

August 7, 2018



# Assure Holdings Reports 2017 and Restated 2016 Financial Results

## – 2017 Revenue Increases by 149% to \$15.8 Million –

PARKER, Colo., Aug. 07, 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 12 months ended December 31, 2017 and restated results for the 12 months ended December 31, 2016.

Assure has also filed its audited annual financial statements and management discussion & analysis (MD&A) with SEDAR. This information can be found at [www.sedar.com](http://www.sedar.com). The Company will provide an update in due course with respect to the expected timing to file unaudited financial statements and MD&A for the first quarter ended March 31, 2018, at which time it will schedule an investor call to review financial and operational performance, as well as address its outlook..

## 2017 Financial Summary vs. Restated 2016

- Total revenue up 149% to \$15.8 million versus \$6.4 million.
- Gross margin was 83.4% versus 83.8%.
- Earnings from equity method of investment in Physician Network Entities (PNEs) grew 55% to \$2.3 million from \$1.5 million.
- Net loss was \$5.5 million or \$(0.17) per diluted share, compared to net income of \$3.6 million or \$0.14 per diluted share.
- Net loss in 2017 included a \$16.0 million non-cash, one-time equity compensation expense for the performance stock grant for achieving the adjusted EBITDA threshold for 2017 and other one-time non-cash expenses.
- Net income excluding the effects of non-cash expenses related to equity compensation, share costs related to the reverse takeover merger and provisions for broker warrants and stock option fair value was \$13.6 million or \$0.40 per diluted share, compared to \$3.9 million or \$0.16 per diluted share, an increase of 162%.
- Adjusted EBITDA up 102% to \$12.0 million versus \$5.9 million.

## Management Commentary

"Completing the restatement is an important milestone for Assure Holdings," said John A. Farlinger, Assure's Executive Chairman and interim CEO. "First, I want to acknowledge and thank our shareholders for their patience and support as we have worked through this difficult process. Further, I want to thank our dedicated board of independent directors, as well as our employees, who have continued to deliver outstanding service to patients and partner physicians. While the events over the past five months have been challenging, as they have put our financial reporting and our trading on hold, we have continued to focus on

improving our governance process, profitably growing our business and launching new partners.

“Despite the disruption, the fundamentals of our business are sound, which is a testament to the depth of our field-level talent and our operational model. Our strong revenue and adjusted EBITDA growth supports the continued commercial acceptance of our neuromonitoring platform and our belief in the future of this business. We look forward to discussing these results in more detail after our first quarter filing is completed.”

Peter Csapo, Assure’s CFO, commented, “We are focused on managing our business with rigor and discipline. We are improving our internal control environment, and we expect to continue to achieve growth, while focusing on the acceleration of cash collections.”

## **2017 Financial Results**

Total revenue in 2017 increased 149% to \$15.8 million compared to \$6.4 million in 2016. The increase was due to increased cases generated from the Company’s existing surgeon network and the onboarding of additional surgeons.

Gross margin remained robust at 83.4% compared to 83.8% in 2016 as scaling the business has not disrupted margins.

Total operating expenses in 2017 increased to \$19.7 million compared to \$1.2 million in 2016. The increase was primarily driven by a one-time, non-cash expense of \$16.0 million due to equity compensation expense for the performance stock grant for achieving an adjusted EBITDA threshold in 2017. The main beneficiary of this stock grant is in discussions with the board to modify and defer the grant until the cash is collected for cases in 2017 to support the equivalent adjusted EBITDA threshold established for fiscal year 2017. Excluding this charge, operating expenses increased due to multi-state expansion initiatives, key personnel hires, as well as ongoing corporate expenses in the wake of becoming a public company and an ongoing reporting issuer as of May 29, 2017.

Net loss in 2017 was \$5.5 million or \$(0.17) per diluted share, compared to net income of \$3.6 million or \$0.14 per diluted share in 2016. The 2017 per diluted share amount reflects 8.1 million of incremental diluted shares relating to the Company’s merger with Montreux Capital and subsequent public listing.

Adjusted EBITDA increased 102% to \$12.0 million compared to \$5.9 million in 2016 due to the increase in cases performed, which improved revenue and earnings from the equity method of investment in Assure’s PNEs. The Company defines adjusted EBITDA as net income/(loss) excluding interest, taxes, depreciation, stock-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.

## **2016 Financial Restatement Summary**

- Revenue increased by \$0.8 million from the previously reported amount or 15% additional revenue.
- Earnings from the equity method of investment in our PNEs increases \$0.4 million or 41% additional earnings from our partners.

- Income before taxes increases \$1.2 million or a 27% increase in earnings before taxes, however, net income after taxes declined \$0.4 million. Net income declined due to a change in the tax provision for the restated financials based on a cash basis rather than previously utilized accrual method for tax purposes. The change in the provision method has a near-term benefit, which is realized in the 2017 financials.
- The diluted income per share declined by \$0.02 due to the tax provision change previously mentioned.

## **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 [assureIOM.com](http://assureIOM.com).

## **Non-IFRS Measures**

Adjusted EBITDA is defined as net income/(loss) excluding interest, taxes, depreciation, stock-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. 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 foregoing) be taken, occur, be achieved, or come to pass. 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.*

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

	December 31, 2017	December 31, 2016 (restated)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 215,326	\$ 88,883
Accounts receivable, net	16,624,006	5,150,039
Deferred share issue costs	-	123,757
Prepaid expenses	130,060	-
Due from related parties	2,323,704	23,450
Total current assets	19,293,096	5,386,129
Equity method investments	2,259,663	1,127,229
Equipment and furniture, net	499,123	265,657
Total assets	<u>\$ 22,051,882</u>	<u>\$ 6,779,015</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY****LIABILITIES****Current**

Accounts payable and accrued liabilities	\$ 2,504,519	\$ 890,585
Current portion of finance leases	181,787	44,370
Current income taxes payable	22,475	167,660
Note payable	-	184,658
Due to related parties	67,587	164,039
Total current liabilities	<u>2,776,368</u>	<u>1,451,312</u>
Finance leases, net of current portion	291,063	131,396
Provision for fair value of stock options	325,515	-
Provision for performance share issuance	16,011,500	-
Provision for fair value of broker warrants	128,062	-
Deferred tax liability, net	92,276	1,767,934
Total liabilities	<u>19,624,784</u>	<u>3,350,642</u>

**SHAREHOLDERS' EQUITY**

Capital stock	35,505	675,556
Additional paid-in capital	6,079,114	324,547
Retained earnings/(accumulated deficit)	<u>(3,687,521 )</u>	<u>2,428,270</u>
Total shareholders' equity	<u>2,427,098</u>	<u>3,428,373</u>
Total liabilities and shareholders' equity	<u>\$ 22,051,882</u>	<u>\$ 6,779,015</u>

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

	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016 (restated)</u>
<b>Revenue</b>		
Out-of-Network fees	\$ 15,394,640	\$ 6,149,693
Contract fees	401,180	201,443
Total revenue	<u>15,795,820</u>	<u>6,351,136</u>
Cost of revenues	<u>(2,618,715 )</u>	<u>(1,028,350 )</u>
Gross margin	13,177,105	5,322,786
<b>Operating expenses</b>		
General and administrative	3,092,222	1,014,254
Provision for performance share compensation	16,011,500	-
Depreciation and amortization	205,836	66,493
Sales and marketing	398,731	163,138
Total operating expenses	<u>19,708,289</u>	<u>1,243,885</u>
Income/(loss) from operations	<u>(6,531,184 )</u>	<u>4,078,901</u>
<b>Other income/(expenses)</b>		

Earnings from equity method investments	2,266,035	1,464,364
Provision for stock option fair value	(261,866 )	-
Provision for broker warrant fair value	(1,195,080 )	-
Deemed share costs related to RTO	(1,551,126 )	-
Interest, net	(48,780 )	(17,544 )
Total other income/(expenses)	(790,817 )	1,446,820
Income/(loss) before income taxes	(7,322,001 )	5,525,721
Income tax benefit/(expense)	1,820,843	(1,935,594 )
Net income/(loss)	\$ (5,501,158 )	\$ 3,590,127
Basic income/(loss) per common share	\$ (0.17 )	\$ 0.16
Fully diluted income/(loss) per common share	\$ (0.17 )	\$ 0.14

**ASSURE HOLDINGS CORP.**  
**ADJUSTED EBITDA**  
(in United States Dollars)

	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016 (restated)</b>
Reported net income/(loss)	\$ (5,501,158 )	\$ 3,590,127
Interest	48,780	17,544
Taxes	(1,820,843 )	1,935,594
Depreciation and amortization	205,836	66,493
Share based compensation	74,148	324,547
Deemed share costs related to RTO	1,551,126	-
Performane share compensation	16,011,500	-
Provision for broker warrant fair value	1,195,080	-
Provision for stock option fair value	261,866	-
Adjusted EBITDA	\$ 12,026,335	\$ 5,934,305

**ASSURE HOLDINGS CORP.**  
**EARNINGS PER SHARE**  
(in United States Dollars)

	<b>December 31, 2017</b>	<b>December 31, 2016 (restated)</b>
Income attributable to common shareholders		
Basic	\$ (5,501,158 )	\$ 3,590,127
Weighted average common share outstanding	33,225,195	23,114,746

Basic earnings per common share	\$	(0.17 )	\$	0.16
Income attributable to common shareholders				
Basic	\$	(5,501,158 )	\$	3,590,127
Weighted average comon shares outstanding		33,225,195		23,114,746
Shares repurchaseable		-		(1,009,517 )
Dilutive effect of stock options, warrants, and performance shares		-		3,000,000
Weighted average comon shares outstanding assuming dilution		33,225,195		25,105,229
Fully diluted earnings per common share	\$	(0.17 )	\$	0.14

**ASSURE HOLDINGS CORP.**  
**2016 RESTATEMENT**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(in United States Dollars)

	<u>As filed</u>	<u>Adjusting entries</u>	<u>Restated</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	88,883	-	88,883
Accounts receivable, net	4,328,551	821,488	5,150,039
Deferred share issue costs	123,757	-	123,757
Total current assets	<u>4,541,191</u>	<u>821,488</u>	<u>5,362,679</u>
Equity method investments	703,363	423,866	1,127,229
Due from related parties	23,450	-	23,450
Deferred tax asset	164,778	(164,778 )	-
Equipment and furniture, net	265,657	-	265,657
Total assets	<u>5,698,439</u>	<u>1,080,576</u>	<u>6,779,015</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	817,928	72,657	890,585
Current portion of finance leases	44,370	-	44,370
Current income taxes payable	504,023	(336,363 )	167,660
Note payable	184,658	-	184,658
Due to related parties	164,039	-	164,039
Total current liabilities	<u>1,715,018</u>	<u>(263,706 )</u>	<u>1,451,312</u>
Deferred tax liability	-	1,767,934	1,767,934
Finance leases, net of current portion	131,396	-	131,396
Total liabilities	<u>1,846,414</u>	<u>1,504,228</u>	<u>3,350,642</u>
<b>SHAREHOLDERS' EQUITY</b>			

Capital stock	675,556	-	675,556
Additional paid-in capital	324,547	-	324,547
Retained earnings	2,851,922	(423,652 )	2,428,270
Total shareholders' equity	<u>3,852,025</u>	<u>(423,652 )</u>	<u>3,428,373</u>
Total liabilities and shareholders' equity	<u>5,698,439</u>	<u>1,080,576</u>	<u>6,779,015</u>

**ASSURE HOLDINGS CORP.**  
**2016 RESTATEMENT**  
**CONSOLIDATED STATEMENT OF INCOME/(LOSS)**  
(in United States Dollars)

	<u>As filed</u>	<u>Adjusting entries</u>	<u>Restated</u>
<b>Revenue</b>			
Out-of-Network fees	\$ 5,328,205	\$ 821,488	\$ 6,149,693
Contract fees	201,443	-	201,443
Total revenue	<u>5,529,648</u>	<u>821,488</u>	<u>6,351,136</u>
Cost of revenues	(931,693 )	(96,657 )	(1,028,350 )
Gross margin	<u>4,597,955</u>	<u>724,831</u>	<u>5,322,786</u>
<b>Operating expenses</b>			
General and administrative	1,010,340	3,914	1,014,254
Depreciation and amortization	66,493	-	66,493
Sales and marketing	191,052	(27,914 )	163,138
Total operating expenses	<u>1,267,885</u>	<u>(24,000 )</u>	<u>1,243,885</u>
Income from operations	<u>3,330,070</u>	<u>748,831</u>	<u>4,078,901</u>
<b>Other income/(expenses)</b>			
Earnings from equity method investments	1,040,498	423,866	1,464,364
Interest, net	(17,544 )	-	(17,544 )
Total other income/(expenses)	<u>1,022,954</u>	<u>423,866</u>	<u>1,446,820</u>
Income before income taxes	<u>4,353,024</u>	<u>1,172,697</u>	<u>5,525,721</u>
Income taxes	(339,245 )	(1,596,349 )	(1,935,594 )
Net income	<u>\$ 4,013,779</u>	<u>\$ (423,652 )</u>	<u>\$ 3,590,127</u>
Basic income per common share	\$ 0.17	\$ (0.01 )	\$ 0.16
Diluted income per common share	\$ 0.16	\$ (0.02 )	\$ 0.14

Source: Assure Holdings Corp.