain all future earnings, if any, for future operation, expansion and debt repayment and have no current plans to pay any cash dividends to holders of our common stock for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our operating results, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, we must comply with the covenants in our credit agreements in order to be able to pay cash dividends, and our ability to pay dividends generally may be further limited by covenants of any future outstanding indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

We may issue additional shares of common stock, warrants or other securities to finance our growth.

We may finance the business development or generate additional working capital through additional equity financing. Therefore, subject to the rules of the Nasdaq, we may issue additional shares of our common stock, warrants and other equity securities of equal or senior rank, with or without stockholder approval, in a number of circumstances from time to time. The issuance by us of shares of our common stock, warrants or other equity securities of equal or senior rank will have the following effects:

- the proportionate ownership interest in us held by our existing stockholders will decrease;
- the relative voting strength of each previously outstanding share of common stock may be diminished; and
- the market price of our common stock may decline.

In addition, if we issue shares of our common stock and/or warrants in a future offering (or, in the case of our common stock, the exercise of outstanding warrants to purchase our common stock), it could be dilutive to our security holders.

There can be no assurance that we will ever provide liquidity to our investors through a sale of our company.

While acquisitions of healthcare companies like ours are not uncommon, potential investors are cautioned that no assurances can be given that any form of merger, combination, or sale of our company will take place, or that any merger, combination, or sale, even if consummated, would provide liquidity or a profit for our investors. You should not invest in our company with the expectation that we will be able to sell the business in order to provide liquidity or a profit for our investors.

We have broad discretion in the use of the net proceeds from our public offerings and private placement and may not use them effectively.

Our management has broad discretion in the application of the net proceeds from our public offerings and private placement and could spend the proceeds in ways that do not enhance the value of our common stock. Because of the number and variability of factors that will determine our use of the net proceeds from our completed offerings, their ultimate use may vary substantially from their currently intended use. The failure by our management to apply these funds effectively could have a material adverse effect on our business. Pending their use, we may invest the net proceeds from the offerings in a manner that does not produce income or that loses value. If we do not apply or invest the net proceeds from the offerings in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause the price of our securities to decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We manage our business operations from our principal executive office in Franklin, Tennessee, and in our clinic locations. Our executive office lease is on a month-to-month basis. Our business is conducted at ten outpatient medical clinics and ten backspace clinics. Our total rent expense was $1.7 million under our office and medical clinic leases for 2022. For more information about our outpatient locations and the terms of their leases, see Item 1, "Business - Our Operations" above.

We believe our present office space and locations are adequate for our current operations and for near-term planned expansion.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of our business, as described below. Litigation is, however, subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any legal proceedings or claims that we believe would or could have, individually or in the aggregate, a material adverse effect on us. Regardless of final outcomes, however, any such proceedings or claims may nonetheless impose a significant burden on management and employees and may come with costly defense costs or unfavorable preliminary interim rulings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

In connection with the completion of our initial public offering, our common stock and warrants began trading on the Nasdaq Capital Market on February 13, 2019, under the symbols "IMAC" and "IMACW", respectively. On August 8, 2022, the Company changed its "IMAC" ticker symbol to "BACK".

As of March 28, 2023, there were approximately 22 holders of record of our common stock. We believe that the number of beneficial owners is substantially greater than the number of record holders because a large portion of our common stock is held of record through brokerage firms in "street name."

Dividend Policy

Our board of directors will determine our future dividend policy based on our result of operations, financial condition, capital requirements and other circumstances. We have not previously declared or paid any cash dividends on our common stock. We anticipate that we will retain earnings to support operations and finance the growth of our business. Accordingly, it is not anticipated that any cash dividends will be paid on our common stock in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

See "2018 Incentive Compensation Plan" under Item 11 in Part III of this Annual Report.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

Reserved.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth previously under the caption "Risk Factors." This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this report.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods.

References in this MD&A to "we," "us," "our," "our company," "our business" and "IMAC Holdings" are to IMAC Holdings, Inc., a Delaware corporation and prior to the Corporate Conversion (defined below), IMAC Holdings, LLC, a Kentucky limited liability company, and the following entities which are consolidated due to direct ownership of a controlling voting interest or other rights granted to us as the sole general partner or managing member of the entity: IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis"), IMAC Management Services, LLC ("IMAC Management"), IMAC Regeneration Management, LLC ("IMAC Texas") IMAC Regeneration Management of Nashville, LLC ("IMAC Nashville") IMAC Management of Illinois, LLC ("IMAC Illinois"), Advantage Hand Therapy and Orthopedic Rehabilitation, LLC ("Advantage Therapy"), IMAC Management of Florida, LLC ("IMAC Florida"), Louisiana Orthopaedic & Sports Rehab ("IMAC Louisiana") and The Back Space, LLC ("BackSpace"); the following entity which is consolidated with IMAC Regeneration Management of Nashville, LLC due to control by contract: IMAC Regeneration Center of Nashville, PC ("IMAC Nashville PC"); the following entities which are consolidated with IMAC Management of Illinois, LLC due to control by contract: Progressive Health and Rehabilitation, Ltd., Illinois Spine and Disc Institute, Ltd. and Ricardo Knight, P.C.; the following entities which are consolidated with IMAC Management Services, LLC due to control by contract: Integrated Medicine and Chiropractic Regeneration Center PSC (Kentucky PC) and IMAC Medical of Kentucky, PSC (Kentucky PSC) ; the following entities which are consolidated with IMAC Florida due to control by contract: Willmitch Chiropractic, P.A. and IMAC Medical of Florida, P.A.; the following entity which is consolidated with Louisiana Orthopaedic & Sports Rehab due to control by contract: IMAC Medical of Louisiana, a Medical Corporation; and the following entities which are consolidated with BackSpace due to control by contract: ChiroMart LLC, ChiroMart Florida LLC, and ChiroMart Missouri LLC.

Overview

We are a provider of movement and orthopedic therapies and minimally invasive procedures performed through our regenerative and rehabilitative medical treatments to improve the physical health of our patients at our chain of IMAC Regeneration Centers and BackSpace clinics which we own or manage. Our outpatient medical clinics provide conservative, minimally invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. Our licensed healthcare professionals evaluate each patient and provide a custom treatment plan that integrates traditional medical procedures and innovative regenerative medicine procedures in combination with physical medicine. We do not use or offer opioid-based prescriptions as part of our treatment options in order to help our patients avoid the dangers of opioid abuse and addiction. The original IMAC Regeneration Center opened in Kentucky in August 2000 and remains the flagship location of our current business, which was formally organized in March 2015. As of December 31, 2022, we have ten outpatient medical clinics in Florida, Illinois, Kentucky, Louisiana and Missouri. We have partnered with former professional athletes in the branding of our IMAC Regeneration Centers. Our outpatient medical clinics emphasize our focus around treating sports and orthopedic injuries as an alternative to traditional surgeries for repair or joint replacement. As of December 31, 2022, The BackSpace, LLC had opened ten retail clinic locations in Florida, Missouri and Tennessee. The BackSpace operated healthcare centers specializing in chiropractic and spinal care services inside Walmart retail locations.

Given the Company's current financial position, during the first quarter of 2023 the Company decided to close four underperforming locations and in addition sold its Louisiana Orthopedic practice as well as The BackSpace, LLC operations in an effort to raise sufficient capital to support on-going operations. Management has been actively exploring various strategic alternatives in an effort to support operations in 2023 and beyond.

We own our medical clinics directly or have entered into long-term management services agreements to operate and control certain of our medical clinics by contract. Our preference is to own the clinics; however, some state laws restrict the corporate practice of medicine and require a licensed medical practitioner to own the clinic. Accordingly, our managed clinics are owned exclusively by a medical professional within a professional service corporation (formed as a limited liability company or corporation) and are under common control with us in order to comply with state laws regulating the ownership of medical practices. We are compensated under management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation.

Significant financial metrics

Our significant financial metrics of the Company for the year ended December 31, 2022 are set forth in the bullets below.

- Net loss of $18.3 million in the year ended 2022 compared to a net loss of $10.5 million in the year ended 2021.
- Adjusted EBITDA[1] of ($7.8million) for the year ended December 31, 2022 compared to ($7.7) for the year ended December 31, 2021.
- The Company incurred $523,000 in FDA related expenses for the year ended December 31, 2022 compared to $593,000 for the year ended December 31, 2021.
- Operating expenses increased $10.1 million related to the $8.3 million impairment loss on intangible assets and goodwill and $1.1 million in incremental salary expense from the additional BackSpace clinics opened between December 2021 and March 2022 and the full year of salaries related to our Louisiana acquisition in October 2021.
- The Company had one-time expenses of $8.3 million in impairment loss related to the Company's intangible assets and goodwill.

(1) Adjusted EBITDA is a non-GAAP financial measure most closely comparable to the GAAP measure of net loss. See "Reconciliation of Non-GAAP Financial Matters" below for a full reconciliation of the GAAP and non-GAAP measures.

Matters that May or Are Currently Affecting Our Business

We believe that the growth of our business and our future success depend on various opportunities, challenges, trends and other factors, including the following:

- Our ability to identify, contract with, install equipment and operate a large number of outpatient medical clinics and attract new patients to them;

- Our need to hire additional healthcare professionals in order to operate the large number of clinics we intend to open;

- Our ability to enhance revenue at each facility on an ongoing basis through additional patient volume and new services;

- Our ability to obtain additional financing for the projected costs associated with the acquisition, management and development of new clinics, and the personnel involved, if and when needed;

- Our ability to attract competent, skilled medical and sales personnel for our operations at acceptable prices to manage our overhead; and

- Our ability to control our operating expenses as we expand our organization into neighboring states.

On March 20, 2023, we announced an executed letter of intent for a strategic merger-of-equals with Brain Scientific, Inc. (OTCQB:BRSFD), a Florida-based applied science technology company. Together, the companies will provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, Chief Executive Officer of Brain Scientific, is expected to serve as Chairman and CEO of the combined company. The details related to this merger-of-equals are still being negotiated and have not been finalized.

The Company believes, although there can be no assurance, that, when reported, the revenues and net earnings for the year ended December 2023 of the combined Companies will exceed those reported for 2022. Consummation of the transactions contemplated by the letter of intent (collectively, the "Brain Scientific Acquisition") is subject to the execution and delivery of a definitive Share and Asset Purchase Agreement and the satisfaction of the closing conditions which will be contained therein. It is contemplated that the Brain Scientific Acquisition will be consummated in 2023, but there can be no assurance that a definitive Share and Asset Purchase Agreement will be entered into, or that the Brain Scientific Acquisition will be consummated upon the terms set forth in the letter of intent or otherwise. Additionally, there will be a number of risks attendant upon the Brain Scientific Acquisition. See "Risk Factors – Risks Related to the Brain Scientific Acquisition", "Management's Discussion and Analysis of Financial Condition and Results of Operations – The Brain Scientific Acquisition" and "Business – Brain Scientific Acquisitions".

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the consolidated financial statements are prepared. On an ongoing basis, we evaluate our estimates, including those related to insurance adjustments and provisions for doubtful accounts, useful lives of intangibles, property and equipment, and valuation of goodwill. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

We believe that, of the significant accounting policies discussed in our Notes to the Consolidated Financial Statements, the following accounting policies require our most difficult, subjective or complex judgments in the preparation of our financial statements.

Intangible Assets

The Company capitalizes the fair value of intangible assets acquired in business combinations. Intangible assets are amortized on a straight-line basis over their estimated economic useful lives, generally the contract term. The Company performs valuations of assets acquired and liabilities assumed on each acquisition accounted for as a business combination and allocates the purchase price of each acquired business to its respective net tangible and intangible assets. Acquired intangible assets include trade names, non-compete agreements, customer relationships and contractual agreements. Intangible assets are subject to annual impairment tests. An impairment loss of $3.8 million was recorded in September 2022 related to our Illinois and Kentucky acquisitions.

Goodwill

Our goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in business combinations. The goodwill generated from the business combinations is primarily related to the value placed on the employee workforce and expected synergies. Judgment is involved in determining if an indicator or change in circumstances relating to impairment has occurred. Such changes may include, among others, a significant decline in expected future cash flows, a significant adverse change in the business climate, and unforeseen competition.

The goodwill test is performed at least annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The annual impairment test includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value; the qualitative test may be performed prior to, or as an alternative to, performing a quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company is required to perform the quantitative goodwill impairment test. Otherwise, no further analysis is required. A goodwill impairment loss of $4.5 million was recorded in December 2022 related to our Florida, Tennessee, Missouri and Louisiana acquisitions.

Revenue Recognition

The Company's patient service revenue is derived from non-surgical procedures performed at our outpatient medical clinics. The fees for such services are billed either to the patient or a third-party payer, including Medicare.

The Company recognizes service revenues based upon the estimated amounts the Company expects to be entitled to receive from patients and third-party payers. Estimates of contractual adjustments are based upon the payment terms specified in the related contractual agreements. The Company also records estimated implicit price concessions (based primarily on historical collection experience) related to uninsured accounts to record these revenues at the estimated amounts expected to be collected.

Starting in January 2020, the Company implemented wellness maintenance programs on a subscription basis. There are currently four membership plans offered with different levels of service for each plan. The Company recognizes membership revenue on a monthly basis. Enrollment in the wellness maintenance program can occur at any time during the month and can be dis-enrolled at any time.

Starting in June 2021, the Company introduced BackSpace and began offering outpatient chiropractic and spinal care services as well as memberships services in Walmart retail locations. The fees for such services are paid and recognized as incurred.

Starting in September 2022, the Company introduced hormone replacement therapy "HRT" and medical weight loss programs. The Company recognizes HRT and medical weight loss revenue as the services are provided.

Other management service fees are derived from management services where the Company provides billings and collections support to the clinics and where management services are provided based on state specific regulations known as the corporate practice of medicine ("CPM"). Under the CPM, a business corporation is precluded from practicing medicine or employing a physician to provide professional medical services. In these circumstances, the Company provides all administrative support to the physician-owned PC through a LLC. The PC is consolidated due to control by contract (an "MSA" – Management Services Agreement). The fees we derive from these management arrangements are either based on a predetermined percentage of the revenue of each clinic or a percentage mark up on the costs of the LLC. The company recognizes other management service revenue in the period in which services are rendered. These revenues are earned by IMAC Nashville, IMAC Management, IMAC Illinois, IMAC Florida, IMAC Louisiana and the Back Space and are eliminated in consolidation to the extent owned.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. Our ability to collect outstanding receivables is critical to our results of operations and cash flows. Accordingly, accounts receivable reported in our consolidated financial statements are recorded at the net amount expected to be received. Our primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in our receiving less than the recorded receivable, (ii) the risk of non-payment as a result of commercial insurance companies' denial of claims, (iii) the risk that patients will fail to remit insurance payments to us when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent us from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay us for their self-pay balances (including co-pays, deductibles and any portion of the claim not covered by insurance), and (vi) the risk of non-payment from uninsured patients.

Our accounts receivable from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of our facilities' cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, we expect that any such changes would be minimal and, therefore, would not have a material effect on our financial condition or results of operations. Our collection policies and procedures are based on the type of payor, size of claim and estimated collection percentage for each patient account. The operating systems used to manage our patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. We analyze accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets are required to be reduced by a valuation allowance to the extent that, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized. These are based on estimates of future taxable income which are highly subjective and subject to changes.

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

We own our medical clinics directly or have entered into long-term management services agreements to operate and control these medical clinics by contract. Our preference is to own the clinics; however, some state laws restrict the corporate practice of medicine and require a licensed medical practitioner to own the clinic. Accordingly, our managed clinics are owned exclusively by a medical professional within a professional service corporation (formed as a limited liability company or corporation) under common control with us or eligible members of our company in order to comply with state laws regulating the ownership of medical practices. We are compensated under management services agreements through service fees based on the cost of the services provided, plus a specified markup percentage, and a discretionary annual bonus determined in the sole discretion of each professional service corporation. See Note 15 for previously reported financial information that has been revised.

Revenues

Our revenue mix is diversified between medical treatments and physiological treatments. Our medical treatments are further segmented into traditional medical and regenerative medicine practices. We are an in-network provider for traditional physical medical treatments, such as physical therapy, chiropractic services and medical evaluations, with most private health insurance carriers. Regenerative medical treatments are typically not covered by insurance, but paid by the patient. For more information on our revenue recognition policies, see "Critical Accounting Policies and Estimates - Revenue Recognition."

Revenues for the years ended December 31, 2022 and 2021 were as follows:

	Year Ended December 31,	
	2022	2021
	(*in thousands*)	
Revenues:		
Outpatient facility services	$ 14,824	$ 13,475
Memberships	684	656
Retail clinics	678	33
Total revenues	$ 16,186	$ 14,164

See the table below for more information regarding our revenue breakdown by service type.

	Year Ended December 31,	
	2022	2021
Revenues:		
Medical treatments	71.9%	67.0%
Physical therapy	22.1%	28.1%
Chiropractic care	4.8%	2.8%
Memberships	1.3%	2.1%
	100%	100%

Visits to our clinics are an indication of business activity. The following table is a breakdown of visits by type for the year ended December 31, 2022 and 2021.

	Year Ended December 31,	
	2022	2021
Visits:		
Physical therapy	35,342	56,261
Chiropractic care	26,998	20,265
Medical treatments	39,916	39,036
Other	3,552	262
Membership	48,029	52,684
	153,837	168,508

Consolidated Results

Total revenues increased $2.0 million due to same-store growth, opening of retail clinics and continued improvements from the negative impact of COVID-19.

IMAC Clinics

The revenue increase attributed to IMAC Clinics was $0.5 million. This was driven by a $2.3 million increase from the Louisiana clinic that opened in October 2021 offset by the closure of clinics in Illinois, Tennessee and Missouri area resulting in a decrease of $1.8 million.

Retail Clinics

The Company began opening retail clinics in Walmart in June 2021 and as of December 31, 2022 had ten clinics opened in Florida, Tennessee and Missouri. The retail clinics provides outpatient chiropractic and spinal care services. The revenue increase attributed to these retail clinics was $678,000 of which $367,000 was from new clinics opened in 2022.

Memberships

A wellness membership program was implemented at IMAC Clinics in January 2020 and this wellness program has different plan levels that include services for chiropractic care and medical treatments on a monthly subscription basis. Therefore, memberships could have multiple visits in one month, however only one payment is received for these visits. IMAC Clinics had 1,089 and 1,189 active members for the years ended in December 31, 2022 and 2021, respectively. BackSpace also has a membership plan for chiropractic care on a monthly subscription basis. As of December 31, 2022, 85% of the BackSpace revenue was related to memberships.

Operating Expenses

Operating expenses consist of patient expenses, salaries and benefits, share based compensation, advertising and marketing, general and administrative expenses and depreciation expenses.

Patient expenses consist of medical supplies for services rendered.

Patient Expenses	2022	2021	Change from Prior Year	Percent Change from Prior Year
Year Ended December 31	$ 1,508,000	$ 1,628,000	$ (120,000)	(7.4)%

Cost of revenues (patient expense) decreased for the year ended December 31, 2022 as compared to December 31, 2021 although patient revenue increased 14%. The rotation of service mix also reduced supply costs, for example cell therapy visits which is a higher cost procedure.

Salaries and benefits consist of payroll, benefits and related party contracts.

Salaries and Benefits	2022	2021	Change from Prior Year	Percent Change from Prior Year
Year Ended December 31	$ 14,517,000	$ 13,310,000	$ 1,207,000	9.1%

Salaries and benefits expenses for the year ended December 31, 2022, as compared to the year ended December 31, 2021, increased by 9.1%. An increase would have been expected considering the Company added six BackSpace locations during the first quarter of 2022. These new BackSpace clinics attributed to $1.3 million of the increase. The Louisiana market was acquired October 2021 and contributed an additional $2.2 million in salaries for the year ended December 31, 2022 as compared to year ended December 31, 2021. The same store IMAC clinics had a decrease of $2.1 million in salaries for the year ended December 31, 2022 as compared to year ended December 31, 2021.

Advertising and marketing consist of marketing, business promotion and brand recognition.

Advertising and Marketing	2022	2021	Change from Prior Year	Percent Change from Prior Year
Year Ended December 31	$ 1,100,000	$ 1,325,000	$ (255,000)	(17.0%)

Advertising and marketing expenses decreased $255,000 for the year ended December 31, 2022, as compared to the year ended December 31, 2021. Endorsements were the majority of the decrease as the decision was made to end select endorsement deals in addition to the ones that ended with the closure or sale of clinics.

General and administrative expense ("G&A") consist of all other costs than advertising and marketing, salaries and benefits, patient expenses and depreciation.

General and Administrative	2022	2021	Change from Prior Year	Percent Change from Prior Year
Year Ended December 31	$ 7,188,000	$ 6,423,000	$ 765,000	11.9%

G&A increased in the year ended December 31, 2022 as compared to the year ended December 31, 2021. Bad Debt expense increased $135,000 year over year. Insurance increased $188,000 due to the increase in equipment and employees. Rent and Utilities increased $394,000 due to the IMAC and BackSpace clinics that were added in 2021.

FDA Clinical Trial

In August 2020, the United States Food and Drug Administration (the “FDA”) approved the Company’s investigational new drug application. The Company has begun Phase 1 of the clinical trial, which will be conducted over a 12-month period. The Company incurred $360,000 in expenses related to consultants, supplies, software and travel for the clinical trial during 2022, which is included in the G&A totals above. This is compared to $574,000 that was incurred for the trial in 2021.

Depreciation is related to our property and equipment purchases to use in the course of our business activities. Amortization is related to our business acquisitions.

Depreciation and Amortization	**2022**	**2021**	**Change from Prior Year**	**Percent Change from Prior Year**
Year Ended December 31	$ 1,627,000	$ 1,649,000	$ (22,000)	(1.3)%

Depreciation and amortization stayed relatively the same for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Analysis of Cash Flows

The primary source of our operating cash flow is the collection of accounts receivable from patients, private insurance companies, government programs, self-insured employers and other payers.

During the year ended December 31, 2022, net cash used in operations increased to $10.3 million compared to $7.6 million for the year ended December 31, 2021. This increase was primarily attributable to our net loss .

Net cash used in investing activities during the years ended December 31, 2022 and 2021 was $0.2 million and $2.5 million, respectively.

Net cash provided by financing activities during the year ended December 31, 2022 was $4.2 million, which was primarily proceeds from the sale of common stock, net of related fees, which totaled $4.4 million, reduced by principal repayments of $0.3 million. Net cash provided by financing activities during the year ended December 31, 2021 was $14.5 million, including proceeds from the sale of common stock, net of related fees, which totaled $20.2 million, reduced by principal repayments of $4.4 million.

Reconciliation of Non-GAAP Financial Measures

This report contains certain non-GAAP financial measures, including non-GAAP net income and adjusted EBITDA, which are used by management in analyzing our financial results and ongoing operational performance.

In order to better assess the Company's financial results, management believes that net income before interest, income taxes, stock based compensation, and depreciation and amortization ("adjusted EBITDA") is a useful measure for evaluating the operating performance of the Company because adjusted EBITDA reflects net income adjusted for certain non-cash and/or non-operating items. We also believe that adjusted EBITDA is useful to many investors to assess the Company's ongoing results from current operations. Adjusted EBITDA is a non-GAAP financial measure and should not be considered a measure of financial performance under GAAP. Because adjusted EBITDA is not a measurement determined in accordance with GAAP, such non-GAAP financial measures are susceptible to varying calculations. Accordingly, adjusted EBITDA, as presented, may not be comparable to other similarly titled measures of other companies.

This non-GAAP financial measure should not be considered as a substitute for, or superior to, measures of financial performance which are prepared in accordance with US GAAP and may be different from non-GAAP financial measures used by other companies and have limitations as analytical tools.

A reconciliation of adjusted EBITDA to the most directly comparable GAAP measures is set forth below.

	2022	2021
GAAP loss attributable to IMAC Holdings, Inc.	$ (18,313,000)	$ (10,542,000)
Interest income	(11,000)	(3,000)
Interest expense	14,000	504,000
Share-based compensation expense	445,000	571,000
Loss on disposal of assets	-	149,000
Loss on impairment	8,432,000	-
Depreciation and amortization	1,627,000	1,649,000
Adjusted EBITDA	$ (7,806,000)	$ (7,672,000)

Liquidity and Capital Resources

As of December 31, 2022, we had $0.8 million in cash and working capital of $0.5 million. As of December 31, 2021, we had cash of $7.1 million and working capital of $4.1 million. The decrease in working capital was primarily due to a $6.4 million decrease in cash, a $1.7 million increase in accounts receivable and a $1.2 million decrease in current liabilities.

As of December 31, 2022, we had approximately $3.7 million in current liabilities. Approximately $1.7 million of our current liabilities outstanding were to our vendors, which we have historically paid down in the normal course of our business and accrued payroll. Patient deposits accounted for approximately $242,000 of our current liabilities. The current portion of notes payable by us accounted for approximately $52,000 of our current liabilities. The current portion of our finance lease obligations accounted for approximately $20,000 of our current liabilities. The current portion of our liability to issue common stock accounted for approximately $330,000 of our current liabilities. The current portion of our operating lease liability accounted for approximately $1.4 million of our current liabilities.

As of December 31, 2022, we had an accumulated deficit of $46.5 million. We anticipate that we will need to raise additional capital to fund future operations. However, we may be unable to raise additional funds or enter into such arrangements when needed or favorable terms, or at all, which would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our development or acquisition activity. Failure to receive additional funding could also cause us to cease operations, in part or in full. Furthermore, even if we believe we have sufficient funds for our current of future operating plans, we may seek additional capital due to favorable market conditions or strategic considerations. Our management team has determined that our financial condition raises substantial doubt as to our ability to continue as a going concern.

Iliad Note

On October 29, 2020, the Company entered into the Note Purchase Agreement with Iliad pursuant to which the Company agreed to issue and sell to Iliad a secured promissory note in an initial principal amount of $2,690,000, which is payable on or before April 29, 2022. The October Principal Amount includes an original discount of $175,000 and $15,000 that the Company agreed to pay to Iliad to cover legal fees, accounting costs, due diligence and other transaction costs. In exchange for the October Note, Iliad paid a purchase price of $2,500,000. The October Purchase Agreement also provides for indemnification of Iliad and its affiliates in the event that they incur loss or damage related to, amount other things, breach by the Company of any of its representations, warranties or covenants under the October Purchase Agreement. In connection with the October Purchase Agreement and the October Note, the Company entered into a Security Agreement with Iliad, pursuant to which the obligations of the Company is secured by all of the assets of the Company, excluding the Company's accounts receivable and intellectual property. Upon an event of default under the October Note, the October Security Agreement entitles the Holder to take possession of such collateral; provided that Iliad's security interest and remedies with respect to the collateral are junior in priority to the security interest previously granted by the Company to Iliad in connection with a separate financing entered into by them on March 25, 2020, for which Iliad holds a senior, first-priority security interest in the same collateral. The Company repaid the note in January 2022.

Public Offering

On March 26, 2021, the Company completed a public offering by issuing 10,625,000 shares of common stock for gross proceeds of $17 million. The Company used approximately $1.8 million for the repayment of certain indebtedness and is using the remaining proceeds for the repayment of certain other indebtedness, to finance the costs of developing and acquiring additional outpatient medical clinics and healthcare centers as part of the Company's growth and expansion strategy and for working capital.

On April 7, 2021 the Company closed on the sale of an additional 1,193,750 shares of common stock at the then public offering price of $1.60 per share, pursuant to the 15% over-allotment option exercised in full by the underwriters in connection with its public offering that closed March 2021.

On August 16, 2022, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with institutional accredited investors (the "Purchasers") pursuant to which the Company offered for sale to the Purchasers an aggregate of 5,164,474 shares (the "Shares") of its common stock at a purchase price of $0.76, in a registered direct offering (the "Registered Direct Offering"). In a concurrent private placement, the Company also agreed to issue to the investors Series 1 warrants to purchase 5,164,474 shares of common stock that will become exercisable on the date that is six months following the date of issuance of the shares of common stock in the Registered Direct Offering (the "Exercise Date") and expire on the five year anniversary of the Exercise Date, at an exercise price of $0.95 per share, and Series 2 warrants to purchase 5,164,474 shares of common stock that will become exercisable on the Exercise Date and expire on the one year anniversary of the Exercise Date, at an exercise price of $0.95 per share. The Shares were offered by the Company pursuant to its shelf registration statement on Form S-3 (File No. 333-237455) originally filed with the SEC on March 27, 2020 (as amended, the "Registration Statement"), which was declared effective on April 3, 2020. The Company received gross proceeds of both transactions of $3.9 million. The Company intends to use the net proceeds from this offering for working capital and other general corporate purposes, including financing the costs of implementing the Company's strategic alternative activities.

Contractual Obligations

The following table summarizes our contractual obligations by period as of December 31, 2022:

	Payments Due by Period			
	Total	Less Than 1 Year	1-3 Years	4-5 Years
Short-term obligations	$ 55,528	$ 55,528	$ -	$ -
Long-term obligations, including interest	55,971	-	55,971	-
Finance lease obligations, including interest	31,809	21,806	10,003	-
Operating lease obligations, including interest	4,432,675	1,545,103	2,668,498	219,074
	$ 4,575,983	$ 1,622,437	$ 2,734,472	$ 219,074

Impact of Inflation

We believe that inflation had a material impact on our results of operations for the years ended December 31, 2022. Inflation was evident in staffing and supply costs related to the delivery of patient care. We cannot assure you that future inflation will not have an adverse impact on our operating results and financial condition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable for smaller reporting companies.

ITEM 8.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
of IMAC Holdings, Inc.
Brentwood, Tennessee

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of IMAC Holdings, Inc. (the "Company"), as of December 31, 2022 and 2021, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years ended December 31, 2022 and 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended December 31, 2022 and 2021, in conformity with accounting principles generally accepted in the United States of America.

The Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Cherry Bekaert LLP

We have served as the Company's auditor since 2021.

Nashville, Tennessee
March 31, 2023

IMAC Holdings, Inc.
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash	$ 763,211	$ 7,118,980
Accounts receivable, net	2,881,239	1,209,333
Deferred compensation, current portion	196,119	191,657
Other assets	367,358	547,536
Total current assets	4,207,927	9,067,506
Property and equipment, net	1,584,714	2,323,163
Other assets:		
Goodwill	-	4,661,796
Intangible assets, net	1,365,457	5,797,469
Deferred compensation, net of current portion	-	73,816
Security deposits	300,430	357,050
Right of use assets, net	3,623,078	4,948,393
Total other assets	5,288,965	15,838,524
Total assets	$ 11,081,606	$ 27,229,193
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,702,740	$ 2,523,332
Patient deposits	241,666	320,917
Notes payable, current portion	51,657	254,487
Finance lease obligations, current portion	19,898	19,050
Liability to issue common stock, current portion	329,855	337,935
Operating lease liability, current portion	1,368,016	1,478,140
Total current liabilities	3,713,832	4,933,861
Long-term liabilities:		
Notes payable, net of current portion	53,039	104,697
Finance lease obligations, net of current portion	9,375	29,273
Liability to issue common stock, net of current portion	-	189,375
Operating lease liabilities, net of current portion	2,654,104	4,018,926
Total liabilities	6,430,350	9,276,132
Commitment and Contingencies – Note 14		
Stockholders' equity:		
Preferred stock - $0.001 par value, 5,000,000 authorized, nil issued and outstanding at December 31, 2022 and 2021	-	-
Common stock; $0.001 par value, 60,000,000 authorized; 33,017,758 and 26,876,409 shares issued at December 31, 2022 and 2021, respectively; 32,935,294 and 26,218,167 shares outstanding at December 31, 2022 and 2021, respectively.	32,935	26,218
Additional paid-in capital	51,138,061	46,133,777
Accumulated deficit	(46,519,740)	(28,206,934)
Total stockholders' equity	4,651,256	17,953,061
Total liabilities and stockholders' equity	$ 11,081,606	$ 27,229,193

See notes to consolidated financial statements

IMAC Holdings, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2022 and 2021

	2022	2021
Patient revenue, net	$ 16,185,682	$ 14,163,668
Other income	-	6,092
Management fees	-	216,068
Total revenue	16,185,682	14,385,828
Operating expenses:		
Patient expenses	1,508,408	1,628,206
Salaries and benefits	14,517,253	13,309,797
Advertising and marketing	1,100,422	1,324,715
General and administrative	7,281,473	6,422,818
Depreciation and amortization	1,626,614	1,649,187
Loss on disposition or impairment	8,431,803	149,464
Total operating expenses	34,465,974	24,484,186
Operating loss	(18,280,292)	(10,098,358)
Other income (expense):		
Interest income	10,583	2,885
Other income (expense)	(28,905)	57,329
Interest expense	(14,191)	(504,103)
Total other income (expenses)	(32,513)	(443,889)
Net loss before income taxes	(18,312,806)	(10,542,247)
Income taxes	-	-
Net loss	$ (18,312,806)	$ (10,542,247)
Net loss per share attributable to common stockholders		
Basic and diluted	$ (0.65)	$ (0.47)
Weighted average common shares outstanding		
Basic and diluted	28,273,884	22,551,699

See notes to consolidated financial statements

IMAC Holdings, Inc.
Consolidated Statement of Stockholders' Equity
For the Years Ended December 31, 2022 and 2021

	Common Stock		Additional		
	Number of Shares	Par	Paid-In-Capital	Accumulated Deficit	Total
Balance, December 31, 2020, as revised	12,747,055	$ 12,747	$ 25,465,094	$ (17,664,687)	$ 7,813,154
Issuance of common stock	13,471,113	13,471	20,514,828	-	20,528,299
Issuance of employee stock options	-	-	153,855	-	153,855
Net loss	-	-	-	(10,542,247)	(10,542,247)
Balance, December 31, 2021	26,218,167	26,218	46,133,777	(28,206,934)	17,953,061
Issuance of common stock	6,717,127	6,717	4,909,214	-	4,915,931
Issuance of employee stock options	-	-	95,070	-	95,070
Net loss	-	-	-	(18,312,806)	(18,312,806)
Balance, December 31, 2022	32,935,294	$ 32,935	$ 51,138,061	$ (46,519,740)	$ 4,651,256

See notes to consolidated financial statements

IMAC Holdings, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	Year Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	$ (18,312,806)	$ (10,542,247)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	1,626,614	1,649,187
Share based compensation	444,503	570,513
Loss on disposition of assets	98,116	149,464
Loss on impairment	8,333,687	-
Gain on lease modification	-	(57,086)
Amortization of debt issuance expense	-	312,857
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,671,906)	304,350
Other assets	180,178	(158,834)
Security deposits	56,620	36,357
Right of use/lease liability	(149,631)	(162,797)
Accounts payable and accrued expenses	(820,592)	281,428
Patient deposits	(79,251)	25,846
Net cash from operating activities	(10,294,468)	(7,590,962)
Cash flows from investing activities:		
Purchase of property and equipment	(331,382)	(694,376)
Brand development	-	(69,070)
Acquisitions	-	(1,718,500)
Proceeds from sale of property and equipment	71,400	24,450
Net cash from investing activities	(259,982)	(2,457,496)
Cash flows from financing activities:		
Proceeds from issuance of common stock	4,472,219	19,005,323
Payments on notes payable	(254,488)	(4,436,375)
Payments on finance lease obligation	(19,050)	(25,462)
Net cash from financing activities	4,198,681	14,543,486
Net increase (decrease) in cash	(6,355,769)	4,495,058
Cash, beginning of period	7,118,980	2,623,952
Cash, end of period	$ 763,211	$ 7,118,980
Supplemental cash flow information:		
Interest paid	$ 14,191	$ 239,011
Non-Cash Financing and Investing:		
Business acquisition via stock issuance	$ -	$ 1,200,000

See notes to consolidated financial statements

Note 1 – Description of Business

IMAC Holdings, Inc. is a holding company for IMAC Regeneration Centers, The Back Space retail stores and our Investigational New Drug division. IMAC Holdings, Inc. and its affiliates (collectively, the "Company") provide movement, orthopedic and neurological therapies through its chain of IMAC Regeneration Centers. Through its consolidated and equity owned entities, its outpatient medical clinics provide conservative, non-invasive medical treatments to help patients with back pain, knee pain, joint pain, ligament and tendon damage, and other related soft tissue conditions. As of December 31, 2022, the Company had opened or acquired through management service agreements ten (10) medical clinics located in Florida, Illinois, Kentucky, Louisiana and Missouri. The Company has partnered with several well-known sports stars such as Ozzie Smith and Tony Delk in opening its medical clinics, with a focus on delivering sports medicine treatments without opioids. As of December 31, 2022, The BackSpace, LLC had opened ten retail clinic locations in Florida, Missouri and Tennessee. The BackSpace operated healthcare centers specializing in chiropractic and spinal care services inside Walmart retail locations. The Company's Investigational New Drug division is conducting a clinical trial for its investigational compound utilizing umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's disease.

As outlined in Note 15, given the Company's current financial position, during the first quarter of 2023 the Company decided to close four underperforming locations and sold its Louisiana Orthopedic practice as well as The BackSpace, LLC operations in an effort to raise sufficient capital to support on-going operations. Management has been actively exploring various strategic alternatives in an effort to support operations in 2023 and beyond (see Note 15 for discussion regarding the intent for a strategic merger-of-equals with Brain Scientific, Inc.).

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in the United States of America ("U.S.") as promulgated by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

The accompanying consolidated financial statements include the accounts of IMAC Holdings, Inc. and the following entities which are consolidated due to direct ownership of a controlling voting interest or other rights granted to us as the sole general partner or managing member of the entity: IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis"), IMAC Management Services, LLC ("IMAC Management"), IMAC Regeneration Management, LLC ("IMAC Texas") IMAC Regeneration Management of Nashville, LLC ("IMAC Nashville") IMAC Management of Illinois, LLC ("IMAC Illinois"), Advantage Hand Therapy and Orthopedic Rehabilitation, LLC ("Advantage Therapy"), IMAC Management of Florida, LLC ("IMAC Florida"), Louisiana Orthopaedic & Sports Rehab ("IMAC Louisiana") and The Back Space, LLC ("BackSpace"); the following entity which is consolidated with IMAC Regeneration Management of Nashville, LLC due to control by contract: IMAC Regeneration Center of Nashville, PC ("IMAC Nashville PC"); the following entities which are consolidated with IMAC Management of Illinois, LLC due to control by contract: Progressive Health and Rehabilitation, Ltd., Illinois Spine and Disc Institute, Ltd. and Ricardo Knight, P.C.; the following entities which are consolidated with IMAC Management Services, LLC due to control by contract: Integrated Medicine and Chiropractic Regeneration Center PSC ("Kentucky PC") and IMAC Medical of Kentucky, PSC ("Kentucky PSC") ; the following entities which are consolidated with IMAC Florida due to control by contract: Willmitch Chiropractic, P.A. and IMAC Medical of Florida, P.A.; the following entity which is consolidated with Louisiana Orthopaedic & Sports Rehab due to control by contract: IMAC Medical of Louisiana, a Medical Corporation; and the following entities which are consolidated with BackSpace due to control by contract: ChiroMart LLC, ChiroMart Florida LLC, and ChiroMart Missouri LLC.

In February 2021, the Company completed the asset purchase of and signed a Management Services Agreement with Willmitch Chiropractic, P.A. in Tampa, Florida.

In March 2021, the Company completed the asset purchase of NHC Chiropractic, PLLC dba Synergy Healthcare in Orlando, Florida.

In June 2021, the Company completed the asset purchase of Fort Pierce Chiropractic in Fort Pierce, Florida and Active Medical Center in Naperville, Illinois.

In October 2021, the Company consummated certain transactions resulting in the acquisition of the outstanding equity interest in Louisiana Orthopaedic & Sports Rehab Institute, Inc, an entity which presents the results of Louisiana Medical due to control by contract.

These acquisitions are included in the consolidated financial statements from the date of acquisition. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses at the date and for the periods that the consolidated financial statements are prepared. On an ongoing basis, the Company evaluates its estimates, including those related to insurance adjustments and provisions for doubtful accounts. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. Specifically, we reclassified share-based compensation to salaries and benefits.

Revenue Recognition

The Company's patient service revenue is derived from non-surgical procedures performed at our outpatient medical clinics. The fees for such services are billed either to the patient or a third-party payer, including Medicare.

The Company recognizes service revenues based upon the estimated amounts the Company expects to be entitled to receive from patients and third-party payers. Estimates of contractual adjustments are based upon the payment terms specified in the related contractual agreements. The Company also records estimated implicit price concessions (based primarily on historical collection experience) related to uninsured accounts to record these revenues at the estimated amounts expected to be collected.

Starting in January 2020, the Company implemented wellness maintenance programs on a subscription basis. There are currently four membership plans offered with different levels of service for each plan. The Company recognizes membership revenue on a monthly basis. Enrollment in the wellness maintenance program can occur at any time during the month and can be dis-enrolled at any time.

Starting in June 2021, the Company introduced BackSpace and began offering outpatient chiropractic and spinal care services as well as memberships services in Walmart retail locations. The fees for such services are paid and recognized as incurred.

Starting in September 2022, the Company introduced hormone replacement therapy "HRT" and medical weight loss programs. The Company recognizes HRT and medical weight loss revenue as the services are provided.

Other management service fees are derived from management services where the Company provides billings and collections support to the clinics and where management services are provided based on state specific regulations known as the corporate practice of medicine ("CPM"). Under the CPM, a business corporation is precluded from practicing medicine or employing a physician to provide professional medical services. In these circumstances, the Company provides all administrative support to the physician-owned PC through a LLC. The PC is consolidated due to control by contract (an "MSA" – Management Services Agreement). The fees we derive from these management arrangements are either based on a predetermined percentage of the revenue of each clinic or a percentage mark up on the costs of the LLC. The company recognizes other management service revenue in the period in which services are rendered. These revenues are earned by IMAC Nashville, IMAC Management, IMAC Illinois, IMAC Florida, IMAC Louisiana and the Back Space and are eliminated in consolidation to the extent owned.

Patient Deposits

Patient deposits are derived from patient payments in advance of services delivered. Our service lines include traditional and regenerative medicine. Regenerative medicine procedures are rarely paid by insurance carriers; therefore, the Company typically requires up-front payment from the patient for regenerative services and any co-pays and deductibles as required by the patient specific insurance carrier. For some patients, credit is provided through an outside vendor. In this case, the Company is paid from the credit card company and the risk is transferred to the credit card company for collection from the patient. These funds are accounted for as patient deposits until the procedures are performed at which point the patient deposit is recognized as patient service revenue.

Fair Value of Financial Instruments

The carrying amount of accounts receivable and accounts payable approximate their respective fair values due to the short-term nature. The carrying amount of the line of credit and note payable approximates fair values due to their market interest rates. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Variable Interest Entities

Certain states prohibit the “corporate practice of medicine,” which restricts business corporations from practicing medical care by exercising control over clinical decisions by doctors. In states which prohibit the corporate practice of medicine, the Company enters into long-term management agreements with professional corporations (“PCs”) that are owned by licensed doctors, which, in turn employ or contract with doctors who provide professional care in its clinics. Under these management agreements with PCs, the Company provides, on an exclusive basis, all non-clinical services of the practice.

The consolidated financial statements include the accounts of variable interest entities (“VIE”) in which the Company is the primary beneficiary under the provisions of the FASB Accounting Standards Codification 810, “*Consolidation*”. The Company has the power to direct the activities that most significantly impact a VIE’s economic performance. Additionally, the Company would absorb the substantially all of the expected losses from any of these entities should such expected losses occur. As of December 31, 2022, the Company’s consolidated VIE’s include 13 PCs.

The total assets (excluding goodwill and intangible assets, net) of the consolidated VIEs included in the accompanying consolidated balance sheets as of December 31, 2022 and 2021, were approximately $1.8 million and $2.2 million respectively, and the total liabilities of the consolidated VIEs were approximately $0.5 million and $0.6 million, respectively.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents at December 31, 2022 and 2021.

Accounts Receivable

Accounts receivable primarily consists of amounts due from third-party payers (non-governmental), governmental payers and private pay patients and is recorded net of allowances for doubtful accounts and contractual discounts. The Company’s ability to collect outstanding receivables is critical to its results of operations and cash flows. Accordingly, accounts receivable reported in the Company’s consolidated financial statements is recorded at the net amount expected to be received.

The Company’s accounts receivable from third-party payers are recorded net of estimated contractual adjustments and allowances from third-party payers, which are estimated based on the historical trend of the Company’s facilities’ cash collections and contractual write-offs, accounts receivable aging, established fee schedules, relationships with payers and procedure statistics. While changes in estimated reimbursement from third-party payers remain a possibility, the Company expects that any such changes would be minimal and, therefore, would not have a material effect on the Company’s financial condition or results of operations. The Company’s collection policies and procedures are based on the type of payor, size of claim and estimated collection percentage for each patient account. The Company analyzes accounts receivable at each of the facilities to ensure the proper collection and aged category. The operating systems generate reports that assist in the collection efforts by prioritizing patient accounts. Collection efforts include direct contact with insurance carriers or patients and written correspondence.

Allowance for Doubtful Accounts, Contractual and Other Discounts

Management estimates the allowance for contractual and other discounts based on its historical collection experience and contracted relationship with the payers. The services authorized and provided and related reimbursement are often subject to interpretation and negotiation that could result in payments that differ from the Company’s estimates. The Company’s allowance for doubtful accounts is based on historical experience, but management also takes into consideration the age of accounts, creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. An account may be written-off only after the Company has pursued collection efforts or otherwise determines an account to be uncollectible. Uncollectible balances are written-off against the allowance. Recoveries of previously written-off balances are applied against operating expenses when the recoveries are made.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Additions and improvements to property and equipment are capitalized at cost. Depreciation of owned assets are computed using the straight-line method over the estimated useful lives and amortization of leasehold improvements are computed using the straight-line method over the shorter of the estimated useful lives of the related assets or the lease term. The cost of assets sold or retired, and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other income (expense) for the year. Expenditures for maintenance and repairs are charged to expense as incurred.

Intangible Assets

The Company capitalizes the fair value of intangible assets acquired in business combinations. Intangible assets are amortized on a straight-line basis over their estimated economic useful lives, generally the contract term. The Company performs valuations of assets acquired and liabilities assumed on each acquisition accounted for as a business combination and allocates the purchase price of each acquired business to its respective net tangible and intangible assets. The Company records an impairment loss when the carrying amount of the asset is not recoverable and exceeds its fair value. In March 2022 the Company decided to close a clinic in Florida with a total intangible carrying amount of approximately $34,000, which was written off as impaired. As a result, the Company recorded a noncash impairment loss for this amount during the three months ended March 31, 2022. Due to a significant drop in share price in the three months ended September 30, 2022, the Company determined that a triggering event occurred. It was determined that there was an impairment loss of $2,128,000 on the IMAC Illinois MSA and $1,672,000 on the IMAC Kentucky MSA. In the three months ended December 31, 2022, the Company recorded an impairment loss of $1,000 on the IMAC Florida MSA.

Goodwill

Our goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed in business combinations. The goodwill generated from the business combinations is primarily related to the value placed on the employee workforce and expected synergies. Judgment is involved in determining if an indicator or change in circumstances relating to impairment has occurred. Such changes may include, among others, a significant decline in expected future cash flows, a significant adverse change in the business climate, and unforeseen competition.

The goodwill test is performed at least annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The annual impairment test includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit’s fair value is less than its carrying value; the qualitative test may be performed prior to, or as an alternative to, performing a quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company is required to perform the quantitative goodwill impairment test. Otherwise, no further analysis is required.

The Company operates under one reporting unit. The quantitative impairment test involves the comparison of the fair value of the reporting unit to the Company’s carrying value. The Company calculates the fair value of each reporting unit using either (i) a discounted cash flows analysis that converts future cash flow amounts into a single discounted present value amount or (ii) a market approach. The Company assesses the valuation methodology based upon the relevance and availability of the data at the time that the valuation is performed. The Company compares the estimate of fair value for the reporting unit to the carrying value of the reporting unit. If the carrying value is greater than the estimate of fair value, an impairment loss will be recognized in the amount of the excess.

The Company performs its annual impairment test during the fourth quarter of the fiscal year. For the year ended December 31, 2022 the Company elected not to perform a qualitative impairment test and instead went straight to a quantitative assessment. As a result, the Company concluded that it was more-likely-than-not that the carrying value would be greater than the estimated fair value as of December 31, 2022. In addition, given the lack of viable long-term solvency it was determined that it was appropriate to fully impair goodwill. A goodwill impairment loss of $4.5 million was recorded as of December 31, 2022. For the year ended December 31, 2021, the Company performed a qualitative impairment test and based on the totality of information available, the Company concluded that it was more-likely-than-not that the estimated fair value was greater than the carrying value as of December 31, 2021, therefore no impairment was recorded during 2021.

Long-Lived Assets

Long-lived assets such as property and equipment, operating lease assets and intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Some of the events or changes in circumstances that would trigger an impairment test include, but are not limited to:

- the Company's expectation to dispose of long-lived assets before the end of their estimated useful lives, even though the assets do not meet the criteria to be classified as "Held for Sale";
- significant changes in the Company's stock price per share;
- significant negative industry or economic trends.

In March 2022 the Company decided to close a clinic in Florida with a total intangible carrying amount of approximately $34,000, which was written off as impaired. As a result, the Company recorded a noncash impairment loss for this amount during the three months ended March 31, 2022.

Due to a significant drop in share price in the three months ended September 20, 2022, the Company determined that a triggering event occurred. The Company utilized a third-party consultant to perform an impairment test on Management Service Agreements (MSA) in the IMAC Illinois and IMAC Kentucky companies. It was determined that there was an impairment loss of $2,128,000 on the IMAC Illinois MSA and $1,672,000 on the IMAC Kentucky MSA. In the three months ended December 31, 2022, the Company recorded an impairment loss of $1,000 on the IMAC Florida MSA. A goodwill impairment loss of $4.5 million was recorded in December 2022 related to our Florida, Tennessee, Missouri and Louisiana acquisitions.

Advertising and Marketing

The Company uses advertising and marketing to promote its services. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was approximately $1,100,000 and $1,325,000 for the years ended December 31, 2022 and 2021, respectively.

Net Loss Per Share

Basic net loss per common share is computed by dividing net loss applicable to common stockholders by the weighted-average number of common shares outstanding during the year. Diluted net loss per common share is determined using the weighted-average of common shares outstanding during the year, adjusted for the dilutive effect of common stock equivalents, consisting of the conversion option embedded in convertible debt. The weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would have an anti-dilutive effect.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets are required to be reduced by a valuation allowance to the extent that, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized.

Note 3 – Capital Requirements, Liquidity and Going Concern Considerations

The Company's consolidated financial statements are prepared in accordance with GAAP and includes the assumption of a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, as shown in the accompanying consolidated financial statements, the Company has sustained substantial losses from operations since inception which raises substantial doubt regarding the Company's ability to continue as a going concern. The Company had working capital of approximately $0.5 million at December 31, 2022 and working capital of approximately $4.1 million at December 31, 2021. The Company had a net loss of approximately $18.3 million at December 31, 2022, and used cash in operations of approximately $10.3 million for the year ended December 31, 2022. The Company expects to continue to incur expenditures for working capital.

Given the current financial position of the Company, during the first quarter of 2023, management decided to close four underperforming locations and has begun entering into agreements to sell certain elements of their business in an effort to raise sufficient capital to support current operations (see Note 15). Management recognizes that the Company must gain access to additional funding to successfully operate its managed clinics. Management has been actively exploring various strategic alternatives in an effort to support operations in 2023 and beyond (see Note 15 for discussion regarding the intent for a strategic merger-of-equals with Brain Scientific, Inc.). If management is not able to timely and successfully gain access to sufficient capital, the financial condition and results of operations will be materially affected. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Concentration of Credit Risks

Cash

The Company maintains its cash in accounts at financial institutions, which may, at times, exceed federally-insured limits of $250,000.

Revenue and Accounts Receivable Concentration

As of December 31, 2022 and 2021, the Company had revenue and accounts receivable concentration related to payments from Medicare as outlined in the table below:

	2022		2021	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
Medicare payments	32%	18%	37%	16%

Note 5 – Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2022	2021
Accounts receivable, net of contractual adjustments	$ 3,044,718	$ 1,290,312
Less: allowance for doubtful accounts	(163,479)	(80,979)
Accounts receivable, net	$ 2,881,239	$ 1,209,333

Note 6 – Business Acquisitions

IMAC Florida

In February 2021, the Company completed the acquisition of and signed Management Services Agreement with Willmitch Chiropractic, P.A. in Tampa, Florida. The transaction was completed for $421,000. Willmitch Chiropractic's founder, Martin Willmitch, will remain with the Company and serve as Vice President of Managed Care of IMAC Holdings. A total of $7,400 was allocated to property and equipment with the remaining $413,600, allocated to goodwill. The Company recorded an impairment loss of $413,600 at December 31, 2022.

In March 2021, the Company completed the asset purchase of NHC Chiropractic, PLLC dba Synergy Healthcare in Orlando, Florida. The transaction was completed as an asset purchase for $142,500. A total of $149,720 was allocated to property and equipment and $7,220 allocated to acquired payables.

In June 2021, the Company completed an asset purchase of Fort Pierce Chiropractic in Fort Pierce, Florida. The transaction was completed as an asset purchase for $50,000. A total of $45,000 was allocated to property and equipment with the remaining $5,000 allocated to customer lists.

IMAC Chicago

In June 2021, the Company also completed an asset purchase of Active Medical Center in Naperville, Illinois. The transaction was completed as an asset purchase for $205,000. A total of $200,000 was allocated to property and equipment with the remaining $5,000 allocated to deposits.

IMAC Louisiana

In October 2021, the Company consummated certain transactions resulting in the acquisition of the outstanding equity interest in Louisiana Orthopaedic & Sports Rehab Institute, Inc, (the "Louisiana Acquisition"). The transaction was completed for $1,200,000 and $1,200,000 in common stock.

The Company completed its formal valuation analysis to identify and determine the fair value of identifiable tangible assets acquired related to this acquisition during 2022. A total of $192,500 has been allocated to a non-compete agreement, $77,000 allocated to an intellectual property agreement with the remaining $2,045,500 allocated to goodwill. The Company recorded an impairment loss related to the full balance of this goodwill at December 31, 2022.

Note 7 – Property and Equipment

Property and equipment consisted of the following at December 31:

	Estimated Useful Life in Years	2022	2021
Leasehold improvements	Shorter of asset or lease term	$ 2,233,603	$ 2,127,762
Equipment	1.5 – 10	2,820,166	2,810,028
Total property and equipment		5,053,769	4,937,790
Less: accumulated depreciation		(3,476,977)	(2,990,902)
		1,576,792	1,946,888
Construction in progress		7,922	376,275
Total property and equipment, net		$ 1,584,714	$ 2,323,163

Depreciation was $867,364 and $761,034 for the years ended December 31, 2022 and 2021, respectively.

Note 8 – Intangibles Assets and Goodwill

Intangible assets that were acquired in connection with the acquisition transactions (Note 6) during 2022 and 2021:

		December 31, 2022		
	Estimated Useful Life	Cost	Accumulated Amortization and Impairment	Net
Intangible assets:				
Management service agreements	10 years	$ 7,940,398	$ (6,939,916)	$ 1,000,482
Non-compete agreements	3 years	391,000	(359,125)	31,875
Intellectual property agreements	2 years	77,000	(48,125)	28,875
Brand development	15 years	69,071	(8,596)	60,475
Definite lived assets		8,477,469	(7,355,762)	1,121,707
Research and development		243,750	-	243,750
Goodwill		4,499,796	(4,499,796)	-
Total intangible assets and goodwill		$ 13,221,015	$ (11,855,558)	$ 1,365,457

		December 31, 2021		
	Estimated Useful Life	Cost	Accumulated Amortization	Net
Intangible assets:				
Management service agreements	10 years	$ 7,940,398	$ (2,500,418)	$ 5,439,980
Non-compete agreements	3 years	306,000	(302,458)	3,542
Customer lists	3 years	134,882	(89,921)	44,961
Brand development	15 years	69,071	(3,835)	65,236
Definite lived assets		8,450,351	(2,896,632)	5,553,719
Research and development		243,750	-	243,750
Goodwill		4,661,796	-	4,661,796
Total intangible assets and goodwill		$ 13,355,897	$ (2,896,632)	$ 10,459,265

In March 2022 the Company decided to close a clinic in Florida with a total intangible carrying amount of approximately $34,000, which was written off as impaired. As a result, the Company recorded a noncash impairment loss for this amount during the three months ended March 31, 2022. Due to a significant drop in share price in the three months ended September 20, 2022, the Company determined that a triggering event occurred. It was determined that there was an impairment loss of $2,128,000 on the IMAC Illinois MSA and $1,672,000 on the IMAC Kentucky MSA.

The Company performs its annual impairment test during the fourth quarter of the fiscal year. For the year ended December 31, 2022, the Company performed a qualitative impairment test and, based on the totality of information available for the reporting units, the Company concluded that it was more-likely-than-not that the carrying value is greater than the estimated fair values of the reporting units as of December 31, 2022. A goodwill impairment loss of $4.5 million was recorded in December 2022 related to our Florida, Tennessee, Missouri and Louisiana acquisitions.

Amortization was $759,250 and $888,153 for the years ended December 31, 2022 and 2021, respectively.

The Company's estimated future amortization of intangible assets is as follows:

Years Ending December 31,	
2023	$ 241,227

2024		180,477
2025		180,477
2026		180,477
2027		180,477
Thereafter		158,572
	$	1,121,707

Note 9 – Operating Leases

On January 1, 2019, the Company adopted Topic ASC 842 using the modified retrospective method applied to leases that were in place at January 1, 2019. The Company's leases consist of operating leases that relate to real estate rental agreements. Most of the value of the Company's lease portfolio upon adoption relates to real estate lease agreements that were entered into starting March 2017.

Discount Rate Applied to Property Operating Lease

To determine the present value of minimum future lease payments for operating leases at January 1, 2019, the Company was required to estimate a rate of interest that we would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment (the "incremental borrowing rate" or "IBR").

The Company determined the appropriate IBR by identifying a reference rate and making adjustments that take into consideration financing options and certain lease-specific circumstances. For the reference rate of leases added during the year ended December 31, 2022, the Company used a weighted average interest rate.

Right of Use Assets

Right of use assets are included in the consolidated Balance Sheet as follows:

	December 31, 2022	December 31, 2021
Non-current assets		
Right of use assets, net of amortization	$ 3,623,078	$ 4,948,393

Total operating lease cost

Individual components of the total lease cost incurred by the Company is as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating lease expense	$ 1,622,466	$ 1,333,916

Minimum rental payments under operating leases are recognized on a straight light basis over the term of the lease.

Maturity of operating leases

The amount of future minimum lease payments under operating are as follows:

	Operating Leases
Undiscounted future minimum lease payments:	
2023	$ 1,545,103
2024	1,152,928
2025	887,061
2026	628,509
2027	137,383
Thereafter	81,691
Total	4,432,675
Amount representing imputed interest	(410,555)
Total operating lease liability	4,022,120
Current portion of operating lease liability	(1,368,016)
Operating lease liability, non-current	$ 2,654,104

Note 10 – Notes Payable

Set forth below is a summary of the Company's outstanding debt as of December 31, 2022 and December 31, 2021:

	December 31, 2022	December 31, 2021
Note payable to a financial institution in the amount of $200,000 dated November 15, 2017. The note requires 66 consecutive monthly installments of $2,652 including principal and interest at 5%, with a balloon payment of $60,000 which was paid on June 15, 2018. The note matures on May 15, 2023, and is secured by the personal guarantees of certain Company executives.	$ 13,093	$ 43,413
Note payable to a financial institution in the amount of $131,400 dated August 1, 2016. The note requires 120 monthly installments of $1,394 including principal and interest at 5%. The note matures on July 1, 2026, and is secured by a letter of credit.	54,763	68,378
$112,800 payable to a landlord of Advantage Therapy, LLC pursuant to a lease dated March 1, 2019. The debt is payable in 60 monthly installments of $2,129, including principal and interest at 5%. The debt matures on June 1, 2024.	36,840	59,913
Note payable to a financial institution in the amount of $140,000, dated September 25, 2019. The note requires 36 consecutive monthly installments of $4,225 including principal and interest at 5.39%. The note matures on September 19, 2022 and is secured by a personal guarantee of the Vice President of Business Development of the Company.	-	37,179
Note payable in the amount of $2,690,000, dated October 29, 2020. The note is payable on or before April 29, 2022. The interest on the note accrues at a rate of 7% per annum and is payable on the maturity date or otherwise in accordance with the note.	-	150,301
	104,696	359,184
Less: current portion:	(51,657)	(254,487)
	$ 53,039	$ 104,697

Principal maturities of notes payable are as follows:

Years Ending December 31,	Amount
2023	$ 51,657
2024	27,631
2025	15,813
2026	9,595
Total	$ 104,696

Note 11 – Shareholders' Equity

On October 5, 2020, the Company launched an at-the-market offering of up to $5,000,000 worth of shares of the Company's common stock pursuant to an At-The-Market Issuance Sales Agreement, dated October 5, 2020, by and between the Company and Ascendiant Capital Markets, LLC. Since the launch and as of December 31, 2022, pursuant to the Agreement, the Company had sold 2,517,536 shares of common stock through Ascendiant Capital Markets for aggregate proceeds to the Company of $3.8 million. The Company sold 975,778 shares during 2022 for an aggregate amount of $0.9 million and 3,797 shares during 2021 for an aggregate amount of $0.008 million.

During March 2021, the Company completed a public offering by issuing 10,625,000 shares of common stock for gross proceeds of $17.0 million and incurring $1.2 million in expenses related to public offering. The Company used approximately $1.8 million for the repayment of certain indebtedness and is using the remaining proceeds for the repayment of certain other indebtedness, to finance the costs of developing and acquiring additional outpatient medical clinics and healthcare centers as part of the Company's growth and expansion strategy and for working capital.

On April 7, 2021 the Company closed on the sale of an additional 1,193,750 shares of common stock at the recent public offering price of $1.60 per share, pursuant to the 15% over-allotment option exercised in full by the underwriters in connection with its public offering that closed March 2021. The Company received gross proceeds of $1.91 million and incurred approximately $115,000 in additional expenses.

On October 1, 2021, the Company completed a stock purchase agreement and issued 810,811 shares of its common stock as consideration. This transaction was part of the $1,200,000 in stock consideration for the Louisiana acquisition.

On July 6, 2022, the Company's shareholders approved the Board of Directors' proposal to increase the number of authorized shares of the Company's common stock to 60,000,000 shares from 30,000,000 shares.

On August 16, 2022, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with institutional accredited investors (the "Purchasers") pursuant to which the Company offered for sale to the Purchasers an aggregate of 5,164,474 shares (the "Shares") of its common stock at a purchase price of $0.76, in a registered direct offering (the "Registered Direct Offering"). In a concurrent private placement, the Company also agreed to issue to the investors Series 1 warrants to purchase 5,164,474 shares of common stock that will become exercisable on the date that is six months following the date of issuance of the shares of common stock in the Registered Direct Offering (the "Exercise Date") and expire on the five year anniversary of the Exercise Date, at an exercise price of $0.95 per share, and Series 2 warrants to purchase 5,164,474 shares of common stock that will become exercisable on the Exercise Date and expire on the one year anniversary of the Exercise Date, at an exercise price of $0.95 per share. The Shares were offered by the Company pursuant to its shelf registration statement on Form S-3 originally filed with the SEC on March 27, 2020 (as amended, the "Registration Statement"), which was declared effective on April 3, 2020. The Company received gross proceeds of both transactions of $3.9 million. The Company used the net proceeds from this offering for working capital and other general corporate purposes, including financing the costs of implementing the Company's strategic alternative activities.

2018 Incentive Compensation Plan

The Company's board of directors and holders of a majority of outstanding shares approved and adopted the Company's 2018 Incentive Compensation Plan ("2018 Plan") in May 2018, reserving the issuance of up to 1,000,000 shares of common stock (subject to certain adjustments) upon exercise of stock options and grants of other equity awards. The 2018 Plan provides for the grant of incentive stock options ("ISOs"), nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, other forms of equity compensation and performance cash awards. ISOs may be granted only to employees. All other awards may be granted to employees, including officers, and to the Company's non-employee directors and consultants, and affiliates.

Stock Options

As of December 31, 2022, the Company had issued non-qualified stock options to purchase 274,560shares of its common stock to various employees of the Company. Most options vest over a period of four years, with 25% vesting after one year and the remaining 75% vesting in equal monthly installments over the following 36 months and are exercisable for a period of ten years. One award granted in 2021 vests over a period of one year and is exercisable for a period of ten years. Stock based compensation for stock options is estimated at the grant date based on the fair value calculated using the Black-Scholes method. The per-share fair values of these options is calculated based on the Black-Scholes-Merton pricing model.

The information below summarizes the stock options:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding at December 31, 2020	360,169	$ 3.43	3.35
Granted	49,000	1.60	3.40
Exercised	-	-	-
Cancelled	(42,118)	3.92	1.44
Outstanding at December 31, 2021	367,051	$ 3.23	3.58
Granted	-	-	-
Exercised	-	-	-
Cancelled	(30,585)	3.26	1.65
Outstanding at December 31, 2022	336,466	$ 3.23	3.75

Restricted Stock Units

On May 21, 2019, the Company granted an aggregate of 277,500 Restricted Stock Units ("RSUs") to certain employees, executives and Board members, the terms of which vest over various periods between the date of grant and May 21, 2023. On August 13, 2019, 30,000 shares of common stock were issued pursuant to granted RSUs which had vested as of such date.

On October 20, 2020, the Company granted an aggregate of 300,000 RSUs to Board members with these RSUs vesting in eight equal quarterly installments commencing on February 1, 2021, provided the Board members remain directors of the Company. Effective October 2021, the vesting schedule was amended to a one-year vesting period. As of March 31, 2022, all these granted RSUs had vested and were issued to the Board members.

On January 30, 2021, the Company granted an aggregate of 17,000 RSUs to non-executive staff and contractors with these RSUs vesting after one year. As of March 31, 2022, all these granted RSUs had vested and were issued.

On October 27, 2021 the Company granted 10,000 shares to a consultant that vested immediately.

On February 21, 2022, the Company granted 100,000 RSUs to an executive that vested immediately.

On September 22, 2022, the Company granted an aggregate of 300,000 RSUs to Board members with immediate vesting. The Company granted an aggregate of 512,000 Restricted Stock Units ("RSUs") to certain employees and executives with a one-year vesting period.

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2020	440,625	$ 1.83
Granted	27,000	1.56
Vested	(206,875)	1.56
Cancelled	-	-
Outstanding at December 31, 2021	260,750	$ 2.02
Granted	912,000	0.51
Vested	(446,875)	0.96
Cancelled	(5,000)	0.44
Outstanding at December 31, 2022	720,875	$ 0.78

Note 12 – Retirement Plan

The Company offers a 401(k) plan that covers eligible employees. The plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make matching contributions of 100% up to 3% and 50% of the next 2% of total compensation for those employees making salary deferrals. The Company made contributions of $134,534 and $139,870 during 2022 and 2021, respectively.

Note 13 – Income Taxes

For the year ended December 31, 2022, and December 31, 2021, no income tax expense or benefit was recorded related to income taxes due to the Company's overall operating results and the change in the valuation allowance. The components of income tax expense (benefit) for the year ended December 31, 2022, and December 31, 2021, are as follows:

	December 31, 2022	December 31, 2021
Current income tax expense (refund) - federal	$ -	$ -
Current income tax expense (refund) - state	-	-
Total current income tax expense (refund)	-	-
Deferred income tax expense (benefit) - federal	-	-
Deferred income tax expense (benefit) - state	-	-
Total deferred income tax expense (benefit)	-	-
Total provision for income taxes	$ -	$ -

The tax effects of temporary differences which give rise to the significant portions of deferred tax assets or liabilities at December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Reserves & allowances	$ 20,738	$ 20,880
Charitable contribution carry-forward	3,000	3,020
Net operating loss carry-forward - federal	7,778,105	6,049,391
Net operating loss carry-forward - state	2,294,317	1,887,147
Amortization	2,029,833	-
Non-qualified stock options	459,093	349,328
Total deferred tax assets	$ 12,585,086	$ 8,309,766
Deferred tax liabilities:		
Depreciation	$ (2,914)	$ (200,738)
Amortization	-	(119,004)
Total deferred tax liabilities	$ (2,914)	$ (319,742)
Less valuation allowance	(12,582,172)	(7,990,024)
Total net deferred tax assets	$ -	$ -

The Company has federal net operating loss carry-forward of approximately $37.0 million and state net operating losses of approximately $39.3 million. There is no expiration of the federal loss carry-forwards as all federal net operating loss carry-forwards were generated after December 31, 2017. The state operating loss carry-forwards are subject to expiration beginning on December 31, 2031. Net deferred tax assets are mainly comprised of temporary differences between financial statement carrying amount and tax basis of assets and liabilities.

ASC 740 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. At December 31, 2022 and 2021, a full valuation allowance was required.

In addition, the Company performed a comprehensive review of its uncertain tax positions and determined that no adjustments were necessary relating to unrecognized tax benefits as December 31, 2022. The Company's federal and state income tax returns are subject to examination by taxing authorities for three years after the returns are filed, and the Company's federal and state income tax returns for 2019 through 2021 remain open to examination.

The reconciliation of the income tax (benefit) to the U.S. federal statutory income tax rate is as follows:

	December 31, 2022	December 31, 2021
Federal statutory income tax	21.00%	21.00%
Permanent differences	(0.01)%	(0.01)%
Change in Tax Credits	0.00%	0.00%
Change in Tax Rate	0.00%	0.00%
Change in valuation allowance	(25.20)%	(25.77)%
State income taxes, net of federal benefit	4.61%	4.78%
Prior year adjustments	(0.40)%	0.00%
Total	0.00%	0.00%

Note 14 – Commitments and Contingencies

The Company accrues a liability and charges operations for the estimated costs of contingent liabilities, including adjudication or settlement of various asserted and unasserted claims existing as of the balance sheet date, where there is a reasonable possibility that a loss has been incurred and the loss (or range of probable loss) is estimable.

From time to time the Company may become subject to threatened and/or asserted claims arising in the ordinary course of our business. Other than the matter described below, management is not aware of any matters, either individually or in the aggregate, that are reasonably likely to have a material impact on the Company's financial condition, results of operations or liquidity.

Third Party Audit

From time to time, in the ordinary course of business, we are subject to audits under various governmental programs in which third party firms engaged by the Center for Medicare & Medicaid Services ("CMS") conduct extensive reviews of claims data to identify potential improper payments. We cannot predict the ultimate outcome of any regulatory reviews or other governmental audits and investigations.

On April 15, 2021, the Company received notification from Covent Bridge Group, a Center for Medicare & Medicaid Services ("CMS") contractor, that they are recommending to CMS that the Company was overpaid in the amount of $2,921,868. This amount represents a statistical extrapolation of $11,530 of charges from a sample of 40 claims for the periods February 2017 to November 2020. On June 3, 2021, the Company received a request for payment from CMS in the amount of $2,918,472. The Company began its own internal audit process and initiated the appropriate appeals. The Company received a notification dated September 30, 2021, from CMS that they "found the request to be favorable by reversing the extrapolation to actual". The Company received a separate notification stating "the extrapolated overpayment was reduced to the actual overpayment amount for the sampled denied claims $5,327.73," which had been paid as of December 31, 2021.

On October 21, 2021, the Company received notification from Covent Bridge Group, a Center for Medicare & Medicaid Services ("CMS") contractor, that they are recommending to CMS that the Company was overpaid in the amount of $2,716,056.33. This amount represents a statistical extrapolation of $6,791.33 of charges from a sample of 38 claims for the periods July 2017 to November 2020 for Progressive Health & Rehabilitation, Ltd ("Progressive Health"). The Company entered into a management agreement with Progressive Health in April 2019 and therefore liable for only a portion of the sampled claims. There were a total of 38 claims reviewed, 25 of these claims were from the period prior to the management agreement with the Company and the remaining 13 claims were related to the period that Progressive Health was managed by the Company. In December 2021, the Company received a request for payment from CMS in the amount of $2,709,265. The Company has begun its own internal audit process and has initiated the appropriate appeals. The Company has accrued $20,000 for this potential overpayment.

On May 17, 2022, the Company received notification from Covent Bridge Group, a Center for Medicare & Medicaid Services ("CMS") contractor, that they are recommending to CMS that the Company was overpaid in the amount of $492,086.22 related to Advantage Therapy. This amount represents a statistical extrapolation of charges from a sample, the actual amount found to be overpaid was $10,420.22. On May 27, 2022 the Company received a request for payment from CMS in the amount of $481,666.00. The Company has begun its own internal audit process and has initiated the appropriate appeals. Prior to this May 2022 notification, CMS had implemented a pre-payment audit for Advantage Therapy. As of December 31, 2022, this audit had resulted in a balance of approximately $91,000 of Medicare accounts receivable.

On December 9, 2022, the Company received a suspension of payment notification from Covent Bridge Group, a Center for Medicare & Medicaid Services contractor, for IMAC Regeneration Center of Kentucky. On December 22, 2022, the Company responded to the payment suspension with a Rebuttal of Notice. The suspension of payment will remain in effect until the Rebuttal of Notice is answered. Guidelines suggest a 30 to 45 day response time, although no response has been provided nor any explanation regarding the payment suspension as of the date of this filing.

At this stage of the appeals process, based on the information currently available to the Company, the Company is unable to predict the timing and ultimate outcomes of these matters and therefore is unable to estimate the range of possible loss. Any potential loss may be classified as errors and omissions for which insurance coverage was in place during a majority of the years being evaluated.

As of December 31, 2022, the Company has not recorded a provision for any of these claims, as management does not believe that an estimate of a possible loss or range of loss can reasonably be made at this time.

Note 15 – Subsequent Events

The Company has evaluated subsequent events through March 31, 2023, which is the date these consolidated financial statements were available to be issued. Other than the items disclosed below, all subsequent events, requiring recognition as of December 31, 2022, have been incorporated into these consolidated financial statements.

Closure of Underperforming Locations

During January of 2023, the Company decided to close the operations at four underperforming clinic locations: Webster Groves, Lexington, Fort Pierce and Tampa.

Sale of Louisiana Orthopedic

On January 27, 2023, we executed an agreement to sell all assets of IMAC of Louisiana, PC and Louisiana Sports Rehab, LLC for a total of $1.05 million in cash. In addition, the deal included the assignment of the associated real estate lease to the purchaser. See table below for the preliminary determined impact of this transaction.

Sale of The BackSpace

On March 1, 2023, we executed an agreement to sale The BackSpace, LLC to Curis Express, LLC. This sale eliminated IMAC Holdings, Inc. retail chiropractic division. In addition, the deal included all associated real estate leases and the rights to certain future potential expansion locations. See table below for the preliminary determined impact of this transaction.

The following table presents the preliminary unaudited pro forma summary consolidated information of the Company as if the business transactions had occurred on December 31, 2022.

	12/31/2022 Results Presented in the 10-K	Impact From the Sale of Operations Associated with Louisiana Orthopedic on 01/27/2023 (Unaudited)	Impact from the Sale of The BackSpace Operations on 02/17/2023 Unaudited)	Resulting Impact of Subsequent Events on 12/31/2022 Results (Unaudited)
Assets:				
Current Assets	$ 4,207,927	$ (673,650)	$ (55,478)	$ 3,478,799
Property and equipment, net	1,584,714	(111,688)	(631,281)	841,745
Other Assets	5,288,965	(634,887)	(932,504)	3,721,574
Total Assets	11,081,606	(1,420,225)	(1,619,263)	8,042,118
Liabilities and Stockholders equity:				
Current Liabilities	3,713,832	(133,569)	(192,792)	3,387,471
Long-Term Liabilities	2,716,518	(447,318)	(679,621)	1,589,579
Total Liabilities	6,430,350	(580,887)	(872,413)	4,977,050
Accumulated deficit	$ (46,519,740)	$ (839,338)	$ (746,850)	$ (48,105,928)

Brain Scientific, Inc.

On March 20, 2023, we announced an executed letter of intent for a strategic merger-of-equals with Brain Scientific, Inc. (OTCQB:BRSFD), a Florida-based applied science technology company. Together, the companies will provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, Chief Executive Officer of Brain Scientific, is expected to serve as Chairman and CEO of the combined company. The details related to this merger-of-equals are still being negotiated and have not been finalized.

Minimum Bid Price Requirement

The Company did not regain compliance with the Minimum Bid Price Requirement by March 20, 2023; however, on March 23, 2023, the Company received a letter from Nasdaq granting the Company's request for a 180-day extension to regain compliance with the Minimum Bid Price Requirement (the "Extension Notice"). If at any time prior to September 18, 2023, the closing bid price of the Company's common stock is at or above $1.00 for a minimum of 10 consecutive business days, Nasdaq will notify the Company that it is in compliance with the Minimum Bid Price Requirement and the matter will be closed.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

(1) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 (the “Exchange Act”) reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As further discussed below, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, our chief executive officer and chief financial officer concluded that, because of certain material weaknesses in our internal control over financial reporting our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act were not effective as of December 31, 2022. The material weaknesses relate to the absence of in-house accounting personnel with the ability to properly account for complex transactions and a lack of separation of duties between accounting and other functions.

We hired a consulting firm to advise on technical issues related to U.S. GAAP as related to the maintenance of our accounting books and records and the preparation of our consolidated financial statements. Although we are aware of the risks associated with not having dedicated accounting personnel, we are also at an early stage in the development of our business. We anticipate expanding our accounting functions with dedicated staff and improving our internal accounting procedures and separation of duties when we can absorb the costs of such expansion and improvement with additional capital resources. In the meantime, management will continue to observe and assess our internal accounting function and make necessary improvements whenever they may be required. If our remedial measures are insufficient to address the material weakness, or if additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements, and we could be required to restate our financial results. In addition, if we are unable to successfully remediate this material weakness and if we are unable to produce accurate and timely financial statements, our stock price may be adversely affected and we may be unable to maintain compliance with applicable stock exchange listing requirements.

(2) Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Based on our evaluation under the framework in *Internal Control—Integrated Framework (2013)*, our management concluded that, because of certain material weaknesses in our internal control over financial reporting, our disclosure controls and procedures as defined in Rule 12a-15€ and 15d-15€ under the Exchange Act were not effective as of December 31, 2022 and 2021.

(3) Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 under the Exchange Act that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The names and ages of our executive officers and directors, and their positions with us, are as follows:

Name	Age	Position
Jeffrey S. Ervin	45	Chief Executive Officer and Director
Matthew C. Wallis, DC	49	President and Director
Sheri F. Gardzina, CPA	54	Chief Financial Officer
Ben Lerner, DC	56	Chief Operating Officer
Maurice E. Evans	43	Director
Michael D. Pruitt	62	Director
Cary W. Sucoff	70	Director

Jeffrey S. Ervin co-founded our company in March 2015 and serves as our Chief Executive Officer and a member of our Board of Directors. Mr. Ervin earned his M.B.A. from Vanderbilt University and has a history of working within strategic finance roles in the healthcare and high tech industries. Following his M.B.A., Mr. Ervin was the Senior Financial Analyst and Vice President of Finance for the Baptist Hospital System of Nashville from 2006 to September 2011, responsible for sourcing and managing direct investments to satisfy pension obligations. After these five years, Mr. Ervin joined Medicare.com parent Medx Publishing in October 2011 as the senior financial officer tasked with building administrative functions to satisfy rapid growth in the CMS education sector. During this time through March 2015, Medicare.com earned INC. 500 recognition and he was instrumental in the acquisition of Medicaid.com which was sold to United Healthcare Group. Mr. Ervin was also responsible for the disposition and ultimate sale of Medicare.com to eHealth Insurance.

As our Chief Executive Officer and a director, Mr. Ervin leads the Board and manages our company. Mr. Ervin brings extensive healthcare services industry knowledge and a deep background in growing early-stage companies, mergers and acquisitions and capital market activities. His service as the Chief Executive Officer and a director creates a critical link between management and our Board of Directors.

Matthew C. Wallis, DC co-founded our company in March 2015 and serves as our Chief Operating Officer and a member of our Board of Directors. Dr. Wallis established the first Integrated Medicine and Chiropractic (IMAC) Regeneration Center in August 2000 and has led the Paducah, Kentucky center since then. Prior to establishing the first IMAC medical clinic, Dr. Wallis practiced as a licensed chiropractor in Kentucky. As our Chief Operating Officer, Dr. Wallis, has implemented consistent operating efficiencies for our sales, marketing and serviced delivery operations. Dr. Wallis received a Doctor of Chiropractic (DC) degree from Life University.

Dr. Wallis' 18 years of experience in the healthcare services industry, day-to-day operational leadership of our initial Paducah, Kentucky medical clinic and in-depth knowledge of our company's rehabilitative services make him well qualified as a member of the Board.

Sheri F. Gardzina, CPA joined our company in November 2017 and serves as our Chief Financial Officer. Prior to joining IMAC, Ms. Gardzina served as the controller or member of the accounting executive team of Smile Direct Club, LLC, a marketer of invisible aligners, from June 2016 to September 2017, Adoration Health, a home health and hospice company, from October 2015 to June 2016, Lattimore, Black, Morgan & Cain, an accounting and consulting firm where she provided temporary chief financial officer services to Peak Health Solutions, from August to September 2015, EB Employee Solutions, LLC, a healthcare self-insurance product developer, from May to December 2014, and Inspiris Inc., a start-up care management company sold to Optum, from November 2003 to May 2014. Ms. Gardzina started her career as an auditor with Ernst & Young, where she worked from October 1994 to August 1997. Ms. Gardzina earned a B.S. degree in business administration and finance from Purdue University and an M.S. in accountancy and M.B.A. from Northeastern University.

Ben S. Lerner, DC joined our company in February 2022 and serves as our Chief Operating Officer. Prior to joining IMAC, Dr. Lerner was founder of UIG in February, 2017, and Maximized Living, a national chiropractic consulting, franchising, and lifestyle brand organization until its sale in January, 2017. As CEO, he managed five interconnected companies, consulted for thousands of doctors and chiropractic students, opened more than 100 franchises, created 500 licensees, and built and sustained a large supplement and spinal rehab equipment manufacturing business. Dr. Lerner, holds a Doctor of Chiropractic from Life University. Dr. Lerner left the company in February 2023 to pursue other opportunities.

Maurice E. (Mo) Evans joined our Board of Directors in October 2020. Mr. Evans. is a business leader, advisor, consultant, investor and speaker to businesses in the sports business vertical. He is the co-founder of ELOS Sports and Entertainment, LLC (“ELOS”), a provider of brand management services to athletes and businesses in the sports and entertainment industry. Mr. Evans has served as the principal of ELOS since 2014. Prior to that, from 2001 to 2012, he was a professional basketball player, playing for the Washington Wizards, Atlanta Hawks, Orlando Magic, Los Angeles Lakers, Detroit Pistons and Sacramento Kings. He also served as Executive Vice President of the NBA Players Association from 2010 to 2013. Mr. Evans received a B.A. degree from the University of Texas at Austin. Mr. Evans provides more than a decade of experience in leading and managing customer-centric personal service organizations such as the NBA Players Association and ELOS Sports and Entertainment, which is highly relevant to our business, making him well qualified as a member of our Board. He also brings to our company a unique perspective of how an athlete addresses a sports injury.

Michael D. Pruitt joined our Board of Directors in October 2020. He founded Avenel Financial Group, a boutique financial services firm concentrating on emerging technology company investments in 1999. In 2001, he formed Avenel Ventures, a technology investment and private venture capital firm. In February 2005, Mr. Pruitt formed Chanticleer Holdings, Inc., then a public holding company (now known as Sonnet BioTherapeutics Holdings, Inc.), and he served as Chairman of the Board of Directors and Chief Executive Officer until April 1, 2020, at which time the restaurant operations of Chanticleer Holdings were spun out into a new public entity, Amergent Hospitality Group, Inc., where Mr. Pruitt has served as its Chairman and Chief Executive Officer to date. Mr. Pruitt also served as a director on the board of Hooters of America, LLC from 2011 to 2019. Mr. Pruitt received a B.A. degree from Costal Carolina University. He currently sits on the Board of Visitors of the E. Craig Wall Sr. College of Business Administration, the Coastal Education Foundation Board, and the Athletic Committee of the Board of Trustees. Mr. Pruitt’s over 15 years of day-to-day operational leadership and service as a board member at public companies Chanticleer Holdings and Amergent Hospitality Group make him well qualified as a member of the Board. He also brings transactional expertise in mergers and acquisitions and capital markets.

Cary W Sucoff joined our Board of Directors in October 2020. Mr. Sucoff has more than 30 years of securities industry experience encompassing supervisory, banking and sales responsibilities. He has participated in the financing of more than 100 public and private companies. Since 2011, Mr. Sucoff has owned and operated Equity Source Partners LLC, an advisory and consulting firm. Mr. Sucoff currently serves on the board of directors of ContraFect Corporation, Legacy Education Alliance Inc., First Wave Technologies, Inc. and Galimedix Pharmaceuticals Inc. In addition, Mr. Sucoff currently serves as a consultant to Sapience Therapeutics. Mr. Sucoff is the past President of New England Law|Boston, has been a member of its Board of Trustees for over 25 years and is the current Chairman of its Endowment Committee. Mr. Sucoff received a B.A. degree from the State University of New York at Binghamton and a J.D. from New England School of Law, where he was managing editor of the Law Review and graduated magna cum laude. He has been a member of the Bar of the State of New York since 1978. Mr. Sucoff demonstrates knowledge of our company's business due to his many years of experience as an investor, consultant and board member with a range of companies in the healthcare industry, making his input invaluable to the board's discussion of our growth and expansion strategy. He also brings experience in corporate controls and governance as a lawyer.

Code of Ethics

We have adopted a Code of Business Ethics and Conduct ("Ethics Code") that applies to all our officers, directors, employees, and contractors. The Ethics Code contains general guidelines for conducting our business consistent with the highest standards of business ethics and compliance with applicable law, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K. Day-to-day compliance with the Ethics Code is overseen by the Company compliance officer appointed by our Board of Directors. If we make any substantive amendments to the Ethics Code or grant any waiver from a provision of the Ethics Code to any director or executive officer, we will promptly disclose the nature of the amendment or waiver on our website at *https://ir.imacregeneration.com*.

Board Composition

Our business and affairs are managed under the direction of our board of directors. The number of directors is determined by our board of directors, subject to the terms of our certificate of incorporation and bylaws. Our board of directors currently consists of five members.

Director Independence

Or common stock and warrants are listed for trading on The NASDAQ Capital Market. Under Nasdaq rules, independent directors must comprise a majority of a listed company's board of directors. In addition, Nasdaq rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees must be independent. Under Nasdaq rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors undertook a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that Messrs. Evans, Pruitt and Sucoff, representing a majority of our directors, do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Nasdaq rules. In making these determinations, our board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Committees

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. Under Nasdaq rules, the membership of the audit committee is required to consist entirely of independent directors, subject to applicable phase-in periods. The following is a brief description of our committees.

Audit committee. In accordance with our audit committee charter, our audit committee oversees our corporate accounting and financial reporting processes and our internal controls over financial reporting; evaluates the independent public accounting firm's qualifications, independence and performance; engages and provides for the compensation of the independent public accounting firm; approves the retention of the independent public accounting firm to perform any proposed permissible non-audit services; reviews our consolidated financial statements; reviews our critical accounting policies and estimates and internal controls over financial reporting; and discusses with management and the independent registered public accounting firm the results of the annual audit and the reviews of our quarterly consolidated financial statements. We believe that our audit committee members meet the requirements for financial literacy under the current requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations. In addition, the board of directors has determined that Michael D. Pruitt is qualified as an audit committee financial expert within the meaning of SEC regulations. We have made this determination based on information received by our board of directors, including questionnaires provided by the members of our audit committee. The audit committee is composed of Messrs. Pruitt (Chairman), Evans and Sucoff.

Compensation committee. In accordance with our compensation committee charter, our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees, including reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives and setting compensation of these officers based on such evaluations. The compensation committee also administers the issuance of stock options and other awards under our equity-based incentive plans. We believe that the composition of our compensation committee meets the requirements for independence under, and the functioning of our compensation committee complies with, any applicable requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us. The compensation committee is composed of Messrs. Evans (Chairman) and Pruitt.

Nominating and governance committee. In accordance with our nominating and governance committee charter, our nominating and governance committee recommends to the board of directors nominees for election as directors, and meets as necessary to review director candidates and nominees for election as directors; recommends members for each committee of the board; oversee corporate governance standards and compliance with applicable listing and regulatory requirements; develops and recommends to the board governance principles applicable to the company; and oversee the evaluation of the board and its committees. We believe that the composition of our nominating and governance committee meets the requirements for independence under, and the functioning of our compensation committee complies with, any applicable requirements of the Sarbanes-Oxley Act, Nasdaq and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us. The nominating and governance committee is composed of Messrs. Sucoff (Chairman) and Evans.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is an executive officer or employee of our company. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Limitations on Director and Officer Liability and Indemnification

Our certificate of incorporation limits the liability of our directors to the maximum extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation and our bylaws provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Any repeal of or modification to our certificate of incorporation and our bylaws may not adversely affect any right or protection of a director or officer for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal. Our bylaws will also provide that we shall advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification.

We intend to enter into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our bylaws. These agreements, among other things, provide that we will indemnify our directors and executive officers for certain expenses (including attorneys' fees), judgments, fines, penalties and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of such person's services as one of our directors or executive officers, or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

The limitation of liability and indemnification provisions that are contained in our certificate of incorporation and our bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. There is no pending litigation or proceeding involving one of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

The Board of Directors' Role in Risk Oversight

Our Board of Directors, as a whole and also at the committee level, has an active role in managing enterprise risk. The members of our Board of Directors participate in our risk oversight assessment by receiving regular reports from members of senior management and the Company compliance officer appointed by our Board of Directors on areas of material risk to us, including operational, financial, legal and regulatory, and strategic and reputational risks. The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The Audit Committee oversees management of financial risks, as well as our policies with respect to risk assessment and risk management. The Nominating and Governance Committee manages risks associated with the independence of our Board of Directors and potential conflicts of interest. Members of the management team report directly to our Board of Directors or the appropriate committee. The directors then use this information to understand, identify, manage, and mitigate risk. Once a committee has considered the reports from management, the chairperson will report on the matter to our full Board of Directors at the next meeting of the Board of Directors, or sooner if deemed necessary. This enables our Board of Directors and its committees to effectively carry out its risk oversight role.

Communications with our Board of Directors

Any stockholder may send correspondence to our Board of Directors, c/o IMAC Holdings, Inc., 1605 Westgate Circle, Brentwood, Tennessee 37027 and our telephone number is (844) 266-IMAC (4622). Our management will review all correspondence addressed to our Board of Directors, or any individual director, and forward all such communications to our Board of Directors or the appropriate director prior to the next regularly scheduled meeting of our Board of Directors following the receipt of the communication, unless the corporate secretary decides the communication is more suitably directed to Company management and forwards the communication to Company management. Our management will summarize all stockholder correspondence directed to our Board of Directors that is not forwarded to our Board of Directors and will make such correspondence available to our Board of Directors for its review at the request of any member of our Board of Directors.

Indebtedness of Directors and Executive Officers

None of our directors or executive officers or their respective associates or affiliates is currently indebted to us.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our executive officers, directors and holders of more than 10% of our equity securities to file reports of ownership and changes in ownership of our securities (Forms 3, 4 and 5) with the SEC. To the best of our knowledge, based solely on a review of the Section 16(a) reports and written statements from executive officers and directors, for the years ended December 31, 2022 and 2021, all required reports of executive officers, directors and holders of more than 10% of our equity securities were filed on time, except for any such reports which may have been filed late due to administrative delays.

Family Relationships

There are no family relationships among our directors and executive officers.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth summary compensation information for the following persons: (i) all persons serving as our principal executive officer during the years ended December 31, 2022 and 2021, and (ii) our two other most highly compensated executive officers who received compensation during the years ended December 31, 2022 and 2021 of at least $100,000 and who were executive officers on December 31, 2022 and 2021. We refer to these persons as our "named executive officers" in this prospectus. The following table includes all compensation earned by the named executive officers for the respective period, regardless of whether such amounts were actually paid during the period:

Name and Position	Years	Salary	Bonus	Stock Awards	Option Awards	Non-equity Incentive Plan Comp	Non-qualified Deferred Comp	All Other Comp	Total
Jeffrey S. Ervin,	2022	$ 371,492	$ -	$ -	$ -	$ -	$ -	$ -	$ 371,492
Chief Executive Officer	2021	327,690	50,000	-	-	-	-	-	377,690
Matthew C. Wallis, DC,	2022	300,000	-	-	-	-	-	-	300,000
President	2021	289,831	-	-	-	-	-	-	289,831
Sheri Gardzina,	2022	251,300	-	-	-	-	-	-	251,300
Chief Financial Officer	2021	242,320	12,500	-	-	-	-	-	254,820
Ben Lerner, DC,	2022	256,046	35,000	-	-	-	-	-	291,046
Chief Operating Officer	2021	-	-	-	-	-	-	-	-

Employment Agreements

We entered into employment agreements effective March 1, 2019 with each of Jeffrey Ervin and Matthew Wallis. The employment agreements with Messrs. Ervin and Wallis were extended for a term expiring on February 28, 2023. They are currently employed on an at-will basis.

Pursuant to their employment agreements, Messrs. Ervin and Wallis have agreed to devote substantially all of their business time, attention and ability, to our business as our Chief Executive Officer and Chief Operating Officer, respectively. The compensation committee approved their salaries to increase to $350,000 and $300,000 annually, respectively. In addition, each executive may be entitled to receive, at the sole discretion of our board of directors, cash bonuses based on the executive meeting and exceeding performance goals of the company. Each executive is entitled to participate in our 2018 Incentive Compensation Plan. We have also agreed to pay or reimburse each executive up to $100 per month for the business use of their personal cell phone.

The employment agreements also provide for termination by us upon death or disability of the executive (defined as three aggregate months of incapacity during any 365-consecutive day period) or upon conviction of a felony crime of moral turpitude or a material breach of their obligations to us. In the event any of the employment agreements are terminated by us without cause, such executive will be entitled to compensation for the balance of the term.

In the event of a change of control of our company, Messrs. Ervin and Wallis may terminate their employment within six months after such event and will be entitled to continue to be paid pursuant to the terms of their respective employment agreements.

The employment agreements also contain covenants (a) restricting the executive from engaging in any activities competitive with our business during the terms of such employment agreements and one year thereafter, (b) prohibiting the executive from disclosure of confidential information regarding us at any time and (c) confirming that all intellectual property developed by the executive and relating to our business constitutes our sole and exclusive property.

Grants of Plan-Based Awards

As of December 31, 2022, the Company had outstanding stock options to purchase 274,160 shares of its common stock which were granted as non-qualified stock options to various employees of the Company. These options vest over a period of four years, with 25% vesting after one year and the remaining 75% vesting in equal monthly installments over the following 36 months, are exercisable for a period of ten years, and enable the holders to purchase shares of the Company’s common stock at the exercise price of award. The per-share fair values of these options are range from $1.19 to $4.04 based on Black-Scholes-Merton pricing model.

On October 20, 2020, the Company granted an aggregate of 300,000 RSUs to Board members with these RSUs vesting in eight equal quarterly installments commencing on February 1, 2021, provided the Board members remain directors of the Company. Effective October 2021, the vesting schedule was amended to a one-year vesting period. As of March 31, 2002, all these granted RSUs were vested and issued to the Board members.

On January 30, 2021, the Company granted an aggregate of 17,000 RSUs to non-executive staff and contractors with these RSUs vesting after one year. As of March 31, 2022, all these granted RSUs were vested and issued.

On October 27, 2021 the Company granted 10,000 RSUs to a consultant that vested immediately.

On February 21, 2022, the Company granted 100,000 RSUs to an executive that vested immediately.

On September 22, 2022, the Company granted an aggregate of 300,000 RSUs to Board members with immediate vesting.

On October 1, 2022, the Company reserved an aggregate of 512,000 Restricted Stock Units (“RSUs”) to certain employees and executives with a one-year vesting period.

Outstanding Equity Awards at December 31, 2022

No stock options were granted to any of our named executive officers during the year ended December 31, 2022. A total of 440,000 RSUs were reserved for named executive officers during the year. Mr. Ervin and Ms. Gardzina were awarded 150,000 and 37,500 restricted stock units and 150,000 and 37,500 stock options, respectively, during the year ended December 31, 2019.

The following table presents the outstanding equity awards held by each of the named executive officers as of the fiscal year ended December 31, 2022, including the value of the stock awards.

		Option Awards				Stock Awards	
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units That Have Not Vested ($)**
Jeffrey Ervin	5/21/2019	103,125	0(1)	$ 4.04	5/21/2029	37,500(1)	$ 7,500
Sheri Gardzina	5/21/2019	33,594	3,906(1)	$ 4.04	5/21/2029	9,875(1)	$ 1,975

(1) Four-year vesting with four equal annual installments

2018 Incentive Compensation Plan

Under our 2018 Incentive Compensation Plan (the "Plan"), adopted by our board of directors and holders of a majority of our outstanding shares of common stock in May 2018, 1,000,000 shares of common stock (subject to certain adjustments) are reserved for issuance upon exercise of stock options and grants of other equity awards. The Plan is designed to serve as an incentive for attracting and retaining qualified and motivated employees, officers, directors, consultants and other persons who provide services to us. The compensation committee of our board of directors administers and interprets the Plan and is authorized to grant stock options and other equity awards thereunder to all eligible employees of our company, including non-employee consultants to our company and directors.

The Plan provides for the granting of "incentive stock options" (as defined in Section 422 of the Code), non-statutory stock options, stock appreciation rights, shares of restricted stock, restricted stock units, deferred stock, dividend equivalents, bonus stock and awards in lieu of cash compensation, other stock-based awards and performance awards. Options may be granted under the Plan on such terms and at such prices as determined by the compensation committee of the board, except that the per share exercise price of the stock options cannot be less than the fair market value of our common stock on the date of grant. Each option will be exercisable after the period or periods specified in the stock option agreement, but all stock options must be exercised within ten years from the date of grant. Options granted under the Plan are not transferable other than by will or by the laws of descent and distribution. The compensation committee of the board has the authority to amend or terminate the Plan, provided that no amendment shall be made without stockholder approval if such stockholder approval is necessary to comply with any tax or regulatory requirement. Unless terminated sooner, the Plan will terminate ten years from its effective date.

Equity Compensation Plan Summary

The following table provides information as of December 31, 2022, relating to our equity compensation plan:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Equity Grants	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plan approved by security holders [1]	274,160	$ 2.89	282,450
Equity compensation plans not approved by security holders	-	$ -	-
Total	274,160	$ 2.89	282,450

(1) Consists solely of the 2018 Incentive Compensation Plan.

Director Compensation

We compensate each non-employee director through annual stock option grants and by paying a cash fee for each board of directors and committee meeting attended. Our directors in 2021, Messrs. Evans, Pruitt, and Sucoff, were paid $2,000 each per quarter in the beginning of 2021. The directors then amended compensation effective April 2021 and were paid $11,250 each per quarter. The directors were also awarded 100,000 restricted stock units each. In 2022, the Company awarded 100,000 RSUs to each director with immediate vesting.

Non-Employee Director Compensation Table

The following table sets forth summary information concerning compensation paid or accrued for services rendered to us in all capacities by the non-employee members of our Board of Directors for the fiscal year ended December 31, 2022.

Name	Fees Paid in Cash ($)	Stock Awards ($) (1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Comp ($)	Total ($)
Maurice E. Evans	$ 45,000	$ 100,000	-	-	-	-	$ 145,000
Michael D. Pruitt	$ 45,000	$ 100,000	-	-	-	-	$ 145,000
Cary W. Sucoff	$ 45,000	$ 100,000	-	-	-	-	$ 145,000

(1) Represents full fair value at grant date of RSUs granted to our directors, computed in accordance with FASB ASC Topic 718.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information as of March 28, 2023 regarding the beneficial ownership of our common stock by (i) each person we know to be the beneficial owner of 5% or more of our common stock, (ii) each of our current executive officers, (iii) each of our directors, and (iv) all of our current executive officers and directors as a group. Information with respect to beneficial ownership has been furnished by each director, executive officer or 5% or more stockholder, as the case may be. The address for all executive officers and directors is c/o IMAC Holdings, Inc., 3401 Mallory Lane, Franklin, Tennessee 37067.

Percentage of beneficial ownership in the table below is calculated based on 33,017,049 shares of common stock outstanding as of March 28, 2023. Beneficial ownership is determined in accordance with the rules of the SEC, which generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and includes shares of our common stock issuable pursuant to the exercise of stock options, warrants or other securities that are immediately exercisable or convertible or exercisable or convertible within 60 days of March 28, 2023. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage Beneficially Owned
Jeffrey S. Ervin	371,400	1.1%
Matthew C. Wallis	1,751,694	5.3%
Benjamin Lerner	100,000	*
Sheri Gardzina	28,325	*
Michael Pruitt	164,250	*
Maurice Evans	342,122	1.0%
Cary Sucoff	200,000	*
All directors and executive officers as a group (7 persons)	2,957,791	8.9%

* Less than 1% of outstanding shares.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Policies and Procedures for Transactions with Related Persons

Our board of directors intends to adopt a written related person transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. Related persons include any executive officer, director or a holder of more than 5% of our common stock, including any of their immediate family members and any entity owned or controlled by such persons. Related person transactions refers to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which (i) we were or are to be a participant, (ii) the amount involved exceeds $120,000, and (iii) a related person had or will have a direct or indirect material interest. Related person transactions include, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person, in each case subject to certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act.

We expect that the policy will provide that in any related person transaction, our audit committee and board of directors will consider all of the available material facts and circumstances of the transaction, including: the direct and indirect interests of the related persons; in the event the related person is a director (or immediate family member of a director or an entity with which a director is affiliated), the impact that the transaction will have on a director’s independence; the risks, costs and benefits of the transaction to us; and whether any alternative transactions or sources for comparable services or products are available. After considering all such facts and circumstances, our audit committee and board of directors will determine whether approval or ratification of the related person transaction is in our best interests. For example, if our audit committee determines that the proposed terms of a related person transaction are reasonable and at least as favorable as could have been obtained from unrelated third parties, it will recommend to our board of directors that such transaction be approved or ratified. In addition, if a related person transaction will compromise the independence of one of our directors, our audit committee may recommend that our board of directors reject the transaction if it could affect our ability to comply with securities laws and regulations or Nasdaq listing requirements.

Each transaction described in this section was entered into prior to the adoption of our audit committee charter and the foregoing policy proposal.

Corporate Conversion

Prior to June 1, 2018, we were a Kentucky limited liability company named IMAC Holdings, LLC. Effective June 1, 2018, we converted into a Delaware corporation pursuant to a statutory merger (the "Corporate Conversion") and changed our name to IMAC Holdings, Inc. All of our outstanding membership interests were exchanged on a proportional basis into shares of common stock of IMAC Holdings, Inc.

Business Transactions

Willmitch Chiropractic, P.A. We acquired this clinic located in Tampa, Florida in February 2021. This acquisition continues our expansion into the Florida market and the founder, Martin Willmitch, remained with the Company and served as Vice President of Managed Care.

NHC Chiropractic, PPLC dba Synergy Healthcare. We acquired the assets of this practice in Orlando, Florida in March 2021. The clinic provided chiropractic care and the Company implemented its regenerative rehabilitation offering, including its patient wellness subscriptions to the clinic's established services.

Fort Pierce Chiropractic. We completed an asset purchase of this clinic located in Fort Pierce, Florida and the third Florida addition in June 2021. This clinic provided chiropractic care.

Active Medical Center. We acquired the assets of this clinic located in Naperville, Illinois in June 2021. This clinic provided a variety of orthopedic treatments for various conditions through a combination of medical and physical rehabilitation services and joined the other clinic in the Chicago area.

Louisiana Orthopaedic & Sports Rehab Institute. We completed the acquisition of this practice management company in Baton Rouge, Louisiana in October 2021. The founder of this clinic, Allen Johnston, M.D., joined IMAC as a Medical Director, when we expanded our presence into Louisiana.

BackSpace. BackSpace entered into three management agreements with ChiroMart, LLC, ChiroMart Missouri, LLC and ChiroMart Florida, LLC. These were related to the BackSpace locations which operated in Walmart's located in Tennessee, Missouri and Florida.

Related Party Transactions

On June 1, 2018, we entered into a note payable to the Edward S. Bredniak Revocable Trust, the trustee of which is Edward S. Bredniak, a former director of our company, in the amount of up to $2,000,000. An existing note payable with this entity with an outstanding balance of $379,675.60 was combined into a new note payable. The note carried an interest rate of 10% per annum and all outstanding balances were due and payable 13 months after the closing of this offering. On June 28, 2019, we entered into an amendment to this note (the “Amendment”). Among other things, the Amendment provided for the extension of the maturity of the note to January 5, 2021, reduced the principal amount of the note from $2,000,000 to $1,750,000, corrected the name of the lender under the note from The Edward S. Bredniak Revocable Trust u/a dated 8/14/2015 to Edward S. Bredniak, and provided for the payment of any outstanding amounts under the note which exceed $1,750,000 as of the date of the Amendment. The proceeds of this note were used to satisfy ongoing working capital needs, expenses related to the preparation for our initial public offering, equipment and construction costs related to new clinic locations, and potential business combination and transaction expenses. In November 2020, we entered into an amendment to this note (the “Amendment 2.0”) that provided for the extension of the maturity of the note to January 5, 2022. This note was paid in full on March 29, 2021.

Effective October 2022, the Company signed an agreement for The Molo Agency to provide marketing services including project management and reporting, content management and social media management. The MOLO Agency is owned by Maurice Evans, an independent Board Member of the Company. The Company paid $27,000 to The MOLO Agency for services provided in 2022.

Indemnification Agreements

We have entered into an indemnification agreement with each of our directors and executive officers. The indemnification agreements and our certificate of incorporation and bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law.

Director Independence

Our Board of Directors has determined that Messrs. Evans, Pruitt and Sucoff, representing a majority of our directors, are independent directors (as currently defined in Rule 5605(a)(2) of the NASDAQ listing rules). In determining the independence of our directors, the Board of Directors considered all transactions in which the Company and any director had any interest, including those discussed above. The independent directors meet as often as necessary to fulfill their responsibilities, including meeting at least twice annually in executive session without the presence of non-independent directors and management.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

On August 26, 2021, the Audit Committee of the Company concluded a competitive review process of independent registered public accounting firms. As a result of this process and following careful deliberation, on August 26, 2021, the Audit Committee approved the dismissal of Daszkal Bolton LLP as the Company's independent registered public accounting firm effective as of such date. The Company provided Daszkal Bolton LLP with formal notice of such dismissal on August 27, 2021.

The reports of Daszkal Bolton LLP on the Company's consolidated financial statements as of and for the years ended December 31, 2020 and 2019 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's two most recent fiscal years and the subsequent interim period preceding Daszkal Bolton's dismissal, there were: (i) no disagreements (within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto) with Daszkal Bolton LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Daszkal Bolton's satisfaction, would have caused Daszkal Bolton to make reference to the subject matter thereof in connection with its reports on the Company's consolidated financial statements for such years; and (ii) no reportable events (as such term is defined in Item 304(a)(1)(v) of Regulation S-K).

On August 26, 2021, the Audit Committee engaged Cherry Bekaert, LLP ("Cherry Bekaert") as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2021.

During the Company's two most recent fiscal years and the subsequent interim period preceding Cherry Bekaert's engagement, neither the Company nor anyone on its behalf consulted with Cherry Bekaert regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that Cherry Bekaert concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto) or a reportable event (as such term is defined in Item 304(a)(1)(v) of Regulation S-K).

The following table sets forth the aggregate accounting fees paid by us for the year ended December 31, 2022 and the year ended December 31, 2021. The below fees were paid to the firm Daszkal Bolton LLP and Cherry Bekaert. All non-audit related services in the table were pre-approved and/or ratified by the Audit Committee of our Board of Directors.

Type of Fees	**Year Ended December 31, 2022**	**Year Ended December 31, 2021**
Audit fees	$ 217,000	$ 195,500
Audit related fees	45,240	24,720
Tax fees	3,500	15,000
Total	$ 265,740	$ 235,220

Types of Fees Explanation

Audit Fees. Audit fees were incurred for accounting services rendered for the audit of our consolidated financial statements for the years ended December 31, 2022 and 2021 and reviews of quarterly consolidated financial statements.

Audit Related Fees. We incurred fees in connection with accounting reviews for Form-3 Comfort Letters to Underwriters, 8-Ks and agreed-upon procedures.

Audit Committee Pre-Approval of Services by Independent Registered Public Accounting Firm

Section 10A(i)(1) of the Exchange Act and related SEC rules require that all auditing and permissible non-audit services to be performed by our principal accountants be approved in advance by the Audit Committee of the Board. Pursuant to Section 10A(i)(3) of the Exchange Act and related SEC rules, the Audit Committee has established procedures by which the Chairman of the Audit Committee may pre-approve such services provided that the pre-approval is detailed as to the particular service or category of services to be rendered and the Chairman reports the details of the services to the full Audit Committee at its next regularly scheduled meeting.

The audit committee has considered the services provided by Daszkal Bolton LLP and Cherry Bekaert LLP as disclosed above in the captions “audit fees” and “tax fees” and has concluded that such services are compatible with the independence of Daszkal Bolton LLP and Cherry Bekaert LLP as our principal accountants.

Our Board has considered the nature and amount of fees billed by our independent auditors and believes that the provision of services for activities unrelated to the audit is compatible with maintaining our independent auditors’ independence.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Description
3.1	Certificate of Incorporation of IMAC Holdings, Inc. (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).
3.2	Certificate of Amendment to the Certificate of Incorporation of IMAC Holdings, Inc. (filed as Exhibit 3.2 to the Company's Registration Statement on Form S-1/A filed with the SEC on December 10, 2018 and incorporated herein by reference).
3.3	Certificate of Correction of the Certificate of Incorporation of IMAC Holdings, Inc. filed with the Delaware Secretary of State on August 8, 2019 (filed as Exhibit 3.4 to the Company's Current Report on Form 8-K filed with the SEC on August 9, 2019 and incorporated herein by reference).
3.4	Bylaws of IMAC Holdings, Inc. (filed as Exhibit 3.2 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).
4.1	Specimen Common Stock Certificate (filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).
4.2	Form of Common Stock Warrant certificate (filed as Exhibit 4.2 to the Company's Registration Statement on Form S-1/A filed with the SEC on December 3, 2018 and incorporated herein by reference).
4.3	Form of Warrant Agency Agreement between IMAC Holdings, Inc. and Equity Stock Transfer, LLC (filed as Exhibit 4.3 to the Company's Registration Statement on Form S-1/A filed with the SEC on December 3, 2018 and incorporated herein by reference).
4.4	Form of Underwriters' Unit Purchase Option (filed as Exhibit 4.4 to the Company's Registration Statement on Form S-1/A filed with the SEC on February 8, 2019 and incorporated herein by reference).
4.5	Description of the Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (filed as Exhibit 4.5 to the Company's Annual Report on Form 10-K filed with the SEC on March 26, 2020 and incorporated herein by reference).
4.6	Description of Registered Direct Offering, Series 1 Warrants and Series 2 Warrants filed with the SEC on August 15, 2022.
10.1†	2018 Incentive Compensation Plan (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).
10.2	Form of Indemnification Agreement (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).
10.4	Management Services Agreement between IMAC Holdings, LLC and Integrated Medicine and Chiropractic Regeneration Center PSC (filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).
10.7	Commercial Line of Credit Agreement, dated May 1, 2018, between Integrated Medicine and Chiropractic Regeneration Center of St. Louis, LLC and Independence Bank of Kentucky (filed as Exhibit 10.12 to the Company's Registration Statement on Form S-1 filed with the SEC on September 17, 2018 and incorporated herein by reference).

10.11	Addendum to Merger Agreement with Clinic Management Associates, LLC (filed as Exhibit 10.18 to the Company's Registration Statement on Form S-1 filed with the SEC on October 26, 2018 and incorporated herein by reference).
10.12	Addendum to Unit Purchase Agreement among IMAC Holdings, Inc., IMAC of St. Louis, LLC and certain unitholders of IMAC of St. Louis LLC (filed as Exhibit 10.19 to the Company's Registration Statement on Form S-1 filed with the SEC on October 26, 2018 and incorporated herein by reference).
10.13†	Employment Agreement, dated as of March 1, 2019, between IMAC Holdings, Inc. and Jeffrey S. Ervin (filed as Exhibit 10.13 to the Company's Current Report on Form 10-K filed with the SEC on April 16, 2019 and incorporated herein by reference).
10.14†	Employment Agreement, dated as of March 1, 2019, between IMAC Holdings, Inc. and Matthew C. Wallis (filed as Exhibit 10.14 to the Company's Current Report on Form 10-K filed with the SEC on April 16, 2019 and incorporated herein by reference).
10.15†	Employment Agreement, dated as of April 19, 2019, between IMAC Holdings, Inc. and Jason Hui (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 25, 2019 and incorporated herein by reference).
10.17	Lease, dated as of March 1, 2019, by and between Advantage Therapy, LLC and Sagamore Hill Development Company, LLC (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2019 and incorporated herein by reference).
10.20	Amended and Restated Term Note, dated as of September 19, 2019, made by Progressive Health and Rehabilitation, LTD in favor of PNC Bank, National Association (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2019 and incorporated herein by reference).
10.21	Form of 10% Promissory Note issued by IMAC Holdings, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 9, 2020 and incorporated herein by reference).
10.22	Employment Agreement, dated as of February 4, 2022 and commencing February 21, 2022, between IMAC Holdings, Inc. and Dr. Ben Lerner. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 21, 2022 and incorporated herein by reference).
21.1*	List of subsidiaries.
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Compensatory plan or agreement.

* Filed herewith

+ The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of IMAC Holdings, Inc. under the Securities and Exchange Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended, whether made before or after the date of this 10-K, irrespective of any general incorporation language contained in such filings.

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IMAC HOLDINGS, INC.

Dated: March 31, 2023	By:	*/s/ Jeffrey S. Ervin*
	Name:	**Jeffrey S. Ervin**
	Title:	***Chief Executive Officer***

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ Jeffrey S. Ervin **Jeffrey S. Ervin**	Director and Chief Executive Officer *(Principal Executive Officer)*	March 31, 2023
/s/ Sheri Gardzina **Sheri Gardzina**	Chief Financial Officer *(Principal Financial and Accounting Officer)*	March 31, 2023
/s/ Matthew C. Wallis **Matthew C. Wallis**	Director and President	March 31, 2023
/s/ Maurice E. Evans **Maurice E. Evans**	Director	March 31, 2023
/s/ Michael D. Pruitt **Michael D. Pruitt**	Director	March 31, 2023
/s/ Cary W. Sucoff **Cary W. Sucoff**	Director	March 31, 2023

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	Name of Parent Company	Subsidiary State of Organization
IMAC of St. Louis, LLC	IMAC Holdings, Inc.	Missouri
IMAC Regeneration Management of Nashville, LLC	IMAC Holdings, Inc.	Tennessee
IMAC Management Services LLC	IMAC Holdings, Inc.	Kentucky
IMAC Management of Illinois, LLC	IMAC Holdings, Inc.	Illinois
IMAC Regeneration Management, LLC	IMAC Holdings, Inc.	Texas
Advantage Hand Therapy and Orthopedic Rehabilitation, LLC	IMAC Holdings, Inc.	Missouri
IMAC Management of Florida, LLC	IMAC Holdings, Inc.	Florida
Louisiana Orthopaedic & Sports Rehab Institute	IMAC Holdings, Inc.	Louisiana
The Back Space, LLC	IMAC Holdings, Inc.	Delaware

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey Ervin, Chief Executive Officer of IMAC Holdings, Inc. (the "Registrant"), certify that:

1. I have reviewed this Annual Report on Form 10-K for the twelve months ended December 31, 2022 of IMAC Holdings, Inc. (the "Annual Report ");

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Annual Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 31, 2023

By: */s/ Jeffrey Ervin*
Name: Jeffrey Ervin
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sheri Gardzina, Chief Financial Officer of IMAC Holdings, Inc. (the "Registrant "), certify that:

1. I have reviewed this Annual Report on Form 10-K for the twelve months ended December 31, 2022 of IMAC Holdings, Inc. (the "Annual Report ");

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Annual Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Annual Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 31, 2023

By: */s/ Sheri Gardzina*
Name: Sheri Gardzina
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing by IMAC Holdings, Inc. (the "Registrant") of its Annual Report on Form 10-K for the year ended December 31, 2022 (the "Annual Report") with the Securities and Exchange Commission, I, Jeffrey Ervin, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Annual Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

A signed original of this written statement required by Section 906 has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 31, 2023

By: */s/ Jeffrey Ervin*
Name: Jeffrey Ervin
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing by IMAC Holdings, Inc. (the "Registrant") of its Annual Report on Form 10-K for the year ended December 31, 2022 (the "Annual Report") with the Securities and Exchange Commission, I, Sheri Gardzina, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Annual Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

A signed original of this written statement required by Section 906 has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 31, 2023

By: */s/ Sheri Gardzina*
Name: Sheri Gardzina
Title: Chief Financial Officer
(Principal Financial Officer)