

November 30, 2020



Assure Holdings Reports Third Quarter 2020 Financial Results

Third Quarter 2020 Managed Case Volume Increased 77% to 2,685

Assure Receives Forgiveness for United States Small Business Administration Loan Under CARES Act

DENVER, Nov. 30, 2020 (GLOBE NEWSWIRE) -- Assure Holdings Corp. (the “**Company**” or “**Assure**”) (TSXV: IOM; OTCQB: ARHH), a provider of intraoperative neuromonitoring services (“**IONM**”), reported financial results for the third quarter ended September 30, 2020.

Third Quarter 2020 Financial Results vs. Third Quarter 2019

- Total revenue was \$4.0 million versus \$8.0 million.
- Managed cases increased 77% to 2,685 versus 1,519.
- Equity method of investment in Provider Network Entities (“PNEs”) was (\$0.2) million compared to \$0.3 million.
- Net loss of (\$1.0) million compared to net income of \$3.7 million.
- Net loss per diluted share was (\$0.03) compared to net income of \$0.09 per diluted share.
- Adjusted EBITDA was (\$0.7) million versus \$5.1 million.
- Excluding cash collected from PNEs for professional IONM services which are recorded separately, Assure collected \$3.1 million compared to \$2.3 million.

Management Commentary

“The Company’s resiliency has been driven by the commitment and dedication of our team members and I want to thank them for all their efforts during these unprecedented times,” said John A. Farlinger, Assure’s executive chairman and CEO. “We are well situated to begin generating improved revenue and cash flow. In addition, we will be filing a resale registration statement on Form S-1 and plan to become a reporting issuer in the United States, following that we are positioning for a potential uplisting to a major U.S. exchange.”

“The Company’s planned growth financing which we expect to secure from leading U.S. institutional investors in the near-term, will be another validation of our objective in establishing Assure as the standard of care in IONM and a leading national provider. We will use these funds to improve our financial flexibility during the current uncertain operating environment and move quickly to capitalize on growth opportunities including increasing scale by organically expanding into new states, launching a neurologist telehealth offering for IONM and pursuing strategic acquisitions.”

“Our third quarter results were negatively impacted by a number of anticipated factors. The

majority contributor was our lower accrual per case rate which we adjusted in the second quarter of 2020 to reflect issues associated with the collection of 2018 claims and IONM industry-wide downward market pressure in the average payment per procedure from commercial insurance companies. Of note, while the year-over-year decline was substantial, the sequential degradation from the second to third quarter 2020 was minimal. The issue reflects the lingering effects of poor performance from the legacy 3rd party billing provider that was terminated in autumn 2019. Assure has re-billed all outstanding 2018 claims earlier this year and anticipates ultimately recovering a meaningful share of these receivables. Another factor was the previously disclosed impact of reserving claims from a private health insurance company that to-date has failed to reimburse Assure. The final contributor was lingering restrictions on elective surgeries in certain locations within Assure's operational footprint, including an approximately 15% decline in our largest market, Texas, as a result of challenges associated with the COVID-19 pandemic."

"We are continuing to make important progress executing against the Company's three key corporate objectives: improving the performance of our billing and collections function, development of an in-network revenue stream and scaling our platform through both organic growth and M&A. Through the first nine months of 2020, excluding cash collected from PNEs for professional IONM services which are recorded separately, Assure collected more than \$10.1 million compared to collections of \$6.7 million over the same period in 2019. Additionally, our development of an in-network revenue stream is accelerating. More than 20% of Assure's overall commercial insurance volume is now in contractual rates, either directly or indirectly with payors, helping to reduce risk, minimize complexity, protect our liquidity and accelerate the timing of payments. Finally, we have expanded our scale substantially in 2020, and recently [reported](#) a record number of procedures in the month of October."

Third Quarter 2020 Financial Results

Total revenue decreased 50% to \$4.0 million compared to \$8.0 million in the third quarter of 2019. Revenue during the period was negatively impacted by restrictions placed on elective surgeries in certain markets as a result of the COVID pandemic.

Lower revenue was primarily driven by three factors: first, the continuation of a previously disclosed dispute with two state affiliates of a private health insurance company that failed to reimburse Assure, second, a minor decline in the average cash collection rate per case, and third, the impact of poor performance from the legacy 3rd party billing company referenced previously which only pursued a small portion of the Company's claims. Notably, Assure's revenue accrual rate per case has decreased only slightly during the third quarter of 2020 versus the second quarter of 2020. Managed cases increased 77% to 2,685 versus 1,519 in the third quarter of 2019, primarily driven by Assure's existing network and the acquisition of Neuro-Pro.

Gross margin in the third quarter of 2020 decreased to 43.7% compared to 84.0% in the same quarter last year. The decline primarily relates to the lower year-over-year revenue accrual per case rate, the fixed cost nature of technologist expense, key hires made to scale expected growth and building the revenue cycle management function in 2020 versus the billing expense being a variable cost structure in 2019. Additional factors included the write-down of 2018 receivables and the impact from the reserving of claims associated with a

previously disclosed dispute with two state affiliates of a private health insurance company that failed to reimburse Assure, both of which are referenced above.

Total operating expenses were \$2.6 million compared to \$2.1 million in the year-ago quarter. This increase was primarily due to the hiring of additional employees to support the Company's growth.

Net loss attributable to Assure stockholders was (\$1.0) million or (\$0.03) per diluted share during the third quarter of 2020, compared to net income of \$3.7 million or \$0.09 per diluted share in the third quarter of 2019.

Adjusted EBITDA was (\$0.7) million compared to \$5.2 million in the same quarter of 2019.

Assure has also filed its quarter-end financial statements and management discussion & analysis (MD&A) with SEDAR and the OTC. This information can be found at www.sedar.com and www.OTCmarkets.com.

Operational Guidance

The Company has adjusted its guidance for full-year 2020 total procedures from 10,000 to a range of 9,500 to 10,000 as a result of COVID-19 related disruptions. This record number represents a 48% to 56% increase in cases compared with 2019. The guidance reflects the impact to-date of COVID-19, but not a substantial future disruption relating to the pandemic.

Impact of COVID-19

The adverse impact of the global pandemic on people and businesses has been extensive and far-reaching. Beginning in March and accelerating in April, Assure saw a decline of more than 70% in its number of procedures performed; however, the Company's overall weekly case volumes in May through November exceeded average weekly case rates in January and February. However, continued COVID-19 cases in the United States has caused disruption in certain markets, primarily Texas, with a pullback of approximately 15% in terms of procedures. Assure is continuing to carefully monitor the impact of COVID-19 in all states within its operational footprint. The Company anticipates that the majority of the procedures that were postponed in March and April will be rescheduled for a later date.

Subsequent Event: Assure Receives Forgiveness For United States Small Business Administration Loan Under CARES Act

In November 2020, Assure received forgiveness for a \$1.2 million loan provided under the United States Small Business Administration Paycheck Protection Program (the "\$1.2 million Loan") pursuant to the Coronavirus Aid, Relief, and Economic Security Act. Assure anticipated all or a portion of the loan to be forgiven as the Company has maintained its employment and compensation within designated parameters.

Conference Call

The Company will hold a conference call today, November 30, 2020, at 5:30 p.m. Eastern time to discuss its third quarter 2020 results.

Date: Monday, November 30, 2020

Time: 5:30 p.m. Eastern time (3:30 p.m. Mountain time)
Toll-free dial-in number: 1-877-407-0792
International dial-in number: 1-201-689-8263
Conference ID: 13713251

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization.

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

A replay of the conference call will be available after 8:30 p.m. Eastern time on the same day through December 14, 2020.

Toll-free replay number: 1-844-512-2921
International replay number: 1-412-317-6671
Replay ID: 13713251

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. Assure Neuromonitoring is recognized as providing the highest level of patient care in the industry and has earned The Joint Commission's Gold Seal of Approval®. For more information, visit the Company's website at www.assureneuromonitoring.com.

Non-IFRS Measures

This press release includes certain measures which have not been prepared in accordance with International Financial Reporting Standards ("IFRS") such as Adjusted EBITDA, equity method of investment in PNEs, case volume, cases and managed cases. The non-IFRS measures presented are unlikely to be comparable to similar measures presented by other issuers. References to Adjusted EBITDA are to net income/(loss) excluding interest, taxes, depreciation, share-based compensation, performance share compensation, provision for broker warrant fair value and provision for stock option fair value. Reference to equity method of investment in PNEs, case volume, cases and managed cases are to procedures monitored by the Company. None of the foregoing non-IFRS measures is an earnings measure recognized by IFRS and do not have a standardized meaning prescribed by IFRS. Management believes that Adjusted EBITDA, equity method of investment in PNEs, case volume, managed cases and cases are appropriate measures in evaluating the Company's performance. Readers are cautioned that Adjusted EBITDA, equity method of investment in PNEs, managed cases, case volume and cases should not be construed as alternatives to net income (as determined under IFRS), as indicators of financial performance or to cash flow from operating activities (as determined under IFRS) or as measures of liquidity and cash flow.

Forward-Looking Statements

This news release may contain “forward-looking statements” within the meaning of applicable securities laws, including, but not limited to: the Company’s expansion and financing plans; the Company’s revenue and cash flow; the proposed financing featuring US institutional investors; comments with respect to strategies, expectations, planned operations and future actions of the Company; the maximization of the Company’s in-network revenue; entering of agreements with multi-plan aggregators; filing of a registration statement on a Form S-1; plans to uplist to a major U.S. exchange; the gap in respect of accrued and realized revenue per procedure between Assure’s main business and Neuro-Pro; the rescheduling of postponed procedures; the Company’s accounting practices, including but not limited to the expected effects of the Company’s decision to write-down a sizable portion of its accounts receivable and to further reduce its accrual rate and revenue per procedure expectations; the impact of COVID-19; the total number of procedures for 2020; collections of accounts receivable including a meaningful share of the 2018 reserved receivables; that the Company will be positioned to have a strong fourth quarter; reimbursement of disputed claims; higher professional fee rates on Neuro-Pro cases will be negotiated. Forward-looking statements may generally be identified by the use of the words “anticipates,” “expects,” “intends,” “plans,” “should,” “could,” “would,” “may,” “will,” “believes,” “estimates,” “potential,” “target,” or “continue” and variations or similar expressions. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to: the Company’s ability to successfully expand; the Company’s ability to negotiate higher professional fee rates on Neuro-Pro cases; postponed procedures may not be rescheduled in 2020 or at all; the Company’s may not complete 9,500 to 10,000 procedures in 2020; the Company may not improve its revenue and cash flow; the Company may not receive financing from US institutional investors; the Company’s ability to collect past due accounts receivable; the accuracy of the reservations made to receivables; the Company may not be able to maximize the Company’s in-network revenue; the Company may not enter into agreements with multi-plan aggregators; the gap in respect of accrued and realized revenue per procedure between Assure’s main business and Neuro-Pro may not be temporary and might not continue to narrow; the Company’s decision to write-down a sizable portion of its accounts receivable may not result in a more sustainable and profitable model; the Company’s decision to further reduce its accrual rate and revenue per procedure expectations may not reduce its down-side risk; the uncertainty and potential delays with filing a Form S-1 with the SEC; uncertainties related to market conditions and our ability to qualify for a listing on a major U.S. exchange; the uncertainty surrounding the spread of COVID-19 and the impact it will have on the Company’s operations and economic activity in general; and the risks and uncertainties discussed in our most recent annual and quarterly reports filed with the Canadian securities regulators and available on the Company’s profile on SEDAR at www.sedar.com, which risks and uncertainties are incorporated herein by reference. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, Assure does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events.

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.

Contact

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SCHEDULE A

ASSURE HOLDINGS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of United States Dollars)

	September 30, 2020 (unaudited)	December 31, 2019
ASSETS		
Current assets		
Cash	\$ 148	\$ 59
Accounts receivable, net	14,620	30,863
Other assets	444	168
Due from related parties	3,730	2,617
Total current assets	18,942	33,707
Equity method investments	487	2,360
Property, plant and equipment, net	839	871
Intangibles	4,232	4,587
Goodwill	2,857	2,857
Total assets	\$ 27,357	\$ 44,382
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,239	\$ 4,365
Debt	4,100	1,664
Current portion of lease liability	515	461
Current portion of acquisition liability	3,880	5,030
Other current liabilities	181	81
Total current liabilities	9,915	11,601
Lease liability, net of current portion	503	500
Debt, net of current portion	3,147	1,160
Acquisition debt, net of current portion	-	2,429
Provision for acquisition share issuance	540	540
Provision for fair value of stock options	16	66

Provision for performance share issuance	16,011	16,011
Deferred tax liability, net	295	2,184
Total liabilities	<u>30,427</u>	<u>34,491</u>
SHAREHOLDERS' EQUITY		
Capital stock	35	35
Additional paid-in capital	8,258	6,682
Retained earnings (deficit)	<u>(11,363)</u>	<u>3,174</u>
Total shareholders' equity (deficit)	<u>(3,070)</u>	<u>9,891</u>
Total liabilities and shareholders' equity	<u>\$ 27,357</u>	<u>\$ 44,382</u>

ASSURE HOLDINGS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME
(in thousands of United States Dollars, except per share amounts)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Revenue				
Patient service fees, net	\$ 2,965	\$ 6,932	\$ (6,342)	\$ 20,066
Hospital, management and other	998	1,019	3,902	2,318
Total revenue	<u>3,963</u>	<u>7,951</u>	<u>(2,440)</u>	<u>22,384</u>
Cost of revenues	<u>(2,232)</u>	<u>(1,275)</u>	<u>(5,062)</u>	<u>(4,466)</u>
Gross (loss) margin	1,731	6,676	(7,502)	17,918
Operating expenses				
General and administrative	1,957	1,570	5,853	5,090
Sales and marketing	349	394	801	1,067
Depreciation and amortization	249	116	769	332
Total operating expenses	<u>2,555</u>	<u>2,080</u>	<u>7,423</u>	<u>6,489</u>
Income/(loss) from operations	(824)	4,596	(14,925)	11,429
Other income/(expenses)				
Earnings/(loss) from equity method investments	(232)	285	(1,449)	1,192
Other income/(expense)	(3)	(56)	50	5
Interest, net	<u>(285)</u>	<u>(62)</u>	<u>(783)</u>	<u>(163)</u>
Total other income/(expense)	<u>(520)</u>	<u>167</u>	<u>(2,182)</u>	<u>1,034</u>

Income/(loss) before income taxes	(1,344)	4,763	(17,107)	12,463
Income tax benefit (expense)	367	(1,094)	2,570	(3,022)
Net income/(loss)	<u>\$ (977)</u>	<u>\$ 3,669</u>	<u>\$ (14,537)</u>	<u>\$ 9,441</u>
Basic income/(loss) per common share	<u>\$ (0.03)</u>	<u>\$ 0.11</u>	<u>\$ (0.42)</u>	<u>\$ 0.27</u>
Diluted income/(loss) per common share	<u>\$ (0.03)</u>	<u>\$ 0.09</u>	<u>\$ (0.42)</u>	<u>\$ 0.23</u>

**ASSURE HOLDINGS CORP.
ADJUSTED EBITDA**

(in thousands of United States Dollars)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Reported net income/(loss)	\$ (977)	\$ 3,669	\$ (14,537)	\$ 9,441
Interest, net	285	62	783	163
Depreciation and amortization	249	116	769	332
Share based compensation	88	204	456	952
Income tax expense	(367)	1,094	(2,570)	3,022
Provision for broker warrant fair value	-	-	-	14
Provision for stock option fair value	3	56	(50)	(19)
	<u>\$ (719)</u>	<u>\$ 5,201</u>	<u>\$ (15,149)</u>	<u>\$ 13,905</u>

**ASSURE HOLDINGS CORP.
EARNINGS PER SHARE**

(in thousands of United States Dollars, except per share amounts)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Income attributable to common shareholders				
Basic	\$ (977)	\$ 3,669	\$ (14,537)	\$ 9,441
Weighted average common share outstanding	34,940,291	34,411,980	34,843,639	34,608,711
Basic earnings per common share	\$ (0.03)	\$ 0.11	\$ (0.42)	\$ 0.27
Income attributable to common shareholders				
Basic	\$ (977)	\$ 3,669	\$ (14,537)	\$ 9,441
Weighted average common shares outstanding	34,940,291	34,411,980	34,843,639	34,608,711
Dilutive effect of stock options, warrants, and performance shares	-	6,018,867	-	6,018,867
Weighted average common shares outstanding assuming dilution	34,940,291	40,430,847	34,843,639	40,627,578
Fully diluted earnings per common share	\$ (0.03)	\$ 0.09	\$ (0.42)	\$ 0.23



Source: Assure Holdings Corp.