

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)



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

For the quarterly period ended June 30, 2026

OR



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

For the transition period from _____ to _____

Commission file number: 001-36724

The Joint Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

90-0544160
(IRS Employer Identification No.)

**16767 N. Perimeter Drive, Suite 110, Scottsdale
Arizona**
(Address of principal executive offices)

85260
(Zip Code)

(480) 245-5960
(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, \$0.001 Par Value Per Share	JYNT	The Nasdaq Capital Market LLC

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

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

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

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

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

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

As of August 3, 2026, the registrant had 14,143,154 shares of Common Stock (\$0.001 par value) outstanding.

**THE JOINT CORP.
FORM 10-Q**

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Forward-Looking Statements

This Quarterly Report on Form 10-Q, especially in the Management's Discussion and Analysis, contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts, included or incorporated in this Quarterly Report on Form 10-Q could be deemed forward-looking statements, particularly statements about our plans, strategies and prospects under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," "intend," "seek," "strive," or the negative of these terms, "mission," "goal," "objective," or "strategy," or other comparable terminology. All forward-looking statements in this Quarterly Report on Form 10-Q are made based on our current expectations, forecasts, estimates and assumptions and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. In evaluating these statements, you should specifically consider various factors, uncertainties and risks that could affect our future results or operations as described from time to time in our Securities and Exchange Commission ("SEC") reports, including those risks outlined under "Risk Factors" which are contained in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 13, 2026, and in Part II, Item 1A of this or any subsequent quarterly reports on Form 10-Q. These factors, uncertainties and risks may cause our actual results to differ materially from any forward-looking statement set forth in this Quarterly Report on Form 10-Q. You should carefully consider the trends, risks and uncertainties described below and other information contained in the reports we file with or furnish to the SEC before making any investment decision with respect to our securities. We undertake no obligation to update or revise publicly any forward-looking statements, other than in accordance with legal and regulatory obligations. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

The specific forward-looking statements in this Quarterly Report on Form 10-Q include the following:

- the expected adoption and impact of recent accounting pronouncements;
 - the outcome and impact on our company of any litigation in which we are involved;
 - our plan to continue our franchised-focused expansion of chiropractic clinics in key markets throughout North America, and potentially abroad, as we seek to be the leading provider of chiropractic care in the markets we serve and to become the most recognized brand in our industry;
 - our belief that our monthly performance reports from our system and our clinics include key performance indicators per clinic, including gross sales, comparable same-store sales growth, or "Comp Sales," number of new patients, conversion percentage and membership attrition;
 - our plan to rebrand or sell the full portfolio of our company-owned or managed clinics, which refined strategy will leverage our greatest strength - our capacity to build a franchise - to drive long-term growth for both our franchisees and The Joint as a public company;
 - our plan to continue to leverage the power of the regional developer program to accelerate the number of clinics sold, and eventually opened, across the country;
 - our belief that we continue to have a sound business concept and will benefit from the fundamental changes taking place in the manner in which Americans access chiropractic care and their growing interest in seeking effective, affordable natural solutions for general wellness;
 - our belief that these trends join with the preference we have seen among chiropractic doctors to reject the insurance-based model resulting in a combination that benefits the consumer and the service provider alike, and our belief that these forces create an important opportunity to accelerate the growth of our network;
 - our belief that recent events that may impact our business include unfavorable global economic or political conditions, continued labor shortages, and inflation and other cost increases;
 - our anticipation that 2026 will continue to be a volatile macroeconomic environment;
-

- *our belief that we have created a robust framework for the refranchising effort, organizing clinics into clusters, and generating comprehensive disclosure packets for marketing efficiency, and that we have received significant interest to date from our existing franchisees;*
- *our goal to generate significant processes that will provide us with value creating capital allocation opportunities, which opportunities could include, but are not limited to, reinvestment in the brand and related marketing, continued investment in our IT platforms, the repurchase of regional development territories, certain merger or acquisition opportunities and/or additional stock repurchase programs;*
- *our belief that our operating results may fluctuate significantly as a result of a variety of factors, including the timing of new clinic sales, openings, closures, markets in which they are contained and related expenses, general economic conditions, cost inflation, labor shortages, elevated gas prices, consumer confidence in the economy, consumer preferences, competitive factors, and disease epidemics and other health-related concerns;*
- *our belief that our existing cash and cash equivalents, our anticipated cash flows from operations and amounts available under our line of credit will be sufficient to fund our anticipated operating and investment needs for at least the next 12 months;*
- *our belief that we have adequate capital resources and sufficient access to external financing sources to satisfy our current and reasonably anticipated requirements for funds to conduct our operations and meet other needs in the ordinary course of our business; and*
- *our expectation that for the remainder of 2026, we expect to use or redeploy our cash resources to support our business within the context of prevailing market conditions, which, given the ongoing uncertainties described above, could rapidly and materially deteriorate or otherwise change.*

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, leading to increased labor costs and interest rates, as well as changes to import tariffs and increased gas prices, may lead to reduced discretionary spending, all of which may negatively impact our business; our failure to profitably operate company-owned or managed clinics; our failure to refranchise as planned; 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 this Quarterly Report on Form 10-Q and subsequent filings with the SEC.

Additionally, there may be other risks that are otherwise described from time to time in the reports that we file with the SEC. Any forward-looking statements in this Quarterly Report on Form 10-Q should be considered in light of various important factors, including the risks and uncertainties listed above, as well as others.

PART I: FINANCIAL INFORMATION
ITEM 1. UNAUDITED FINANCIAL STATEMENTS

THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2026	December 31, 2025
ASSETS	<i>(unaudited)</i>	
Current assets:		
Cash and cash equivalents	\$ 22,157,203	\$ 23,601,810
Restricted cash	846,359	700,058
Accounts receivable, net	2,407,080	2,849,864
Deferred franchise and regional development costs, current portion	895,572	945,933
Prepaid expenses and other current assets	2,735,610	1,744,556
Discontinued operations current assets (\$1.0 million attributable to VIEs)	14,760,981	22,246,318
Total current assets	43,802,805	52,088,539
Property and equipment, net	2,823,232	3,159,226
Operating lease right-of-use asset	1,454,886	1,572,173
Deferred franchise and regional development costs, net of current portion	3,259,579	3,827,129
Deposits and other assets	286,847	319,460
Total assets	<u>\$ 51,627,349</u>	<u>\$ 60,966,527</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,097,862	\$ 1,588,665
Accrued expenses	1,855,708	1,501,838
Co-op funds liability	846,359	700,058
Payroll liabilities	2,139,102	4,055,752
Operating lease liability, current portion	340,885	194,179
Deferred franchise fee revenue, current portion	2,698,531	2,519,018
Upfront regional developer fees, current portion	178,540	277,394
Other current liabilities	641,515	611,231
Discontinued operations current liabilities (\$3.2 million and \$6.1 million attributable to VIEs, respectively)	14,180,239	21,368,446
Total current liabilities	23,978,741	32,816,581
Operating lease liability, net of current portion	1,696,293	1,815,527
Deferred franchise fee revenue, net of current portion	9,861,323	10,899,271
Upfront regional developer fees, net of current portion	215,683	355,556
Total liabilities	35,752,040	45,886,935
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Series A preferred stock, \$0.001 par value; 50,000 shares authorized, zero shares issued and outstanding, respectively	—	—
Common stock, \$0.001 par value; 20,000,000 shares authorized, 15,755,965 shares issued and 14,199,592 shares outstanding and 15,471,715 shares issued and 14,142,626 shares outstanding, respectively	15,755	15,471
Additional paid-in capital	52,766,531	52,026,407
Treasury stock 1,556,373 shares and 1,329,089 shares, at cost, respectively	(14,088,928)	(12,192,081)
Accumulated deficit	(22,843,049)	(24,795,205)
Total The Joint Corp. stockholders' equity	15,850,309	15,054,592

Non-controlling Interest	25,000	25,000
Total equity	15,875,309	15,079,592
Total liabilities and stockholders' equity	<u>\$ 51,627,349</u>	<u>\$ 60,966,527</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Royalty fees	\$ 8,327,549	\$ 8,133,121	\$ 16,359,838	\$ 16,204,107
Franchise fees	750,587	768,100	1,895,655	1,596,619
Advertising fund revenue	3,715,837	2,332,695	7,362,920	4,640,197
Software fees	1,547,331	1,481,661	3,082,232	2,943,628
Other revenues	840,610	554,692	1,301,502	963,309
Total revenues	15,181,914	13,270,270	30,002,147	26,347,860
Cost of revenues:				
Franchise and regional development cost of revenues	2,070,339	2,350,613	4,340,097	4,901,848
IT cost of revenues	406,911	421,994	859,808	842,885
Total cost of revenues	2,477,250	2,772,607	5,199,905	5,744,733
Selling and marketing expenses	4,886,151	3,483,844	8,603,055	6,988,994
Depreciation and amortization	422,861	402,295	819,554	764,225
General and administrative expenses	7,556,216	7,745,251	14,641,202	14,660,196
Total selling, general and administrative expenses	12,865,228	11,631,390	24,063,811	22,413,415
Net loss on disposition or impairment	208,093	4,440	233,420	6,413
(Loss) income from continuing operations	(368,657)	(1,138,167)	505,011	(1,816,701)
Other income, net	126,438	159,922	366,673	345,839
(Loss) income before income tax expense	(242,219)	(978,245)	871,684	(1,470,862)
Income tax expense	9,108	11,390	20,220	24,794
Net (loss) income from continuing operations	(251,327)	(989,635)	851,464	(1,495,656)
Discontinued operations:				
Income from discontinued operations before income tax expense	901,789	1,183,199	1,280,502	2,760,428
Income tax (benefit) expense from discontinued operations	(2,559)	100,201	179,810	203,613
Net income from discontinued operations	904,348	1,082,998	1,100,692	2,556,815
Net income	\$ 653,021	\$ 93,363	\$ 1,952,156	\$ 1,061,159
Net (loss) income from continuing operations per common share:				
Basic	\$ (0.01)	\$ (0.06)	\$ 0.06	\$ (0.10)
Diluted	\$ (0.01)	\$ (0.06)	\$ 0.06	\$ (0.10)
Net income from discontinued operations per common share:				
Basic	\$ 0.06	\$ 0.07	\$ 0.08	\$ 0.17
Diluted	\$ 0.06	\$ 0.07	\$ 0.08	\$ 0.17
Net income per common share:				
Basic	\$ 0.05	\$ 0.01	\$ 0.14	\$ 0.07
Diluted	\$ 0.05	\$ 0.01	\$ 0.14	\$ 0.07
Basic weighted average shares	14,244,929	15,326,317	14,213,195	15,256,755
Diluted weighted average shares	14,246,993	15,400,408	14,216,232	15,328,198

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

	Common Stock		Additional Paid In Capital	Treasury Stock		Accumulated Deficit	Total The Joint Corp. Stockholders' Equity	Non- controlling Interest	Total
	Shares	Amount		Shares	Amount				
Balances, December 31, 2025	15,471,715	\$ 15,471	\$ 52,026,407	1,329,089	\$ (12,192,081)	\$ (24,795,205)	\$ 15,054,592	\$ 25,000	\$ 15,079,592
Stock-based compensation expense	—	—	280,000	—	—	—	280,000	—	280,000
Issuance of restricted stock, net of forfeitures	258,869	259	(259)	—	—	—	—	—	—
Exercise of stock options	9,058	9	37,219	—	—	—	37,228	—	37,228
Purchases of treasury stock under employee stock plans	—	—	—	5,822	(56,528)	—	(56,528)	—	(56,528)
Common stock repurchased under authorized stock repurchase programs	—	—	—	137,088	(1,145,054)	—	(1,145,054)	—	(1,145,054)
Net income	—	—	—	—	—	1,299,135	1,299,135	—	1,299,135
Balances, March 31, 2026, (unaudited)	15,739,642	\$ 15,739	\$ 52,343,367	1,471,999	\$ (13,393,663)	\$ (23,496,070)	\$ 15,469,373	\$ 25,000	\$ 15,494,373
Stock-based compensation expense	—	—	423,180	—	—	—	423,180	—	423,180
Issuance of restricted stock, net of forfeitures	16,323	16	(16)	—	—	—	—	—	—
Purchases of treasury stock under employee stock plans	—	—	—	2,169	(18,455)	—	(18,455)	—	(18,455)
Common stock repurchased under authorized stock repurchase programs	—	—	—	82,205	(676,810)	—	(676,810)	—	(676,810)
Net income	—	—	—	—	—	653,021	653,021	—	653,021
Balances, June 30, 2026 (unaudited)	15,755,965	\$ 15,755	\$ 52,766,531	1,556,373	\$ (14,088,928)	\$ (22,843,049)	\$ 15,850,309	\$ 25,000	\$ 15,875,309

	Common Stock		Additional Paid In Capital	Treasury Stock		Accumulated Deficit	Total The Joint Corp. Stockholders' Equity	Non- controlling Interest	Total
	Shares	Amount		Shares	Amount				
Balances, December 31, 2024	15,192,893	\$ 15,192	\$ 49,210,455	33,015	\$ (870,058)	\$ (27,702,470)	\$ 20,653,119	\$ 25,000	\$ 20,678,119
Stock-based compensation expense	—	—	293,941	—	—	—	293,941	—	293,941
Issuance of restricted stock, net of forfeitures	148,565	149	(149)	—	—	—	—	—	—
Exercise of stock options	3,000	3	905,973	—	—	—	905,976	—	905,976
Purchases of treasury stock under employee stock plans	—	—	—	779	(8,440)	—	(8,440)	—	(8,440)
Net income	—	—	—	—	—	967,796	967,796	—	967,796
Balances, March 31, 2025 (unaudited)	15,344,458	\$ 15,344	\$ 50,410,220	33,794	\$ (878,498)	\$ (26,734,674)	\$ 22,812,392	\$ 25,000	\$ 22,837,392
Stock-based compensation expense	—	—	330,988	—	—	—	330,988	—	330,988
Issuance of restricted stock, net of forfeitures	20,064	20	(20)	—	—	—	—	—	—
Net income	—	—	—	—	—	93,363	93,363	—	93,363
Balances, June 30, 2025 (unaudited)	15,364,522	\$ 15,364	\$ 50,741,188	33,794	\$ (878,498)	\$ (26,641,311)	\$ 23,236,743	\$ 25,000	\$ 23,261,743

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 1,952,156	\$ 1,061,159
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	829,001	807,730
Net loss on disposition or impairment	1,427,651	2,892,265
Net franchise fees recognized upon termination of franchise agreements	(395,159)	(174,285)
Provision for credit losses	122,823	—
Stock-based compensation expense	703,180	624,929
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	454,019	1,558,183
Prepaid expenses and other current assets	(833,199)	(1,743,981)
Deferred franchise costs	408,499	183,839
Deposits and other assets	34,849	18,332
Accounts payable	(607,825)	(91,075)
Accrued expenses	629,565	(3,408,504)
Payroll liabilities	(2,560,203)	(1,446,598)
Operating leases	(1,615,535)	(2,719,624)
Deferred revenue	(625,793)	(508,565)
Upfront regional developer fees	(238,727)	(145,605)
Other liabilities	1,030,748	259,795
Net cash provided by (used in) operating activities	716,050	(2,832,005)
Cash flows from investing activities:		
Proceeds from sale of clinics	1,160,284	7,778,287
Purchase of property and equipment	(490,858)	(836,545)
Net cash provided by investing activities	669,426	6,941,742
Cash flows from financing activities:		
Payments of finance lease obligation	—	(4,354)
Purchases of treasury stock under employee stock plans	(74,983)	(8,440)
Purchases of common stock under share repurchase programs	(1,821,864)	—
Proceeds from exercise of stock options	37,228	905,976
Net cash (used in) provided by financing activities	(1,859,619)	893,182
(Decrease) increase in cash, cash equivalents and restricted cash	(474,143)	5,002,919
Cash, cash equivalents and restricted cash, beginning of period	24,301,868	25,996,436
Cash, cash equivalents and restricted cash, end of period	\$ 23,827,725	\$ 30,999,355
Reconciliation of cash, cash equivalents and restricted cash:	June 30, 2026	June 30, 2025
Cash and cash equivalents	\$ 22,157,203	\$ 29,811,667
Restricted cash	1,670,522	1,187,688
Cash, cash equivalents and restricted cash, end of period	\$ 23,827,725	\$ 30,999,355

Supplemental cash flow disclosures:

The following table represents supplemental cash flow disclosures and non-cash investing and financing activities:

	Six Months Ended June 30,	
	2026	2025
Net cash paid for:		
Interest	\$ 25,139	\$ 25,139
Income taxes, net of refunds	145,079	382,419
Non-cash investing and financing activity:		
Unpaid purchases of property and equipment	60,500	7,488

The accompanying notes are an integral part of these condensed consolidated financial statements.

THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Basis of Presentation

These unaudited financial statements represent the condensed consolidated financial statements of The Joint Corp. (“The Joint”), which includes its variable interest entities (“VIEs”), and its wholly owned subsidiary, The Joint Corporate Unit No. 1, LLC (collectively, the “Company”). The accompanying unaudited condensed consolidated financial statements reflect all adjustments which are necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented in accordance with U.S. generally accepted accounting principles (“GAAP”). Such unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with The Joint Corp. and Subsidiary and Affiliates consolidated financial statements and the notes thereto as set forth in our Annual Report on Form 10-K as of and for the year ended December 31, 2025, filed with the SEC on March 13, 2026, which included all disclosures required by GAAP. The results of operations for the periods ended June 30, 2026 and 2025 are not necessarily indicative of expected operating results for the full year. The information presented throughout the document as of and for the three and six month periods ended June 30, 2026 and 2025 is unaudited.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amount of assets, liabilities, revenue, costs, expenses and other (expenses) income that are reported in the condensed consolidated financial statements and accompanying disclosures. These estimates are based on management’s best knowledge of current events, historical experience, actions that we may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As a result, actual results may be different from these estimates. For a discussion of significant estimates and judgments, refer to the *Use of Estimates* section below included in this Note.

The results of operations of the corporate clinic segment are reported in Income from discontinued operations before income tax expense in its condensed consolidated statements of operations for all periods presented and the related assets and liabilities associated with discontinued operations are classified as discontinued operations current assets and liabilities in the condensed consolidated balance sheets at June 30, 2026 and December 31, 2025. The condensed consolidated statement of cash flows includes cash flows related to the discontinued operations and accordingly, cash flow amounts for discontinued operations are disclosed in Note 3, *Divestitures*. All results and information in the condensed consolidated financial statements are presented as continuing operations and exclude the corporate clinic segment unless otherwise noted specifically as discontinued operations. For additional information, refer to Note 3, *Divestitures*.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of The Joint and its wholly owned subsidiary, The Joint Corporate Unit No. 1, LLC, which was dormant for all periods presented. We consolidate VIEs in which we are the primary beneficiary in accordance with Accounting Standards Codification (“ASC”) 810, Consolidations. Non-controlling interests represent third-party equity ownership interests in VIEs. All significant inter-affiliate accounts and transactions between The Joint and its VIEs have been eliminated in consolidation.

Comprehensive Income

Net income was the same as comprehensive income for the three and six months ended June 30, 2026 and 2025, respectively.

Nature of Operations

The Joint Corp., a Delaware corporation, was formed on March 10, 2010, for the principal purpose of franchising and developing chiropractic clinics, selling regional developer rights, supporting the operations of franchised chiropractic clinics, and operating and managing corporate chiropractic clinics at locations throughout the United States. The franchising of chiropractic clinics is regulated by the Federal Trade Commission and various state authorities.

The following table summarizes the number of clinics in operation under franchise agreements and as company-owned or managed clinics for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Franchised clinics:				
Clinics open at the beginning of the period	868	847	885	842
Opened during the period	5	7	8	12
Acquired during the period	29	37	29	39
Closed during the period	(6)	(6)	(26)	(8)
Clinics in operation at the end of the period	896	885	896	885

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Company-owned or managed clinics:				
Clinics open at the beginning of the period	75	122	75	125
Sold during the period	(29)	(37)	(29)	(39)
Closed during the period	(1)	(3)	(1)	(4)
Clinics in operation at the end of the period	45	82	45	82
Total clinics in operation at the end of the period	941	967	941	967
Clinic licenses sold but not yet developed at the end of the period	52	92	52	92
Future clinic licenses subject to executed letters of intent at the end of the period	58	60	58	60

Variable Interest Entities

Certain states prohibit the “corporate practice of chiropractic,” which restricts business corporations from practicing chiropractic care by exercising control over clinical decisions by chiropractic doctors. In states that prohibit the corporate practice of chiropractic, we typically enter into long-term management agreements with professional corporations (“PCs”) that are owned by licensed chiropractic doctors, which, in turn, employ or contract with doctors who provide professional chiropractic care in our clinics. Under these management agreements with PCs, we provide, on an exclusive basis, all non-clinical services of the chiropractic practice. We have entered into such management agreements with four PCs. In connection with the sale of five company-owned or managed clinics in the Kansas City region, we terminated our management agreement with one PC as of June 30, 2025. For additional information on clinic sales, refer to Note 3, *Divestitures*. If an entity is deemed to be the primary beneficiary of a VIE, the entity is required to consolidate the VIE in its financial statements. An entity is deemed to be the primary beneficiary of a VIE if it has both of the following characteristics: (a) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance, and (b) the obligation to absorb the majority of losses of the VIE or the right to receive the majority of benefits from the VIE. In accordance with relevant accounting guidance, these PCs were determined to be VIEs, as fees paid by the PCs to us to use as our management service provider are considered variable interests because the fees do not meet all the following criteria: (1) the fees are compensation for services provided and are commensurate with the level of effort required to provide those services; (2) the decision maker or service provider does not hold other interests in the VIE that individually, or in the aggregate, would absorb more than an insignificant amount of the VIE’s expected losses or receive more than an insignificant amount of the VIE’s expected residual returns; and (3) the service arrangement includes only terms, conditions, or amounts that are customarily present in arrangements for similar services negotiated at arm’s length. Additionally, we have determined that we have the ability to direct the activities that most significantly impact the performance of these PCs and we have an obligation to absorb losses or receive benefits which could potentially be significant to the PCs. Accordingly, the PCs are VIEs for which we are the primary beneficiary and are consolidated by us.

The revenues of VIEs represent the revenues of company-managed clinics in states that prohibit the corporate practice of chiropractic. Our involvement with VIEs affects our financial performance and cash flows primarily through amounts recorded as revenues from company-owned or managed clinics and general and administrative expenses, which are principally comprised of payroll and related expenses, merchant card fees and insurance expense, all of which are reported in Income from discontinued

operations before income tax expense in our condensed consolidated statements of operations. The management fees/income provided by the management agreements are considered intercompany transactions and therefore eliminated upon consolidation of VIEs.

VIE net income (including the management fee) for the three and six months ended June 30, 2026 and 2025, respectively, is included in Income from discontinued operations before income tax expense and Income tax (benefit) expense from discontinued operations in the condensed consolidated statements of operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income from discontinued operations before income tax	\$ 1,872,609	\$ 427,212	\$ 2,598,648	\$ 814,499
Income tax (benefit) expense from discontinued operations	(2,559)	100,201	179,810	203,613
Net income	<u>\$ 1,875,168</u>	<u>\$ 327,011</u>	<u>\$ 2,418,838</u>	<u>\$ 610,886</u>

The carrying amount of the VIEs' assets and liabilities is included in discontinued operations as of June 30, 2026 and December 31, 2025 in the condensed consolidated balance sheets as follows:

	June 30, 2026	December 31, 2025
Discontinued operations current assets	\$ 994,138	\$ 994,138
Discontinued operations current liabilities	3,219,152	6,079,903

Cash and Cash Equivalents

We consider all highly liquid instruments purchased with a maturity of three months or less at the date of purchase to be cash equivalents. We continually monitor our positions with, and credit quality of, the financial institutions with which we invest. As of the balance sheet date and periodically throughout the period, we have maintained balances in various operating accounts in excess of federally insured limits. We invest our cash primarily in short-term bank deposits and money market funds. We had \$12.5 million and \$19.2 million of cash equivalents invested in money market funds as of June 30, 2026 and December 31, 2025, respectively.

Restricted Cash

Restricted cash relates to cash that franchisees and company-owned or managed clinics contribute to our National Marketing Fund and cash that franchisees provide to various voluntary regional Co-Op Marketing Funds. Cash contributed by franchisees to the National Marketing Fund is to be used in accordance with our Franchise Disclosure Document with a focus on regional and national marketing and advertising. While such cash balances are not legally segregated and restricted as to withdrawal or usage, our accounting policy is to classify these funds as restricted cash.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable primarily represents amounts due from franchisees for royalty fees. We record an allowance for credit losses as a reduction to our accounts receivables for amounts that we do not expect to recover. An allowance for credit losses is determined through assessments of collectability based on historical trends, the financial condition of our franchisees, including any known or anticipated bankruptcies and an evaluation of current economic conditions, as well as our expectations of conditions in the future. Actual losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. As of June 30, 2026 and December 31, 2025, we had a \$0.5 million and a \$0.4 million allowance for credit losses, respectively.

The following table provides a reconciliation of the activity related to our allowance for credit losses:

	Allowance for Credit Losses
Balance at December 31, 2024	\$ 220,893
Bad debt expense recognized during the year	286,232
Write-off of uncollectible amounts	(77,638)
Balance at December 31, 2025	\$ 429,487
Bad debt expense recognized during the period	122,823
Write-off of uncollectible amounts	(75,920)
Balance at June 30, 2026	\$ 476,390

Property and Equipment

Property and equipment are stated at cost and relate mostly to the corporate headquarters leasehold improvements, its furniture and fixtures and other office and computer equipment. Depreciation is computed using the straight-line method over estimated useful lives, which is generally three to ten years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the assets. Maintenance and repairs are charged to expense as incurred, while major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income. We recorded losses on disposition or impairment of \$208 thousand and \$233 thousand in our condensed consolidated statements of operations related to continuing operations property or equipment disposed of other than by sale or retirement for the three and six months ended June 30, 2026, respectively. We recorded losses on disposition or impairment of \$4 thousand and \$6 thousand in our condensed consolidated statements of operations related to continuing operations property or equipment disposed of other than by sale or retirement for the three and six months ended June 30, 2025, respectively.

Leases

We lease property and equipment under operating leases. We lease our corporate office space and the space for each of the company-owned or managed clinics in the portfolio. We recognize a right-of-use ("ROU") asset and lease liability for all leases. The lease for our corporate office space is recognized as a ROU asset and lease liability in its condensed consolidated balance sheet as continuing operations while all other leases for each of the company-owned or managed clinics are reported in discontinued operations. Certain leases include one or more renewal options, generally for the same period as the initial term of the lease. The exercise of lease renewal options is generally at our sole discretion and, as such, we typically determine that exercise of these renewal options is not reasonably certain. As a result, we do not include the renewal option period in the expected lease term and the associated lease payments are not included in the measurement of the ROU asset and lease liability. When available, we use the rate implicit in the lease to discount lease payments; however, the rate implicit in the lease is not readily determinable for substantially all of our leases. In such cases, we estimate our incremental borrowing rate as the interest rate we would pay to borrow an amount equal to the lease payments over a similar term, with similar collateral as in the lease and in a similar economic environment. We estimate these rates using available evidence such as rates imposed by third-party lenders to us in recent financings or observable risk-free interest rate and credit spreads for commercial debt of a similar duration, with credit spreads correlating to our estimated creditworthiness.

For operating leases that include rent holidays and rent escalation clauses, we recognize lease expense on a straight-line basis over the lease term from the date we take possession of the leased property. Pre-opening costs are recorded as incurred in general and administrative expenses. Variable lease payments, such as percentage rentals based on location sales, periodic adjustments for inflation, reimbursement of real estate taxes, any variable common area maintenance and any other variable costs associated with the leased corporate office space are expensed as incurred in general and administrative expenses in the condensed consolidated statements of operations. Any variable costs associated with the leased property for company-owned or managed clinics are expensed as incurred and are included in Income from discontinued operations before income tax expense in the condensed consolidated statements of operations.

During the three and six months ended June 30, 2026 and 2025, certain leases related to discontinued operations were terminated early with the landlord as a result of corporate clinic closures. The net gains or losses to terminate the leases were recorded in Income from discontinued operations before income tax in the condensed consolidated statements of operations of \$0.3 million for both the three and six months ended June 30, 2026. The net losses to terminate the leases were recorded in Income from

discontinued operations before income tax in the condensed consolidated statements of operations of \$0.2 million and \$0.4 million for the three and six months ended June 30, 2025, respectively.

Long-Lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. We look primarily to estimated undiscounted future cash flows in our assessment of whether or not long-lived assets are recoverable. We record an impairment loss when the carrying amount of the asset is not recoverable and exceeds its fair value. No impairment losses on long-lived assets were recognized from continuing operations during the three and six months ended June 30, 2026 and 2025.

Long-lived assets that meet the criteria for the held for sale designation are reported at the lower of their carrying value or fair value less estimated cost to sell. As a result of our evaluation of the recoverability of the carrying value of the assets and liabilities held for sale relative to the agreed upon sales prices or the clinics' estimated fair values, we recorded an estimated net loss on disposal, which is included in Income from discontinued operations before income tax expense in the condensed consolidated statements of operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss on disposition or impairment related to discontinued operations	\$ 1,408,035	\$ 439,831	\$ 1,816,267	\$ 1,422,765

A valuation allowance of \$7.3 million and \$6.3 million as of June 30, 2026 and December 31, 2025, respectively, are included in Discontinued operations current assets on the condensed consolidated balance sheet.

The following table shows a reconciliation of our impairment and disposal losses recorded in Income from discontinued operations before income tax expense for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>Impairment on assets held for sale</i>				
Assets held for sale	\$ 1,408,035	\$ 439,831	\$ 1,816,267	\$ 1,422,765
<i>Loss (gain) on disposal of assets other than by sale</i>				
Property and equipment, net	1,734	257,922	2,550	267,164
Operating lease right-of-use asset	(281,122)	233,695	(274,638)	425,778
<i>(Gain) loss on the sale of assets</i>	(312,181)	821,046	(349,949)	770,145
Total net loss on disposition or impairment related to discontinued operations	\$ 816,466	\$ 1,752,494	\$ 1,194,230	\$ 2,885,852

Revenue Recognition

We generate revenue primarily through company-owned or managed clinics and through royalties, franchise fees, advertising fund contributions, IT-related income and computer software fees from our franchisees.

Revenues from Company-Owned or Managed Clinics. We earn revenues from clinics we own and operate or manage throughout the United States. Revenues from company-owned or managed clinics are recognized when services are performed and are related to discontinued operations. We offer a variety of membership and wellness packages, which feature discounted pricing as compared with our single-visit pricing. Amounts collected in advance for membership and wellness packages are recorded as deferred revenue and recognized when the service is performed. Any unused visits associated with monthly memberships are recognized on a month-to-month basis. We recognize a contract liability (or a deferred revenue liability) related to the prepaid treatment plans for which we have an ongoing performance obligation. We derecognize this contract liability and recognize revenue, as the patient consumes his or her visits related to the package and we transfer our services. If we determine that we are

not subject to unclaimed property laws for the portion of wellness package that we do not expect to be redeemed (referred to as “breakage”), then we recognize breakage revenue in proportion to the pattern of exercised rights by the patient.

Royalties and Advertising Fund Revenue. We collect royalties as stipulated in the franchise agreement, equal to 7% of gross sales and a marketing and advertising fee currently equal to 2% of gross sales. Royalties, including franchisee contributions to advertising funds, are calculated as a percentage of clinic sales over the term of the franchise agreement. The revenue accounting standard provides an exception for the recognition of sales-based royalties promised in exchange for a license (which generally requires a reporting entity to estimate the amount of variable consideration to which it will be entitled in the transaction price). As the franchise agreement royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to our performance obligation under the franchise agreement, such sales-based royalties are recognized as franchisee clinic level sales occur. Royalties are collected semi-monthly, two working days after each sales period has ended.

Franchise Fees. We require the entire non-refundable initial franchise fee to be paid upon execution of a franchise agreement, which typically has an initial term of 10 years. Initial franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement. Our services under the franchise agreement include training of franchisees and staff, site selection, construction/vendor management and ongoing operations support. We provide no financing to franchisees and offer no guaranties on their behalf. The services provided by us are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. Renewal franchise fees, as well as transfer fees, are also recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Software Fees. We collect a monthly fee from our franchisees for use of our proprietary chiropractic software, computer support and internet services support. These fees are recognized ratably on a straight-line basis over the term of the respective franchise agreement.

Capitalized Sales Commissions. Sales commissions earned by the regional developers and our sales force are considered incremental and recoverable costs of obtaining a franchise agreement with a franchisee. These costs are deferred and then amortized as the respective franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement.

Regional Developer Fees

We have a regional developer program where regional developers are granted an exclusive geographical territory and commit to a minimum development obligation within that defined territory. Upon receiving exclusive rights to develop a territory, a regional developer will pay an upfront fee to us. Upfront regional developer fees represent consideration received from a vendor to act as our agent within an exclusive territory. The upfront regional developer fee is accounted for as a reduction of cost of revenues, in franchise and regional development cost of revenues, to offset the respective future commissions paid to the regional developer. The fees are ratably recognized over the term of the related regional developer agreement.

Regional developers receive fees that are funded by the initial franchise fees collected from franchisees upon the sale of franchises within their exclusive geographical territory and a royalty of 3% of sales generated by franchised clinics in their exclusive geographical territory. Initial fees related to the sale of franchises within their exclusive geographical territory are initially deferred as deferred franchise costs and are recognized as an expense in franchise cost of revenues when the respective revenue is recognized, which is generally over the term of the related franchise agreement. Royalties of 3% of sales generated by franchised clinics in their regions are also recognized as franchise cost of revenues as franchisee clinic level sales occur. This 3% fee is funded by the 7% royalties we collect from the franchisees in their regions. Certain regional developer agreements result in the regional developer acquiring the rights to existing royalty streams from clinics already open in the respective territory. In those instances, fees collected from the sale of the royalty stream are recognized as a decrease to franchise and regional developer cost of revenues over the remaining life of the respective franchise agreements. We did not enter into any new regional developer agreements during the three and six months ended June 30, 2026 and 2025.

Regional Developer Rights Contract Termination Costs

From time to time, subject to our strategy, regional developer rights are reacquired by us, resulting in a termination of the contract. The termination costs to reacquire the regional developer rights are recognized at fair value, less any unrecognized upfront regional developer fee liability balance, as a general and administrative expense in the period in which the contract is terminated in accordance with the contract terms and are recorded within general and administrative expenses in the condensed consolidated statements of operations. When regional developer rights are reacquired in conjunction with the sale of company-owned or managed clinics, the upfront regional developer fee liability balance at the time of the sale are treated as relieved and are included with the total consideration received when we calculate the gain or loss on the sale. On March 31, 2026, we acquired the

regional developer territory rights from one of our regional developers. During the second quarter of 2026, we acquired the regional developer territory rights from three of our regional developers.

Advertising Costs

Advertising costs are advertising and marketing expenses incurred by us, primarily through advertising funds. We expense production costs of commercial advertising upon first airing and expense the costs of communicating the advertising in the period in which the advertising occurs. Advertising expenses, excluding National Marketing Fund costs, were \$0.7 million and \$0.8 million for the three and six months ended June 30, 2026, respectively. Advertising expenses, excluding National Marketing Fund costs, were \$0.4 million and \$0.5 million for the three and six months ended June 30, 2025, respectively.

Income Taxes

Income tax expense during interim periods is based on applying an estimated annual effective income tax rate to year-to-date pre-tax income, plus any significant unusual or infrequently occurring items that are recorded in the interim period. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and significant judgment including, but not limited to, the expected pre-tax income for the year and permanent differences. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is obtained, additional information becomes known or the tax environment changes.

Earnings (Loss) per Common Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed by giving effect to all potentially dilutive common shares including restricted stock and stock options.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net (loss) income from continuing operations	\$ (251,327)	\$ (989,635)	\$ 851,464	\$ (1,495,656)
Net income from discontinued operations	904,348	1,082,998	1,100,692	2,556,815
Net income	<u>\$ 653,021</u>	<u>\$ 93,363</u>	<u>\$ 1,952,156</u>	<u>\$ 1,061,159</u>
Weighted average common shares outstanding - basic	14,244,929	15,326,317	14,213,195	15,256,755
Effect of dilutive securities:				
Unvested restricted stock and stock options	2,064	74,091	3,037	71,443
Weighted average common shares outstanding - diluted	<u>14,246,993</u>	<u>15,400,408</u>	<u>14,216,232</u>	<u>15,328,198</u>
(Loss) income earnings per share:				
Basic (loss) income earnings per share:				
Continuing operations	\$ (0.01)	\$ (0.06)	\$ 0.06	\$ (0.10)
Discontinued operations	0.06	0.07	0.08	0.17
Net income per basic share	<u>\$ 0.05</u>	<u>\$ 0.01</u>	<u>\$ 0.14</u>	<u>\$ 0.07</u>
Diluted (loss) income earnings per share:				
Continuing operations	\$ (0.01)	\$ (0.06)	\$ 0.06	\$ (0.10)
Discontinued operations	0.06	0.07	0.08	0.17
Net income per diluted share	<u>\$ 0.05</u>	<u>\$ 0.01</u>	<u>\$ 0.14</u>	<u>\$ 0.07</u>

The following common stock equivalents were excluded from the computation of diluted earnings (loss) per share for the periods presented because including them would have been antidilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock options	49,890	81,153	50,978	76,825

Stock-Based Compensation

We account for share-based payments by recognizing compensation expense based upon the estimated fair value of the awards on the date of grant. We determine the estimated grant-date fair value of restricted shares using the closing price on the date of the grant and the grant-date fair value of stock options using the Black-Scholes-Merton model. In order to calculate the fair value of the options, certain assumptions are made regarding the components of the model, including risk-free interest rate, volatility, expected dividend yield and expected option life. Changes to the assumptions could cause significant adjustments to the valuation. We recognize compensation costs ratably over the period of service using the straight-line method. Forfeitures are estimated based on historical and forecasted turnover, which is approximately 5%.

Loss Contingencies

ASC Topic 450 governs the disclosure of loss contingencies and accrual of loss contingencies in respect of litigation and other claims. We record an accrual for a potential loss when it is probable that a loss will occur and the amount of the loss can be reasonably estimated. When the reasonable estimate of the potential loss is within a range of amounts, the minimum of the range of potential loss is accrued, unless a higher amount within the range is a better estimate than any other amount within the range. Moreover, if an accrual is not required, we provide additional disclosure related to litigation and other claims when it is reasonably possible (i.e., more than remote) that the outcomes of such litigation and other claims include potential material adverse impacts on us. Legal costs to be incurred in connection with a loss contingency are expensed as such costs are incurred.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Items subject to significant estimates and assumptions include loss contingencies, stock-based compensation, useful lives and realizability of long-lived assets, deferred revenue and revenue recognition related to breakage, deferred franchise costs, calculation of ROU assets and liabilities related to leases, realizability of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, and purchase price allocations and related valuations. Deferred revenue related to breakage, goodwill and intangible assets are related to discontinued operations. Refer to Note 3, *Divestitures* for more information on discontinued operations.

Recent Accounting Pronouncements Adopted and Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which requires public entities to provide greater disaggregation within their annual rate reconciliation, including new requirements to present reconciling items on a gross basis in specified categories, disclose both percentages and dollar amounts and disaggregate individual reconciling items by jurisdiction and nature when the effect of the items meet a quantitative threshold. The guidance also requires disaggregating the annual disclosure of income taxes paid, net of refunds received, by federal (national), state and foreign taxes, with separate presentation of individual jurisdictions that meet a quantitative threshold. The guidance is effective for annual periods beginning after December 15, 2024, on a prospective basis, with a retrospective option, and early adoption is permitted. We adopted ASU 2023-09 for the year ended December 31, 2025. There was no material effect on our condensed consolidated financial statements and disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), and in January 2025, the FASB issued ASU No. 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require us to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset

amortization, as applicable, included in certain expense captions in the consolidated statements of operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require us to disclose both the amount and our definition of selling expenses. The transition method is prospective with the retrospective method permitted and will be effective for the annual period ending December 31, 2027 and interim periods for the interim period beginning January 1, 2028. We are currently evaluating the impact of adoption of this standard on our consolidated financial statements and disclosures.

Note 2: Revenue Disclosures

Franchising Fees, Royalty Fees, Advertising Fund Revenue, and Software Fees

As of June 30, 2026, we had 896 franchised clinics in operation, 52 clinic licenses sold but not yet developed and 58 executed letters of intent for future clinic licenses. The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement requires us to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality and substantially all of the utility is derived from its association with our past or ongoing activities. The nature of our promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by us are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees, (b) continuing franchise fees (royalties), (c) advertising fees, and (d) software fees. The revenue accounting standard provides an exception for the recognition of sales-based royalties promised in exchange for a license (which otherwise requires a reporting entity to estimate the amount of variable consideration to which it will be entitled in the transaction price).

We recognize the primary components of the transaction price as follows:

- Initial and renewal franchise fees, as well as transfer fees, are recognized as revenue ratably on a straight-line basis over the term of the respective franchise agreement, commencing with the execution of the franchise, renewal or transfer agreement. As these fees are typically received in cash at or near the beginning of the contract term, the cash received is initially recorded as a contract liability until recognized as revenue over time.
- We are entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenue are recognized when the franchisee's sales occur. Depending on timing within a fiscal period, the recognition of revenue results in either what is considered a contract asset (unbilled receivable) or, once billed, accounts receivable, on the condensed consolidated balance sheet.
- We are entitled to a software fee, which is charged monthly. We recognize revenue related to software fees ratably on a straight-line basis over the term of the franchise agreement.

In determining the amount and timing of revenue from contracts with customers, we exercise significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term or the reported sales of the franchisee, neither of which requires estimation. We believe that our franchising arrangements do not contain a significant financing component.

We recognize advertising fees received under franchise agreements as advertising fund revenue.

Capitalized Sales Commissions

Sales commissions earned by the regional developers and our sales force are considered incremental and recoverable costs of obtaining a franchise agreement with a franchisee. These costs are deferred and then amortized as the respective franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement.

Disaggregation of Revenue

We believe that the captions contained on the condensed consolidated statements of operations appropriately reflect the disaggregation of our revenue by major type for the three and six months ended June 30, 2026 and 2025. Other revenues primarily consist of merchant income associated with preferred vendor royalties associated with franchisees' credit card transactions.

The following table shows our revenues disaggregated according to the timing of transfer of services:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue recognized at a point in time	\$ 12,883,996	\$ 11,020,509	\$ 25,024,260	\$ 21,807,613
Revenue recognized over time	2,297,918	2,249,761	4,977,887	4,540,247
Total revenue	<u>\$ 15,181,914</u>	<u>\$ 13,270,270</u>	<u>\$ 30,002,147</u>	<u>\$ 26,347,860</u>

Rollforward of Accounts Receivable

Changes in our accounts receivable, net during the six months ended June 30, 2026 were as follows:

	Accounts Receivable, Net
Balance at December 31, 2025	\$ 2,849,864
Cash received against accounts receivable included at the beginning of the year	(2,596,399)
Net increase during the six months ended June 30, 2026	2,630,005
Allowance for credit losses	(476,390)
Balance at June 30, 2026	<u>\$ 2,407,080</u>

Rollforward of Contract Liabilities and Contract Assets

Changes in our contract liability for deferred franchise fees during the six months ended June 30, 2026 were as follows:

	Deferred Revenue Short and Long-Term
Balance at December 31, 2025	\$ 13,418,289
Revenue recognized that was included in the contract liability at the beginning of the year	(1,884,706)
Net increase during the six months ended June 30, 2026	1,026,271
Balance at June 30, 2026	<u>\$ 12,559,854</u>

Our deferred franchise and development costs represent capitalized sales commissions. Changes during the six months ended June 30, 2026 were as follows:

	Deferred Franchise and Development Costs Short and Long-Term
Balance at December 31, 2025	\$ 4,773,062
Cost of revenue recognized that was included in the contract asset at the beginning of the year	(659,333)
Net increase during the six months ended June 30, 2026	41,422
Balance at June 30, 2026	<u>\$ 4,155,151</u>

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as of June 30, 2026:

Contract liabilities expected to be recognized in	Amount
2026 (remainder)	\$ 1,267,425
2027	2,414,027
2028	2,233,749
2029	1,899,478
2030	1,637,472
Thereafter	3,107,703
Total	<u>\$ 12,559,854</u>

Note 3: Divestitures

Corporate Clinic Segment Divestiture

In 2023, we initiated plans to rebrand the majority of our company-owned or managed clinics with plans to retain a small portion of high-performing clinics. During the third quarter of 2024, we expanded the rebranding plan to include additional clinic markets of company-owned or managed clinics, marketing the clinics in clusters grouped by proximity to larger private equity firms. Because we have formalized a plan to sell our entire corporate clinic reportable segment, we have concluded that the overall rebranding plan represents a strategic shift that will have a major effect on our operations and financial results.

Since December 31, 2024, the corporate clinics classified as held for sale or already sold under the rebranding plan represent, in the aggregate, a strategic shift that will have a major effect on our operations and financial results. Accordingly, the results of the corporate clinic segment and its assets and liabilities are reported separately as discontinued operations in the condensed consolidated statements of operations and condensed consolidated balance sheets. As permitted, we elected not to adjust the condensed consolidated statements of cash flows for the six months ended June 30, 2026 and 2025 to separately present cash flows attributable to discontinued operations. Accordingly, we disclosed the depreciation and amortization, capital expenditures and significant operating and investing non-cash items related to the corporate clinic segment below.

The key components of Net income from discontinued operations that were included in our condensed consolidated statements of operations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Revenues from company-owned or managed clinics	\$ 7,591,917	\$ 16,642,013	\$ 16,946,108	\$ 33,548,363
Total revenues	7,591,917	16,642,013	16,946,108	33,548,363
Cost of revenues:				
IT cost of revenues	4,906	5,551	11,087	11,723
Total cost of revenues	4,906	5,551	11,087	11,723
Selling and marketing expenses	733,897	1,825,654	1,741,199	3,718,400
Depreciation and amortization	1,690	17,120	9,447	43,505
General and administrative expenses	5,133,125	11,857,995	12,697,626	24,128,217
Total selling, general and administrative expenses	5,868,712	13,700,769	14,448,272	27,890,122
Net loss on disposition or impairment from discontinued operations	816,466	1,752,494	1,194,230	2,885,852
Income from discontinued operations	901,833	1,183,199	1,292,519	2,760,666
Other expense, net	44	—	12,017	238
Income before income tax expense	901,789	1,183,199	1,280,502	2,760,428
Income tax (benefit) expense from discontinued operations	(2,559)	100,201	179,810	203,613
Net income from discontinued operations	\$ 904,348	\$ 1,082,998	\$ 1,100,692	\$ 2,556,815

The following table summarizes the major classes of assets and liabilities of discontinued operations that were included in our condensed consolidated balance sheets:

	June 30, 2026	December 31, 2025
ASSETS		
Restricted cash	\$ 824,163	\$ —
Accounts receivable	181,144	315,201
Prepaid expenses and other current assets	253,803	581,504
Assets held for sale, net of valuation allowance	12,280,539	20,051,965
Property and equipment, net	—	67,779
Deferred tax assets (attributable to VIEs)	994,138	994,138
Deposits and other assets	227,194	235,731
Total assets, discontinued operations	\$ 14,760,981	\$ 22,246,318
LIABILITIES		
Accounts payable	\$ 26,981	\$ 83,503
Accrued expenses	2,870,060	2,519,433
Payroll liabilities (\$0.1 million and \$0.6 million attributable to VIEs, respectively)	345,312	988,865
Operating lease liability, current portion	5,424	651,844
Other current liabilities (\$0.8 million attributable to VIEs)	1,580,646	756,483
Liabilities to be disposed of (\$2.3 million and \$4.7 million attributable to VIEs, respectively)	9,351,816	16,368,318
Total liabilities, discontinued operations	\$ 14,180,239	\$ 21,368,446

The key components of cash flows from discontinued operations are as follows:

	Six Months Ended June 30,	
	2026	2025
Significant operating and investing non-cash items:		
Depreciation and amortization	\$ 9,447	\$ 43,505
Net loss on disposition or impairment	1,194,230	2,885,852
Capital expenditures:		
Purchase of property and equipment	15,753	73,535

The clustered clinics are in varying stages of sales negotiations with approximately all of the company-owned or managed clinics expected to be recognized as a completed sale within one year with an estimated fair value of \$1.5 million at June 30, 2026. Effective with the designation as held for sale, we discontinued recording depreciation on property and equipment, net, amortization of intangible assets, net and amortization of ROU assets for the clinics as required by GAAP. We reported the related assets and liabilities of the clinics as held for sale as discontinued operations in our June 30, 2026 and December 31, 2025 condensed consolidated balance sheets.

Long-lived assets that meet the criteria for the held for sale designation are reported at the lower of their carrying value or fair value less estimated cost to sell. As a result of our evaluation of the recoverability of the carrying value of the assets and liabilities held for sale relative to the clinics estimated fair values, we recorded an estimated loss on disposal of \$1.4 million and \$0.4 million for the three months ended June 30, 2026 and 2025, respectively, and an estimated loss of \$1.8 million and \$1.4 million for the six months ended June 30, 2026 and 2025, respectively. A valuation allowance of \$ 7.3 million and \$6.3 million was included in discontinued operations current assets in our condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025, respectively.

On December 5, 2025, we entered into an Asset Purchase Agreement, pursuant to which we will sell the assets of, and grant franchise rights to, 22 company-owned or managed clinics located in Virginia, North Carolina and South Carolina for an aggregate purchase price of approximately \$1.5 million, subject to certain adjustments. In mid-December 2025, the buyers assumed business operations under Management Service Agreements that will remain in effect until lease reassignments are completed to permit ownership transfer, for which the buyers receive a management fee in consideration for providing management services. During the quarter ended June 30, 2026, we closed on the sale of one clinic included in the transaction. As of June 30, 2026, the transaction as a whole had not officially closed and therefore, the net assets and liabilities of the remaining clinics remain in our consolidated balance sheets.

On April 20, 2026, we entered into an Asset Purchase Agreement (the “Elite Chiro Group Purchase Agreement”) with Elite Chiro Group, a California corporation (“Elite Chiro Group”), as buyer, pursuant to which we will sell to Elite Chiro Group the assets of, and grant franchise rights to, 45 company-owned or managed clinics located in Southern California (the “Elite Chiro Group Transaction”) for an aggregate purchase price of \$2.3 million, subject to certain adjustments (the “Purchase Price”). The Purchase Price includes prorated franchise fees pursuant to 45 separate franchise agreements to be entered into between us and Elite Chiro Group and the non-exclusive development rights for 10 clinics to be developed in the metropolitan statistical areas of a development area to be agreed upon by us and Elite Chiro Group in accordance with the schedule set forth in the Elite Chiro Group Purchase Agreement. On April 27, 2026, we closed on the sale of 13 clinics included in the Elite Chiro Group Transaction, at which time ownership of such clinics transferred to Elite Chiro Group. On April 27, 2026, Elite Chiro Group also assumed business operations for the remaining 32 clinics included in the Elite Chiro Group Transaction pursuant to a Management Service Agreement. In May and June 2026, we closed on the sale of 15 additional clinics included in the Elite Chiro Group Transaction. As of June 30, 2026, the Elite Chiro Group Transaction as a whole had not officially closed and therefore, the net assets and liabilities of the remaining clinics remain in our consolidated balance sheets.

During the six months ended June 30, 2026, in connection with the sale of company-owned or managed clinics classified as held for sale as of December 31, 2025 for a combined sales price of \$1.2 million, we sold \$6.4 million of assets held for sale and \$5.5 million of liabilities to be disposed of in the consolidated balance sheets as of December 31, 2025. As a result of the sales, we incurred \$75 thousand in selling costs and recorded a gain of \$297 thousand included in Income from discontinued operations before income tax expense in the condensed consolidated statements of operations for the six months ended June 30, 2026.

During the six months ended June 30, 2025, in connection with the sale of company-owned or managed clinics classified as held for sale as of December 31, 2024 for a combined sales price of \$7.8 million, we sold \$16.1 million of assets held for sale, net of a

valuation allowance of \$1.0 million and \$7.2 million of liabilities to be disposed of in the consolidated balance sheets as of December 31, 2024. As a result of the sales, we incurred \$0.4 million in selling costs and recorded a loss of \$0.6 million included in Income from discontinued operations before income tax expense in the condensed consolidated statements of operations for the six months ended June 30, 2025.

The principal components of the held for sale assets and liabilities to be disposed of as of June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026	December 31, 2025
ASSETS		
Property and equipment, net	\$ 3,139,305	\$ 4,497,545
Operating lease right-of-use asset	9,313,107	14,111,081
Intangible assets, net	4,195,177	4,288,265
Goodwill	2,927,597	3,482,718
Valuation allowance	(7,294,647)	(6,327,644)
Total assets held for sale, net	<u>\$ 12,280,539</u>	<u>\$ 20,051,965</u>
LIABILITIES		
Operating lease liability, current and non-current	\$ 6,422,252	\$ 11,065,542
Deferred revenue from company-owned or managed clinics	2,929,564	5,302,776
Total liabilities to be disposed of	<u>\$ 9,351,816</u>	<u>\$ 16,368,318</u>

The pre-tax income of the clinics designated as held for sale as of June 30, 2026 was \$0.7 million and \$0.8 million for the three months ended June 30, 2026 and 2025, respectively, the results of which exclude the allocation of overhead. The pre-tax income of the clinics designated as held for sale as of June 30, 2026 was \$0.9 million and \$1.3 million for the six months ended June 30, 2026 and 2025, respectively, the results of which exclude the allocation of overhead. The pre-tax income for the three and six months ended June 30, 2026 was impacted by the management fees for the 54 company-owned or managed clinics as noted above.

Note 4: Property and Equipment

Property and equipment consisted of the following:

	June 30, 2026	December 31, 2025
Office and computer equipment	\$ 994,563	\$ 982,766
Leasehold improvements	1,729,088	1,594,291
Internally-developed software	8,142,823	7,103,852
	10,866,474	9,680,909
Accumulated depreciation and amortization	(8,309,517)	(7,511,832)
	2,556,957	2,169,077
Construction in progress	266,275	990,149
Property and equipment, net	<u>\$ 2,823,232</u>	<u>\$ 3,159,226</u>

Construction in progress at June 30, 2026 and December 31, 2025 related primarily to internal use software in development.

Note 5: Fair Value Measurements

Our financial instruments include restricted cash, accounts receivable, accounts payable, accrued expenses and debt under the Credit Agreement (as defined in Note 6*Debt*). The carrying amounts of our financial instruments, excluding cash equivalents and the debt under the Credit Agreement, approximate their fair value due to their short maturities. Cash equivalents consist of money market funds for which original cost approximates fair value. Cash equivalents have an approximate fair value of \$12.5 million and \$19.2 million as of June 30, 2026 and December 31, 2025, respectively, which were determined using Level 1 inputs.

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of our company. Unobservable inputs are inputs that reflect our assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on reliability of the inputs as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

As of June 30, 2026 and December 31, 2025, with the exception of cash equivalents noted above, we did not have any financial instruments that were measured on a recurring basis as Level 1, 2 or 3.

Our non-financial assets, included in both continuing and discontinued operations, which primarily consist of goodwill, intangible assets, property, plant and equipment, and operating lease ROU assets, are not required to be measured at fair value on a recurring basis, and instead are reported at their carrying amount. However, on a periodic basis whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable (and at least annually for goodwill), non-financial assets are assessed for impairment. If the fair value is determined to be lower than the carrying amount, an impairment charge is recorded to write down the asset to its fair value, which is considered Level 3 within the fair value hierarchy.

Long-lived assets that meet the held for sale criteria are reported at the lower of their carrying value or fair value, less estimated costs to sell. The estimated fair values of the company-owned or managed clinics classified as Held for Sale (see Note 3, *Divestitures*) were recorded in discontinued operations current assets at fair values on a nonrecurring basis and are based upon Level 2 inputs, which include a potential buyer agreed-upon selling price or Level 3 inputs, which includes consideration of a market approach using a multiple of earnings assumption based on clinic-level historical financial performance as well as an income approach using discounted cash flow ("DCF") models that use significant unobservable inputs and assumptions. Key inputs in the DCF models included projected cash flows over a 10-year forecast period, based on clinic-level historical financial performance and management's expectations of future operating results. A terminal value was estimated using the Gordon Growth Model for locations with positive cash flows. For locations with projected negative cash flows, no terminal value was assigned, as these clinics were assumed to cease operations upon lease termination. The future cash flows and terminal value were discounted to present value using a discount rate of 14.5% for clinics with positive cash flows and 4.2% for clinics with negative cash flows, which reflect the risk profile of the underlying operations and market conditions as of the measurement date.

Assets held for sale as of June 30, 2026 and December 31, 2025 include all company-owned or managed clinics. The fair value measurement of the assets held for sale as of June 30, 2026 was recorded as \$1.5 million based upon Level 2 inputs. We maintain a valuation allowance of \$7.3 million to adjust the carrying value of the disposal group to fair value less cost to sell as of June 30, 2026. The fair value of the assets held for sale as of December 31, 2025 was valued as \$0.1 million based upon Level 2 inputs and \$2.5 million based upon Level 3 inputs and carried a valuation allowance of \$6.3 million to adjust the carrying value of the disposal group to fair value less cost to sell as of December 31, 2025.

Note 6: Debt

Credit Agreement

On February 28, 2020, we entered into a Credit Agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., individually and as Administrative Agent and Issuing Bank (the "Lender"). The Credit Agreement provided for senior secured credit facilities (the "Credit Facilities") in the amount of \$7.5 million, including a \$2.0 million revolver (the "Revolver") and a \$5.5 million development line of credit (the "Line of Credit"). The Revolver included amounts available for letters of credit of up to \$1.0 million and an uncommitted additional amount of \$2.5 million. All outstanding principal and interest on the Revolver was due on February 28, 2022.

On February 28, 2022, we entered into an amendment to the Credit Facilities (as amended, the "2022 Credit Facility") with the Lender. Under the 2022 Credit Facility, the Revolver increased to \$20.0 million (from \$2.0 million), the portion of the Revolver available for letters of credit increased to \$5.0 million (from \$1.0 million), the uncommitted additional amount increased to \$30.0

million (from \$2.5 million) and the developmental Line of Credit of \$5.5 million was terminated. The Revolver will be used for working capital needs, general corporate purposes and for acquisitions, development and capital improvement uses. At our option, borrowings under the 2022 Credit Facility bear interest at: (i) the adjusted Secured Overnight Financing Rate ("SOFR"), plus 0.10%, plus 1.75%, payable on the last day of the selected interest period of one, three or six months and on the three-month anniversary of the beginning of any six-month interest period, if applicable; or (ii) an Alternative Base Rate ("ABR"), plus 1.00%, payable monthly. The ABR is the greatest of (A) the prime rate (as published by the Wall Street Journal); (B) the Federal Reserve Bank of New York rate, plus 0.5%; and (C) the adjusted one-month term SOFR. Amounts outstanding under the Revolver on February 28, 2022 continued to bear interest at the rate selected under the Credit Facilities prior to the amendment until the last day of the interest period in effect, at which time, if not repaid, the amounts outstanding under the Revolver will bear interest at the 2022 Credit Facility rate. As a result of this refinance, \$2.0 million of current maturity of long-term debt was reclassified to long-term as of December 31, 2021. The 2022 Credit Facility will terminate, and all principal and interest will become due and payable on the fifth anniversary of the amendment, which will occur on February 28, 2027. On January 17, 2024, we paid down the outstanding balance on our Debt under the Credit Agreement of \$2.0 million.

The Credit Facilities contain customary events of default, including but not limited to nonpayment, material inaccuracy of representations and warranties, violations of covenants, certain bankruptcies and liquidations, cross-default to material indebtedness, certain material judgments, and certain fundamental changes such as a merger or sale of substantially all assets (as further defined in the Credit Facilities). The Credit Facilities require us to comply with customary affirmative, negative and financial covenants, including minimum interest coverage and maximum net leverage. A breach of any of these operating or financial covenants would result in a default under the Credit Facilities. If an event of default occurs and is continuing, the lenders could elect to declare all amounts then outstanding, together with accrued interest, to be immediately due and payable. The Credit Facilities are collateralized by substantially all of our assets, including the assets in our company-owned or managed clinics.

On September 30, 2025, we entered into a third amendment to the Credit Agreement (as amended, the "2025 Credit Facility") with the Lender. Among other things, the 2025 Credit Facility contains the consent of the Lender to the refranchising of all company-owned or managed clinics which would have triggered certain default events included in the Credit Agreement. The 2025 Credit Facility also extended the maturity date of the Credit Facilities to August 31, 2027.

On May 1, 2026, we entered into a waiver and fourth amendment to the Credit Agreement (as amended, the "2026 Credit Facility") with the Lender. Among other things, the 2026 Credit Facility waived the then-existing default of our Credit Facilities due to a violation of our fixed charge coverage ratio covenant and modified the fixed charge coverage ratio covenant to allow for stock repurchases, which constitute restricted payments. The 2026 Credit Facility also extended the maturity date of the Credit Facilities to August 31, 2029.

As of June 30, 2026, we were in compliance with all applicable financial and non-financial covenants under the Credit Agreement and there were no outstanding balances under our Credit Facilities or the 2026 Credit Facility.

Note 7: Stockholders' Equity

Stock Repurchase Program

On June 3, 2025, our Board of Directors approved a stock repurchase program (the "2025 SRP") to repurchase up to \$5.0 million of our common stock, par value \$0.001 per share, from time to time until June 3, 2027 or such other date as we have exhausted, or the Board of Directors otherwise terminates, the repurchase authorization. On November 4, 2025, the Board of Directors authorized an additional \$12.0 million under the 2025 SRP and extended the repurchase date through November 4, 2027.

The timing, volume, price, and terms of the repurchases will depend on market and business conditions, applicable legal requirements, and other factors. The repurchases may be made on the open market, in privately negotiated transactions, or in such other manner (e.g., accelerated share repurchase transactions, block trades, derivatives, or otherwise) that complies with the terms of applicable federal and state securities laws and regulations.

During the three months ended June 30, 2026, we repurchased \$0.7 million of common stock at an average price of \$8.23 per share, excluding related costs and fees. During the six months ended June 30, 2026, we repurchased \$1.8 million of common stock at an average price of \$8.31 per share, excluding related costs and fees. As of June 30, 2026, we had a remaining \$3.8 million authorized for repurchasing shares of our common stock. All shares of common stock that we repurchased are held as treasury stock.

Treasury Stock

During the three and six months ended June 30, 2026, shares of common stock at a total cost of \$8 thousand and \$75 thousand, respectively, were netted and surrendered as payment for minimum statutory withholding obligations in connection with the vesting of outstanding stock awards. During the three and six months ended June 30, 2025, shares of common stock at a total cost of zero and \$8 thousand, respectively, were netted and surrendered as payment for minimum statutory withholding obligations in connection with the vesting of outstanding stock awards. Shares surrendered by the participants in accordance with the applicable award agreements and plan are deemed repurchased by us, but are not part of publicly announced share repurchase programs.

Note 8: Stock-Based Compensation

We grant stock-based awards under our 2024 Incentive Stock Plan (the “2024 Plan”). The shares issued as a result of stock-based compensation transactions generally have been funded with the issuance of new shares of our common stock. We may grant the following types of incentive awards under the 2024 Plan: (i) non-qualified stock options; (ii) incentive stock options; (iii) stock appreciation rights; (iv) restricted stock; and (v) restricted stock units. Each award granted under the 2024 Plan is subject to an award agreement that incorporates, as applicable, the exercise price, the term of the award, the periods of restriction, the number of shares to which the award pertains and such other terms and conditions as the plan committee determines. Awards granted under the 2024 Plan are classified as equity awards, which are recorded in stockholders’ equity in our condensed consolidated balance sheets. As of June 30, 2026, we have granted under the 2024 Plan: (i) non-qualified stock options; (ii) incentive stock options; and (iii) restricted stock. There were no stock appreciation rights and restricted stock units granted under the 2024 Plan as of June 30, 2026. As of June 30, 2026, 1,431,335 shares of common stock remained available for issuance under the 2024 Plan.

Stock Options

Our closing price on the date of grant is the basis of fair value of its common stock used in determining the value of share-based awards. To the extent the value of our share-based awards involves a measure of volatility, we use available historical volatility of our common stock over a period of time corresponding to the expected stock option term. We use the simplified method to calculate the expected term of stock option grants to employees. Accordingly, the expected life of the options granted is based on the average of the vesting term, which is generally four years and the contractual term, which is generally 10 years. The risk-free interest rate is based on United States Treasury yields in effect at the date of grant for periods corresponding to the expected stock option term. Forfeitures are estimated based on historical and forecasted turnover, which is approximately 5%.

We did not grant options during the three and six months ended June 30, 2026 and 2025.

The information below summarizes the stock option activity for the six months ended June 30, 2026:

Stock Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding at December 31, 2025	68,481	\$ 14.33	6.0
Exercised	(9,058)	4.11	
Expired	(5,363)	28.51	
Outstanding at June 30, 2026	54,060	\$ 14.63	6.8
Exercisable at June 30, 2026	25,515	\$ 19.25	5.0

For the three months ended June 30, 2026 and 2025, stock-based compensation expense for stock options was \$4 thousand and \$17 thousand, respectively. For the six months ended June 30, 2026 and 2025, stock-based compensation expense for stock options was \$28 thousand and \$39 thousand, respectively.

Restricted Stock

Restricted stock awards granted to employees generally vest in four equal annual installments. Restricted stock awards granted to non-employee directors typically vest in full one year after the date of grant.

The information below summarizes the restricted stock activity for the six months ended June 30, 2026:

Restricted Stock Awards	Number of Shares	Weighted Average Grant-Date Fair Value per Award
Non-vested at December 31, 2025	353,490	\$ 10.86
Granted	329,543	8.54
Vested	(90,731)	11.58
Forfeited	(54,351)	10.57
Non-vested at June 30, 2026	537,951	\$ 9.34

For the three months ended June 30, 2026 and 2025, stock-based compensation expense for restricted stock awards was \$409 thousand and \$314 thousand, respectively. For the six months ended June 30, 2026 and 2025, stock-based compensation expense for restricted stock awards was \$675 thousand and \$586 thousand, respectively.

Note 9: Income Taxes

During the three months ended June 30, 2026 and 2025, we recorded income tax expense from continuing operations of \$9 thousand and \$11 thousand, respectively. During the six months ended June 30, 2026 and 2025, we recorded income tax expense from continuing operations of \$20 thousand and \$25 thousand, respectively. Our effective tax rate differs from the federal statutory tax rate for the three and six months ended June 30, 2026 and June 30, 2025, primarily due to state taxes and a change in valuation allowance.

Note 10: Commitments and Contingencies

Leases

The table below summarizes the components of lease expense and statements of operations location for the three and six months ended June 30, 2026 and 2025:

Line Items in our Condensed Consolidated Statements of Operations	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease costs:				
Operating lease costs General and administrative expenses	\$ 91,577	\$ 91,577	\$ 183,154	\$ 172,758
Total lease costs	\$ 91,577	\$ 91,577	\$ 183,154	\$ 172,758

Supplemental information and balance sheet location related to leases (excluding amounts related to leases classified as discontinued operations) were as follows:

	June 30, 2026	December 31, 2025
Operating Leases:		
Operating lease right-of-use asset	\$ 1,454,886	\$ 1,572,173
Operating lease liability - current portion	340,885	194,179
Operating lease liability - net of current portion	1,696,293	1,815,527
Total operating lease liability	\$ 2,037,178	\$ 2,009,706
Weighted average remaining lease term (in years):		
Operating leases	4.9	5.4
Weighted average discount rate:		
Operating leases	6.5 %	6.5 %

Supplemental cash flow information related to leases (excluding amounts related to leases classified as discontinued operations) was as follows:

	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in measurement of liabilities:		
Operating cash flows from operating leases	\$ 38,395	\$ 230,028

Non-cash transactions:

ROU assets obtained in exchange for operating lease liabilities	\$ —	\$ 1,554,504
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Maturities of lease liabilities as of June 30, 2026 are as follows, excluding amounts related to leases classified as discontinued operations:

	Operating Leases
2026 (remainder)	\$ 230,367
2027	467,453
2028	479,129
2029	491,077
2030	503,374
Thereafter	211,905
Total lease payments	\$ 2,383,305
Less: Imputed interest	(346,127)
Total lease obligations	\$ 2,037,178
Less: Current obligations	(340,885)
Long-term lease obligation	\$ 1,696,293

Guaranties in Connection with the Sale of the Divested Business

In connection with the sale of company-owned or managed clinics, we have guaranteed 60 future operating lease commitments assumed by the buyers. We are obligated to perform under the guaranties if the buyers fail to perform under the lease agreements at any time during the remainder of the term of the lease agreements, the latest of which expires on February 28, 2035. As of June 30, 2026, the undiscounted maximum remaining lease payments totaled \$8.1 million. We have recorded a \$40 thousand liability with respect to our obligations under the guaranties for one lease as of June 30, 2026 and have not recorded a liability for the remaining guaranties as we concluded that payment under those guaranties was not probable.

Litigation

In the normal course of business, we are party to litigation and claims from time to time. We maintain insurance to cover certain litigation and claims.

During the second quarter of 2024, we entered into settlement agreements from litigation related to employment matters of \$3.5 million that was outside the normal course of business, which we have accrued for in discontinued operations current liabilities as of December 31, 2025 and June 30, 2026. The settlement is expected to be paid out during the third quarter of 2026.

During the first quarter of 2025, litigation related to a medical injury claim between a patient ("the Claimant") and us filed on September 5, 2023 reached a settlement agreement on February 25, 2025. Per the terms of the settlement agreement, we were required to pay the Claimant \$3.4 million with our insurance. We accrued the settlement recorded in discontinued operations current liabilities for \$3.4 million as of December 31, 2024. The expense of the accrual was offset by a receivable recorded as discontinued operations current assets from our insurance for \$1.9 million as of December 31, 2024. The settlement was paid in full during the first quarter of 2025.

In 2025, we determined that the likelihood of a loss related to multiple lawsuits outside of the normal course of business, including three cases consolidated into one class action lawsuit (but not yet certified), six individual cases related to each other and two unrelated individual cases, all filed against us and a chiropractor employed by the professional corporation providing clinical services in 2024, 2025 and 2026 in the state of California, became probable. The initial lawsuit was filed against us on June 6, 2024 with the Superior Court of California in Los Angeles County. The lawsuits allege, among other claims, an invasion

of privacy, negligence, emotional distress, sexual harassment, unlawful recording, failure to provide a safe environment and trespass on person at one of our company-owned or managed clinics. The lawsuits are currently in discovery and trial is scheduled to begin in early 2027. We intend to continue to defend these cases vigorously, but it is not possible at this time to reasonably estimate the outcome of or any potential liability from these cases and therefore, no accrual exists as of June 30, 2026, with the exception of two individual cases related to the matter where we have booked an accrual that represents our insurance coverage deductible. We also note that our exposure to these cases may be limited by our insurance coverage, but the potential exposure is undetermined as of June 30, 2026.

Note 11: Segment Reporting

An operating segment is defined as a component of an enterprise for which discrete financial information is available and is reviewed regularly by the Chief Operating Decision Maker (the "CODM") to evaluate performance and make operating decisions. We have identified the CODM as our Chief Executive Officer.

Historically, we have had two operating business segments: (1) Corporate Clinics, and (2) Franchise Operations. The Corporate Clinics segment is comprised of the activities of the company-owned or managed clinics. In the fourth quarter of 2024, as part of our refranchising strategy, the Corporate Clinic segment met the criteria to be reported as discontinued operations as of December 31, 2024 (Refer to Note 3, *Divestitures* for financial information on the discontinued operating Corporate Clinics segment). Therefore, since December 31, 2024, we have had one reportable segment: Franchise Operations. In accordance with ASC 205-20, Discontinued Operations, expenses that in prior periods were partially allocated to the Corporate Clinic segment that are not wholly related to the activity of the segment have been recast to be presented in continuing operations, which is now Franchise Operations. Additionally, any expenses previously identified as Corporate Unallocated have been allocated entirely to the Franchise Operations segment.

The Franchise Operations segment is comprised of the operating activities of the franchise business unit. The Franchise Operations segment derives revenue primarily from customers by providing access to our franchise license, which represents symbolic intellectual property (See Note 2, *Revenue Disclosures* for additional details). The Franchise Operations segment is managed on a consolidated basis because all operations are located within a similar economic and regulatory environment, provide the same services and share the same business model and pricing strategies. As of June 30, 2026, the franchise system consisted of 896 clinics in operation. The accounting policies for the franchise segment are the same as those described in Note 1, *Nature of Operations and Summary of Significant Accounting Policies*. The CODM uses Net Income, Gross Profit, Operating Income, and Adjusted EBITDA as metrics in assessing performance and determining how to allocate resources. Net Income, Gross Profit, and Operating Income are reported on the condensed consolidated statements of operations. Adjusted EBITDA is presented in *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, Non-GAAP Financial Measures* and is reconciled back to Net (loss) income from continuing operations on the condensed consolidated statements of operations. The measure of segment assets is reported on the balance sheet as total consolidated assets, excluding discontinued operations current assets. The CODM uses these financial measures to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits in the Franchise Segment or into other parts of the entity, such as new products or services, new geographic territories, acquisitions or reacquisitions, or stock repurchases. Net Income and Adjusted EBITDA are used to monitor budget versus actual results. The CODM also uses Net Income and Adjusted EBITDA in conjunction with certain non-financial metrics in competitive analysis by benchmarking to our competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of the segment and in establishing management's compensation.

The following table summarizes total revenue and significant expense categories and amounts for our reportable segment that aligns with the segment level information that is regularly provided to the CODM:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 15,181,914	\$ 13,270,270	\$ 30,002,147	\$ 26,347,860
Less:				
Franchise and regional developer cost of revenues	2,070,339	2,350,613	4,340,097	4,901,848
IT cost of revenues	406,911	421,994	859,808	842,885
Selling and marketing expenses	4,886,151	3,483,844	8,603,055	6,988,994
Adjusted General and administrative expenses	6,687,580	6,925,770	12,865,679	13,479,690
Stock-based compensation expense	423,180	330,988	703,180	624,929
Other segment items, net ^(a)	527,111	333,011	939,090	216,151
Depreciation and amortization expense	422,861	402,295	819,554	764,225
Income tax expense	9,108	11,390	20,220	24,794
Segment (loss) income	\$ (251,327)	\$ (989,635)	\$ 851,464	\$ (1,495,656)
Reconciliation of (loss) income				
Net (loss) income from continuing operations	\$ (251,327)	\$ (989,635)	\$ 851,464	\$ (1,495,656)
Net income from discontinued operations	904,348	1,082,998	1,100,692	2,556,815
Net income	\$ 653,021	\$ 93,363	\$ 1,952,156	\$ 1,061,159

^(a) Other segment items, net includes other (income) loss, net, acquisition-related expenses, net loss on disposition or impairment, costs related to restatement filings, and restructuring costs.

Note 12: Related Party Transactions

Mr. Jefferson Gramm, Managing Partner of Bandera Partners LLC, who is a beneficial holder of more than 5% of our outstanding common stock (approximately 28% as of June 30, 2026), was appointed to the Board of Directors effective as of January 2, 2024.

Marshall Gramm, who is a family member of Mr. Jefferson Gramm, owns four franchise licenses. One license was sold to Mr. Marshall Gramm in December 2020 for \$40 thousand and three licenses were transferred from other franchisees in June 2022 to Mr. Marshall Gramm for a transfer fee of \$5 thousand each plus prorated franchise license fees of \$18 thousand total (which reflects the \$15 thousand transfer fee plus a license fee calculated pro-rata to extend the existing license term to 10 years from the date of transfer per our Franchise Disclosure Document).

These transactions involved terms no less favorable to us than those that would have been obtained in the absence of such affiliation. Although we have no way of estimating the aggregate amount of franchise fees, royalties, advertising fund fees, IT-related income and computer software fees that these franchisees will pay over the life of the franchise licenses, the franchisees affiliated with Mr. Jefferson Gramm are subject to such fees under the same terms and conditions as all other franchisees.

In October 2020, Mr. Jefferson Gramm loaned approximately \$370 thousand to an unaffiliated franchisee that owns and operates one franchise clinic. The loan is not secured by the assets of the business and there are no foreclosure rights. As of June 30, 2026, the remaining balance on the unsecured loan was approximately \$196 thousand.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 13, 2026.

Overview

We are a growing franchisor that uses a private pay, non-insurance, cash-based model. We will continue our franchised focused expansion of chiropractic clinics in key markets throughout North America, and potentially abroad, as we seek to be the leading provider of chiropractic care in the markets we serve and to become the most recognized brand in our industry.

Key Performance Measures. We receive monthly performance reports from our system and our clinics that include key performance indicators per clinic, including gross sales, comparable same-store sales growth, or "Comp Sales," number of new patients, conversion percentage and membership attrition. In addition, we review monthly reporting related to system-wide sales, clinic openings, clinic license sales, Adjusted EBITDA (Refer to *Non-GAAP Financial Measures* for more information on Adjusted EBITDA) and various earnings metrics in the aggregate and per clinic. We believe these indicators provide us with useful data with which to measure our performance and to measure our franchisees' and clinics' performance. Comp Sales include the sales from both company-owned or managed clinics and franchised clinics that in each case have been open for at least 13 full months and exclude any clinics that have closed. System-wide sales include sales at all clinics, whether operated by us or by franchisees. While franchised clinic sales are not recorded as revenues by us, management believes the information is important in understanding the overall brand's financial performance, because these sales are the basis on which we calculate and record royalty fees and are indicative of the financial health of the franchisee base.

For the three months ended June 30, 2026, compared to the prior year period:

- Comp sales of clinics that have been open for at least 13 full months decreased 2.8%; and
- System-wide sales for all clinics open for any amount of time decreased 3.7% to \$128.0 million.

Key Clinic Development Trends. As of June 30, 2026, we and our franchisees operated or managed 941 clinics, of which 896 were operated or managed by franchisees and 45 were operated as company-owned or managed clinics. Our franchisees opened five clinics in the second quarter of 2026, compared to seven clinics in the second quarter of 2025.

Our current strategy is to grow through the sale and development of additional franchises. After evaluating options for improvement, during 2023, our Board of Directors authorized management to initiate a plan to rebrand or sell the majority of our company-owned or managed clinics. During the third quarter of 2024, we expanded the rebranding plan to include the full portfolio of our company-owned or managed clinics, marketing the clinics in large clusters grouped primarily by geographic location. This refined strategy will leverage our greatest strength – our capacity to build a franchise – to drive long-term growth for both our franchisees and The Joint as a public company. We have created a robust framework for the rebranding effort, organizing clinics into clusters, and generating comprehensive disclosure packets for marketing efficiency. We had given initial preference to existing franchisees and, in the third quarter of 2024, we expanded the marketing efforts to larger multi-unit, multi-brand operators and certain private equity firms interested in purchasing and operating large market-based clinic clusters and have received significant interest to date in most markets. During the first quarter of 2025, we received draft letters of intent ("LOIs") for our full portfolio of company-owned or managed clinics. During the second quarter of 2025, we rebranded 37 clinics. During the third quarter of 2025, we rebranded one clinic and we continue to remain actively engaged in rebranding the balance of the corporate portfolio. The largest cluster remaining in the corporate portfolio is the Southern California region.

On June 30, 2025, we closed on the sale of 31 company-owned or managed clinics and associated franchise licenses in Arizona and New Mexico to an existing franchisee, Joint Ventures, LLC, in exchange for \$8.3 million in cash and the regional developer territory rights of the Northwest region. We carried an upfront regional developer fee liability balance associated with this transaction of \$42 thousand, representing the unrecognized fee collected upon the execution of the regional developer agreement. We accounted for the reacquisition of the regional developer rights as a release of liability and were included as part of the total consideration received to calculate the gain or loss on the sale. Losses on the sale were included with the loss on the sale of assets included in Net loss on disposition or impairment from discontinued operations. As part of the sale, Joint Ventures, LLC agreed to

open another 10 clinics in the same region. Additionally, on June 23, 2025, we closed the sale of five clinics along with future development rights in the Kansas City region to an existing franchisee, Chiro 93 LLC.

On December 5, 2025, we entered into an Asset Purchase Agreement with Addisco Value, LLC, a North Carolina limited liability company, Triangle Chiropractic Associates P.C., a North Carolina professional corporation, and Bluffton TJ, LLC, a South Carolina limited liability company, collectively as buyers, pursuant to which we will sell the assets of, and grant franchise rights to, 22 company-owned or managed clinics located in Virginia, North Carolina and South Carolina for an aggregate purchase price of approximately \$1.5 million, subject to certain adjustments. In mid-December 2025, the buyers assumed business operations under Management Service Agreements that will remain in effect until lease reassignments are completed to permit ownership transfer. During the quarter ended June 30, 2026, we closed on the sale of one clinic included in the transaction. As of June 30, 2026, the transaction as a whole had not officially closed and therefore, the net assets and liabilities of the remaining clinics remain in our consolidated balance sheets.

On April 20, 2026, we entered into the Elite Chiro Group Purchase Agreement with Elite Chiro Group, pursuant to which we will sell to Elite Chiro Group the assets of, and grant franchise rights to, 45 company-owned or managed clinics located in Southern California for an aggregate purchase price of \$2.3 million, subject to certain adjustments. The Purchase Price includes prorated franchise fees pursuant to 45 separate franchise agreements to be entered into between us and Elite Chiro Group and the non-exclusive development rights for 10 clinics to be developed in the metropolitan statistical areas of a development area to be agreed upon by us and Elite Chiro Group in accordance with the schedule set forth in the Elite Chiro Group Purchase Agreement. The closing of each clinic as part of the Elite Chiro Group Transaction is expressly conditioned upon the assignment of the existing lease for such clinic. On April 27, 2026, we closed on the sale of 13 clinics included in the Elite Chiro Group Transaction, at which time ownership of such clinics transferred to Elite Chiro Group. On April 27, 2026, Elite Chiro Group also assumed business operations for the remaining 32 clinics included in the Elite Chiro Group Transaction pursuant to a Management Service Agreement. During the quarter ended June 30, 2026, we closed on the sale of 15 additional clinics included in the Elite Chiro Group Transaction. As of June 30, 2026, the Elite Chiro Group Transaction as a whole had not officially closed and therefore, the net assets and liabilities of the remaining clinics remain in our consolidated balance sheets.

On June 28, 2026, we entered into an Asset Purchase Agreement with Vigeo, LLC (“Vigeo APA”), a California limited liability company, as buyer, pursuant to which we will sell the assets of, and grant franchise rights to, four company-owned or managed clinics located in Northern California for an aggregate purchase price of \$400 thousand. Pursuant to the Vigeo APA, the buyer will pay \$150 thousand of the purchase price as a down payment upon the close of the Vigeo APA, and will pay the remaining balance of the purchase price pursuant to separate promissory notes and corresponding security agreements. The closing of each clinic as part of the transaction is expressly conditioned upon the assignment of the existing lease for such clinic.

On March 31, 2026, we acquired the regional developer territory rights from one of our regional developers. We carried an upfront regional developer fee liability balance associated with this transaction of \$37 thousand, representing the unrecognized fee collected upon the execution of the regional developer agreement. During the quarter ended June 30, 2026, we acquired the regional developer territory rights from three of our regional developers. We carried an upfront regional developer fee liability balance associated with these transactions of \$80 thousand, representing the unrecognized fee collected upon the execution of the regional developer agreement.

Our goal will be to generate significant processes that will provide us with value creating capital allocation opportunities. These opportunities could include, but are not limited to, reinvestment in the brand and related marketing, continued investment in our IT platforms, the repurchase of regional development territories, certain merger or acquisition opportunities and/or additional stock repurchase programs.

The number of franchise licenses sold for the second quarter of 2026 was 10, compared with 13 licenses sold for the second quarter of 2025. We ended the second quarter of 2026 with 11 regional developers. We will continue to leverage the power of the regional developer program to accelerate the number of clinics sold, and eventually opened, across the country.

We believe that we continue to have a sound business concept and will benefit from the fundamental changes taking place in the manner in which Americans access chiropractic care and their growing interest in seeking effective, affordable natural solutions for general wellness. These trends join with the preference we have seen among chiropractic doctors to reject the insurance-based model resulting in a combination that benefits the consumer and the service provider alike. We believe that these forces create an important opportunity to accelerate the growth of our network.

Significant Events and/or Recent Developments

Recent events that may impact our business include unfavorable global economic or political conditions, continued labor shortages, elevated gas prices, and inflation and other cost increases. We anticipate that 2026 will continue to be a volatile macroeconomic environment.

The primary inflationary factor affecting our operations is labor costs. Beginning in 2024 and continuing into 2026, clinics owned or managed by us or our franchisees were negatively impacted by labor shortages and wage increases, which increased our general and administrative expenses. Further, should we fail to continue to increase our wages competitively in response to increasing wage rates, the quality of our workforce could decline, causing our patient service to suffer. While we anticipate that these continued headwinds can be partially mitigated by pricing actions, there can be no assurance that we will be able to continue to take such pricing actions. A continued increase in labor costs could have an adverse effect on our operating costs, financial condition and results of operations.

In addition, although lowered slightly in recent months, the expectation that interest rates will continue to remain elevated may adversely affect patients' financial conditions, resulting in reduced spending on our services. While the impact of these factors continues to remain uncertain, we will continue to evaluate the extent to which these factors will impact our business, financial condition, or results of operations. These and other uncertainties with respect to these recent events could result in changes to our current expectations.

Stock Repurchase Program

On June 3, 2025, our Board of Directors approved the 2025 SRP to repurchase up to \$5.0 million of our common stock, par value \$0.001 per share, from time to time until June 3, 2027 or such other date as we have exhausted, or the Board of Directors otherwise terminates, the repurchase authorization. The timing, volume, price, and terms of the repurchases will depend on market and business conditions, applicable legal requirements, and other factors. The repurchases may be made on the open market, in privately negotiated transactions, or in such other manner (e.g., accelerated share repurchase transactions, block trades, derivatives, or otherwise) that complies with the terms of applicable federal and state securities laws and regulations. On November 4, 2025, the Board of Directors authorized an additional \$12.0 million under the 2025 SRP and extended the repurchase date through November 4, 2027.

During the first half of 2026, we repurchased 219,293 shares of our common stock for approximately \$1.8 million. Shares repurchased during the first half of 2026 represented 1.6% of outstanding common stock at December 31, 2025. All shares of common stock that were repurchased are held as treasury stock. As of June 30, 2026, we had a remaining \$3.8 million authorized for repurchasing shares of our common stock under the 2025 SRP.

Factors Affecting Our Performance

Our operating results may fluctuate significantly as a result of a variety of factors, including the timing of new clinic sales, openings, closures, markets in which they are contained and related expenses, general economic conditions, cost inflation, labor shortages, consumer confidence in the economy, consumer preferences, competitive factors, and disease epidemics and other health-related concerns.

Critical Accounting Policies and Estimates

There were no changes in our critical accounting policies and estimates during the three months ended June 30, 2026, from those set forth in "Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Results of Operations

The following discussion and analysis of our financial results encompasses the results of our Franchise Operations business segment for the three and six months ended June 30, 2026, compared with the three and six months ended June 30, 2025. All financial results and metrics discussed below are on a continuing operations basis.

Total Revenues - Three Months Ended June 30, 2026 Compared with Three Months Ended June 30, 2025

Components of revenues were as follows:

	Three Months Ended June 30,		Change from Prior Year	Percent Change from Prior Year
	2026	2025		
Revenues:				
Royalty fees	\$ 8,327,549	\$ 8,133,121	\$ 194,428	2.4 %
Franchise fees	750,587	768,100	(17,513)	(2.3)
Advertising fund revenue	3,715,837	2,332,695	1,383,142	59.3
IT-related income and software fees	1,547,331	1,481,661	65,670	4.4
Other revenues	840,610	554,692	285,918	51.5
Total revenues	<u>\$ 15,181,914</u>	<u>\$ 13,270,269</u>	<u>\$ 1,911,645</u>	14.4

Total revenues increased by \$1.9 million, primarily due to the continued expansion and revenue growth of our franchise base and included:

- Royalty fees and IT-related income and software fees increased due to an increase in the number of franchised clinics in operation during the current period. As of June 30, 2026 and 2025, there were 896 and 885 franchised clinics in operation, respectively.
- Advertising fund revenue increased due to additional funds contributed to the National Marketing Fund by our franchisees, in addition to the historical 2% of gross sales, that initiated in the fourth quarter of 2025.
- Other revenues increased primarily due to an increase in sponsorship revenue related to our annual conference held in April 2026.

Total Revenues - Six Months Ended June 30, 2026 Compared with Six Months Ended June 30, 2025

Components of revenues were as follows:

	Six Months Ended June 30,		Change from Prior Year	Percent Change from Prior Year
	2026	2025		
Revenues:				
Royalty fees	\$ 16,359,838	\$ 16,204,107	\$ 155,731	1.0 %
Franchise fees	1,895,655	1,596,619	299,036	18.7
Advertising fund revenue	7,362,920	4,640,197	2,722,723	58.7
IT-related income and software fees	3,082,232	2,943,628	138,604	4.7
Other revenues	1,301,502	963,309	338,193	35.1
Total revenues	<u>\$ 30,002,147</u>	<u>\$ 26,347,860</u>	<u>\$ 3,654,287</u>	13.9

Total revenues increased by \$3.7 million, primarily due to the continued expansion and revenue growth of our franchise base and included:

- Royalty fees and IT-related income and software fees increased due to an increase in the number of franchised clinics in operation during the current period.
- Franchise fees increased primarily due to the impact of accelerated revenue recognition resulting from terminated franchise license agreements and related fees, with 36 and 32 franchise license agreements terminated during the six months ended June 30, 2026 and 2025, respectively.

- Advertising fund revenue increased due to additional funds contributed to the National Marketing Fund by our franchisees, in addition to the historical 2% of gross sales, that initiated in the fourth quarter of 2025.
- Other revenues increased primarily due to an increase in sponsorship revenue related to our annual conference held in April 2026.

Cost of Revenues

Cost of Revenues	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ 2,477,250	\$ 2,772,607	\$ (295,357)	(10.7)%
Six Months Ended June 30,	5,199,905	5,744,733	(544,828)	(9.5)

For the three and six months ended June 30, 2026, as compared with the three and six months ended June 30, 2025, the total cost of revenues decreased primarily due to a reduction in regional developer royalties driven by the five regional developer territory rights acquired since June 30, 2025.

Selling and Marketing Expenses

Selling and Marketing Expenses	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ 4,886,151	\$ 3,483,844	\$ 1,402,307	40.3 %
Six Months Ended June 30,	8,603,055	6,988,994	1,614,061	23.1

For the three and six months ended June 30, 2026, as compared with the three and six months ended June 30, 2025, selling and marketing expenses increased due to an increase in expenses associated with our national marketing campaign efforts, which began late in the fourth quarter of 2025.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ 422,861	\$ 402,295	\$ 20,566	5.1 %
Six Months Ended June 30,	819,554	764,225	55,329	7.2

Depreciation and amortization expenses increased for the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025, primarily due to depreciation expenses related to internal use software enhancements and developments, including the launch of our new mobile app during the third quarter of 2025.

General and Administrative Expenses

General and Administrative Expenses	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ 7,556,216	\$ 7,745,251	\$ (189,035)	(2.4)%
Six Months Ended June 30,	14,641,202	14,660,196	(18,994)	(0.1)

For the three months ended June 30, 2026, as compared with the three months ended June 30, 2025, general and administrative expenses decreased primarily due to a decrease in payroll and other employee compensation expenses including workers' compensation insurance driven by additional progress in our refranchising strategy, partially offset by an increase in professional services, litigation and acquisition-related expenses. As a percentage of revenue, general and administrative expenses during the three months ended June 30, 2026 and 2025 were 50% and 58%, respectively.

For the six months ended June 30, 2026, as compared with the six months ended June 30, 2025, general and administrative expenses decreased primarily due to a decrease in payroll and other employee compensation expenses including workers' compensation insurance driven by additional progress in our refranchising strategy, mostly offset by an increase in professional services, litigation and acquisition-related expenses. As a percentage of revenue, general and administrative expenses during the six months ended June 30, 2026 and 2025 were 50% and 56%, respectively.

Included in general and administrative expenses from continuing operations above are expenses of \$0.3 million and \$0.5 million related to workers' compensation insurance for the six months ended June 30, 2026 and 2025, respectively, of which we believe that approximately \$0.3 million and \$0.4 million, respectively, relate to expenses that will not be incurred upon the completion of our refranchising strategy.

(Loss) Income from Operations

(Loss) Income from Operations	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ (368,657)	\$ (1,138,167)	\$ 769,510	67.6 %
Six Months Ended June 30,	505,011	(1,816,701)	2,321,712	127.8

Loss from operations decreased by \$0.8 million for the three months ended June 30, 2026, compared with the three months ended June 30, 2025. The decrease in the loss was primarily due to:

- an increase of \$1.9 million in total revenues;
- a decrease of \$0.3 million in our total cost of revenues; and
- a decrease of \$0.2 million in general and administrative expenses; partially offset by
- an increase of \$1.4 million in selling and marketing expenses.

Income (loss) from operations increased by \$2.3 million for the six months ended June 30, 2026, compared with the six months ended June 30, 2025. The increase from the loss to income was primarily due to:

- an increase of \$3.7 million in total revenues; and
- a decrease of \$0.5 million in our total cost of revenues; partially offset by
- an increase of \$1.6 million in selling and marketing expenses.

Other Income, Net

Other Income, Net	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ 126,438	\$ 159,922	\$ (33,484)	(20.9)%
Six Months Ended June 30,	366,673	345,839	20,834	6.0

For the three months ended June 30, 2026, as compared with the three months ended June 30, 2025, other income decreased primarily due to lower average cash and cash equivalent balances in our money market funds resulting in decreased interest income.

For the six months ended June 30, 2026, as compared with the six months ended June 30, 2025, other income increased primarily due to the reversal of a liability related to the employee retention credit funds we received from the Internal Revenue Service in 2023.

Income Tax Expense

Income Tax Expense	2026	2025	Change from Prior Year	Percent Change from Prior Year
Three Months Ended June 30,	\$ 9,108	\$ 11,390	\$ (2,282)	(20.0)%
Six Months Ended June 30,	20,220	24,794	(4,574)	(18.4)

Income tax expense decreased during the three and six months ended June 30, 2026, compared to the three and six months ended June 30, 2025, primarily due to a decrease in estimated state income taxes.

Recent Accounting Pronouncements

See Note 1, *Nature of Operations and Summary of Significant Accounting Policies*, to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information regarding recently issued accounting pronouncements that may impact our financial statements.

Non-GAAP Financial Measures

The table below reconcile net (loss) income to Adjusted EBITDA for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,					
	2026			2025		
	From Continuing Operations	From Discontinued Operations	Net Operations	From Continuing Operations	From Discontinued Operations	Net Operations
Non-GAAP Financial Data:						
Net (loss) income	\$ (251,327)	\$ 904,348	\$ 653,021	\$ (989,635)	\$ 1,082,998	\$ 93,363
Net interest income	(126,439)	—	(126,439)	(159,922)	—	(159,922)
Depreciation and amortization expense	422,861	1,690	424,551	402,295	17,120	419,415
Income tax expense (benefit)	9,108	(2,559)	6,549	11,390	100,201	111,591
EBITDA	54,203	903,479	957,682	(735,872)	1,200,319	464,447
Stock-based compensation expense	423,180	—	423,180	330,988	—	330,988
Acquisition-related expenses	332,005	—	332,005	—	—	—
Net loss on disposition or impairment	208,093	816,466	1,024,559	4,440	1,752,494	1,756,934
Restructuring costs	113,451	(24,422)	89,029	488,493	198,331	686,824
Litigation expenses	321,693	12,005	333,698	—	—	—
Adjusted EBITDA	<u>\$ 1,452,625</u>	<u>\$ 1,707,528</u>	<u>\$ 3,160,153</u>	<u>\$ 88,049</u>	<u>\$ 3,151,144</u>	<u>\$ 3,239,193</u>

	Six Months Ended June 30,					
	2026			2025		
	From Continuing Operations	From Discontinued Operations	Net Operations	From Continuing Operations	From Discontinued Operations	Net Operations
Non-GAAP Financial Data:						
Net income (loss)	\$ 851,464	\$ 1,100,692	\$ 1,952,156	\$ (1,495,656)	\$ 2,556,815	\$ 1,061,159
Net interest (income) expense	(368,188)	—	(368,188)	(345,839)	238	(345,601)
Depreciation and amortization expense	819,554	9,447	829,001	764,225	43,505	807,730
Income tax expense	20,220	179,810	200,030	24,794	203,613	228,407
EBITDA	1,323,050	1,289,949	2,612,999	(1,052,476)	2,804,171	1,751,695
Stock-based compensation expense	703,180	—	703,180	624,929	—	624,929
Acquisition-related expenses	332,005	—	332,005	—	—	—
Net loss on disposition or impairment	233,420	1,194,230	1,427,650	6,413	2,885,852	2,892,265
Restructuring costs	740,338	56,784	797,122	555,577	269,715	825,292
Litigation expenses	346,694	421,775	768,469	—	—	—
Adjusted EBITDA	\$ 3,678,687	\$ 2,962,738	\$ 6,641,425	\$ 134,443	\$ 5,959,738	\$ 6,094,181

Adjusted EBITDA from continuing operations consists of net loss from continuing operations before interest, income taxes, depreciation and amortization, acquisition-related expenses (which includes contract termination costs associated with reacquired regional developer rights), stock-based compensation expense, bargain purchase gain, (gain) loss on disposition or impairment, costs related to restatement filings, restructuring costs (consisting of non-recurring refranchising costs of all company-owned or managed clinics and non-recurring expenses related to changes to our senior leadership team), and litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the normal course of our business). We have provided Adjusted EBITDA, a non-GAAP measure of financial performance, because it is commonly used for comparing companies in our industry. You should not consider Adjusted EBITDA as a substitute for operating profit as an indicator of our operating performance or as an alternative to cash flows from operating activities as a measure of liquidity. We may calculate Adjusted EBITDA differently from other companies.

We believe that the use of Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with other outpatient medical clinics, which may present similar non-GAAP financial measures to investors. In addition, you should be aware when evaluating Adjusted EBITDA in the future we may incur unadjusted expenses similar to those currently excluded when calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies do not calculate Adjusted EBITDA in the same manner.

Our management does not consider Adjusted EBITDA in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of Adjusted EBITDA is that it excludes significant expenses and income that are required by GAAP to be recorded in our financial statements. These limitations include, but are not limited to, the following:

- Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- While not included in the presented periods, Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect the (gain) loss on disposition or impairment, which represents the impairment of assets as of the reporting date. We do not consider this to be indicative of our ongoing operations; and

- While not included in the presented periods, Adjusted EBITDA would not reflect any bargain purchase gain, which would represent the excess of the fair value of net assets acquired over the purchase consideration.

Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally. You should review the reconciliation of Net income (loss) to Adjusted EBITDA above and not rely on any single financial measure to evaluate our business.

Liquidity and Capital Resources

Sources of Liquidity

As of June 30, 2026, we had unrestricted cash and short-term bank deposits of \$22.2 million. We generated \$0.7 million of cash flow from operating activities from both continuing and discontinued operations in the six months ended June 30, 2026. While unfavorable global economic or political conditions create potential liquidity risks, as discussed further below, we believe that our existing cash and cash equivalents, our anticipated cash flows from operations and amounts available under our line of credit will be sufficient to fund our anticipated operating and investment needs for at least the next 12 months.

While the interruptions, delays and/or cost increases resulting from political instability and geopolitical tensions, adverse weather conditions, economic weakness, inflationary pressures, elevated interest rates, elevated gas prices and other factors have created uncertainty as to general economic conditions for the remainder of 2026, as of the date of this Quarterly Report on Form 10-Q, we believe that we have adequate capital resources and sufficient access to external financing sources to satisfy our current and reasonably anticipated requirements for funds to conduct our operations and meet other needs in the ordinary course of our business. For the remainder of 2026, we expect to use or redeploy our cash resources to support our business within the context of prevailing market conditions, which, given the ongoing uncertainties described above, could rapidly and materially deteriorate or otherwise change. Our long-term capital requirements, primarily for corporate initiatives, could be dependent on our ability to access additional funds through the debt and/or equity markets. If the equity and credit markets deteriorate, including as a result of economic weakness, political unrest or war, or any other reason, it may make any necessary equity or debt financing more difficult to obtain in a timely manner and on favorable terms, if at all, and if obtained, it may be more costly or more dilutive. From time to time, we consider and evaluate transactions related to our portfolio and capital structure, including debt financings, equity issuances, purchases and sales of assets, and other transactions. Given the ongoing uncertainties described above, the levels of our cash flows from operations for the remainder of 2026 may be impacted. There can be no assurance that we will be able to generate sufficient cash flows or obtain the capital necessary to meet our short and long-term capital requirements.

Analysis of Cash Flows

Net cash provided by operating activities for both continuing and discontinued operations increased by \$3.5 million to \$0.7 million for the six months ended June 30, 2026, compared to net cash used in operating activities of \$2.8 million for the six months ended June 30, 2025. The increase in net cash used in operating activities was primarily attributable to a change in accrued expenses of \$3.9 million primarily related to the settlement of a medical injury claim during the first quarter of 2025, which was partially offset by a related change in accounts receivable of \$1.0 million for insurance recoveries, a change in payroll liabilities of \$1.1 million related to the increased payout of our annual bonuses, a change in prepaid expenses and other current assets of \$0.9 million related to lower insurance premiums due to fewer company-owned or managed clinics in 2026 as compared to 2025, and a change in other liabilities related to our asset purchase agreements that are pending final closure.

Net cash provided by investing activities was \$0.7 million for the six months ended June 30, 2026, compared to net cash provided by investing activities of \$6.9 million for the six months ended June 30, 2025. For the six months ended June 30, 2026, this included proceeds from sales of clinics of \$1.2 million, partially offset by purchases of property and equipment of \$0.5 million. For the six months ended June 30, 2025, this included proceeds from sales of clinics of \$7.8 million, partially offset by purchases of property and equipment of \$0.8 million.

Net cash used in financing activities for the six months ended June 30, 2026 was \$1.9 million, compared to net cash provided by financing activities of \$0.9 million for the six months ended June 30, 2025. For the six months ended June 30, 2026, net cash used in financing activities primarily included \$1.8 million of common stock purchases under the 2025 SRP. For the six months ended June 30, 2025, net cash provided by financing activities included cash receipts from stock option exercises of \$0.9 million.

Capital Composition

As discussed in the “Significant Events and/or Recent Developments” section of this MD&A, our Board of Directors approved the 2025 SRP to repurchase up to \$17.0 million of our common stock. During the six months ended June 30, 2026, we repurchased 219,293 shares under the 2025 SRP. Refer to the “Significant Events and/or Recent Developments” section above for more information and Part II, Item 2, “Unregistered Sales of Equity Securities and Use of Proceeds” of this Quarterly Report on Form 10-Q for our monthly repurchase activity during the three months ended June 30, 2026.

Off-Balance Sheet Arrangements

During the six months ended June 30, 2026, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of June 30, 2026, there have been no material changes to the quantitative and qualitative disclosures about market risk appearing in Part II, Item 7(a), “Quantitative and Qualitative Disclosures About Market Risk” of our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act are accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures were designed to provide reasonable assurance of achieving such objectives, and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our management concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding our legal proceedings is discussed in Note 10, *Commitments and Contingencies* to our condensed consolidated financial statements, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

We documented our risk factors in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to our risk factors since the filing of our Annual Report on Form 10-K for the year ended December 31, 2025.

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

On June 3, 2025, our Board of Directors approved the 2025 SRP to repurchase up to \$5.0 million of our common stock, par value \$0.001 per share, from time to time until June 3, 2027 or such other date as we have exhausted, or the Board of Directors otherwise terminates, the repurchase authorization. On November 4, 2025, the Board of Directors authorized an additional \$12.0 million under the 2025 SRP and extended the repurchase date through November 4, 2027. The timing, volume, price, and terms of the repurchases will depend on market and business conditions, applicable legal requirements, and other factors. The repurchases may be made on the open market, in privately negotiated transactions, or in such other manner (e.g., accelerated share repurchase transactions, block trades, derivatives, or otherwise) that complies with the terms of applicable federal and state securities laws and regulations.

The following table summarizes our monthly common stock repurchase activity during the three months ended June 30, 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Repurchased as Part of the 2025 SRP	Approximate Dollar Value of Shares that May Yet be Purchased Under the 2025 SRP
Repurchases from April 1 - 30, 2026	—	\$ —	—	\$ 4,530,550
Repurchases from May 1 - 31, 2026	17,430	8.23	17,430	4,387,154
Repurchases from June 1 - 30, 2026	64,775	8.23	64,775	3,834,262
Total	82,205	\$ 8.23	82,205	3,834,262

ITEM 5. OTHER INFORMATION

During the quarter ended June 30, 2026, no director or officer of our company adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS
EXHIBIT INDEX

Exhibit Number	Description of Document
10.1***	Asset Purchase Agreement, dated April 20, 2026, by and among the Registrant, Elite Chiro Group, and Gadi Emein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (Commission File No. 001-36724) filed with the Securities and Exchange Commission on April 24, 2026)
10.2***	Asset Purchase Agreement Amendment, dated April 27, 2026, by and among the Registrant, Elite Chiro Group, and Gadi Emein (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (Commission File No. 001-36724) filed with the Securities and Exchange Commission on May 8, 2026)
10.3	Waiver and Fourth Amendment to Credit Agreement, dated as of May 1, 2026, by and between the Registrant and JPMorgan Chase Bank N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2026)
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, (filed herewith).
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, (filed herewith).
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith, not filed

*** Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. We hereby agree to furnish supplementally a copy of any of the omitted schedules upon request by the SEC.

THE JOINT CORP.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: August 6, 2026

THE JOINT CORP.

By: /s/ Sanjiv Razdan

Sanjiv Razdan
Chief Executive Officer and President
(Principal Executive Officer)

Dated: August 6, 2026

By: /s/ Scott J. Bowman

Scott J. Bowman
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15a-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Sanjiv Razdan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 of The Joint Corp.;
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(s) 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; and
5. The registrant's other certifying officer(s) 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.

Date: August 6, 2026

/s/ Sanjiv Razdan

Sanjiv Razdan
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15a-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

I, Scott Bowman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 of The Joint Corp.;
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(s) 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; and
5. The registrant's other certifying officer(s) 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.

Date: August 6, 2026

/s/ Scott J. Bowman

Scott J. Bowman
Chief Financial Officer
(Principal Financial Officer and Principle Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of The Joint Corp. (the "Company"), for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, in his or her capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Sanjiv Razdan
Sanjiv Razdan
President and Chief Executive Officer
(Principal Executive Officer)

Dated: Aug 6, 2026

By: /s/ Scott J. Bowman
Scott J. Bowman
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Dated: August 6, 2026