



# Investor Presentation

October 2020 | TSXV: IOM – OTC: ARHH

# Disclaimer & Safe Harbor

Our presentation includes “forward-looking statements” and “forward looking information” as those terms are used within applicable Canadian and United States securities law, 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 presentation 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 presentation 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. Prospective investors should not place undue reliance on forward-looking information and are cautioned that, except as available on [www.SEDAR.com](http://www.SEDAR.com), any information included herein may not be accurate or complete and should not be relied upon. To the extent any forward-looking statements contain forecasts or financial outlooks, such information is being provided solely to enable the reader to assess Assure Holdings Corp.’s financial condition and its operational history and experience in the medical industry. Readers are cautioned that this information may not be appropriate for any other purpose, including investment decisions. No representation or warranty of any kind is or can be made with respect to the accuracy or completeness of, and no representation or warranty should be inferred from our projections or the assumptions underlying them.

This presentation does not constitute an offer of securities, and no offer or sale of securities will be conducted in any jurisdiction where such offer or sale is prohibited.

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 with Assure Holdings, Inc. 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.



## Company Purpose

**8**

states with operations

**6,414**

total number of 2019 procedures

**\$18m<sup>(1)</sup>**

2019 Revenue

**98**

surgeons we are working with

**50**

technologists employed

**ARHH / IOM**

dual listed on OTC and TSX.V

- Assure is a best-in-class provider of outsourced intraoperative neurophysiological monitoring (IONM)
- The Company is complementing its core business with late 2020 launch of a telehealth neurologist oversight offering required for most surgeries using IONM services

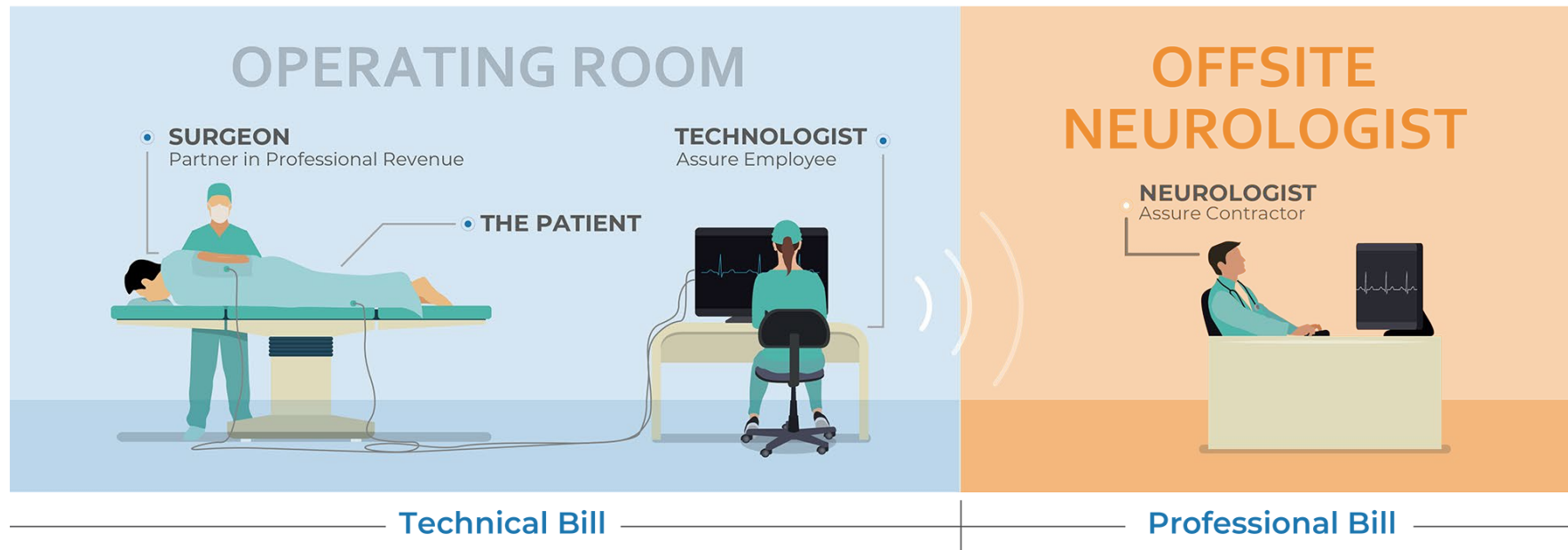
Assure is the only publicly traded pure-play IONM company



(1) 2019 had a revenue adjustment of \$16.3m

# How Neuromonitoring Works

- **What?** The use of electrophysiological methods (EEG, EMG) to observe the functional **integrity of neural structures** during surgery
- **Why?** Provides immediate feedback & warning to a surgeon before occurrence of neurological deficits or permanent injuries. Has become **standard of care** in U.S.
- **When?** Spinal & neurosurgeries, vascular, ENT, orthopedic & other invasive surgeries





## How Assure Solves Problems for its Key Stakeholders

	Pain Points	Assure Solution
Surgeons	<ul style="list-style-type: none"><li>• Poorly trained IONM technologists offer insufficient support in OR and limited benefit to patient care</li><li>• Lack of continuity and limited trust with technologists not integrated into surgeon's OR team</li><li>• Burdened by providing non-core, operational services</li><li>• Limited opportunity to benefit from supplemental revenue share</li></ul>	<ul style="list-style-type: none"><li>• Trained, certified technologists are matched with surgeons to positively impact patient care</li><li>• Technologists matched with surgeons fostering long-term trusted relationships</li><li>• Full suite of operational services including billing and scheduling allow doctors to focus on medicine</li><li>• Doctors can benefit from a revenue split of the professional bill</li></ul>
Hospitals	<ul style="list-style-type: none"><li>• Patient care and liability issues associated with providing IONM as a non-core competency</li><li>• Costly burdens on smaller and regional hospitals associated with employee staffing, training and equipment purchases</li></ul>	<ul style="list-style-type: none"><li>• Our expertise helps prevent additional surgeries, impairment and frivolous litigation</li><li>• Benefitting from scale and specialization, we provide patient education, physician relationship management, expert monitoring services, surgical scheduling and in-house billing assistance</li></ul>



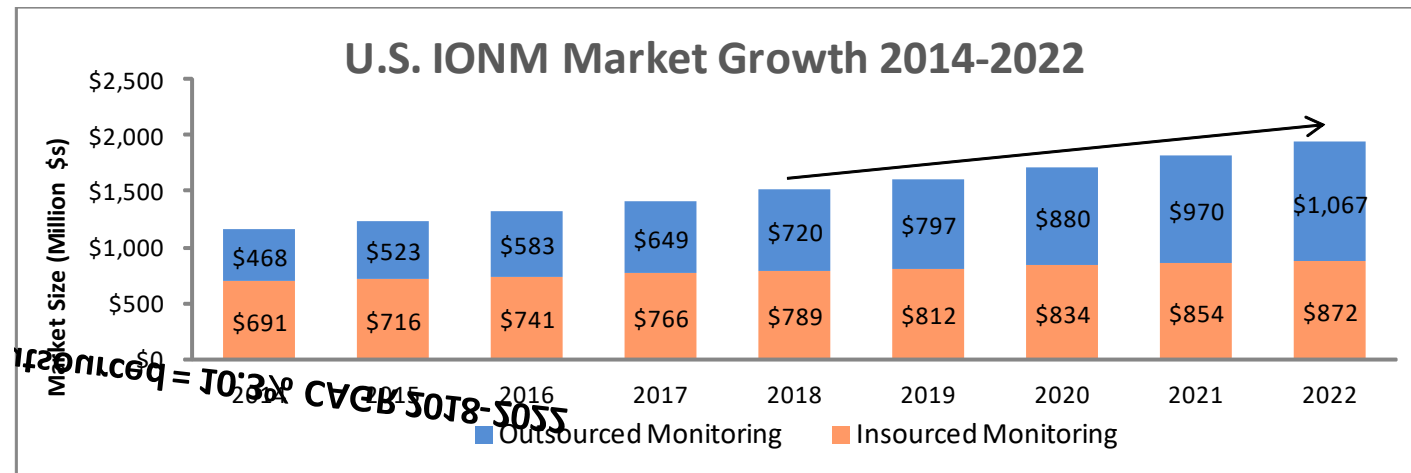
## How Assure Solves Problems for its Key Stakeholders

	Pain Points	Assure Solution
Insurance	<ul style="list-style-type: none"><li>Managing anxious and at-risk client patients scheduled to undergo complex surgeries</li><li>Substantial costs associated with patient clients injured during invasive surgeries</li><li>Limited understanding of IONM services and the value it provides to surgeons and patients</li></ul>	<ul style="list-style-type: none"><li>Dedicated technologists, professional oversight on 100% of cases and proactive patient advocate team</li><li>Detect early warning signs and take preventative measures to minimize risk during surgery</li><li>Educate payors on the necessity of IONM and the cost and health benefits it delivers for payors, surgeons, patients and hospitals</li></ul>
Patients	<ul style="list-style-type: none"><li>Ensuring quality of life during and after intricate surgeries</li><li>Understanding IONM benefits and process as well as navigating out-of-network insurance billing</li></ul>	<ul style="list-style-type: none"><li>Board certified, highly trained technologists help deliver best possible surgical outcomes</li><li>Patient advocates and techs provide information, answer questions and assist patients before/after surgeries to ensure seamless care coordination</li></ul>

## Trends in IONM Industry

- IONM has been regarded as standard of care for decades
  - Saves the healthcare system money in the long term
  - Improves patient outcomes
- Rising IONM awareness for ability to reduce surgical complications
  - American Society of Anesthesiologists now recommends IONM during surgeries
  - IONM beginning to be integrated into medical school curriculum
  - Increasingly being applied to new surgical settings
- Demographic tailwinds driving an increase in the number of complex surgeries each year
  - 20% growth in U.S. population aged 65+ from 2018-2026<sup>2</sup>
  - Increasing prevalence of chronic disorders
- Highly fragmented and chronically under-capitalized industry
  - IONM ripe for industry consolidation including substantial M&A opportunity

- Outsourced U.S. IONM market ~\$1.5B, growing at a ~6.5% CAGR to ~\$1.9B by 2022<sup>1</sup>
- Insourced U.S. IONM market another ~\$1.5B as roughly half of these services provided by hospital and ambulatory surgery centers
  - Insourced providers increasingly seeking to outsource IONM to improve quality and reduce their costs



1) Allied Market Research, August 2018

2) US Census Bureau

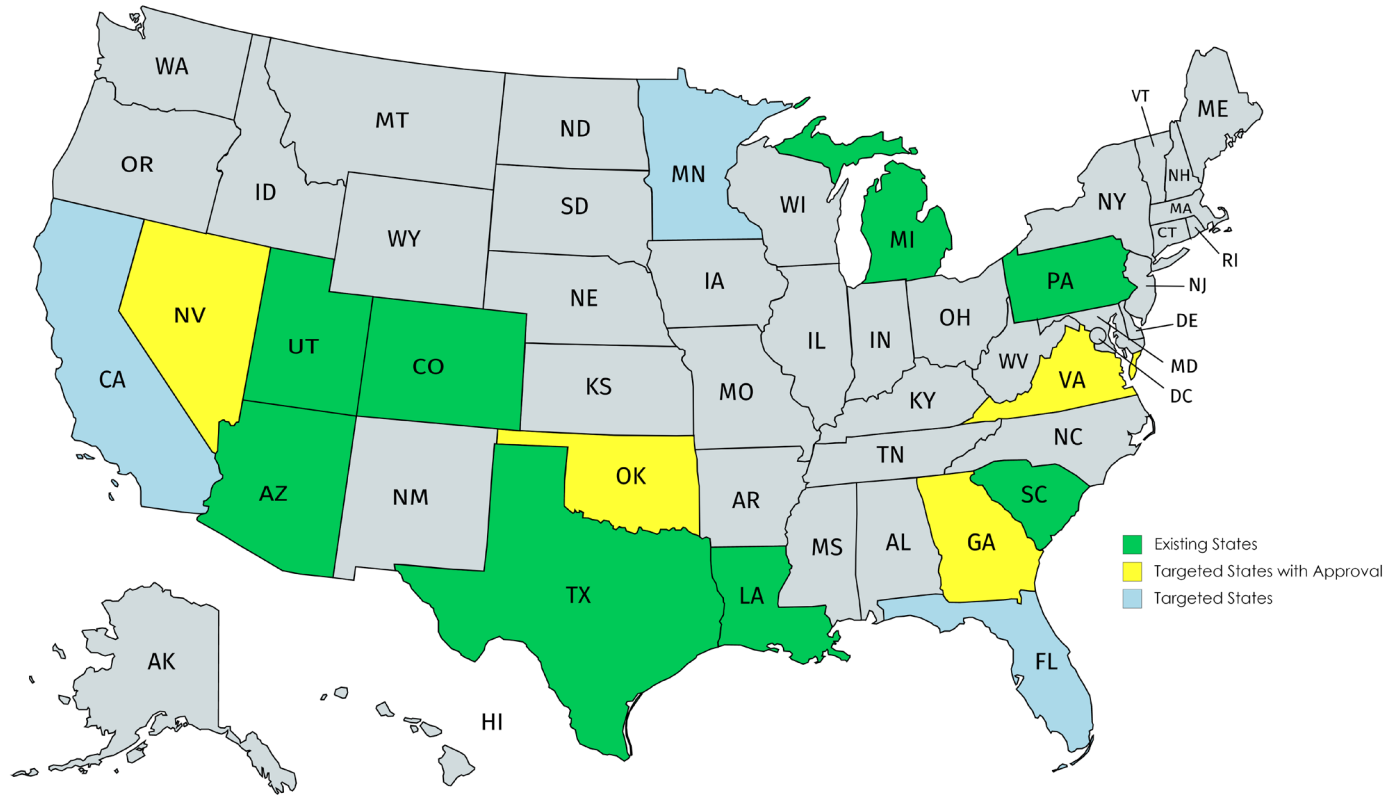
# IONM Competitive Landscape

We are a physician relationship-driven organization providing the highest level of patient care in the industry

	Provider	Dedicated Technologist	IONM Specific Company	Professional Oversight on 100% of Cases	100% of Technologists Board Certified	In House Patient Advocate Team	Cost Savings to Facility	Bundled Services to Hospital
IONM Companies		✓	✓	✓	✓	✓	✓	
	Medsurant	✓	✓	✓	✓			
	National		✓	✓			✓	
	Regional / Local Providers	✓	✓				✓	
In-House Neuromonitoring	Hospital Provider	✓	✓			✓		
Bundled Product Companies	NuVasive					✓		✓
	Specialty Care					✓		✓



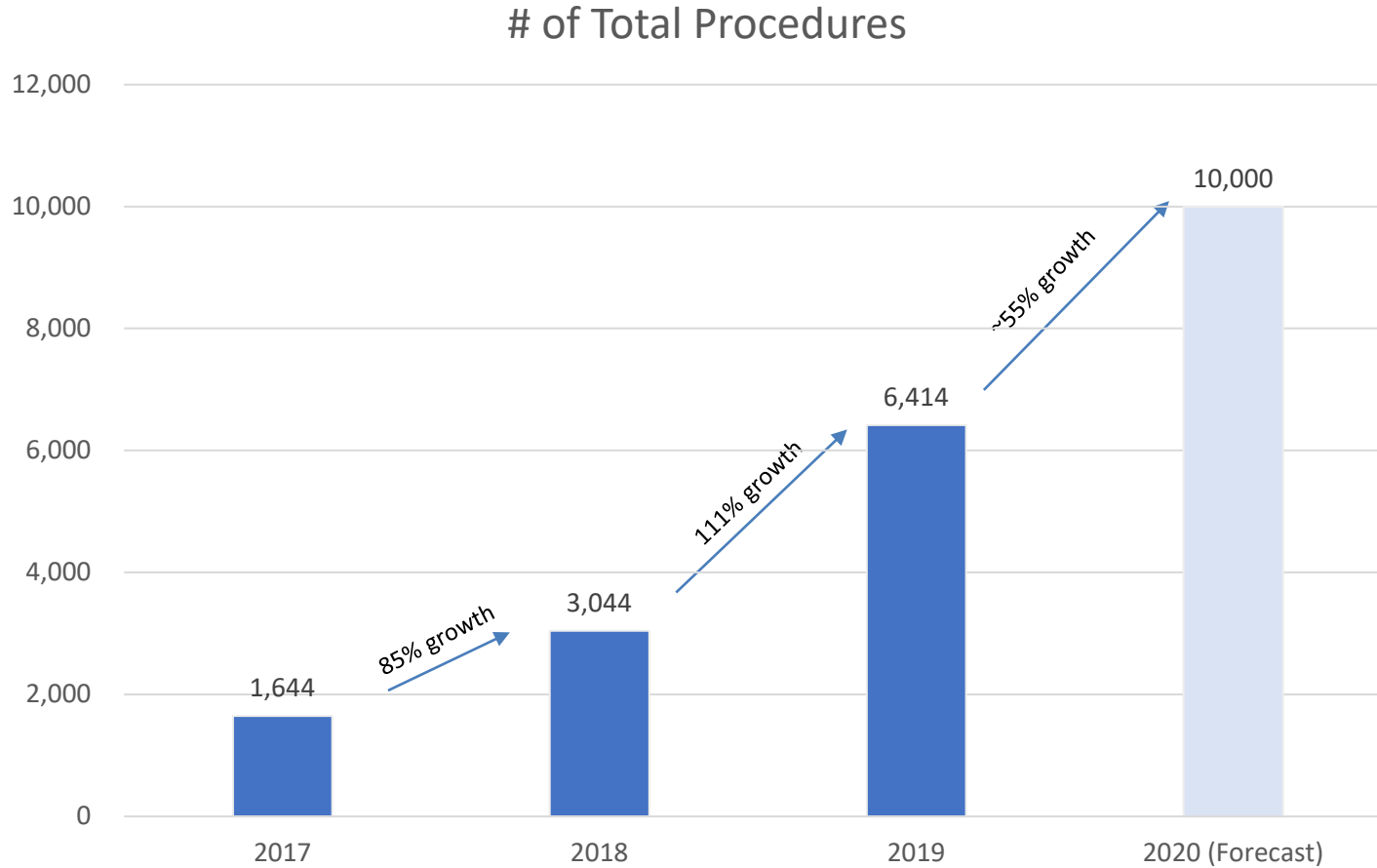
## Existing Operational Footprint and Targeted States



- Expansion into new states
  - Entered South Carolina and Arizona in 2020
- Extend reach within existing states
  - Targeting major surgical centers
- Expand addressable market by adding surgical verticals within both existing and targeted states
  - Current surgical verticals include Spine, Orthopedic, ENT, Vascular
- Opportunistic M&A targeting
- Expansion of distribution network
- Increasingly engaged in discussions to more broadly adopt our services as the premier provider for entire facilities



## Substantial Increase in Managed Cases



- Acceleration in total procedures driven by organic growth within existing states, entry into additional states and the acquisition of Neuro-Pro
- Despite the COVID-19 pandemic, Assure forecasts total procedures for full-year 2020 to exceed 10,000, a record number representing a more than 55% increase in cases compared with 2019
- Fast growth expected to continue in 2021 driven by recurring revenue from surgeons on the platform, organic and M&A expansion, hospital offering, telemedicine opportunity with neurologists and extension of channel platform



## Three Primary Corporate Objectives for 2020-2021

### Expand Scale

- Expanded footprint from 1 state to 8 over past 2+ years
- Total procedures expected to increase from ~3,000 in 2018 to ~10,000 in 2020
- Completed acquisition of Neuro-Pro, a premier IONM company serving Dallas Ft. Worth, increasing Assure's scale by ~50%
- Strong potential for additional accretive M&A in IONM industry
- Seeking facility-wide outsourcing agreements to achieve critical mass faster
- Increased scale facilitates the negotiation of new in-network agreements

### Sign In-Network Agreements

- Developing In-network revenue stream helps Assure reduce revenue risk/volatility and accelerate the timing of payments
- After signing a series of new in-network agreements in 2020, ~20% of Assure's overall commercial volume is in contractual rates with payors on a run-rate basis and this is expected to increase to ~30% by end of year
- Expects to contract with virtually all major payors within each of its markets either directly or indirectly in 2021 and 2022

### Accelerate Cash Collections

- Brought collections function inside organization in early 2020 after terminating legacy 3rd party billing company
- Invested in new platform and made key leadership hire
- Rapidly automating and integrating a revenue cycle management process that was formerly entirely manual
- 2020 collection results showing strong progress compared to 2019

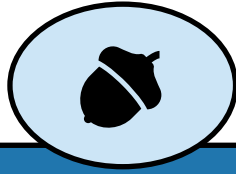


## Revenue Growth Streams



### Organic Growth

- Organically expanded footprint from 1 to 8 states over past 2+ years
- ~85% of current new business driven by surgeon referrals
- Sticky surgeon relationships produce recurring revenue stream model



### M&A

- In 2019, sourced and integrated Neuro-Pro acquisition on favorable terms to Assure; Cash flow positive Neuro-Pro was immediately accretive
- Fragmented, and chronically under-capitalized IONM peers provide a buyer's market



### Channel Platform

- Facilitating partnerships with medical device distributors
- In exchange for introducing Company to surgeon clients, distributor keeps a small share of fee per procedure when their doctor utilizes Assure's IONM services



### Hospital Offering

- COVID-19 related costs and disruptions at hospitals are opening the door for a value proposition as an outsourced provider of IONM services
- Currently engaged in multiple facility-level RFP's



### Professional Bill

- Capturing revenue/margin by bringing off-site neurologist function inside the organization (rather than using contractors)
- Professional bill is generally paid faster, at a higher rate and with less friction than the technologist bill

Assure's short-term objective is generating consistently positive cash flow; the Company's medium-term plan is to become "relevant faster" by adding scale via: 1) organic growth, 2) M&A, 3) channel platform, 4) hospital offering, and 5) collecting a greater portion of professional bill. To accelerate medium-term plan additional capital is needed.



## Neuro-Pro Acquisition – Assure’s First Acquisition

---

### Valuable Asset

Acquired premier IONM company serving Dallas Ft. Worth metroplex for \$7.7m

Neuro-Pro is cash flow positive, immediately accretive to earnings in 2020

Performed 2,551 procedures in 2019; with this acquisition, Assure increased its scale by ~50%

### Attractive Financials

In FY’19, on an unaudited basis, generated approximately \$6m of incremental cash receipts from revenue and roughly \$3m in cash net income

### Significant Upside

Greater scale expected to facilitate acceleration of in-network contracts with insurance providers

Strong potential for growing revenue by expanding surgeon network in Texas

Capacity to increase pricing and meaningfully improve revenue and profitability

Leverage relationship with world renowned Texas Back Institute to develop clinical research demonstrating IONM efficacy and cost savings



## Emerging Telemedicine Offering

- Expanding off-site neurology services driving emerging telemedicine offering
  - Strategic initially for ensuring quality of services and capturing a greater of revenue and margin for IONM services
- Over a multi-year time horizon this offering will strengthen the Company's competencies around telehealth, medical data and analytics, enabling Assure to offer hospitals, surgeons and insurance payors a more robust and differentiated offering
- Insurance companies increasingly insist on providers controlling quality of service via oversight coverage from neurology providers on every complex surgical case
- There is a substantial market opportunity for neurology telemedicine in IONM and beyond with no standout leaders in the space and many hospitals seeking to exit this non-core function

### Assure Telemedicine Timeline

Begin providing telehealth neurology services to Assure patients

Provide services to a greater proportion of Assure patients, begin marketing to other IONM providers as well as hospitals and ambulatory surgery centers to drive additional revenue

Market offering to hospitals and other groups that need neurology services

4Q'20

2021

2022 and beyond



## Historical Financial Results<sup>(1)</sup>

Operating Results	Financial Results (in \$m USD)					
	2017		2018		2019	
Revenue	\$	15.8	\$	14.8	\$	17.7
Gross Profit	\$	13.2	\$	11.3	\$	12.8
Operating Expenses <sup>2</sup>	\$	19.7	\$	6.5	\$	10.4
Earnings from Equity Investments	\$	2.3	\$	1.2	\$	1.3
Other Income/(Expense)	\$	(0.8)	\$	1.2	\$	1.3
Income Tax (Expense)/Benefit	\$	1.8	\$	(1.8)	\$	(1.0)
<b>Net Income/(Loss)</b>	<b>\$</b>	<b>(5.5)</b>	<b>\$</b>	<b>4.3</b>	<b>\$</b>	<b>2.5</b>
<b>Diluted Earnings Per Share</b>	<b>\$</b>	<b>(0.17)</b>	<b>\$</b>	<b>0.10</b>	<b>\$</b>	<b>0.06</b>
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>12.0</b>	<b>\$</b>	<b>6.7</b>	<b>\$</b>	<b>5.7</b>

(1) There was a \$9.6m revenue adjustment in 2018 with a portion related to 2017; 2019 had a revenue adjustment of \$16.3m

(2) 2017 was burdened by a \$16.0m charge for the value of performance shares



## Balance Sheet and Cash Flow Supports Growth Objectives

### Capitalization

- Strengthened financial position accessing \$4.1m loan facility (Aug 2020), a \$1.2m SBA loan associated with CARES Act that is expected to be forgiven and closing \$3.4m through non-brokered convertible debenture offerings (Dec 2019-May 2020)

### Cash Flow

- The Company has collected more cash in the first nine months of 2020 than all twelve months of 2019
  - 2020 is seeing a large increase in collections over 2019; generated by closing out prior years billing more quickly
  - Cash flow positive from March through July 2020

### Balance Sheet

- Company can further leverage balance sheet for debt and to add new hires that accelerate monetization of the >\$15mm in A/R
- Majority of Other liabilities (~\$16mm) are due to the pending issuance of performance shares, which is a non-cash liability
- For financial reporting purposes, Assure does not consolidate JVs in which it owns less than a 50% ownership stake
  - "Equity method investments"
  - Another ~\$15mm of receivables are off balance sheet and relate to entities in which Assure has a minority interest; collection should further drive cash flow to Company

### Select Balance Sheet Items

U.S. dollars in millions

	Jun. 30, 2020	Dec. 31, 2019
Cash	\$0.3	\$0.1
Accounts receivable, net	15.1	30.9
Equity method investments	0.9	2.4
<u>Other assets</u>	<u>11.7</u>	<u>11.0</u>
<b>Total assets</b>	<b>\$28.0</b>	<b>\$44.4</b>
Accounts payable & accrued liabilities	2.5	4.4
Finance leases	1.1	1.0
Debt	4.6	2.8
Acquisition Related Debt	5.0	7.4
<u>Other liabilities</u>	<u>18.6</u>	<u>18.9</u>
<b>Total liabilities</b>	<b>\$31.8</b>	<b>\$34.5</b>
<b>Total stockholders' equity</b>	<b>(\$3.7)</b>	<b>\$9.9</b>





## Factors Supporting Improving Top-Line Results

- Proactive adjustment of revenue accrual rates:
  - Reflects downward pressure felt across the IONM industry
  - Linked to in-network agreement rates Assure recently negotiated as well as expected future in-network agreement rates
- While currently reserved, the Company expects to recover a meaningful portion of:
  - Payment disputed by a Louisiana insurer
  - 2018 revenue write-downs
- Assure is focused on driving a significant portion of its commercial insurance related revenue into in-network agreements
  - Approximately 20% of commercial insurance volume is currently supported by in-network agreements on a run-rate basis
  - This is expected to increase to ~30% by end of year 2020 with a goal of reaching ~50% by end of year 2021

The most important single factor impacting Assure's legacy collections was the previous 3rd party billing company which was terminated in fall 2019. The former billing company did not pursue many of Assure's claims, a large portion of the claims it did take action on were not initiated until many months after the procedure took place and it did not follow-up properly with insurers after a bill was sent. As a result, Assure has reserved a disproportionate number of claims for procedures that took place between 2016 and 2018 and have since aged 2 years meeting the automatic write-down threshold or were unlikely to be collected before reaching that threshold



# Seasoned Management Team



**John A. Farlinger, CPA CA**  
Executive Chairman & CEO



**Preston Parsons**  
Founder & Director



**Alex Rasmussen**  
Exec VP, Operations



**Trent Carman**  
CFO

- 25+ years of technology, operations and capital markets experience
- Former Chair and CEO of Urban Communications, CEO of Titan Communications and Adzilla
- Drove multiple corporate exits

- Founded, operated & grew various neuromonitoring companies since 2014
- Former NFL quarterback

- Previously served as ops leader for UMB Financial overseeing 350 associates
- Substantial experience in productivity optimization and customer relations

- 20+ years of CFO experience, including 15+ years experience in the healthcare industry
- Pivotal in growing Air Method's enterprise value from approximately \$100m to over \$2b



**Paul Webster**  
VP, Managed Care



**Stephanie Krouse**  
VP, Technologist Manager



**Gary Bennett**  
VP, Revenue



**Sean Blosser**  
VP, Revenue Cycle Mgmt.

- 20+ years of experience in out-of-network billing including as VP, Payor Strategy at Air Methods
- Strong background in healthcare, regulation and M&A activity

- More than 10 years of IONM experience
- Leader in industry organizations including ABRET Neurodiagnostic Credentialing and Accreditation

- Various senior executive roles over 30 years at Johnson & Johnson and Boston Scientific
- Proficient in strategic planning, marketing, sales and physician training

- Served as a financial leader at publicly traded and private equity portfolio healthcare organizations
- Was responsible for \$780M in annual revenue and 400-person staff at Option Care Health



## Accomplished Board of Directors

### Preston Parsons

### Martin Burian, CPA CA

- CPA and Chartered Business Valuator with over 25 years of investment banking experience
- A director of multiple publicly traded companies

### Dr. Christopher Rumana

- 20+ years of experience as a board-certified neurosurgeon
- Currently a board member of the Tallahassee Memorial Hospital

### Steven Summer

- Over four decades of management experience in health care
- Served as president and CEO of the Colorado Hospital Association and before that the West Virginia Hospital Association

### John A. Farlinger, CPA CA

## Medical Advisory Committee

- Recently formed committee that establishes and maintains best practices for Assure's clinical operations
- Reviews Quality Assurance measures developed by the Company
- Oversees research and innovation initiatives

	Audit Cmte.	Medical Advisory Cmte.	Governance, Nomination and Compensation Cmte.
John Farlinger	M		
Preston Parsons		M	
Martin Burian	C		M
Christopher Rumana	M	C	M
Steven Summer		M	C

# Contact Us

## **Assure Holdings**

4600 S. Ulster St., Suite 1225  
Denver, CO 80237

[www.assureneuromonitoring.com](http://www.assureneuromonitoring.com)

## **Company Contact**

John Farlinger  
Executive Chairman and CEO

604-763-7565

[John.Farlinger@assureiom.com](mailto:John.Farlinger@assureiom.com)

## **Investor Relations**

Scott Kozak  
Director, Investor and Media Relations

720-287-3093

[Scott.Kozak@assureiom.com](mailto:Scott.Kozak@assureiom.com)