



# Assure Holdings Reports Third Quarter 2018 Financial Results

## Revenue Increased 57% to \$6.1 Million on Managed Case Growth of 90%

DENVER, Nov. 27, 2018 (GLOBE NEWSWIRE) -- Assure Holdings Corp. (the "Company" or "Assure") (TSXV: IOM; OTCQB: ARHH), a provider of intraoperative neuromonitoring services, reported financial results for the three and nine months ended September 30, 2018, and revised results for the three and nine months ended September 30, 2017.

### Third Quarter 2018 Financial Highlights vs. Revised Third Quarter 2017

- Total revenue grew 57% to \$6.1 million versus a revised \$3.9 million.
- Managed cases increased 90% to 716 versus 376.
- Earnings from equity method of investment in Physician Network Entities (PNEs) grew 38% to \$0.8 million from a revised \$0.5 million.
- Net income increased 38% to \$3.1 million compared to a revised \$2.3 million. Revised net income in 2017 was not burdened by income tax expense as the Company modified its income tax provision methodology at the end of 2017.
- Diluted earnings per share was \$0.07 compared to a revised \$0.06 per share. The 2018 number reflects the full impact of the shares issued in conjunction with the Company's reverse take-over transaction to become a public company on the TSXV and 6.0 million performance shares. In addition, 2017 was not burdened by income tax expense.
- Adjusted EBITDA grew 74% to \$4.7 million versus a revised \$2.7 million.

### Nine Months Ended September 2018 Financial Highlights vs. Revised Same Period in 2017

- Total revenue grew 61% to \$17.8 million versus a revised \$11.1 million.
- Earnings from equity method of investment in PNEs grew 50% to \$2.3 million from a revised \$1.5 million.
- Net income increased 98% to \$9.4 million, or \$0.21 per diluted share, compared to a revised \$4.7 million, or \$0.14 per diluted share. 2018 reflects the full impact of shares issued in conjunction with becoming a public company and the performance shares. In addition, 2017 was not burdened by income tax expense.
- Adjusted EBITDA grew 67% to \$13.2 million versus a revised \$7.9 million.

### Management Commentary

"The momentum of our business continued in the third quarter with 57% revenue growth and a 90% increase in managed case volume," said John A. Farlinger, Assure's executive chairman and interim CEO. "This was driven by the expansion into Louisiana, Pennsylvania, Texas and Utah, which represented over a third of our cases in the quarter. We also continued to grow organically in Colorado with strong customer referrals. Looking to the remainder of 2018, we are well-positioned to penetrate new markets and further build scale in states of existing operations, while driving various operational efficiencies."

### Third Quarter 2018 Financial Results

Total revenue increased 57% to \$6.1 million compared to a revised \$3.9 million in the third quarter of 2017. The significant improvement was due to the continued increase in cases generated from the Company's existing surgeon network, the onboarding of additional surgeons, and the continued expansion in new states.

Revenue generated outside Colorado was 42% of total revenue in the third quarter of 2018. In the third quarter of 2017, all revenues were generated from the Colorado market. Managed cases increased 90% to 716 versus 376 in the third quarter of 2017, primarily driven by the expansion into Louisiana, Pennsylvania, Texas and Utah.

Gross margin was 80.0% compared to a revised 84.5% in the same quarter last year due primarily to the costs associated with hiring and training technicians in the newly expanded Texas, Pennsylvania, Louisiana and Utah markets prior to the start of any meaningful revenue generation.

Total operating expenses decreased to \$1.0 million compared to \$1.2 million in the same quarter in 2017 due to a decline in the Company's sales and marketing expenses, partially offset by expenses associated with growing the business and costs of being a public company.

Net income increased 38% to \$3.1 million or \$0.07 per diluted share, compared to a revised net income of \$2.3 million or \$0.06 per diluted share in the third quarter of 2017. Revised net income in 2017 was not burdened by tax expense as the Company modified its tax provision methodology at the end of 2017. If income tax had been recorded in the third quarter of 2017 equivalent to the third quarter of 2018, net income and earnings per share would have been \$1.5 million and \$0.04, respectively.

Adjusted EBITDA increased 74% to \$4.7 million compared to a revised \$2.7 million in the same quarter in 2017 due to the continued increase in cases managed, resulting in improved revenue and earnings from the equity method of investment in Assure's PNEs.

During the third quarter of 2018, Assure collected \$3.0 million of cash from its accounts receivable balance compared to \$2.0 million in the third quarter of 2017 and \$2.1 million in the second quarter of 2018.

### **Nine Months Ended September 2018 Financial Results**

Total revenue in the first nine months of 2018 increased 61% to \$17.8 million compared to a revised \$11.1 million in the same period in 2017. The increase was primarily driven by the increase in cases managed resulting from the growing number of relationships in Colorado and the continued expansion into new states.

Gross margin was 81.8% compared to 82.9% in the year-ago period due primarily due to the Company's expansion into Texas, Pennsylvania, Louisiana and Utah.

Total operating expenses in the first nine months increased to \$4.1 million compared to \$3.1 million in the year-ago period. The increase was attributed to costs associated with multi-state expansion initiatives and the ongoing corporate expenses of becoming a public company.

Net income in the first nine months of 2018 increased 98% to \$9.4 million or \$0.21 per diluted share, compared to a revised \$4.7 million or \$0.14 per diluted share in the year-ago period. If income tax had been recorded in the first nine months of 2017 equivalent to the same period in 2018, net income and earnings per share would have been \$3.5 million and \$0.11, respectively. The 2018 per diluted share amount also reflects 6.0 million of incremental diluted shares relating to the issuance of performance shares.

Adjusted EBITDA for the first nine months of 2018 increased 67% to \$13.2 million compared to a revised \$7.9 million in the first nine months of 2017.

For the nine months ended September 30, 2018, the Company collected \$6.5 million of cash from its accounts receivable balance compared to collecting \$3.6 million in the same prior year period.

Assure has also filed its unaudited condensed interim financial statements and management discussion & analysis (MD&A) with SEDAR. This information can be found at [www.sedar.com](http://www.sedar.com).

### **Conference Call**

The Company will hold a conference call today, November 27, 2018, at 4:30 p.m. Eastern time to discuss its third quarter 2018 results.

Date: Tuesday, November 27, 2018  
Time: 4:30 p.m. Eastern time (2:30 p.m. Mountain time)  
Toll-free dial-in number: 1-877-407-0792  
International dial-in number: 1-201-689-8263  
Conference ID: 13684845

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Liolios at 1-949-574-3860.

The conference call will be broadcast live and available for replay [here](#).

A replay of the conference call will be available after 7:30 p.m. Eastern time on the same day through December 11, 2018.

Toll-free replay number: 1-844-512-2921  
International replay number: 1-412-317-6671  
Replay ID: 13684845

## **About Assure Holdings**

Assure Holdings Corp. is a Colorado-based company that works with neurosurgeons and orthopedic spine surgeons to provide a turnkey suite of services that support intraoperative neuromonitoring activities during invasive surgeries. Assure employs its own staff of technologists and uses its own state-of-the-art monitoring equipment, handles 100% of intraoperative neuromonitoring scheduling and setup, and bills for all technical services provided. While Assure focuses primarily on supporting spinal and vascular surgeries, plans are in place to support other classes of medicine that rely on the standard of care that intraoperative neuromonitoring provides. For more information, visit the company's website at [www.assureneuromonitoring.com](http://www.assureneuromonitoring.com).

## **Non-IFRS Measures**

Adjusted EBITDA is defined as net income/(loss) excluding interest, taxes, depreciation, share-based compensation, performance share compensation, provision for broker warrant fair value, provision for stock option fair value and deemed shares costs related to the reverse takeover merger

## **Forward-Looking Statements**

This news release contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that Assure anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations and future actions of the Company, including but not limited to the Company obtaining regulatory approval to commence trading. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the forgoing) be taken, occur, be achieved, or come to pass. Forward-looking statements in this news release include but are not limited to: Looking to the remainder of 2018, we are well positioned to further penetrate new markets and further build scale in states of existing operations, while driving various operational efficiencies with our unique neuromonitoring platform. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this news release, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of Assure to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to Assure, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this press release is expressly qualified by this cautionary statement.

*Investors are cautioned that, except as disclosed in the Filing Statement any information released or received with respect to the reverse take-over may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation should be considered highly speculative.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*The securities of the Corporation have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

## **Contact**

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**ASSURE HOLDINGS INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(in United States Dollars)

	September 30, 2018 (unaudited)		December 31, 2017	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$	385,121	\$	215,326
Accounts receivable, net		27,976,565		16,624,006
Prepaid expenses		171,368		130,060
Due from related parties		2,799,852		2,256,117
Total current assets		31,332,906		19,225,509
Equity method investments		3,744,149		2,259,663
Deferred tax asset		-		-
Equipment and furniture, net		475,534		499,123
Total assets	\$	35,552,589	\$	21,984,295
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$	3,066,649	\$	2,504,519
Current portion of finance leases		259,143		181,787
Income taxes payable		3,510,075		22,475
Total current liabilities		6,835,867		2,708,781
Finance leases, net of current portion		315,020		291,063
Provision for fair value of stock options		311,727		325,515
Provision for performance share issuance		16,011,500		16,011,500
Provision for fair value of broker warrants		73,108		128,062
Deferred tax liability, net		92,276		92,276
Total liabilities		23,639,498		19,557,197
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock		35,562		35,505
Additional paid-in capital		6,205,775		6,079,115
Retained earnings/(accumulated deficit)		5,671,754		(3,687,522 )
Total shareholders' equity		11,913,091		2,427,098
Total liabilities and shareholders' equity	\$	35,552,589	\$	21,984,295

**ASSURE HOLDINGS INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
(in United States Dollars)

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017 (revised)	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017 (revised)
<b>Revenue</b>				
Out-of-Network fees	\$ 5,899,328	\$ 3,802,903	\$ 17,383,487	\$ 10,797,592

Contract fees	203,835	96,765	454,834	287,648
Total revenue	6,103,163	3,899,668	17,838,321	11,085,240
Cost of revenues	(1,223,684 )	(606,199 )	(3,245,488 )	(1,896,625 )
Gross margin	4,879,479	3,293,469	14,592,833	9,188,615
<b>Operating expenses</b>				
General and administrative	867,696	770,777	3,322,237	2,409,297
Depreciation and amortization	95,351	47,058	281,774	138,969
Sales and marketing	83,988	358,967	530,618	507,304
Total operating expenses	1,047,035	1,176,802	4,134,629	3,055,570
Income from operations	3,832,444	2,116,667	10,458,204	6,133,045
<b>Other income/(expenses)</b>				
Earnings from equity method investments	755,300	547,952	2,317,200	1,543,214
Provision for broker warrant fair value	(23,706 )	(262,400 )	44,605	(1,192,589 )
Provision for stock option fair value	(97,312 )	(139,737 )	13,788	(176,326 )
Deemed share costs related to RTO	-	-	-	(1,551,126 )
Interest, net	65,525	(9,931 )	13,079	(31,732 )
Total other income/(expenses)	699,807	135,884	2,388,672	(1,408,559 )
Income before income taxes	4,532,251	2,252,551	12,846,876	4,724,486
Income tax expense	1,414,615	-	3,487,600	-
Net income	\$ 3,117,636	\$ 2,252,551	\$ 9,359,276	\$ 4,724,486
Basic income per common share	\$ 0.09	\$ 0.06	\$ 0.26	\$ 0.15
Fully diluted income per common share	\$ 0.07	\$ 0.06	\$ 0.21	\$ 0.14

**ASSURE HOLDINGS CORP.**

**ADJUSTED EBITDA**

(in United States Dollars)

	<b>Three Months Ended September 30, 2018</b>	<b>Three Months Ended September 30, 2017 (revised)</b>	<b>Nine Months Ended September 30, 2018</b>	<b>Nine Months Ended September 30, 2017 (revised)</b>
Reported net income	\$ 3,117,636	\$ 2,252,551	\$ 9,359,276	\$ 4,724,486
Interest	(65,525 )	9,931	(13,079 )	31,732
Depreciation and amortization	95,351	47,058	281,774	138,969
Share based compensation	37,088	-	111,265	50,609
Income tax expense	1,414,615	-	3,487,600	-
Deemed share costs related to RTO	-	-	-	1,551,126
Provision for broker warrant fair value	23,706	262,400	(44,605 )	1,192,589
Provision for stock option fair value	97,312	139,737	(13,788 )	176,326
	<b>\$ 4,720,183</b>	<b>\$ 2,711,677</b>	<b>\$ 13,168,443</b>	<b>\$ 7,865,837</b>

**ASSURE HOLDINGS CORP.**

**EARNINGS PER SHARE**

(in United States Dollars)

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017 (revised)	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017 (revised)
Income attributable to common shareholders				
Basic	\$ 3,117,636	\$ 2,252,551	\$ 9,359,276	\$ 4,724,486
Weighted average common share outstanding	35,550,469	35,096,040	35,540,538	30,515,097
Basic earnings per common share	\$ 0.09	\$ 0.06	\$ 0.26	\$ 0.15
Income attributable to common shareholders				
Basic	\$ 3,117,636	\$ 2,252,551	\$ 9,359,276	\$ 4,724,486
Weighted average common shares outstanding	35,550,469	35,096,040	35,540,538	30,515,097
Dilutive effect of stock options, warrants, and performance shares	8,749,000	3,602,720	8,749,000	3,602,720
Weighted average common shares outstanding assuming dilution	44,299,469	38,698,760	44,289,538	34,117,817
Fully diluted earnings per common share	\$ 0.07	\$ 0.06	\$ 0.21	\$ 0.14



Source: Assure Holdings Corp.