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# Assure Holdings Announces Closing of US\$10.5 Million Institutional Investor Private Placement

Announces Insider Participation in the Private Placement

Announces Registration Rights Agreement

DENVER, Dec. 02, 2020 (GLOBE NEWSWIRE) -- Assure Holdings Corp. (the "**Company**" or "**Assure**") (TSXV: IOM; OTCQB: ARHH) is pleased to announce that it has closed its previously announced brokered private placement of 16,357,703 units of the Company (each, a "**Unit**" and collectively, the "**Units**") at an issue price of US\$0.64 per Unit, for gross proceeds of US\$10,468,930 (the "**Offering**"). The proceeds of the Offering are expected to be used for completing payments associated with Assure's acquisition of Neuro-Pro, expanding the Company's operational footprint into new states, launching a telehealth neurologist offering for intraoperative neuromonitoring ("**IONM**"), funding new acquisitions in the IONM industry, filing a registration statement with the U.S. Securities and Exchange Commission (the "**Commission**") under the terms of the registration rights agreement and general working capital purposes. Kestrel Merchant Partners LLC (the "**Sponsor**") acted as the exclusive sponsor and The Benchmark Company, LLC (the "**Agent**") acted as sole placement agent in connection with the Offering.

John A. Farlinger, Assure's executive chairman and CEO, said, "We are pleased to have successfully closed this equity offering, in which prominent institutional investors as well as members of the management team and board of directors participated. I want to thank Kestrel Merchant Partners which provided great guidance and was a strong partner in facilitating a successful transaction."

Farlinger continued, "We were pleased to increase our financial flexibility and liquidity as we accelerate our expansion. These funds will be used to accelerate organic growth, support new initiatives including our emerging telemedicine offering for IONM and finance targeted acquisitions. The financing will also support the filing of a resale registration statement on Form S-1 with a 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."

Farlinger concluded, "Between structural changes across the IONM industry and financial strain driven by disruptions from COVID-19, Assure sees substantial opportunity in this environment both from an organic growth and an opportunistic M&A perspective."

Significant institutional investors participated in the Offering, including Delaware-based investment fund Manchester Management Company LLC and certain of the Special Situations Funds, based out of New York City (collectively, "**SSF**"). Subject to the approval

by the TSX Venture Exchange (“**TSXV**”), SSF will become a new insider of the Company. In connection with the purchase of the Units, SSF has agreed and acknowledged that: (i) until the date on which the TSXV approves SSF as an insider, it will not vote any of its Common Shares in excess of 9.999% of the total Common Shares of the Company, then issued and outstanding and (ii) in the event that, upon exercise of the Warrants owned by SSF, it becomes a new control person (as defined under TSXV Policy 1.1) as a result of the exercise, the Company will not be required to issue any Common Shares to SSF until the Company has obtained shareholder approval for the creation of a new control person in accordance with the policies of the TSXV.

To demonstrate continued support of the Company's growth plans, insiders of the Company, including certain directors and officers, acquired an aggregate of US\$304,930 worth of Units under the Offering. Such participation is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The related party transaction is exempt from minority approval, information circular and formal valuation requirements pursuant to the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the gross securities issued under the Offering nor the consideration paid by the insiders exceeds 25% of the Company's market capitalization.

Each Unit will be comprised of one share of common stock in the capital of the Company (each, a “**Common Share**” and collectively, the “**Common Shares**”) and a warrant to purchase one share of common stock (each, a “**Warrant**” and collectively, the “**Warrants**”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of USD\$0.78 for a period of 5 years from the date of issuance. If the Common Shares acquirable upon exercise of the Warrants are not registered under the Registration Rights Agreement (defined below), the terms of the Warrants provide for a cashless exercise feature, under which the number of Common Shares to be issued will be based on the number of Common Shares for which Warrants are exercised multiplied by the difference between the five day VWAP of the Common Shares (the “**Current Market Price**”) and the exercise price divided by the Current Market Price at the time of the exercise.

Pursuant to the terms of the Offering, the Company has entered into a registration rights agreement (the “**Registration Rights Agreement**”) with the investors (each, an “**Investor**” and collectively, the “**Investors**”), under which the Company has agreed (a) to file a registration statement on Form S-1 (the “**Registration Statement**”) with the Commission within 30 days of the Closing Date to register the Common Shares and the Common Shares acquirable upon exercise of the Warrants (collectively, the “**Registrable Securities**”) for resale by the Investors; (b) to cause the Registration Statement to be declared effective by the Commission on or prior to the 90th day after the Closing Date or, if the Registration Statement is reviewed by the Commission, the 120th day after the Closing Date (or if the Registration Statement is not declared effective by the Commission on or before February 11, 2021, at the end of a sixty (60) day period thereafter); (c) to maintain the effectiveness of the Registration Statement; and (d) to satisfy the current public information requirement required by Rule 144 under the Securities Act of 1933 or any other rule or regulation of the Commission to permit the Investors to sell the Registrable Securities to the public without registration.

In connection with the Offering, the Company has agreed to pay the Agent a cash

commission representing approximately 8% (4% for the proceeds received from Investors who are directors, officers and employees of the Company) of the gross proceeds of the Offering.

The Registrable Securities have not been registered under the Securities Act of 1933, as amended, or any state securities laws and will be subject to a hold period of twelve months following the date of issuance thereof in accordance with U.S. securities laws, unless registered as discussed above. The Offering remains subject to the final approval of the TSX Venture Exchange (the "TSXV"). This press release does not constitute an offer to sell or the solicitation of any offer to buy securities.

### **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<sup>®</sup>. For more information, visit the Company's website at [www.assureneuromonitoring.com](http://www.assureneuromonitoring.com).

### **Forward-Looking Statements**

This news release may contain "forward-looking statements" within the meaning of applicable securities laws, including, but not limited to, our financing plans, including the offering of the Units, the proposed use of proceeds of the Offering, the investment of SSF and other investors, the filing of the Registration Statement, the potential payment of liquidated damages pursuant to the Registration Rights Agreement and other expected effects of the Offering. 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 aggregate amount of Units sold pursuant to the Offering, the dilution arising from the Offering, the Company may not file the Registration Statement with the Commission within the required timeline, if at all, the Company may be required to pay liquidated damages pursuant to the Registration Rights Agreement, the Commission may not declare effective the Company's Registration Statement, the Company may not receive approval from the TSXV with respect to the Offering, the TSXV may not approve of SSF as a new insider of the Company, SSF may not become a new insider of the Company, 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 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](http://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.

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