



# Corporate Presentation

April 2018 | TSXV: IOM – OTC: ARHH



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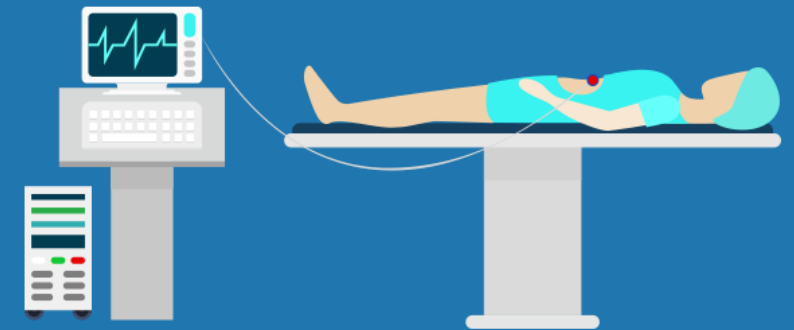
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# What is Intraoperative Neuromonitoring (IONM)?

- **What?** The use of electrophysiological methods (EEG, EMG) to observe the functional integrity of neural structures during surgery.
- **Why?** Provides immediate feedback & warning to surgeon before occurrence of neurological deficits or permanent injuries. Has become the standard of care.
- **When?** Spinal & neurosurgeries, vascular, ENT, orthopedic & other surgeries.

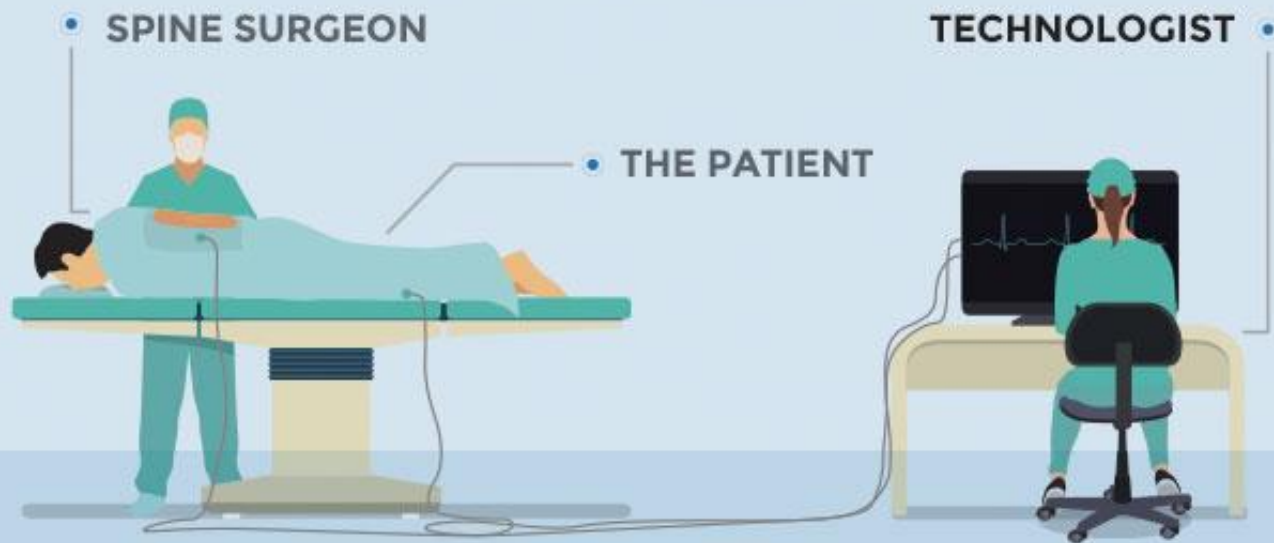


# How it Works

Technical Bill

Professional Bill

## OPERATING ROOM



## OFFSITE NEUROLOGIST

• NEUROLOGIST



The diagram shows an offsite neurologist in a white lab coat sitting at a desk with a computer monitor displaying an ECG waveform. A vertical line with a dot at the top points from the text 'NEUROLOGIST' to the neurologist. A vertical line with a dot at the top points from the text 'OFFSITE NEUROLOGIST' to the top of the scene. A vertical line with a dot at the top points from the text 'Professional Bill' to the top of the scene.



# Current Market Structure Promotes Inefficiency

Why?

70% ...

of outsourced market staffed by large staffing companies & hospital-contracted neurologists

30% ...

insourced by hospital



# Current Market Structure Promotes Inefficiency

## How?

### Technical Bill Inefficiencies

- Surgeon has to arrange for tech coverage with hospital → hospital contracts 3<sup>rd</sup> party
- Fosters inconsistent personnel
- No personal alignment with surgeon & staff
  - “just another case”
- Skillset varies widely

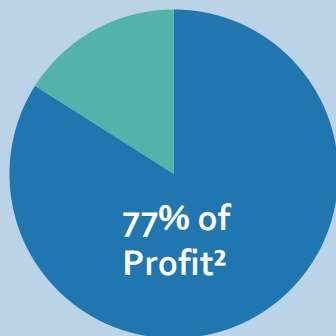
### Professional Bill Inefficiencies

- Surgeon has to hire in-house billing (or arrange 3<sup>rd</sup> party that may lack market experience)
- Susceptible to understaffing, under-qualifications
- Lack of experience in insurance follow-up & negotiation
- No incentive to extract max value

# The Answer to This Inefficiency?

## The Assure Platform

### Technical Bill

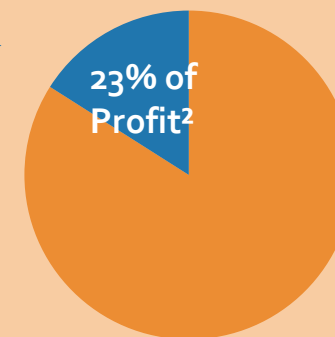


Assure retains  
100%

- We employ our own techs
- Techs well-educated, well-paid
- Same surgeon works with same tech in all cases, stripping inconsistency
- We handle 100% of scheduling & setup
- We bill for the services provided

### Professional Bill<sup>1</sup>

Assure splits with  
stakeholder 80/20



- We partner with highly-trained neurologist groups
- Full transparency with the stakeholder
- Proprietary billing management system maximizes procedure value
- Assure, surgeon & billing have same goal

1) Professional Bill revenues are recorded in "Earnings from Equity Method Investments" on the Company's income statement below operating income.

2) Trailing twelve months at Sept 30, 2017.



# Assure Holdings At-a-Glance

Trailing 12-Month Stats  
@ 9/30/17

- Turnkey provider of IONM services
- Launched Mar 2016, public May 2017
- Exclusive partnerships with surgeons in CO & TX
- Focus on spinal & vascular surgeries, expanding into other procedures
- Our unique platform is driving strong market growth
- Repeat revenue base with strong adj. EBITDA

Revenue

**USD\$14.6M**

Gross Margin

**83%**

Net Income

**\$0.23/share**

Adj. EBITDA<sup>1</sup>

**\$10.4M**

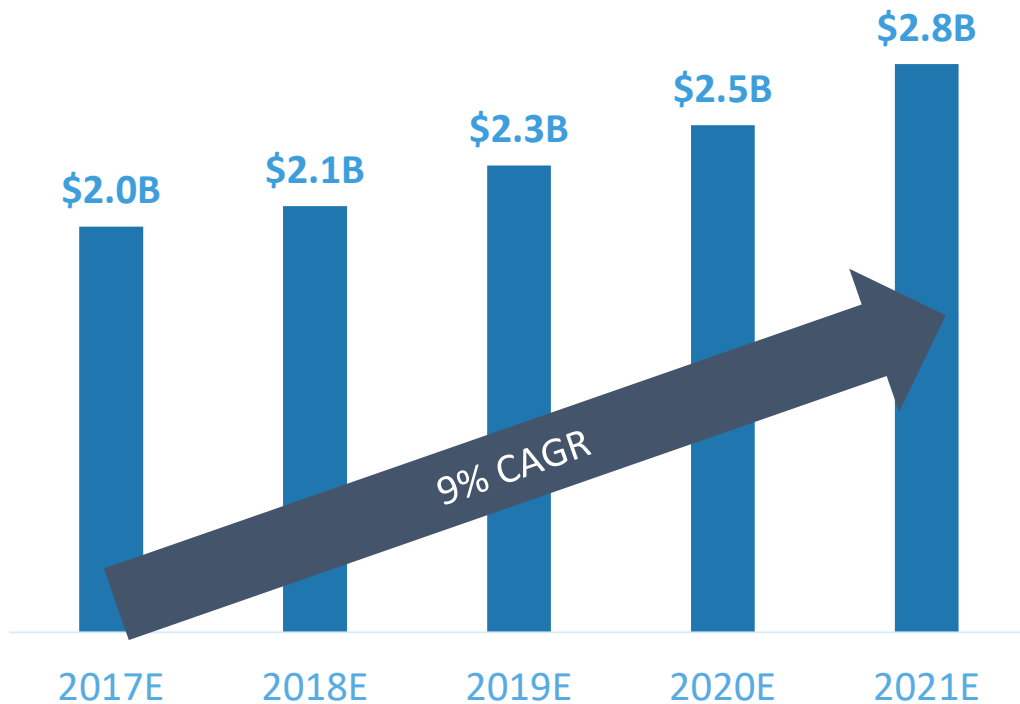
1) See appendix for information on adj. EBITDA.



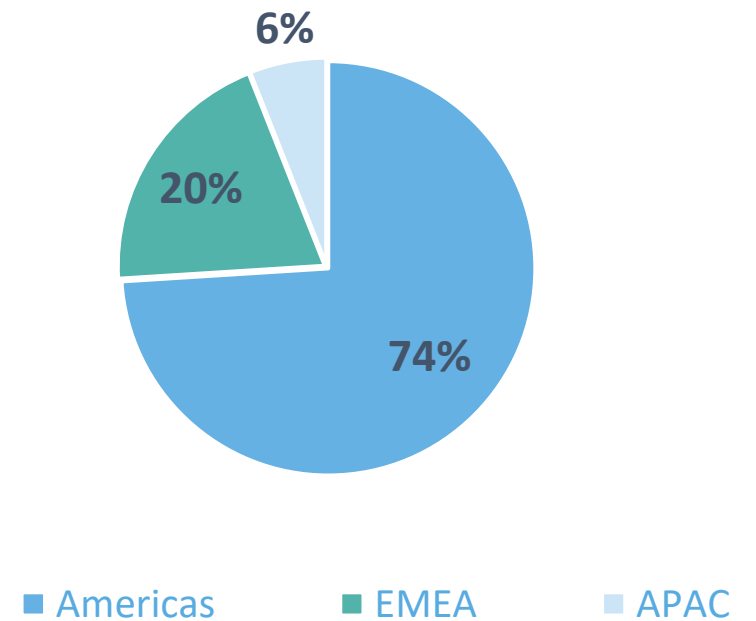


# The IONM Market is Large & Growing

Global IONM Market to Grow to \$2.8B<sup>1</sup>



Vast Majority of Incremental Growth Expected from Americas<sup>1</sup>

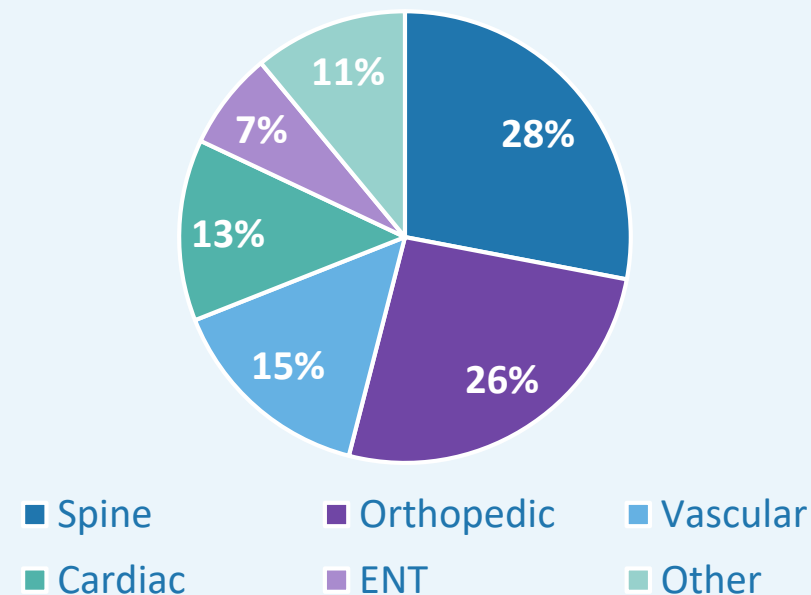


1) Technavio.com, Global IONM Market 2017-2021.

# What's Driving This Growth?

- **A vast number of surgeries each year**
  - *48M surgical procedures performed in the U.S.<sup>1</sup>*
- **Reduces surgical complications**
  - E.g. IONM during myocardial infarction surgeries reduces complication rates from 30% to 1%<sup>2</sup>
- **Rising IONM awareness**
  - American Society of Anesthesiologists now recommends IONM during surgeries
- **Application of IONM technology is increasing**
  - *~1M IONM procedures conducted in the U.S. in 2016<sup>3</sup>*

Global Volume of Surgical Procedures in '16<sup>2</sup>



**~90%**

Of these procedures  
lend themselves to  
IONM

1) National Center for Health Statistics (latest data is from 2009).  
2) Technavio.com, Global IONM Market 2017-2021.  
3) Management estimate.



# How Do We Sell Our Platform?

- Access to surgeons is NOT a limiting factor
- Leverage our strong relationships with regional surgeons
- Leverage relationships with surgical equipment distributors who have direct access to targeted surgeons
- Hired director of business development with strong surgeon and distributor relationships nationally
- Current surgeons provide strong referral network



# Competitive Landscape



Our competitors ALL rely on an inefficient, outsourced technician model that produces inconsistent outcomes for their customer (surgeons).



# Expansion Opportunities

## 1. Continue organic growth in Colorado

- Leverage surgeon network
- ~25% spine & neurosurgery market share
- Grow recent expansion into vascular

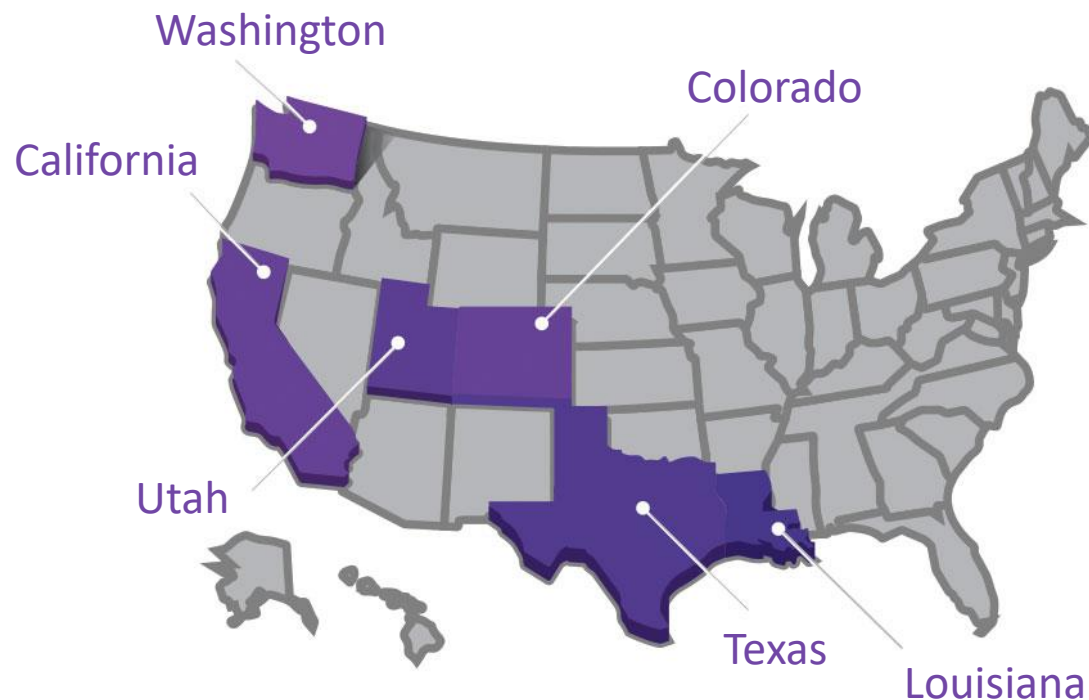
## 2. Expand into new states

- Strong surgeon & distributor relationships nationally
- Favorable economic environments

## 3. Expand large current addressable market by adding surgical verticals

- ENT & vascular (heart)
  - Why? Burden of proof to prove medical necessity is low, expected to decrease collection times
  - Same tech, same equipment

### Targeted Growth States





# Strong Management Team

## **Preston Parsons, Founder & CEO**

- Nine years in orthopedic surgery implant sales—six with Orthofix (Nasdaq: OFIX).
- Founded, operated & grown various neuromonitoring companies since 2014.
- Former NFL quarterback (six years).
- Business Administration degree from Northern Arizona University.

## **Peter Csapo, CFO**

- 20+ years of healthcare industry experience, specializing in revenue cycle management & out-of-network billing.
- CFO of Air Methods (formerly Nasdaq: AIRM), R1 RCM (Nasdaq: RCM), Vizient & McKesson (NYSE: MCK).
- Business Administration Degree in Accounting from the University of Wisconsin at Madison, CPA from the State of Illinois.

## **George Sims, Director of Business Development**

- 26+ years of medical device industry experience
- Held high-level positions at Stryker (NYSE: SYK), Smith & Nephew (LSE: SN.) and Orthofix (Nasdaq: OFIX)
- Bachelor's degree from Texas State University

## **Alex Rasmussen, Executive VP of Operations**

- Senior VP & territory director for UMB Financial (Nasdaq: UMBF) from 2011-2018
- Executive Masters of Business Administration, Bachelor of Business Administration from University of Iowa



# Financial Highlights



# Key Stats<sup>1</sup>

## TRADING DATA @ 3/2/18

Stock Price

**TSXV: CAD3.46**

**OTC: USD2.69**

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**CAD1.10/4.39**

52 WEEK LOW/HIGH

**31,468**

AVG. DAILY VOL. (3 MO.)

**35.6M**

SHARES OUTSTANDING

**35%**

PUBLIC FLOAT, EST.

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FILING INSTITUTIONAL  
HOLDINGS

## VALUATION MEASURES @ 3/2/18

Enterprise Value

**CAD122.4M**

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**CAD123.8M**

MARKET CAP

**6.5X**

EV/TTM REVENUE

**9.1X**

EV/TTM ADJ. EBITDA<sup>2</sup>

**11.6X**

PE RATIO (TTM)

*Financials translated into CAD at  
exchange rate of 1.30 CAD/USD*

## FINANCIAL HIGHLIGHTS @ 9/30/17

Revenue

**USD14.6M**

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*Figures below presented in U.S. dollars*

**83%**

GROSS MARGIN

**\$0.23**

DILUTED EPS

**\$10.4M**

ADJ. EBITDA<sup>2</sup>

**\$0.8M**

CASH

**\$12.4M**

A/R, NET

**\$16.6M**

TOTAL ASSETS

**\$0.3M**

TOTAL DEBT

**\$4.7M**

TOTAL  
LIABILITIES

**\$11.9M**

TOTAL EQUITY

1) Source: Capital IQ.

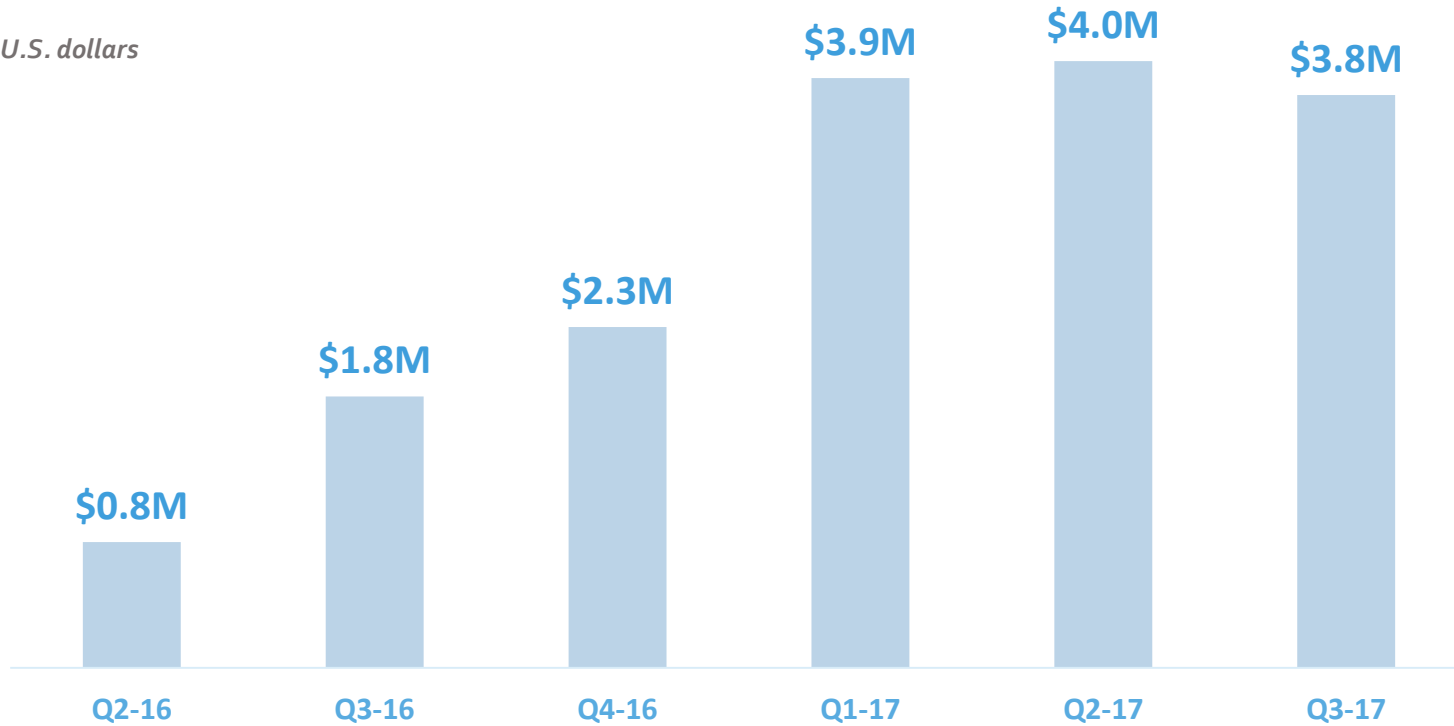
2) See appendix for information on adj. EBITDA.





# Revenue Momentum with Attractive Margin Profile

U.S. dollars



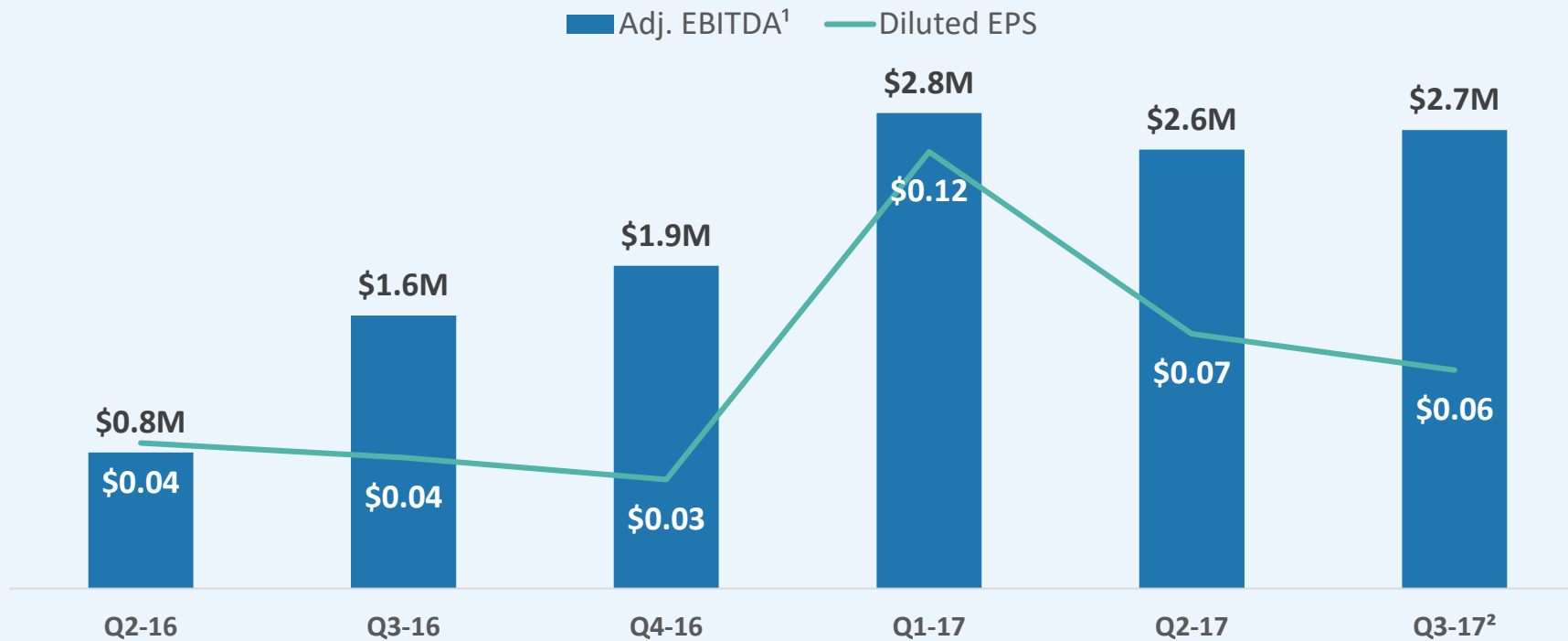
Represents revenue earned from our techs or “technical bill”

Gross Margin	83.0%	82.5%	81.2%	86.4%	84.4%	84.9%
Earnings from Equity Method	\$(0.0)M	\$0.5M	\$0.7M	\$0.9M	\$0.6M	\$0.5M

Represents contracted neurologist revenue or “professional bill” - appears below EBIT

# Strong Y/Y EPS & Adj. EBITDA Growth

U.S. dollars



High free cash flow conversion driven by strong net profit margins & low capex model

Assure goes public May 25<sup>th</sup>, issues 17.3M shares associated with transaction

1) See appendix for information on adj. EBITDA.  
2) Excludes a \$0.9 million non-cash warrant liability expense due to the appreciation in the Company's share price.



# Balance Sheet Supports Our Growth

- No bank debt – capital leases for IONM equipment represents our only debt
- Strong free cash flow dynamics & clean balance sheet expected to drive non-dilutive growth options

## Select Balance Sheet Items

U.S. dollars in millions

	Sep 30, 2017	Dec 31, 2016
Cash	\$0.8	\$0.1
Accounts receivable, net	12.4	4.3
Equity method investments	2.5	0.7
<b>Total assets</b>	<b>\$16.6</b>	<b>\$5.7</b>
Accounts payable & accrued liabilities	1.7	0.8
Finance leases	0.3	0.2
<b>Total liabilities</b>	<b>\$4.7</b>	<b>\$1.8</b>
<b>Total stockholders' equity</b>	<b>\$11.9</b>	<b>\$3.9</b>



# Key Takeaways

- Emerging, fast-growing player in the \$2B+ IONM market
- Strong secular trends driving awareness & market growth
- Our turnkey platform is our differentiator
- Repeat customer base, 80%+ gross margin, significant adj. EBITDA
- Ripe expansion opportunities interstate & in new verticals



# Contact Us

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949-574-3860

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# Appendix



# Capital Structure

<b>Common Shares Outstanding @ Jan. 31, 2018</b>	<b>35,555,105</b>
Restricted Shares – Not Vested	275,000
Broker Warrants	42,000
Common Stock Options	3,285,000
Performance Shares <sup>1</sup>	6,000,000
<b>Fully Diluted Shares Outstanding @ Jan. 31, 2018</b>	<b>45,157,105</b>

1) Issued to management if 2017 audited net income exceeds \$7.5M (USD).



# Adjusted EBITDA Reconciliation

Please find a reconciliation for adjusted EBITDA in Assure's quarterly and annual Management Discussion & Analysis.