UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2020**

[ ] **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.)**
1605 Westgate Circle, Brentwood, Tennessee **(Address of Principal Executive Offices)**	**37027** **(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	IMAC	NASDAQ Capital Market
Warrants to Purchase Common Stock	IMACW	NASDAQ Capital Market

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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	[X]	Smaller reporting company	[X]
		Emerging growth company	[X]

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of August 14, 2020 the registrant had 11,839,973 shares of common stock (par value $0.001 per share) outstanding.

IMAC HOLDINGS, INC.
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Important Information Regarding Forward-Looking Statements

Portions of this Quarterly Report on Form 10-Q (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 2 — Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q, as well as other portions of this Quarterly Report on Form 10-Q. 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” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the U.S. Securities and Exchange Commission on March 26, 2020. 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.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

IMAC HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash	$ 2,802,769	$ 373,689
Accounts receivable, net	1,489,872	1,258,325
Deferred compensation, current portion	263,859	312,258
Other assets	336,958	633,303
Total current assets	4,893,458	2,577,575
Property and equipment, net	3,293,992	3,692,009
Other assets:		
Goodwill	2,040,696	2,040,696
Intangible assets, net	7,081,218	7,169,072
Deferred equity costs	143,655	170,274
Deferred compensation, net of current portion	356,085	549,563
Security deposits	451,284	499,488
Right of use asset	3,600,198	3,719,401
Total other assets	13,673,136	14,148,494
Total assets	$ 21,860,586	$ 20,418,078
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,543,165	$ 2,909,666
Patient deposits	351,142	189,691
Notes payable, current portion, net of deferred loan costs	4,471,874	1,422,554
Finance lease obligation, current portion	17,853	17,473
Line of credit	79,961	79,961
Liability to issue common stock, current portion	326,356	421,044
Operating lease liability, current portion	980,967	1,025,247
Total current liabilities	8,771,318	6,065,636
Long-term liabilities:		
Notes payable, net of current portion	1,232,677	2,109,065
Finance lease obligation, net of current portion	57,542	66,565
Liability to issue common stock, net of current portion	362,979	578,866
Operating lease liability, net of current portion	3,482,242	3,660,654
Other non-current liabilities	30,000	-
Total liabilities	13,936,758	12,480,786
Stockholders' equity:		
Preferred stock - $0.001 par value, 5,000,000 authorized, nil issued and outstanding at June 30, 2020 and December 31, 2019	-	-
Common stock - $0.001 par value, 30,000,000 authorized, 11,839,973 and 8,913,258 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	11,834	8,907
Additional paid-in capital	24,079,504	20,050,634
Accumulated deficit	(13,806,283)	(10,042,050)
Non-controlling interest	(2,361,227)	(2,080,199)
Total stockholders' equity	7,923,828	7,937,292
Total liabilities and stockholders' equity	$ 21,860,586	$ 20,418,078

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Patient revenues, net	$ 2,572,580	$ 3,756,755	$ 5,881,649	$ 6,526,583
Management fees	-	-	12,487	-
Total revenue	2,572,580	3,756,755	5,894,136	6,526,583
Operating expenses:				
Patient expenses	405,367	927,778	785,184	1,363,907
Salaries and benefits	2,334,249	2,593,209	5,260,399	4,657,832
Share-based compensation	121,945	171,590	203,029	175,339
Advertising and marketing	174,350	349,328	416,167	696,344
Grant funds	(415,978)	-	(415,978)	-
General and administrative	1,208,457	1,429,822	2,444,595	2,407,191
Depreciation and amortization	453,651	396,989	904,146	682,556
Total operating expenses	4,282,041	5,868,716	9,597,542	9,983,169
Operating loss	(1,709,461)	(2,111,961)	(3,703,406)	(3,456,586)
Other income (expense):				
Interest income	39	5	39	5
Other income (expenses)	-	665	-	(15,290)
Beneficial conversion interest expense	-	-	-	(639,159)
Loss on extinguishment of debt	(109,544)	-	(109,544)	-
Loss on disposal of assets	(21,225)	-	(21,225)	-
Interest expense	(134,921)	(85,210)	(211,125)	(115,881)
Total other (expenses)	(265,651)	(84,540)	(341,855)	(770,325)
Net loss before income taxes	(1,975,112)	(2,196,501)	(4,045,261)	(4,226,911)
Income taxes	-	-	-	-
Net loss	(1,975,112)	(2,196,501)	(4,045,261)	(4,226,911)
Net loss (income) attributable to the non-controlling interest	(55,576)	295,733	281,028	726,956
Net loss attributable to IMAC Holdings, Inc.	$ (2,030,688)	$ (1,900,768)	$ (3,764,233)	$ (3,499,955)
Net loss per share attributable to common stockholders				
Basic and diluted	$ (0.20)	$ (0.23)	$ (0.38)	$ (0.50)
Weighted average common shares outstanding				
Basic and diluted	10,184,294	8,106,177	9,897,773	7,018,559

See accompanying notes to the unaudited condensed consolidated financial statements.

IMAC HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional	Non-		
	Number of Shares	Par	Paid-In-Capital	Controlling Interest	Accumulated Deficit	Total
Balance, December 31, 2018	4,553,623	$ 4,534	$ 1,233,966	$ (1,625,840)	$ (3,544,820)	$ (3,932,160)
Common stock issued for initial public offering proceeds, net of related fees	850,000	850	3,503,314	-	-	3,504,164
Issuance of common stock in connection with convertible notes	449,217	449	2,245,636	-	-	2,246,085
Issuance of common stock in connection with acquisitions	1,410,183	1,410	7,247,798	-	-	7,249,208
Exercise of warrants	9,900	10	49,490	-	-	49,500
Net loss	-	-	-	(431,223)	(1,599,187)	(2,030,410)
Balance, March 31, 2019	7,252,923	7,253	14,280,204	(2,057,063)	(5,144,007)	7,086,387
Issuance of common stock in connection with acquisitions	1,002,306	1,002	4,072,436	-	-	4,073,438
Exercise of warrants	61,569	62	307,783	-	-	307,845
Issuance of employee stock options	-	-	16,216	-	-	16,216
Net loss	-	-	-	(295,733)	(1,900,768)	(2,351,875)
Balance, June 30, 2019	8,316,798	$ 8,317	$ 18,676,639	$ (2,352,796)	$ (7,044,775)	$ 9,287,385

	Common Stock		Additional	Non-		
	Number of Shares	Par	Paid-In-Capital	Controlling Interest	Accumulated Deficit	Total
Balance, December 31, 2019	8,913,258	$ 8,907	$ 20,050,634	$ (2,080,199)	$ (10,042,050)	$ 7,937,292
Issuance of common stock	1,095,840	1,096	1,376,122	-	-	1,377,218
Issuance of employee stock options	-	-	38,359	-	-	38,359
Net loss	-	-	-	(336,604)	(1,733,545)	(2,070,149)
Balance, March 31, 2020	10,009,098	10,003	21,465,115	(2,416,803)	(11,775,595)	7,282,720
Issuance of common stock	1,830,875	1,831	2,576,820	-	-	2,578,651
Issuance of employee stock options	-	-	37,569	-	-	37,569
Net income (loss)	-	-	-	55,576	(2,030,688)	(1,975,112)
Balance, June 30, 2020	11,839,973	$ 11,834	$ 24,079,504	$ (2,361,227)	$ (13,806,283)	$ 7,923,828

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Cash flows from operating activities:		
Net loss	$ (4,045,261)	$ (4,226,911)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	904,146	682,556
Beneficial conversion interest expense	-	639,159
Share based compensation	203,030	175,339
Loss on disposition of assets	(16,577)	-
(Increase) decrease in operating assets:		
Accounts receivable, net	(210,707)	(259,712)
Other assets	299,721	(98,685)
Security deposits	48,204	(70,773)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(329,056)	675,820
Patient deposits	161,451	861,409
Lease incentive obligation	-	(57,262)
Net cash used in operating activities	(2,985,049)	(1,679,060)
Cash flows from investing activities:		
Purchase of property and equipment	(10,511)	(389,469)
Purchase of license fee	(243,750)	-
Acquisition of IMAC Florida (Note 6)	(200,000)	-
Net cash used in investing activities	(454,261)	(389,469)
Cash flows from financing activities:		
Proceeds from initial public offering, net of related fees	-	3,839,482
Proceeds from warrants exercised	-	357,345
Proceeds from issuance of common stock	3,774,617	-
Proceeds from notes payable	2,891,520	100,000
Payments on notes payable	(719,104)	(54,377)
Payments of debt issuance costs	(70,000)	-
Proceeds from line of credit	-	20,000
Payments on line of credit	-	(150,000)
Payments on finance lease obligation	(8,643)	(6,835)
Net cash provided by financing activities	5,868,390	4,105,615
Net increase in cash	2,429,080	2,037,086
Cash, beginning of period	373,689	194,316
Cash, end of period	$ 2,802,769	$ 2,231,402
Supplemental cash flow information:		
Interest paid	$ 56,058	$ 30,671
Non cash financing and investing:		
Debt discount notes payable	$ 115,000	$ -
Business acquisition via stock issuance	$ -	$ 3,771,978

See accompanying notes to the unaudited condensed consolidated financial statements.

IMAC HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Description of Business

IMAC Holdings, Inc. and its affiliates (collectively, the "Company") provide orthopedic 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. The Company had open two (2) medical clinics located in Tennessee and opened or acquired through management service agreements thirteen (13) medical clinics located in Kentucky, Missouri, Illinois and Florida at June 30, 2020. The Company has partnered with several well-known sports stars such as Ozzie Smith, David Price, Tony Delk and Mike Ditka in opening its medical clinics, with a focus around treating sports injuries.

Effective June 1, 2018, the Company converted from IMAC Holdings, LLC a Kentucky limited liability company to IMAC Holdings, Inc. a Delaware corporation, followed by a reverse stock split in February 2019. These accounting changes have been given retrospective treatment in the condensed consolidated financial statements.

During February 2019, the Company completed an initial public offering ("IPO") of securities. See Note 12 – Stockholder's Equity.

Note 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying condensed 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" or the "Commission"). The information contained in these condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the fiscal year ended December 31, 2019 included in the Company's Annual Report on Form 10-K filed with the SEC on March 26, 2020.

The accompanying condensed consolidated financial statements include the accounts of IMAC Holdings, Inc. ("IMAC Holdings") 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 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") and IMAC Management of Florida, LLC ("IMAC Florida"); 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"); and the following which prior to June 1, 2018 was held as a minority interest, IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis").

In June 2018, the Company consummated certain transactions resulting in the acquisition of the outstanding equity interests in IMAC St. Louis and Clinic Management Associates of KY, LLC ("CMA of KY"), an entity which consolidates Integrated Medical and Chiropractic Regeneration Center, PSC ("IMAC Kentucky") due to control by contract. These entities are included in the condensed consolidated financial statements from the date of acquisition.

In August 2018, the Company acquired 100% of Advantage Hand Therapy and Orthopedic Rehabilitation, LLC ("Advantage Therapy") and 70% of BioFirma LLC ("BioFirma"). Both companies 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. On October 1, 2019, the Company acquired the 30% of BioFirma's membership interests which were not previously held by the Company, resulting in the Company owning 100% of the membership interests of BioFirma. Substantially all the assets of BioFirma were sold effective December 31, 2019; however as of June 30, 2020, the acquirer of the assets had not paid the purchase price and the Company had established a bad debt reserve of 100% of the purchase price.

In April 2019, the Company consummated certain transactions resulting in the acquisition of the outstanding equity interest in ISDI Holdings II, Inc., an Illinois corporation ("ISDI Holdings II"), and PHR Holdings, Inc., an Illinois corporation ("PHR Holdings"), entities which consolidate the results of Progressive Health and Rehabilitation, Ltd ("Progressive") and Illinois Spine and Disc Institute, Ltd ("ISDI") due to control by contract. These entities are included in the condensed consolidated financial statements from the date of acquisition.

In November 2019, IMAC Illinois entered into a management agreement for an occupational and physical therapy practice in Rockford, Illinois. This entity is included in the condensed consolidated financial statements due to control by contract from the date of entry into the management agreement.

In January 2020, the Company consummated an agreement for the acquisition of Chiropractic Health of Southwest Florida, Inc. ("CHSF") in Bonita Springs, Florida. This entity is included in the condensed 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 condensed 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 condensed 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.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond the point of origin. On March 20, 2020 the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of these condensed consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's combined financial condition, liquidity and future results of operations. Management is actively monitoring the impact of the global situation on its consolidated financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020 beyond the results presented in these condensed consolidated financial statements and this quarterly report.

CARES Act

The Company is continuing to closely monitor legislative actions at the federal, state and local levels including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and other governmental assistance that might be available in response to the COVID-19 pandemic. As part of the CARES Act, the United States government initially announced that it would offer $100 billion of relief to eligible health care providers. On April 7, 2020, Centers for Medicare and Medicaid Services ("CMS") officials indicated they would distribute $30 billion of direct grants to hospitals, ASCs and other health care providers based on how much they bill Medicare. Payments received from these grants are not required to be repaid provided the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using funds received from the grants to reimburse expenses or losses that other sources are obligated to reimburse.

The Company received approximately $416,000 of the grant funds distributed under the CARES Act Provider Relief Fund program during the six months ended June 30, 2020. Based on an analysis of the compliance and reporting requirements and the impact of the COVID-19 pandemic on our operating results through the end of the second quarter, these funds were recognized as a reduction in operating expenses under the caption Grant funds in the condensed consolidated statements of operations for the three- and six- months ended June 30, 2020. The recognition of amounts received is conditioned upon certification that payment will be used to prevent, prepare for and respond to the COVID-19 pandemic and shall reimburse the recipient only for healthcare related expenses or lost revenues that are attributable to the COVID-19 pandemic. Amounts are recognized as a reduction to operating costs and expenses only to the extent the Company is reasonably assured that underlying conditions are met.

Revenue Recognition

The Company's patient service revenue is derived from non-surgical procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third-party payer, including Medicare. Starting in January 2020, the Company implemented wellness maintenance programs on a subscription basis. There are three membership plans offered with different levels of service for each plan. 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.

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 an 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 recognize other management service revenue in the period in which services are rendered. These revenues are earned by IMAC Nashville, IMAC Management and IMAC Illinois and are eliminated in consolidation to the extent owned.

The Company's patient revenue consisted of the following for the three and six months ended June 30, 2020 and June 30, 2019:

	Three Months Ended	Six Months Ended

	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Patient revenues	$ 5,595,279	$ 8,887,819	$ 12,747,221	$ 16,176,841
Contractual adjustments	(3,022,699)	(5,131,064)	(6,865,572)	(9,650,258)
Patient revenue, net	$ 2,572,580	$ 3,756,755	$ 5,881,649	$ 6,526,583

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.

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 June 30, 2020 and December 31, 2019.

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 condensed consolidated financial statements is recorded at the net amount expected to be received. The Company's primary collection risks are (i) the risk of overestimation of net revenues at the time of billing that may result in the Company 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 the Company when the commercial insurance company pays out-of-network claims directly to the patient, (iv) resource and capacity constraints that may prevent the Company from handling the volume of billing and collection issues in a timely manner, (v) the risk that patients do not pay the Company 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.

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 operating systems used to manage the Company's patient accounts provide for an aging schedule in 30-day increments, by payer, physician and patient. 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 credited to income 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 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. Acquired intangible assets include trade names, non-compete agreements, customer relationships and contractual agreements.

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. There was no goodwill impairment for the years presented.

The Company tests goodwill for impairment on an annual basis, and when events or circumstances indicate the fair value of a reporting unit may be below its carrying value.

Long-Lived Assets

Long-lived assets such as property and equipment and intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impairments of long-lived assets for the years presented.

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 $174,350 and $349,328 for the three months ended June 30, 2020 and 2019, respectively and was $416,167 and $696,344 for the six months ended June 30, 2020 and 2019, 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 period. Diluted net loss per common share is determined using the weighted-average of common shares outstanding during the period, 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

Following the Company's conversion to a Delaware corporation in 2018, IMAC Nashville, IMAC Texas, IMAC St. Louis continued as single-member limited liability companies (wholly owned by the Company) that are disregarded entities for tax purposes and do not file separate returns. Their activity is included as part of IMAC Holdings Inc. Advantage Therapy, IMAC Illinois and IMAC Florida are also disregarded entities for tax purposes. BioFirma was a limited liability company taxed as a partnership. Effective October 1, 2019, BioFirma became wholly owned by IMAC Holdings and is a disregarded entity for tax purposes. IMAC Management is a C-corporation and is included in the consolidated return of IMAC Holdings as a subsidiary.

Any future benefit arising from losses have been offset by a valuation allowance. Accordingly, no provision for income taxes is reflected in the condensed consolidated financial statements. The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest and penalties related to income tax matters, if any, would be recognized as a component of income tax expense. At June 30, 2020 and December 31, 2019, the Company had no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Currently, the tax years subsequent to 2017 are open and subject to examination by the taxing authorities.

Note 3 – Capital Requirements, Liquidity and Going Concern Considerations

The Company's condensed consolidated financial statements are prepared in accordance with GAAP including 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 condensed consolidated financial statements, the Company has sustained substantial losses from operations since inception and had a deficiency in working capital of approximately $3.9 million and $3.5 million at June 30, 2020 and December 31, 2019. The Company had a net loss of approximately $3.8 million and $3.5 million at June 30, 2020 and 2019, respectively, and used cash in operations of approximately $3.0 million and $1.7 million at June 30, 2020 and 2019, respectively. The Company expects to continue to incur significant expenditures to develop and expand its owned and managed outpatient medical clinics.

Management recognizes that the Company must obtain additional resources to successfully integrate its acquired and managed clinics and implement its business plans. Through June 30, 2020, the Company has received funding in the form of indebtedness and the issuance of common stock. Management plans to continue to raise funds and/or refinance our indebtedness to support our operations in 2020 and beyond. However, no assurances can be given that we will be successful. If management is not able to timely and successfully raise additional capital and/or refinance indebtedness, the implementation of the Company's business plan, financial condition and results of operations will be materially affected. These condensed 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. The Company had approximately $1,724,713 of cash in excess of federally insured limits.

Revenue and Accounts Receivable

As of June 30, 2020 and December 31, 2019, the Company had the following revenue and accounts receivable concentrations:

	June 30, 2020		December 31, 2019	
	% of Revenue	% of Accounts Receivable	% of Revenue	% of Accounts Receivable
	(Unaudited)			
Patient payment	33%	29%	47%	40%
Medicare payment	41%	28%	27%	26%
Insurance payment	26%	43%	26%	34%

Note 5 – Accounts Receivable

As of June 30, 2020 and December 31, 2019, the Company's accounts receivable consisted of the following:

	June 30, 2020	December 31, 2019
	(Unaudited)	
Gross accounts receivable	$ 1,518,854	$ 1,285,228
Less: allowance for doubtful accounts	(28,982)	(26,903)
Accounts receivable, net	$ 1,489,872	$ 1,258,325

Note 6 – Business Acquisitions

BioFirma

On August 1, 2018, the Company entered into an agreement to purchase 70% of all outstanding membership units of BioFirma LLC. The purchase price for the interests was $1,000 paid in cash.

The Company has included the financial results of BioFirma in the condensed consolidated financial statements from August 1, 2018, the date of acquisition.

On October 1, 2019, the holder of the 30% of the membership interests of BioFirma and the Company entered into an Assignment and Assumption of Interests of BioFirma LLC, pursuant to which the Company acquired the 30% of BioFirma's membership interests which were not previously held by the Company, resulting in the Company owning 100% of the membership interests of BioFirma.

On December 31, 2019, the Company and BioFirma consummated the sale of substantially all of BioFirma's assets pursuant to an asset purchase agreement with Self Care Regeneration LLC for a purchase price of $320,800, plus the assumption of certain of BioFirma's liabilities, all of which were due to be paid to us no later than March 30, 2020. On March 31, 2020, the due date for the payment of the asset sale purchase price was extended to June 30, 2020. As of June 30, 2020, the acquirer of the assets had not paid the purchase price and the Company had established a bad debt reserve of 100% of the purchase price.

IMAC Illinois

On April 1, 2019, the Company and its wholly owned subsidiary IMAC Illinois entered into an Agreement and Plan of Merger (the "Merger Agreement") for the acquisition of a practice management group that manages three clinics in the Chicago, Illinois area. The acquisition was completed on April 19, 2019. Pursuant to the Merger Agreement, the Company issued 1,002,306 restricted shares of the Company's common stock (the "Merger Consideration") valued at approximately $4.1 million. The Company has included the financial results of IMAC Illinois, which controls the three Chicago-area clinics, from April 19, 2019, the date of acquisition.

IMAC Florida

On January 13, 2020, the Company and its wholly owned subsidiary IMAC Florida consummated the acquisition of CHSF, a chiropractic practice in Bonita Springs, Florida. The transaction was completed as a purchase of the practice for $200,000. The Company has included the financial results of IMAC Florida, which controls CHSF, from January 13, 2020, the date of acquisition.

The following table summarizes the fair value of consideration paid and the allocation of purchase price to the fair value of net assets acquired for the acquisition of the IMAC Florida business:

	Florida
Property & equipment	$ 50,358
Customer lists	128,802
Other assets	20,840
	$ 200,000

Note 7 – Property and Equipment

The Company's property and equipment consisted of the following at June 30, 2020 and December 31, 2019:

	Estimated Useful Life in Years	June 30, 2020	December 31, 2019
Land and building	40 (Building)	$ 1,175,000	$ 1,175,000
Leasehold improvements	Shorter of asset or lease term	2,249,673	2,262,398
Equipment	1.5 - 7	1,980,871	1,948,347
Total property and equipment		5,405,544	5,385,745
Less: accumulated depreciation		(2,114,820)	(1,693,736)
		3,290,724	3,692,009
Construction in progress		3,268	-
Total property and equipment, net		$ 3,293,992	$ 3,692,009

Depreciation was $218,818 and $173,394 for the three months ended June 30, 2020 and 2019, respectively and $437,661 and $328,276 for the six months ended June 30, 2020 and 2019, respectively.

Note 8 – Intangibles Assets and Goodwill

The Company's intangible assets and goodwill consisted of the following at June 30, 2020 and December 31, 2019:

		June 30, 2020		
	Estimated Useful Life	Cost	Accumulated Amortization	Net
Intangible assets:				
Management service agreements	10 years	$ 7,940,398	$ (1,309,360)	$ 6,631,038
Non-compete agreements	3 years	301,000	(206,972)	94,028
Customer lists	3 years	134,882	(22,480)	112,402
Definite lived assets		8,376,280	(1,538,812)	6,837,468
Research and development		243,750	-	243,750
Goodwill		2,040,696	-	2,040,696
Total intangible assets and goodwill		$ 10,660,726	$ (1,538,812)	$ 9,121,914

		December 31, 2019		
	Estimated Useful Life	Cost	Accumulated Amortization	Net
Intangible assets:				
Management service agreements	10 years	$ 8,019,199	$ (994,321)	$ 7,024,878
Non-compete agreements	3 years	301,000	(156,806)	144,194
Definite lived assets		8,320,199	(1,151,127)	7,169,072
Goodwill		2,040,696	-	2,040,696
Total intangible assets and goodwill		$ 10,360,895	$ (1,151,127)	$ 9,209,768

Amortization was $234,833 and $223,595 for the three months ended June 30, 2020 and 2019, respectively, and $466,485 and $354,280 for the six months ended June 30, 2020 and 2019, respectively.

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

Years Ending December 31,	
2020 (six months)	$ 469,666
2021	882,861
2022	839,000
2023	794,040
2024	794,040
Thereafter	3,057,861
	$ 6,837,468

Note 9 – Operating Leases

On January 1, 2019, the Company adopted ASC 842 using the modified retrospective method applied to leases that were in place at January 1, 2019. Results for operating periods beginning after January 1, 2019 are presented under ASC 842, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting under ASC 840. The Company's leases consist of operating leases that mostly relate to real estate rental agreements. Most of the value of the Company's lease portfolio relates to real estate lease agreements that were entered into starting March 2017.

Discount Rate Applied to Operating Leases

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, the Company used the ten year mortgage interest rate.

Right of Use Assets

Right of use assets included in the Company's condensed consolidated balance sheet were as follows:

	June 30, 2020	December 31, 2019
Non-current assets		
Right of use assets, net of amortization	$ 3,600,198	$ 3,719,401

Total operating lease cost

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

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Operating lease expense	$ 618,508	$ 456,772

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

Maturity of operating leases

The Company's amount of future minimum lease payments under operating leases are as follows:

	Operating Leases
Undiscounted future minimum lease payments:	
2020 (six months)	$ 577,124
2021	1,035,714
2022	1,030,098
2023	939,971
2024	601,468
Thereafter	588,246
Total	4,772,621
Amount representing imputed interest	(309,412)
Total operating lease liability	4,463,209
Current portion of operating lease liability	(980,967)
Operating lease liability, non-current	$ 3,482,242

Note 10 – Line of Credit

Advantage Therapy has a $100,000 line of credit with a financial institution that matures on November 20, 2020. The line accrues interest at a variable rate which is currently 6.0% per annum. The line is secured by substantially all of IMAC Holding's assets. This line of credit had a balance of $79,961 at June 30, 2020 and December 31, 2019.

Note 11 – Notes Payable

On March 25, 2020, the Company entered into a note purchase agreement with Iliad Research & Trading, L.P. (the "Holder"), pursuant to which the Company agreed to issue and sell to the Holder a secured promissory note (the "Note") in an aggregate initial principal amount of $1,115,000 (the "Initial Principal Amount"), which is payable on or before the date that is 18 months from the issuance date (the "Maturity Date"). The Initial Principal Amount includes an original issue discount of $100,000 and $15,000 that the Company agreed to pay to the Holder to cover the Holder's legal fees, accounting costs, due diligence and other transaction costs. In exchange for the Note, the Holder paid an aggregate purchase price of $1,000,000. Interest on the Note accrues at a rate of 10% per annum and is payable on the Maturity Date or otherwise in accordance with the Note. The Note may be prepaid by the Company (with the payment of a premium), may be required by the Holder to be redeemed by the Company for up to $200,000 per month after the six-month anniversary of the issuance of the Note (subject to certain deferral rights), and is subject to customary event of default (with a default interest rate of up to 22%). The Note transaction documents also give the Holder a right of first refusal to future debt issuances and a right to the first $250,000 of every $1 million of proceeds from future sales of equity by the Company. The Note is secured by the assets of the Company, other that the Company's owned real property, intellectual property and accounts receivable, pursuant to a security agreement.

On April 16, 2020, the Company entered into a loan with Pinnacle Bank as the lender ("Lender") in an aggregate principal amount of $1,691,520 (the "Loan") pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Loan is evidenced by a promissory note (the "PPP Note") dated April 16, 2020 and matures on April 16, 2022. The PPP Note bears interest at a rate of 1.000% per annum, with the first six months of payments deferred. Principal and interest are payable monthly commencing on November 16, 2020 and may be prepaid by the Company at any time prior to maturity with no prepayment penalties. In order to be entitled to forgiveness, funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent utilities, and interest on other debt obligations under the terms and conditions outlined by the PPP. The Company intends to use all or a significant majority of the Loan amount for the qualifying expenses. The Loan will not be deemed restricted issuance pursuant to the terms of the note purchase agreement entered into by the Company and Iliad Research & Trading, L.P. on March 25, 2020.

Set forth below is a summary of the Company's outstanding debt as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Note payable to The Edward S. Bredniak Trust in the amount of up to $2,000,000. An existing note payable with this entity in the amount of $379,676 has been combined into the new note payable which carries an interest rate of 10% per annum. The Note was amended in June 2019 and all outstanding balances are due January 5, 2021.	$ 1,750,000	$ 1,750,000
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.	86,107	99,628
$1.2 million mortgage loan with a financial institution. The loan agreement was originally for 6-months and carries an interest rate 3.35%. The loan matured in 2019. As of June 30, 2020, it was due on demand, with interest being paid monthly. This mortgage was repaid on July 24, 2020 (see Note 16 below).	1,232,500	1,232,500
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.	87,568	93,652
Note payable to a financial institution in the amount of $200,000 dated May 4, 2016. The note requires 60 monthly installments of $3,881 including principal and interest at 4.25%. The note matures on May 4, 2021, and is secured by the equipment and personal guarantees of certain Company executives.	41,788	63,913
Note payable to an employee in the amount of $101,906 dated March 8, 2017. The note requires payment of five annual installments of $23,350, including principal and interest at 5%. The note matures on December 31, 2021, and is unsecured.	40,000	60,000
$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.	92,433	102,744
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.	107,119	129,182
Note payable to a financial institution in the amount of $1,691,520 dated April 16, 2020. The note requires 18 consecutive monthly installments, commencing on November 16, 2020, of $95,193 including principal and interest at 1.00%. The note matures on April 16, 2022.	1,691,520	-
Note payable in the amount of $1,115,000, dated March 25, 2020. The note is payable on or before September 25, 2021. The interest on the note accrues at a rate of 10% per annum and is payable on the maturity date or otherwise in accordance with the note.	690,000	-
Unamortized debt issuance costs	(114,484)	-
	5,704,551	3,531,619
Less: current portion:	(4,471,874)	(1,422,554)
	$ 1,232,677	$ 2,109,065

Principal maturities of the Company's notes payable are as follows:

Years Ending December 31,		Amount
2020 (six months)	$	2,083,113
2021		3,032,557
2022		484,184
2023		51,657
2024		27,631
Thereafter		25,409
Total	$	5,704,551

Note 12 – Stockholders' Equity

Prior to the Company's conversion to a corporation, the Company had 400 member units authorized with 365 units issued and outstanding.

On June 1, 2018, the Company converted its 365 outstanding member units into 6,582,737 shares of common stock with a $0.001 par value pursuant to the Company's conversion from a limited liability company to a corporation.

On February 12, 2019, the Company completed a reverse split of its 6,582,737 shares of common stock to 4,533,623 shares of common stock outstanding pursuant to an amendment of the Company's certificate of incorporation. The reverse split has been given retrospective treatment.

During February 2019, the Company completed an initial public offering of securities and issued 850,000 shares of its common stock, along with 1,700,000 warrants to purchase common stock and an option to purchase 34,000 shares of common stock for gross proceeds of $4,356,815. The Company also issued 449,217 shares of common stock for the conversion of its 4% convertible notes and 1,410,183 shares to satisfy deferred acquisition consideration payable in connection with its 2018 business acquisitions.

On April 19, 2019, the Company consummated the Merger Agreement and issued 1,002,306 shares of its common stock in Merger Consideration.

On July 15, 2019, the Company signed a $10 million share purchase agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("Lincoln Park"), an Illinois limited liability company. In consideration for entering into the $10 million agreement, the Company issued to Lincoln Park 60,006 shares of Company common stock as a commitment fee. The Purchase Agreement limits our sales of shares of common stock to Lincoln Park to 1,669,359 shares of common stock, representing 19.99% of the shares of common stock outstanding on the date of the Purchase Agreement unless (a) stockholder approval is obtained to issue more than such amount or (b) the average price of all applicable sales of our common stock to Lincoln Park under the Purchase Agreement equals or exceeds the lower of (i) the closing price of our common stock on the Nasdaq Capital Market immediately preceding July 15, 2019 or (ii) the average of the closing price of our common stock on the Nasdaq Capital Market for the five business days immediately preceding July 15, 2019. As of June 30, 2020, pursuant to the Purchase Agreement, the Company sold an aggregate of 1,602,294 shares of common stock of the Company to Lincoln Park for aggregate proceeds to the Company of $2,424,053 (excluding the 60,006 shares issued to Lincoln Park as a commitment fee).

On June 18, 2020, 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 1,764,000 shares (the "Shares") of its common stock, in a registered direct offering (the "Registered Direct Offering"). 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 purchase price for one Share in the Registered Direct Offering was $1.50, and closing of the Registered Direct Offering occurred on June 22, 2020. The Company received $2.644 million in gross proceeds from the Registered Direct Offering. The Company used approximately $0.5 million of the gross proceeds for the repayment of certain indebtedness, and the remaining proceeds to the Company will be used to finance the costs of developing and acquiring additional outpatient medical clinics as part of the Company's growth and expansion strategy and for working capital.

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 June 30, 2020, the Company had issued stock options to purchase 452,872 shares of its common stock 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 and are 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 with the following assumptions: a volatility rate of 32.2%, risk free rate of 2.4% and the expected term of 10 years.

Restricted Stock Units

On May 21, 2019, the Company granted an aggregate of 277,500 Restricted Stock Units ("RSUs") to certain employees, executives and directors of the Company, 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 previously granted RSUs which had vested as of such date. On May 21, 2020, the Company granted 10,000 RSUs to a director of the Company, which vested immediately. On June 30, 2020, 66,875 shares of common stock were issued pursuant to previously granted RSUs which had vested as of such date.

Note 13 – 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 50% of up to 6 % of total compensation for those employees making salary deferrals. The Company made contributions of $20,105 and $13,354 during the three months ended June 30, 2020 and 2019, respectively, and $39,795 and $20,761 during the six months ended June 30, 2020 and 2019, respectively.

Note 14 – Income Taxes

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences are as follows:

Deferred tax benefit at the federal statutory rate	21%
Valuation allowance	-21%
	0%

At June 30, 2020, the Company had a net operating loss carryforward of approximately $3.7 million for federal and state purposes. This loss will be available to offset future taxable income. If not used, this carryforward will begin to expire in 2029. The deferred tax asset relating to the operating loss carryforward has been fully reserved at June 30, 2020. The principal differences between the operating loss for income tax purposes and reporting purposes are shares issued for services and share-based compensation and a temporary difference in depreciation expense.

Note 15 – Commitments and Contingencies

The Company is subject to extensive regulation, including health insurance regulations directed at ascertaining the appropriateness of reimbursement, preventing fraud and abuse and otherwise regulating reimbursement. To ensure compliance, various insurance providers often conduct audits and request patient records and other documents to support claims submitted by the Company for payment of services rendered to customers. In the event that an audit results in discrepancies in the records provided, insurance providers may be entitled to extrapolate the results of the audit to make overpayment demands based on a wider population of claims than those examined in the audit.

From time to time the Company may become subject to threatened and/or asserted claims arising in the ordinary course of our business. 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.

Note 16 - Subsequent Events

On July 27, 2020, the Company sold real estate located in Lexington, Kentucky in a sale-leaseback transaction for a sale price of $1,300,000. The proceeds from the sale were used to repay a $1,232,000 mortgage owed by the Company. Simultaneous with the sale, the Company also entered a five-year leaseback of the sold property.

In August 2020, the United States Food and Drug Administration (the “FDA”) approved its investigational new drug application. The Company plans to initiate enrollment for a Phase 1 clinical trial, to be conducted over a 12-month period.

ITEM 2. 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 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") and IMAC Management of Florida, LLC ("IMAC Florida"); 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"); and the following which prior to June 1, 2018 was held as a minority interest, IMAC Regeneration Center of St. Louis, LLC ("IMAC St. Louis").

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 fast-growing chain of IMAC Regeneration Centers 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. To date, we have opened seven, acquired eight and manage one outpatient medical clinics in Kentucky, Missouri, Tennessee, Illinois and Florida, and plan to further expand the reach of our facilities to other strategic locations throughout the United States. We have partnered with several active and former professional athletes, including Ozzie Smith, David Price, Tony Delk and Mike Ditka, 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.

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 or 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.

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.

Following the Corporate Conversion, IMAC Holdings, Inc. continues to hold all of the property and assets of IMAC Holdings, LLC and all of the debts and obligations of IMAC Holdings, LLC continue as the debts and obligations of IMAC Holdings, Inc. The purpose of the Corporate Conversion was to reorganize our corporate structure so that the top tier entity in our corporate structure is a corporation rather than a limited liability company and so that our existing owners own shares of our common stock rather than membership interests in a limited liability company. Except as otherwise noted herein, the consolidated financial statements included herein are those of IMAC Holdings, Inc. and its consolidated subsidiaries.

Initial Public Offering

On February 15, 2019, we completed our initial public offering of 850,000 units, with each unit consisting one share of our common stock and two warrants each to purchase one share of our common stock, at a combined initial public offering price of $5.125 per unit. The exercise price of the warrants is $5.00 per warrant. The units immediately and automatically separated upon issuance, and the common stock and warrants trade on The NASDAQ Capital Market under the ticker symbols “IMAC” and “IMACW,” respectively.

We received aggregate gross proceeds of $4,356,250 from our initial public offering, before deducting underwriting discounts, commissions and other related expenses. Proceeds from the offering have been used for financing the costs of leasing, developing and acquiring new clinic locations, funding research and new product development activities, and for working capital and general corporate purposes.

In addition, upon the closing of our initial public offering, we issued unit purchase options to Dawson James Securities, Inc., as representative of the several underwriters, and its affiliates entitling them to purchase a number of our securities equal to 4% of the securities sold in the initial public offering. The unit purchase options have an exercise price equal to 120% of the public offering price of the units (or $6.15 per share and two warrants) and may be exercised on a cashless basis. The unit purchase options are not redeemable by us.

Significant financial metrics

Significant financial metrics of the Company for the second quarter of 2020 are set forth in the bullets below.

- Net loss of $2.0 million in the second quarter of 2020 compared to a net loss of $1.9 million in the second quarter of 2019.
- Adjusted EBITDA[1] of ($1.2 million) in the second quarter of 2020 compared to ($1.2 million) in the second quarter of 2019.
- Monthly revenues were negatively impacted by COVID-19. Monthly revenues for the second quarter of 2020 compared to the second quarter of 2019 were as follows: approximately $568,000, $828,000 and $1,177,000 in April, May and June of 2020, respectively, compared to $1,057000, $1,361,000 and $1,339,000 in April, May and June of 2019, respectively.
- The Company had one-time expenses of $160,000 in the second quarter of 2020, consisting of: a pre-payment penalty of $75,000 under the Iliad Note and the increase of bad debt reserve for the sale of BioFirma receivable of $85,000.

(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.

Impacts of and Response to COVID-19 Outbreak

In March 2020, federal, state and local government authorities issued orders and guidance in order to combat the spread of the COVID-19 outbreak. 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 COVID-19 outbreak and the extent and effectiveness of containment actions taken.

Our response plan has multiple facets and continues to evolve as the pandemic unfolds. As a precautionary measure, we have taken steps to enhance our operational and financial flexibility to react to the risks the COVID-19 outbreak presents to our business, including the following:

- Launched telemedicine communications for remote patient engagement;
- Suspended operations in three Kentucky clinics to comply with government orders until we were allowed to resume operations on May 4, 2020; and
- Suspended operations at one clinic in Cook County, Illinois to comply with government orders until such order is lifted. The lease for this clinic expired June 30, 2020 and was not renewed.

The COVID-19 outbreak 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, revenue and market share 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, beginning in the month of March 2020 we began to terminate or furlough employees to reduce costs associated with non-essential personnel, which resulted in a 27% reduction in workforce. As of June 30, 2020, 62% of the full and part-time workforce had returned from furlough.

CARES Act

The Company is continuing to closely monitor legislative actions at the federal, state and local levels including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and other governmental assistance that might be available in response to the COVID-19 pandemic. As part of the CARES Act, the United States government initially announced that it would offer $100 billion of relief to eligible health care providers. On April 7, 2020, Centers for Medicare and Medicaid Services ("CMS") officials indicated they would distribute $30 billion of direct grants to hospitals, ASCs and other health care providers based on how much they bill Medicare. Payments received from these grants are not required to be repaid provided the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using funds received from the grants to reimburse expenses or losses that other sources are obligated to reimburse.

The Company received approximately $416,000 of the grant funds distributed under the CARES Act Provider Relief Fund program during the six months ended June 30, 2020. Based on an analysis of the compliance and reporting requirements and the impact of the COVID-19 pandemic on our operating results through the end of the second quarter, these funds were recognized as a reduction in operating expenses under the caption Grant funds in the condensed consolidated statements of operations for the three- and six- months ended June 30, 2020. The recognition of amounts received is conditioned upon certification that payment will be used to prevent, prepare for and respond to the COVID-19 pandemic and shall reimburse the recipient only for healthcare related expenses or lost revenues that are attributable to the COVID-19 pandemic. Amounts are recognized as a reduction to operating costs and expenses only to the extent the Company is reasonably assured that underlying conditions are met.

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 COVID-19 outbreak, 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.

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.

Critical Accounting Policies and Estimates

The preparation of our condensed 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 condensed consolidated financial statements are prepared. On an ongoing basis, we evaluate our estimates, including those related to insurance adjustments and provisions for doubtful accounts. 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 Condensed Consolidated Financial Statements (Unaudited), 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.

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. There was no goodwill impairment for the years presented.

The Company tests goodwill for impairment on an annual basis, or when events or circumstances indicate the fair value of a reporting unit is below its carrying value. No impairments of goodwill were recorded for the six months ended June 30, 2020.

Revenue Recognition

Our patient service revenue is derived from minimally invasive procedures performed at our outpatient medical clinics and patient visits to physicians. The fees for such services are billed either to the patient or a third-party payer, including Medicare. Starting in January 2020, we implemented wellness maintenance programs on a subscription basis. There are three membership plans offered with different levels of service for each plan. We recognize patient service revenue, net of contractual adjustments, which we estimate based on the historical trend of our cash collections and contractual write-offs in the period in which services are performed. Contractual adjustments represent discounts offered for patients serviced within a negotiated third-party payer contract.

Other management service fees are derived from management services where we provide 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, we provide all administrative support to the physician-owned professional corporation (“PC”) through a limited liability company. The PC is consolidated due to control by contract (an “SMA” or Service Management Agreement). The fees we derive from these management arrangements are based on a percentage mark-up on the costs of the LLC. We recognize other management service revenue in the period in which services are rendered. These revenues are eliminated in consolidation.

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 not paid by insurance carriers; therefore, we typically require 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, we are paid from the outsourced credit vendor and the risk is transferred to the credit vendor 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.

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 receivables 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

IMAC Holdings was taxed as a partnership through May 31, 2018. As a result, income tax liabilities were passed through to the individual members. Accordingly, no provision for income taxes were reflected in the consolidated financial statements for periods prior to May 31, 2018, at which time the Company converted from a limited liability company to a Delaware corporation. Subsequent to the Company converting to a Delaware corporation, IMAC Nashville, IMAC Texas, IMAC St. Louis continued as single-member limited liability companies that are disregarded entities for tax purposes and do not file separate returns. Their activity is included as part of IMAC Holdings Inc. Advantage Therapy, IMAC Illinois and IMAC Florida are also disregarded entities for tax purposes. BioFirma was a limited liability company taxed as a partnership. Effective October 1, 2019, BioFirma became wholly owned by IMAC Holdings and is a disregarded entity for tax purposes. IMAC Management is a C-corporation and is included in the consolidated return of IMAC Holdings as a subsidiary.

Any future benefit arising from losses have been offset by a valuation allowance. Accordingly, no provision for income taxes is reflected in the consolidated financial statements. The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest and penalties related to income tax matters, if any, would be recognized as a component of income tax expense. At June 30, 2020 and December 31, 2019, the Company had no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Currently, the tax years subsequent to 2017 are open and subject to examination by the taxing authorities.

Results of Operations for the Three and Six Months Ended June 30, 2020 Compared to the Three and Six Months Ended June 30, 2019

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.

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 three months ended June 30, 2020 and 2019 were as follows:

	Three Months Ended June 30,	
	2020	**2019**
	(*in thousands, unaudited*)	
Revenues:		
Outpatient facility services	$ 2,510	$ 3,757
Memberships	63	-
Total revenues	$ 2,573	$ 3,757

Revenues for the six months ended June 30, 2020 and 2019 were as follows:

	Six Months Ended June 30,	
	2020	**2019**
	(*in thousands, unaudited*)	
Revenues:		
Outpatient facility services	$ 5,722	$ 6,527
Memberships	160	-
Total revenues	$ 5,882	$ 6,527

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

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Revenues:		
Medical treatments	66%	57%
Physical therapy	31%	38%
Chiropractic care	3%	5%
	100%	100%

Patient service revenues decreased 32% to $2.6 million for the three months ended June 30, 2020, compared to $3.8 million for the three months ended June 30, 2019. This decrease was primarily due to the impact of COVID-19. April 2020 was greatly impacted by COVID-19 due to the temporary closing of our Kentucky offices from March 20, 2020 to May 4, 2020 and an overall decrease in services in other markets due to COVID-19. Patient service revenues decreased 10% to $5.9 million for the six months ended June 30, 2020, compared to $6.5 million for the six months ended June 30, 2019. This decrease is attributable to the IMAC Chicago and IMAC Florida acquisitions that occurred in April 2019 and January 2020, respectively, along with the impact of COVID-19.

See table below for monthly patient revenue as a percent of second quarter patient revenue for the three months ended June 30, 2020 compared to the three months ended June 30, 2019.

	Patient Revenues by Month							
	April		May		June		Total	
2020	$ 568,000	22%	$ 828,000	32%	$ 1,177,000	46%	$ 2,573,000	100%
2019	$ 1,057,000	28%	$ 1,361,000	36%	$ 1,339,000	36%	$ 3,757,000	100%

Visits to our clinics are an indication of business activity. Visits decreased 25% for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. Visits decreased from 35,225 in the three months ended June 30, 2019 to 26,335 in the three months ended June 30, 2020. This decrease is a direct impact of COVID-19 on the clinics.

Starting in January 2020, we implemented wellness maintenance programs on a subscription basis. As of June 30, 2020, there were 637 active memberships. All active memberships at our Kentucky locations were paused in April 2020 due to an order of the governor of Kentucky to close all elective care facilities in Kentucky. Therefore, similar to visits, there was a significant decrease in memberships in April 2020, followed by an increase in memberships of 48% in June 2020, for a total of 637 active memberships. The average number of active members in the second quarter of 2020 was 511 compared to 343 for the average number of members in the first quarter of 2020.

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	2020	2019	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30	$ 405,000	$ 928,000	$ (523,000)	(56)%
Six Months Ended June 30	785,000	1,364,000	(579,000)	(42)%

Cost of revenues (patient expense) decreased for the three and six months ended June 30, 2020 as compared to June 30, 2019. This decrease was driven by the decrease in patient visits due to COVID-19, improvements in supply management and changes in the patient mix of services provided.

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

Salaries and Benefits	2020	2019	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30	$ 2,334,000	$ 2,593,000	$ (259,000)	(10)%
Six Months Ended June 30	5,260,000	4,658,000	602,000	13%

Salaries and benefits expenses for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019, decreased due to the reduction in workforce as a result of closure of our clinics due to COVID-19. For the six months ended June 30, 2020, as compared to the six months ended June 30, 2019, salaries and benefits expenses increased due to our April 2019 acquisition of clinics in the Chicago, Illinois areas.

Share-based compensation consists of the value of equity incentive grants issued to employees, directors and board members which have vested during the period.

Share-based Compensation	2020	2019	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30	$ 122,000	$ 172,000	$ (50,000)	(29)%
Six Months Ended June 30	203,000	175,000	28,000	16%

Share-based compensation decreased from $172,000 to $122,000 for the three months ended June 30, 2020, as compared to the three months ended June 30, 2019.

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

Advertising and Marketing	2020	2019	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30	$ 174,000	$ 349,000	$ (175,000)	(50)%
Six Months Ended June 30	416,000	696,000	(280,000)	(40)%

Advertising and marketing expenses decreased for the three and six months ended June 30, 2020, as compared to the three and six months ended June 30, 2019. The decrease was due to reduced marketing spending as a result of the impact of the COVID-19 outbreak on consumer engagement.

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	2020	2019	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30	$ 1,208,000	$ 1,430,000	$ (222,000)	(16)%
Six Months Ended June 30	2,445,000	2,407,000	38,000	2%

G&A decreased in the three months ended June 30, 2020 as compared to the three months ended June 30, 2019. In the second quarter of 2019 there was a significant amount of travel expenses with the acquisition of IMAC Chicago in April 2019, compared to the second quarter of 2020 that had a limited amount of travel due to COVID-19. There was also a decrease in overall G&A expenses during the second quarter of 2020 due to the temporary closing of 4 clinics due to COVID-19 and lower volume of patient visits. For the six months ended June 30, 2020 as compared to the six months ended June 30, 2019, G&A is comparable. G&A in the first quarter of 2020 had an increase of $259,000 compared to the first quarter of 2019, which was a result of the acquisitions of IMAC Chicago in April 2019 and IMAC Florida in January 2020. As mentioned above, the second quarter of 2020 then had a decrease of $222,000 in G&A compared to the second quarter of 2019. Together, these changes resulted in the first six months of 2020 and 2019 having comparable G&A.

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	2020	2019	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	$ 454,000	$ 397,000	$ 57,000	14%
Six Months Ended June 30,	904,000	683,000	221,000	32%

Depreciation and amortization increased for the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2020. The increase in depreciation and amortization expense resulted from the 2019 acquisition of the clinics managed by IMAC of Illinois and the January 2020 acquisition of CHSF.

Net loss attributable to the non-controlling interest. Net loss attributable to the non-controlling interest is the amount of net income (loss) for the period allocated to non-controlling partners of IMAC Holdings, Inc. that is included in the entity's consolidated financial statements.

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 six months ended June 30, 2020, net cash used in operations increased to $3.0 million compared to $1.7 million for the six months ended June 30, 2019. This difference was primarily attributable to the change in accounts payable and accrued expenses during the six months ended June 30, 2020.

Net cash used in investing activities during the six months ended June 30, 2020 and 2019 was $454,000 and $389,000, respectively. This was primarily driven by the acquisition of CHSF in January 2020 and the acquisition of the proprietary license fee.

Net cash provided by financing activities during the six months ended June 30, 2020 was $5.9 million, including proceeds from notes payable, net of related fees, which totaled $2.9 million, and proceeds from the issuance of common stock of $3.8 million. Net cash provided by financing activities during the six months ended June 30, 2019 was $4.1 million, including proceeds from our initial public offering, net of related fees.

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 measure is set forth below.

	Three Months Ended		**Six Months Ended**	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
GAAP loss attributable to IMAC Holdings, Inc.	$ (2,030,688)	$ (1,900,768)	$ (3,764,233)	$ (3,499,955)
Interest income	(39)	(5)	(39)	(5)
Interest expense	134,921	85,210	211,125	115,881
Beneficial conversion interest expense	-	-	-	639,159
Share-based compensation expense	121,945	171,590	203,029	175,339
Depreciation and amortization	453,651	396,989	904,146	682,556
Loss on extinguishment of debt	109,544	-	109,544	-
Loss on sale of assets	21,225	-	21,225	-
Adjusted EBITDA	$ (1,189,441)	$ (1,246,984)	$ (2,315,203)	$ (1,887,025)

Liquidity and Capital Resources

As of June 30, 2020, we had $2.8 million in cash and deficiency in working capital of $3.9 million. As of December 31, 2019, we had cash of $373,689 and deficiency in working capital of $3.5 million. The increase in working capital deficiency was primarily due to the increase in the current portion of notes payable, which accounted for $1.4 million in the notes payable balance as of June 30, 2020.

We believe our cash at June 30, 2020, including proceeds from the Iliad Note, PPP Note and the Registered Direct Offering, will be sufficient to meet our cash, operational and liquidity requirements for at least 12 months.

As of June 30, 2020, we had approximately $8.8 million in current liabilities. The Iliad Note represents $576,000 and the PPP Note represents $744,000 of our current liabilities. Of our remaining current liabilities as of June 30, 2020, approximately $1.2 million was represented by a mortgage on our Lexington, Kentucky property (which was subsequently repaid on July 24, 2020), and $1.8 million owed under the note payable to The Edward S. Bredniak Trust. Lastly, we have approximately $1.4 million in current liabilities outstanding to our vendors and under operating lines of credit, which we have historically paid down in the normal course of our business.

As of June 30, 2020, we had an accumulated deficit of $13.8 million. Prior to our initial public offering, we funded our operations primarily through the sale and issuance of convertible notes, bridge loans, and the use of funds from operations. Accordingly, 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 independent registered public accounting firm has indicated that our financial condition raises substantial doubt as to our ability to continue as a going concern.

On July 15, 2019, we signed the $10 million Purchase Agreement with Lincoln Park. We also entered into a registration rights agreement (the “Registration Agreement”) with Lincoln Park in which we agreed to file a registration statement related to the transaction with the SEC covering the shares of our common stock that may be issued to Lincoln Park under the Purchase Agreement.

Pursuant to the Purchase Agreement, we have the right, in our sole discretion, over a 36-month period to sell shares of common stock to Lincoln Park, subject to certain limitations contained in the Purchase Agreement, in amounts up to 50,000 shares per regular sale, which may be increased to up to 100,000 shares depending on certain conditions as set forth in the Purchase Agreement (and subject to adjustment for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction as provided in the Purchase Agreement), up to the aggregate commitment of $10 million (“Regular Purchases”). In addition to Regular Purchases and subject to the terms and conditions of the Purchase Agreement, we in our sole discretion may direct Lincoln Park on each purchase date to make “accelerated purchases” and “additional accelerated purchases” on the following business day as provided in the Purchase Agreement. However, in no event may we sell any number of shares that would result in Lincoln Park beneficially owning more than 4.99% of our outstanding common stock.

There are no upper limits on the per share price Lincoln Park may pay to purchase our common stock; however, we may not sell more than $1,000,000 in shares of common stock to Lincoln Park per Regular Purchase. The purchase price of the shares related to the $10 million of future funding will be based on the prevailing market prices of our shares without any fixed discount. Furthermore, we control the timing and amount of any future sales, if any, of shares of common stock to Lincoln Park.

The Purchase Agreement limits our sales of shares of common stock to Lincoln Park to 1,669,359 shares of common stock, representing 19.99% of the shares of common stock outstanding on the date of the Purchase Agreement unless (a) stockholder approval is obtained to issue more than such amount or (b) the average price of all applicable sales of our common stock to Lincoln Park under the Purchase Agreement equals or exceeds the lower of (i) the closing price of our common stock on the Nasdaq Capital Market immediately preceding July 15, 2019 or (ii) the average of the closing price of our common stock on the Nasdaq Capital Market for the five Business Days immediately preceding July 15, 2019.

The Purchase Agreement contains customary representations, warranties, covenants, closing conditions and indemnification and termination provisions by, among and for the benefit of the parties. Additionally, Lincoln Park has agreed not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of our common stock. The Purchase Agreement does not limit our ability to raise capital from other sources at our sole discretion, provided that we have agreed not to enter into any "variable rate" transactions with any third party for the 36-month period following the execution of the Purchase Agreement.

In consideration for entering into the $10 million agreement, we issued to Lincoln Park 60,006 shares of our common stock as a commitment fee and will issue up to an additional 60,006 shares pro rata, when and if Lincoln Park purchases, at the Company's sole discretion, the $10 million aggregate commitment. The Purchase Agreement may be terminated by us at any time at our discretion without any cost to us. The proceeds received by us under the Purchase Agreement may be used for any corporate purpose at our sole discretion.

As of June 30, 2020, pursuant to the Purchase Agreement, the Company sold an aggregate of 1,602,294 shares of common stock of the Company to Lincoln Park for aggregate proceeds to the Company of $2,424,053 (excluding the 60,006 shares previously issued to Lincoln Park as a commitment fee).

On March 25, 2020, the Company entered into a note purchase agreement with Iliad Research & Trading, L.P., pursuant to which the Company agreed to issue and sell to the Holder a secured promissory note in an aggregate initial principal amount of $1,115,000, which is payable on or before the date that is 18 months from the issuance date. The Initial Principal Amount includes an original issue discount of $100,000 and $15,000 that the Company agreed to pay to the Holder to cover the Holder's legal fees, accounting costs, due diligence and other transaction costs. In exchange for the Note, the Holder paid an aggregate purchase price of $1,000,000. Interest on the Note accrues at a rate of 10% per annum and is payable on the Maturity Date or otherwise in accordance with the Note. The Note may be prepaid by the Company (with the payment of a premium), may be required by the Holder to be redeemed by the Company for up to $200,000 per month after the six-month anniversary of the issuance of the Note (subject to certain deferral rights), and is subject to customary events of default (with a default interest rate of up to 22%). The Note transaction documents also give the Holder a right of first refusal to future debt issuances and a right to the first $250,000 of every $1 million of proceeds from future sales of equity by the Company. The Note is secured by the assets of the Company, other than the Company's owned real property, intellectual property and accounts receivable, pursuant to a security agreement. The Company will use the proceeds of the Note for certain growth initiatives including an IND filing with the FDA.

On June 18, 2020, the Company entered into the Securities Purchase Agreement with institutional accredited investors pursuant to which the Company offered for sale to the Purchasers an aggregate of 1,764,000 shares of its common stock in a registered direct offering. 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 and declared effective on April 3, 2020. The purchase price for one Share in the Registered Direct Offering was $1.50, and closing of the Registered Direct Offering occurred on June 22, 2020. The Company received $2.644 million in gross proceeds from the Registered Direct Offering. The Company used approximately $0.5 million of the gross proceeds for the repayment of certain indebtedness, and the remaining proceeds to the Company will be used to finance the costs of developing and acquiring additional outpatient medical clinics as part of the Company's growth and expansion strategy and for working capital.

Contractual Obligations

The following table summarizes our contractual obligations by period as of June 30, 2020:

	Payments Due by Period				
	Total	**Less Than 1 Year**	**1-3 Years**	**4-5 Years**	**More Than 5 Years**
Short-term obligations	$ 2,544,499	$ 2,544,499	$ -	$ -	$ -
Long-term obligations, including interest	3,661,888	-	3,605,911	46,221	9,756
Finance lease obligations, including interest	86,323	10,903	65,417	10,003	-
Operating lease obligations	4,772,622	577,124	3,005,782	901,837	287,878
	$ 11,065,331	$ 3,132,526	$ 6,677,110	$ 958,061	$ 297,634

Off-Balance Sheet Arrangements

As of June 30, 2020, the Company did not have any off-balance sheet arrangements.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for the three and six months ended June 30, 2020 and 2019. We cannot assure you that future inflation will not have an adverse impact on our operating results and financial condition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

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 SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and interim 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 interim 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 interim 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 June 30, 2020. 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.

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 interim 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 13a-15(e) and 15d-15(e) under the Exchange Act were not effective as of June 30, 2020.

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.

PART II. OTHER INFORMATION

ITEM 1. 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 1A. RISK FACTORS

Investors should carefully review and consider the information regarding certain factors which could materially affect our business, operating results, cash flows, and financial condition set forth under Item 1A, Risk Factors, in our fiscal 2019 Annual Report on Form 10-K filed with the SEC on March 26, 2020. There have been no material changes to such risk factors, except as set forth below. The risk factors set forth below supplement, and should be read together with, that section for disclosures regarding what we believe are the more significant risks and uncertainties related to our businesses. We do not believe that there have been any other material additions or changes to the risk factors previously disclosed in our fiscal 2019 Annual Report on Form 10-K, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

Our business and results of operations will be, and our financial condition may be, impacted by the COVID-19 outbreak and such impact could be materially adverse.

The global spread of the COVID-19 outbreak has created significant volatility, uncertainty and economic disruption. The extent to which the COVID-19 outbreak impacts our business, operations and financial results is uncertain and will depend on numerous evolving factors that we may be able to accurately predict, including:

- the duration and scope of the pandemic;
- governmental, business and individual actions taken in response to the pandemic and the impact of those actions on national and global economic activity;
- the actions taken in response to economic disruption;
- the impact of business disruptions and reductions in employment levels on our patients and the resulting impact on their demand for our orthopedic therapies and other medical treatments;
- the increase in business failures amount suppliers and other businesses with which we collaborate;
- our patients' ability to pay for orthopedic therapies and other medical treatments; and
- our ability to provide our orthopedic therapies and other medical treatments, including as a result of our employees or our patients working remotely and/or closures of our medical clinics.

Any of these factors could cause or contribute to the risks and uncertainties identified in our Annual Report on Form 10-K for the year ended December 31, 2019 and could materially adversely affect our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dates as of April 1, 2019, by and among IMAC Holdings Inc., IMAC Management of Illinois, LLC, ISDI Holdings Inc. and Jason Hui (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on April 3, 2019 and incorporated herein by reference).
2.2	Amendment to Agreement and Plan of Merger, dated April 19, 2019, by and among IMAC Holdings Inc., IMAC Management of Illinois, LLC, ISDI Holdings, Inc., ISDI Holdings II, Inc., PHR Holdings, Inc., and Jason Hui (filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the SEC on April 25, 2019 and incorporated herein by reference).
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).

10.1	Contract of Purchase and Sale, dated June 5, 2020 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 11, 2020 and incorporated herein by reference).
10.2	Form of lease for Lexington, Kentucky location (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on June 11, 2020 and incorporated herein by reference).
10.3	Form of Securities Purchase Agreement dated June 18, 2020 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 18, 2020 and incorporated herein by reference).
31.1*	Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated pursuant to the Securities Exchange Act of 1934, as amended.
31.2*	Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated pursuant to the Securities Exchange Act of 1934, as amended.
32.1**	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.LAB*	XBRL Taxonomy Extension Labels Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase

* Filed herewith.

** This certification is being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of IMAC Holdings, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities and 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.

Date: August 14, 2020	By: */s/ Jeffrey S. Ervin*
	Jeffrey S. Ervin
	Chief Executive Officer
	(Principal Executive Officer, Duly Authorized Officer)

EXHIBIT 31.1

CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey S. Ervin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IMAC Holdings, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. I am 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this 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;

5. 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.

August 14, 2020

/s/ Jeffrey S. Ervin
Jeffrey S. Ervin
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Sheri Gardzina, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IMAC Holdings, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this 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;

5. The registrant's other certifying officer and I have disclosed, based on our 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.

August 14, 2020

/s/ Sheri Gardzina

Sheri Gardzina
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the accompanying Quarterly Report on Form 10-Q of IMAC Holdings, Inc. for the period ended June 30, 2020, I, Jeffrey S. Ervin, Chief Executive Officer of IMAC Holdings, Inc., hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) such Quarterly Report on Form 10-Q of IMAC Holdings, Inc. for the period ended June 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in such Quarterly Report on Form 10-Q of IMAC Holdings, Inc. for the period ended June 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of IMAC Holdings, Inc. at the dates and for the periods indicated.

This certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

August 14, 2020

/s/ Jeffrey S. Ervin
Jeffrey S. Ervin
Chief Executive Officer
(Principal Executive Officer)

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

EXHIBIT 32.2

CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the accompanying Quarterly Report on Form 10-Q of IMAC Holdings, Inc. for the period ended June 30, 2020, I, Sheri Gardzina, Interim Chief Financial Officer of IMAC Holdings, Inc., hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) such Quarterly Report on Form 10-Q of IMAC Holdings, Inc. for the period ended June 30, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in such Quarterly Report on Form 10-Q of IMAC Holdings, Inc. for the period ended June 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of IMAC Holdings, Inc. at the dates and for the periods indicated.

This certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

August 14, 2020

/s/ Sheri Gardzina
Sheri Gardzina
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

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