ASSURE HOLDINGS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
Three and Nine Months Ended September 30, 2019

This Management's Discussion and Analysis ("MD&A") explains the variations in the consolidated operating results and financial position and cash flows of Assure Holdings Corp. ("Assure" or the "Company") as of and for the three and nine months ended September 30, 2019 and 2018. This analysis should be read in conjunction with Assure's condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and 2018 and related notes (the "condensed interim consolidated financial statements"). The condensed interim consolidated financial statements of Assure, and extracts of those interim condensed consolidated financial statements provided in this MD&A, were prepared in United States dollars and in accordance with International Financial Reporting Standards ("IFRS"). Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section below for a discussion of the use of such information in this MD&A.

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances and transactions have been eliminated on consolidation.

The information in this report is dated as of November 23, 2019.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Our MD&A includes "forward-looking statements" that are subject to risks and uncertainties that may result in actual results differing from the statements we make. Certain information included or incorporated by reference in this report may contain forward-looking statements. This information may involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "plan," "intend" or "project" or the negative of these words or other variations on these words or comparable terminology. Certain risks underlying our assumptions are highlighted below; if risks materialize, or if assumptions prove otherwise to be untrue, our results will differ from those suggested by our forward-looking statements and our results and operations may be negatively affected.

Forward-looking statements in this report include statements regarding profitability, additional acquisitions, increasing revenue and adjusted EBITDA, continued growth of our business in line with historical growth rates, trends in our industry, financing plans, our anticipated needs for working capital and leveraging our capabilities. Actual events or results may differ materially from those discussed in forward-looking statements. There can be no assurance that the forward-looking statements currently contained in this report will in fact occur. The Company bases its forward-looking statements on information currently available to it. The Company disclaims any intent or obligations to update or revise publicly any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law. Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this document. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved.

A number of factors could cause actual results to differ materially from the results discussed in forward-looking information, including, without limitation: our need for additional financing and our estimates regarding our capital requirements, future revenues and profitability; if our patient volume or cases do not grow as expected, or decreases, this could impact revenue and profitability; if we are unable to complete transactions with new physician practices, this could impact our future revenue growth and profitability; unfavorable economic conditions could have an adverse effect on our business; risks related to increased leverage resulting from incurring additional debt; the policies of health insurance carriers may affect the amount of revenue the Company receives; our ability to successfully market and sell our products and services; we may be subject to competition and technological risk which may impact the price and amount of services we can sell and the nature of services we can provide; 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 between Assure Holdings, Inc. and Montreux Capital Corp. 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.

OVERVIEW

Assure is focused on providing physicians with a comprehensive suite of services for Intraoperative Neuromonitoring ("IONM"). IONM is a service that has been well established as a standard of care for over 20 years as a risk mitigation tool during invasive surgeries such as spine, ear, nose, and throat, cardiovascular, and other parts of the human body. The Company's operations consist of a single reportable segment. Assure Neuromonitoring employs a technical staff that is on site in the operating room during each procedure and covers the case using industry standard, diagnostic machinery. The technical staff are certified by a third-party credentialing agency. On an ongoing basis, since 2015, Assure has addressed the Professional IONM component of its business via a series of investments in and management service agreements with PNEs. These PNEs are contracted with offsite neurologists/readers to provide IONM coverage from a remote location as a level of redundancy and risk mitigation in addition to the onsite technical services of the technical company. Collectively, the technical and professional IONM services offered and rendered provide a turnkey platform to help make surgeries safer. The Company's goal is to establish Assure as the premier provider of IONM services by offering a value-added platform that handles every component from scheduling to coverage, to billing and collections. The Company's strategy focuses on utilizing best of breed staff and partners to deliver outcomes that are beneficial to all stakeholders including patients, physicians, and shareholders.

The Company has primarily been engaged in the neuromonitoring of spine and neurosurgeries. The expansion into additional surgical verticals is part of Assure's growth strategy. By applying its neuromonitoring platform to additional surgical verticals such as vascular, ear nose and throat, and several others, the addressable market for Assure's service is greatly expanded. The Company has operations in Louisiana, Michigan, Pennsylvania, Texas, Colorado and Utah. The Company believes that continued geographic expansion initiatives coupled with the surgical vertical expansion efforts and selective acquisitions will combine to generate substantial growth opportunities going forward.

The Company has financed its cash requirements primarily from revenues generated from its services, by utilizing a bank promissory note and line of credit and from the sale of common stock. The Company's ability to maintain the carrying value of its assets is dependent on successfully marketing its services and maintaining future profitable operations, the outcome of which cannot be predicted at this time. The

Company has also stated its intention to grow its operations by developing additional PNE relationships and directly contracting with hospitals and surgery centers for services. In the future, it may be necessary for the Company to raise additional funds for the continuing development of its business plan. For further information about Assure, please visit www.sedar.com and www.otcmarkets.com.

RESULTS OF OPERATIONS

Financial and operating highlights for the three and nine months ended September 30, 2019 and 2018 and to the date of this report

During the fourth quarter of 2018, the Company performed a cash collection analysis for its historical out-of-network billings to private insurance companies and for the PNEs historical out-of-network billings to private insurance companies. The analysis showed that the estimated realizable value of revenues and related accounts receivable were less than the amounts originally recorded.

The Company updated the cash collection analysis as of June 30, 2019. This analysis reflected a cash collection rate equal to 98% of the amount of revenue recorded per case during the first half of 2019 for the Company. All of the Company's outstanding accounts receivable were adjusted to reflect this collection rate. Additionally, the analysis reflected a cash collection rate equal to 100% of the amount of revenue recorded per case during the first half of 2019 for the PNEs. The amount of revenue and accounts receivable recognized by the Company and the PNEs during the nine months ended September 30, 2019 reflect the revised estimated collection rates. The amount of revenue and accounts receivable recognized by the Company and the PNEs in nine months ended September 30, 2018 reflect the original amounts recorded for that period.

The Company plans to update the collection analysis at December 31, 2018 for out-of-network billings to private insurance companies and to adjust its revenue and accounts receivable if the collection rate is different for the amount recorded in previous periods.

Effective September 1, 2019, the Company formed a joint venture, Velocity Revenue Cycle, LLC ("Velocity"), with its third-party billing company to bill and collect all the Company's historical and future cases. The joint venture was established to provide greater control and transparency over the billing and collection process. The Company owns 65% of Velocity and its operating results are consolidated with the Company's operating results in the attached financial statements commencing September 1, 2019. The operating results attributable to the remaining 35% of Velocity that the Company does not own are reflected in the accompanying Statements of Financial Position and Statements of Income as amounts related to the non-controlling interest.

In conjunction with forming Velocity, the Company has requested all the billing records from the previous billing and collection company. Once the Company receives these billing records, a full analysis will be done of all open receivable balances and any adjustment deemed necessary will be made at that time.

The following table provides selected financial information from the consolidated statements of income for the three and nine months ended September 30, 2019 and 2018. Additionally, proforma information is provided for the three and nine months ended September 30, 2018 that reflects the revised revenue per out-of-network insurance case.

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Proforma Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	Proforma Nine Months Ended September 30, 2018
Revenue						
Out-of-Network fees, net	$ 6,931,952	$ 5,899,328	$ 3,666,800	$ 20,065,936	$ 17,383,487	$ 10,110,000
Contract fees and other	1,019,058	203,835	203,835	2,317,654	454,834	454,834
Total revenue	7,951,010	6,103,163	3,870,635	22,383,590	17,838,321	10,564,834
Cost of revenues	(1,275,163)	(1,319,037)	(1,140,435)	(4,466,051)	(3,499,321)	(2,917,442)
Gross margin	6,675,847	4,784,126	2,730,200	17,917,539	14,339,000	7,647,392
Operating expenses						
General and administrative	1,569,933	689,456	689,456	5,089,613	2,814,286	2,814,286
Depreciation and amortization	115,527	95,351	95,351	331,858	281,774	281,774
Sales and marketing	394,132	166,875	166,875	1,066,520	784,736	784,736
Total operating expenses	2,079,592	951,682	951,682	6,487,991	3,880,796	3,880,796
Income from operations	4,596,255	3,832,444	1,778,518	11,429,548	10,458,204	3,766,596
Other income/(expenses)						
Earnings from equity method investments	284,957	755,300	370,447	1,192,066	2,317,200	1,270,053
Provision for broker warrant fair value	-	(23,706)	(23,706)	(13,765)	44,605	44,605
Provision for stock option fair value	(56,166)	(97,312)	(97,312)	18,707	13,788	13,788
Interest, net	(61,265)	65,525	65,525	(162,687)	13,079	13,079
Total other income	167,526	699,807	314,954	1,034,321	2,388,672	1,341,525
Income before income taxes	4,763,781	4,532,251	2,093,472	12,463,869	12,846,876	5,108,121
Income tax expense	(1,094,101)	(1,414,615)	(717,124)	(3,022,349)	(3,487,600)	(1,274,316)
Net income	3,669,680	3,117,636	1,376,348	9,441,520	9,359,276	3,833,805
Net income attributable to non-controlling interest	(106,210)	-	-	(106,210)	-	-
Net income attributable to Assure stockholders	$ 3,563,470	$ 3,117,636	$ 1,376,348	$ 9,335,310	$ 9,359,276	$ 3,833,805
Basic income per common share	$ 0.10	$ 0.09	$ 0.04	$ 0.27	$ 0.26	$ 0.11
Diluted income per common share	$ 0.09	$ 0.07	$ 0.03	$ 0.23	$ 0.21	$ 0.09

For the nine months ended September 30, 2019, Assure managed 3,401 technical cases and 771 professional cases where it retained 100% of the professional revenue compared to 1,958 technical cases and 121 professional cases where it retained 100% of the professional revenue in the same period in the prior year, a 101% increase in case volume.

Except where otherwise indicated, all financial information discussed below is 100% of the consolidated results of the Company.

NON-IFRS FINANCIAL MEASURES

The following are non-IFRS measures. Investors are cautioned not to place undue reliance on them and are urged to read all IFRS accounting disclosures present in the condensed interim consolidated financial statements and accompanying notes to the condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and 2018. In addition to results reported in accordance with IFRS, the Company uses certain non-IFRS financial measures as supplemental indicators of its financial and operating performance. These non-IFRS financial measures include Adjusted EBITDA and Adjusted Operating Expenses. The Company believes these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business. The Company defines Adjusted EBITDA as net income before interest, taxes, depreciation, share based compensation, and related expenses. The Company discloses Adjusted EBITDA to capture the pre-tax profitability of its business before the impact of working capital changes and financing charges. The Company defines Adjusted Operating Expenses as operating expenses before equity compensation, depreciation and fair value adjustments. The Company discloses Adjusted Operating

Expenses to capture the cash basis operating expense separately from the non-cash operating expenses. Adjusted EBITDA and Adjusted Operating Expenses do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. The Company cautions readers to consider these non-IFRS financial measures in addition to, and not as an alternative for, measures calculated in accordance with IFRS.

The non-IFRS measures for the three and nine months ended September 30, 2019 and 2018 are reconciled to reported IFRS figures in the tables below. Additionally, proforma information is provided for the three and nine months ended September 30, 2018 that reflects the revised revenue per out-of-network insurance case.

Adjusted EBITDA

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Proforma Three Months Ended September 30, 2018
Reported net income attributable to Assure stockholders	$ 3,563,470	$ 3,117,636	$ 1,376,348
Interest, net	61,265	(65,525)	(65,525)
Depreciation and amortization	115,527	95,351	95,351
Share based compensation	203,974	37,088	37,088
Income tax expense	1,094,101	1,414,615	717,124
Provision for broker warrant fair value	-	23,706	23,706
Provision for stock option fair value	56,166	97,312	97,312
	$ 5,094,503	$ 4,720,183	$ 2,281,404

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	Proforma Nine Months Ended September 30, 2018
Reported net income attributable to Assure stockholders	$ 9,335,310	$ 9,359,276	$ 3,833,805
Interest, net	162,687	(13,079)	(13,079)
Depreciation and amortization	331,858	281,774	281,774
Share based compensation	952,348	111,265	111,265
Income tax expense	3,022,349	3,487,600	1,274,316
Provision for broker warrant fair value	13,765	(44,605)	(44,605)
Provision for stock option fair value	(18,707)	(13,788)	(13,788)
	$ 13,799,610	$ 13,168,443	$ 5,429,688

Adjusted Operating Expenses

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Proforma Three Months Ended September 30, 2018
Reported operating expenses	$ 2,079,592	$ 951,682	$ 951,682
Share based compensation	(203,974)	(37,088)	(37,088)
Depreciation and amortization	(115,527)	(95,351)	(95,351)
	$ 1,760,091	$ 819,243	$ 819,243

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	Proforma Nine Months Ended September 30, 2018
Reported operating expenses	$ 6,487,991	$ 3,880,796	$ 3,880,796
Share based compensation	(952,348)	(111,265)	(111,265)
Depreciation and amortization	(331,858)	(281,774)	(281,774)
	$ 5,203,785	$ 3,487,757	$ 3,487,757

Revenue

Revenues are generated from rendering Technical IONM services under which Assure is entitled to 100% of earned revenue. Revenues are also generated from rendering Professional IONM services through Assure's four wholly-owned Provider Network Entities ("PNEs"). Contract fees are billings to hospital and surgery center customers at contract rates for cases in which private pay insurers are not involved. The Company also receives a management fee from certain PNEs for which the Company does not have an ownership interest in and for billing fees to the PNEs that are not consolidated into the Company's operations.

For the three months ended September 30, 2019 and 2018, out-of-network fees represent approximately 87% and 97%, respectively, of the Company's revenue and approximately 90% and 97% for the nine months ended September 30, 2019 and 2018, respectively. The Company continues to analyze payor rate data with regard to cash collection experience. This data is the basis for the Company's calculation of the appropriate amount of net realized revenue and the appropriate amount of bad debt expected to be reported in the financial statements.

Revenues for the three months ended September 30, 2019 and 2018 were $7,951,010 and $6,103,163, respectively, and $22,383,590 and $17,838,321 for the nine months ended September 30, 2019 and 2018, respectively. For the three months ended September 30, 2019 and 2018, the Company recorded bad debt expense of $689,708 and nil, respectively. For the nine months ended September 30, 2019 and 2018, the Company recorded bad debt expense of $1,805,823 and $209,611, respectively.

For the three and nine months ended September 30, 2019, Assure generated approximately 23% and 37%, respectively, of its out-of-network fee revenue from the Colorado market while generating approximately 77% and 63%, respectively, from markets outside of Colorado. For the three and nine months ended September 30, 2018, approximately 71% and 73%, respectively, of out-of-network fee revenues were generated from the Colorado market while generating approximately 29% and 27%, respectively, from markets outside of Colorado.

As a result of the aforementioned cash collection analysis in the fourth quarter of 2018, the Company began recording revenue per out-of-network insurance case in 2019 at approximately 65% of the amount recorded for the nine months ended September 30, 2018. If the revenue in the three and nine months ended September 30, 2018 was adjusted for the revised revenue per out-of-network insurance case, revenue in the three and nine months ended September 30, 2018 would have been reduced by approximately \$2.2 million and \$7.3 million, respectively.

For the three months ended September 30, 2019, Assure managed 1,237 technical cases and 282 professional cases where it retained 100% of the professional revenue compared to 716 technical cases and 61 professional cases where it retained 100% of the professional revenue in the same period in the prior year, a 95% increase in case volume. For the nine months ended September 30, 2019, Assure managed 3,401 technical cases and 771 professional cases where it retained 100% of the professional revenue compared to 1,958 technical cases and 121 professional cases where it retained 100% of the professional revenue in the same period in the prior year, a 101% increase in case volume.

The continued acceptance of Assure's neuromonitoring platform has led to an increasing number of relationships in the state of Colorado and expansion into Louisiana, Michigan, Pennsylvania, Texas and Utah. In the future, the Company expects revenue to continue to increase as it expands its physician network and increases physician acceptance of the Company's services, expands into other verticals, expands into other states or regions of the country and through selective acquisitions.

Assure focuses primarily on billing out-of-network fees for private insurance cases and certain commercial payer managed government cases, while other government cases are typically billed to hospitals or surgery centers at contracted fees. In September 2019, the Company announced that it had entered into its first in-network agreement with Aetna that covers certain services in Michigan. The Company anticipates expanding its in-network billing presence with other national insurance providers in the future months. For cases billed to private insurance and certain commercial managed parties, the Company has to date collected approximately 92% of the related out-of-network fee revenue recorded in 2017 and 39% of the related out-of-network fee revenue recorded in 2018. As the joint venture augments employee resources in the future, the billing and collection expense is expected to increase, although it is anticipated to incur less expense as a percentage of revenue than historically.

Cost of Revenues

Cost of revenues consist primarily of third-party billing fees, technician wages and medical supplies. Cost of revenues for the three months ended September 30, 2019 were \$1,275,163 compared to \$1,319,037 for the same period in 2018. The cost of revenues as a percentage of total revenues for the three months ended September 30, 2019 was 16% versus 22% for the same period in 2018. The decrease in the cost of revenues as a percentage of total revenue in the 2019 three-month period versus the 2018 three-month period was due primarily to the Company entering into a joint venture in September 2019 to establish a billing and collection company that operates at a lower cost than the previous billing and collection fee paid to third party billing and collection companies. Cost of revenues for the nine months ended September 30, 2019 were $4,466,051 compared to $3,499,321 for the same period in 2018. The cost of revenues as a percentage of total revenues for the nine months ended September 30, 2019 and 2018 was 20% for both periods. The cost of revenues as a percentage of total revenues for each of the proforma three and nine months ended September 30, 2018 was 29% and 28%, respectively. As the joint venture augments employee resources in the future, the billing and collection expense is expected to increase, although it is anticipated to incur less expense as a percentage of revenue than historically.

Total Operating Expenses

For the three months ended September 30, 2019, total operating expenses were $2,079,592, compared to $951,682 for the three months ended September 30, 2018. For the nine months ended September 30, 2019, total operating expenses were $6,487,991, compared to $3,880,796 for the nine months ended September 30, 2018. Operating expenses primarily consist of professional fees, general and administrative salaries and expenses related to various overhead functions, sales and marketing expenses, share based compensation and other related expenses. The increase in total operating expenses during the three and nine months ended September 30, 2019 versus 2018 relate primarily to additional employees to support the Company's growth and to higher share based compensation. The Company expects operating expenses to increase as the Company continues to invest in activities designed to increase demand, expand its footprint, and increase commercial acceptance of its turnkey IONM platform.

The Company expects sales and marketing expenses to increase in aggregate as this is the primary source of business development outside of selective acquisitions. During 2019 and 2018, the Company did not rely on any forms of marketing such as trade shows, publications, or event sponsorship, but rather leveraged existing relationships and catered to prospective professional partners. In addition, there is an ongoing component of the sales and marketing expense that is devoted to retention of these key partnerships. To date, there have not been any clients of Assure that have left the partnerships aside from one physician who moved her practice to another state in which Assure does not currently operate and one physician who stopped practicing. Management attributes this to a high level of service and a high degree of overall value and satisfaction generated by the Assure platform.

Income from Operations

Income from operations for the three months ended September 30, 2019 and 2018 was $4,596,255 and $3,832,444, respectively. Income from operations for the nine months ended September 30, 2019 and 2018 was $11,429,548 and $10,458,204, respectively. The increase is primarily due to the increased number of cases, partially offset by the decrease in revenue per out-of-network insurance case and the increase in operating expenses discussed above. If revenue during the three and nine months ended September 30, 2018 was adjusted to the revised revenue per out-of-network insurance case, income from operations during the three and nine months ended September 30, 2018 would have been $1,778,518 and $3,766,596, respectively.

Earnings from Equity Method Investments

Assure recognizes its pro-rata share of the net income generated by the non-wholly-owned PNEs. During the three months ended September 30, 2019, the Company recognized $284,957 of earnings from equity method investments compared to $755,300 for the three months ended September 30, 2018. During the nine months ended September 30, 2019, the Company recognized $1,192,066 of earnings from equity method investments compared to $2,317,200 for the nine months ended September 30, 2018. The decreases are primarily associated with a lower amount of revenue recorded per out-of-network insurance and the purchase of Littleton Professional Reading (a previous PNE), partially offset by an increased number of cases. If earnings from equity method investments during the three and nine months ended September 30, 2018 was adjusted to the revised revenue per out-of-network insurance case, earnings from equity method investments for the three and nine months ended September 30, 2018 would have been $370,447 and $1,270,053, respectively.

Income Before Tax

Income before income taxes for the three months ended September 30, 2019 and 2018 was $4,763,781 and $4,532,251, respectively, and $12,463,869 and $12,846,876 for the nine months ended September 30, 2019 and 2018, respectively, largely resulting from the variance in income from operations and earnings from equity method investments as discussed above. If revenue, cost of revenues and earnings from equity method investments in the three and nine months ended September 30, 2018 were adjusted to the revised revenue per out-of-network insurance case, income before tax in the three and nine months ended September 30, 2018 would have been $2,093,472 and $5,108,121, respectively.

Adjusted EBITDA

The Adjusted EBITDA is net income attributable to Assure stockholders before other income and expenses, such as depreciation, provision for broker warrant fair value, share based compensation expense, income taxes and interest. For the three months ended September 30, 2019, the Company generated $5,094,503 of Adjusted EBITDA compared to $4,720,183 for the three months ended September 30, 2018. For the nine months ended September 30, 2019, the Company generated $13,799,610 of Adjusted EBITDA compared to $13,168,443 for the nine months ended September 30, 2018. If revenue, cost of revenues and earnings from equity method investments in the three and nine months ended September 30, 2018 were adjusted to the revised revenue per out-of-network insurance case, adjusted EBITDA in the three and nine months ended September 30, 2018, would have been $2,281,404 and $5,429,688, respectively.

Income Tax Expense

For the three months ended September 30, 2019 and 2018 income tax expense was $1,094,101 and $1,414,615, respectively. Income taxes as a percentage of income before income taxes were 23% and 31% for the three months ended September 30, 2019 and 2018, respectively. For the nine months ended September 30, 2019 and 2018 income tax expense was $3,022,349 and $3,487,600, respectively. Income taxes as a percentage of income before income taxes were 24% and 27% for the nine months ended September 30, 2019 and 2018, respectively. The Company's estimated annual tax rate is impacted primarily by the amount of taxable income earned in each jurisdiction the Company operates in and permanent differences between financial statement carrying amounts and the tax basis. In general, we do not anticipate that our effective tax rate will differ from statutory rates to any material degree.

Net Income Attributable to Non-controlling Interest

Effective September 1, 2019, the Company formed a joint venture, Velocity, with its third party billing company to bill and collect the Company's cases. The Company owns 65% of Velocity and consolidates Velocity's operations into the accompanying financial statements. The income associated with the 35% of Velocity that the Company does not own is shown as a separate line on the Statements of Income.

Net Income Attributable to Assure Stockholders and Earnings Per Basic Common Share

For the three months ended September 30, 2019, the Company recorded net income attributable to stockholders of the Company of $3,563,470 or $0.10 per share, compared to a net income of $3,117,636 or $0.09 per share for the same period in 2018. For the nine months ended September 30, 2019, the Company recorded net income attributable to stockholders of the Company of $9,335,310 or $0.27 per share, compared to a net income of $9,359,276 or $0.26 per share for the same period in 2018. If revenue, cost of revenues and earnings from equity method investments in the three and nine months ended September 30, 2018 were adjusted to the revised revenue per out-of-network insurance case, net income and earnings per share in the three months ended September 30, 2018 would be been $1,376,348 and $0.04, respectively and $3,833,805 and $0.11 for the nine months ended September 30, 2018, respectively.

The following tables show the historical revenue, net income (loss) attributable to Assure stockholders, adjusted EBITDA and basic earnings (loss) per common share for the previous four quarters of 2019 and 2018 as well as the proforma amounts for the same previous quarters of 2018 reflecting the changes in revenue, cost of revenues, earnings from equity method investment and income taxes for the revised revenue per out-of-network case.

Summary of Quarterly Results

Actual	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue	$ 7,951,010	$ 8,388,619	$ 6,043,962	$ (3,026,088)
Net income/(loss) attributable to Assure stockholders	3,563,470	4,031,945	1,739,898	(5,039,509)
Adjusted EBITDA	5,094,503	5,683,813	3,021,296	(6,495,041)
Basic earnings/(loss) per common share	0.10	0.12	0.05	(0.14)

Actual	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Revenue	$ 6,103,163	$ 6,034,008	$ 5,701,151	$ 4,710,580
Net income/(loss) attributable to Assure stockholders	3,117,636	3,276,810	2,964,831	(10,225,646)
Adjusted EBITDA	4,720,183	4,238,427	4,209,834	4,160,498
Basic earnings/(loss) per common share	0.09	0.09	0.08	(0.33)

Proforma	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Revenue	$ 3,870,635	$ 3,543,889	$ 3,150,310	$ 3,224,332
Net income/(loss) attributable to Assure stockholders	1,376,348	1,361,461	1,095,997	(11,445,311)
Adjusted EBITDA	2,281,404	1,555,865	1,592,419	2,545,046
Basic earnings/(loss) per common share	0.04	0.04	0.03	(0.37)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at September 30, 2019 was $488,100 compared to the December 31, 2018 cash balance of $830,966. Working capital increased $12,052,334 to $34,347,023 at September 30, 2019 compared to $22,294,689 at December 31, 2018, largely on the basis of an increase of approximately of $15,543,592 in net accounts receivables, partially offset by an increase in current liabilities of $2,418,509. The Company relies on payments from multiple private insurers and hospital systems that have payment policies and payment cycles that vary widely. Effective September 1, 2019, the Company formed a joint venture, Velocity, with its third-party billing company to bill and collect all the Company's historical and future cases. The joint venture was established to provide greater control and transparency over the billing and collection process. The Company owns 65% of Velocity and its operating results are consolidated with the Company's operating results in the attached financial statements commencing September 1, 2019.

For the nine months ended September 30, 2019, the Company collected approximately $6.7 million of cash from its accounts receivable balance compared to collecting approximately $6.5 million in the same prior year period. The Company had $888,363 of cash distributions from its PNE entities in nine months ended September 30, 2019 compared to $832,714 the same prior year period.

The Company has financed its operations primarily from revenues generated from services rendered and through equity and debt financings. The Company expects to meet its short-term obligations, through cash earned through operating activities, utilizing its bank line of credit and stock sales. As of September 30, 2019, the Company had approximately $400,000 of availability under its banking line of credit.

Cash used in operating activities for the nine months ended September 30, 2019 was $2,691,313 compared to cash used in operating activities of $511,149 for the same period in the preceding year. For the nine months ended September 30, 2019, cash was used to fund working capital increases primarily in accounts receivable related to the growth of the Company.

Cash provided by investing activities of $415,347 and $815,515 for the nine months ended September 30, 2019 and 2018, respectively, was primarily due to distributions received from equity method investments. On May 29, 2019, the Company acquired the net assets, primarily consisting of accounts receivable, of Littleton Professional Reading for $700,000. Of this amount $466,667 was paid during the nine months ended September 30, 2019 and the remainder is due prior to the end of 2019. Through November 15, 2019, the Company collected approximately $660,000 of cash from the accounts receivable acquired in the acquisition.

Cash provided by financing activities of $1,933,100 for the nine months ended September 30, 2019 was primarily due to net proceeds from the Company's promissory note and proceeds from a sale-leaseback transaction, offset by payments associated with lease liabilities and debt obligations. Cash used in financing activities of $134,571 for the nine months ended September 30, 2018 related to payments associated with lease liabilities.

The Company's near-term cash requirements relate primarily to payroll expenses, trade payables, debt payments, capital lease payments, and general corporate obligations. Approximately 80% and 63% of the trade and other payables at September 30, 2019 and December 31, 2018, respectively, consist of accrued billing fees. These fees will not be due and payable until the underlying accounts receivable is collected.

Subsequent to September 30, 2019, the Company drew the remaining $400,000 available under its bank line of credit. The $1 million outstanding balance on the line of credit will mature January 2020. The Company is currently in discussions with a financing source that will finance the acquisition of Neuro-Pro and to pay off the outstanding balances under the line of credit and the bank promissory note.

The following table summarizes the relative maturities of the financial liabilities, including interest, as applicable, of the Company:

September 30, 2019	Total	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years
Trade and other payables	$ 3,809,948	$ 3,809,948	$ -	$ -	$ -
Debt	2,177,406	1,252,857	924,549	-	-
Lease liabilities	1,231,188	553,305	677,883	-	-
Acquisition liability	233,333	233,333	-	-	-
Other liabilities	152,624	152,624	-	-	-
	$ 7,604,499	$ 6,002,067	$ 1,602,432	$ -	$ -

December 31, 2018	Total	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years
Trade and other payables	$ 3,015,794	$ 3,015,794	$ -	$ -	$ -
Debt	273,699	273,699	-	-	-
Lease liabilities	691,254	274,376	416,878	-	-
	$ 3,980,747	$ 3,563,869	$ 416,878	$ -	$ -

As of September 30, 2019, the Company has no material cash contractual obligations, other than those obligations relating to its debt and lease liabilities as described above.

OUTSTANDING SHARE CAPITAL

As of September 30, 2019, there were 34,645,313 (December 31, 2018: 35,562,105) common shares issued and outstanding. The Company has 2,876,000 options and nil broker warrants outstanding under the terms described in Note 7 to the consolidated financial statements as of September 30, 2019.

Performance share compensation – As part of a reverse takeover transaction ("RTO") during 2016 (see Note 2 to the Consolidated Financial Statements for the year ended December 31, 2018 as filed on April 15, 2019 on SEDAR at www.sedar.com), the Company entered into a one-time stock grant agreement with two executives (Messrs. Preston Parsons and Matthew Willer) on November 8, 2016, each of which defines a bonus share threshold as follows: should the Company meet or exceed a 2017 fiscal year EBITDA threshold of $7,500,000 CAD, the Company would issue 6,000,000 common shares of the surviving issuer at the trailing 30-day average closing price. The performance share grant was structured as part of the RTO transaction to provide additional equity to management conditioned upon performance achievements. As the Company achieved the EBITDA threshold for the year ended December 31, 2017, the Company has recorded a liability of approximately $16,000,000 for the value of the shares to be issued while the agreements are modified and the cash collected threshold is achieved, which the Company deems probable. No performance shares have been issued through September 30, 2019.

During March 2019, Mr. Parsons agreed to amend his performance share agreement whereby the 5 million common shares due him will be distributed based upon the Company collecting $9.8 million of cash receipts and achieving certain other milestones. As of March 31, 2019, the Company had collected over 100% of the required cash receipts. The last date that the common shares can be issued to Mr. Parson is June 30, 2020. Additionally, Mr. Parsons has voluntarily decided that once the performance shares have been issued to distribute a meaningful portion of the shares to other members of the management team and key personnel.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on our results of operations or financial condition.

PROPOSED TRANSACTIONS

Other than the transaction disclosed below in Subsequent Events, the Company has no material undisclosed transactions in process.

TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its wholly owned and controlled subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below:

	September 30, 2019 (unaudited)		December 31, 2018	
Due from PNEs(a)	$	1,641,862	$	399,399
Due from management (b)		375,864		2,566,231
Due from related parties	$	2,017,726	$	2,965,630

(a) Amount due from or to a PNE is interest-free and subject to repayment within one year. Most of this balance relates to PNEs that the Company manages but has no ownership interest in.

(b) Amount due from management is related to personal expenses, distributions and compensation not authorized by an employment agreement or otherwise.

During January 2019, Mr. Parson repaid his indebtedness to the Company by surrendering and cancelling 1,461,392 shares of common stock owned by him. The common shares were valued at $1.50 per share, approximately equal to the weighted average trading price of the Company's common shares during the month of December 2018.

During March 2019, Mr. Willer agreed to settle his indebtedness to the Company. Prior to the settlement, Mr. Willer was owed 1 million common shares pursuant to a performance share agreement. As part of the settlement, Mr. Willer agreed to reduce the number of common shares owed to him pursuant to the performance share agreement by 250,000 common shares. The Company will account for this settlement upon closing. The closing had not yet occurred as of September 30, 2019.

(c) Compensation to family members of the Company's Founder and former Executive Chairman for business development services and patient advocate services rendered during the three months ended September 30, 2019 and 2018 totaled \$81,452 and \$55,461, respectively and \$215,555 and \$152,915 during the nine months ended September 30, 2019 and 2018, respectively.

(d) During the month of September 2019, Velocity billed the PNEs approximately \$130,000 for billing and collection fees.

LEGAL PROCEEDINGS

The Company is a party to a variety of agreements in the ordinary course of business under which it may be obligated to indemnify third parties with respect to certain matters. These obligations include, but are not limited to, contracts entered into with physicians where the Company agrees, under certain circumstances, to indemnify a third party, against losses arising from matters including but not limited to medical malpractice and product liability. The impact of any such future claims, if made, on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to final outcome of these potential claims. The Company maintains general liability insurance policies in accordance with the standards and policy limits set forth by each hospital at which it renders services. The Company has not been a party to any legal proceedings since inception.

SUBSEQUENT EVENTS

On October 4, 2019, the Company granted a total of 457,500 stock options to a member of the Board of Directors and certain employees of the Company. The stock options have an exercise price of \$1.28 and expire on the fifth anniversary from the grant date.

On October 31, 2019, the Company entered into an asset purchase agreement with Neuro-Pro Monitoring and its related entities (the "Sellers") to acquire their neuromonitoring operations in Texas. The purchase price was \$7 million and was funded via promissory notes of \$6 million and \$1 million, maturing January 15, 2020 and September 30, 2020, respectively, with the Sellers. Both promissory notes bear interest at the IRS Applicable Federal Rate.

Subsequent to September 30, 2019, the Company drew the remaining \$400,000 available under its bank line of credit. The \$1 million outstanding balance on the line of credit will mature January 2020. The Company is currently in discussions with a financing source that will finance the acquisition of Neuro-Pro and to pay off the outstanding balances under the line of credit and the bank promissory note.

On November 22, 2019, the Company announced that it is launching a non-brokered private placement of convertible debenture units ("CD Unit") for gross proceeds of up to C\$4 million, with an option to increase the offering by an additional C$2 million (the "Offering"). The net proceeds from the Offering will be used for working capital and growth capital purposes. Each CD Unit will be offered at a price of C$1,000. Each CD Unit will include, among other things, 217 common share purchase warrants that will allow the holder to purchase shares of the Company's common stock at a price of C$2.80 per share for a period of three years and the right to convert the CD Unit into shares of the Company's common stock as a conversion price of C$2.30 for a period of four years, The CD Units will carry a 9% coupon rate.