Q4 2023 Financial Results

As of December 31, 2023 | Reported on March 7, 2024

THE JOINT chiropractic

Safe Harbor Statements

Certain statements contained in this presentation are "forward-looking statements" about future events and expectations. Forward-looking statements are based on our beliefs, assumptions and expectations of industry trends, our future financial and operating performance and our growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Words such as, "anticipates," "believes," "continues," "estimates," "expects," "goal," "objectives," "intends," "may," "opportunity," "plans," "potential," "near-term," "long-term," "projections," "assumptions," "projects," "guidance," "forecasts," "outlook," "target," "trends," "should," "could," "would," "will," and similar expressions are intended to identify such forward-looking statements. . Specific forward looking statements made in this presentation

include, among others our refranchising strategy; our implementation of new marketing programs; 2024 guidance for system-wide sales, system-wide comp sales for all clinics open 13 months or more, and new

franchised clinic openings excluding the impact of refranchised clinics; our belief that people will continue to seek more noninvasive, holistic ways to manage their pain and that we'll be there to treat them; our leading chiropractic care franchise concept; our mission to improve quality of life through routine and affordable chiropractic care; our upside for future growth; our substantial opportunity for market share growth; and our growing market opportunity. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements, and you should not place undue reliance on such statements. Factors that could contribute to these differences include, but are not limited to, our inability to identify and recruit enough qualified chiropractors and other personnel to staff our clinics, due in part to the nationwide labor shortage and an increase in operating expenses due to measures we may need to take to address such shortage; inflation, and the current war in Ukraine, which has increased our costs and which could otherwise negatively impact our business; the potential for disruption to our operations and the unpredictable impact on our business of outbreaks of contagious diseases; our failure to profitably operate company-owned or managed clinics; short-selling strategies and negative opinions posted on the internet, which could drive down the market price of our common stock and result in class action lawsuits; our failure to remediate future material weaknesses in our internal control over financial reporting, which could negatively impact our ability to accurately report our financial results, prevent fraud, or maintain investor confidence; and other factors described in our filings with the SEC, including in the section entitled "Risk Factors" in our Annual Report on Form 10-K/A for the year ended December 31, 2022 filed with the SEC on September 26, 2023 and subsequently-filed current and quarterly reports. We qualify any forward-looking statements entirely by these cautionary factors. We assume no obligation to update or revise any forward-looking statements for any reason or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Business Structure

The Joint Corp. is a franchisor of clinics and an operator of clinics in certain states. In Arkansas, California, Colorado, District of Columbia, Florida, Illinois, Kansas, Kentucky, Maryland, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia and Wyoming. The Joint Corp. and its franchisees provide management services to affiliated professional chiropractic practices.

Strong Operational KPIs

13.6M	1.7M	932K	36%	85%
adjustments in 2023	unique patients treated in 2023	new patients in 2023	of new patients were new to chiropractic in 2023[1]	system-wide gross sales from monthly memberships in 2023
Up from 12.2M in 2022	Up from 1.6M in 2022	Compared to 845K in 2022	~336K patients in 2023 had never been to a chiropractor before	Compared to 84% in 2022

[1] New patient survey completed early 2024.

Building upon Foundation for Growth

12%

Increase in system-wide sales[1] 2023 over 2022

4%

Increase in system–wide comp sales[2] for all clinics >13 months in operation 2023 over 2022

(1)%

Decrease in system–wide comp sales[2] for all clinics >48 months in operation 2023 over 2022

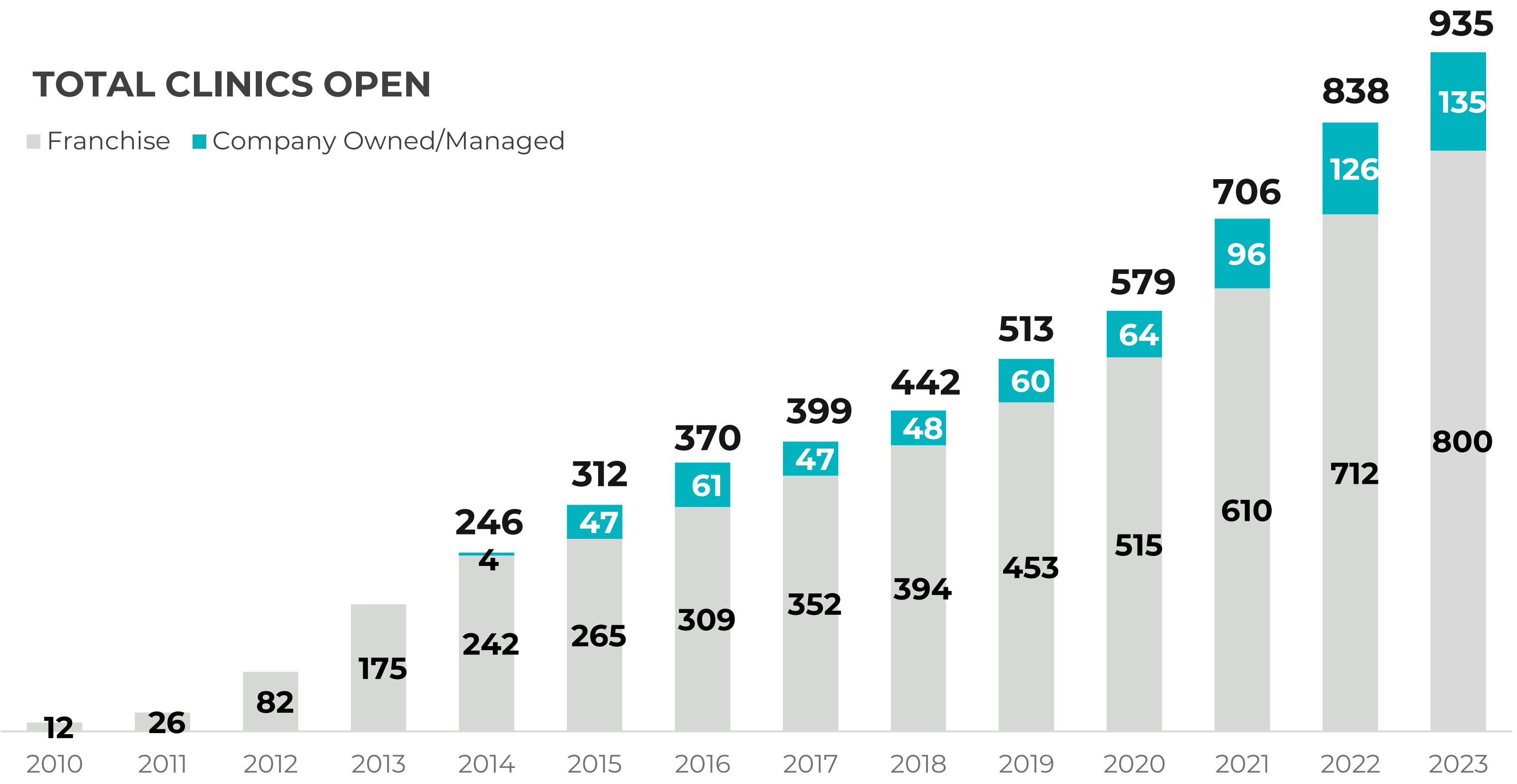
	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenue	$30.6M	$27.7M	$117.7M	$101.3M
Loss on disposition or impairment [3]	$1.5M	$50k	$2.6M	$410k
Operating (loss) / inc.	$(147)k	$1.5M	$(2.1)M	$828k
Tax expense [4]	$10.9M	$629k	$11.4M	$68k
Net (loss) / inc. [5]	$(11.0)M	$763k	$(9.8)M	$627k
Adjusted EBITDA [6]	$4.0M	$4.0M	$12.2M	$11.5M

Unrestricted cash $18.2M at Dec. 31, 2023, compared to $9.7M at Dec. 31, 2022

1 System-wide sales include revenues at all clinics, whether operated or managed by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the company's financial performance, because these revenues are the basis on which the company calculates and records royalty fees and are indicative of the financial health of the franchisee base. | 2 Comparable sales include only the sales from clinics that have been open at least 13 or 48 full months and exclude any clinics that have permanently closed. | 3 Loss on disposition or impairment, including those corporate clinics that were announced to be held for sale in November 2023. | 4 Recorded non-cash valuation allowance against deferred tax assets of $10.8 million in Q4 2023. | 5 Net (loss) income included the receipt of the employee retention credits of $4.8 million in 2023. | 5 Adjusted net loss excludes the non-cash valuation allowance. |6 Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

97 Net, New Clinics in 2023

	2023	2022
Franchise Licenses Sold	55	75
Franchised Clinics Opened [1]	104	121
Corporate Clinics Opened [1]	10	16
Corporate Clinics Acquired	3	16
Clinics in Development	172	235



[1] During 2023, The Joint closed 13 franchised clinics, acquired 3 previously franchised clinics and closed or sold 4 corporate clinics. During 2022, The Joint closed 5 franchised clinics, acquired 16 previously franchised clinics and closed or sold 2 corporate clinics.

Refranchising Strategy

Majority of corporate clinics:

- Quality assets of value
- Methodical clustering

Prepared framework for sales

- 100+ Requests from existing franchisees
- Broadening the scope to prospective new franchisees

Value maximization:

- Generates capital
- Increases franchise revenue
- Reduces corporate costs

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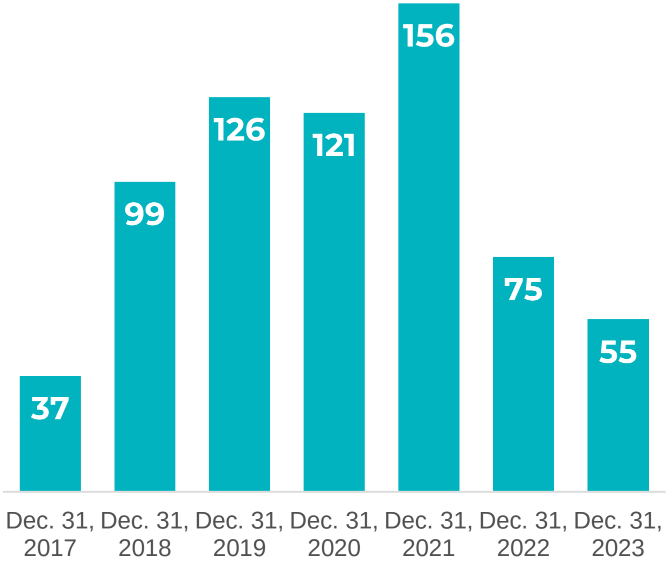
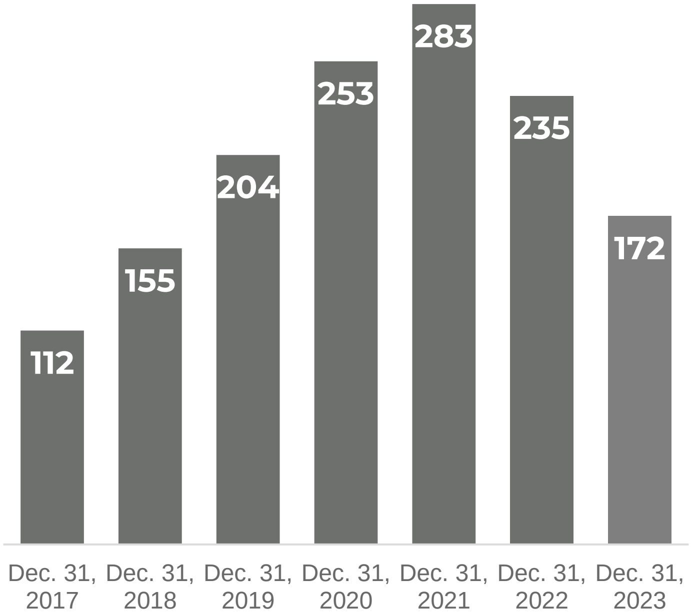
Pipeline for Growth

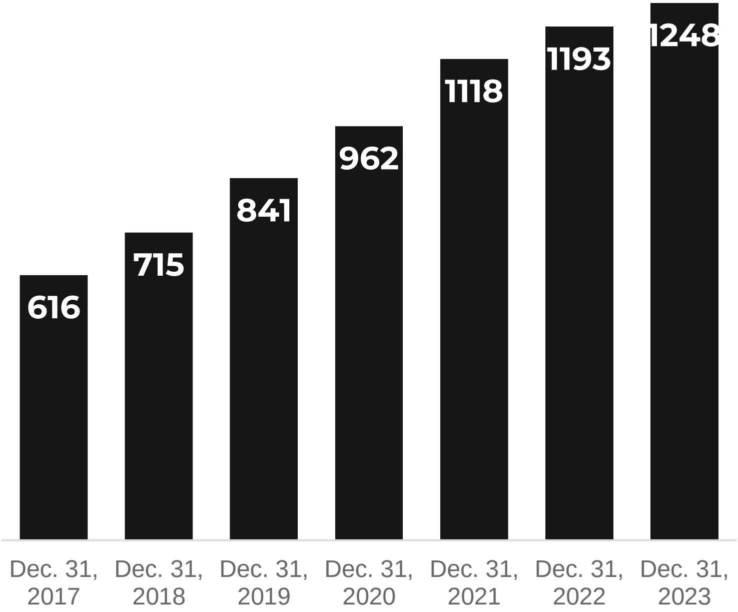
Franchise Licenses Sold Annually



Clinics in Active Development[1]



Gross Cumulative Franchise Licenses Sold[1]



51% sold by Regional Developers in 2023

68% of clinics supported by 17 RDs as of Dec. 31, 2023

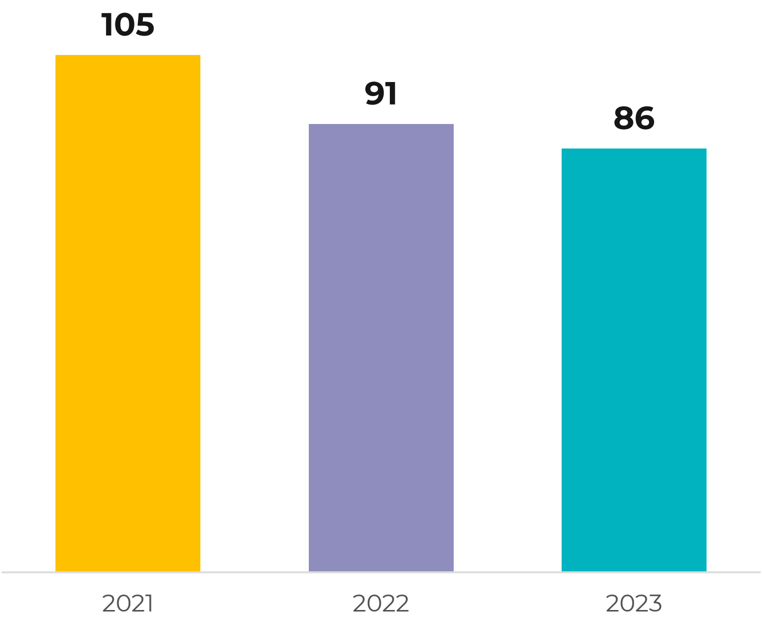
RD territories cover 55% of Metropolitan Statistical Areas (MSAs) as of Dec. 31, 2023

[1] Of the 1,248 franchise licenses sold as of Dec. 31, 2023, 172 are in active development, 800 are currently operating and the balance represents terminated/closed licenses.

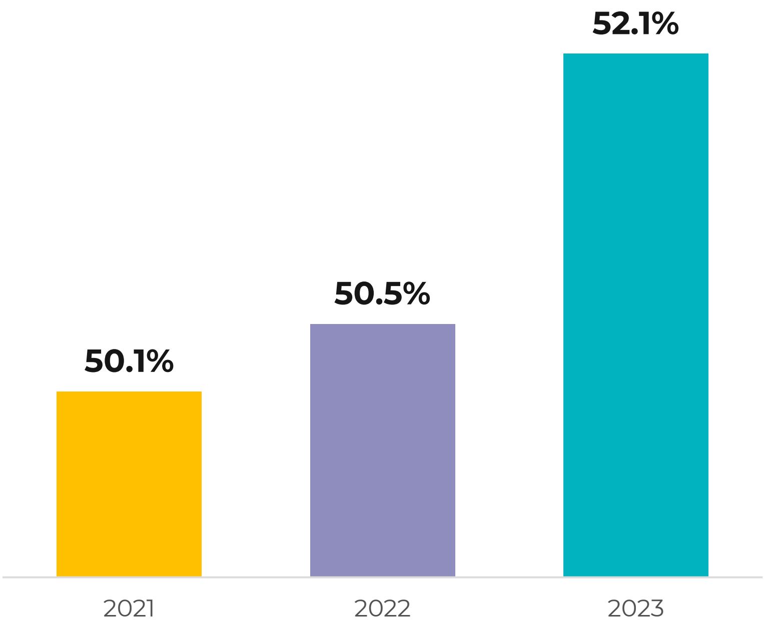
Key Performance Indicators

200 bpt.s increase in Conversion and 100 bpt.s improvement in Attrition

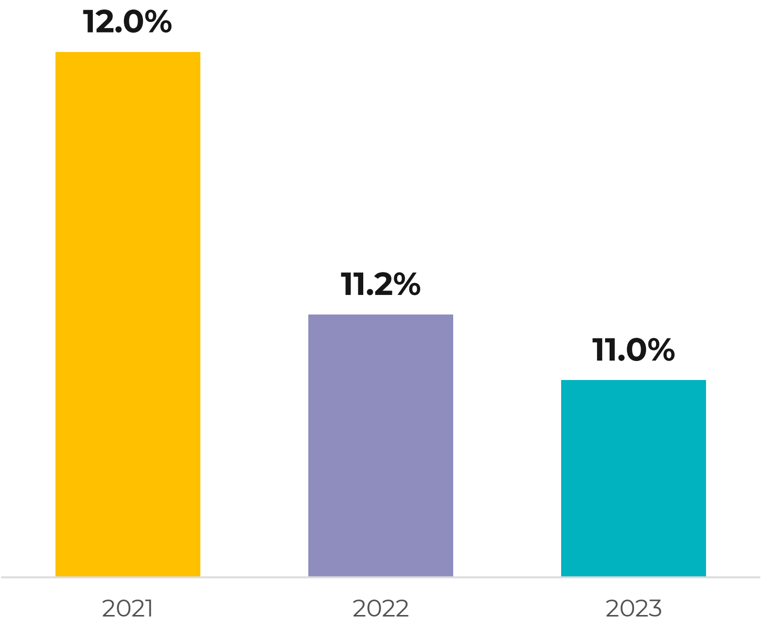
New Patients
Avg. per Clinic



Total Conversion
Avg. per Clinic



Attrition
Avg. per Clinic



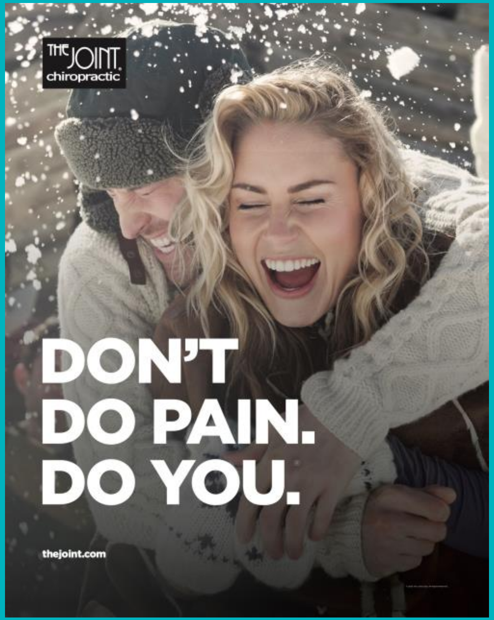
Implementing New Marketing Programs

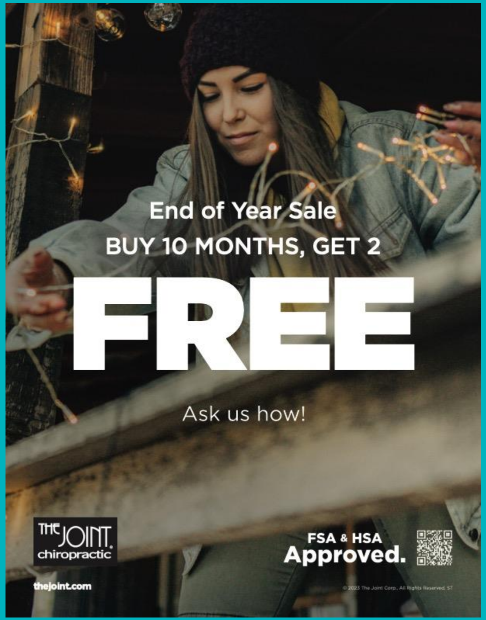
Increasing membership and package sales and with strong annual year-end promotions

Driving new patients with new media and advertising

Increasing existing and lapsed patient engagement

Expanding brand architecture





Q4 2023 Financial Results as of Dec. 31, 2023

$ in M [1]	Q4 2023	Q4 2022	Differences	
Revenue	$30.6	$27.7	$2.9	11%
• **Corporate clinics**	17.9	16.5	1.4	9%
• **Franchise fees**	12.7	11.2	1.5	14%
Cost of revenue	2.9	2.5	0.4	16%
Sales and marketing	3.4	3.3	0.1	2%
Depreciation and amortization	1.7	2.1	(0.4)	(18)%
G&A	21.3	18.3	3.0	16%
Loss on disposition or impairment [2]	1.5	0.0	1.5	NA
Operating (loss) / income	(0.1)	1.5	(1.6)	NA
Tax expense including $10.8M Q4 2023 valuation allowance against deferred tax assets [3]	10.9	0.6	(10.3)	NA
Net (loss) / income	(11.0)	0.8	(11.8)	NA
Adjusted EBITDA [4]	4.0	4.0	0.0	NA

1 Due to rounding, numbers may not add up precisely to the totals.
2 Loss on disposition or impairment, including those corporate clinics that were announced to be held for sale in November 2023.
3 Recorded non-cash valuation allowance against deferred tax assets of $10.8 million in Q4 2023. Adjusted net loss excludes the non-cash valuation allowance.
4 Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

2023 Financial Results as of Dec. 31, 2023

$ in M [1]	FY 2023	FY 2022	Differences	
Revenue	$117.7	$101.3	$16.4	16%
• **Corporate clinics**	70.7	59.4	11.3	19%
• **Franchise fees**	47.0	41.8	5.2	12%
Cost of revenue	10.5	9.2	1.4	15%
Sales and marketing	16.5	14.0	2.6	18%
Depreciation and amortization	8.6	6.6	1.9	29%
G&A	81.5	70.2	11.2	16%
Loss on disposition or impairment [2]	2.6	0.4	2.2	NA
Operating (loss) / income	(2.1)	0.8	(2.9)	NA
Tax expense including $10.8M Q4 2023 valuation allowance against deferred tax assets [3]	11.4	0.1	(11.3)	NA
Other expense, net [4]	3.7	(0.1)	3.8	NA
Net (loss) / income	(9.8)	0.6	(9.2)	NA
Adjusted EBITDA [5]	12.2	11.5	0.7	6%

1 Due to rounding, numbers may not add up precisely to the totals. | 2 Loss on disposition or impairment, including those corporate clinics that were announced to be held for sale in November 2023. |3 Recorded non-cash valuation allowance against deferred tax assets of $10.8 million in Q4 2023. Adjusted net loss excludes the non-cash valuation allowance | 4 Net (loss) income – included the receipt of the employee retention credits of $4.8 million in 2023. | 5 Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

Initiating 2024 Guidance

$ in M	2023 Actual	2024 Low Guidance	2024 High Guidance
System-wide sales[1]	$488.0	$530	$545
System-wide comp sales for all clinics open 13 months or more[2]	4%	Mid-single digits	
New franchised clinic openings excluding the impact of refranchised clinics	104	60	75

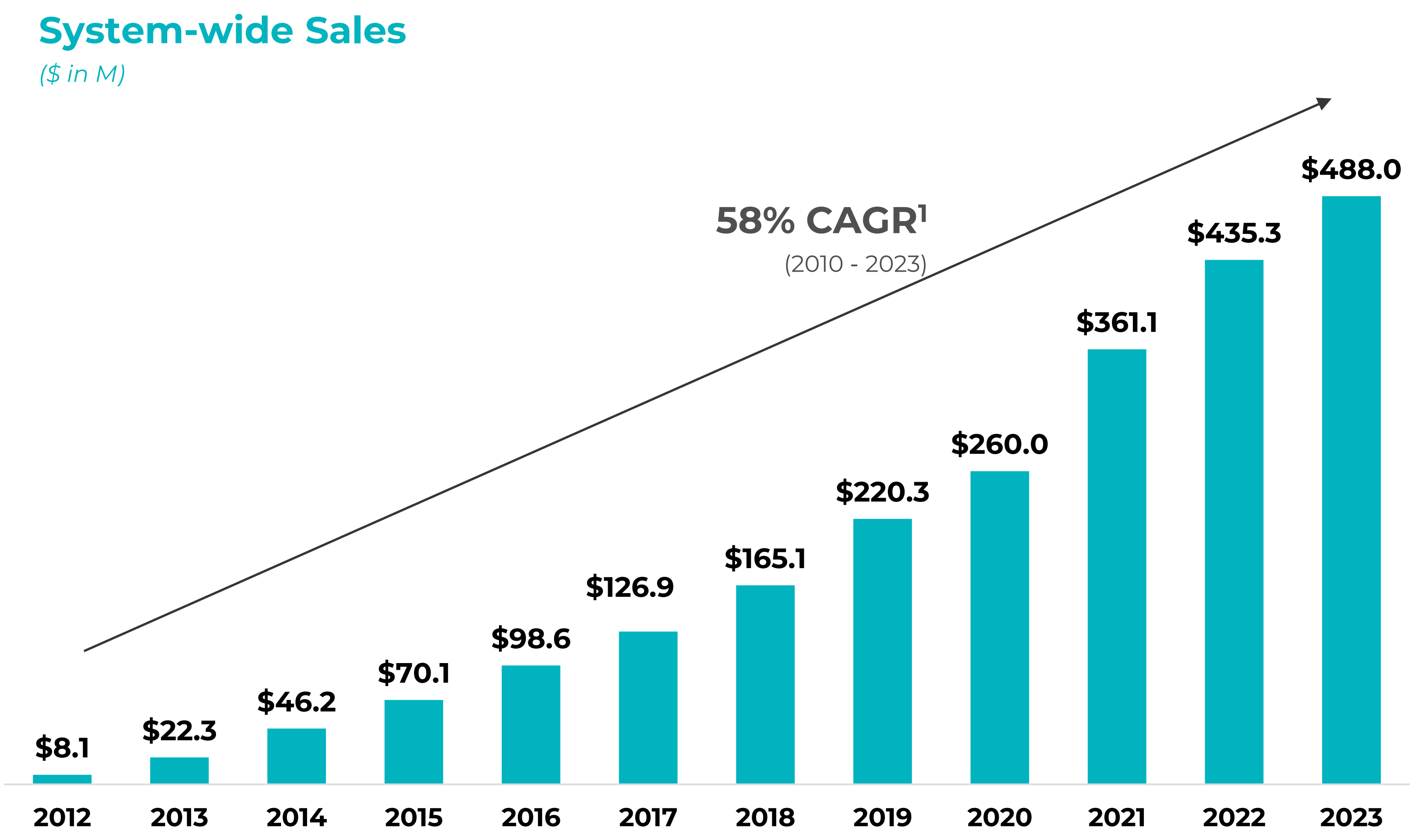
1 System-wide sales include revenues at all clinics, whether operated or managed by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the company's financial performance, because these revenues are the basis on which the company calculates and records royalty fees and are indicative of the financial health of the franchisee base. | 2 Comparable sales include only the sales from clinics that have been open at least 13 or 48 full months and exclude any clinics that have permanently closed..

People will continue to seek more noninvasive, holistic ways to manage their pain.

We'll be there to treat them.

Leading Market Growth

The Joint Corp. 13-yr. CAGR 58%[1] vs. Industry 5-yr. CAGR 5.1%[2]



1 For the period ended Dec. 31, 2023
2 March 2023 Kentley Insights Chiropractic Care Market Research Report

Leading Chiropractic Care Franchise Concept

Large & Growing Market	Attractive Asset-light Model	Recurring Revenue Model	Premier Nationwide Brand	Category Leader & Creator
\$20.5B on chiropractic \$8.5B out-of-pocket annual spend in US [1]	86% franchised clinics and implementing refranchising strategy	85% of 2023 system-wide gross sales from monthly memberships	41 state presence, successful marketing coops, and largest digital footprint	935 clinics at 12/31/23, revolutionizing access to chiropractic care since 2010

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[1] New patient survey completed early 2024.

Appendix

Performance Metrics and Non-GAAP Measures

This presentation includes commonly discussed performance metrics. System-wide sales include sales at all clinics, whether operated by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the company's financial performance, because these sales are the basis on which the company calculates and records royalty fees and are indicative of the financial health of the franchisee base. Comp sales include the sales from both company-owned or managed clinics and franchised clinics that in each case have been open at least 13 full months and exclude any clinics that have closed.

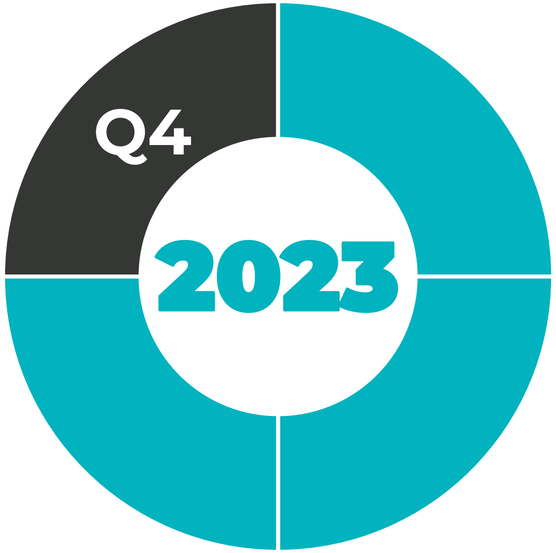
This presentation includes non-GAAP financial measures. EBITDA and Adjusted EBITDA are presented because they are important measures used by management to assess financial performance, as management believes they provide a more transparent view of the Company's underlying operating performance and operating trends than GAAP measures alone. Reconciliations of net loss to EBITDA and Adjusted EBITDA are presented where applicable. The Company defines EBITDA as net income/(loss) before net interest, tax expense, depreciation, and amortization expenses. The company defines Adjusted EBITDA as EBITDA before acquisition-related expenses(which includes contract termination costs associated with reacquired regional developer rights), net (gain)/loss on disposition or impairment, stock-based compensation expenses, costs related to restatement filings, restructuring costs and other income related to employee retention credits.

EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or cash flows from operations, as determined by accounting principles generally accepted in the United States, or GAAP. While EBITDA and Adjusted EBITDA are frequently used as measures of financial performance and the ability to meet debt service requirements, they are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation. EBITDA and Adjusted EBITDA should be reviewed in conjunction with the Company's financial statements filed with the SEC.

Information reconciling forward-looking Adjusted EBITDA to net income/(loss) is unavailable to the company without unreasonable effort. The company is not able to provide a quantitative reconciliation of adjusted EBITDA to net income/(loss) because certain items required for such reconciliation are uncertain, outside of the company's control, and/or cannot be reasonably predicted, including but not limited to [the provision for (benefit from) income taxes. Preparation of such reconciliation would require a forward-looking statement of income and statement of cash flows prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the company without unreasonable effort.

Q4 2023 Segment Results as of Dec. 31, 2023

$ in 000s

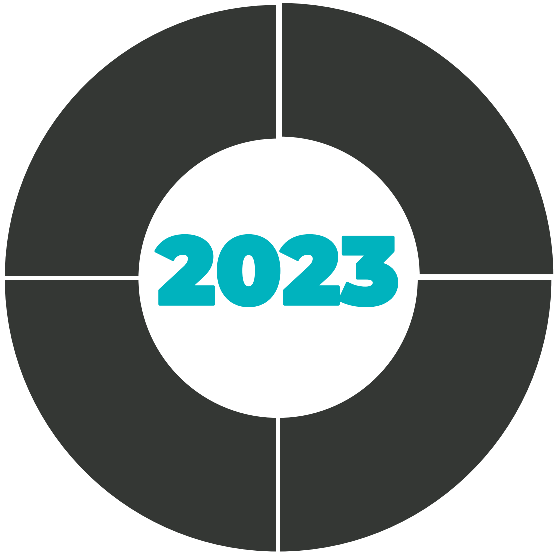


	Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
Total Revenues	$ 17,906	$ 12,709	$ -	**$ 30,614**
Total Operating Costs	(19,077)	(6,289)	(5,396)	(30,762)
Operating Income (Loss)	(1,171)	6,419	(5,396)	(147)
Other Income Expense, net	-	-	3	3
Income (Loss) Before Income Tax Expense	(1,171)	6,419	(5,392)	(144)
Total Income Taxes	-	-	10,898	10,898
Net Income (Loss)	(1,171)	6,419	(16,290)	**(11,042)**
Net Interest Expense	-	-	(3)	(3)
Income Taxes	-	-	10,898	10,898
Total Depreciation and Amortization Expense	1,388	212	89	1,689
EBITDA	217	6,631	(5,306)	**1,541**
Stock Based Compensation Exp	-	-	528	528
Loss on Disposition/Impairment	1,541	-	(23)	1,518
Acquisition Expenses	(4)	2	2	-
Restatement Costs	-	-	380	380
Severance & Retention	47	-	26	73
Other Expense, net	-	-	-	-
Adjusted EBITDA	$ 1,801	$ 6,633	$ (4,393)	**$ 4,041**

Due to rounding, numbers may not add up precisely to the totals.

2023 Segment Results through Dec. 31, 2023

$ in 000s



	Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
Total Revenues	$ 70,719	$ 46,977	$ -	**$ 117,696**
Total Operating Costs	(73,222)	(26,645)	(19,903)	(119,769)
Operating Income (Loss)	(2,503)	20,332	(19,903)	(2,073)
Other Income Expense, net	-	-	3,712	3,712
Income (Loss) Before Income Tax Expense	(2,503)	20,332	(16,191)	1,639
Total Income Taxes	-	-	11,391	11,391
Net Income (Loss)	(2,503)	20,332	(27,582)	**(9,752)**
Net Interest Expense	-	-	67	67
Income Taxes	-	-	11,391	11,391
Total Depreciation and Amortization Expense	7,415	809	358	8,582
EBITDA	4,913	21,141	(15,766)	**10,288**
Stock Based Compensation Exp	-	-	1,738	1,738
Loss on Disposition/Impairment	2,653	-	(21)	2,633
Acquisition Expenses	4	870	-	873
Restatement Costs	-	-	380	380
Severance & Retention	47	-	26	73
Other Expense, net	-	-	(3,779)	(3,779)
Adjusted EBITDA	$ 7,617	$ 22,011	$ (17,422)	**$ 12,206**

Due to rounding, numbers may not add up precisely to the totals.

GAAP – Non-GAAP Reconciliation

$ in 000s

	RESTATED	RESTATED	RESTATED	RESTATED		RESTATED				
	Q1-22	Q2-22	Q3-22	Q4-22	FY22	Q1-23	Q2-23	Q3-23	Q4-23	FY23
Total Revenue	22,237	24,887	26,450	27,678	101,252	28,301	29,307	29,474	30,614	117,696
Total Cost of Revenue	2,111	2,257	2,337	2,466	9,171	2,475	2,596	2,604	2,872	10,547
Gross Profit	**$ 20,126**	**$ 22,630**	**$ 24,113**	**$ 25,212**	**$ 92,081**	**$ 25,826**	**$ 26,712**	**$ 26,870**	**$ 27,742**	**$ 107,150**
Sales & Marketing	3,287	3,840	3,539	3,296	13,963	4,160	4,708	4,301	3,373	16,542
Depreciation/Amortization Expense	1,337	1,462	1,780	2,068	6,647	2,215	2,329	2,349	1,689	8,582
Other Operating Expenses	15,540	18,659	18,061	18,383	70,644	20,104	20,049	21,118	22,828	84,099
Total Other Income (Expense)	(16)	(19)	(25)	(72)	(133)	3,821	(107)	(6)	3	3,712
Total Income Taxes	(59)	(478)	(24)	629	68	842	(161)	(188)	10,898	11,391
Net Income (Loss)	**$ 4**	**$ (872)**	**$ 731**	**$ 763**	**$ 627**	**$ 2,326**	**$ (320)**	**$ (716)**	**$ (11,042)**	**$ (9,752)**
Net Interest Expense	16	19	25	72	133	50	15	6	(3)	67
Income Taxes	(59)	(478)	(24)	629	68	842	(161)	(188)	10,898	11,391
Depreciation and Amortization Expense	1,337	1,462	1,780	2,068	6,647	2,215	2,329	2,349	1,689	8,582
EBITDA	**$ 1,298**	**$ 131**	**$ 2,512**	**$ 3,533**	**$ 7,475**	**$ 5,433**	**$ 1,863**	**$ 1,451**	**$ 1,541**	**$ 10,288**
Stock Based Compensation	324	340	306	304	1,274	266	417	526	528	1,738
Loss on Disposition/Impairment	7	89	264	50	410	65	144	905	1,518	2,633
Acquisition Expenses	155	2,074	47	81	2,356	142	716	15	-	873
Restatement Costs	-	-	-	-	-	-	-	-	380	380
Severance & Retention	-	-	-	-	-	-	-	-	73	73
Other (Income)/Expense, net	-	-	-	-	-	(3,871)	92	-	-	(3,779)
Adjusted EBITDA	**$ 1,783**	**$ 2,635**	**$ 3,129**	**$ 3,968**	**$ 11,515**	**$ 2,035**	**$ 3,232**	**$ 2,897**	**$ 4,041**	**$ 12,206**

Due to rounding, numbers may not add up precisely to the totals.

Contact Information

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