

February 9, 2023



Assure Holdings Announces Cost Reduction Plan to Accelerate Path to Profitability

DENVER, Feb. 09, 2023 (GLOBE NEWSWIRE) -- Assure Holdings Corp. (the "**Company**" or "**Assure**") (NASDAQ: IONM), a provider of intraoperative neuromonitoring ("**IONM**") and remote neurology services, today announced a cost reduction plan (the "**Plan**") intended to accelerate its path to EBITDA profitability and positive operating cash flow.

The Plan is expected to reduce operating costs by more than \$2.0 million on an annualized basis. Key elements include:

- Reduction in salaries of current staff amounting to approximately \$1.0 million of annualized savings.
- Reduction in head count resulting in approximately \$1.0 million of annualized salary and benefits savings.

The reduction in employee compensation cost directly benefits the Company's average cost of delivery increasing gross margin for each surgery.

The Plan also includes revenue expansion as the Company eliminates legacy revenue sharing agreements under historic master services agreement ("MSA") and professional network entities ("PNE"). As a result, going forward, the Company will retain all revenue from the professional bill. The Company has successfully terminated more than 50% of these legacy MSA agreements and PNEs and expects to complete this project by the end of the first quarter. Assure anticipates an increase of more than \$200,000 a month in revenue and gross margin during 2023 as the Company has borne the cost to support these businesses but was only receiving a portion of the revenue under MSA agreements.

These cost reductions and revenue enhancements are in addition to those previously completed during 2022 including:

- Greater than \$4.0 million from reduction in workforce, salary reductions and limiting the use of outside consultants.
- The Company rationalized its operational footprint by withdrawing from certain low performing markets thereby enabling Assure to focus on its fast-growing profitable core.
- Investments in revenue cycle management to accelerate cash collections.
- Prioritizing growth in markets with substantial existing operational density, servicing facility-wide outsourcing agreements and entering markets with very strong profitability potential.

- Continue to pursue opportunistic acquisitions and leverage business scale.

John A. Farlinger, Assure's executive chairman and CEO, said, "We are continuing to take a more measured approach to the allocation of capital, prioritizing the generation of sustainable positive operating cash even if it means slightly slower growth. Our plan is expected to reduce our operating costs by approximately \$2.0 million on an annualized basis to help fund long-term improvements that are expected to accelerate our path to profitability on an EBITDA basis. We are focusing our resources on initiatives that we believe will put the Company on track for sustainable success."

About Assure Holdings

Assure Holdings Corp. is a best-in-class provider of outsourced intraoperative neuromonitoring and remote neurology services. The Company delivers a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive procedures that place the nervous system at risk including neurosurgery, spine, cardiovascular, orthopedic and ear, nose and throat surgeries. Assure employs highly trained technologists that provide a direct point of contact in the operating room. Physicians employed through Assure subsidiaries simultaneously monitor the functional integrity of patients' neural structures throughout the procedure communicating in real-time with the surgeon and technologist. Accredited by The Joint Commission, Assure's mission is to provide exceptional surgical care and a positive patient experience. For more information, visit the company's website at 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 comments with respect to: our ability to achieve positive operating cash flow and profitability, the anticipated cost savings of the cost reduction plan, anticipated increase of \$200,000 per month in revenue and gross margin in 2023, anticipated improvements in gross margin for surgeries, the potential benefits of the strategic actions in decreasing cash costs, accelerating cash collections, the Company's business being more profitable on an EBITDA basis, the effect of discontinuing operations in unprofitable markets and expectations with respect to the Company's growth and development and the quality and results of future services. 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 uncertainty surrounding the spread of COVID-19 and the impact it will have on the Company's operations and business, its remote neurology business, and economic activity in general; and risks and uncertainties discussed in our most recent annual and quarterly reports filed with the United States Securities and Exchange Commission, including our annual report on Form 10-K filed on March 14, 2022, and available on the Company's EDGAR profile at www.sec.gov, which risks and uncertainties are incorporated herein by reference. 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.

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Source: Assure Holdings Corp.