



Investor Presentation

September 2020 | TSXV: IOM – OTC: ARHH



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regulatory changes that are unfavorable in the states where our operations are conducted or concentrated; our ability to comply and the cost of compliance with extensive existing regulation and any changes or amendments thereto; changes within the medical industry and third-party reimbursement policies and our estimates of associated timing and costs with the same; risks related to the Company’s reliance on third-party billing and collection companies to appropriately bill healthcare payers and to maximize reimbursement during the collections process; risks related to the Affordable Care Act (the “ACA”) or any replacement legislation in terms of patient volume and reimbursement and the corresponding effect on our business; changes in key United States federal or state laws, rules, and regulations; our ability to establish, maintain and defend intellectual property rights; risks related to United States antitrust regulations; risks related to record keeping and confidentiality by our affiliated physicians; our ability to recruit and retain qualified personnel and other resources to provide our services; risks related to any affiliated physicians leaving our affiliated Provider Network Entities (“PNEs”); our ability to enforce non-competition and other restrictive covenants in our agreements; contracts with PNEs, or other customers may be terminated, or may not be renewed, by the counterparty; risks related to corporate practice of medicine and our ability to renew and maintain agreements our contractors; our ability to adequately forecast expansion and the Company’s management of anticipated growth; risks related to our dependence on complex information systems; our senior management has been key to our growth and we may be adversely affected if we are unable to retain them, conflicts of interest develop or we lose any key member of our senior management team; risks associated our dependence on third-party suppliers; changes in the industry and the economy may affect the Company’s business; risks related to the competitive nature of the medical industry; evolving practices and regulation of corporate governance and public disclosure may result in additional corporate expenses; adverse events relating to our product or services could result in risks relating to product liability, medical malpractice, other legal claims, insurance and other liabilities; various risks associated with legal, regulatory or investigative proceedings; risks associated with governmental or other investigations or inquiries into marketing and other business practices; we are subject to health and safety risks within our industry; our ability to successfully identify and complete future transactions and integrate our acquisitions; anti-takeover provisions create risks related to lost opportunities; we may not continue to attract PNEs and other licensed providers to provide our services resulting in slower than expected growth; risks associated with the trading of our common shares on a public marketplace which could result in changes to stock prices unrelated to our performance; risks related to the reduction in the reimbursement of our service procedure codes; changes in our effective income tax rates; risks related to our ability to retain and manage third-party service providers; risks related to the failure of our employees and third-party contractors to appropriately record or document services that they provide; risks that while the primary market for the Company’s common stock is the TSX Venture Exchange and the Company is a “reporting issuer” in Canada, the Company is a Nevada corporation and its principal business is located in the United States, subject to United States federal and state securities laws, there may be uncertainty regarding the application of the federal and state securities laws to the shares of common stock issued in connection with the qualifying transaction with Assure Holdings, Inc. on May 26, 2017; and risks related to criminal or civil sanctions in connection with failure to comply with privacy regulations regarding the use and disclosure of personal identifiable or other patient information.



Assure at a Glance



8

states with operations

6,414

total number of 2019 procedures

\$18m⁽¹⁾

2019 Revenue

98

surgeons we are working with

50

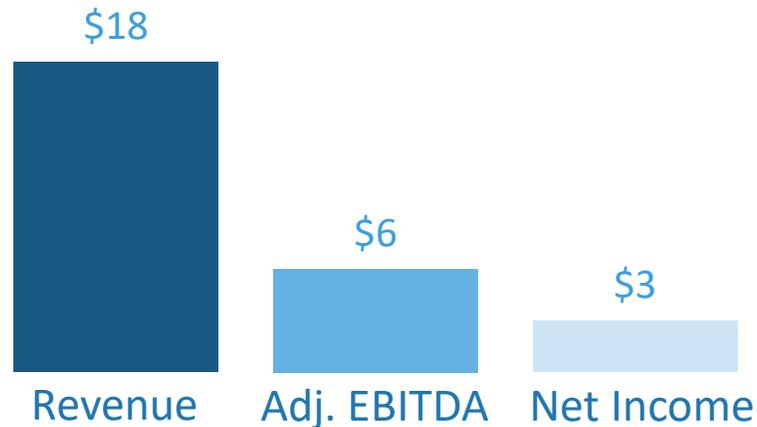
technologists employed

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dual listed on OTC and TSX.V

- Provider of intraoperative neurophysiological monitoring (IONM) and professional neurologist oversight services
- The only publicly traded pure-play IONM company

2019 Financial Results¹ (US\$m)

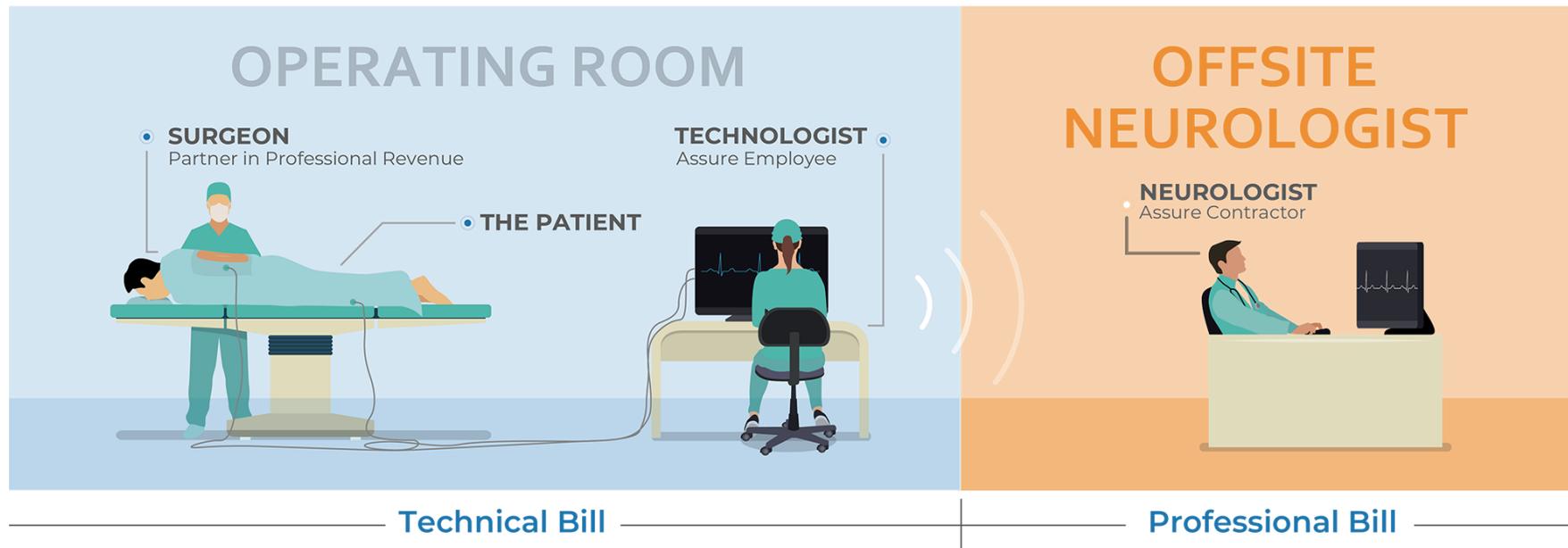


- Assure is establishing itself as the standard of care in the IONM industry and a leading U.S. provider
- Company is focused on accelerating growth and building a platform for scale in 2020

(1) 2019 had a revenue adjustment of \$16.3m

How Neuromonitoring Works

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





Value Proposition for Shareholders

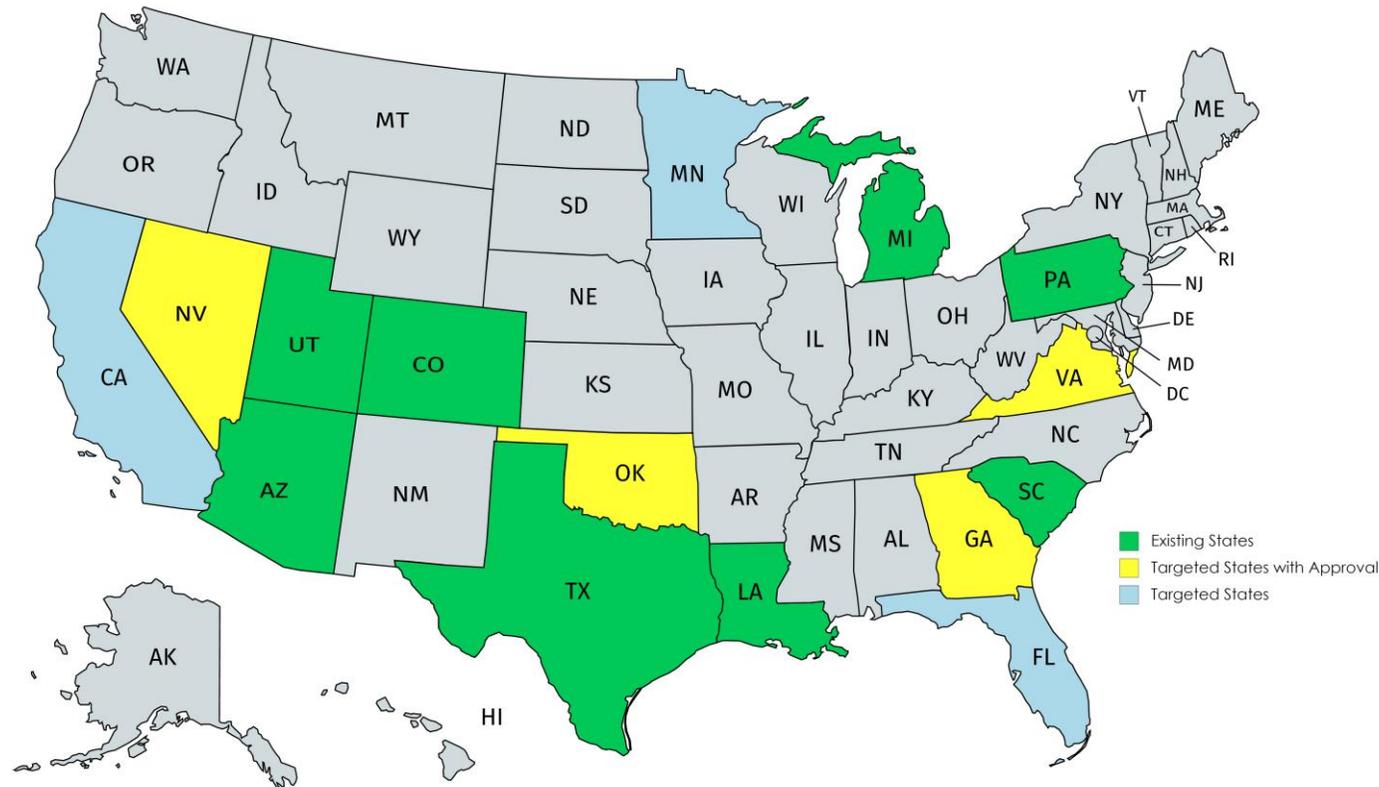
- **Turnkey outsource provider** of intraoperative neurophysiological monitoring (IONM) and professional neurologist oversight services
- **Accredited by The Joint Commission**
- Essential **operating room team member** for surgeons
- Recently **strengthened balance sheet** with new loan facility providing additional financial flexibility and access to growth capital at far lower borrowing costs than alternate options typically available to emerging growth companies
- **Exclusive partnerships** with surgeons in Colorado, Louisiana, Texas, Pennsylvania, Utah, Michigan, South Carolina and Arizona
- Assure has obtained **approval to expand** in Georgia, Nevada, Oklahoma and Virginia
- Focused on **accelerating growth**; In 2019, managed case volume grew 111% YoY with a **strong backlog and recurring revenues**
- In-house billing & collections expected to **shrink DSOs and improve cash flow** profile
- **Seasoned management team** has a strong background in managing rapid growth micro-cap companies, out-of-network billing, in-network contracting, neurophysiology and M&A





Deep Pipeline of Geographic Expansion Opportunities

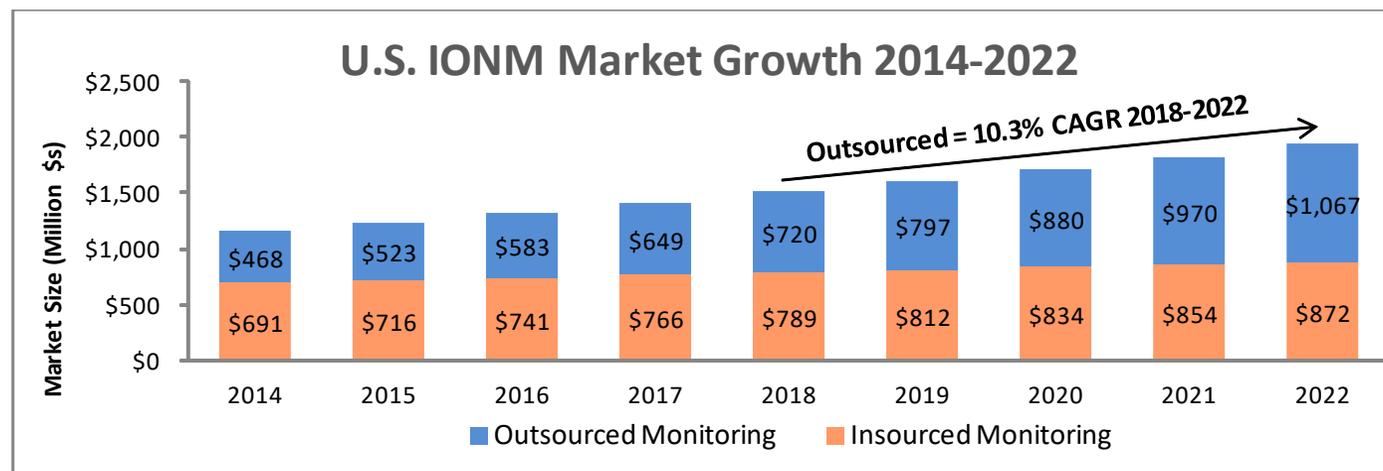
Existing Operational Footprint and Targeted States



- Expansion into new states
 - Entered South Carolina and Arizona in 2020
 - Received approval to operate in Nevada, Georgia, Oklahoma, Virginia
- Extend reach within existing states
 - Targeting major surgical centers
- Expand addressable market by adding surgical verticals within both existing and targeted states
 - Current surgical verticals include Spine, Orthopedic, ENT, Vascular
- Opportunistic M&A targeting
- Expansion of distribution network
- Increasingly engaged in discussions to more broadly adopt our services as the premier provider for entire facilities

Multiple Drivers of IONM Growth

- U.S. IONM market ~\$1.5B, growing at a ~6.5% CAGR to ~\$1.9B by 2022¹
 - Hospitals and surgical care facilities increasingly outsourcing IONM in order to improve quality and reduce training, staffing, and equipment costs
- Demographic tailwinds driving an increase in the number of complex surgeries each year
 - 20% growth in U.S. population aged 65+ from 2018-2026²
 - Increasing prevalence of chronic disorders
- Rising IONM awareness for ability to reduce surgical complications
 - American Society of Anesthesiologists now recommends IONM during surgeries
 - IONM beginning to be integrated into medical school curriculum
 - Saves the healthcare system money in the long term
 - Increasingly being applied to new Surgical settings



1) Allied Market Research, August 2018

2) US Census Bureau

IONM Competitive Landscape

We are a physician relationship driven organization providing the highest level of patient care in the industry

	Provider	Dedicated Technologist	IONM Specific Company	Professional Oversight on 100% of Cases	100% of Technologists Board Certified	In House Patient Advocate Team	Cost Savings to Facility	Bundled Services to Hospital
IONM Companies		✓	✓	✓	✓	✓	✓	
	Medsurant	✓	✓	✓	✓			
	National		✓	✓			✓	
	Regional / Local Providers	✓	✓				✓	
In-House Neuromonitoring	Hospital Provider	✓	✓			✓		
Bundled Product Companies	NuVasive					✓		✓
	Specialty Care					✓		✓



Strategic Transformation in 2020

- **Completed acquisition of Neuro-Pro**, a premier IONM company serving Dallas Ft. Worth increasing Assure's scale by ~50%
- **Overhauled revenue cycle management** including automating processes, implementing new tracking tools, assembling an in-house billing team and hiring a leader to spearhead efforts
- **Strong cash collections** of \$6.9m in the 1H'20 compared to \$8.0m in FY'19; this includes the collection of more than \$1.2m from 2016 and 2017 receivables that had previously been reserved and written-off
- The Company was **cash flow positive in the months of March through July 2020**
- **Organic expansion within existing states** of Colorado, Texas, Michigan; in addition South Carolina and Arizona **expanded Assure's footprint** to a 7th/8th state; next phase of growth will be driven by recently hired sales executive
- **In-network revenue stream accelerating**; 20% of revenue in contractual rates either directly or indirectly with payors; expected to reach 30% by end of year 2020
- **Strengthened financial position** accessing **\$4.1m loan facility**, a **\$1.2m SBA loan** associated with CARES Act that is expected to be forgiven and **closing \$3.4m through non-brokered convertible debenture offerings** (Dec 2019-May 2020)
- Implemented salary reduction and employee furlough program designed to **reduce corporate spending by 20%** compared to the third quarter of 2019



Neuro-Pro Acquisition Offers Near-Term Benefit and Long-term Upside



Valuable Asset

Acquired premier IONM company serving Dallas Ft. Worth metroplex for \$7.7m

Neuro-Pro is cash flow positive, immediately accretive to earnings in 2020

Performed 2,551 procedures in 2019; with this acquisition, Assure increased its scale by ~50%

Attractive Financials

In FY'19, on an unaudited basis, generated approximately \$6m of incremental cash receipts from revenue and roughly \$3m in cash net income

Significant Upside

Greater scale expected to facilitate acceleration of in-network contracts with insurance providers

Strong potential for growing revenue by expanding surgeon network in Texas

Capacity to increase pricing and meaningfully improve revenue and profitability

Leverage relationship with world renowned Texas Back Institute to develop research demonstrating IONM efficacy and cost savings



Roadmap for Growth

Improve Billing and Collections

- Brought function in-house; built 16-person internal team; hired experienced VP of Revenue Cycle Management
- Focused on accelerating cash collections, lowering accounts receivable and reducing days sales outstanding

Sign In-Network Insurance Agreements

- Signed first contract in 2019; VP of Strategy has experience bringing \$1B+ of revenue in-network
- An in-network revenue stream will shorten revenue collection cycle and improve overall billing efficiency

Expand Scale Through Organic Growth Complemented with Strategic M&A

- Over the past two years the Company has expanded operations from one to eight states with more in pipeline
- Transformative acquisition of Neuro-Pro expanded scale by ~50%; significant opportunity for bolt-on M&A

Collect a Greater Portion of Professional Revenue

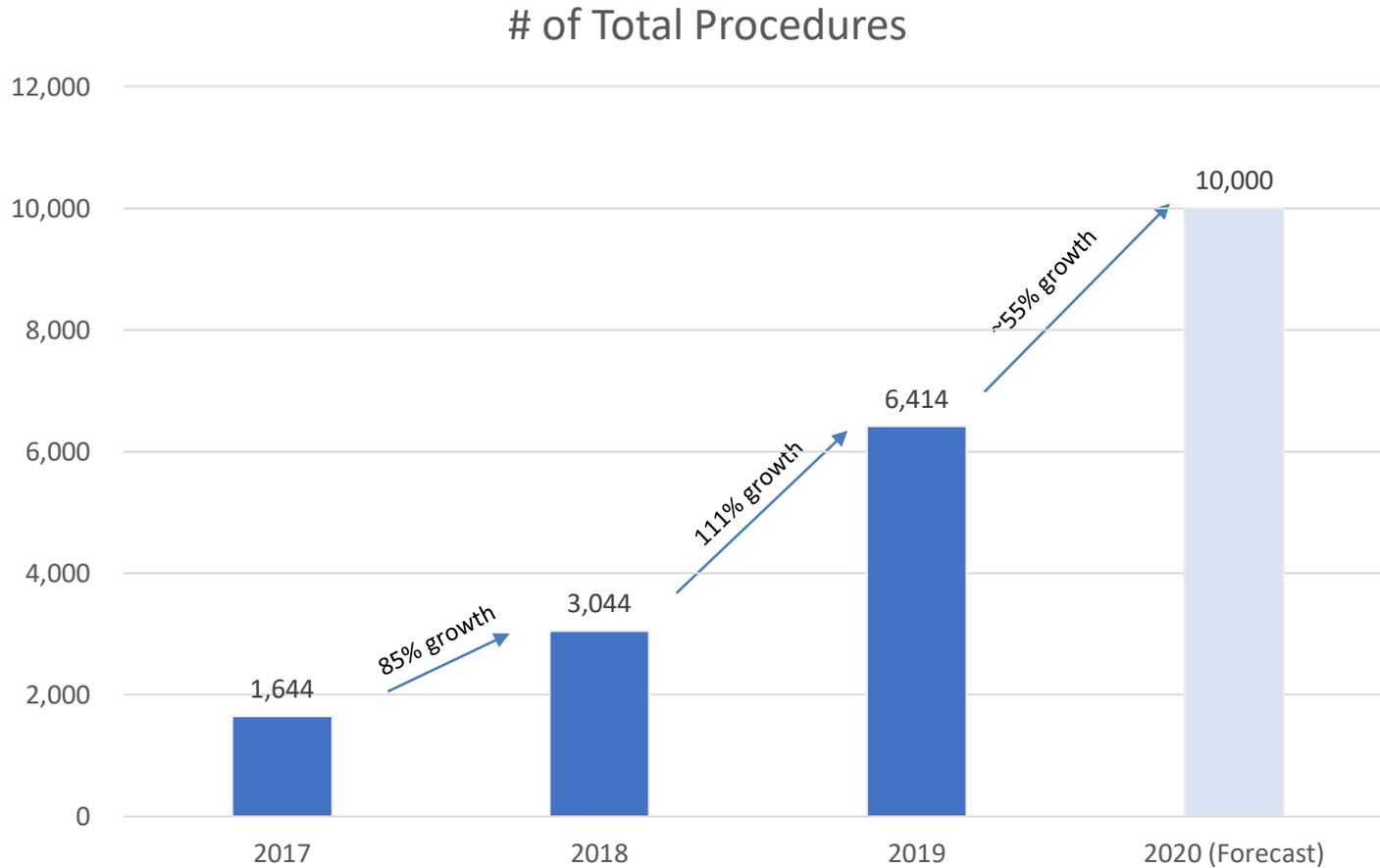
- Will bring the neurologist function inside the organization in 2020
- Actively renegotiating higher rates on existing and newly formed Provider Network Entity (PNE) contracts

Additional Growth Enablers

- Complete a shelf registration statement and uplist to a major U.S. exchange
- New VP of Revenue rolling out digital marketing programs aimed at device distributors, surgeons and medical facility sourcing and procurement leaders



Substantial Increase in Managed Cases



- Acceleration in total procedures driven by organic growth within existing states, entry into additional states and the acquisition of Neuro-Pro
- Despite the COVID-19 pandemic, Assure forecasts total procedures for full-year 2020 to exceed 10,500, a record number representing a more than 55% increase in cases compared with 2019



Historical Financial Results⁽¹⁾

Operating Results	Financial Results (in \$m USD)					
	2017		2018		2019	
Revenue	\$	15.8	\$	14.8	\$	17.7
Gross Profit	\$	13.2	\$	11.3	\$	12.8
Operating Expenses ²	\$	19.7	\$	6.5	\$	10.4
Earnings from Equity Investments	\$	2.3	\$	1.2	\$	1.3
Other Income/(Expense)	\$	(0.8)	\$	1.2	\$	1.3
Income Tax (Expense)/Benefit	\$	1.8	\$	(1.8)	\$	(1.0)
Net Income/(Loss)	\$	(5.5)	\$	4.3	\$	2.5
Diluted Earnings Per Share	\$	(0.17)	\$	0.10	\$	0.06
Adjusted EBITDA	\$	12.0	\$	6.7	\$	5.7

(1) There was a \$9.6m revenue adjustment in 2018 with a portion related to 2017; 2019 had a revenue adjustment of \$16.3m

(2) 2017 was burdened by a \$16.0m charge for the value of performance shares



Second Quarter 2020 Results

1,991

MANAGED CASES
Q2 2020

\$15.1M

TOTAL A/R Q1
2020

35%

INCREASE IN
MANAGED CASES
YoY

10,000

GUIDANCE FOR
MANAGED CASES
IN FY'20

Key Updates

- Strengthening balance sheet and secured capital needed for ongoing expansion by closing a newly expanded credit facility on favorable terms to Assure
- Expanded scale by growing operational footprint into Arizona, Assure's 8th state
- Signed in-network insurance agreement, with First Health Group and the largest commercial health insurer in Michigan
- 2Q results were negatively impacted by 1) COVID-19-related decline in elective procedures, 2) The reserving for receivables against current quarter revenue automatically written-down when aged two years and a proactive decision to reserve additional claims reflecting the lingering effects of poor performance from the legacy 3rd party billing provider that we terminated, 3) The previously disclosed impact of reserving claims from a private health insurance company that has failed to reimburse Assure, and 4) Temporarily lower revenue per procedure rate from recently acquired Neuro-Pro business



Balance Sheet Supports Growth Objectives

- Healthy balance sheet with improving cash flow dynamics support non-dilutive organic growth opportunities
- Majority of Other liabilities (~\$16mm) are due to the pending issuance of performance shares, which is a non-cash liability
- New senior hires in billing department should accelerate monetization of the >\$15mm in A/R
- For financial reporting purposes, Assure does not consolidate JVs in which it owns less than a 50% ownership stake
 - “Equity method investments”
 - Another ~\$15mm of receivables are off balance sheet and relate to entities in which Assure has a minority interest; collection should further drive cash flow to Company

Select Balance Sheet Items

U.S. dollars in millions

	Jun. 30, 2020	Dec. 31, 2019
Cash	\$0.3	\$0.1
Accounts receivable, net	15.1	30.9
Equity method investments	0.9	2.4
<u>Other assets</u>	<u>11.7</u>	<u>11.0</u>
Total assets	\$28.0	\$44.4
Accounts payable & accrued liabilities	2.5	4.4
Finance leases	1.1	1.0
Debt	4.6	2.8
Acquisition Related Debt	5.0	7.4
<u>Other liabilities</u>	<u>18.6</u>	<u>18.9</u>
Total liabilities	\$31.8	\$34.5
Total stockholders' equity	(\$3.7)	\$9.9



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