

REFINITIV

DELTA REPORT

10-K

ASSURE HOLDINGS CORP.
10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	5364
CHANGES	259
DELETIONS	3084
ADDITIONS	2021

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, **2022**~~2023~~

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: **001-40785**



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ASSURE HOLDINGS CORP.

(Exact Name of Registrant as Specified in its Charter)

Nevada

(State or other jurisdiction of incorporation or organization)

82-2726719

(I.R.S. Employer Identification No.)

7887 E. Belleview Ave., Suite 500 240 Denver, Colorado

(Address of Principal Executive Offices)

80111

(Zip Code)

(720) 287-3093

(Registrant's Telephone Number, including Area Code)

SECURITIES REGISTERED PURSUANT to SECTION 12(b) of the ACT:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	IONM	NASDAQ Capital Market

SECURITIES REGISTERED PURSUANT to SECTION 12(G) of the ACT: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☒ Non-Accelerated Filer ☒ Smaller Reporting Company ☒ Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No☒

As of **June 30, 2022** **June 30, 2023**, the aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was approximately **\$18,400,000** **\$5,000,000** based upon the closing sale price of the common stock on such date.

The number of the registrant's common shares of common stock outstanding as of **March 23, 2023** **April 24, 2024** was **1,101,098** **9,000,000**.

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As used in this Annual Report on Form 10-K ("Annual Report"), references to "Assure," the "Company," "we," "our," or "us" mean Assure Holdings Corp., and consolidated subsidiaries, or any one or more of them, as the context requires.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this Annual Report, including statements regarding the Company's future financial condition, results of operations, plans, objectives, expectations, future performance, business operations and business prospects, are forward-looking statements and may be identified by the use of words including, but not limited to the following; "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan," "continue," or the negative thereof or other variations thereon or comparable terminology.

These forward-looking statements are based on our management's current plans and expectations and are subject to uncertainty and changes in circumstances. We cannot assure you that future developments affecting us will be those that we have anticipated or occur in the manner we expected. Actual results may differ materially from these expectations due to changes in expected future political, legal, economic, business, competition, market and regulatory conditions and other factors and assumptions of management in making such statements, many of which are beyond our control.

Some of the important risks and uncertainties that could affect forward-looking statements are described further under the section headings "Item 1. Business," "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary, possibly materially, from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by law, we disclaim any obligation to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. **We qualify all of the forward-looking statements contained in this Annual Report by the foregoing cautionary statements.**

Key Performance Metrics

This Annual Report contains key performance metrics, managed cases, and remote neurology managed cases, that management of the Company utilizes historically utilized to determine operational performance from period to period. A managed case is all technical cases Assure performs and any cases where the professional bill is was from a 100% owned Assure entity and excludes cases when a global bill is was

presented, and we calculate calculated it based on bills presented during the relevant measurement period. We define remote neurology managed cases as a subset of managed cases where Assure's remote neurology platform is utilized and billed. Management believes that managed cases and remote neurology managed cases are important measures of the Company's operational performance because it is a consistent measurement to evaluate patient revenue streams.

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PART I

ITEM 1. BUSINESS

Business Overview

Overview

Historically, Assure is was a best-in-class provider of outsourced Intraoperative Neurophysiological Monitoring ("IONM") and an emerging a provider of remote neurology services. The Company delivers delivered a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive surgical procedures. During September 2023, the Company's Board of Directors initiated a process to explore strategic alternatives for the business. In consultation with financial and legal advisors, a comprehensive strategic review process began immediately and evaluated a broad range of options to maximize shareholder value. As part of this review process, Assure's board agreed to conduct an auction process for the sale of its clinical operations. On February 12, 2024, Assure entered an Agreement and Plan of Merger with Danam Health, Inc. ("Danam"). Danam delivers unique solutions for pharmacies, providers, pharmaceutical manufacturers, and payors focused on improving the lives of patients. On March 26, 2024, Assure closed a sale transaction resulting in the sale of most of the Company's clinical operations, equipment, and contracts. As of the filing date of this Annual Report on Form 10K, Assure is providing IONM services in limited markets, primarily Arizona and Montana

IONM has been well established as a standard of care and risk mitigation tool for various surgical verticals such as neurosurgery, spine, cardiovascular, orthopedic, ear, nose, and throat ("ENT"), and other surgical procures that place the nervous system at risk. Accredited by The Joint Commission, Assure's mission is was to provide exceptional surgical care and help make invasive surgeries safer. Our strategy focuses focused on utilizing best of class personnel and partners to deliver outcomes that are beneficial to all stakeholders including patients, surgeons, hospitals, insurers, and stockholders.

During each procedure, Assure provides provided two types of services, the Technical Component and Professional Component of IONM. Our in-house Interoperative Neurophysiologists ("INP") provide the Technical Component IONM services from the operating room throughout the procedure, while telehealth-oriented supervising practitioners provide a level of redundancy and risk mitigation in support of the onsite INPs and the surgical team. In addition, Assure offers offered a comprehensive suite of IONM services, including scheduling the INP and supervising practitioner, real time monitoring, patient advocacy and subsequent billing and collecting for services provided.

Clinical leadership, surgeon support and patient care are Assure's cornerstones. We make The Company historically made substantial ongoing investments in our its training and development of clinical staff and have created a training program to rigorously train new INPs to cost-effectively join the Assure team. In addition, we have Assure partnered with the internationally renowned Texas Back Institute on clinical research relating to IONM safety and efficacy. Isador Lieberman, M.D., the director of the scoliosis and spine tumor program at the Texas Back Institute, is a member of Assure's Medical Advisory Committee.



Graphic

Historically, the foundation of Assure's business has been providing the Technical Component of IONM via our INP staff. We employ highly trained INPs, which provide a direct point of contact in the operating room during the surgeries to relay critical information to the surgical team. In this one-to-one business model, Assure pairs a team of INPs with third-party surgeons to promote a level of familiarity, comfort and efficiency between the surgeon and the INP. Each INP can support approximately 200 cases annually. Our INPs monitor the surgical procedure using state of the art, commercially available, diagnostic medical equipment. Assure INP's are certified by a third-party accreditation board, ABRET Neurodiagnostic

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Credentialing and Accreditation ("ABRET"). The success of our service depends upon the timely recognition and successful interpretation of the data signals by our INPs and remote supervisors to quickly determine if the patient is experiencing a deficiency and advise the surgeon to determine if surgical intervention is required to positively impact the patient and surgery. While, employing this model, Assure has rapidly expanded its business, supporting approximately 1,600 managed cases in 2017 to approximately 21,600 11,650 in 2022. For the year December 31, 2022, the 2023. The Company operated disposed of its clinical operations in 12 states with the majority of our managed cases March 2024 and currently provides IONM services in Texas Arizona and Colorado, Montana

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Beginning in the second quarter of 2021, Assure began executing on its long-term vertical integration plan by expanding into tele-neurology services. This includes included delivering remote neurology services in support of the surgical team and INPs. Supervising practitioners are utilizing equipment and training to monitor electroencephalographic ("EEG") and electromyography ("EMG") and several other complex modalities during surgical procedures to pre-emptively notify the surgeon of any nerve related issues as they are identified. Assure has utilized employee and third-party contractors, working from remote locations as supervising practitioners supporting surgical teams and our INPs.

The Professional Component of IONM **is was** provided via tele-neurology services under a one-to-many business model, and as a result, has a different financial profile than the Technical Component. Supervising practitioners provide tele-neurology services from an off-site location and maintain the ability to monitor multiple surgical cases simultaneously. As a result, each supervising practitioner **has the ability to can** monitor approximately 2,500 or more cases annually. In 2022, Assure performed approximately 21,600 total managed cases including managing approximately 2,500 remote neurology cases.

Expanding our role in **Expansion into** the Professional Component of IONM **generates several positives for Assure. First, was intended to better position** the Company **is better positioned** to oversee quality of service for providing tele-neurology services. This commitment to quality supports our efforts to sign new in-network agreements with insurance payors **services** and facility-wide agreements with hospitals. Second, **Assure is able** to significantly reduce cost of delivery, allowing the Company to improve profitability on every case **we perform. performed.** Assure's objective **is was** to significantly cut the cost of delivery for tele-neurology services going forward. **Additional scale will serve as a catalyst for margin expansion in the future.** Third, for most cases performed, tele-neurology services represent the creation of a new revenue stream. Fourth, providing tele-neurology services for IONM creates opportunities in adjacent markets where similar tele-neurology services are utilized. Accelerating the Company's shift to providing remote neurology was straightforward. Assure had already built the platform and maintained the patient volume. Management expects the result will be higher margins, a new revenue stream and turning cash over more quickly.

Collectively, support from Assure's high quality Technical **Billing** and Professional IONM **collecting for out of network medical** services **results in:**

Patients	Hospitals / Surgeons
Efficient achievement of better clinical outcomes	Decreased facility and surgeon liability
Abbreviated patient hospital stays	Reduced hospital costs
Fewer patient readmissions	Enhanced overall patient satisfaction

Over the past three years, **is complex and requires trained revenue cycle management professionals.** Assure has built a platform **made substantial investments** to support our future growth and development. The attributes of our platform include: maintaining exceptional clinical operations, automating our **make its** revenue cycle management function **more data-driven, analytical, and collecting** automated. This modernization facilitated successful state-level arbitrations in 2022 and federal arbitrations in 2023. Success in arbitration supported improving cash **faster, boosting managed care through flow.** Many IONM competitors, particularly smaller peers that remain reliant on third-party billing companies lack the **signing analytics and transparency to similarly leverage opportunities presented by the arbitration process.** With the disposal of in-network agreements with insurance payors, minimizing operational bottlenecks, particularly around onboarding and credentialing, instituting an ongoing training and development program **for the clinical staff operations in March 2024, the Company intends to ensure we** maintain industry-leading skills and performance, and successful execution of an M&A strategy in a highly fragmented market that has led **continue** to four accretive transactions over the past three years. This platform was built with the intent of having these key functional areas support IONM in our key surgical verticals including within IONM: spine, neurosurgery, vascular, ENT and orthopedic. As we transition **seek arbitration opportunities related** to becoming a provider of tele-neurology services, we believe our expertise in IONM will assist us in entering adjacent markets in which Assure supervising practitioners can also provide patient services. The Company plans to provide services in new verticals including EEG, epilepsy, sleep study and stroke by leveraging key competencies we have built over the past three years.

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In 2022, Assure provided IONM services for approximately 215 surgeons in 129 hospitals and surgery centers (which we refer to as "Procedure Facilities") across the Company's operational footprint. Our continued organic geographic expansion initiatives, including facility-wide outsourcing agreements with medical facilities and hospital networks, potential for selective acquisitions, and the extension of our platform into tele-neurology services, is expected to generate substantial growth opportunities going forward. **uncollected accounts receivable.**

2022 in review

Assure performed a record number of managed cases in 2022. Overall, 2022, the Company performed approximately 21,600 managed cases moved away from Assure's legacy Managed Service Agreement ("MSA") model which allowed Assure to bill and generated gross revenue collected for the Professional Component of \$28.9 million offset by \$17.9 million of implicit price concessions. IONM. The Company reported net loss exited most MSA agreements in 2023 and expects the remaining MSA relationships to be terminated by the end of \$30.7 million for the year ended December 31, 2022, third quarter of 2024.

- Downward trend in reimbursement for IONM services, particularly the Technical Components, which is expected to continue.
- In October 2022, IONM companies, including Assure, experienced a meaningful decrease in the Texas reimbursement benchmark for the state arbitrations. Texas, Assure's largest market, had delivered reimbursement well above the Company's state average across its operational footprint in the period from January through September 2022.

2022 Areas of Progress

- Expanded case volume to 21,600 in 2022, an increase of 24% from the year-earlier period.
- Began converting MSA to 100% service.
- Fixed cost of delivery for tele-neurology on a per case basis.
- Increased utilization of techs.

Looking Forward

- Anticipates leveraging M&A to expand managed case volume in 2023.
- The Company is focused on improving margin and increasing participation rates for state arbitrations in Texas.
- Assure is also seeking to maximize impact among the larger pool of federal arbitrators in Texas and elsewhere still to come.

Our Strategy

Current Strategy

On September 19, 2023, our Board initiated a process to explore strategic alternatives. In consultation with financial and legal advisors, the comprehensive strategic review process began immediately and evaluated a broad range of options to maximize shareholder value.

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As a result of the strategic review process, on February 12, 2024, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Danam and Assure Merger Corp., a newly formed wholly-owned subsidiary of Assure ("Assure Merger"). Upon the terms and subject to the satisfaction of the conditions described in the Merger Agreement, including approval of the transaction by the stockholders of the Company and Danam, Assure Merger will be merged with and into Danam (the "Merger"), with Danam surviving the Merger as a wholly-owned subsidiary of the Company. The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"): (i) each share of Danam capital stock issued and outstanding immediately prior to the Effective Time shall automatically be converted into and become the right to receive the applicable per share portion of the "merger consideration" as set forth in the allocation statement to be delivered pursuant to the Merger Agreement ("merger consideration" is defined in the Merger Agreement to mean a number of shares of common stock of the Company equal to (a) the quotient obtained by dividing (i) the number of shares of capital stock of the Company on a fully diluted basis (the "Assure Fully Diluted Share Number") by (ii) the quotient of (A) the adjusted value of the Company dividend by (B) the sum of the adjusted value of the Company and the adjusted value of Danam, minus (b) the Assure Fully Diluted Share Number minus (c) the number of shares of common stock of the Company the warrants of Danam will become exercisable for upon closing of the Merger); (ii) each outstanding warrant of Danam will be assumed by the Company and become a warrant to purchase an adjusted number of shares of common stock of the Company, at an adjusted exercise price per share but subject to the same terms and conditions as the warrant of Danam.

Following the closing of the Merger, the former equity holders of the Company immediately before the Merger are expected to own approximately 10% of the outstanding capital stock of the combined company on a fully diluted basis and the equity holders of Danam immediately before the Merger are expected to own approximately 90% of the outstanding capital stock of the combined company on a fully diluted basis.

Upon closing of the Merger, the Company will be renamed Danam Health Holdings Corp. Suren Ajjarapu will serve as Chairman of the Board of Directors and Tim Canning will serve as the Chief Executive Officer of the combined company. The Merger Agreement provides that the Board of Directors of the combined company will be comprised of four members which will be filled upon completion of the Merger to be designated by Danam.

The Merger Agreement contains customary representations, warranties and covenants of the Company and Danam, including covenants relating to the conduct of the business of both the Company and Danam from the date of signing the Merger Agreement through closing of the Merger, obtaining the requisite approval of the stockholders of the Company and Danam and maintain the listing of the common stock of the Company on the NASDAQ Capital Market and applying for the continued listing of Danam after the closing of the Merger on the NASDAQ Capital Market. Under the terms of the Merger Agreement, the Company has also agreed not to solicit from any person an acquisition proposal (as defined in the Merger Agreement) for the Company.

In connection with the Merger, the Company will prepare and file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 that will contain a prospectus and a proxy statement, and will seek the approval of the Company's stockholders with respect to certain actions, including approval of the Merger.

Further to an auction process, on March 11, 2024, the Company and its subsidiaries, Assure Neuromonitoring, LLC, Assure Networks, LLC, Assure Networks Texas Holdings, LLC and Assure Networks Texas Holdings II, LLC (collectively, the "Sellers") entered into an asset purchase agreement (the "APA") with National Neuromonitoring Services, LLC ("Purchaser"). Upon the terms and subject to the satisfaction of the conditions described in the APA, the Company and the Sellers sold to Purchaser certain assets of the Sellers and Purchaser assumed certain liabilities and obligations of the Sellers (the "Sale Transaction").

On March 26, 2024, the Sale Transaction closed, and the Company received cash consideration of \$2.32 million minus the debt payoff amount of plus any earnout amount. The Company can earn an earnout payment up to \$2.18 million based on the following case volume numbers of Purchaser derived from the assets sold to Purchaser over the twelve-month period following the closing of the Sale Transaction.

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- (i) If the Case Volume is less than 6,000, then Sellers will not receive any Earnout Payment, and the Purchase Price shall be decreased by an amount equal to equal to One Hundred Ninety-Three Dollars (\$193) for each surgical case less than 6,000 up to a maximum aggregate amount not to exceed One Hundred Ninety-Three Thousand Dollars (\$193,000).
- (ii) If the Case Volume is at least 7,000 but less than 8,000, then Sellers will receive an Earnout Payment in an amount equal to Forty-Nine Thousand Six Hundred Thirty Dollars (\$49,630); or
- (iii) If the Case Volume is at least 8,000 but less than 9,000, then Sellers will receive an Earnout Payment in an amount equal to Three Hundred Eighty-Eight Thousand One Hundred Forty-Nine Dollars (\$338,149); or
- (iv) If the Case Volume is at least 9,000 but less than 10,000, then Sellers will receive an Earnout Payment in an amount equal to Seven Hundred Seventy-Six Thousand Two Hundred Ninety-Seven Dollars (\$776,297); or
- (v) If the Case Volume for the Earnout Period is at least 10,000 but less than 11,000, then Sellers will receive an Earnout Payment in an amount equal to One Million Four Hundred Fifty-Three Thousand Three Hundred Thirty-Four Dollars (\$1,453,334); or
- (vi) If the Case Volume is more than 11,000, then Sellers will receive an Earnout Payment in an amount equal to Two Million One Hundred Eighty Thousand Dollars (\$2,180,000).

The purchase price is subject to post-closing adjustments if the number of post-closing business employees ten days following the closing is less than 40 (reduced by \$28,000 for each employee below 40) and if the number of IONM systems 30 days following closing is less than 100 (reduced by \$12,000 for each system below 100).

Currently, the Company is pursuing the closing of its transaction with Danam.

Additional Information and Where to Find It

This section of the annual report on Form 10-K may be deemed to be solicitation material with respect to the proposed transactions between Assure and Danam. In connection with the proposed transaction, Assure intends to file relevant materials with the United States Securities and Exchange Commission, or the SEC, including a registration statement on Form S-4 that will contain a prospectus and a proxy statement. Assure will mail the proxy statement/prospectus to the Assure and Danam stockholders, and the securities may not be sold or exchanged until the registration statement becomes effective.

Investors and securityholders of Assure and Danam are urged to read these materials when they become available because they will contain important information about Assure, Danam and the proposed transactions. This report is not a substitute for the registration statement, definitive proxy statement/prospectus or any other documents that Assure may file with the SEC or send to securityholders in connection with the proposed transactions. Investors and securityholders may obtain free copies of the documents filed with the SEC, once available, on Assure's website at www.assureneuromonitoring.com, on the SEC's website at www.sec.gov or by directing a request to Assure at 7887 E. Belleview Ave., Suite 240, Denver, Colorado, USA 80111, Attention: John Farlinger, Chief Executive Officer; or by email at ir@assureiom.com.

This report shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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Participants in the Solicitation

Each of Assure and Danam and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Assure in connection with the proposed transaction. Information about the executive officers and directors of Assure are set forth in this report below under the heading "Directors, Executive Officers and Corporate Governance" and in Assure's Definitive Proxy Statement on Schedule 14A relating to the 2023 Annual Meeting of Stockholders of Assure, filed with the SEC on December 5, 2023. Other information regarding the interests of such individuals, who may be deemed to be participants in the solicitation of proxies for the stockholders of Assure will be set forth in the proxy statement/prospectus, which will be included in Assure's registration statement on Form S-4 when it is filed with the SEC. You may obtain free copies of these documents as described above.

Legacy Strategy

Our IONM strategy ~~is~~ **was** to build a telehealth tele-neurology services company with exceptional capabilities in IONM and numerous adjacent markets.

Assure ~~has a history of providing~~ **provided** leading IONM services with an emphasis on clinical excellence and patient ~~well-being, and are in the midst of a significant transformation to position for growth. With a focus on execution and providing a high level of patient care, the~~ **well-being.** ~~The Company is transforming~~ **transformed** from being a provider of the Technical Component of IONM, utilizing a one-to-one business model of INPs in the operating room, to a business that also provides the Professional Component of IONM via off-site tele-neurology services in a ~~far~~ more scalable one-to-many business ~~model. The next step in our development will relate to opportunities to expand into adjacent tele-~~ **neurology services while utilizing Assure's platform and employees. This will extend our reach and redefine Assure's position in the industry. We are thoughtfully deploying capital and focusing our investment in high potential growth initiatives including: organically expanding within existing states and into new states, growing our tele-neurology platform, signing new IONM outsourcing agreements with hospitals and medical facilities, as well as opportunistic M&A. In addition, we are investing to make our revenue cycle management function more automated, improving the velocity of our cash collections. The data and analytics-driven Company we are**

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building will play a bigger role in the success of our key stakeholder groups: surgeons, hospitals, insurance companies and patients, as we seek to deliver attractive returns to our stockholders.

model.

Assure **has** made substantial investments **to make in** its revenue cycle management function **to become** more data-driven, analytical, and automated. This modernization facilitated successful state-level arbitrations **beginning in 2022. Success in arbitration supported 2022** improving cash flow. There is **currently** a backlog of claims awaiting federal arbitration **that we anticipate will begin in earnest in 2023. Many IONM competitors, particularly smaller peers that remain reliant on third-party billing companies lack the analytics and transparency to similarly leverage opportunities presented by the arbitration process.**

As we look forward, Assure is focused on aligning our costs with updated managed case revenue expectations. The Company expects to continue adding scale in favorable markets while fixing the cost of delivering for its services. Further, Assure wants to take advantage of an opportunistic M&A environment in IONM as the industry moves toward a near-term consolidation. Another catalyst for improving financials is moving away from Assure's legacy Managed Service Agreement ("MSA") model in order to keep all collections generated from services provided by the Professional Component of IONM. In addition, supported by a data-driven revenue cycle management function, the Company anticipates leveraging state and federal arbitration programs to maximize reimbursement per case. It is our expectation that consistent success in arbitrations will ultimately lead to new in-network contractual agreements with commercial insurance payors, which in turn will speed up cash flow and improve participation rates. Lastly, Assure remains entirely committed to maintaining its clinical leadership, providing surgeon partners and hospitals with clinical excellence and our patients with enhanced safety. Delivering industry-leading quality of service has long anchored the Company's very strong surgeon retention rates and driven our referral network for winning new business.

Legacy Strategy

arbitration.

At the Company's inception, the delivery of the Technical Component and Professional Component of IONM were reimbursed at nearly identical rates. For several years Assure was primarily focused on collecting and keeping proceeds from the Technical Component while splitting a significant portion of the proceeds from the Professional Component via MSAs in a manner that benefitted **surgeons financially, surgeons.** In recent years, the IONM market has changed dramatically and now the Technical Component is perceived by commercial insurance payors to have limited reimbursement value whereas the Professional Component has considerable reimbursement value. Given the changing dynamics in market reimbursement, the Company **will no longer be pursuing has exited the majority of** MSA arrangements and **instead focus on collecting bills and keeping all proceeds from collects** both the Technical and Professional Components of IONM.

Our Priorities

As we look ahead to 2023, we are pursuing the following objectives:

Expand Scale

Increase managed cases in 2023

Adding density in favorable markets with existing operations

Pursue M&A and consolidate highly fragmented industry

Managing Costs

Aligning costs with updated managed case revenue expectations

Fixing the cost of delivery for IONM services performed

Sign new in-network contractual agree

Accelerate transition from legacy MSA

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Continuing to expand, scale and grow our managed case volume. Assure expects to expand managed case volume in 2023. One potential driver for growth in 2023 is a 3-year agreement the Company was awarded in November 2021 to become the sole contracted provider of IONM services for Premier, Inc., the second largest group purchasing organization in the U.S.

Opportunistic acquisitions. The Company expects to continue to be a consolidator in the highly fragmented IONM industry. The four acquisition transactions completed by Assure over the past three years have been highly accretive.

Expand our tele-neurology capabilities. Assure will focus on providing higher quality service at a lower cost. We believe this will support margin expansion as we scale, benefit revenue growth, and assist us in penetrating adjacent markets.

Set a greater proportion of our commercial insurance volume in contractual rates by signing in-network agreements with insurance payors. This helps Assure reduce risk, minimize complexity, accelerate the timing of payments, and protect our liquidity. Overall, across all markets, Assure has approximately 15% of our total commercial volume in contractual rates with payors, either directly or indirectly. This percentage was cut in half during 2022 as indirect contract utilization fell with the implementation of the federal No Surprises Act. By the end of 2023, our goal is to drive over 50% of our commercial insurance volume in-network. Very few of our intraoperative neuromonitoring peers have the scale in terms of managed case volume nor the organizational expertise to strike similar deals. We will also be aggressive in utilizing the dispute resolution process authorized by state and federal legislation, such as the No Surprises Act, which went into effect in 2022. For the first time, this legislation provides companies like Assure with the ability to arbitrate claims in every U.S. state where we have performed service but were not paid. While federal arbitrations have been backlogged in 2022 due to operational challenges, we expect this process to accelerate in 2023.

Accelerate digital transformation and automation to add predictability and transparency to cash flows. Cash collection has been a focus over the last three years as we invested in an internal revenue cycle management team. We have improved cash collections significantly, but there is substantial room for further automation, as well as incorporating artificial intelligence and analytics to improve collections and cash flow.

Extend clinical leadership. We have invested heavily in research and continuing education. This includes establishing our own training program to cost effectively train new INPs. Being seen as an industry leader helps Assure win new business and bring more surgeons onto our platform.

Taking into account Assure's scale and managed case volume, the increasing sophistication of our revenue cycle management team, the Company's shift to providing Professional Component IONM services and collecting all of the associated revenue, as well as maintaining a very high level of patient care in support of exceptional surgeons, the Company believes it will be able to drive higher margin and positive cash flow in 2023.

Our Historical Service Offering

INPs

Assure ~~offers~~ **offered** a turnkey full suite of IONM services including scheduling of the INP and supervising practitioner, real time monitoring and subsequent billing for services provided.

Prior to a patient's procedure, Assure ~~will~~ **would** coordinate with the surgeon's office to obtain the necessary information and documentation to provide IONM services, such as the patients' insurance information, patients' demographic information and office/clinic notes. We ~~provide~~ **provided** educational materials to the surgeon's office for inclusion in each surgical patient's pre-operative packets to educate and provide comfort to the patient about IONM services. Prior to the surgery, an Assure patient advocate ~~connects~~ **connected** with the patient to explain our role during the surgery, the benefits of IONM and billing issues that may affect the patient. Assure's INP ~~will~~ **would** arrive at the hospital with an IONM machine and disposable supplies/electrodes. The INP ~~meets~~ **met** with the patient to explain their role during the surgery, discuss the patients' pertinent past medical history, explain the risks and benefits associated with IONM and have the patient sign a consent form for IONM to be utilized on their procedure.

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All IONM procedures include both technical services (performed by INPs) and professional services (performed by supervising practitioners). During the surgery, the INP will continuously monitor monitored the functional integrity of the peripheral and/or central nervous system by recording, troubleshooting, documenting, and communicating activity arising from the

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brain, spinal cord, peripheral nerves, somatosensory or motor nerve systems using the IONM machine provided by Assure and communicating the physiologic results in real-time to the surgeon. The INP and surgeon are were supported by an off-site supervising practitioner providing who provided tele-neurology oversight services. The supervising practitioner also monitors monitored the functional integrity of the peripheral or central nervous system throughout the procedure communicating in real-time with the surgeon and INP throughout the procedure. In some cases, remote neurology is was performed directly by Assure's supervising practitioners. In other instances, these tele-neurology services are were provided by and through subsidiaries, which owns interest in entities that either directly perform the Professional Component through third-party contracted neurologists or oversight reading physicians.

Assure Interoperative Neurophysiologists

Assure currently employs historically employed specialized IONM INPs that are board certified Certification Examination in Neurophysiologic Intraoperative Monitoring ("CNIM") or board eligible CNIM by ABRET. ABRET seeks to encourage, establish, and maintain standards of clinical EEG, Evoked Potential Technology, and Neurophysiologic Intraoperative and long-term monitoring, by offering credentialing exams to evaluate the skills and knowledge of technologists, and by supporting lab accreditation.

Assure has developed an Intraoperative Neurophysiologist Training program. This training program trains trained new INPs from start to board certification, allowing for consistently high caliber well-trained professional INPs for placement into emerging and growing markets. Training and developing our own talent pool allow allowed for more flexible scalability.

Assure Supervising Practitioners

Assure utilizes utilized supervising practitioners performing remote neurology services. These physicians are highly trained and specialized in providing off-site tele neurology services. Multiple Assure supervising practitioners have already received the training necessary to provide remote neurology services in targeted expansion markets including EEG.

IONM Market in the United States

Overview

A key factor driving growth in the market is the increasing number of surgeries for which IONM is required. Advances in technology, the growth of the geriatric population in the US, and a rising incidence of chronic diseases are other factors increasing the number of spinal, musculoskeletal, and cardiovascular surgeries which in turn is expected to drive market growth in IONM, requiring IONM oversight. Renowned medical institutions such as the Mayo Clinic are advocating have advocated greater adoption of IONM including requiring medical professionals to complete comprehensive neurophysiology training courses and hosting international IONM conferences.

Market Landscape

The IONM market is bifurcated into in-house and outsourced providers. The end user segment is categorized into hospital and ambulatory surgical centers. IONM finds its application in spinal, neurosurgery, cardiovascular, ENT, orthopedic and other surgeries related to the central or peripheral nervous system. IONM modalities include motor evoked potential, somatosensory evoked potential, electroencephalography, electromyography, brainstem auditory evoked potential, and visual evoked potential.

There has been a substantial increase in the use of IONM services by hospitals and ambulatory surgical centers during complex surgeries. Moreover, the market is moving toward outsourced monitoring to provide advanced treatment options for patients suffering from chronic diseases.

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With no dominant players in the industry, the intraoperative neuromonitoring market in the U.S. is highly fragmented. Providers can generally be categorized into three groups: 1) IONM-specific companies, including a limited number of relatively larger players such as Assure and a much larger group of small local and regional providers, 2) In-house providers such as hospitals, and 3) Bundled product companies offering neuromonitoring as part of a broader suite of services including SpecialtyCare, Inc. and NuVasive, Inc. services. These bundled product companies are believed to be the largest IONM providers in the US, although each is estimated to individually comprise approximately 10% US.

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[Table of the overall U.S. IONM market. Contents](#)

Market Segmentation by Application

Current market breakdown as relating to the current IONM utilization by procedure classification is approximately:

- 70% Spinal Surgery
- 12% Neurosurgery
- 10% Vascular Surgery
- 8% ENT, Orthopedic and Other

Surgical neurophysiology continues to progress, with the improvement of new applications such as brainstem mapping, spinal cord mapping, and proving the utilization of IONM in surgeries where the nervous system is not at primary risk but a secondary risk of the surgery (such as reducing post-operative deficits caused by malposition).

IONM utilization is also highly regional, with the eastern portions of the United States having higher utilization of IONM as compared to the central and western portions of the country, especially for orthopedic and vascular surgery verticals. This regional nature is partly associated with the regional medico-legal issues, but also the training of the surgeons. If surgeons train with effective IONM they are more likely to continue to use it in their practice in comparison to surgeons who either were not exposed to IONM or exposed to ineffective IONM.

There are large opportunities that Assure is working to capitalize on with respect to growing the use of IONM monitoring in the underutilized verticals. Assure aims to expand in this market by investing in research, correlating improved outcomes in procedures that are not traditionally monitored or where IONM is underutilized. There are also many surgical disciplines that have not been explored with respect to whether IONM could support improved patient outcomes.

Drivers of the IONM Market

The US IONM market is expected to expand, driven by growth in procedures related to an aging population, increase in prevalence of chronic disorders, adoption of IONM in new surgeries, and increased interest in risk mitigation.

High volume of surgeries

Physicians use IONM during many surgeries. IONM is vital in obtaining real-time status of the nervous system. An increase in the volume of neurosurgeries, spinal surgeries, and orthopedic surgeries has fueled the demand for IONM services.

Advances in technology

With the improvement in health care facilities and advances in technology, vendors are developing innovative and efficient IONM devices. Companies such as Cadwell Industries and Natus Medical invest extensively in R&D to develop advanced IONM devices.

Certain service providers offer advanced IONM services for various surgeries including neurosurgeries and ENT, cardiovascular, orthopedic and spinal surgeries. These companies provide IONM devices such as EEG systems for real time monitoring of the nervous system. Advanced IONM devices help physicians to monitor and record complex patterns of neural activities.

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Focus on patient safety

Surgeons use IONM as an additional line of safety during surgeries. IONM systems are used to monitor the nervous system and alert the surgeons prior to the threshold for injury. The IONM systems play a vital role during critical surgeries such as spinal surgeries that involve the insertion of instruments near the nerves or the spinal area and may cause damage to the nervous system. IONM also helps surgeons avoid or minimize common complications such as paraparesis, quadriplegia, and paraplegia that occur during surgeries.

Selected reasons for the rising deployment of IONM include:

- Patient Safety: IONM helps decrease the risk of surgeries IONM systems are also widely accepted, as they are devices approved by the U.S. Food and Drug Administration ("FDA").
- Medico-legal Obligations: End-users and hospitals use IONM systems to reduce medico-legal lawsuits from people that have undergone surgeries.
- Growth in Surgeries: The rising volume of technically demanding surgeries increases the need for advanced IONM tools.
- Cost Savings: Accurate IONM alerts help save operating room time, facilitating high margin surgeries for the hospital, while reducing length of stay and readmission rates for patients.

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IONM Market Challenges

Cost of surgery with IONM

The cost of surgeries with IONM is more than those without IONM. Surgeries with IONM involve the expenses of IONM devices, intraoperative neurophysiologists, supervising practitioners, and disposable materials. The cost of surgeries restricts the adoption of IONM. Though IONM systems play a crucial role in invasive surgeries such as spinal, neurological, orthopedic, and cardiovascular surgeries, it has not been proven to be a cost-effective therapy in all procedures.

Payor payments

Beginning in 2020 and through 2022, 2023, Assure faced an increase in third-party insurance claim payment denials for our technologist services that we believe will continue in the industry for the foreseeable future. The increase in technical claim denials is primarily attributable to a shift in third-party insurance company policies to bundle the technologist service payment into the surgical procedure payment made to the facility in which our services are rendered. In response to this change Assure has been renegotiating its facility contracts to obtain reimbursement directly from the facility for technologist services paid through this type of bundling technique.

Limited interoperative neurophysiologists

Though the number of surgeries that need IONM continues to increase in the US, only a limited number of INPs with expertise in IONM are available. INPs with high levels of expertise are required to effectively use IONM devices to record data and diagnose patient alerts. There is also the risk of false recordings due to physiological artifacts arising from other sites. Only highly skilled INPs can perform IONM in hospitals, surgical centers, and neurophysiological laboratories and provide the greatest levels of service to the surgeons they support.

Complications of IONM

Though the popularity of IONM is growing rapidly, risks and complications associated with IONM remains, as there is for any medical procedure.

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- Types of injuries induced by electrical current: Burns may occur at the contact of stimulating electrodes with tissue when the current density is high. The leakage of high-frequency current through alternate pathways can also cause burns. In addition, high current flow can cause macro shock.
- Use of needle electrodes: Risk of infection at the electrode site.
- Electrical cortical stimulation: Transcranial electrical cortical stimulation during Motor Evoked Potential monitoring can cause tongue lacerations, oral injuries, and even mandibular fractures. These adverse effects occur due to forceful contraction of the biting muscles as a result of the stimulation. This risk is largely mitigated by appropriate use of bite blocks.

Competition

The IONM industry is highly competitive. We face significant competition from other IONM and tele-neurology providers for patients, physicians, INPs and supervising practitioners. Some of our competitors are larger and have longstanding and well-established relationships with physicians and third-party payors. We also compete with other health care providers in our efforts to hire and retain experienced professionals. As a result, we may have historically had difficulty attracting or retaining key personnel or securing clinical resources.

Some of our competitors are hospitals that provide IONM services for surgeries occurring within their hospital facilities. Assure also has significantly larger competitors, some of which have access to greater marketing, financial and other resources and may be better known in the general community. As a result of these factors, the Company may not be able to compete effectively against current and future competitors. See "Item 1A. Risk Factors" of this Annual Report.

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Corporate Structure

Assure Holdings Corp.

Assure Holdings Corp., formerly Montreux Capital Corp, a Canadian Capital Pool Company ("Montreux"), was formed under the British Columbia Business Corporations Act in British Columbia, Canada on September 24, 2007, is a Nevada corporation, existing under the laws of the State of Nevada pursuant to its Articles of Domestication filed with the Nevada Secretary of State on May 15, 2017. A Canadian Capital Pool Company is a special purpose acquisition company organized for the purposes of completing acquisition transactions, known as "qualifying transactions," with operating companies for the purposes of taking the operating companies public in Canada. Qualifying transactions are subject to Canadian securities laws and exchange listing requirements.

Assure Holdings, Inc.

Our direct subsidiary is Assure Holdings, Inc., a Colorado corporation, formed under the laws of the State of Colorado on November 7, 2016. Assure Holdings, Inc. became a wholly owned subsidiary of Assure Holdings Corp. on May 15, 2017 when Assure Holdings Inc. and its stockholders and Montreux and its stockholders entered into a Share Exchange Agreement pursuant to which the stockholders of Assure Holdings, Inc. received shares of Montreux as consideration for their assignment of their shares in Assure Holdings, Inc. to Montreux in the "Qualifying Transaction" under the rules of the TSX Venture Exchange ("TSX-V"). One of the primary objectives of the Qualifying Transactions was to facilitate our going public and listing on the TSX-V.

Assure Holdings, Inc. is the sole member of Assure Neuromonitoring, LLC ("Assure Neuromonitoring"), a Colorado limited liability company formed under the laws of the state of Colorado on August 25, 2015. Assure Neuromonitoring became a wholly owned subsidiary of Assure Holdings, Inc. on November 7, 2016, when its members assigned their interest in Assure Neuromonitoring to Assure Holdings, Inc. for shares of Assure Holdings, Inc.

Assure Holdings, Inc. is the sole member of Assure Networks, LLC ("Assure Networks"), a Colorado limited liability company formed under the laws of the state of Colorado on November 2, 2016. Prior to the Reorganization and Qualifying Transaction, Preston Parsons owned a controlling ownership interest in Assure Networks. Assure Networks became a wholly owned subsidiary of Assure Holdings, Inc. on November 7, 2016, when its members assigned their interest in Assure Networks to Assure Holdings, Inc. for shares of Assure Holdings, Inc.

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Assure Holdings, Inc. is the sole member of Assure Equipment Leasing, LLC ("Assure Equipment Leasing"), a Colorado limited liability company formed under the laws of the state of Colorado on April 20, 2020.

Assure Neuromonitoring

Assure Neuromonitoring exists for the purpose of facilitating leading IONM support to surgeons and patients. This includes a Technical Component via our INP staff who utilize technical equipment and technical training to monitor EEG, EMG and a number of complex modalities during surgical procedures to pre-emptively notify the underlying surgeon of any nerve related issues that are identified. The INP's perform their services in the operating room during the surgeries. The INP's are certified by a third-party accreditation agency.

Assure Networks

Assure Networks exist for the purpose of facilitating the performance of the Professional Component of IONM. Assure Networks provides off-site tele-neurology services for IONM. In some cases, the remote neurology is done directly via the Company's own supervising practitioners. In other instances, these services are provided by and through the Assure Networks subsidiaries, which owns interest in entities that either (i) directly perform the Professional Component through third-party contracted neurologists or oversight reading physicians, or (ii) provide

management services for entities owned by licensed physicians. These oversight services support the INP and strengthen our capacity to pre-emptively notify the underlying surgeon of any nerve related issues that are identified during a surgical procedure.

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Assure Networks Texas Holdings, LLC

Assure Networks Texas Holdings, LLC ("Assure Networks Texas Holdings") is a Texas limited liability company, formed under the laws of the State of Texas on November 12, 2019. On October 31, 2019, Assure Networks Texas Holdings, a wholly owned subsidiary of Assure Networks, acquired all of the assets of Neuro- Pro Series, LLC, Neuro-Pro Mgmt., LLC, Neuro-Pro Monitoring, LLC, MONRV, PLLC, NPJC, LLC, MONRVortho, PLLC, NPJCorto LLC and PRONRV, LLC (collectively, the "Neuro-Pro Asset Purchase"). The Neuro-Pro Asset Purchase increased the number of cases for both the Technical Component and the Professional Component and expanded the presence for Assure Neuromonitoring, the Assure Neuromonitoring subsidiaries, Assure Networks and the Assure Networks subsidiaries in the State of Texas.

Corporate Model

Ownership ~~Model~~: Model

In the instances where Assure Networks, or the applicable Assure Networks subsidiary, owns an interest in the entity performing the Professional Component, our corporate structure is based on a legal analysis that is completed by a third-party law firm to determine the specific state law requirements with respect to the corporate practice of medicine. Once Assure Networks or the applicable Assure Networks subsidiary obtains a legal determination regarding the recommended corporate structure, the applicable entity is established.

Management Services ~~Model~~: Model

In the instances where Assure Networks or the applicable Assure Networks subsidiary is unable to own an interest in the entity performing the professional component due to state laws or regulations, Assure Networks or the applicable Assure Networks subsidiary enters into a management services agreement whereby Assure Networks or the applicable Assure Networks subsidiary agrees to perform management services on behalf of a third party unrelated entity performing the Professional Component and is paid fair market value compensation for such services. The fair market value compensation is based on a third-party fair market value valuation prepared by a professional valuation firm engaged by Assure Networks or the applicable Assure Networks subsidiary. **Assure's goal is Assure exited the majority of these arrangements in 2023 and expects the few remaining MSA relationships to terminate its MSA relationships be terminated by the end of the first half third quarter of 2023. 2024.**

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Privacy

Assure is committed to protecting the privacy of its patients by safeguarding all medical information in compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Health Information Technology for Economics and Clinical Health Act ("HITECH").

Assure relies on third-party companies and their cloud-based services to ensure all confidential information is safeguarded. These third-party companies include ShareFile, Microsoft 365, Microsoft Azure, NetSuite, and USMON. Microsoft, NetSuite, ShareFile, and USMON have Business Associate Agreements in place per HIPAA regulations. Microsoft, NetSuite, which is owned and operated by Oracle Corporation, and ShareFile, which is owned and operated by Citrix Systems, Inc., have, among other security measures, a third-party validated application and datacenter control from SOC 2 and SSAE 18 audits, bank-level encryption technology, multiple data storage locations around the globe, and disaster recovery centers in the United States and Europe. You can find Assure's privacy policy on its website at www.assureneuromonitoring.com. Please note that the information on our website is not incorporated by reference into this Annual Report.

Government Regulation

We are Assure is subject to numerous federal, state and local laws, rules and regulations. Government regulation affects our business by controlling our growth, requiring licensure and certification for our facilities and the physicians and other health care personnel who provide services in our facilities and regulating the use of our properties.

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Licensure and Accreditation

The health care facilities and our partner professionals are subject to professional and private licensing, certification and accreditation requirements. These include, but are not limited to, requirements imposed by Medicare, Medicaid, state licensing authorities, voluntary accrediting organizations and third-party private payors. Receipt and renewal of such licenses, certifications and accreditations are often based on inspections, surveys, audits, investigations, or other reviews, some of which may require affirmative compliance actions by us that could be burdensome and expensive. The applicable standards may change in the future. There can be no assurance that we will be able to maintain all necessary licenses or certifications in good standing or that they will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations in good standing, or the expenditure of substantial funds to maintain them, could have an adverse effect on our business.

Anti-Kickback Statutes

The federal Anti-Kickback Statute prohibits the knowing and willful offer, payment, solicitation, or receipt of any form of remuneration to induce the referral of a patient or the purchase, lease or order (or the arranging for or recommending of the purchase, lease or order) of health care items or services paid for by federal health care programs, including Medicare or Medicaid. A violation does not require proof that a person had actual knowledge of the statute or specific intent to violate the statute, and court decisions under the Anti-Kickback Statute have consistently held that the law is violated where one purpose of a payment is to induce or reward referrals. Violation of the federal Anti-Kickback Statute could result in felony conviction, administrative penalties, liability (including penalties) under the False Claims Act and/or exclusion from federal health care programs.

Several states have enacted anti-kickback laws (including so-called "fee splitting" laws) that sometimes apply not only to state-sponsored health care programs, but also to items or services that are paid for by private insurance and self-pay patients. State anti-kickback laws can vary considerably in their applicability and scope and sometimes have fewer statutory and regulatory exceptions than does the federal law.

Our management carefully considers the importance of anti-kickback laws when structuring company operations and relationships. That said, we cannot ensure that the applicable regulatory authorities will not determine that some of our arrangements with hospitals, surgical facilities, physicians, or other referral sources violate the Anti-Kickback Statute or other applicable laws. An adverse determination could subject us to different liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

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Physician Self-Referral ("Stark") Laws

The federal Stark Law, 42 U.S.C. §1395nn, also known as the physician self-referral law, generally prohibits a physician from referring Medicare and Medicaid patients to an entity (including hospitals) providing "designated health services," if the physician has a "financial relationship" with the entity, unless an exception applies. Designated health services include, among other services, inpatient hospital services, outpatient prescription drug services, clinical laboratory services, certain diagnostic imaging services, and other services that our affiliated physicians may order for their patients. The prohibition applies regardless of the reasons for the financial relationship, unless an exception applies. The exceptions to the federal Stark Law are numerous and often complex. The penalties for violating the Stark Law include civil penalties of up to \$15,000 for each violation and potential liability (including penalties) under the False Claims Act.

Some states have enacted statutes and regulations concerning physician self-referrals (*i.e.*, referrals by physicians to health care entities with whom the physician has a financial relationship). Such physician self-referrals laws may apply to the referral of patients regardless of payor source and/or type of health care service. These state laws may contain statutory and regulatory exceptions that are different from those of the federal law and that may vary from state to state.

Our management carefully considers the importance of physician self-referral laws when structuring company operations and relationships and seeks legal guidance on the parameters of the law. That said, we cannot ensure that the applicable regulatory authorities will not determine that some of our arrangements with physicians violate the Federal Stark Law or

other applicable laws. An adverse determination could subject us to different liabilities, including civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

False Claims Act

The federal False Claims Act, 31 U.S.C. § 3729, imposes civil penalties for knowingly submitting or causing the submission of a false or fraudulent claim for payment from a government-sponsored program, such as Medicare and Medicaid. Under the 2023 annual adjustment, the minimum False Claims Act penalty assessed per violation after January 30, 2023, will be not less than \$13,508 and not more than \$27,018. This per violation statutory penalty is in addition to the statutory penalty of three times the amount of damages which the government sustains because of the violation. 31 U.S.C. §3729(a)(1). The False Claims Act has "whistleblower" or "qui tam" provisions that allow individuals to commence a civil action in the name of the government, and the whistleblower is entitled to share in any subsequent recovery (plus attorney's fees). Many states also have enacted civil statutes that largely mirror the federal False Claims Act, but allow states to impose penalties in a state court.

The False Claims Act has been used by the federal government and private whistleblowers to bring enforcement actions under so-called "fraud and abuse" laws like the federal Anti-Kickback Statute and the Stark Law. Such actions are not based on a contention that claims for payment were factually false or inaccurate. Instead, such actions are based on the theory that accurate claims are deemed to be false/fraudulent if there has been noncompliance with some other material law or regulation. The existence of the False Claims Act, under which so-called *qui tam* plaintiffs can allege liability for a wide range of regulatory noncompliance, increases the potential for such actions to be brought and has increased the potential financial exposure for such actions. These actions are costly and time-consuming to defend.

Our management carefully considers the importance of compliance with all applicable laws and when structuring company operations and relationships. Our management is aware of and actively works to minimize risk related to potential *qui tam* plaintiffs. That said, we cannot assure that the applicable enforcement authorities or *qui tam* plaintiffs will not allege violations of the False Claims Act or analogous state false

claims laws. A finding of liability under the False Claims Act could have a material adverse effect on our business, financial condition or results of operations.

Health Information Privacy and Data Security

The privacy and data security regulations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, contain detailed requirements concerning (1) the use and disclosure of individually identifiable patient health information ("PHI"); (2) computer and data security standards regarding the protection of electronic

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PHI including storage, utilization, access to and transmission; and (3) notification to individuals and the federal government in the event of a breach of unsecured PHI. HIPAA covered entities and business associates must implement certain administrative, physical, and technical security standards to protect the integrity, confidentiality and availability of certain electronic health information received, maintained, or transmitted. Violations of the HIPAA privacy and security rules may result in civil and criminal penalties, including a tiered system of civil money penalties. HIPAA has four tiers of violations that reflect increasing levels of culpability, with minimum and maximum penalty amounts within each tier and an annual cap on penalties for multiple violations of an identical provision. The indexed penalty amounts for each violation of a HIPAA administrative simplification provision are as follows:

- *Tier 1—lack of knowledge: The minimum penalty is \$127;*
- *Tier 2—reasonable cause and not willful neglect: The minimum penalty is \$1,280;*
- *Tier 3—willful neglect, corrected within 30 days: The minimum penalty is \$12,794; and*
- *Tier 4—willful neglect, not corrected within 30 days: The minimum penalty is \$63,973.*
- For all tiers, the maximum penalty is \$63,973 and the calendar-year cap is \$1,919,173.

In the event of a breach, a HIPAA covered entity must promptly notify affected individuals of a breach. All breaches must also be reported to the federal government. Where a breach affects more than 500 individuals, additional reporting obligations apply. In addition to federal enforcement, State attorneys general may bring civil actions on behalf of state residents for violations of the HIPAA privacy and security rules, obtain damages on behalf of state residents, and enjoin

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further violations. Many states also have laws that protect the privacy and security of confidential, personal information, which may be similar to or even more stringent than HIPAA. Some of these state laws may impose fines and penalties on violators and may afford private rights of action to individuals who believe their personal information has been misused. We expect increased federal and state privacy and security enforcement efforts.²

Our management carefully considers the importance of compliance with patient privacy and data security regulations when structuring company operations. Our management is aware of and actively works to minimize risk related to patient privacy and data security. That said, we cannot assure that a breach will not occur or that the applicable enforcement authorities will not allege violations of HIPAA's patient privacy and data security regulations. A breach or an allegation of noncompliance with HIPAA's patient privacy and data security regulations could have a material adverse effect on our business, financial condition or results of operations.

Environmental and Occupational Safety and Health Administration Regulations

We are subject to federal, state and local regulations governing the storage, use and disposal of waste materials and products. We are compliant with all state and federal licensure and permit requirements. Although we believe that our safety procedures for storing, handling and disposing of these materials and products comply with the standards prescribed by law and regulation, we cannot eliminate the risk of accidental contamination or injury from those hazardous materials. In the event of an accident, we could be held liable for any damages that result and any liability could exceed the limits or fall outside the coverage of our insurance coverage, which we may not be able to maintain on acceptable terms, or at all. We could incur significant costs and attention of our management could be diverted to comply with current or future environmental laws and regulations. Federal regulations promulgated by the Occupational Safety and Health Administration impose additional requirements on us, including those protecting employees from exposure to elements such as blood-borne pathogens. We cannot predict the frequency of compliance, monitoring, or enforcement actions to which we may be subject as those regulations are being implemented, which could adversely affect our operations.

Other Federal and State Health Care Laws

We are also subject to other federal and state health care laws that could have a material adverse effect on our business, financial condition or results of operations. The Health Care Fraud Statute, 18 U.S.C. § 1347, prohibits any person from knowingly and willfully executing, or attempting to execute, a scheme to defraud any health care benefit program, which can be either a government or private payor plan. Violation of this statute, even in the absence of actual knowledge of or specific intent to violate the statute, may be charged as a felony offense and may result in fines, imprisonment, or both. The Health Care False Statement Statute, 18 U.S.C. § 1035, prohibits, in any matter involving a federal health care

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program, anyone from knowingly and willfully falsifying, concealing or covering up, by any trick, scheme or device, a material fact, or making any materially false, fictitious or fraudulent statement or representation, or making or using any materially false writing or document knowing that it contains a materially false or fraudulent statement. A violation of this statute may be charged as a felony offense and may result in fines, imprisonment or both.

Under the Civil Monetary Penalties Law, a person (including an organization) is prohibited from knowingly presenting or causing to be presented to any United States officer, employee, agent, or department, or any state agency, a claim for payment for medical or other items or services where the person knows or should know (a) the items or services were not provided as described in the coding of the claim, (b) the claim is a false or fraudulent claim, (c) the claim is for a service furnished by an unlicensed physician, (d) the claim is for medical or other items or service furnished by a person or an entity that is in a period of exclusion from the program, or (e) the items or services are medically unnecessary items or services. Penalties range from \$10,000 to \$50,000 per violation, treble damages, and exclusion from federal health care programs. The Civil Monetary Penalties Law also prohibits a person from transferring any remuneration to a Medicare or Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary's selection of a particular provider of Medicare or Medicaid payable items or services.

States have a wide variety of health care laws and regulations that potentially affect our operations and the operations of our partners. Many states have implemented laws and regulations related to so-called "tele-health," which govern the use of technology to provide health care services, including allowing patients and providers to be in different geographic locations. Tele-health laws may apply to our operations, and the obligations they impose, vary widely and are in a state of

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flux. Some states have so-called corporate practice of medicine prohibitions, which govern how physicians are organized to practice medicine (including corporate structure, employment and management). Such prohibitions are used to indirectly regulate ownership of health care companies and/or management companies and the obligations they impose vary. Some states have "surprise billing" or out-of-network billing laws that impose a variety of obligations on health care providers and health plans. The failure to comply with all state regulatory obligations could be used by health plans to deny payment or to recoup funds, and any noncompliance could subject us to penalties or limitations that could have an adverse effect on our business. The limitations and obligations under "surprise billing" laws vary by state, and many states are actively considering additional legislation and/or regulation in this area creating a state of flux in the law.

Many states have adopted a form of anti-kickback law, self-referral prohibition, and false claims and insurance fraud prohibition. The scope of these laws and the interpretations of them vary from state to state and are enforced by state courts and regulatory authorities, each with broad discretion. Some of these state laws apply to all health care services and not just those covered under a governmental health care program. From time to time, private health plans attempt to use such laws as a basis to deny claims or recoup payments previously made to health care providers.

A determination of liability under any of the laws above could result in fines and penalties and restrictions on our ability to operate in these states. We cannot assure that our arrangements or business practices will not be subject to government scrutiny or be found to violate applicable laws.

Other Regulations

In addition to the regulatory initiatives described above, health care facilities, including our partner facilities, are subject to a wide variety of federal, state, and local environmental and occupational health and safety laws and regulations that may affect their operations, facilities, and properties. Violations of these laws could subject us to civil penalties and fines for not investigating and remedying any contamination by hazardous substances, as well as other liability from third parties.

Human Capital - Employees

Our human capital resources consist of employees and relationships that we maintain with third party service providers, including surgeons and hospitals. As of **December 31, 2022**, **December 31, 2023** and **April 17, 2024**, we had **127**, **95** and **27** full-time **employees**.

employees, respectively. The decrease in the number of employees is directly related to our strategic business shift.

While we do not use any formal human capital measures or objectives, we focus our hiring efforts on offering competitive opportunities, which means recruitment, training and retaining personnel that demonstrate a high level of technical

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expertise and experience in the medical profession. We value diversity, professionalism, safety and collaboration within our organization.

None of our employees are represented by a labor union covered by a collective bargaining agreement. As of the date of this **Annual Report on Form 10-K**, **annual report**, we have not experienced any work stoppages.

Diversity

We value the benefits that diversity brings and seek to maintain a workforce comprised of talented and dedicated employees with a diverse mix of experience, skills and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which we operate. In identifying qualified hires, we will consider prospective candidates based on merit, having regard to those competencies, expertise, skills, background and other qualities identified from time to time by management as being important in fostering a culture which solicits multiple perspectives and views.

Implications of Being an Emerging Growth Company

As a company with less than **\$1.07 billion** **\$1.235 billion** in revenue during our most recently completed fiscal year, we qualify as an “*emerging growth company*” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other exemptions from requirements that are

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otherwise applicable to public companies that are not emerging growth companies. These **provisions** **requirements** or **exemptions** include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure;
- not being required to comply with the requirement of auditor attestation of our internal controls over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- reduced disclosure **about our** obligations regarding executive **compensation arrangements**;
- exemptions from non-binding stockholders advisory votes on executive compensation or golden parachute arrangements; compensation; and
- exemption from the auditor attestation requirement in the assessment not being required to hold a nonbinding advisory vote on executive compensation and stockholder approval of **our internal control over financial reporting**, any golden parachute payments not previously approved.

We may, and intend to, take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than **\$1.07 billion** **\$1.235 billion** in annual revenues as of the end of a fiscal year, if we are deemed to be a large-accelerated filer under the rules of the SEC or if we issue more than \$1.0 billion of non-convertible debt over a three-year period.

Available Information

Our executive office address is 7887 E. Belleview Ave., Suite **500, 240**, Denver, Colorado 80111. The telephone number for our executive office is (720) 287-3093.

We make available, free of charge, on or through our Internet website, at www.assureneuromonitoring.com, our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. Our Internet website and the information contained therein or connected thereto are not intended to be, and are not, incorporated into this Annual Report.

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ITEM 1A. RISK FACTORS

Summary of Risk Factors

Risks Related to the Proposed Merger with Danam

- We cannot be sure if or when the Merger will be completed.
- The percentage ownership of the combined company as determined in the Merger Agreement is adjustable based on the value of the Company and Danam at the closing, based on adjustments set forth in the Merger Agreement, so the Merger consideration at the closing of the Merger may have a greater or lesser value than at the time the Merger Agreement was signed.
- Failure to complete the Merger may result in our paying a termination fee to Danam and could significantly harm the market price of our common stock and negatively affect our future business and operations.
- The closing of the Merger is subject to approval by our stockholders and the Danam stockholders. Failure to obtain these approvals would prevent the closing of the Merger.
- The Merger may be completed even though certain events occur prior to the closing that materially and adversely affect us or Danam.
- Some of our and Danam's officers and directors have interests in the Merger that are different from our and Danam's respective stockholders and that may influence them to support or approve the Merger without regard to the interests of our and Danam's respective stockholders.
- The market price of our Common Stock following the Merger may decline as a result of the Merger.
- Our stockholders may not realize a benefit from the Merger commensurate with the ownership dilution they will experience in connection with or following the Merger.
- During the pendency of the Merger, we may not be able to enter into a business combination with another party at a favorable price because of restrictions in the Merger Agreement, which could adversely affect our business.
- Certain provisions of the Merger Agreement may discourage third parties from submitting alternative takeover proposals, including proposals that may be superior to the arrangements contemplated by the Merger Agreement.
- Because the lack of a public market for Danam's capital stock makes it difficult to evaluate the value of Danam's capital stock, the stockholders of Danam may receive shares of our Common Stock in the Merger that have a value that is less than, or greater than, the fair market value of Danam's capital stock.
- If the conditions to the Merger are not met, the Merger will not occur.
- Litigation relating to the Merger could require us to incur significant costs and suffer management distraction, and could delay or enjoin the Merger.
- If the Merger is not completed, we may decide to pursue a dissolution and liquidation of the company. In such an event, the amount of cash available for distribution to its stockholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.
- Our ability to use NOL carryforwards and certain tax credit carryforwards may be subject to limitation in connection with the Merger and other ownership changes.

Risks Related to Our Business

- We've had historical negative operating results, and substantial doubt exists as to our ability to continue as a going concern.
- There is meaningful decrease in underlying commercial insurance reimbursement for IONM services provided.
- We have incurred operating losses in some of our historical periods and anticipate we could incur additional losses until we successfully integrate acquired practices, improve collections for managed cases and reduce operating expenses.
- We may need will be required to raise additional funds/capital to finance our operations and our expansion and growth plans; operations; however, we may not be able to do so when necessary and/or the on terms of any financings may not be advantageous or acceptable to us.
- We face significant competition from other health care providers.
- We rely on key personnel, industry partners and our ability to hire experienced employees and professionals.
- The intraoperative neuromonitoring industry is relatively new and is subject to risk associated with public scrutiny and gaps in technician oversight and formal board reviews.
- We are subject to fluctuations in revenues and payor mix.

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- Our business is not highly diversified and approximately 75% of our case volume is currently concentrated in Colorado and Texas where we are susceptible to local and regional fluctuations in demand for our service, downturns in the economy, adverse weather conditions, changes in local or state regulations, and other localized market changes.

- Assure is expanding its offering beyond our legacy provision of the Technical Component of IONM to provide the Professional Component by delivering tele- neurology services provided as part of IONM. We face significant competition from other health care providers for patients, physicians, nurses and technical staff. Some of our competitors are larger and have longstanding and well-established relationships with physicians and third-party payors in the community.
- Assure founder Preston Parsons remains our single largest stockholders and beneficially owns approximately 183 thousand shares or 17% of our issued and outstanding shares of common stock. Mr. Parsons has the ability to influence the outcome of matters submitted to our stockholders for approval.
- Our development will depend on the efforts of key management, key personnel and our relationships with medical partners in the surgical industry, and the loss of any of these people and partnerships, particularly to competitors, could have a material adverse effect on our business.
- We depend on payments reimbursement from a small group of third-party payors including private insurers, managed care organizations and hospitals, which may cause fluctuations in our revenue and could lead to delays and uncertainties in the reimbursement rate and the timing of reimbursement process.
- Our performance is greatly dependent on decisions that Third-Party Payors make regarding their out-of-network benefits and alternatively, our ability to collect from these Third-Party Payors.
- State and Federal surprise billing legislation could lead to lower reimbursement rates.
- Value-based purchasing initiatives Our revenues will depend on our customers' continued receipt of both governmental adequate reimbursement from private insurers and private payors tying financial incentives to quality and efficiency of care will increasingly affect the results of operations of hospitals and other government sponsored health care facilities where we operate and may negatively impact our revenues programs.
- Public scrutiny of the intraoperative neuromonitoring industry Changes in general could have a material adverse effect on our business and results of operations.
- Accounting adjustments accounting estimates due to changes in circumstances or estimates may require us to write-off write off accounts receivables or write-down write down intangible assets, such as goodwill, may have a material impact on our financial reporting and results of operations.
- Our business strategy has been to grow through expansion. Our efforts to execute our acquisition strategy may be affected by our ability to identify suitable candidates and negotiate and close acquisition transactions on acceptable terms.
- Our success, in large part, is dependent upon referrals to our physicians from other physicians, systems, health plans and others in the communities in which we operate, and upon our medical staff's ability to maintain good relations with these referral sources.
- We may be involved in lawsuits, claims, audits and investigations, including those arising out of services provided, personal injury claims, subject to professional liability claims, billing and marketing practices, employment disputes and contractual claims.
- We may be subject to liability claims for damages and other expenses not covered by insurance that could reduce our earnings and cash flows.
- We are subject to rising costs, including malpractice insurance premiums or claims may adversely affect our business.
- We are reliant may incur unexpected, material liabilities as a result of acquisitions.
- Our reliance on Software-as-a-Service (SaaS) software-as-a-service ("SaaS") technologies from third parties which could may adversely affect our business business and results of operations.
- Our reliance on third party providers of neurology oversight services may adversely affect our business and results of operations.
- Our business depends on network and mobile infrastructure developed and maintained by third-party providers. Any significant interruptions in service could result in limited capacity, processing delays and loss of customers.
- Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.
- We rely on 3rd party software-as-a-service vendors for certain operational have identified and administrative functions. disclosed in this Form 10-K material weaknesses in our internal control over financial reporting. If we are not able to remediate these material weaknesses and maintain an effective system of internal controls, we may not be able to accurately or timely report our financial results, which could cause our stock price to fall or result in our stock being delisted.
- There is currently a shortage of certified, interoperable neurophysiologists Proposed legislation in the United States. Any significant loss U.S. Congress, including changes in U.S. tax law and the Inflation Reduction Act of interoperable neurophysiologists could disrupt business operations and 2022, may adversely impact us and the value of our reputation common stock and results of operations pre-funded warrants.

Risks Related to the Regulation of Health Care the Healthcare Industry

- The health care industry Our business is heavily regulated, and we are required subject to comply with extensive and complex laws and regulations at the federal, state and local substantial government levels. These regulations include:

- o Anti-Kickback Statute, a provision of the Social Security Act of 1972 regulation.
- o Stark Law, 42 U.S.C. 1395nn, also known Our operations are subject to the nation's health care laws, as the physician self-referral law amended, repealed, or replaced from time to time.
- o Health Insurance Portability A cyber security incident could cause a violation of HIPAA, breach of customer and Accountability Act of 1996 patient privacy, or other negative impacts.
- o Affordable Care Act
 - o Health Care and Education Reconciliation Act of 2010
 - o Health Insurance Portability and Accountability Act of 1996 ("HIPAA")
- If we fail to comply with applicable laws and regulations, we could suffer penalties or be required to make significant changes to our operations.
- As a health care provider, we are subject to professional liability claims both directly via our neurophysiologic INP staff and indirectly through the malpractice of our supervising practitioners and surgical partners.
- Political and regulatory changes, including insurance options, billing restrictions, patient rights and reimbursement regulation, may have a negative impact on the health care industry and our business.

Risks Related to our Debenture

- Restrictive covenants in our loan agreements with Centurion Financial Trust may restrict our ability to pursue our business strategies. We anticipate the Company will not meet these covenants and will need to negotiate the impact of noncompliance with Centurion Financial Trust.
- Our obligations to Centurion Financial Trust are secured by a security interest in substantially all of our assets, if we default on those obligations, the lender could foreclose on our assets.
- We are dependent on Centurion Financial Trust granting us certain add-backs and other one-time adjustments in the calculation of our financial covenants related to EBITDA and if we are not granted such allowances we may not meet our financial covenants which could result in a default on our obligations and the lender could foreclose on our assets.

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Risks Related to our Stock

- We have not been in compliance with the requirements of the NASDAQ for continued listing and if NASDAQ does not concur that we have adequately remedied our non-compliance, our common stock may be delisted from trading on NASDAQ, which could have a material adverse effect on us and our stockholders.
- The price of our common stock is subject to volatility.
- Our bylaws designate the state and federal courts located in Denver, Colorado as the exclusive forum for certain types of actions and proceedings, which could limit a stockholder's ability to choose the judicial forum for disputes arising with Assure Holdings Corp.
- There is a limited trading market for our common stock.
- Our common stock is listed in the U.S. on the Nasdaq and was historically traded in Canada on the TSX-V, but was voluntarily delisted on February 7, 2022. Historically, the trading volume for our common stock has been limited. Accordingly, investors may find it more difficult to buy and sell our shares. These factors may have an adverse impact on the trading and price of our common stock.
- Our issuance of common stock upon exercise of warrants or options or conversion of convertible notes may depress the price of our common stock.
- We qualify as an "emerging growth company" under the JOBS Act. As a result, an "emerging growth company" we are permitted subject to and intend lessened disclosure requirements which could leave our stockholders without information or rights available to rely on exemptions from certain disclosure requirements. stockholders of more mature companies.
- Broad market and industry factors may affect the price of our common stock, regardless of our actual operating performance.
- Our common stock is listed in the U.S. on the NASDAQ Capital Markets ("Nasdaq").

The foregoing is a summary of significant risk factors that we think could cause our actual results to differ materially from expected results. However, there could be additional risk factors besides those listed herein that also could affect us in an adverse manner.

Risk Factors

Our business, prospects, financial condition, and results of operations may be materially and adversely affected as a result of any of the following risks. The value of our securities could decline as a result of any of these risks. You could lose all or part of your investment in our securities. Some of the statements in "Risk Factors" are forward-looking statements. The following risk factors are not the only risk factors

facing our Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition, and results of operations and it is not possible to predict all risk factors, nor can we assess the impact of all factors on us or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in or implied by any forward-looking statements.

Risks Related to the Proposed Merger with Danam

We cannot be sure if or when the Merger will be completed.

The consummation of the Merger is subject to the satisfaction or waiver of various conditions, including the authorization of the Merger by our stockholders and Danam's stockholders. We cannot guarantee that the closing conditions set forth in the Merger Agreement will be satisfied. If we are unable to satisfy the closing conditions in Danam's favor or if other mutual closing conditions are not satisfied, Danam will not be obligated to complete the Merger. Under certain circumstances, we would be required to pay Danam a termination fee of \$1,000,000 in the form of a note payable.

If the Merger is not completed, our board of directors, in discharging its fiduciary obligations to our stockholders, will evaluate other strategic alternatives or financing options that may be available, which alternatives may not be as favorable to our stockholders as the Merger. Any future sale or merger, financing or other transaction may be subject to further stockholder approval. We may also be unable to find, evaluate or complete other strategic alternatives, which may have a materially adverse effect on our business.

Our efforts to complete the Merger could cause substantial disruptions in, and create uncertainty surrounding, our business, which may materially adversely affect our results of operation and our business. Uncertainty as to whether the Merger will be completed may affect our ability to retain and motivate existing employees. A substantial amount of our management's

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and employees' attention is being directed toward the completion of the Merger and Sale Transaction and thus is being diverted from our day-to-day operations. Uncertainty as to our future could adversely affect our business and our relationship with customers, collaborators, suppliers, vendors, regulators and other business partners. For example, customers, vendors, collaborators and other counterparties may defer decisions concerning working with us, or seek to change existing business relationships with us. Changes to, or termination of, existing business relationships could adversely affect our results of operations and financial condition, as well as the market price of our common stock. The adverse effects of the pendency of the transactions could be exacerbated by any delays in completion of the transactions or termination of the Merger Agreement.

Until the Merger is completed, the Merger Agreement restricts Danam and us from taking specified actions without the consent of the other party, and, in regards to us, requires us to operate in the ordinary course of business consistent with past practice. These restrictions may prevent Danam and us from making appropriate changes to our respective businesses or pursuing attractive business opportunities that may arise prior to the completion of the Merger.

The percentage ownership of the combined company as determined in the Merger Agreement is adjustable based on the value of Assure and Danam at the closing, so the Merger consideration at the closing of the Merger may have a greater or lesser value than at the time the Merger Agreement was signed.

The Merger Agreement has a set calculation ownership percentage for the combined company based on both the value and the fully diluted capitalization of the parties as of closing, taking into account Danam's outstanding warrants and our outstanding warrants, options, convertible notes and equity awards, and subject to adjustment for (i) changes in value of Assure or Danam based on the completion of equity financings between the signing of the Merger Agreement and closing and (ii) the reverse stock split to be implemented prior to the consummation of the Merger.

Any changes in the value of Assure or Danam before the completion of the Merger will affect the number of shares of our Common Stock issuable to Danam's securityholders pursuant to the Merger Agreement. Therefore, if before the completion of the Merger the relative values of Assure or Danam change from those values on the date of the Merger Agreement, then Danam's securityholders could receive Merger consideration with substantially greater or lesser value than the value of such Merger consideration on the date of the Merger Agreement. Because the ownership percentage adjusts as a result of changes in the values of Assure and Danam, for each change in the

relative values of Assure and Danam, there is a corresponding rise or decline, respectively, in the value of the total Merger consideration payable to Danam's securityholders pursuant to the Merger Agreement.

Failure to complete the Merger may result in our paying a termination fee to Danam and could significantly harm the market price of our common stock and negatively affect our future business and operations.

If the Merger is not completed and the Merger Agreement is terminated under certain circumstances, we may be required to pay Danam a termination fee of \$1,000,000 less any reimbursed expenses. Even if a termination fee is not payable in connection with a termination of the Merger Agreement, we will have incurred significant fees and expenses, which must be paid whether or not the Merger is completed. Further, if the Merger is not completed, it could significantly harm the market price of our Common Stock.

In addition, if the Merger Agreement is terminated and we or Danam determines to seek another business combination, there can be no assurance that we will be able to find a partner and close an alternative transaction on terms that are as favorable or more favorable to us than the terms set forth in the Merger Agreement.

The closing of the Merger is subject to approval by our stockholders and the Danam stockholders. Failure to obtain these approvals would prevent the closing of the Merger.

The closing of the Merger is subject to certain approvals by our stockholders and the Danam stockholders. Failure to obtain the required stockholder approvals may result in a material delay in, or the abandonment of, the Merger. Any delay in completing the Merger may materially adversely affect the timing and benefits that are expected to be achieved from the Merger.

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The Merger may be completed even though certain events occur prior to the closing that materially and adversely affect us or Danam.

The Merger Agreement provides that either we or Danam can refuse to complete the Merger if there is a material adverse change affecting the other party between February 12, 2024, the date of the Merger Agreement, and the closing of the Merger. However, certain types of changes do not permit either party to refuse to complete the Merger, even if such change could be said to have a material adverse effect on us or Danam, including, but not limited to:

- conditions generally affecting the industries in which we and Danam participate or the United States or global economy or capital markets as a whole, to the extent that such conditions do not have a materially disproportionate impact on us or Danam, respectively;
- any natural disaster, public health event or any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof, to the extent they do not disproportionately affect us or Danam, respectively;
- any failure to meet internal projections or forecasts or third party revenue or earnings predictions for any period ending on or after the date of the Merger Agreement;
- any change in accounting principle generally accepted in the U.S. ("GAAP") or any change in applicable laws, rules, or regulations or the interpretation thereof after the date of the Merger Agreement;
- any effect resulting from the execution, delivery, announcement or performance of the obligations under the Merger Agreement or the announcement, pendency or anticipated consummation of the Merger or any related transactions; and
- the taking of any action by either us or Danam required to comply with the terms of the Merger Agreement or at the written request of the other party.

If adverse changes occur and we and Danam still complete the Merger, the market price of the combined organization's common stock may suffer. This in turn may reduce the value of the Merger to our stockholders.

Some of our and Danam's officers and directors have interests in the Merger that are different from our and Danam's respective stockholders and that may influence them to support or approve the Merger without regard to the interests of our and Danam's respective stockholders.

Certain officers and directors of ours and Danam participate in arrangements that provide them with interests in the Merger that are different from the interests of our and Danam's respective stockholders, including, among others, the continued service as an officer or director of the combined organization, severance benefits, the acceleration of stock option and restricted stock unit vesting, continued indemnification and the potential ability to sell an increased number of shares of common stock of the combined organization in accordance with Rule 144 under the Securities Act.

For example, we are party to arrangements with our executive officers pursuant to their employment agreements and transaction success agreements that may result in the receipt by such executive officers of cash severance payments and other transaction success bonuses and benefits with a total value of approximately \$1.0 million (collectively and not individually), but not including the value of any accelerated vesting of our equity awards held by those officers. Additionally, our officers and directors are parties to the support agreements with Danam.

The Company's Board of Directors was aware of these interests and considered them, among other matters, in the decision to approve the Merger Agreement.

The market price of our Common Stock following the Merger may decline as a result of the Merger.

The market price of our Common Stock may decline as a result of the Merger for a number of reasons, including if:

- investors react negatively to the prospects of the combined organization's product candidates, business and financial condition following the Merger;
- the effect of the Merger on the combined organization's business and prospects is not consistent with the expectations of financial or industry analysts; or

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- the combined organization does not achieve the perceived benefits of the Merger as rapidly or to the extent anticipated by financial or industry analysts.

Our stockholders may not realize a benefit from the Merger commensurate with the ownership dilution they will experience in connection with or following the Merger.

If the combined organization is unable to realize the strategic and financial benefits currently anticipated from the Merger, our stockholders will have experienced substantial dilution of their ownership interests in our company without receiving the expected commensurate benefit, or only receiving part of the commensurate benefit to the extent the combined organization is able to realize only part of the expected strategic and financial benefits currently anticipated from the Merger.

During the pendency of the Merger, we may not be able to enter into a business combination with another party at a favorable price because of restrictions in the Merger Agreement, which could adversely affect our business.

Covenants in the Merger Agreement impede the ability of us to enter into material transactions that are not in the ordinary course of business pending completion of the Merger, other than the Sale Transaction. As a result, if the Merger is not completed, we may be at a disadvantage to our competitors during such period. In addition, while the Merger Agreement is in effect, we are generally prohibited from soliciting, initiating, encouraging or entering into certain extraordinary transactions, such as a merger, sale of assets, or other business combination outside the ordinary course of business with any third party, subject to certain exceptions relating to fiduciary duties. Any such transactions that are impeded or prohibited pursuant to these covenants could be favorable to our stockholders if consummated.

Certain provisions of the Merger Agreement may discourage third parties from submitting alternative takeover proposals, including proposals that may be superior to the arrangements contemplated by the Merger Agreement.

The Merger Agreement contains "no-shop" restrictions on the Company's ability to solicit, initiate or knowingly encourage third party proposals relating to alternative transactions or to provide information to, or engage in discussions with, a third party in relation to an alternative transaction, subject to certain exceptions to permit our Board of Directors to comply with its fiduciary duties. Before our Board Directors may change its recommendation to stockholders to adopt the Merger or terminate the Merger Agreement to accept a Superior Proposal (as defined in the Merger Agreement), the Company must, among other things, provide Danam with notice. Upon the termination of the Merger Agreement, including in connection with a Superior Proposal, we may be required to pay up to \$1,000,000 as a termination fee.

These provisions could discourage a potential third party acquiror from considering or proposing an acquisition transaction, even if it were prepared to pay a higher price than what would be received in the Merger. These provisions might also result in a potential third party acquiror proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the \$1,000,000 termination fee that may become payable.

If the Merger Agreement is terminated and we determine to seek another business combination, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Merger Agreement.

Because the lack of a public market for Danam's capital stock makes it difficult to evaluate the value of Danam's capital stock, the stockholders of Danam may receive shares of our Common Stock in the Merger that have a value that is less than, or greater than, the fair market value of Danam's capital stock.

The outstanding capital stock of Danam is privately held and is not traded in any public market. The lack of a public market makes it extremely difficult to determine the fair market value of Danam. Because the percentage of our Common Stock to be issued to Danam's stockholders was determined based on negotiations between the parties, it is possible that the value of our Common Stock to be received by Danam's stockholders will be less than the fair market value of Danam, or we may pay more than the aggregate fair market value for Danam.

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If the conditions to the Merger are not met, the Merger will not occur.

Even if the Merger is approved by our and Danam's stockholders, specified conditions must be satisfied or waived to complete the Merger. We cannot assure you that all of the conditions will be satisfied or waived. If the conditions are not satisfied or waived, the Merger will not occur or will be delayed, and we may lose some or all of the intended benefits of the Merger. Additionally, if the Merger does not occur, we may not have sufficient cash to conduct an orderly wind-down and dissolution of our company. We may seek an immediate dissolution, subject to a vote of our stockholders, in the event the Merger is not completed.

Litigation relating to the Merger could require us to incur significant costs and suffer management distraction, and could delay or enjoin the Merger.

We could be subject to demands or litigation related to the Merger, whether or not the Merger is consummated. Such actions may create uncertainty relating to the Merger, or delay or enjoin the Merger, and responding to such demands could divert management time and resources. In addition, such demands or litigation could lead to a dissolution or bankruptcy of either us or Danam or both parties if the costs associated with such demands or litigation are significant enough.

If the Merger is not completed, we may decide to pursue a dissolution and liquidation of the company. In such an event, the amount of cash available for distribution to its stockholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.

There can be no assurance that the Merger will be completed. If the Merger is not completed, we may decide to pursue a dissolution and liquidation of the company. In such an event, the amount of cash available for distribution to our stockholders will depend heavily on the timing of such decision, as with the passage of time the amount of cash available for distribution will be reduced as we continue to fund our operations. In addition, if we were to approve and recommend, and our stockholders were to approve, a dissolution and liquidation of the company, we would be required under Nevada corporate law to pay our outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to its stockholders. As a result of this requirement, a majority or all of our remaining cash assets may need to be reserved pending the resolution of such obligations. In addition, we may be subject to litigation or other claims related to a dissolution and liquidation. If a dissolution and liquidation were pursued, our Board of Directors, in consultation with its advisors, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, holders of our Common Stock could lose all or a significant portion of their investment in the event of our liquidation, dissolution or winding up.

Our ability to use NOL carryforwards and certain tax credit carryforwards may be subject to limitation in connection with the Merger and other ownership changes.

As of December 31, 2023, we had federal and state NOL carryforwards of \$40.1 million. The majority of federal NOL carryforwards are carried forward indefinitely. Federal NOLs generated after 2017 have an indefinite carryforward and are only able to offset 80 percent of taxable income beginning in 2021. Under Section 382, changes in our ownership may limit the amount of NOL carryforwards and research and development tax credit carryforwards that could be utilized annually to offset our future taxable income, if any. This limitation would generally apply in the event of a cumulative change in our ownership of more than 50% within a three-year period. Any such limitation may significantly reduce our ability to utilize our NOL carryforwards and research and development tax credit carryforwards before they expire. The completion of the Merger, together with private placements and other transactions that have occurred since our inception, may trigger such an ownership change pursuant to Section 382. Any such limitation, whether as the result of the Merger, prior private placements, sales of common stock by

our existing stockholders, or additional sales of our common stock by the combined organization after the Merger, could have a material adverse effect on our results of operations in future years.

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Risks Related to Our Business

We've had historical negative operating results, and substantial doubt exists as to our ability to continue as a going concern.

Since its initial launch, the Company has experienced operating losses. Our net loss was \$26.1 million and \$30.1 million for the years ended December 31, 2023 and 2022, respectively. There is no guarantee when profitability will occur. Furthermore, our independent registered public accountants have expressed that substantial doubt exists as to the Company's ability to continue as a going concern. See Note 2 to the Consolidated Financial Statements included in this Form 10-K for further discussion.

Meaningful decrease in underlying commercial insurance reimbursement for IONM services provided.

In recent years, the IONM industry including Assure has seen a meaningful compression in reimbursement for IONM services provided. This trend has been more pronounced for the Technical Component relative to the Professional Component, driven in part by a shift in perceived benefit.

In addition, in October 2022, Assure and other IONM providers experienced a meaningful decrease in the Texas reimbursement benchmark, which had been utilized in state arbitration claims to great success from January 2022 through September 2022. In October 2022, Texas state arbitration reimbursement was realigned to a level much closer to the state average across the Company's operational footprint. As a reminder, Prior to the sale of the clinical operations, Texas is/was Assure's largest market and represents/represented approximately 60% of our patient volume. The company is focused on improving margin and increasing participation rates for state arbitrations in Texas. This change does not affect the larger pool of federal arbitrations associated with the No Surprises Act, both in Texas and other states within Assure's operational footprint still to come. This pool is anticipated to be much larger than the pool of state arbitration claims.

Effective January 1, 2022, the No Surprises Act (enacted as part of the Consolidated Appropriations Act, 2021), was intended to protect patients from receiving balance bills or "surprise bills", the difference between what the provider charged and what insurance paid. This new law also provides for negotiation and independent dispute resolution ("IDR") processes to resolve disputed claim payment amounts for federally regulated insurance plans. Assure has filed several hundred negotiation requests and IDR cases, although decisions for those cases are still pending. Health and Human Services has acknowledged that there is a substantial backlog of IDR case decisions due to a larger than expected demand for dispute resolutions. If we are unsuccessful in arbitrating, or if the arbitration process is delayed, we may not collect for our services or experience delays in collecting for our services and our business and financial results could be materially adversely affected.

The Consolidated Appropriations Act of 2023 enacted a 2.08% payment cut in Medicare physician fee schedule rates for 2023. The updating of Medicare physician fee schedule rates will be threatened by budget neutrality requirements for the foreseeable future. Any future cuts to rates for professional physician services under the Medicare program, other public health care programs in which we may choose to participate, or commercial payor reimbursement could materially and adversely impact our financial results.

Assure management has made strategic and tactical decisions to stay ahead of these reimbursement trends. This includes the Company launching its own remote neurology business in 2021 to realign Assure toward the Professional Component. More recently, Assure has focused on fixing the cost of delivery for IONM services it provides while maintaining a high standard of clinical care. Additional mitigating strategic initiatives include increasing scale through organic growth and M&A in a consolidating IONM market and moving away from the MSA model of revenue sharing.

If we are unable to be reimbursed for our services at expected levels, our business and financial results could be materially adversely affected.

Historical negative operating results

In 2015, we launched our business as a neuromonitoring service company. Since its initial launch, the Company has experienced operating losses. Our net loss was \$30.1 million and \$2.8 million for the years ended December 31, 2022 and 2021, respectively. Although we plan to be profitable in the future, there is no guarantee when profitability will occur. Furthermore, our independent registered public accountants have expressed that substantial doubt exists as to the Company's ability to continue as a going concern. See Item 8. Report of Independent Registered Public Accountant for further discussion.

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Our plan is to grow our business through expansion, and we anticipate that we will be required to raise additional funds to finance our operations; however, we may not be able to do so when necessary and/or on terms advantageous or acceptable to us.

We have financed our capital and cash requirements primarily from revenues generated from services, using a bank facility and line of credit, issuing convertible debentures, common stock and warrants in private placement offerings, and more recently using our debt arrangement with Centurion Financial Trust. Our ability to maintain the carrying value of our assets and become profitable is dependent on successfully marketing our services, maintaining future profitable operations, improving our billing and collections processes, successfully negotiating pricing and payment arrangements with payors and maintaining our network of providers, the outcome of which cannot be predicted at this time. We intend to grow our operations by developing additional relationships with Provider Network Entities ("PEs"), which are professional IONM entities, and directly contracting with hospitals and surgery centers for services. In the future, we anticipate that it may be necessary for us to raise additional funds for the continuing development of our business strategy.

Our operations to date have consumed substantial amounts of cash and we have sustained negative cash flows from our operations for the last several years. We anticipate that we will require future additional capital, including public or private financing, strategic partnerships or other arrangements with organizations that have capabilities and/or products that are complementary to our own capabilities and/or products, in order to continue the development of our product candidates. However, there can be no assurances that we will complete any financings, strategic alliances or collaborative development agreements, and the terms of such arrangements may not be advantageous to us. Any additional equity financing will be dilutive to our current stockholders and debt financing, if available, may involve restrictive covenants. If we raise funds through collaborative or licensing arrangements, we may be required to relinquish, on terms that are not favorable to us, rights to some of our technologies or product candidates that we would otherwise seek to develop or commercialize. Our failure to raise capital when needed could materially harm our business, financial condition, and results of operations.

Our business strategy is to grow through expansion and acquisitions; however, our business is currently not highly diversified.

Our business strategy has been to grow through expansion. Although we operate in numerous states, approximately 75% of our case volume is currently concentrated in Colorado and Texas, where we are susceptible to local and regional fluctuations in demand for our service, downturns in the economy, adverse weather conditions, changes in local or state regulations, and other localized market changes.

Efforts to expand and execute our acquisition strategy may be affected by our ability to identify suitable candidates and negotiate and close acquisition transactions.

Our loan agreement subjects us to covenants that affect the conduct of business. In the event that our shares of common stock do not maintain a sufficient valuation, or potential acquisition candidates are unwilling to accept our common stock as all or part of the purchase consideration, we may be required to use more of our cash resources, if available, or to rely solely on additional financing arrangements to pursue our acquisition and development strategy. We may not have sufficient capital resources or be able to obtain financing on terms acceptable to us for our acquisition and development strategy, which would limit our growth. Without sufficient capital resources to implement this strategy, our future growth could be limited and operations impaired. There can be no assurance that additional financing will be available to fund this growth strategy or that, if available, the financing will be on terms that are acceptable to us.

The business is expanding beyond our legacy provision of the Technical Component of IONM to offer the Professional Component via tele-neurology services.

Historically, our business has provided the Technical Component of IONM. While it remains a core part of our business and we expect it to remain so in the future, Assure has begun providing the Professional Component via off-site tele-neurology services for IONM. In some cases, this is done directly via our own supervising practitioners. In other instances, these services are provided by and through subsidiaries, which own interest in entities that either (i) directly perform the Professional Component through third-party contracted neurologists or oversight reading physicians, or (ii) provide

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management services for entities owned by licensed physicians. Assure employs supervising practitioners and has created a structure deploying them as reading physicians.

Providing the Professional Component of IONM subjects the Company to additional legal and government regulations as well as risk of billing and collecting for these services.

The Termination termination of Managed Service Agreements. Agreements may materially affect our financial results.

In instances in which the Professional Component is provided via MSA's with surgeons or through agreements with PEs, Assure engages engaged in a revenue share based on our percentage ownership of the PE. During 2023, Assure disclosed during its third quarter 2022 earnings call in November 2022 that terminated most MSA agreements and invoiced for both the Company was moving away from the MSA model so that it can keep all collections from the Professional Component. technical and professional components. Assure's goal is to entirely terminate its exit all remaining MSA relationships by the middle of 2023. agreements in 2024. This process may lead to the loss of some surgeon relationships and as a result our business, reputation, and financial results could be materially adversely affected.

We face significant competition from other health care providers.

We compete with other IONM service providers for patients, surgeons, neurologists and INPs. Some of our competitors have longstanding and well-established relationships with physicians and third-party payors in the community. Some of

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our competitors are hospitals that provide IONM services for surgeries occurring within their hospital facilities. Some of our competitors are also significantly larger than us, may have access to greater marketing, financial and other resources and may be better known in the general community.

The competition among service providers, facilities and hospitals for surgeons, neurologists, professional staff, and patients has intensified in recent years. We face competition from other providers that perform similar services, both inside and outside of our primary service areas. Some of our competitors are owned by non-profit or governmental entities, which may be supported by endowments and charitable contributions or by public or governmental support. These competitors can make capital expenditures without paying sales tax, may hold the property without paying property taxes and may pay for the equipment out of earnings not burdened by income taxes. This competitive advantage may affect our ability to compete effectively with these non-profit or governmental entities.

There are several large, publicly traded companies, divisions or subsidiaries of large publicly held companies, and several private companies that develop and acquire specialty services, which may include neuromonitoring, and these companies compete with us in the acquisition of additional businesses. Further, many surgeon groups develop groups that provide ancillary services, using consultants who typically perform

these services for a fee and who may take a small equity interest in the ongoing operations of a business. We can give no assurance that we can compete effectively in these areas. If we are unable to compete effectively to recruit new surgeons, neurologists, attract patients, enter into arrangements with managed care payors or acquire new facilities, our ability to implement our growth strategies successfully could be impaired. This may have an adverse effect on our business, results of operations and financial condition.

Reliance We rely on key personnel, industry partners and our ability to hire experienced employees and professionals.

Our development will We depend on the efforts of key management, key personnel and our relationships with medical partners in the surgical industry and our ability to hire experienced employees and professionals. Loss of any of these people and partnerships, particularly to competitors, could have a material adverse effect on our business. Further, with respect to the future development of our business, it is necessary to attract additional partners and personnel for such development.

The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training, and retaining such personnel may increase. Our business is dependent depends on our ability to hire and retain employees who have advanced clinical and other technical skills. Employees who meet these high standards are in great demand and are likely to remain a limited resource in the foreseeable future. If we are unable to recruit and retain a sufficient number of these employees, the ability to maintain and grow the business could be negatively impacted. A limited supply of qualified applicants may also contribute to wage increases which outpace the rate of inflation.

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Factors outside our control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect our ability to employ the specific personnel required. Due to our relatively small size, the failure to retain or attract a sufficient number of key skilled personnel and partnerships could have a material adverse effect on our business, results of future operations and financial condition.

The intraoperative neuromonitoring industry is relatively new and is subject to risk associated with public scrutiny and gaps in technician oversight and formal board reviews.

The intraoperative neuromonitoring industry is relatively new and many of service providers are small privately held providers of intraoperative neuromonitoring that lack quality assurance programs. Our competitors may be more susceptible to adverse patient outcomes, thus raising public scrutiny of the industry as a whole. Such public scrutiny could impact our ability to maintain and grow the business.

INPs within the intraoperative neuromonitoring industry are not subject to oversight or formal board reviews. Lack of oversight and reviews could lead to declining quality among providers who lack self-governed internal programs designed to ensure high-quality standards. Given the fragmented competitive landscape of the neuromonitoring industry, such gaps in appropriate clinical oversight could impact our ability to maintain or grow the business.

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We are subject to fluctuations in revenues and payor mix.

We depend on payments from third-party payors, including private insurers, managed care organizations and government health care programs. We are dependent on private and, to a lesser extent, governmental third-party sources of payment for the managed cases

performed in Procedure Facilities. Our competitive position has been, and will continue to be, affected by reimbursement and co-payment initiatives undertaken by third-party payors, including insurance companies, and, to a lesser extent, employers, and Medicare and Medicaid.

As an increasing percentage of patients become subject to health care coverage arrangements with managed care payors, our success may depend in part on our ability to negotiate favorable contracts on behalf of Procedure Facilities with managed care organizations, employer groups and other private third-party payors. There can be no assurances that we will be able to enter into these arrangements on satisfactory terms in the future. Also, to the extent that Procedure Facilities have managed care contracts currently in place, there can be no assurance that such contracts will be renewed, or the rates of reimbursement held at current levels.

Managed care plans often set their reimbursement rates based on Medicare and Medicaid rates and consequently, although only a small portion of our revenues are from Medicare and Medicaid, the rates established by these payors may influence our revenues from private payors. As with most government reimbursement programs, the Medicare and Medicaid programs are subject to statutory and regulatory changes, possible retroactive and prospective rate adjustments, administrative rulings, freezes and funding reductions, all of which may adversely affect our revenues and results of operations.

The Centers for Medicare and Medicaid Services introduced substantial changes to reimbursement and coverage related to ambulatory surgical centers ("ASC"). Under these ASC rules, reimbursement levels decreased and remain subject to change. Consequently, our operating margins may continue to be under pressure as a result of changes in payor mix and growth in operating expenses in excess of increases in payments by third-party payors. In addition, as a result of competitive burdens, our ability to maintain operating margins through price increases to privately insured patients is limited. This could have a material adverse effect on our business, operating results and financial condition. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and is recognized upon performance of the patient service. In determining net patient service revenue, management periodically reviews and evaluates historical payment data, payor mix and current economic conditions and adjusts, as required, the estimated collections as a percentage of gross billings in subsequent periods based on final settlements and collections. Management continues to monitor historical collections and market conditions to manage and report the effects of a change in estimates. While we believe that the current reporting and trending software provides us with an accurate estimate of net patient service revenues, any changes in collections or market conditions that we fail to accurately estimate or predict could have a material adverse effect on our operating results and financial condition.

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We depend on reimbursement from a small group of third-party payors which could lead to delays and uncertainties in the reimbursement rate and process.

Approximately 57% 83% of our accrued revenue for the year ended December 31, 2022 December 31, 2023 relates to 30 third-party payors. The loss or disruption of any one of these payors could have an adverse effect on our business, results of operations and financial condition. Additionally, about 53% 79% of our cash collections during the year ended December 31, 2022 December 31, 2023 was concentrated among these same third-party payors. Greater diversification of payors is dependent on expansion into new markets.

Our accounts receivable collection performance is greatly dependent on decisions that Third-Party Payors make regarding their out-of-network benefits and alternatively, our ability to negotiate profitable contracts with Third-Party Payors.

One of the complexities of our business is navigating the increasingly hostile environment for entities that are not participants in the health insurance companies' ("Third-Party Payors") provider networks (also referred to as an out-of-network provider or facility). Third-Party Payors negotiate discounted fees with providers and facilities in return for access to the patient populations which those Third-Party Payors cover. The providers and facilities that contractually agree to

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these rates become part of the Third-Party Payor's "network". We are currently out-of-network as to most Third-Party Payors.

There are several risks associated with not participating in Third-Party Payor networks. First, not all Third-Party Payors offer coverage to their patients for services rendered by non-participants in that Third-Party Payor's network. Further, it is typically the case that patients with so-called "out-of-network benefits" will be obliged to pay higher co-pays, higher deductibles, and a larger percentage of co-insurance payments. In addition, because the out-of-network coverage often mandates payment at a "usual and customary rate", the determination of the amounts payable by the Third-Party Payor can fluctuate.

Health care providers and facilities that choose not to participate in a Third-Party Payor's network often face longer times for their claims to be processed and paid. Further, many Third-Party Payors aggressively audit claims from out-of-network providers and facilities and continuously change their benefit policies in various ways that restrict the ability of beneficiaries to access out of network benefits, and to restrict out-of-network providers from treating their beneficiaries. Consequently, it may become necessary for us to change our out-of-network strategy and join Third-Party Payor networks. This may require us to negotiate and maintain numerous contracts with various Third-Party Payors. In either case, our performance is greatly dependent upon decisions that Third-Party Payors make regarding their out-of-network benefits and alternatively, our ability to negotiate profitable contracts with Third-Party Payors.

If it becomes necessary for us to convert entirely to in-network, there is no guarantee that we will be able to successfully negotiate these contracts. Further, we may experience difficulty in establishing and maintaining relationships with health maintenance organizations, preferred provider organizations, and other Third-Party Payors. Out-of-network reimbursement rates are typically higher than in network reimbursement rates, so our revenue would likely decline if we move to an in-network provider strategy and fail to increase our volume of business sufficiently to offset reduced in-network reimbursement rates. These factors could adversely affect our revenues and our business.

Historically, all privately insured cases were billed on an out-of-network basis. Over the past three years, the Company has shifted some of the business to direct and indirect contracts with the payors and related parties. However, as of **December 31, 2022** **December 31, 2023**, **approximately 85%** **virtually all** of our privately insured cases remain out of network basis, without any reimbursement rate protection or consistent in-network patient enrollments typically seen from an in-network agreement. Accordingly, we are susceptible to changes in reimbursement policies and procedures by Third-Party Payors and patients' preference of using their out-of-network benefits which could have an adverse effect on our business, results of operations and financial condition.

The industry trend toward value-based purchasing may negatively impact our revenues.

We believe that value-based purchasing initiatives of both governmental and private payors tying financial incentives to quality and efficiency of care will increasingly affect the results of operations of Procedure Facilities and may negatively impact our revenues if we are unable to meet expected quality standards.

We may be affected by the Patient Protection and Affordable Care Act ("ACA"), which contains several provisions intended to promote value-based purchasing in federal health care programs. Medicare now requires providers to report certain quality measures in order to receive full reimbursement increases for inpatient and outpatient procedures that were previously awarded automatically. In addition, hospitals that meet or exceed certain quality performance standards will receive increased reimbursement payments, while hospitals that have "excess readmissions" for specified conditions will receive reduced reimbursement. There is a trend among private payors toward value-based purchasing of health care services, as well. Many large commercial health insurance payors require hospitals to report quality data, and several of these payors will not reimburse hospitals for certain preventable adverse events.

We expect value based purchasing programs, including programs that condition reimbursement on patient outcome measures, to become more common, to involve a higher percentage of reimbursement amounts and to spread to reimbursement for ancillary services. Although we

are unable to predict how this trend will affect our future results of operations, it could negatively impact our revenues if we are unable to meet quality standards established by both governmental and private payors.

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State and Federal surprise billing legislation could lead to lower reimbursement rates.

In December 2020, federal legislation called the No Surprises Act was passed by Congress and signed by the President. Beginning in 2022, the law was implemented with the intended effect to prohibit surprise billing. Another feature of the No Surprise Act relevant to Assure is that it will for the first time allow companies like Assure to arbitrate disputed claims where we are not being paid in every state. While each arbitration case is treated like an individual lawsuit with unpredictable outcomes, we believe this dispute resolution process has the potential to help us get paid on a greater proportion of our claims.

The majority of U.S. states have laws protecting consumers against out-of-network balance billing or “surprise billing”. While consumer collections represent a negligible amount of our total revenue, most state surprise billing laws have established payment standards based on the median in-network rate or a multiplier of what Medicare would pay. These payment standards are often less than the average out-of-network payment and could therefore have an adverse effect on reimbursement rates. Although we have already experienced lower reimbursement rates from such laws, additional impact may be experienced as more states and/or federal legislation is adopted. Today, approximately 15% As of December 31, 2023, virtually none of our third-party payor revenue is/was contracted with in-network rate agreements and we are no longer actively pursuing more in-network agreements to further mitigate this risk. agreements.

Our revenues will depend on our customers’ continued receipt of adequate reimbursement from private insurers and government sponsored health care programs.

Political, economic, and regulatory influences continue to change the health care industry in the United States. The ability of hospitals to pay fees for our products partially depends on the extent to which reimbursement for the costs of such materials and related treatments will continue to be available from private health coverage insurers and other similar organizations. We may have difficulty gaining market acceptance for the products we sell if third-party payors do not provide adequate coverage and reimbursement to hospitals. Major third-party payors of hospitals, such as private health care insurers, periodically revise their payment methodologies based, in part, upon changes in government sponsored health care programs. We cannot predict these periodic revisions with certainty, and such revisions may result in stricter standards for reimbursement of hospital charges for certain specified products, potentially adversely impacting our business, results of operations, and financial conditions.

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Changes in accounting estimates due to changes in circumstances may require us to write off accounts receivables or write down intangible assets, such as goodwill, may have a material impact on our financial reporting and results of operations.

We have made updates to estimates resulting from changes in circumstances. For example, during the year ended December 31, 2022, we decreased the useful of intangible assets related to doctor agreements from 10 years to one year as one year more accurately represents our current useful life of such agreements. As a result of this change in estimate, the amortization of historical doctor agreements was accelerated bringing the balance as of December 31, 2022 to nil. There will be no amortization in future periods related to historical capitalized doctor agreements. Any agreements entered into after December 2022, will be amortized over one year. Future changes in estimates may cause us

to write off accounts receivable, intangible assets, such as goodwill, based on changes in circumstances which may have a negative impact on our consolidated financial statements.

Accounts Receivable

In order to more precisely estimate and our accounts receivable reserves, in January 2021 the Company modified its accounting estimate procedures to update its technical and professional collection experience monthly. This change in estimate procedures will not eliminate additional reserves being recorded for fluctuation in the technical and professional collection experience in future periods. However, our change in policy is expected to reduce the magnitude of future reserves that are recorded as a result of fluctuations in the Company's collection experience.

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Goodwill and Intangible Assets

As a result of purchase accounting for our acquisition transactions, our consolidated balance sheet at December 31, 2021 contains contained intangible assets designated as either goodwill or intangibles totaling approximately \$4.4 million in goodwill and approximately \$3.6 million in intangibles. Additional acquisitions that result in the recognition of additional intangible assets would cause an increase in these intangible assets. On an ongoing basis, we evaluate whether facts and circumstances indicate any impairment of the value of intangible assets. As of December 31, 2022, we determine that a significant impairment had occurred, which required us to write-off \$3.4 million of goodwill and \$117 thousand of other intangible assets for a total impairment charge of \$3.5 million. Future impairment charges could have a material adverse effect on our results of operations in the period in which the write-off occurs.

We depend on referrals.

Our success, in large part, is dependent upon referrals to our physicians from other physicians, systems, health plans and others in the communities in which we operate, and upon our medical staff's ability to maintain good relations with these referral sources. Physicians who use Procedure Facilities and those who refer patients are not our employees and, in many cases, most physicians have admitting privileges at other hospitals and (subject to any applicable non-competition arrangements) may refer patients to other providers. If we are unable to successfully cultivate and maintain strong relationships with our physicians and their referral sources, the number of managed cases performed at Procedure Facilities may decrease and cause revenues to decline. This could adversely affect our business, results of operations and financial condition.

We may be subject to professional liability claims.

As a health care provider, we are subject to professional liability claims both directly and indirectly through the malpractice of members of our medical staff. We are responsible for the standard of care provided in Procedure Facilities by staff working in those facilities. We have legal responsibility for the physical environment and appropriate operation of our equipment used during surgical procedures. In addition, we are subject to various liability for the negligence of its credentialed medical staff under circumstances where we either knew or should have known of a problem leading to a patient injury. The physicians credentialed at Procedure Facilities are involved in the delivery of health care services to the public and are exposed to the risk of professional liability claims. Although we neither control the practice of medicine by physicians nor have responsibility for compliance with certain regulatory and other requirements directly applicable to

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physicians and their services, as a result of the relationship between us and the physicians providing services to patients in Procedure Facilities, we or our subsidiaries may become subject to medical malpractice claims under various legal theories.

Claims of this nature, if successful, could result in damage awards to the claimants in excess of the limits of available insurance coverage. Insurance against losses related to claims of this type can be expensive and varies widely from state to state. We maintain and require the physicians on the medical staff of Procedure Facilities to maintain liability insurance in amounts and coverages believed to be adequate, presently \$1 million per claim to an aggregate of \$3 million per year.

Most malpractice liability insurance policies do not extend coverage for punitive damages. While extremely rare in the medical area, punitive damages are those damages assessed by a jury with the intent to "punish" a tortfeasor rather than pay for a material loss resulting from the alleged injury. We cannot assure you that we will not incur liability for punitive damage awards even where adequate insurance limits are maintained. We also believe that there has been, and will continue to be, an increase in governmental investigations of physician-owned facilities, particularly in the area of Medicare/Medicaid false claims, as well as an increase in enforcement actions resulting from these investigations. Investigation activity by private third-party payors has also increased with, in some cases, intervention by the states' attorneys general. Also possible are potential non-covered claims, or "qui tam" or "whistleblower" suits. Any adverse determination in a legal proceeding or governmental investigation, whether currently asserted or arising in the future, could have a material adverse effect on our financial condition.

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We may be subject to liability claims for damages and other expenses not covered by insurance that could reduce our earnings and cash flows.

Our operations may subject us, as well as our officers and directors to whom we owe certain defense and indemnity obligations, to litigation and liability for damages. Our business, profitability and growth prospects could suffer if we face negative publicity or we pay damages or defense costs in connection with a claim that is outside the scope or limits of coverage of any applicable insurance coverage, including claims related to adverse patient events, contractual disputes, professional and general liability, and directors' and officers' duties. We currently maintain insurance coverage for those risks we deem are appropriate. However, a successful claim, including a professional liability, malpractice or negligence claim which is in excess of any applicable insurance coverage, or not covered by insurance, could have a material adverse effect on our earnings and cash flows. In addition, if our costs of insurance and claims increase, then our earnings could decline. Market rates for insurance premiums and deductibles have been steadily increasing. Our earnings and cash flows could be materially and adversely affected by any of these.

We are subject to rising costs, including malpractice insurance premiums or claims may adversely affect our business.

The costs of providing our services have been rising and are expected to continue to rise at a rate higher than that anticipated for consumer goods as a whole. These increased costs may arise from adverse risk management claims against us or increases in the rates for medical malpractice insurance. As a result, our business, operating results or financial condition could be adversely affected if we are unable to implement annual private pay increases due to changing market conditions or otherwise increase our revenues to cover increases in labor and other costs.

We may incur unexpected, material liabilities as a result of acquisitions.

Although we intend to conduct due diligence on any future acquisition, we may inadvertently invest in acquisitions that have material liabilities arising from, for example, the failure to comply with government regulations, medical claims or other past activities. Although we have professional and general liability insurance, we do not currently maintain and are unlikely to acquire insurance specifically covering every unknown or contingent liability that may have occurred prior to our investment in Procedure Facilities, particularly those involving prior civil or criminal misconduct (for which there is no insurance). Incurring such liabilities as a result of future acquisitions could have an adverse effect on our business, operations and financial condition.

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Our reliance on software-as-a-service (“SaaS”) technologies from third parties may adversely affect our business and results of operations.

We rely on SaaS technologies from third parties in order to operate critical functions of our business, including financial management services, customer relationship management services, supply chain services and data storage services. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, or for any other reason, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our offerings and supporting our customers could be impaired, our ability to communicate with our suppliers could be weakened and our ability to access or save data stored to the cloud may be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could harm our business, financial condition, and results of operations.

Our business depends on network and mobile infrastructure developed and maintained by third-party providers. Any significant interruptions in service could result in limited capacity, processing delays and loss of customers.

We depend on the development and maintenance of the internet and mobile infrastructure. This includes maintenance of reliable internet and mobile infrastructure with the necessary speed, data capacity and security, as well as timely development of complementary products, for providing reliable Internet and mobile access. We also use and rely on services from other third parties, such as our telecommunications services and credit card processors, and those services may be subject to outages and interruptions that are not within our control. Failures by our telecommunications providers may interrupt our ability to provide phone support to our customers and Distributed denial-of-service (“DDoS”) attacks directed at our telecommunication service providers could prevent customers from accessing our website. In addition, we

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have in the past and may in the future experience down periods where our third-party credit card processors are unable to process the online payments of our customers, disrupting our ability to receive customer orders. Our business, financial condition, and results of operations could be materially and adversely affected if for any reason the reliability of our Internet, telecommunications, payment systems and mobile infrastructure is compromised.

Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.

We are dependent on the proper function, availability, and security of our information systems, including without limitation those systems utilized in our scheduling and collection operations. We have undertaken measures to protect the safety and security of our information systems and the data maintained within those systems. As part of our efforts, we may be required to expend significant capital to protect against the threat of security breaches or to alleviate problems caused by breaches, including unauthorized access to patient data and personally identifiable information stored in our information systems and the introduction of computer malware to our systems. However, there can be no assurance our safety and security measures will detect and prevent security breaches in a timely manner or otherwise prevent damage or interruption of our systems and operations. We may be vulnerable to losses associated with the improper functioning, security breach or unavailability of our information systems.

If we fail to successfully maintain an effective We have identified and disclosed in this Form 10-K material weaknesses in our internal control over financial reporting, the integrity of our financial reporting could be compromised, which could result in a material

adverse effect on our reported financial results.

reporting. If we fail are not able to remediate these material weaknesses and maintain an effective system of internal control over financial reporting, controls, we may not be able to accurately or timely report our financial results, which could cause our stock price to fall or prevent fraud, result in our stock being delisted.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. As disclosed in Item 9A, "Controls and Procedures" in this Annual Report on Form 10-K, management identified material weaknesses in our internal control over financial reporting and complex transactions. The related control deficiencies resulted in material misstatements in our previously issued unaudited interim condensed consolidated financial statements for periods ended March 31, 2023, June 30, 2023 and September 30, 2023.

A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a result stockholders could lose confidence in of the material weakness, our financial and other public reporting, which would harm management concluded that our business and the trading price of our common stock. Effective internal controls control over financial reporting was not effective based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Our management is actively engaged in developing a remediation plan designed to address these material weaknesses. If our remedial measures are necessary for us insufficient to provide reliable address the material weaknesses, or if additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, our financial reports statements may contain material misstatements and together with adequate disclosure we could be required to restate our financial results.

We cannot assure you that any measures we may take in the near future will be sufficient to remediate these material weaknesses or avoid potential future material weaknesses. In addition, we may suffer adverse regulatory or other consequences, as well as negative market reaction, as a result of any material weaknesses, and we will incur additional costs as we seek to remediate these material weaknesses.

To effectively manage our company today, we need to remediate the material weakness and continue to improve our operational, financial, and management controls and procedures, are designed to prevent fraud, our reporting systems and procedures. Any failure to remediate these material weaknesses and implement required new or improved controls, or difficulties encountered in their the implementation or operation of these controls, could harm our operating results, cause us to fail to meet our financial reporting obligations. Inferior obligations, or make it more difficult to raise capital (or, if we are able to raise such capital, make such capital more expensive), one or more of which could adversely affect our business and/or jeopardize our listing on the Nasdaq, any of which would harm our stock price.

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Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require an annual assessment of internal controls could also cause investors over financial reporting, and for certain issuers an attestation of this assessment by the issuer's independent registered public accounting firm. The standards that must be met for management to lose confidence in our reported assess the internal controls over financial information, which could have a negative effect reporting as effective are evolving and complex, and require significant documentation, testing, and possible remediation to meet the detailed standards. We expect to incur significant expenses and to devote resources to Section 404 compliance on the trading price of our common stock, an ongoing basis.

Proposed legislation in the U.S. Congress, including changes in U.S. tax law and the recently enacted Inflation Reduction Act of 2022, may adversely impact us and the value of our common stock.

Changes to U.S. tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes to U.S. federal income tax laws have been proposed and made, and additional changes to U.S. federal income tax laws are likely to continue to occur in the future.

The U.S. Congress is currently considering numerous items of legislation which may be enacted prospectively or with retroactive effect, which legislation could adversely impact our financial performance and the value of shares of our common stock. Additionally, states in which we operate or own assets may impose new or increased taxes. If enacted, most of the proposals would be effective for the current or later years. The proposed legislation remains subject to change, and its impact on us or our investors is uncertain.

In addition, the Inflation Reduction Act of 2022 includes provisions that will impact the U.S. federal income taxation of corporations. Among other items, this legislation includes provisions that will impose a minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. It is unclear how this legislation will be implemented by the U.S. Department of Treasury and we cannot predict how this legislation or any future changes in tax laws might affect us or investors in our common stock.

Risks Related to the Regulation of the Healthcare Industry

Our business is subject to substantial government regulation.

The health care industry is heavily regulated, and we are required to comply with extensive and complex laws and regulations at the federal, state and local government levels. A number of these laws specifically relate to the provision of Medicare and Medicaid billing.

Anti-Kickback Statutes

The federal Anti-Kickback Statute prohibits the knowing and willful offer, payment, solicitation or receipt of remuneration to induce the referral of a patient or the purchase, lease or order (or the arranging for or recommending of the purchase, lease or order) of health care items or services paid for by federal health care programs, including Medicare or Medicaid. A violation does not require proof that a person had actual knowledge of the statute or specific intent to violate the statute, and court decisions under the Anti-Kickback Statute have consistently held that the law is violated where one purpose of a payment is to induce or reward referrals. Violation of the federal anti-kickback statute could result in felony conviction, administrative penalties, civil liability (including penalties) under the False Claims Act and/or exclusion from federal health care programs.

A number of states have enacted anti-kickback laws (including so-called "fee splitting" laws) that sometimes apply not only to state-sponsored health care programs but also to items or services that are paid for by private insurance and self-pay patients. State anti-kickback laws can vary considerably in their applicability and scope and sometimes have fewer statutory and regulatory exceptions than does the federal law. Enforcement of state anti-kickback laws varies widely and is often inconsistent and erratic.

Our management carefully considers the importance of such anti-kickback laws when structuring company operations. That said, we cannot assure that the applicable regulatory authorities will not determine that some of our arrangements with hospitals, surgical facilities, physicians, or other referral sources violate the Anti-Kickback Statute or other applicable laws. An adverse determination could subject us to different

liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

Physician Self-Referral ("Stark") Laws

The federal Stark Law, 42 U.S.C. § 1395nn, also known as the physician self-referral law, generally prohibits a physician from referring Medicare and Medicaid patients to an entity (including hospitals) providing "designated health services," if the physician has a "financial relationship" with the entity, unless an exception applies. Designated health services

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include, among other services, inpatient hospital services, outpatient prescription drug services, clinical laboratory services, certain diagnostic imaging services, and other services that our affiliated physicians may order for their patients. The prohibition applies regardless of the reasons for the financial relationship, unless an exception applies. The exceptions to the federal Stark Law are numerous and often complex. The penalties for violating the Stark Law include civil penalties of up to \$15,000 for each violation and potential civil liability (including penalties) under the False Claims Act.

Some states have enacted statutes and regulations concerning physician self-referrals (*i.e.*, referrals by a physician to a health care entity in which the physician has an ownership interest). Such physician self-referrals laws may apply to the referral of patients regardless of payor source and/or type of health care service. These state laws may contain statutory and regulatory exceptions that are different from those of the federal law and that may vary from state to state. Enforcement of state physician self-referral laws varies widely and is often inconsistent and erratic.

Our management carefully considers the importance of physician self-referral laws when structuring company operations. That said, we cannot assure that the applicable regulatory authorities will not determine that some of our arrangements with physicians violate the Federal Stark Law or other applicable laws. An adverse determination could subject us to different liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

False Claims Act

The federal False Claims Act, 31 U.S.C. § 3729, imposes civil penalties for knowingly submitting or causing the submission of a false or fraudulent claim for payment to a government-sponsored program, such as Medicare and Medicaid. Violations of the False Claims Act present civil liability of treble damages plus a penalty of at least \$11,803 per false claim. The False Claims Act has "whistleblower" or "*qui tam*" provisions that allow individuals to commence a civil action in the name of the government, and the whistleblower is entitled to share in any subsequent recovery (plus attorney's fees). Many states also have enacted civil statutes that largely mirror the federal False Claims Act, but allow states to impose penalties in a state court.

The False Claims Act has been used by the federal government and *qui tam* plaintiffs to bring enforcement actions under so-called "fraud and abuse" laws like the federal Anti-Kickback Statute and the Stark Law. Such actions are not based on a contention that claims for payment were factually false or inaccurate. Instead, such actions are based on the theory that accurate claims are deemed to be false/fraudulent if there has been noncompliance with some other material law or regulation. The existence of the False Claims Act, under which so-called *qui tam* plaintiffs can allege liability for a wide range of regulatory noncompliance, increases the potential for such actions to be brought and has increased the potential financial exposure for such actions. These actions are costly and time-consuming to defend.

Our management carefully considers the importance of compliance with all applicable laws and when structuring company operations. Our management is aware of and actively works to minimize risk related to potential *qui tam* plaintiffs. That said, we cannot assure that the applicable enforcement authorities or *qui tam* plaintiffs will not allege violations of the False Claims Act or analogous state false claims laws. A finding of liability under the False Claims Act could have a material adverse effect on our business, financial condition or results of operations.

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State Licensure and Accreditation

States have a wide variety of health care laws and regulations that potentially affect our operations and the operations of our partners. For example: (1) many states have implemented laws and regulations related to so-called “tele-health,” but whether those laws apply to our operations, and the obligations they impose, vary significantly; (2) some states have so-called corporate practice of medicine prohibitions, and such prohibitions are used to indirectly regulate ownership of health care companies and/or management companies; and (3) some states have “surprise billing” or out-of-network billing laws that impose a variety of obligations on health care providers and health plans. The failure to comply with all state regulatory obligations could be used by health plans to deny payment or to recoup funds, and any noncompliance could subject us to penalties or limitations that could have a material adverse effect on our business, financial condition or results of operations.

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In addition, our partners’ health care facilities and professionals are subject to professional and private licensing, certification and accreditation requirements. These include, but are not limited to, requirements imposed by Medicare, Medicaid, state licensing authorities, voluntary accrediting organizations and third-party private payors. Receipt and renewal of such licenses, certifications and accreditations are often based on inspections, surveys, audits, investigations or other reviews, some of which may require affirmative compliance actions by us that could be burdensome and expensive. The applicable standards may change in the future. There can be no assurance that we will be able to maintain all necessary licenses or certifications in good standing or that they will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations in good standing, or the expenditure of substantial funds to maintain them, could have an adverse effect on our business.

Health Information Privacy and Security Standards

The privacy and data security regulations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended, contain detailed requirements concerning (1) the use and disclosure of individually identifiable patient health information (“PHI”); (2) computer and data security standards regarding the protection of electronic PHI including storage, utilization, access to and transmission; and (3) notification to individuals and the federal government in the event of a breach of unsecured PHI. HIPAA covered entities and business associates must implement certain administrative, physical, and technical security standards to protect the integrity, confidentiality and availability of certain electronic health information received, maintained, or transmitted. Violations of the HIPAA privacy and security rules may result in civil and criminal penalties. In the event of a breach, a HIPAA covered entity must promptly notify affected individuals of a breach. All breaches must also be reported to the federal government. Where a breach affects more than 500 individuals, additional reporting obligations apply. In addition to federal enforcement, State attorneys general may bring civil actions on behalf of state residents for violations of the HIPAA privacy and security rules, obtain damages on behalf of state residents, and enjoin further violations. Many states also have laws that protect the privacy and security of confidential, personal information, which may be similar to or even more stringent than HIPAA. Some of these state laws may impose fines and penalties on violators and may afford private rights of action to individuals who believe their personal information has been misused. We expect increased federal and state privacy and security enforcement efforts.

Our management carefully considers the importance of compliance with patient privacy and data security regulations when structuring company operations. Our management is aware of and actively works to minimize risk related to patient privacy and data security. That said, we cannot assure that a breach will not occur or that the applicable enforcement authorities will not allege violations of HIPAA’s patient privacy and data security regulations. A breach or an allegation of noncompliance with HIPAA’s patient privacy and data security regulations could have a material adverse effect on our business, financial condition or results of operations.

Our ongoing civil investigation by the U.S. Department of Justice could result in significant civil penalties.

In April 2022, the U.S. Department of Justice ("DOJ") issued Civil Investigative Demands to the Company which seek information with respect to a civil investigation under the Anti-kickback Statute and the False Claims Act. We voluntarily contacted the DOJ offering to provide any materials needed in the investigation and to answer any questions. While our policy during the relevant time was to not seek payments from federal health care programs, the third-party billing company we used at that time submitted some claims to Medicare Advantage plans administered by commercial insurance

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companies. We have worked diligently to ensure that payments from Medicare Advantage plans have been returned to the commercial insurance companies and we believe we have returned substantially all such payments that we have discovered to date, totaling approximately \$450,000. The DOJ has not made any allegations in the investigation, and we are currently unable to predict the eventual scope, ultimate timing, or outcome of this investigation. **As**

During February 2024, a **result, we** Settlement Agreement ("Agreement") was executed between Assure and the United States Department of Justice ("DOJ"). In exchange for a payment of approximately \$1 million, the Agreement releases Assure from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud. Payments are **unable to estimate** in equal monthly installments over the **amount or range of** any potential loss, if any, arising from this investigation, however, if the DOJ alleges that violations of law occurred and we are not successful in defending ourselves in relation to such allegations, we may be required to pay a significant civil penalty. **next 12 months.**

Our operations are subject to the nation's health care laws, as amended, repealed, or replaced from time to time.

The ACA and the Health Care and Education Reconciliation Act of 2010 (collectively, the "Health Care Reform Acts") mandated changes specific to benefits under Medicare. Several bills have been, and are continuing to be, introduced in

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U.S. Congress to amend all or significant provisions of the ACA, or repeal and replace the ACA with another law. The likelihood of repeal currently appears low given the failure of the Senate's multiple attempts to repeal various combinations of such ACA provisions. There is no assurance that any future replacement, modification or repeal of the ACA will not adversely affect our business and financial results. The full effects of the ACA may be unknown until all outstanding legal issues are resolved, the statutory provisions are fully implemented, and CMS, the FDA, and other federal and state agencies issue final applicable regulations or guidance. These developments could potentially alter coverage and marketing requirements, thereby affecting our business. The continued implementation of provisions of the ACA, the adoption of new regulations thereunder and ongoing challenges thereto, also added uncertainty about the current state of U.S. health care laws and could negatively impact our business, results of operations and financial condition. Health care providers could be subject to federal and state investigations and payor audits.

The amounts we receive for services provided to patients are determined by a number of factors, including the payor mix of our patients and the reimbursement methodologies and rates utilized by our patients' plans. Reimbursement rates and payments from payors may decline based on renegotiations, and larger payors have significant bargaining power to negotiate higher discounted fee arrangements with healthcare

providers. As a result, payors increasingly are demanding discounted fee structures or the assumption by healthcare providers of all or a portion of the financial risk related to paying for care.

Many private payors base their reimbursement rates on the published Medicare rates or, in the case of MA plans, are themselves reimbursed by Medicare for the services we provide. As a result, our results of operations are, in part, dependent on government funding levels for Medicare programs. Any changes that limit or reduce general Medicare reimbursement levels, such as reductions in or limitations of reimbursement amounts or rates under programs, reductions in funding of programs, change or elimination of coverage for certain benefits, or elimination of coverage for certain individuals or treatments under programs, could have a material adverse effect on our business, results of operations, financial condition and cash flows. Changes that could adversely affect our business include:

- administrative or legislative changes to base rates or the bases of payment;
- limits on the services or types of providers for which Medicare will provide reimbursement; and
- changes in methodology for coding services.
- The Consolidated Appropriations Act of 2023 enacted a 2.08% payment cut in Medicare physician fee schedule rates for 2023. The updating of Medicare physician fee schedule rates will be threatened by budget neutrality requirements for the foreseeable future. Any future cuts to rates for professional physician services under the Medicare program, other public health care programs in which we may choose to participate, or commercial payor reimbursement could materially and adversely impact our financial results.

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A cyber security incident could cause a violation of HIPAA, breach of customer and patient privacy, or other negative impacts.

We rely extensively on our information technology ("IT") systems to manage scheduling and financial data, communicate with customers and their patients, vendors, and other third parties, and summarize and analyze operating results. In addition, we have made significant investments in technology, including the engagement of a third-party IT provider. A cyber-attack that bypasses our IT security systems could cause an IT security breach, a loss of protected health information, or other data subject to privacy laws, a loss of proprietary business information, or a material disruption of our IT business systems. This in turn could have a material adverse impact on our business and result of operations. In addition, our future results of operations, as well as our reputation, could be adversely impacted by theft, destruction, loss, or misappropriation of public health information, other confidential data, or proprietary business information. See discussion of HIPAA, above. Computer malware, viruses, and hacking and phishing attacks by third parties have become more prevalent in our industry and may occur on our systems in the future. Because techniques used to obtain unauthorized access to or sabotage systems change frequently and generally are not recognized until successfully launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

As cyber-security threats develop and grow, it may be necessary to make significant further investments to protect data and infrastructure. If an actual or perceived breach of our security occurs, (i) we could suffer severe reputational damage adversely affecting customer or investor confidence, (ii) the market perception of the effectiveness of our security

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measures could be harmed, (iii) we could lose potential sales and existing customers, our ability to deliver our services or operate our business may be impaired, (iv) we may be subject to litigation or regulatory investigations or orders, and (v) we may incur significant liabilities. Our

insurance coverage may not be adequate to cover the potentially significant losses that may result from security breaches.

If we fail to comply with applicable laws and regulations, we could suffer penalties or be required to make significant changes to our operations.

The health care industry is heavily regulated, and we are required to comply with extensive and complex laws and regulations at the federal, state and local government levels relating to among other things:

- **Insurance:** the collapse or insolvency of our insurance carriers; further increases in premiums and deductibles; increases in the number of liability claims against us or the cost of settling or trying cases related to those claims; an inability to obtain one or more types of insurance on acceptable terms, if at all; insurance carriers deny coverage of our claims; or our insurance coverage is not adequate.
- **Billing and Collections:** billing and coding for services, including documentation of care, appropriate treatment of overpayments and credit balances, and the submission of false statements or claims; relationships and arrangements with physicians and other referral sources and referral recipients, including self-referral restrictions, and prohibitions on kickbacks and other non-permitted forms of remuneration and prohibitions on the payment of inducements to Medicare and Medicaid beneficiaries in order to influence their selection of a provider.
- **Governmental Regulation:** licensure, certification, enrollment in government programs and certificate of need approval, including requirements affecting the operation, establishment and addition of services and facilities; the necessity, appropriateness, and adequacy of medical care, equipment, and personnel and conditions of coverage and payment for services; quality of care and data reporting; restrictions on ownership of surgery centers; operating policies and procedures; qualifications, training and supervision of medical and support personnel; and fee-splitting and the corporate practice of medicine;
- **Patient Care:** screening of individuals who have emergency medical conditions; workplace health and safety; consumer protection; anti-competitive conduct; and confidentiality, maintenance, data breach, identity theft and security issues associated with health-related and other personal information and medical records.

Because of the breadth of these laws and the narrowness of available exceptions and safe harbors, it is possible that some of our business activities could be subject to challenge under one or more of these laws. For example, failure to bill properly for services or return overpayments and violations of other statutes, such as the federal Anti-Kickback Statute or the federal Stark Law, may be the basis for actions under similar state laws. Under HIPAA, criminal penalties may be imposed for health care fraud offenses involving not just federal health care programs but also private health benefit programs.

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Enforcement actions under some statutes may be brought by the government as well as by a private person under a *qui tam* or “whistleblower” lawsuit. Federal enforcement officials have numerous enforcement mechanisms to combat fraud and abuse, including bringing civil actions under the Civil Monetary Penalty Law, which has a lesser burden of proof than criminal statutes.

If we fail to comply with applicable laws and regulations, we could suffer civil or criminal penalties, including fines, damages, recoupment of overpayments, loss of licenses needed to operate, and loss of enrollment and approvals necessary to participate in Medicare, Medicaid and other government sponsored and third-party health care programs. Federal enforcement officials have the ability to exclude from Medicare and Medicaid any investors, officers and managing employees associated with business entities that have committed health care fraud. Many of these laws and regulations have not been fully interpreted by regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Different interpretations or enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or require us to make changes in our operations, facilities, equipment, personnel, services, capital expenditure programs or operating expenses to comply with the evolving rules. Any enforcement action against us, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The laws and regulations governing the provision of health care services are frequently subject to change and may change significantly in the future. We cannot assure you that current or future legislative initiatives, government regulation or judicial or regulatory interpretations thereof will not have a material adverse effect on us. We cannot assure you that a review of our business by judicial,

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regulatory or accreditation authorities will not subject us to fines or penalties, require us to expend significant amounts, reduce the demand for our services or otherwise adversely affect our operations.

Risks Related to Our Debenture

Restrictive covenants in our loan agreements with Centurion Financial Trust may restrict our ability to pursue our business strategies.

The operating and financial restrictions and covenants in our loan agreements with Centurion Financial Trust may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. Such agreements limit our ability, among other things, to:

- incur additional indebtedness or encumber our assets;
- sell, assign or otherwise dispose of our assets;
- sell shares of our subsidiaries;
- change our collection practices;
- change the nature of our business or re-organize our corporate structure;
- make loans to third parties;
- engage in sale-leaseback transactions;
- engage in certain related party transactions;
- create or adopt a defined benefit pension plan;
- make or commit to any form of distribution or reduction in profits, including declaring dividends, share buy backs or redemptions, payment on account loans or payment of management bonuses (other than in the ordinary course); and
- make or commit to capital expenditures in excess of 110% of the budget approved by Centurion Financial Trust.

Additionally, we have agreed to financial covenants whereby, beginning with the fiscal quarter ended December 31, 2021, we will maintain:

- a minimum working capital ratio of 1.20:1 (defined as current assets to current liabilities);
- a fixed charge coverage of 1.25:1 (defined as the ratio of EBITDA less cash taxes and unfunded capital expenditures divided by all scheduled lease payments and payments on all debt including funded debt); and
- a maximum funded debt to EBITDA Ratio of 4.50:1 (defined as the ratio of the total outstanding balances of all indebtedness including the outstanding balances all credit facilities including capital leases, term loans, bank

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indebtedness etc. plus the balances of any non-postponed related party credit facilities, if applicable, divided by EBITDA).

A breach of any of these covenants could result in an event of default under our loan agreements and permits the lender to cease making loans to us, demand immediate payment of all amounts due and payable under the loan agreements and to seek to foreclose on our assets if we can't make such payments. Management believes the Company **will may not be in compliance with the meet its** covenants in **2023, 2024.**

If our operating performance declines, we may be required to obtain waivers from the lender under the loan agreements to avoid defaults thereunder. If we are not able to obtain such waivers, our creditors could exercise their rights upon default.

Our obligations to Centurion Financial Trust are secured by a security interest in substantially all of our assets, if we default on those obligations, the lender could foreclose on our assets.

Our obligations under the loan agreements with Centurion Financial Trust, **of which approximately \$11 million in face value remains outstanding,** and the related transaction documents are secured by a security interest in substantially all of our (the Company and all its

subsidiaries) assets. As a result, if we default on our obligations under such loan agreements, the collateral agent on behalf of the lender could foreclose on the security interests and liquidate some or all of our assets, which would harm our business, financial condition and results of operations and could require us to reduce or cease operations and investors may lose all or part of their investment.

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Events of default under the loan agreements include: (a) if default occurs in payment when due of any principal amount payable under the debenture; (b) if default occurs in payment when due of any interest, fees or other amounts payable under the debenture and remains unremedied for a period of five business days after the receipt by the Company of notice of such default; (c) if default occurs in payment or performance of any other obligation (whether arising herein or otherwise) and remains unremedied for a period of sixty days after the receipt by the Company of notice of such default; (d) if default occurs in performance of any other covenant of the Company or any guaranteeing subsidiary (a "Guarantor") in favor of the lender under the debenture and remains unremedied for a period of sixty days after the receipt by the Company of notice of such default; (e) if an event of default occurs in payment or performance of any obligation in favor of any person from whom the Company or any Guarantor has borrowed in excess of \$250,000 which would entitle the holder to accelerate repayment of the borrowed money, and such default is not remedied or waived in writing within sixty days of the occurrence of such default; (f) if the Company or any Guarantor commits an act of bankruptcy or becomes insolvent within the meaning of any bankruptcy or insolvency legislation applicable to it or a petition or other process for the bankruptcy of the Company or any Guarantor is filed or instituted and remains undismissed or unstayed for a period of sixty days or any of the relief sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or any substantial part of its property) shall occur; (g) if any act, matter or thing is done toward, or any action or proceeding is launched or taken to terminate the corporate existence of the Company, or any Guarantor, whether by winding-up, surrender of charter or otherwise; (h) if the Company or any Guarantor ceases to carry on its business or makes or proposes to make any sale of its assets in bulk or any sale of its assets out of the usual course of its business unless expressly permitted herein or otherwise by the lender in writing; (i) if any proposal is made or any petition is filed by or against the Company or any Guarantor under any law having for its purpose the extension of time for payment, composition or compromise of the liabilities of such Company or any Guarantor or other reorganization or arrangement respecting its or any Guarantor's liabilities or if the Company or any Guarantor gives notice of its intention to make or file any such proposal or petition including an application to any court to stay or suspend any proceedings of creditors pending the making or filing of any such proposal or petition; (j) if any receiver, administrator or manager of the property, assets or undertaking of the Company or any Guarantor or a substantial part thereof is appointed pursuant to the terms of any trust deed, trust indenture, debenture or similar instrument or by or under any judgment or order of any court; (k) if any balance sheet or other financial statement provided by the Company to the lender pursuant to the provisions hereof is false or misleading in any material respect; (l) if any proceedings are taken to enforce any encumbrance affecting any of the secured property or if a distress or any similar process be levied or enforced against any of the secured property; (m) if any judgment or order for the payment of money in excess of \$250,000 shall be rendered against the Company or any Guarantor and either (A) enforcement proceedings shall have been commenced by any creditor upon such judgment or order, or (B) there shall be any period of sixty consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or

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otherwise, shall not be in effect; (n) if any action is taken or power or right be exercised by any governmental body which would have a material adverse effect; (o) if any representation or warranty made by the Company or any Guarantor herein or in any other instrument to which it is a party or in any certificate, statement or report furnished in connection herewith is found to be false or incorrect in any way so as to make it materially misleading when made or when deemed to have been made; (p) if a change of control occurs with respect to the Company, without the lender's prior written consent; or (q) if there shall occur or arise any change (or any condition, event or development involving a prospective

change) in the business, operations, affairs, assets, liabilities (including any contingent liabilities that may arise through outstanding pending or threatened litigation or otherwise), capitalization, financial condition, licenses, permits, rights or privileges, whether contractual or otherwise, or prospects of the Company or any Guarantor which, in the judgment of the lender, acting reasonably, would have a material adverse effect.

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We are dependent on Centurian Financial Trust granting us certain add-backs and other one-time adjustments in the calculation of our financial covenant related to adjusted EBITDA and if we are not granted such allowances we may not meet our financial covenants which could result in a default on our obligations and the lender could foreclose on our assets.

As noted above, certain of our financial covenants under the debt with Centurian Financial Trust is measured against EBITDA including our fixed charge ratio and our ratio of debt to EBITDA. In past quarters, including the quarter ended December 31, 2022, Since 2022, we have relied upon certain allowances from Centurian Financial Trust in making add-backs and one-time adjustments to our calculation of EBITDA in order to meet these financial covenants. The letter of commitment from Centurian Financial Trust permits Centurian Financial Trust to grant these allowances to us and they deem appropriate. For the quarter ended December 31, 2022, these These allowances included, but may not be limited to, adjustments to Goodwill and Intangible Asset Carrying Values and also adjustments made to Accounts Receivable carrying balances and Excess Revenue accounting treatment as at fiscal year-end. If Centurian Financial Trust does not grant such allowances in future quarters, we may fail to meet our financial covenants under the debt which may result in an event of default and Centurian Financial Trust foreclosing on our assets.

Risks Related to Our Stock

If our common stock is delisted from Nasdaq, the liquidity and price of our common stock could decrease and our ability to obtain financing could be impaired.

On October 11, 2022, we received a notification letter from The Nasdaq Stock Market stating that we are We have not been in compliance with the Minimum Bid Price Requirement, requirements of the NASDAQ for continued listing and if NASDAQ does not concur that we have adequately remedied our non-compliance, our common stock may be delisted from trading on NASDAQ, which requires could have a material adverse effect on us and our listed securities to maintain stockholders.

On July 25, 2023, the Company received a written notice from Nasdaq that, because the closing bid price for the Company's common stock had fallen below \$1.00 per share for 30 consecutive business days, the Company no longer complies with the minimum bid price requirement for continued listing on the Nasdaq.

The Bid Price Deficiency Letter has no immediate effect on the continued listing status of \$1.00 per share, the Company's Common Stock on The notification stated that we have Nasdaq Capital Market, and, therefore, the Company's listing remains fully effective.

The Company is provided a compliance period of 180 calendar days from the date of the Bid Price Deficiency Letter, or until April 10, 2022 January 22, 2024, to regain compliance with the Minimum Bid Price Requirement, minimum closing bid requirement, pursuant to Nasdaq Listing Rule 5810(c)(3)(A). If at any time during this 180-day compliance period before January 22, 2024, the closing bid price of our common stock is the Company's Common Stock closes at least or above \$1.00 per share for a minimum of ten 10 consecutive business days, then the subject to Nasdaq's discretion to extend this period pursuant to Nasdaq Stock Market Listing Rule 5810(c)(3)(G) to 20 consecutive business days, Nasdaq will provide us written notification that the Company has achieved compliance with written confirmation of compliance the minimum bid price requirement, and the matter will would be closed. During March 2023, resolved. If the Company completed does not regain compliance during the compliance period ending January 22, 2024, then Nasdaq may grant the Company a 20:1 reverse split in order second 180 calendar day period to comply with regain compliance, provided the Minimum Bid Price Requirement. See Note 11 Company meets the continued listing requirement for market value of publicly-held shares and all other initial listing standards for The Nasdaq Capital Market, other than the minimum closing bid price requirement, and notifies Nasdaq of its intent to cure the consolidated financial statements deficiency.

On August 16, 2023, the Company received notice from the Nasdaq that the Company no longer satisfies the \$2.5 million stockholders' equity requirement for a complete discussion.

If we are unable to maintain our continued listing on The Nasdaq Stock Capital Market, or the liquidity and price alternatives to that requirement - a \$35 million market value of our stock could decrease. Further, our ability listed securities or \$500,000 in net income in the most recent fiscal year or two or the last three fiscal years - as required by Nasdaq Listing Rule 5550(b) (the "Equity Requirement").

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As with the Bid Price Deficiency Letter, the Staff's notification has no immediate effect on the Company's continued listing on The Nasdaq Capital Market.

In accordance with the Nasdaq Listing Rules, the Company was provided 45 calendar days, or until October 2, 2023, to raise capital through equity or convertible debt financings would be negatively impacted and result in us curtailing our submit a plan to regain compliance with the Equity Requirement (the "Compliance Plan"). The Company submitted its Compliance Plan on October 2, 2023. On November 1, 2023, the Staff provided notice to the Company that the Staff had granted an extension until January 22, 2024 to complete certain key steps of continued growth which could negatively impact our operating results and financial condition. the Company's compliance plan..

Our Former Founder, Preston Parsons, On January 24, 2024, the Company received a determination letter (the "Determination Letter") from the Staff stating that it had not regained compliance with Listing Rule 5550(a)(2) and is not eligible for a second 180 day period to regain compliance. The Company appealed the Staff's determination, pursuant to the procedures set forth in the Nasdaq Listing Rule 5800 Series and had a hearing with a Nasdaq Hearings Panel (the "Panel") on April 9, 2024. The Company still awaiting the Panel's decision on whether the Company's plan as presented to the Panel has a controlling interest been accepted.

Based on the Company's representations made in Assure.

As of March 23, 2023, our former founder, Preston Parsons, directly or indirectly, owns 181,317 shares of common stock and warrants to acquire 1,563 shares of common stock, which in aggregate totals 182,880 shares of common stock (assuming full exercise of his warrants) or beneficial ownership of 16.6% of our issued and outstanding shares of common stock. Of the shares of common stock beneficially owned by Mr. Parsons 33,000 shares were issued under a restricted stock grant agreement and are subject to forfeiture; such shares are fully vested. Mr. Parsons is our single largest stockholder and a control person for the purposes of Canadian and U.S. securities law. As a result, Mr. Parsons has the ability to influence the outcome of matters its compliance plan submitted to our stockholder for approval, which could include the election and removal of directors, amendments Staff, on November 1, 2023, the Staff granted the Company an extension until January 22, 2024, to our corporate governing documents and business combinations. In addition to his ability to influence matters submitted to our stockholders, regain compliance with the concentration of ownership Equity Requirement. However, the Staff indicated in the hands Determination Letter that, pursuant to Listing Rule 5810(d)(2), this deficiency serves as an additional and separate basis for delisting, and as such, the Company should address its non-compliance with the Equity Requirement before the Panel, if it appeals the Staff's determination, which the Company has done.

There can be no assurance that the Company's plan as presented to the Panel will be accepted by the Panel or that, if it is, the Company will be able to regain compliance with the applicable Nasdaq listing requirements, or that a Panel will stay the suspension of a single stockholder may discourage an unsolicited bid for the Company's securities.

If Nasdaq delists our common stock from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this may adversely impact the value and trading price of our common stock. In addition, sales of common stock by Mr. Parsons may adversely affect the trading price of our common stock. were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The price of our common stock is subject to volatility.

Broad market and industry factors may affect the price of our common stock, regardless of our actual operating performance. Factors unrelated to our performance that may have an effect on the price of our securities include the following: the extent of equity research coverage available to investors concerning our business may be limited if

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investment banks with research capabilities do not follow our securities; speculation about our business in the press or the investment community; lessening in trading volume and general market interest in our securities may affect an investor's ability to trade significant numbers of our securities; additions or departures of key personnel; sales of our common stock, including sales by our directors, officers or significant stockholders; announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures; and a substantial decline in the price of our securities that persists for a significant period of time could cause our securities to be delisted from an exchange, further reducing market liquidity. If an active market for our securities does not continue, the liquidity of an investor's investment may be limited and the price of our securities may decline. If an active market does not exist, investors may lose their entire investment. As a result of these factors, the market price of our securities at any given point in time may not accurately reflect our long-term value. Securities class-action litigation often has been brought against companies in periods of volatility in the market price of their securities and following major corporate transactions or mergers and acquisitions. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

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Our bylaws designate the state and federal courts located in Denver, Colorado as the exclusive forum for certain types of actions and proceedings, which could limit a stockholder's ability to choose the judicial forum for disputes arising with Assure Holdings Corp.

Our bylaws provides that unless we consent in writing to the selection of an alternative forum, the applicable court of competent jurisdiction shall be the state and federal courts located in Denver, Colorado (the "Colorado Court"), which Colorado Court shall, to the fullest extent permitted by law, be the sole and exclusive forum for actions or other proceedings relating to:

- (i) a derivative action;
- (ii) an application for an oppression remedy, including an application for leave to commence such a proceeding;
- (iii) an action asserting a claim of breach of the duty of care owed by us; any director, officer or other employee or any stockholder;
- (iv) an action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee or any stockholder;
- (v) an action or other proceeding asserting a claim or seeking a remedy pursuant to any provision of the Nevada Revised Statute or our articles or bylaws; and
- (vi) an action or other proceeding asserting a claim against us or any director or officer or other employee of the Corporation regarding a matter of the regulation of our business and affairs.

There is uncertainty as to whether a Court will enforce these forum selection clauses. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes, which may discourage such lawsuits. We interpret the forum selection clauses in our bylaws to be limited to the specified actions and not to apply to actions arising under the Exchange Act or the Securities Act. Section 27 of the Exchange Act provides that United States federal courts shall have jurisdiction over all suits and any action brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and Section 22 of the Securities

Act provides that United States federal and state courts shall have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

If a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, and results of operations.

There is a limited trading market for our common stock.

Our common stock is listed in the U.S. on the Nasdaq and was historically traded in Canada on the TSX-V, but was voluntarily delisted on February 7, 2022. Historically, the trading volume for our common stock has been limited. Accordingly, investors may find it more difficult to buy and sell our shares. These factors may have an adverse impact on the trading and price of our common stock.

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Our issuance of common stock upon exercise of warrants or options or conversion of convertible notes may depress the price of our common stock.

As of **March 23, 2023** **April 24, 2024**, Assure had **1,101,098** **9,000,000** shares of common stock issued and outstanding, outstanding warrants to purchase **206,000** **194,974** shares of common stock; outstanding options to purchase **49,040** **21,055** shares of common stock; outstanding convertible notes convertible into **19,044** **30,584** shares of common stock. The issuance of shares of common stock in connection with convertible securities and obligations could result in substantial dilution to our stockholders, which may have a negative effect on the price of our common stock.

In addition, our articles authorize the issuance of 9,000,000 shares of common stock. **We may issue additional common stock in the future in connection with a future financing or acquisition.**

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We qualify as an "emerging growth company" under the JOBS Act.

As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we **will not be required to:** **will:**

- **not be required to** have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- **not be required to** comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm;
- **not be required to a** rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- **not be required to** submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay" and "say-on-frequency"; **and**
- **not be required to** disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive's compensation to median employee **compensation. compensation; and**

- be permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure.

We will remain an "emerging growth company" until the earliest of (i) the last day of the first fiscal year in which our total annual gross revenues exceed \$1.07 \$1.235 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, which would occur if the market value of our ordinary shares that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, (iii) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period or (iv) the last day of the fiscal year in which we celebrate the fifth anniversary of our first sale of registered common equity securities pursuant to the Securities Act of 1933, as amended. Until such time, however, we cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 1C. CYBERSECURITY

Cybersecurity Strategy and Risk Management

Assure Neuromonitoring's cybersecurity program is a comprehensive system fortified by policies and procedures aimed at safeguarding our operations, systems, and the sensitive data of our clients and customers from potential cybersecurity threats. This program is a crucial part of our risk management strategy.

At the heart of our security model is a defense-in-depth framework. This framework consists of multiple layers of processes and technologies designed to prevent, detect, and respond to threats. Our strategy for defending against external threats includes a range of preventive technologies such as malicious email blocking, defenses against automated attacks, AI-enhanced advanced threat protection, SDWAN technologies, encryption, and multifactor authentication. These measures proactively intercept and neutralize cyber threats, ensuring data security within our environment. We also employ continuous event monitoring technologies that detect suspected intrusion attempts and alert our Security Incident Response team.

Assure Neuromonitoring implements several key security processes to mitigate and protect against cybersecurity risks, including:

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- Identity and Access Management: We grant employees the minimum necessary access to perform their roles using a role-based access control methodology. Any privileged or elevated access to our systems requires additional approval, authentication processes, and is subject to increased logging and monitoring.
- Security Awareness and Training: We conduct annual HIPAA training programs, regular phishing simulations, and require employees to pass a general security awareness assessment every year.
- Security Operations and Monitoring: Our operational monitoring processes offer valuable insights into the effectiveness of our security program. A centralized system collects security logs and performs event correlation, triggering an alert if necessary. We review any deviations from our targets and implement corrective actions.
- Change Management: Any changes to hardware, software, network components, or processes introduced into production environments are managed by a change control process. This process requires the submission of necessary documentation and a business justification for the change.
- Disaster Recovery / Business Continuity: Our recovery processes are designed to maintain service to our customers, vendors, and members under a wide range of adverse circumstances. Recovery methods include rerouting business functions, relocating to an alternative site, online and offline backups, mobile recovery, and work-from-home arrangements.
- Physical Security: Our physical security system is used to identify appropriate individuals, authorize entry, and define the working areas they can access.
- Third-Party Vendor Security Reviews: Suppliers with access to, or who host or transmit sensitive data, must complete a business associate agreement, signifying their compliance with HIPAA laws.

- **Vulnerability Management / Patching:** We rate any discovered vulnerability by severity and assign a timeline for remediation. Patching activities are centrally managed, focusing on the identification, remediation, analysis, and closure of vulnerabilities throughout the vulnerability management lifecycle.
- **Cybersecurity Incident Reporting:** Our incident reporting protocol facilitates quick and efficient responses to cybersecurity threats. This includes providing employees with documentation on how to report a cybersecurity incident, a user-friendly phishing reporting tool in Outlook, and group email boxes that are monitored 24/7 for incident submissions.

Our cybersecurity program, which is measured against industry-standard frameworks, undergoes penetration testing by third-party assessors. Our Chief Information Officer (CIO) leads our information technology team in frequent collaborations with industry experts and cybersecurity practitioners from other companies. This collaboration allows us to exchange information about potential cybersecurity threats, best practices, and industry trends.

We manage cybersecurity risks on a routine basis through a defined framework that includes activities for identifying, assessing, treating, and monitoring risks. The results of our cybersecurity risk assessments guide senior management in making informed decisions about resource allocation to reduce cybersecurity risks and enhance our overall security posture.

Each year, we review our entire program and measure it against widely accepted industry standards and frameworks, such as the internationally recognized security control framework established by the NIST. This framework is used by companies to assess and improve their ability to prevent, detect, and respond to cyberattacks. Our cybersecurity policies and standards, which are primarily guided by the NIST 800-53 Cybersecurity Framework, are also reviewed annually.

In addition to these internal measures, external third parties evaluate the effectiveness of components of our overall cybersecurity program. This evaluation includes work performed over various levels of controls assessments for specific business lines and core processes. These assessments include the Health Insurance Portability and Accountability Act ("HIPAA") and the Health Information Trust Alliance ("HITRUST") for healthcare data security. The Joint Commission (TJC) also conducts an annual assessment and benchmark of our security controls to identify opportunities to strengthen our cybersecurity program.

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Governance of Cybersecurity Risk Management

Our board of directors collectively oversees our strategic and operational risks. The responsibility of reviewing and discussing our risk assessment and risk management practices, including cybersecurity risks, has been delegated to the audit committee by the board of directors. The audit committee regularly reports its findings to the board of directors.

The implementation of risk management strategies on a day-to-day basis is the responsibility of our management team, which also suggests process improvements. Our Chief Information Officer (CIO), who has over 27 years of experience in various engineering, business, and management roles focused on information technology, oversees significant risks from cybersecurity threats. The CIO regularly provides updates and reports on cybersecurity matters and emerging industry trends to the CEO, who then reports this information to the audit committee.

We have engaged an external cybersecurity firm to provide managed security services, reporting directly to our CIO. This firm boasts professionals with over 20 years of experience in IT-related roles and degrees in Information Technology, including cybersecurity. They have extensive experience in supporting firms with the application of information technology governance and security frameworks such as NIST, HIPAA, HITRUST, and COBIT.

Our management team assesses our cybersecurity readiness using internal assessment tools, third-party control tests, vulnerability assessments, audits, and regular evaluations against industry standards. We have established governance and compliance structures

designed to escalate cybersecurity-related issues, such as potential threats or vulnerabilities, to management and the audit committee. We also employ various defensive and continuous monitoring techniques in line with recognized industry frameworks and cybersecurity standards.

Our CIO holds quarterly meetings with the CEO to review our information technology systems and discuss key cybersecurity risks.

ITEM 2. PROPERTIES

Assure currently leases approximately 17,000 3,100 square feet of office space for its corporate offices at 7887 E. Belleview Ave., Suite 500, 240, Denver, CO 80111. The current leases expire in December 2025, 80111 on a month-to-month basis.

ITEM 3. LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against our Company or any of our subsidiaries, nor are we involved as a plaintiff in any other material proceeding or pending litigation. There are no other proceedings in which

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any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

In April 2022, the U.S. Department of Justice ("DOJ") issued Civil Investigative Demands which seek information with respect to a civil investigation under the Anti-kickback Statute and the False Claims Act. We voluntarily contacted the DOJ offering to provide any materials needed in the investigation and to answer any questions. While our policy during the relevant time was to not seek payments from federal health care programs, the third-party billing company we used at that time submitted some claims to Medicare Advantage plans administered by commercial insurance companies. We have worked diligently to ensure that payments from Medicare Advantage plans have been returned to the commercial insurance companies and we believe we have returned substantially all such payments that we have discovered to date, totaling approximately \$450,000. The DOJ has not made any allegations in the investigation, and we are currently unable to predict the eventual scope, ultimate timing, or outcome of this investigation. As During February 2024, a result, we Settlement Agreement ("Agreement") was executed between Assure and the United States Department of Justice ("DOJ").

In exchange for a payment of approximately \$1 million, the Agreement releases Assure from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud. Payments are unable to estimate in equal monthly installments over the amount or range next 12 months.

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[Table of any potential loss, if any, arising from this investigation. For additional information regarding legal proceedings is summarized in Note 16, "Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in this Annual Report. Contents](#)

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The primary trading market for our shares of common stock is the Nasdaq Capital Market. Our common stock trades under the symbol "IONM". On **March 23, 2023** **April 24, 2024**, the last reported sales price of our common stock as quoted on the Nasdaq was **\$3.75**. **\$0.73**.

Holders

As of **March 23** **April 24, 2024**, **2023**, there were approximately **66** **76** stockholders of record holding **1,101,098** **9,000,000** shares of our common stock. This number does not include an indeterminate number of stockholders whose shares are held by brokers in street name through depositaries, including CDS & Co and CEDE & Co. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to our common stock.

Dividend Policy

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of our board of directors (the "Board") and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our Board deems relevant. Our ability to pay cash dividends is subject to limitations imposed by state law.

Repurchases of Equity Securities

During the quarter ended **December 31, 2022** **December 31, 2023**, neither the Company nor any affiliate of the Company repurchased any shares of common stock of the Company.

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Recent Sales of Unregistered Securities

All sales of equity securities during the year ended **December 31, 2022** **December 31, 2023**, were previously reported.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this Annual Report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. See "Forward-Looking Statements." Our actual results may differ materially from those anticipated in these forward-looking statements as a

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result of many factors, including, but not limited to, those set forth in "Item 1A. Risk Factors" and elsewhere in this Annual Report.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and accompanying notes included in Item 8 of this Annual Report. This Management's Discussion and Analysis (this "MD&A") has been prepared based on information known to management as of **March 31, 2023** **April 26, 2024**. This MD&A is intended to help the reader understand the consolidated audited financial statements of the Company.

Overview

Assure is a **best-in-class** provider of **outsourced intraoperative neurophysiological monitoring** **Intraoperative neuromonitoring** ("IONM") and an **emerging provider of remote neurology services that help make surgeries safer**. The Company delivers a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive **surgical** procedures. **This includes scheduling of the interoperative neurophysiologist ("INP") and supervising practitioner, real time monitoring, patient advocacy and subsequent billing for the services**. IONM has been well established as a standard of care and risk mitigation tool for various surgical verticals such as neurosurgery, spine, cardiovascular, orthopedic, ear, nose, and throat ("ENT"), and other surgical procures that place the nervous system at risk. **Accredited by The Joint Commission, Assure's mission is to provide exceptional surgical care and help make invasive surgeries safer. Our strategy focuses on utilizing best of class personnel and partners to deliver outcomes that are beneficial to all stakeholders including patients, surgeons, hospitals, insurers, and stockholders.**

In 2022,

During each procedure, Assure **provided** provides two types of services, the Technical Component and Professional Component of IONM. Our in-house Interoperative Neurophysiologists ("INP") provide the Technical Component IONM services from the operating room throughout the procedure, while telehealth-oriented supervising practitioners provide a level of redundancy and risk mitigation in support of the onsite INPs and the surgical team. In addition, Assure offers a comprehensive suite of IONM services, including scheduling the INP and supervising practitioner, real time monitoring, patient advocacy and subsequent billing and collecting for services provided.

Clinical leadership, surgeon support and patient care are Assure's cornerstones. We make substantial ongoing investments in our training and development of clinical staff and have created a training program to rigorously train new INPs to cost-effectively join the Assure team. In addition, we have partnered with the internationally renowned Texas Back Institute on clinical research relating to IONM safety and efficacy.

Historically, the foundation of Assure's business has been providing the Technical Component of IONM via our INP staff. We employ highly trained INPs, which provide a direct point of contact in the operating room during the surgeries to relay critical information to the surgical team. In this one-to-one business model, Assure pairs a team of INPs with third-party surgeons to promote a level of familiarity, comfort and efficiency between the surgeon and the INP. Each INP can support approximately **215 surgeons** 200 cases annually. Our INPs monitor the surgical procedure using state of the art, commercially available, diagnostic medical equipment. Assure INP's are certified by a third-party accreditation board, ABRET Neurodiagnostic Credentialing and Accreditation ("ABRET"). The success of our service depends upon the timely recognition and successful interpretation of the data signals by our INPs and remote supervisors to quickly determine if the patient is experiencing a deficiency and advise the surgeon to determine if surgical intervention is required to positively impact the patient and surgery.

The Professional Component of IONM is provided via tele-neurology services under a one-to-many business model, and as a result, has a different financial profile than the Technical Component. Supervising practitioners provide tele-neurology services from an off-site location and maintain the ability to monitor multiple surgical cases simultaneously. As a result, each supervising practitioner has the ability to monitor approximately 2,500 or more cases annually.

Assure has made substantial investments to make its revenue cycle management function more data-driven, analytical, and automated. This modernization facilitated successful state-level arbitrations in **129 hospitals** 2022 and **surgery centers across** federal arbitrations in 2023. Many IONM competitors, particularly smaller peers that remain reliant on third-party billing companies lack the analytics and transparency to similarly leverage opportunities presented by the arbitration process. The Company intends to continue to seek arbitration opportunities related to uncollected accounts receivable.

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During the fourth quarter of 2022 and throughout 2023, the Company exited the majority of business under Assure's legacy Managed Service Agreement ("MSA") model in order to keep all revenue generated from services provided by the Professional Component of IONM. The Company expects the remaining MSA relationships to be terminated during 2024.

During September 2023, the Company's operational footprint. Our continued geographic expansion initiatives, including facility-wide outsourcing agreements Board of Directors initiated a process to explore strategic alternatives for the business. In consultation with medical facilities financial and hospital networks, coupled with legal advisors, a comprehensive strategic review process began immediately and evaluated a broad range of options to maximize shareholder value. As part of this review process, Assure's board agreed to conduct an auction process for the surgical vertical expansion efforts, extending sale of its clinical operations. On March 26, 2024, Assure closed the sale transaction resulting in the sale of most of the Company's reach into remote neurology clinical operations, equipment, and contracts. As of the filing date of this Annual Report on Form 10K, Assure is providing IONM services in limited markets, primarily Arizona and selective acquisitions are expected to generate substantial growth opportunities going forward. In Montana. During February 2024, Assure entered an Agreement and Plan of Merger (the "Merger Agreement") with Danam Health, Inc. ("Danam"). Danam delivers unique solutions for pharmacies, providers, pharmaceutical manufacturers, and payors focused on improving the future, it may be necessary for us to raise additional funds for the continuing development lives of our business plan. patients.

The Company has financed its cash requirements primarily from revenues generated from its services, by utilizing debt facilities and from the sale of common stock.

See "Item 1. Business" for a complete description of our business.

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Results of Operations

Year Ended December 31, 2022 December 31, 2023 Compared to the Year Ended December 31, 2021 December 31, 2022

The following table provides selected financial information from the condensed consolidated financial statements of income for the years ended December 31, 2022 December 31, 2023 and 2021, 2022. All dollar amounts set forth in the table below are expressed thousands of dollars, except share and per share amounts.

	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2022	2021	\$	%	2023	2022	\$	%
Revenue					\$ 255	\$ 471	\$ (216)	
Technical services	\$ 825	\$ 13,527	\$ (12,702)	(94)%				
Professional services	7,498	12,330	(4,832)	(39)%				
Other	2,653	3,335	(682)	(20)%				
Total revenue	10,976	29,192	(18,216)	(62)%				
Cost of revenues, excluding depreciation and amortization	15,190	14,318	872	6 %				
Gross (loss) margin	(4,214)	14,874	(19,088)	(128)%				
Cost of revenues					2,449	2,532	(83)	
Gross margin					(2,194)	(2,061)	(133)	
Operating expenses								

General and administrative	15,065	14,805	260	2 %	13,524	15,065	(1,541)
Sales and marketing	945	1,082	(137)	(13)%			
Bad debt expense related to termination of managed service agreements					4,358	1,370	2,988
Depreciation and amortization	4,060	1,114	2,946	264 %	6	9	(3)
Impairment charges	3,540	—	3,540	100 %			
Goodwill impairment charge					—	3,423	(3,423)
Intangibles impairment charge					—	117	(117)
Total operating expenses	23,610	17,001	6,609	39 %	17,888	19,984	(2,096)
Loss from operations	(27,824)	(2,127)	(25,697)	(1,208)%	(20,082)	(22,045)	1,963
Other income (expenses)							
Income from equity method investments	39	225	(186)	83 %	43	39	4
Gain on Paycheck Protection Program loan	1,665	—	1,665	100 %			
Other expense, net	(1,370)	(46)	(1,324)	2,878 %			
Gain on Paycheck Protection Program loan forgiveness					—	1,665	(1,665)
Interest income					11	—	11
Interest expense					(2,031)	(1,639)	(392)
Other income, net					557	—	557
Accretion expense	(681)	(556)	(125)	(22)%	(681)	(681)	—
Interest expense, net	(1,739)	(1,081)	(658)	61 %			
Total other expense	(2,086)	(1,458)	(628)	43 %			
Loss before income taxes	(29,910)	(3,585)	(26,325)	(734)%			
Income tax benefit (expense)	(202)	829	(1,031)	(124)%			
Total other expense, net					(2,101)	(616)	(1,485)
Loss from continuing operations before taxes					(22,183)	(22,661)	478
Income tax benefit (expense) on continuing operations					736	(202)	938
Loss from continuing operations					(21,447)	(22,863)	1,416
Loss from discontinued operations, net of tax					(4,631)	(7,249)	2,618
Net loss	\$ (30,112)	\$ (2,756)	\$ (27,356)	(993)%	\$ (26,078)	\$ (30,112)	\$ 4,034
Loss per share							
Basic	\$ (40.06)	\$ (4.70)	\$ (35.36)	(752)%			
Diluted	\$ (40.06)	\$ (4.70)	\$ (35.36)	(752)%			
Loss from continuing operations, basic and diluted					\$ (5.01)	\$ (30.42)	\$ 25.40
Loss from discontinued operations, basic and diluted					(1.08)	(9.64)	8.56
Loss per share, basic and diluted					\$ (6.10)	\$ (40.06)	\$ 33.96
Weighted average number shares – basic	751,659	586,271	165,388	28 %	4,276,820	751,659	3,525,161
Weighted average number shares – diluted	751,659	586,271	165,388	28 %	4,276,820	751,659	3,525,161

Revenue

Total Revenue. Total revenues for the years ended December 31, 2022 and 2021 were \$11.0 million and \$29.2 million, respectively, net of implicit price concessions. For the years ended December 31, 2022 and 2021, we recorded an allowance for implicit price concessions of \$17.9 million and \$7.4 million, respectively. Gross revenue for the years ended December 31, 2022, December 31, 2023, and 2021, prior to the application of implicit price concessions, totaled \$28.9 million, \$471 thousand and \$36.6 million, respectively. Revenue is generated by our revenue cycle management team under legacy managed service agreements for billing and collecting for professional services provided by our business partners. The decrease in gross revenue is primarily related to a decrease in the revenue accrual rate, partially offset by an increase in managed case volume of approximately 4,200 from nearly 17,400 in the year ended December 31, 2021 to nearly 21,600 in the same period of 2022. The increase in managed cases is primarily related attributable to the acquisition of Sentry Neuromonitoring, LLC ("Sentry") that was completed during the second quarter of 2021, and the Company's expansion into remote neurology. These gains were partially counteracted by Assure's decision efforts to exit certain markets. The Company utilized market intelligence and data warehousing analytics it did not previously possess to inform our decision to exit the managed service arrangements during 2023.

certain lower performing markets that*Cost of revenues*

Cost of revenues for the years ended December 31, 2023 and 2022, were **dragging down** \$2.4 million and \$2.5 million, respectively. Cost of revenues consist primarily of the cost of our internal billing and collection department and decreased slightly related to the decrease in headcount.

General and administrative

General and administrative expenses for the years ended December 31, 2023 and 2022, were \$13.5 million and \$15.1 million, respectively. The overall decrease is primarily related to a \$1.5 million reduction in compensation cost and \$1.4 million in stock-based compensation charges related to reduction in headcount, \$453 thousand decrease in third party consulting costs, \$412 thousand reduction in travel and related employee expenses, offset by \$2.0 million increase in legal fees primarily related to the matter with the DOJ and litigation against two Louisiana facilities, \$224 thousand increase in professional fees primarily related to the change in audit firms during 2023.

Bad debt expense related to termination of MSA agreements

As previously discussed, during the fourth quarter of 2022 and throughout 2023, the Company exited the majority of business under Assure's legacy MSA model in order to keep all revenue generated from services provided by the Professional Component of IONM. As a result of exiting this business, during the years ended December 31, 2023 and 2022, the Company incurred bad debt expense related to the termination of MSA agreements of \$4.4 million and \$1.4 million, respectively.

Goodwill impairment charge

The goodwill impairment charge of \$3.4 million related to the qualitative evaluation of the Company's **average revenue per case**. Assure's go-forward strategy is anchored on achieving goodwill balance in comparison to the **benefit of scale** in geographies underpinned by above average reimbursement.

Gross Revenue, Intangibles impairment charge *Gross revenue*

During the year ended December 31, 2022, the Company wrote off its tradename intangible balance of \$117 thousand since the tradename is no longer in use. There were no similar transactions during the year ended December 31, 2023.

Gain on Paycheck Protection Program loan forgiveness

During March 2021, the Company received an unsecured loan under the United States Small Business Administration Paycheck Protection Program ("PPP") pursuant to the recently adopted Coronavirus Aid, Relief, and Economic Security Act (the "PPP Loan") in the amount of \$1.7 million. During January 2022, the Company was granted forgiveness of the PPP Loan. As of December 31, 2022, the Company recorded a gain on forgiveness of the PPP Loan of \$1.7 million. There were no similar transactions during the year ended December 31, 2023.

Interest expense

Interest expense was \$2.0 million for the year ended December 31, 2023, compared to \$1.6 million for the year ended December 31, 2022. The increase year-over-year is primarily due to higher outstanding debt balances. Specifically, interest expense was **negatively impacted by implicit price concessions** \$300 thousand and \$221 thousand for years ended December 31, 2023, and 2022 related to **aged claims**. Based the convertible debt, respectively, and \$1.4 million and \$1.2 million for the years ended December 31, 2023, and 2022, respectively, for

the Centurion debt. The remaining amount of interest expense is associated with implied interest on the Company's historical experience, claims generally become uncollectible once they are aged greater than 24 months. As such, lease obligations.

Accretion expense

The Company recorded non-cash accretion expense of \$681 thousand for the years ended December 31, 2023, and 2022, respectively. The Company accretes the difference between the fair value of the convertible debt and the debenture and the face value of the convertible debt and the debenture over the term of the convertible debt and the debenture. Specifically, accretion expense was \$381 thousand for each period related to the convertible debt and \$300 thousand for each period related to the Centurion debt.

Income tax benefit

For the years ended December 31, 2023, income tax benefit was \$736 thousand compared to income tax expense of \$202 thousand for the year ended December 31, 2022. The Company's estimated annual tax rate is impacted primarily by the amount of taxable income earned in each jurisdiction the Company estimated operates in and permanent differences between financial statement carrying amounts and the portion tax basis.

Discontinued operations

	Year Ended December 31,	
	2023	2022
Revenue		
Technical services	\$ 2,991	\$ 3,519
Professional services	3,785	8,476
Other	978	(1,490)
Revenue, net	7,754	10,505
Cost of revenues, excluding depreciation and amortization	11,380	12,658
Gross margin	(3,626)	(2,153)
Operating expenses		
Sales and marketing	366	945
Depreciation and amortization	582	4,051
Total operating expenses	948	4,996
Loss from discontinued operations	(4,574)	(7,149)
Other expenses		
Interest expense	(45)	(100)
Total other expense	(45)	(100)
Loss from discontinued operations	(4,619)	(7,249)
Income tax expense	(12)	—
Net loss from discontinued operations	<u>\$ (4,631)</u>	<u>\$ (7,249)</u>

Loss from discontinued operations was \$4.6 million for the year ended December 31, 2023, compared to income of \$7.2 million for the years ended December 31, 2022. Discontinued operations consist of the Company's accounts receivable that may become uncollectible due to age, or the implicit price concessions, is \$17.9 million for December 31, 2022. In the fourth quarter of 2021, Assure made additional refinements to the reserve process based on multi-year life-to-date collections information which is now possible due to stabilized actual and collection rates over the most recent two years. This process provides a clearer picture of the Company's estimated collectible accounts receivable. The new process led to a higher than anticipated reserve in 2022. The Company reserves accounts receivable beginning in the fifth quarter after date of service and continuing to increase the reserve percentage until the receivable is aged to 24 months and a day at which point it is fully reserved. The benefit of refining the process in this manner: (1) Assure's anticipated go-forward exposure in 2023 is substantially reduced and (2) increased precision and increased visibility in our estimation process. Going forward, as the Company continues to accelerate its cash receipts there will be less accounts receivable at risk. Management has designated a tactical team to specifically pursue these reserved claims, following activities:

Technical and professional service revenue is recognized in the period in which IONM services are rendered, at net realizable amounts due from third party payors when collections are reasonably assured and can be estimated. The majority of the Company's services are rendered on an out-of-network basis and billed to third-party insurers. We estimate out-of-network technical and professional revenue per case based

upon our historical cash collection rates from private health insurance carriers. Our revenue estimation process for out-of-network revenue is based on the collection experience from insurance cases that are between 1-24 1 and 24 months old as management believes the more recent collection experience is more indicative of future per case collection rates.

Other revenue consists The Company reserves accounts receivable beginning in the fifth quarter after date of revenue service and continuing to increase the reserve percentage until the receivable is aged to 24 months and a day from managed the date of service arrangements on a contractual basis. Revenue from services rendered at which point it is recorded after services are rendered, fully reserved.

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[Cost Table of Revenues Contents](#)

Cost of revenues for the years ended December 31, 2022 were \$15.2 million compared to \$14.3 million for the same period in 2021. During the year ended December 31, 2022, the number of neuromonitoring cases increased 24% compared to the year ended December 31, 2021, which drove the costs of revenues increase, partially offset by cost cutting measures. Cost of revenues consist primarily of the cost of our internal billing and collection department, internal and external collection costs, technologist and supervising practitioner wages, third-party supervising practitioner fees, and medical supplies. Technologist and supervising practitioner wages and medical supplies vary with the number of neuromonitoring cases. The cost decrease in costs of our internal billing and collection department increased as we have increased headcount revenues is primarily related to align with expected growth in volume and the number of cases to invoice has increased. A primary focus for Assure during 2023 will be Company's efforts focused on reducing the Company's average cost of the delivery in providing our services, both on the technologist and the remote neurology parts of the business, business.

General Additionally, discontinued operations consist of sales and administrative

General and administrative marketing expenses were \$15.1 million and \$14.8 million for the years ended December 31, 2022 and 2021, respectively. The increase period-to-period was primarily related to higher employee costs due to severance payments, increased professional fees, such as legal expenses, and higher insurance premiums, partially offset by a decrease in stock-based compensation and other cost cutting measures.

Depreciation and amortization

Depreciation and amortization was \$4.1 million and \$1.1 million for the years ended December 31, 2022 and 2021, respectively. The increase period-to-period was primarily related to the additional generation of revenue and depreciation, amortization due to the change in the estimated life of intangible assets for doctor agreements. During December 2022, the Company evaluated the useful life

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of doctor agreements which resulted in a decrease in the useful life from 10 years to one year. See Note 3 to the consolidated financial statements for a completed discussion of this change in estimate.

Impairment charges

Impairment charges were \$3.5 million for the year ended December 21, 2022. The impairment charge of \$3.4 million and implied interest expenses related to the qualitative evaluation of the Company's goodwill balance medical equipment utilized in comparison to the Company's market cap and net equity position. Additionally, the Company wrote off its tradename intangible balance of \$117 thousand since the tradename is no longer in use. There were no similar transactions during the year ended December 31, 2021.

Gain on Paycheck Protection Program loan forgiveness

During March 2021, the Company received an unsecured loan under the United States Small Business Administration Paycheck Protection Program ("PPP") pursuant to the recently adopted Coronavirus Aid, Relief, and Economic Security Act (the "PPP Loan") in the amount of \$1.7 million. During January 2022, the Company was granted forgiveness of the PPP Loan. As of June 30, 2022, the Company recorded a gain on forgiveness of the PPP Loan of \$1.7 million. There were no similar transactions during the year ended December 31, 2021.

Other expense, net

Other expense, net was \$1.4 million for the years ended December 31, 2022 was primarily related to the settlement of amounts due from MSAs and PEs due to the termination of the related MSA and/or PE agreement.

Accretion expense

The Company recorded non-cash accretion expense of \$681 thousand and \$556 thousand for the years ended December 31, 2022 and 2021, respectively. The Company accretes the difference between the fair value of the convertible notes and the face value of the convertible debt over the term of the convertible note.

Interest expense, net

Interest expense, net was \$1.7 million for the year ended December 31, 2022 compared to \$1.1 million for the year ended December 31, 2021. The increase year-over-year is primarily due to higher outstanding debt balances. Specifically, interest expense was \$221 thousand and \$304 thousand for the years ended December 31, 2022 and 2021, respectively, related to the convertible debt, and \$1.2 million and \$456 thousand for the years ended December 31, 2022 and 2021, respectively, for the Centurion debenture.

Income tax benefit

For the year ended December 31, 2022, income tax benefit was \$202 thousand compared to \$829 thousand for the year ended December 31, 2021. The Company had an effective tax rate of (0.7)% and 23.1% for the years ended December 31, 2022 and 2021, 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. operations.

Financial Position, Liquidity and Capital Resources

Funding Requirements

Our cash position as of December 31, 2022 December 31, 2023, was \$905 \$123 thousand compared to the December 31, 2021 December 31, 2022 cash balance of \$4.0 million. \$905 thousand. Working capital was \$16.4 million negative \$15.5 million as of December 31, 2022 December 31, 2023, compared to \$34.3 million \$18.2 million at December 31, 2021 December 31, 2022. Our working capital balance and our estimated cash flows from operations during 2023 2024 will not support our operating activities and our obligations for the next 12 months. We intend to seek equity or debt financing and have implemented significant cost cutting measures to mitigate our going concern. Such financings may include the issuance of shares of

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common stock, warrants to purchase common stock, convertible debt or other instruments that may dilute our current stockholders. Financing may not be available to us on acceptable terms depending on market conditions at the time we seek financing. We plan to apply applied for a \$3.2 million refund under the CARES Act Employee Retention Credit program, however there is no guarantee when, or if, these funds will be received during 2023 2024. Furthermore, our independent registered public accountants have expressed that substantial doubt exists as to the Company's ability to continue as a going concern. See Item 8. Report of Independent Registered Public Accountant in this Annual Report on Form 10-K for further discussion.

On **October 11, 2022** July 25, 2023, **we** the Company received a **notification** letter from the Listing Qualifications Staff of The Nasdaq Stock Market **stating** LLC ("Nasdaq") indicating that, **we are** based upon the closing bid price of the Company's common stock for 30 consecutive business days, the Company is not currently in compliance with the **Minimum Bid Price Requirement**, which requires our listed **securities** requirement to maintain a minimum bid price of \$1.00 per **share**. **share** for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Notice").

On August 16, 2023, the Company received notice from the Staff of the Nasdaq that the Company no longer satisfies the \$2.5 million stockholders' equity requirement for continued listing on The Nasdaq Capital Market, or the alternatives to that requirement - a \$35 million market value of listed securities or \$500,000 in net income in the most recent fiscal year or two or the last three fiscal years - as required by Nasdaq Listing Rule 5550(b) (the "Equity Requirement"). The notification is separate from, and in addition to, the previously deficiency letter that the Company received from the Staff on July 25, 2023, as discussed above.

During **March** November 2023, the Company **effectuated** received notice from the Staff of the Nasdaq that the Staff has determined to grant the Company an extension of time to regain compliance with Listing Rule 5550(b) (the "Rule"). The Rule requires a **twenty-for-one reverse split** minimum \$2,500,000 stockholders' equity, \$35,000,000 market value of listed securities, or \$500,000 net income from continuing operations (the "Equity Requirement").

On October 2, 2023, the Company submitted its plan of compliance to the Staff. On November 1, 2023, the Staff provided notice to the Company that the Staff had granted an extension until January 22, 2024, to complete certain key steps of the Company's compliance plan and, assuming those steps are complete on or before January 22, 2024 to complete certain key steps of the Company's compliance plan.

On January 24, 2024, the Company received a determination letter (the "Determination Letter") from the Staff stating that it had not regained compliance with Listing Rule 5550(a)(2) and is not eligible for a second 180-day period to regain compliance. The Company appealed the Staff's determination, pursuant to the procedures set forth in **order** the Nasdaq Listing Rule 5800 Series and had a hearing with a Nasdaq Hearings Panel (the "Panel") on April 9, 2024. The Company still awaiting the Panel's decision on whether the Company's plan as presented to **comply** the Panel has been accepted.

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Based on the Company's representations made in its compliance plan submitted to the Staff, on November 1, 2023, the Staff granted the Company an extension until January 22, 2024, to regain compliance with the **Minimum Bid Price** Equity Requirement. However, **there** the Staff indicated in the Determination Letter that, pursuant to Listing Rule 5810(d)(2), this deficiency serves as an additional and separate basis for delisting, and as such, the Company should address its non-compliance with the Equity Requirement before the Panel, if it appeals the Staff's determination, which the Company has done.

There can be no assurance that the Company's plan as presented to the Panel will be accepted by the Panel or that, if it is, **no guarantee** the Company will be able to regain compliance with the applicable Nasdaq listing requirements, or that a Panel will stay the suspension of the Company's securities.

If Nasdaq delists our common stock **will** from trading on its exchange and we are not **fall below the minimum bid price of \$1.00 per share in the future**. A delisting from The Nasdaq Stock Market would negatively impact **able to list our ability** securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to **raise additional capital through equity financings on acceptable terms in order to meet our plan of continued growth occur**, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future

We are also dependent on Centurion Financial Trust granting us certain add-backs and other one-time adjustments in the calculation of our financial covenants related to EBITDA related to the Centurion debt and if we are not granted such allowances we may not meet our financial covenants which could result in a default on our obligations and the lender could foreclose on our assets if we cannot otherwise payoff the debt. We currently owe approximately \$11 million in face amount on the Centurion debt. As of December 31, 2023, the Company was not in compliance with the Debenture debt covenants. As a result, Centurion may demand full repayment of the outstanding principal and interest. Additionally, approximately \$3.0 million in convertible debentures, the majority of which have matured but have not been repaid according to the terms and conditions of the underlying note agreements, and may be payable on demand.

Our near-term cash requirements relate primarily to payroll expenses, trade payables, debt payments, capital lease payments, and general corporate obligations.

Cash flows from operating activities

For the year ended December 31, 2022 December 31, 2023, we collected approximately \$21.8 million \$16.5 million of cash from operations compared to collecting approximately \$14.3 million \$21.8 million in the same prior year period. As of December 31, 2022 December 31, 2023, accounts receivable, which are recorded net of implicit price concessions, was \$13.9 million \$4.0 million compared to \$27.8 million \$15.1 million at December 31, 2021 December 31, 2022. The decrease in our accounts receivable balance during 2022 2023 is primarily related to the increased velocity of cash receipts and implicit price concession charges.

Cash used in operating activities for the year ended December 31, 2022 December 31, 2023, was \$8.0 million \$5.0 million compared to \$13.4 million \$7.4 million for the same period in the preceding year. Cash was used to fund operations and to fund our growth strategy.

In October 2022, we experienced a meaningful decrease in the Texas reimbursement benchmark, which has been utilized in state arbitration claims to great success through September of this year. Texas state arbitration reimbursement has realigned to a level much closer to the state average across our operational footprint, based on our arbitration experience. Since Texas represents approximately 60% of our patient volume, we expect to remain focused on participation rates for state arbitrations in Texas.

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Cash flows from investing activities

Cash used in investing activities of \$280 thousand for the year ended December 31, 2022, was related the PE distributions of \$80 thousand, offset by payments related to acquisition liabilities of \$280 thousand and fixed asset purchases of \$80 thousand. Cash provided by investing activities of \$1 \$471 thousand for the year ended December 31, 2021 December 31, 2023, was related the PE distributions of \$308, \$101, offset by payments related to acquisitions of \$572. Cash used in investing activities of \$nil for the Sentry acquisition year ended December 31, 2022, fixed asset purchases of \$307, \$80 thousand, offset by PE distributions of \$80 thousand.

We have receivables from equity investments in PEs and other entities that are due and payable upon those entities collecting on their own accounts receivable. To the extent that these entities are unable to collect on their accounts receivable or there is an impairment in the valuation of those accounts receivable, the Company will need to reduce its related party receivables and/or its equity investments in the PEs.

Cash flows from financing activities

Cash provided by financing activities of \$4.7 million for the year ended December 31, 2023, resulted from a public offering of approximately 4 million common shares at a price of \$1.20 per common share and a private placement of 50,000 common shares at a price of \$6.00 per common share, partially offset by finance lease principal payments of \$369 and acquisition liability payments of \$281 thousand. Cash provided by financing activities of \$4.3 million for the year ended December 31, 2022, was due to net proceeds from an equity financing, partially offset by finance lease principal payments of \$620 and acquisition liability payments of \$280 thousand.

Subsequent Events

Sale of Certain Assets

During March 2023, the Company entered into an agreement to sell certain assets of its IONM business to National Neuromonitoring Services, LLC for up to \$4.5 million, of which \$2.3 million was paid in cash at the initial closing on March 26, 2024 and up to an additional \$2.2 million to be paid in relation to a potential earnout payment tied to case volume from the acquired assets during the 12-month period following the initial closing. The asset sale includes most of the Company's healthcare facility contracts and clinical equipment, and a majority of the Company's employees. The Company retains certain of its assets, including but not limited to, its accounts receivable and its employees in the revenue cycle management team.

Merger Agreement

On February 12, 2024, Assure entered into a Merger Agreement with Danam and Assure Merger Corp., a newly formed wholly-owned subsidiary of Assure ("Assure Merger"). Upon the terms and subject to the satisfaction of the conditions described in the Merger Agreement, including approval of the transaction by the stockholders of Assure and Danam, Assure Merger will be merged with and into Danam (the "Merger"), with Danam surviving the Merger as a wholly-owned subsidiary of Assure. The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"): (i) each share of Danam capital stock issued and outstanding immediately prior to the Effective Time shall automatically be converted into and become the right to receive the applicable per share portion of the "merger consideration" as set forth in the allocation statement to be delivered pursuant to the Merger Agreement ("merger consideration" is defined in the Merger Agreement to mean a number of shares of common stock of Assure equal to (a) the quotient obtained by dividing (i) the number of shares of Assure capital stock on a fully diluted basis (the "Assure Fully Diluted Share Number") by (ii) the quotient of (A) the adjusted value of Assure dividend by (B) the sum of the adjusted value of Assure and the adjusted value of Danam, minus (b) the Assure Fully Diluted Share Number minus (c) the number of shares of common stock of Assure the warrants of Danam will become exercisable for upon closing of the Merger); (ii) each outstanding warrant of Danam will be assumed by Assure and become a warrant to purchase an adjusted number of shares of common stock of Assure, at an adjusted exercise price per share but subject to the same terms and conditions as the warrant of Danam.

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Following closing of the Merger, the former Assure equityholders immediately before the Merger are expected to own approximately 10% of the outstanding capital stock of the combined company on a fully diluted basis and the equityholders of Danam immediately before the Merger are expected to own approximately 90% of the outstanding capital stock of the combined company on a fully diluted basis.

Upon closing of the Merger, Assure will be renamed Danam Health Holdings Corp. Suren Ajjarapu will serve as Chairman of the Board of Directors and Tim Canning will serve as the Chief Executive Officer of the combined company. The Merger Agreement provides that the Board of Directors of the combined company will be comprised of five members which will be filled upon completion of the Merger to be designated by Danam.

The Merger Agreement contains customary representations, warranties and covenants of Assure and Danam, including covenants relating to the conduct of the business of both Assure and Danam from the date of signing the Merger Agreement through closing of the Merger, obtaining the requisite approval of the stockholders of Assure and Danam and maintain the listing of the common stock of Assure on the NASDAQ Capital Market and applying for the continued listing of Danam after the closing of the Merger on the NASDAQ Capital Market. Under the terms of the Merger Agreement, Assure has also agreed not to solicit from any person an acquisition proposal (as defined in the Merger Agreement) for Assure.

In connection with the Merger, Assure will prepare and file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 that will contain a prospectus and a proxy statement, and will seek the approval of Assure's stockholders with respect to certain actions, including the following (collectively, the "Assure Stockholder Proposals"):

- (i) the Sale Transaction (as defined in the Merger Agreement);
- (ii) the Merger;

- (iii) the change of control of Assure resulting from the transactions contemplated by the Merger Agreement pursuant to the rules of NASDAQ;
- (iv) the post-closing equity plan for Assure;
- (v) the post-closing board of directors composition;
- (vi) an amendment to the certificate of incorporation of Assure to effect a reverse stock split; and
- (vii) an amendment to the certificate of incorporation of Assure to change the name of Assure.

The Board has agreed to recommend the approval of the Assure Stockholder Proposals to the stockholders and to solicit proxies in support of the approval of the Assure Stockholder Proposals at a meeting of the stockholders to be held for that purpose.

The Merger Agreement contains a limited contractual ability for the Board, in accordance with its fiduciary duties to the stockholders, to change its recommendation to the stockholders upon receipt of a superior proposal subject to certain terms and conditions therein, including providing Danam notice of the superior proposal and time to make a counter-proposal to amend the terms of the Merger Agreement.

Under the Merger Agreement, Assure has agreed to maintain certain indemnity rights (including advancing expenses) of the current officers and directors of Assure as they exist in the governing documents of Assure and maintain director and officers insurance for a period of 6 years following the closing of the Merger.

The closing of the Merger is subject to customary closing conditions, including, among other things, (i) the required approval of the stockholders of Assure and Danam, (ii) the accuracy of the representations and warranties of the parties made in the Merger Agreement, subject to materiality qualifiers, (iii) compliance by the parties with their respective covenants under the Merger Agreement, and (iv) the approval of NASDAQ of the continued listing of Danam after the closing of the Merger. Further, closing of the Merger is conditioned on the simultaneous closing of a sale transaction of Assure's assets. The obligation of Assure is conditioned upon Danam completing acquisition transactions as set forth in the Merger Agreement, including completing the acquisitions of (a) all of the membership interests in Wood Sage, LLC, a Florida limited liability company and (b) all of the membership interests in Wellgistics, LLC, a Florida limited liability company set forth in the applicable acquisition transactions agreements, both such acquisition transactions to close prior to or concurrent with the Merger. The obligation of Danam to close the Merger is also subject to satisfaction of certain

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additional conditions, including, among other things, (i) no Assure material adverse effect, (ii) Assure having performed its obligations under the agreement governing the sale transaction, (iii) Assure completing a wind down of its business, (iv) the reverse split having been consummated, and (v) Assure having a maximum amount of \$500,000 in retained liabilities.

The parties may terminate the Merger Agreement upon mutual consent. Either party may terminate the Merger Agreement (i) if any of the representations or warranties of the other party set forth in the Merger Agreement shall not be true and correct or if the other party has failed to perform any covenant or agreement on the part of such party set forth in the Merger Agreement, (ii) the Merger is not consummated by the outside date (May 15, 2024), (iii) there is a governmental order prohibiting the Merger, and (iv) failure to obtain the stockholder vote. Danam may terminate the Merger Agreement if (i) the Board changes its recommendation to stockholders with respect to the Merger, (ii) the Board fails to reaffirm its recommendation to stockholders with respect to the Merger following a tender offer for Assure, (iii) the Board fails to reaffirm its recommendation to stockholders with respect to the merger following a publicly announced acquisition proposal for Assure, (iv) Assure breaches its non-solicitation provisions, or (v) the Board resolves to do any of the above. Assure may terminate the Merger Agreement for acceptance of a superior proposal.

In the event that Danam or Assure terminates the Merger Agreement pursuant to certain of the sections set forth above, Assure will be required to pay Danam a termination fee of \$1,000,000, less any reimbursed expenses. Upon termination in other contexts in which a termination fee is not due, the breaching party may owe the non-breaching party reimbursement of expenses up to \$250,000.

On April 8, 2024, the Company entered into a partial waiver and amendment agreement (the Waiver Agreement) with Assure Acquisition Corp. (the "Merger Sub") and Danam which waives and amends certain provisions of that certain agreement and plan of merger (the "Merger Agreement") dated February 12, 2024 by and between the Corporation, Merger Sub and Danam.

Pursuant to the terms and conditions of the Waiver Agreement, Danam has partially waived its right to terminate the Merger Agreement pursuant to breaches of Section 6.8(a) and 6.20 of the Merger Agreement provided that the Corporation meets the following conditions:

- a. Assure obtains the Preliminary Shareholder Vote required by Section 6.20 of the Merger Agreement no later than April 30, 2024;

- b. Assure files the proxy statement and registration statement on Form S-4 required by the Section 6.8(a) Covenant no later than April 26th, 2024;
- c. Assure issues Danam a \$1,000,000 convertible promissory note in the form attached as Exhibit A to the Merger Agreement (the "Convertible Note") simultaneously with the execution and delivery of this Waiver;
- d. Assure receives shareholder approval for the Merger five (5) Business Days prior to the Termination Date and effects the Reverse Split prior to the Termination Date;
- e. Assure is not in default under the Convertible Note; and
- f. Assure is not in breach of any other covenants set forth in the Merger Agreement, subject to any necessary notice requirements and cure period set forth therein.

Further the Waiver Agreement amends the Merger Agreement to change the definition of "Termination Date" to mean July 22, 2024.

In connection with the Waiver Agreement, on April 8, 2024, the Corporation issued a convertible note to Danam in principal amount of \$1,000,000. The note accrues interest on the then outstanding principal balance at a rate equal to 10% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. The note has a maturity date of July 22, 2024. Upon the occurrence of certain events, the note is convertible into shares of common stock at the Nasdaq "Minimum Price" in accordance with Listing Rule 5635(d). The note will become immediately due and payable upon the occurrence of an event of default under the note, including but not limited to: a failure to pay, voluntary bankruptcy or insolvency of Assure, involuntary bankruptcy or insolvency proceedings of Assure, breach of the Merger Agreement or termination of the Merger Agreement.

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Additional Information and Where to Find It

This section of the annual report on Form 10-K may be deemed to be solicitation material with respect to the proposed transactions between Assure and Danam. In connection with the proposed transaction, Assure intends to file relevant materials with the United States Securities and Exchange Commission, or the SEC, including a registration statement on Form S-4 that will contain a prospectus and a proxy statement. Assure will mail the proxy statement/prospectus to the Assure and Danam stockholders, and the securities may not be sold or exchanged until the registration statement becomes effective.

Investors and securityholders of Assure and Danam are urged to read these materials when they become available because they will contain important information about Assure, Danam and the proposed transactions. This report is not a substitute for the registration statement, definitive proxy statement/prospectus or any other documents that Assure may file with the SEC or send to securityholders in connection with the proposed transactions. Investors and securityholders may obtain free copies of the documents filed with the SEC, once available, on Assure's website at www.assureneuromonitoring.com, on the SEC's website at www.sec.gov or by directing a request to Assure at 7887 E. Belleview Ave., Suite 240, Denver, Colorado, USA 80111, Attention: John Farlinger, Chief Executive Officer; or by email at ir@assureiom.com.

This report shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Participants in the Solicitation

Each of Assure and Danam and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Assure in connection with the proposed transaction. Information about the executive officers and directors of Assure are set forth in this report below under the heading "Directors, Executive Officers and Corporate Governance" and in Assure's Definitive Proxy Statement on Schedule 14A relating to the 2023 Annual Meeting of Stockholders of Assure, filed with the SEC on December 5, 2023. Other information regarding the interests of such individuals, who may be deemed to be participants in the solicitation of proxies for the stockholders of Assure will be set forth in the proxy statement/prospectus, which will be included in Assure's registration statement on Form S-4 when it is filed with the SEC. You may obtain free copies of these documents as described above.

Settlement with the United States Department of Justice

During February 2024, a Settlement Agreement ("Agreement") was executed between Assure and the United States Department of Justice ("DOJ").

In exchange for a payment of approximately \$1 million, the Agreement releases Assure from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud. Payments are in equal monthly installments over the next 12 months.

In April 2022, the DOJ issued Civil Investigative Demands to the Company which seek information with respect to a civil investigation of Assure, Assure's founder and a surgeon partner under the Anti-kickback Statute and the False Claims Act. The Company voluntarily contacted the DOJ offering to provide any materials needed in the investigation and to answer any questions. While our policy during the relevant time was to not seek payments from federal health care programs, the third-party billing company we used at that time of Assure's start up submitted some claims to Medicare Advantage plans administered by commercial insurance companies. Assure worked diligently to ensure that payments from Medicare Advantage plans have been returned to the commercial insurance companies. The Agreement resolves the DOJ investigation as it relates to Assure.

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Issuance of Common Shares In Lieu

During April 2024, the Company entered into an exchange agreement with Centurion whereby the Company agreed to issue 236,164 common shares to settle \$141 thousand of outstanding amounts owed under the Debenture agreement (Note 9 to the consolidated financial statements).

During April 2024, the Company entered into exchange agreements with certain Convertible Debenture holders, whereby the Company agreed to issue 1,337,371 common shares to settle \$334 thousand of principal and interest owed (Note 9 to the consolidated financial statements).

Subscription Agreement with Innovation

On April 8, 2024, the Corporation entered into a subscription agreement (the "Subscription Agreement") with Innovation pursuant to which Innovation agreed to the cancellation of \$270,000 of future installment payments under the Asset Purchase Agreement dated August 2, 2023 by financing activities of \$5.2 million and between the Corporation and Innovation as consideration for the year ended December 31, 2022, was due to equity financing. Cash provided by financing activities subscription of \$13.0 million for the year ended December 31, 2021, was due to \$10.4 million 437,247 shares of net proceeds from the debenture, \$1.7 million of proceeds from the Payroll Protection Program loan, and \$5.1 million in proceeds from common stock issuances, offset of the Corporation (the "Subscribed Shares") representing a deemed exchange price of \$0.6175 per share. The Subscribed Shares were issued pursuant to Section 4(a)(2) of the Securities Act.

In April 2022, the DOJ issued Civil Investigative Demands to the Company which seek information with respect to a civil investigation of Assure, Assure's founder and a surgeon partner under the Anti-kickback Statute and the False Claims Act. The Company voluntarily contacted the DOJ offering to provide any materials needed in the investigation and to answer any questions. While our policy during the relevant time was to not seek payments from federal health care programs, the third-party billing company we used at that time of Assure's start up submitted some claims to Medicare Advantage plans administered by \$4.1 million commercial insurance companies. Assure worked diligently to ensure that payments of bank debt from Medicare Advantage plans have been returned to the commercial insurance companies. The Agreement resolves the DOJ investigation as it relates to Assure.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with GAAP. Application of GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes and within this MD&A. We consider our most important accounting policies that require significant estimates and management judgment to be those policies with respect

to revenue, accounts receivable and income taxes, which are discussed below. Our other significant accounting policies are summarized in Note 2, "Basis of Presentation" and Note 3, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements included in this Annual Report.

We continually evaluate the accounting policies and estimates used to prepare the consolidated financial statements. In general, our estimates are based on historical experience, evaluation of current trends, information from third-party professionals and various other assumptions that we believe to be reasonable under the known facts and circumstances. Estimates can require a significant amount of judgment and a different set of assumptions could result in material changes to our reported results.

Historical Revenue Recognition and Collection Cycle

The Company recognizes revenue primarily from fees for IONM services provided. Revenue is recognized at a point in time upon satisfaction of the Company's performance obligation to a customer, which is at the time of service. Revenue is based on the Company's best estimate of the transaction price the Company expects to receive in exchange for the services rendered. Our estimate of the transaction price includes estimates of price concessions for such items as

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contractual allowances from third-party payors, potential adjustments that may arise from payment, and uncollectible amounts.

The Company performs a collection analysis for out-of-network billings to private insurance companies and adjusts its estimated transaction price if the collection rate is different from the amount recorded in previous periods. Historically, this analysis is performed monthly.

The cash collection cycles of the Company may be protracted due to the majority of its revenue being billed to third-party commercial insurance payors on an out-of-network basis. The collection cycle for IONM to out-of-network payors may require an extended period to maximize reimbursement on claims, which results in accounts receivable growth tied to the Company's overall growth in technical and professional service revenues. The collection cycle may consist of multiple payments from out-of-network private insurance payors, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Based on the Company's historical experience, claims generally become uncollectible once they are aged greater than 24 months; as such, included in the Company's allowance for implicit price concessions is an estimate of the likelihood that a portion of the Company's accounts receivable may become uncollectible due to age. The Company continues collection efforts on claims aged over 24 months. Collections on claims are recorded as revenue in the period received as such collections represent a subsequent change to the initial estimation of the transaction price.

Technical and professional service revenue

Technical and professional service revenue is recognized at a point in time in which performance obligations are satisfied at the amount that reflects the consideration to which the Company expects to be entitled. Performance obligations are satisfied when IONM services are rendered. The majority of the Company's services are rendered on an out-of-network basis and billed to third party commercial insurers. Since allowable charges for services rendered out-of-network are not explicitly identified in the contract, the Company determines the transaction price based on standard charges for services provided, reduced by an estimate of contractual adjustments and implicit price concessions based on evaluating the payor

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mix, historical settlements and payment data for payor types and current economic conditions to calculate an appropriate net realizable value for revenue and accounts receivable. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods.

Other revenueIncome Taxes

The Company recognizes revenue from managed service arrangements. We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely on a contractual basis, Revenue is recorded when the Company has completed its performance obligations, which is the time of service.

Stock-based Compensation Expense

The Company accounts more-likely-than-not basis, we must increase our provision for stock-based compensation expense income taxes by recording a valuation allowance against our deferred tax assets. Should there be a change in accordance with the authoritative guidance on stock-based payments. Under the provisions of the guidance, stock-based compensation expense is measured at the grant date based on the fair value of the option using a Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

The authoritative guidance also requires that the Company measure and recognize stock-based compensation expense upon modification of the term of a stock award. The stock-based compensation expense our ability to recover our deferred tax assets, our provision for such modification is the sum of any unamortized expense of the award before modification and the modification expense. The modification expense is the incremental amount of the fair value of the award before the modification and the fair value of the award after the modification, measured on the date of modification. In the event the modification results in a longer requisite period than in the original award, the Company has elected to apply the pool method where the aggregate of the unamortized expense and the modification expense is amortized over the new requisite period on a straight-line basis. In addition, any forfeiture will be based on the original requisite period prior to the modification.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, stock price volatility, and the pre-vesting option forfeiture rate. The Company estimates the expected life of options granted based on historical exercise patterns, which are believed to be representative of future behavior. The Company estimates the volatility of the Company's common stock on the date of grant based on historical volatility. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. The Company estimates the forfeiture rate based on historical experience of its stock-based awards that are granted, exercised and cancelled. If the actual forfeiture rate is materially different from the estimate, stock-based compensation expense could be significantly different from what was recorded in the current period.

The Company may grant performance share units ("PSUs") to employees or consultants. PSU awards will vest if certain employee-specific or company-designated performance targets are achieved. If minimum performance thresholds are achieved, each PSU award will convert into common stock at a defined ratio depending on the degree of achievement of the performance target designated by each individual award. If minimum performance thresholds are not achieved, then no shares will be issued. Based upon the expected levels of achievement, stock-based compensation is recognized on a straight-line basis over the PSUs' requisite service periods. The expected levels of achievement are reassessed over the requisite service periods and, to the extent that the expected levels of achievement change, stock-based compensation is adjusted income taxes would fluctuate in the period of change and recorded on the statements of operations and the remaining unrecognized stock-based compensation is recorded over the remaining requisite service period.

Income Taxes

The Company must make certain estimates and judgments change. We account for uncertain tax positions in determining accordance with authoritative guidance related to income tax expense for financial statement purposes. These estimates and judgments are used in the calculation of tax credits, tax benefits, tax deductions, and in the calculation of certain deferred taxes and tax liabilities. Significant changes to these estimates may result in an increase or decrease to the Company's tax provision in a subsequent period.

The provision for income taxes was determined using the asset and liability method prescribed by GAAP. Under this method, deferred tax assets and liabilities are recognized for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. If and when it is determined that a deferred tax asset will not be realized for its full amount, we will recognize and record a valuation allowance with a corresponding charge to earnings, taxes. The calculation of the current our unrecognized tax liability benefits involves dealing with uncertainties in the application of complex tax laws regulations. As such, we are required to make many subjective assumptions and regulations judgments regarding our income tax exposures. We record unrecognized tax benefits for anticipated tax audit issues in the U.S. based on our estimate of whether, and the extent to which, additional tax liabilities are more-likely-than-not assuming the tax authorities have full knowledge of all relevant information. If we ultimately determine that the tax liabilities are unnecessary, we reverse the liabilities and recognize a tax benefit during the period in determining which it occurs. This may occur for a variety of reasons, such as the liability expiration of the statute of limitations on a particular tax return or the completion of an examination by the relevant tax authority. We record an additional charge in our provision for taxes in the period in which we determine that the recorded unrecognized tax positions, if any, taken on benefits are less than the Company's tax returns in accordance with authoritative guidance on accounting for uncertainty in income taxes, expected ultimate settlement.

New Accounting Pronouncements

For information regarding new accounting pronouncements that were issued or became effective during the year ended December 31, 2022 that had, or are expected to have, a material impact on our financial position, results of operations or financial statement disclosures, see the "Recently Adopted Accounting Pronouncements" and "Recent Accounting

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Pronouncements Not Yet Adopted" sections of Note 3, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements included in this Annual Report.

Subsequent Events

Reverse stock split

On March 3, 2023, the Company announced that it effected a reverse stock split (the "Reverse Stock Split") of its shares of common stock, \$0.001 par value, at a ratio of 20 (old) for 1 (new) which became effective on March 4, 2023.

The Reverse Stock Split is primarily intended to bring the Company into compliance with the minimum bid price requirement for maintaining the listing of its common stock on the NASDAQ Capital Market and to make the bid price more attractive to investors.

As a result of the 20:1 Reverse Stock Split, the total number of shares of common stock authorized by the Company under its Articles of Incorporation will be reduced from 180,000,000 shares of common stock, par value \$0.001, to 9,000,000 shares of common stock, par value \$0.001. The number of shares of common stock held by each stockholder of the Company will consolidate automatically on a twenty (old) shares for one (new) share basis. No fractional shares will be issued in connection with the Reverse Stock Split. All fractional shares will be rounded up to the nearest whole share, pursuant to NRS 78.205(2)(b).

The Reverse Stock Split affects all issued and outstanding shares of common stock. All outstanding options, restricted stock awards, warrants, preferred stock and convertible notes and other securities entitling their holders to purchase or otherwise receive shares of common stock will be adjusted as a result of the Reverse Stock Split by decreasing the number of shares acquirable pursuant to the ratio of 20:1 and increasing the exercise or conversion price, as applicable, by the same ratio, as required by the terms of each such security. The number of shares of common stock available to be awarded under the Company's equity incentive plans will also be proportionately adjusted.

As of March 3, 2022, the Company had 22,021,952 shares of common stock issued and outstanding, and after the Reverse Stock Split, the Company will have approximately 1,101,098 shares of common stock issued and outstanding.

Private placement

On March 3, 2023, the Company completed a private placement for \$300 thousand by issuing 50,000 common shares at a price of \$6.00 per common share.

Nasdaq listing

As discussed in Note 10 to the consolidated financial statements, the Company received a letter from Nasdaq stating the Company was not in compliance with the requirement to maintain a minimum bid price of \$1.00 per share. The Company

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completed a reverse split, discussed above, in order to comply with the minimum bid price requirements. As of March 20, 2023, the Nasdaq has confirmed Assure is compliant with the minimum bid price requirements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following Consolidated Financial Statements and Report of Independent Registered Public Accountants are filed as part of this Item 8 and are included in this Annual Report.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders Board of Directors and Shareholders

Denver, Colorado

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Assure Holdings Corp (the "Company") as of December 31, 2023, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the year then ended, and the related consolidated notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, the December 31, 2022 consolidated balance sheet, statement of operations and cash flows, has been recast to conform with the December 31, 2023 presentation related to discontinued operations. We also have audited the adjustments described in Note 2 that were applied to the recast of the December 31, 2022 consolidated balance sheet, statement of operations and cash flows in relations to the discontinued operations. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 consolidated financial statements of the Company, other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2022 consolidated financial statements taken as a whole.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As noted in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operation and negative cash flow from operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also included in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

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Emphasis of the Matter – Restatement of Unaudited Interim Consolidated Financial Statements

As discussed in Note 2 to the consolidated financial statements, the unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2023, as of and for the three and six months ended June 30, 2023 and as of and for the nine months ended September 30, 2023 have been restated to correct misstatements related to deferred tax liabilities, stock based compensation and accounts receivable settlement.

/s/ WithumSmith+Brown, PC

We have served as Assure Holdings Corp's auditor since 2023.

Whippany, New Jersey

April 26, 2024

PCAOB ID Number 100

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Assure Holdings Corp.

Denver, Colorado

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Assure Holdings Corp. and its subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years year then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Uncertainty

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As noted in Note 2 to the financial statements, the Company has suffered recurring losses from operation and negative cash flow from operations. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also included in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits, audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits, audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide audit provides a reasonable basis for our opinion.

/s/ Baker Tilly US, LLP

We have served as the Company's auditor since 2018.from 2018 to 2023

Los Angeles, California

March 31, 2023

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ASSURE HOLDINGS CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
ASSETS				
Current assets				
Cash	\$ 905	\$ 4,020	\$ 123	\$ 905
Accounts receivable, net	15,143	27,810	3,601	15,143
Income tax receivable	140	136		
Other current assets	200	151	562	340
Due from MSAs	5,006	5,886	—	5,006
Assets held for sale			2,437	1,867
Total current assets	21,394	38,003	6,723	23,261
Equity method investments	310	525	175	310
Fixed assets	76	85	—	6
Operating lease right of use asset, net	672	956	616	672
Finance lease right of use asset, net	382	743		
Intangibles, net	390	3,649		
Goodwill	1,025	4,448		
Total assets	\$ 24,249	\$ 48,409	\$ 7,514	\$ 24,249
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 2,919	\$ 2,194	\$ 7,411	\$ 2,919
Current portion of debt	965	515	13,679	965
Current portion of lease liability	550	702	621	550
Current portion of acquisition liability	306	306	454	306
Other current liabilities	231	—	53	231
Total current liabilities	4,971	3,717	22,218	4,971
Lease liability, net of current portion	964	1,482	505	964
Debt, net of current portion	11,874	13,169	—	11,874

Acquisition liability	179	459		
Fair value of stock option liability	—	25		
Deferred tax liability, net	796	601		
Acquisition liability, net of current portion			126	179
Deferred income taxes, net			—	796
Total liabilities	18,784	19,453	22,849	18,784
Commitments and contingencies (Note 16)				
SHAREHOLDERS' EQUITY				
Common stock: \$0.001 par value; 9,000,000 shares authorized; 1,051,098 and 645,943 shares issued and outstanding, as of December 31, 2022 and 2021, respectively				
	21	13		
Commitments and contingencies (Note 15)				
SHAREHOLDERS' (DEFICIT) EQUITY				
Common stock: \$0.001 par value; 9,000,000 shares authorized; 6,720,460 and 1,051,098 shares issued and outstanding, as of December 31, 2023 and 2022, respectively				
			7	1
Additional paid-in capital	50,000	43,387	55,292	50,020
Accumulated deficit	(44,556)	(14,444)	(70,634)	(44,556)
Total shareholders' equity	5,465	28,956		
Total liabilities and shareholders' equity	\$ 24,249	\$ 48,409		
Total shareholders' (deficit) equity			(15,335)	5,465
Total liabilities and shareholders' (deficit) equity			\$ 7,514	\$ 24,249

See accompanying notes to consolidated financial statements.

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ASSURE HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2022	2021
Revenue		
Technical services	\$ 825	\$ 13,527
Professional services	7,498	12,330
Other	2,653	3,335
Total revenue	10,976	29,192
Cost of revenues, excluding depreciation and amortization	15,190	14,318
Gross (loss) margin	(4,214)	14,874
Operating expenses		
General and administrative	15,065	14,805
Sales and marketing	945	1,082
Depreciation and amortization	4,060	1,114
Impairment charge	3,540	—
Total operating expenses	23,610	17,001

Loss from operations	(27,824)	(2,127)
Other income (expenses)		
Income from equity method investments	39	225
Gain on Paycheck Protection Program loan forgiveness	1,665	—
Other expense, net	(1,370)	(46)
Accretion expense	(681)	(556)
Interest expense, net	(1,739)	(1,081)
Total other expense	(2,086)	(1,458)
Loss before income taxes	(29,910)	(3,585)
Income tax benefit (expense)	(202)	829
Net loss	<u>\$ (30,112)</u>	<u>\$ (2,756)</u>
Loss per share		
Basic	<u>\$ (40.06)</u>	<u>\$ (4.70)</u>
Diluted	<u>\$ (40.06)</u>	<u>\$ (4.70)</u>
Weighted average number of shares used in per share calculation – basic	751,659	586,271
Weighted average number of shares used in per share calculation – diluted	751,659	586,271

	Year Ended December 31,	
	2023	2022
Revenue	<u>\$ 255</u>	<u>\$ 471</u>
Cost of revenues	2,449	2,532
Gross margin	<u>(2,194)</u>	<u>(2,061)</u>
Operating expenses		
General and administrative	13,524	15,065
Bad debt expense related to termination of managed service agreements	4,358	1,370
Depreciation and amortization	6	9
Goodwill impairment charge	—	3,423
Intangibles impairment charge	—	117
Total operating expenses	<u>17,888</u>	<u>19,984</u>
Loss from operations	<u>(20,082)</u>	<u>(22,045)</u>
Other income (expenses)		
Income from equity method investments	43	39
Gain on Paycheck Protection Program loan forgiveness	—	1,665
Interest income	11	—
Interest expense	(2,031)	(1,639)
Other income (expense), net	557	—
Accretion expense (Note 9)	(681)	(681)
Total other expense, net	<u>(2,101)</u>	<u>(616)</u>
Loss from continuing operations before income taxes	(22,183)	(22,661)
Income tax benefit (expense) on continuing operations	736	(202)
Loss from continuing operations	<u>(21,447)</u>	<u>(22,863)</u>
Loss from discontinued operations, net of tax	(4,631)	(7,249)
Net loss	<u>\$ (26,078)</u>	<u>\$ (30,112)</u>
Loss per share		
Loss from continuing operations, basic and diluted	<u>\$ (5.01)</u>	<u>\$ (30.42)</u>
Loss from discontinued operations, basic and diluted	<u>\$ (1.08)</u>	<u>\$ (9.64)</u>
Loss per share, basic and diluted	<u>\$ (6.10)</u>	<u>\$ (40.06)</u>
Weighted average number of shares used in per share calculation – basic	4,276,820	751,659
Weighted average number of shares used in per share calculation – diluted	4,276,820	751,659

See accompanying notes to consolidated financial statements.

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ASSURE HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2022	2021
Cash flows from operating activities		
Net loss	\$ (30,112)	\$ (2,756)
Adjustments to reconcile net loss to net cash used in operating activities		
Income from equity method investments	(39)	(225)
Stock-based compensation	1,029	1,913
Depreciation and amortization	4,060	1,114
Amortization of debt issuance costs	161	93
Provision for stock option fair value	(25)	9
Impairment charge	3,540	—
Gain on Paycheck Protection Program loan	(1,665)	—
Accretion expense	681	556
Tax impact of equity transactions	2	—
Change in operating assets and liabilities		
Accounts receivable, net	12,667	(10,845)
Prepaid expenses	(49)	133
Right of use assets	280	48
Accounts payable and accrued liabilities	724	(920)
Due from MSAs	1,054	(1,071)
Lease liability	(750)	(500)
Income taxes	191	(846)
Other assets and liabilities	217	(76)
Net cash used in operating activities	(8,034)	(13,373)
Cash flows from investing activities		
Purchase of fixed assets	(80)	—
Net cash paid for acquisitions	(280)	(307)
Distributions received from equity method investments	80	308
Net cash (used in) provided by investing activities	(280)	1
Cash flows from financing activities		
Proceeds from exercise of stock options	4	19
Proceeds from share issuance, net	5,195	5,062
Proceeds from Paycheck Protection Program loan	—	1,665
Proceeds from debenture	—	10,360
Repayment of short-term debt	—	(4,100)
Net cash provided by financing activities	5,199	13,006
Decrease in cash	(3,115)	(366)
Cash at beginning of period	4,020	4,386
Cash at end of period	\$ 905	\$ 4,020
Supplemental cash flow information		
Interest paid	\$ 1,451	\$ 850
Income taxes paid	\$ —	\$ 16
Supplemental non-cash flow information		

Purchase of equipment with finance leases	\$ 79	\$ 431
Settlement of performance share issuance liability	\$ —	\$ 2,668
Settlement of acquisition share issuance liability	\$ —	\$ 540
Convertible debt exercised for common shares	\$ —	\$ 60
Intangible assets acquired in exchange for common shares issued	\$ 390	\$ —
Year Ended December 31,		
	2023	2022
Cash flows from operating activities		
Net loss	\$ (26,078)	\$ (30,112)
Adjustments to reconcile net loss to net cash used in operating activities		
Income from equity method investments	(43)	(39)
Stock-based compensation	(300)	1,029
Depreciation and amortization	6	3,615
Amortization of debt issuance costs	159	161
Bad debt provision	4,358	1,370
Provision for stock option fair value	—	(25)
Goodwill impairment charge	—	3,423
Intangibles impairment charge	—	117
Gain on Paycheck Protection Program loan forgiveness	—	(1,665)
Accretion expense	681	681
Tax impact of equity transactions	—	2
Right of use assets	252	280
Deferred income taxes, net	(807)	191
Change in operating assets and liabilities		
Accounts receivable, net	11,542	12,667
Accounts payable and accrued liabilities	4,490	724
Due from MSAs	648	(316)
Lease liability	(215)	(50)
Other assets and liabilities	(300)	168
Operating cash flows from discontinued operations	563	365
Net cash used in operating activities	(5,044)	(7,414)
Cash flows from investing activities		
Purchase of fixed assets	—	(80)
Net cash paid for acquisitions	(572)	—
Distributions received from equity method investments	101	80
Net cash used in investing activities	(471)	—
Cash flows from financing activities		
Proceeds from exercise of stock options	—	4
Proceeds from share issuance, net of share issuance costs	5,383	5,195
Finance lease principal payments	(369)	(620)
Payment of acquisition liability	(281)	(280)
Net cash provided by financing activities	4,733	4,299
Decrease in cash	(782)	(3,115)
Cash at beginning of year	905	4,020
Cash at end of year	\$ 123	\$ 905
Supplemental cash flow information		
Interest paid	\$ 1,499	\$ 1,451
Income taxes paid	\$ —	\$ —
Supplemental non-cash flow information		
Purchase of equipment with finance leases	\$ —	\$ 79
Right-of-use asset in exchange for lease liability	\$ 42	\$ —
Shares issued related to acquisition	\$ 205	\$ —
Intangible assets acquired in exchange for common shares issued	\$ —	\$ 390

See accompanying notes to the consolidated financial statements.

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ASSURE HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands, except share amounts)

	2020					2021				
	Common Stock		Additional	Accumulated	Total	Common Stock		Additional	Accumulated	Total
	Shares	Amount	paid-in Capital	deficit	shareholders' equity	Shares	Amount	paid-in Capital	deficit	shareholders' equity (deficit)
Balances, December 31, 2020	563,789	\$ 11	\$ 30,886	\$ (11,688)	\$ 19,209					
Exercise of stock options	150	—	19	—	19					
Share issuance, net	57,530	1	5,061	—	5,062					
Share issuance, acquisition related	21,606	1	2,814	—	2,815					
Stock-based compensation	—	—	1,913	—	1,913					
Convertible debt converted into common shares	669	—	60	—	60					
Equity component of debenture issuance	—	—	1,203	—	1,203					
Tax impact of equity transactions	—	—	(862)	—	(862)					
Settlement of performance share liability	2,198	—	2,293	—	2,293					
Other	1	—	—	—	—					
Net loss	—	—	—	(2,756)	(2,756)					
Balances, December 31, 2021	645,943	13	43,387	(14,444)	28,956	645,943	\$ 1	\$ 43,399	\$ (14,444)	\$ 28,956
Exercise of stock options	40	—	4	—	4	40	—	4	—	4
Share issuance, net	278,804	6	5,189	—	5,195	278,804	—	5,195	—	5,195
Stock-based compensation	126,311	2	1,418	—	1,420	126,311	—	1,420	—	1,420
Tax impact of equity transactions	—	—	2	—	2	—	—	2	—	2
Net loss	—	—	—	(30,112)	(30,112)	—	—	—	(30,112)	(30,112)
Balances, December 31, 2022	1,051,098	\$ 21	\$ 50,000	\$ (44,556)	\$ 5,465	1,051,098	\$ 1	\$ 50,020	\$ (44,556)	\$ 5,465
Exercise of warrants						750,000	—	—	—	—
Share issuance, net						4,091,667	5	5,378	—	5,383
Share issuance, acquisition related						547,946	1	204	—	205
Stock-based compensation						268,581	—	(300)	—	(300)
Tax impact of equity transactions						—	—	(10)	—	(10)
Fractional shares issued related to reverse split						11,168	—	—	—	—
Net loss						—	—	—	(26,078)	(26,078)
Balances, December 31, 2023						6,720,460	\$ 7	\$ 55,292	\$ (70,634)	\$ (15,335)

During March 2023, the Company effectuated a twenty-for-one reverse stock split. All share, stock option and warrant information has been retroactively adjusted to reflect the stock split.

See accompanying notes to the consolidated financial statements.

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Assure Holdings Corp. ("Assure" or the "Company"), through its two indirect wholly-owned subsidiaries, Assure Neuromonitoring, LLC ("Neuromonitoring") and Assure Networks, LLC ("Networks"), provides technical and professional intraoperative neuromonitoring ("IONM") surgical support services for neurosurgery, spine, cardiovascular, orthopedic, ear, nose, and throat, and other surgical procedures that place the nervous system at risk. These services have been recognized as the standard of care by hospitals and surgeons for risk mitigation. Assure Holdings, Inc., a wholly owned wholly-owned subsidiary, employs most of the corporate administrative employees and performs various corporate services on behalf of the consolidated Company. Assure Neuromonitoring employs interoperative neurophysiologists ("INP") who utilize technical equipment and their technical training to monitor evoked potentials ("EPS"), electroencephalographic ("EEG") and electromyography ("EMG") signals during surgical procedures and to pre-emptively notify the underlying surgeon of any nervous related issues that are identified. The INPs perform their services in the operating room during the surgeries. The INPs are certified by a third-party accreditation agency.

The Company was originally incorporated in Colorado on November 7, 2016. In conjunction with a reverse merger, the Company was redomiciled in Nevada on May 16, 2017.

Neuromonitoring was formed on August 25, 2015 in Colorado and currently has multiple wholly-owned subsidiaries. The Company's services are sold in the United States, directly through the Company.

Networks was formed on November 7, 2016 in Colorado and holds varying ownerships interests in numerous Provider Network Entities ("PEs"), which are professional IONM entities. These entities are accounted for under the equity method of accounting. Additionally, Networks manages other PEs that Networks does not have an ownership interest and charges those PEs a management fee.

Strategic Shift in Business Strategy

During September 2023, the Company's Board of Directors initiated a process to explore strategic alternatives for the business. In consultation with financial and legal advisors, a comprehensive strategic review process began immediately and evaluated a broad range of options to maximize shareholder value. As part of this review process, Assure's board agreed to conduct an auction process for the sale of its clinical operations. During February 2024, Assure entered a Definitive Agreement and Plan of Merger with Danam Health, Inc. ("Danam"). Danam delivers unique solutions for pharmacies, providers, pharmaceutical manufacturers, and payors focused on improving the lives of patients. During March 2024, Assure closed the disposal transaction resulting in the sale of most of the Company's clinical operations, equipment, and contracts. As of the filing date of this Annual Report on Form 10K, Assure is providing IONM services in limited markets, primarily Arizona and Montana. See Note 16 for further discussion of these transactions.

Financial Reporting and Classification

As a result of the corporate actions described above, the Company's technical and professional services meet the criteria to be considered "held for sale" as that term is defined in accounting principles generally accepted in the United States ("GAAP"). Accordingly, the assets associated with these services are classified and reflected on our consolidated balance sheets as "held for sale" as of December 31, 2023, and 2022, and their results of operations are classified as "discontinued operations" in the consolidated statements of operations for the years ended December 31, 2023 and 2022. Certain financial disclosures including major components of the assets and results of operations related to discontinued operations are provided in Note 7. Our continuing operations consists of our billing and collections services and costs to maintain our public company listing and are presented as such for all periods presented herein and until such time a strategic transaction is completed.

2. BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, and majority-owned entities, wholly-owned subsidiaries. The accompanying consolidated financial statements have been prepared in accordance with U.S.

generally accepted accounting principles ("GAAP"), which contemplates continuation of the Company as a going concern and the realization

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of assets and satisfaction of liabilities in the normal course of business. The Company's current cash balance and estimated cash from operations for the next 12 months is not sufficient to meet the Company's working capital needs for the next 12 months. The Company intends to seek equity or debt financing and have implemented significant cost cutting measures to mitigate our going concern. Such financings may include the issuance of shares of common stock, warrants to purchase common stock, convertible debt or other instruments that may dilute our current stockholders. Financing may not be available to us on acceptable terms depending on market conditions at the time we seek financing. The Company plans to file for a refund from the IRS under the CARES Act Employee Retention Credit program, however, there is no guarantee when, or if, these funds will be received during 2023. The accompanying consolidated financial statements do not include any adjustments that might become necessary should the Company be unable to continue as a going concern. All significant intercompany balances and transactions have been eliminated in consolidation.

For entities in which management has determined the Company does not have a controlling financial interest but has varying degrees of influence regarding operating policies of that entity, the Company's investment is accounted for using the equity method of accounting.

The Company's fiscal year ends on December 31 and the Company employs a calendar month-end reporting period for its quarterly reporting.

F-6 Liquidity and Going Concern

[Table](#) The Company's current cash balance and estimated cash from operations for the next 12 months is not sufficient to meet the Company's working capital needs for the next 12 months, which raised substantial doubt as to the Company's ability to continue as a going concern. The Company intends to seek equity or debt financing and have implemented significant cost cutting measures to mitigate its going concern. Such financings may include the issuance of [Contents](#)

ASSURE HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Common Stock Reverse Split

During March 2023, the Company effectuated a twenty-for-one reverse stock split. All share, stock option and warrant information has been retroactively adjusted to reflect the stock split. See Note [11 10](#) for additional discussion.

Reclassifications

Certain amounts for the year ended [December 31, 2021](#) December 31, 2022, and as of December 31, 2022, have been reclassified to conform to the [2022 presentation](#). 2023 presentation as it relates to assets held for sale and discontinued operations. Total assets, liabilities, equity, and net loss did not change for the prior periods due to the reclassifications.

Correction of Immaterial Error

During December 2023, the Company identified presentation errors to the consolidated financial statements for the year ended December 31, 2022 and all quarterly periods through September 30, 2023 related to the following: (1) The Company incorrectly presented bad debt expense of \$1.4 million related to the termination of MSA agreements as other expense in the statement of operations. This should have been classified within operating expenses. (2) The Company incorrectly presented \$620 thousand of finance lease payments within cash flows used in operations, which should have been presented in as cash flows used in financing activities. (3) The Company incorrectly presented long-term acquisition liability payments of \$280 thousand within cash flows used in investing activities, which should have been presented as cash flows used in financing activities.

Management evaluated the materiality of the error described above from a qualitative and quantitative perspective. Based on such evaluation, we have concluded the error was immaterial to the year ended December 31, 2022 but material to the year ended December 31, 2023, taking into account the requirements of the SEC Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. Accordingly, we are correcting this error as of December 31, 2022, and have correctly stated the amounts for the year ended December 31, 2022 Consolidated Financial Statements included in this Form 10-K.

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Restatement of Previously Issued Unaudited Interim 2023 Financial Statements

As of January 1, 2023, the Company recognized a deferred tax liability related to book to tax timing differences associated with the accretion expense originated from the fair value calculation of the convertible notes. The recorded deferred tax liability was an error which was reversed as of and for the three months ended March 31, 2023, as of and for the three and six months ended June 30, 2023 and as of and for the nine months ended September 30, 2023. This correction impacts the deferred tax liability and retained earnings on the balance sheet and income tax expense on the statement of operations.

During the second quarter of 2023, stock-based compensation benefit was not recorded related to forfeited stock options. In correction of the error in 2023, the Company recorded a stock-based compensation benefit of \$144 thousand related to the forfeiture on the unaudited condensed consolidated statement of operations for the three and six months ended June 30, 2023 and the nine months ended September 30, 2023. This correction impacts general and administrative expenses on the statement of operations and additional paid-in capital on the balance sheet.

During the second quarter of 2023, the Company settled a dispute with a commercial insurance payor for \$381 thousand less than the amount previously accrued as of June 30, 2023. The error is related to an overstatement of accounts receivable and overstatement of revenue due to pricing concession adjustments related to estimated settlement. This correction impacts accounts receivable on the balance sheet and revenue on the statement of operations.

In accordance with U.S. Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 99, Materiality ("SAB 99"), codified in Financial Accounting Standards Boards' ("FASB") Accounting Standards Codification ("ASC") 250, Accounting Changes and Error Corrections ("ASC 250"), the Company evaluated the materiality of the above errors from a quantitative and qualitative perspective and concluded that the errors were material to the Company's 2023 condensed interim consolidated financial statements and the financial statements should be restated to present the identified adjustments. The previously filed Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023, are restated in the consolidated financial statements in this Annual Report on Form 10-K, per the tables below.

The following tables show the Company's unaudited condensed consolidated balance sheets as of March 31, 2023, June 30, 2023 and September 30, 2023 and the Company's unaudited condensed consolidated income statements for the three months ended March 31, 2023, for the three and six months ended June 30, 2023 and for the three and nine months ended September 30, 2023, and the Company's unaudited condensed consolidated statement of cash flows for the three months ended March 31, 2023, for the six months ended June 30,

2023 and for the nine months ended September 30, 2023, as previously reported, adjustments and as restated for the periods presented (amounts stated in thousands of dollars except share and per share amounts):

	As of March 31, 2023 (unaudited)		
	As Previously Reported	Adjustments	As Restated
Total Liabilities			
Deferred Tax Liability	\$ 1,170	\$ (1,170)	\$ —
Total Liabilities	19,728	(1,170)	18,558
Total Shareholders' Equity			
Additional paid-in capital	50,289	—	50,289
Accumulated deficit	(48,870)	1,170	(47,700)
Total shareholders' equity	1,441	1,170	2,611
Total liabilities and shareholders' equity	\$ 21,169	\$ —	\$ 21,169

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Three Months Ended March 31, 2023 (unaudited)		
	As Previously Reported	Adjustments	As Restated
Operating expenses			
General and administrative	\$ 3,211	\$ —	\$ 3,211
Total operating expenses	3,523	—	3,523
Loss from operations	(3,344)	—	(3,344)
Loss before income taxes	(3,940)	—	(3,940)
Income tax (expense)	(374)	1,170	796
Net loss	(4,314)	1,170	(3,144)
Basic loss per share	(4.09)	1.11	(2.98)
Diluted loss per share	\$ (4.09)	\$ 1.11	\$ (2.98)
Weighted average number of shares used in per share calculation - basic	1,054,933	—	1,054,933
Weighted average number of shares used in per share calculation - basic	1,054,933	—	1,054,933

	Three Months Ended March 31, 2023 (unaudited)		
	As Previously Reported	Adjustments	As Restated
Net cash used in operating activities			
Net loss	\$ (4,314)	\$ 1,170	\$ (3,144)
Income taxes	\$ 374	\$ (1,170)	\$ (796)

	As of June 30, 2023 (unaudited)		
	As Previously Reported	Adjustments	As Restated
Total Assets			
Accounts Receivable, net	\$ 9,088	\$ (381)	\$ 8,707

Total current assets	17,903	(381)	17,522
Total assets	20,249	(381)	19,868
Total Liabilities			
Deferred Tax Liability	617	(617)	—
Total Liabilities	18,921	(617)	18,304
Total Shareholders' Equity			
Additional paid-in capital	55,434	(144)	55,290
Accumulated deficit	(54,132)	380	(53,752)
Total shareholders' equity	1,328	236	1,564
Total liabilities and shareholders' equity	\$ 20,249	\$(381)	\$ 19,868

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Three Months Ended June 30, 2023 (unaudited)		
	As Previously		
	Reported	Adjustments	As Restated
Revenue			
Professional services	\$ 839	\$(381)	\$ 458
Total revenue	1,543	(381)	1,162
Gross Margin	(1,859)	(381)	(2,240)
Operating expenses			
General and administrative	3,355	(144)	3,211
Total operating expenses	3,605	(144)	3,461
Loss from operations	(5,464)	(237)	(5,701)
Loss before income taxes	(5,807)	(237)	(6,044)
Income tax (expense) benefit	545	(553)	(8)
Net loss	(5,262)	(790)	(6,052)
Basic loss per share	(1.63)	(0.24)	(1.87)
Diluted loss per share	\$(1.63)	\$(0.24)	\$(1.87)
Weighted average number of shares used in per share calculation - basic	3,232,345	—	3,232,345
Weighted average number of shares used in per share calculation - basic	3,232,345	—	3,232,345

	Six Months Ended June 30, 2023 (unaudited)		
	As Previously		
	Reported	Adjustments	As Restated
Revenue			
Professional services	\$ 2,713	\$(381)	\$ 2,332
Total revenue	5,095	(381)	4,714
Gross Margin	(1,680)	(381)	(2,061)

Operating expenses			
General and administrative	6,566	(144)	6,422
Total operating expenses	7,128	(144)	6,984
Loss from operations	(8,808)	(237)	(9,045)
Loss before income taxes	(9,747)	(237)	(9,984)
Income tax (expense) benefit	171	617	788
Net loss	(9,576)	380	(9,196)
Basic loss per share	(4.45)	(0.24)	(4.69)
Diluted loss per share	\$ (4.45)	\$ (0.24)	\$ (4.69)
Weighted average number of shares used in per share calculation - basic	2,149,777	—	2,149,777
Weighted average number of shares used in per share calculation - basic	2,149,777	—	2,149,777

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Six Months Ended June 30, 2023 (unaudited)		
	As Previously		
	Reported	Adjustments	As Restated
Net cash used in operating activities			
Net loss	\$ (9,576)	\$ 380	\$ (9,196)
Stock-based compensation	56	(144)	(88)
Accounts receivable	6,055	381	6,436
Income taxes	\$ (198)	\$ (617)	\$ (815)

	As of September 30, 2023 (unaudited)		
	As Previously		
	Reported	Adjustments	As Restated
ASSETS			
Accounts Receivable, net	\$ 6,013	\$ (381)	\$ 5,632
Total current assets	14,338	(381)	13,957
Total assets	15,292	(381)	14,911
Total Liabilities			
Deferred Tax Liability	616	(616)	—
Total Liabilities	21,361	(616)	20,745
Total Shareholders' Equity			
Additional paid-in capital	55,475	(144)	55,331
Accumulated deficit	(61,571)	379	(61,192)
Total shareholders' equity	(6,069)	235	(5,834)
Total liabilities and shareholders' equity	\$ 15,292	\$ (381)	\$ 14,911

	Nine Months Ended September 30, 2023 (unaudited)		
	As Previously		
	Reported	Adjustments	As Restated
Operating expenses			

General and administrative	\$	10,105	\$	(144)	\$	9,961
Total operating expenses		10,195		(144)		10,051
Loss from operations		(11,967)		(237)		(12,204)
Loss from continuing operations before income taxes		(13,611)		(237)		(13,848)
Income tax benefit on continuing operations		171		617		788
Loss from continuing operations		(13,440)		380		(13,060)
Loss from discontinued operations, net of tax		(3,575)		—		(3,575)
Net loss		(17,015)		380		(16,635)
Basic loss per share		(4.89)		0.11		(4.78)
Diluted loss per share	\$	(4.89)	\$	0.11	\$	(4.78)
Weighted average number of shares used in per share calculation - basic		3,480,014		—		\$ 3,480,014
Weighted average number of shares used in per share calculation - basic		3,480,014		—		\$ 3,480,014

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Nine Months Ended September 30, 2023 (unaudited)		
	As Previously		
	Reported	Adjustments	As Restated
Net cash used in operating activities			
Net loss	\$ (17,015)	\$ (380)	\$ (17,395)
Stock-based compensation	(107)	(144)	(251)
Accounts receivable	9,130	381	9,511
Deferred income taxes	\$ (216)	\$ (617)	\$ (833)

Credit Risk

Credit risk arises from cash and trade and other receivables. The exposure to credit risk was as follows (in thousands):

	December 31,	December 31,
	2023	2022
Cash	\$ 123	\$ 905
Accounts receivable, net	3,601	15,143
Due from MSAs	—	4,913
Total	\$ 3,724	\$ 20,961

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The accounting estimates and assumptions that require management's most significant, difficult, and subjective judgment include the recognition and measurement of patient service fees, net,

hospital, management and other revenue, the collectability of accounts receivable, the fair value measurements of goodwill and intangible assets, the assessment of the recoverability of goodwill, the assessment of useful lives and recoverability of intangible assets and long-lived assets, recognition and measurement of current and deferred income tax assets and liabilities, the assessment of unrecognized tax benefits, the valuation and recognition of stock-based compensation expense, among others. Actual results experienced by the Company may differ from management's estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant assumptions, judgments, and estimates that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: patient service fees, net; hospital, management, and other revenue; accounts receivable; and due to/from related parties.

Cash

Cash is held in financial institutions with good standing, which, at times, may exceed the Federal Deposit Insurance Corporation coverage limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and Cash Equivalents cash flows.

Accounts receivable, net

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On January 1, 2023, the Company adopted *Accounting Standards Update No. 2016-13, Measurement of Credit Losses on Financial Instruments*, and its related amendments using the prospective method. The new standard requires the use of a current expected credit loss impairment model to develop and recognize credit losses for financial instruments at amortized cost when the asset is first originated or acquired, and each subsequent reporting period.

Historical accounts receivable was primarily derived from revenue which has been included in discontinued operations for the years ended December 31, 2023 and 2022, however, Assure did not sell its accounts receivable. The cash collection cycles of the Company may be protracted due to the majority of its revenue being billed to third-party commercial insurance payors on an out-of-network basis. The collection cycle for IONM to out-of-network payors may require an extended period to maximize reimbursement on claims, which had resulted in accounts receivable growth tied to the Company's overall growth in technical and professional service revenues. The collection cycle may consist of multiple payments from out-of-network private insurance payors, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Based on the Company's historical experience, claims generally become uncollectible once they are aged greater than 24 months; as such, included in the Company's allowance for implicit price concessions is an estimate of the likelihood that a portion of the Company's accounts receivable may become uncollectible due to age. The Company considers all highly liquid investments purchased with an original maturity continues collection efforts on claims aged over 24 months. Collections on claims are recorded as revenue in the period received as such collections represent a subsequent change to the initial estimation of three months or less at the date of purchase to be cash equivalents. Cash transaction price. The Company's allowance for implicit price concessions was \$13.8 million and cash equivalents are maintained with various financial institutions. The Company did not have any cash equivalents \$13.9 million as of December 31, 2022 or 2021. December 31, 2023 and 2022, respectively

Financial Instruments

Fair Value of Financial Instruments Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amount of cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the short-term nature of these instruments. Long-term debt is carried at amortized cost and measured at fair value on a quarterly basis for disclosure purposes.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, bank debt, trade and other receivables, trade and other payables, acquisition indebtedness, convertible debentures, and finance leases. The carrying amounts of the Company's cash, receivables, and payables, as reflected in the consolidated financial statements approximate fair value due to the short-term maturity of these items. The other long-term instruments approximate their carrying amounts as assessed by management.

The Company's financial instruments are exposed to certain financial risks, including concentration risk, liquidity risk, and market risk.

Concentration risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and trade receivables. The carrying amount of the financial assets represents the maximum credit exposure.

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company limits its exposure to concentration risk on cash by placing these financial instruments with high-credit, quality financial institutions and only investing in liquid, investment grade securities.

The Company has a number of individual **third party** **third-party** payors and no individual third party insurers that represent a concentration risk. Net patient service fee revenue, **which is included in discontinued operations, has historically been** recognized in the period in which IONM services are rendered, at net realizable amounts from third party payors when collection is reasonably assured and can be estimated. The Company bills national, regional and local third party insurers which pose a low risk of insolvency because they are regulated by state insurance commissions which require appropriate reserves to be maintained to reimburse healthcare providers for submitted claims. The majority of the Company's services are rendered on an out-of-network basis and billed to third party insurers. Since allowable charges for services rendered out-of-network are not contractually based, the Company establishes net realized value by evaluating the payor mix, historical settlement and payment data for a given payor type, and current economic conditions to calculate an appropriate

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

net realizable value for net patient service revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its net patient service revenue estimates as necessary in subsequent periods.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due and arises from the Company's management of working capital. The Company **strives to** ensure that there is sufficient liquidity to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. A significant portion of the trade and other payables balance is related to amounts owed to **third-parties** **third parties** for professional fees and the accrual of billing and collection fees to be paid to the Company's **third party** **third-party** billing and collection vendors. The billing and collection fees are accrued in the same period as services are rendered and revenue is recognized by the Company. The accrued billing and collection fees are calculated based on a percentage of the estimated net realized value of the of the revenue recognized. The accrued fees to be paid to the third party billing and collection vendors are contingent on cash collections and are typically paid the following month after collections are achieved. Additional billing and collection fees are accrued when the cash collected exceeds the revenue recognized by the Company at the time of services rendered.

Market risk is the risk that changes in the market prices, such as interest rates, will affect the Company's income or the value of the financial instruments held. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for the Company. Fluctuations in the interest rates impact the value of cash but such fluctuations will have no significant impact to the Company's consolidated financial instruments.

Derivative Instruments

The Company evaluates its equity-linked financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives and Hedging" ("ASC 815").

Goodwill and Identified Intangible Assets

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired under a business combination. Goodwill also includes acquired assembled workforce, which does not qualify as an identifiable intangible asset. The Company reviews impairment of goodwill annually in the fourth quarter, or more frequently if events or circumstances indicate that the goodwill might be impaired. The Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than the carrying amount, then the quantitative goodwill impairment test is unnecessary.

If, based on the qualitative assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than the carrying amount, then the Company proceeds to perform the quantitative goodwill impairment test. The Company first determines the fair value of a reporting unit using a Level 1 input which estimates the fair value of the Company's equity by utilizing the Company's trading price as of the end of the reporting period. The Company then compares the derived fair value of a reporting unit with the carrying amount. If the carrying value of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. During 2023, the Company determined goodwill was not impaired based on its qualitative assessment. During the fourth quarter 2022, the Company determined there to be an indicator of goodwill impairment based upon the Company's market capitalization exceeding book capital. The Company Based upon the Company's analysis it recorded an impairment charge \$3.4 million for the year ended December 31, 2022. Additionally, during 2023, as a result of the Company's strategic shift (Note 1), goodwill of \$1.9 million was reclassified to assets held for sale as of December 31, 2023 and 2022, respectively (Note 7).

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

its analysis and recorded an impairment charge \$3.4 million for the year ended December 31, 2022. There was no impairment charge for the year ended December 31, 2021.

Identified intangible assets

Identified finite-lived intangible assets consist of trade names and other agreements. The tradename has an indefinite life and is not being amortized, while the agreements are being amortized on a straight-line bases over their estimated useful lives:

Doctor agreements	1 year
Noncompete agreements	2 years

The Company makes judgments about the recoverability of finite-lived intangible assets whenever facts and circumstances indicate that the useful life is shorter than originally estimated or that the carrying amount of assets may not be recoverable. If such facts and circumstances exist, the Company assesses recoverability by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairments, if any, are based on the excess of the carrying

amount over the fair value of those assets. If the useful life is shorter than originally estimated, the Company would accelerate the rate of amortization and amortize the remaining carrying value over the new shorter useful life. During the year ended December 31, 2022, the Company's estimated useful life for doctor agreements decreased to one year from 10 ten years since the Company believes this useful life better reflects the assessment surgeons make when evaluating service providers. As a result, the Company recorded additional amortization of \$3.1 million related to this change in estimate. Additionally, during the year ended December 31, 2022, the Company recorded impairment charges of \$117 thousand related to trade names that are no longer in use use. Additionally, during 2023, as a result of the years ended December 31, 2022 and 2021 Company's strategic shift (Note 1), intangible assets of \$117\$98 thousand and nil,\$390 thousand were reclassified as a component of assets held for sale as of December 31, 2023, and 2022 (Note 7), respectively.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the related assets' estimated useful lives:

Medical equipment	2.5 years
Computer equipment	2.0 years
Furniture and fixtures	4.0 years

Expenditures that materially increase asset life are capitalized, while ordinary maintenance and repairs are expensed as incurred. Additionally, during 2023, as a result of the Company's strategic shift (Note 1), the majority of property and equipment was reclassified as a component of assets held for sale as of December 31, 2023, and 2022 (Note 7).

Debt Issuance Costs

Debt issuance costs are presented in the consolidated balance sheets as a deduction from the carrying amount of the long-term debt and are amortized over the term of the associated debt to interest expense using the effective interest method. In addition, the Company elects to continue to defer the unamortized debt issuance costs when it pays down a portion of the debt as the prepayment is factored into the terms agreed to on the debt.

Share Issuance Costs

Costs attributable to the raising of capital are applied against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of shares to which the costs relate.

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, accrued liabilities, and noncurrent lease liabilities in the Company's consolidated balance sheets. The ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Company generally uses its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. As a practical expedient, the Company elected, for all office and facility leases, not to separate non-lease components from lease components and instead to account for each separate lease component and its associated non-lease components as a single lease component.

Revenue Recognition and Collection Cycle

The Company recognizes revenue when its customer obtains control of promised services, in an amount that reflects the consideration which the entity expects to receive in exchange for those services. To determine revenue recognition for arrangements that an entity determines are within the scope of Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"), the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Historically, the Company recognized revenue primarily from fees for IONM services provided. Such revenues have been included in discontinued operations for the years ended December 31, 2023, and 2022 due to the Company's strategic shift (Note 1). Revenue is recognized at a point in time upon satisfaction of the Company's performance obligation to a customer, which is at the time of service. Revenue is based on the Company's best estimate of the transaction price the Company expects to receive in exchange for the services rendered. Our estimate of the transaction price includes estimates of price concessions for such items as contractual allowances from third-party payors, potential adjustments that may arise from payment, and uncollectible amounts.

The Company utilizes significant judgement to develop estimates of the stand-alone selling price for each distinct performance obligation based upon the relative stand-alone selling price. There is no variable consideration that relates to performance obligations. To determine the stand-alone selling price for performance obligations, services rendered, the Company performs a collection analysis for out-of-network billings to private insurance companies and adjusts its estimated transaction price if the collection rate is different from the amount recorded in previous periods. Historically, this analysis is performed monthly.

The cash collection cycles of the Company may be protracted due to the majority of its revenue being billed to third-party commercial insurance payors on an out-of-network basis. The collection cycle for IONM to out-of-network payors may require an extended period to maximize reimbursement on claims, which results in accounts receivable growth tied to the Company's overall growth in technical and professional service revenues. The collection cycle may consist of multiple payments from out-of-network private insurance payors, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Based on the Company's historical experience, claims generally become uncollectible once they are aged greater than 24 months; as such, included in the Company's allowance for implicit price concessions is an estimate of the likelihood that a portion of the Company's accounts receivable may become uncollectible due to age. The Company continues collection efforts on claims aged over 24 months. Collections on claims are recorded as revenue in the period received as such collections represent a subsequent change to the initial estimation of the transaction price.

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Technical and professional service revenue

Technical and professional service revenue is recognized at a point in time in which performance obligations are satisfied at the amount that reflects the consideration to which the Company expects to be entitled. Performance obligations are satisfied when IONM services are rendered. The majority of the Company's services are rendered on an out-of-network basis and billed to third party commercial insurers. Since allowable charges for services rendered out-of-network are not explicitly identified in the contract, the Company determines the transaction price based on standard charges for services provided, reduced by an estimate of contractual adjustments and implicit price concessions based on evaluating the payor mix, historical settlements and payment data for payor types and current and future economic conditions to calculate an appropriate net realizable value for revenue and accounts receivable. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods.

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[Table of Contents](#) Such revenue is included in discontinued operations for the years ended December 31, 2023 and 2022 (Note 7).

ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other revenue

The Company recognizes revenue from managed service arrangements on a contractual basis. Revenue is recorded when the Company has completed its performance obligations, which is the time of **service, service on a monthly basis. During the fourth quarter of 2022 and continuing throughout 2023, the Company terminated the majority of its managed service arrangements and anticipates terminating the remaining managed service arrangement during 2024.**

Stock-based Compensation Expense

The Company accounts for stock-based compensation expense in accordance with the authoritative guidance on stock-based payments. Under the provisions of the guidance, stock-based compensation expense is measured at the grant date based on the fair value of the option using a Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

The authoritative guidance also requires that the Company measure and recognize stock-based compensation expense upon modification of the term of a stock award. The stock-based compensation expense for such modification is the sum of any unamortized expense of the award before modification and the modification expense. The modification expense is the incremental amount of the fair value of the award before the modification and the fair value of the award after the modification, measured on the date of modification. In the event the modification results in a longer requisite period than in the original award, the Company has elected to apply the pool method where the aggregate of the unamortized expense and the modification expense is amortized over the new requisite period on a straight-line basis. In addition, any forfeiture will be based on the original requisite period prior to the modification.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, stock price volatility, and the pre-vesting option forfeiture rate. The Company estimates the expected life of options granted based on historical exercise patterns, which are believed to be representative of future behavior. The Company estimates the volatility of the Company's common stock on the date of grant based on historical volatility. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. The Company estimates the forfeiture rate based on historical experience of its stock-based awards that are granted, exercised and cancelled. If the actual forfeiture rate is materially different from the estimate, stock-based compensation expense could be significantly different from what was recorded in the current period.

The Company may grant performance share units ("PSUs") to employees or consultants. PSU awards will vest if certain employee-specific or company-designated performance targets are achieved. If minimum performance thresholds are achieved, each PSU award will convert into common stock at a defined ratio depending on the degree of achievement of the performance target designated by each individual award. If minimum performance thresholds are not achieved, then no shares will be issued. Based upon the expected levels of achievement, stock-based compensation is recognized on a straight-line basis over the PSUs' requisite service periods. The expected levels of achievement are reassessed over the requisite service periods and, to the extent that the expected levels of achievement change, stock-based compensation is adjusted in the period of change and recorded on the statements of operations and the remaining unrecognized stock-based compensation is recorded over the remaining requisite service period.

Other income (expense), net ***Bad debt expense***

The Company records **transactions to other income (expense), net that are not** **bad debt expense** related to the **normal course write down of business, receivables from MSA or PEs that are deemed uncollectible.** During the year ended **December 31, 2022** **December 31, 2023, and 2022,** the Company recorded **other bad debt expense of \$1.3 million primarily related to the settlement of amounts due from MSAs and PEs due to the termination of those agreements. The Company expects to \$4.4**

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

incur similar million and \$1.4 million, respectively, primarily related to the settlement charges during the first half of 2023 amounts due from MSAs and PEs related to the termination of MSA and/or PE agreements during 2023. those agreements.

Segment and Geographic Information

The Company operates in one segment and its services are sold nationally in the United States directly through the Company.

Income Taxes

The Company must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments are used in the calculation of tax credits, tax benefits, tax deductions, and in the calculation of certain deferred taxes and tax liabilities. Significant changes to these estimates may result in an increase or decrease to the Company's tax provision in a subsequent period.

The provision for income taxes was determined using the asset and liability method prescribed by GAAP. Under this method, deferred tax assets and liabilities are recognized for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. If and when it is determined that a deferred tax asset will not be realized for its full amount, the Company will recognize and record a valuation allowance with a corresponding charge to earnings. The calculation of the current tax liability involves dealing with uncertainties in the application of complex tax laws and regulations and in determining the liability for tax positions, if any, taken on the Company's tax returns in accordance with authoritative guidance on accounting for uncertainty in income taxes.

Contingencies

From time to time, the Company may be involved in legal and administrative proceedings and claims of various types. The Company records a liability in its consolidated financial statements for these matters when a loss is known or considered probable, and the amount can be reasonably estimated. Management reviews these estimates in each accounting period as additional information becomes known and adjusts the loss provision when appropriate. If the loss is not probable or cannot be reasonably estimated, a liability is not recorded in the consolidated financial statements. If a loss is probable but the amount of loss cannot be reasonably estimated, the Company discloses the loss contingency and an estimate of possible loss or range of loss (unless such an estimate cannot be made). The Company does not recognize gain contingencies until they are realized. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Recent Accounting Pronouncements

On January 1, 2023, the Company adopted Accounting Standards Update No. 2016-13, Measurement of Credit Losses on Financial Instruments, and its related amendments using the prospective method. The new standard requires the use of a current expected credit loss impairment model to develop and recognize credit losses for financial instruments at amortized cost when the asset is first originated or acquired, and each subsequent reporting period. The adoption of this standard will did not have a material impact to the Company's 2023 financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disclosure of specific categories in the effective tax rate reconciliation and additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. This guidance is effective on a prospective or retrospective basis for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on the disclosures within its consolidated financial statements.

ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

The Company disaggregates revenue from contracts with customers by revenue stream as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Commercial insurance consists of all Neuromonitoring cases whereby a patient has healthcare insurance. Facility billing consists of services related to uninsured or government patients whereby the Company has an agreement with the facility for services for the patient and other contracted agreements with facilities.

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[Table](#) [The Company does not have any contract assets or contract liabilities as of Contents](#) or during the years ended December 31, 2023 and 2022.

ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's revenue disaggregated by payor is as follows (stated in thousands):

	Year Ended December 31,		Year Ended December 31,	
	2022	2021	2023	2022
Commercial insurance	\$ 3,597	\$ 21,978		
Facility billing	4,726	3,879		
Managed service agreements and other	2,653	3,335	\$ 255	\$ 471
Total	\$ 10,976	\$ 29,192		

Accounts Receivable

A summary of the accounts receivable by revenue stream is as follows (stated in thousands):

	December 31,	December 31,
	2022	2021
Technical service	\$ 3,072	\$ 18,904
Professional service	11,829	8,209
Other	242	697
Total accounts receivable, net	\$ 15,143	\$ 27,810

December 31, December 31, December 31,

	2023	2022	2021
Technical service	\$ 1,308	\$ 3,072	\$ 18,904
Professional service	2,293	11,829	8,209
Other	—	242	697
Total accounts receivable, net	3,601	15,143	27,810
Due from MSA	—	4,913	5,886
Total receivables, net	\$ 3,601	\$ 20,056	\$ 33,696

The concentration of accounts receivable by payor as a percentage of total accounts receivable is as follows:

	As of December 31, 2022	As of December 31, 2021	As of December 31, 2023	As of December 31, 2022
Commercial insurance	84 %	91 %	82 %	84 %
Facility billing	9 %	2 %	18 %	9 %
Other	7 %	7 %	— %	7 %
Total	100 %	100 %	100 %	100 %

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net, consisted of the following (stated in thousands):

	December 31,	
	2022	2021
Medical equipment	\$ 401	\$ 347
Computer equipment	43	43
Furniture and fixtures	84	69
Gross property, plant and equipment	528	459
Less: Accumulated depreciation and amortization	(452)	(374)
Property, plant and equipment, net	\$ 76	\$ 85

Depreciation expense related to equipment and furniture and fixtures was \$78 thousand and \$102 thousand for the years ended December 31, 2022 and 2021, respectively.

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. LEASES

Under ASC 842, *Leases*, a contract is a lease, or contains a lease, if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the entity has both of the following: (a) the right to obtain substantially all of the economic benefits from the use of the identified asset; and (b) the right to direct the use of the identified asset. The Company does not assume renewals in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. Lease agreements generally do not contain material residual value guarantees or material restrictive covenants.

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ASSURE HOLDINGS CORP.
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Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. As a practical expedient, the Company elected not to separate non-lease components for the corporate office facility (e.g., common-area maintenance costs) from lease components (e.g., fixed payments including rent) and instead to account for each separate lease component and its associated non-lease components as a single lease component.

Operating leases

During November 2021, the Company leases a corporate office facility under an operating lease which expires October 31, 2025. The Company entered into a new sublease for this space during November 2023 for the remaining lease for corporate office facilities commencing December 1, 2021 which expires on October 31, 2025 term. The incremental borrowing rate for this lease was 10%. During November 2023, the Company entered into a month-to-month lease for corporate office space.

During April 2023, the Company entered into a lease for corporate offices space which expires May 2025. The incremental borrowing rate for this lease was 7%.

Finance leases

The Company leases medical equipment under financing leases with stated interest rates ranging from 5.2% — 13.4% per annum which expire at various dates through 2026.

The consolidated balance sheets include the following amounts majority of assets subject to finance leases are included in assets held for ROU assets sale as of December 31, 2022 December 31, 2023 and 2021 (stated in thousands):

	December 31, 2022	December 31, 2021
Operating	\$ 672	\$ 956
Finance	382	743
Total	<u>\$ 1,054</u>	<u>\$ 1,699</u>

Finance lease assets are reported net of accumulated amortization of \$2.4 million and \$2.0 million as of December 31, 2022 and 2021, respectively. 2022.

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ASSURE HOLDINGS CORP.
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The consolidated balance sheets include the following amounts for ROU assets as of December 31, 2023 and 2022 (stated in thousands):

	December 31, 2023	December 31, 2022
Operating	\$ 616	\$ 672

The following are the components of lease cost for operating and finance leases (stated in thousands):

	Year Ended December 31,	
	2022	2021
Lease cost:		
Operating leases:		
Amortization of ROU assets	\$ 309	\$ 124
Interest on lease liabilities	89	—
Total operating lease cost	398	124
Finance leases:		
Amortization of ROU assets	449	381
Interest on lease liabilities	81	67
Total finance lease cost	530	448
Total lease cost	\$ 928	\$ 572

The Company incurred rent expense of \$210 thousand from July through December 2021 related to the month-to-month office lease agreement prior to entering into the lease agreement discussed above.

	Year Ended December 31,	
	2023	2022
Lease cost:		
Operating leases:		
Amortization of ROU assets	\$ 252	\$ 309
Interest on lease liabilities	73	89
Total operating lease cost, included in general and administrative expenses	325	398
Finance leases:		
Amortization of ROU assets	278	449
Interest on lease liabilities	45	81
Total finance lease cost, included in discontinued operations	323	530
Total lease cost	\$ 648	\$ 928

The following are the weighted average lease terms and discount rates for operating and finance leases:

	As of December 31, 2022	As of December 31, 2021	As of December 31, 2023	As of December 31, 2022
Weighted average remaining lease term (years):				
Operating leases	1.0	3.8	3.6	1.0
Finance leases	1.4	2.9	1.8	1.4
Weighted average discount rate (%):				
Operating leases	10.0	10.0	9.9	10.0
Finance leases	7.6	8.0	8.0	7.6

The Company obtained operating lease ROU assets in exchange for lease liabilities of \$42 thousand upon commencement of operating leases during the year ended December 31, 2023, and \$79 thousand and \$1.4 million of finance ROU assets upon commencement of finance leases during the year ended December 31, 2022 and 2021, respectively.

Future minimum lease payments and related lease liabilities as of **December 31, 2022** **December 31, 2023** were as follows (stated in thousands):

	Operating Leases	Finance Leases	Total Lease Liabilities	Operating Leases	Finance Leases	Total Lease Liabilities
2023	\$ 303	\$ 360	\$ 663			
2024	328	268	596	\$ 431	\$ 268	\$ 699
2025	279	153	432	352	153	505
2026	—	23	23	—	23	23
Total lease payments	910	804	1,714	783	444	1,227
Less: imputed interest	(123)	(77)	(200)	69	32	101
Present value of lease liabilities	787	727	1,514	714	412	1,126
Less: current portion of lease liabilities	234	316	550	377	244	621
Noncurrent lease liabilities	\$ 553	\$ 411	\$ 964	\$ 337	\$ 168	\$ 505

Note: Future minimum lease payments exclude short-term leases as well as payments to landlords for variable common area maintenance, insurance, and real estate taxes.

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. ACQUISITIONS AND INTANGIBLES

Sentry Acquisition of Certain Assets of Innovation Neuromonitoring, LLC

Effective on April 30, 2021 (the "Closing Date") On August 2, 2023, Assure Networks Texas Holdings II, LLC ("Purchaser"), a Colorado limited liability company and wholly-owned wholly owned subsidiary of Assure Networks, LLC, a wholly owned subsidiary of Assure Holdings (the "Purchaser") Corp., entered into an Asset Purchase Agreement asset purchase agreement (the "Purchase Agreement") with Sentry Innovation Neuromonitoring LLC (the "Seller"), and certain owners (collectively "Principals").

Under the terms of principals. Pursuant to the Purchase Agreement, Assure Texas Holdings Purchaser agreed to purchase certain assets ("Acquired Assets") of the Seller related to the Seller's interoperative operating businesses that provide intraoperative neuromonitoring business (the "Business") and assumed certain liabilities of the Seller. related services. The Acquired Assets included, among other items, all acquired assets used in the Business, certain include, but are not limited to, tangible personal property, inventory, Seller's records, related contracts, licenses, warranties, intellectual property, goodwill, software, (collectively, the "Assets"). The acquisition of the Assets closed on August 29, 2023 ("Closing").

Subject to certain adjustments, the Assets were acquired for a purchase price of \$1,200,000 payable as set forth below.

(1) \$800,000 in cash installment payments, in accordance with the following payment schedule:

- \$100,000 was paid in cash in conjunction with the signing of the Letter of Intent and was subject to repayment if the transaction did not close;

- b. \$200,000 was paid at the closing minus \$131,422, the amount that has been pre-paid to Seller, and also minus \$34,000 which was paid to a vendor for amounts owed to the vendor by the Seller;
- c. \$500,000 to be paid in cash in twenty-four equal monthly installments, with the first installment being due on or before September 1, 2023, and the remaining installments being due on the first business day of each month thereafter, with the monthly installment subject to adjustment based on the performance of the Assets as set forth in the purchase Agreement; and

(2) \$400,000 in common stock of the Company, calculated as of the date of the Purchase Agreement was executed, which was subject to a six-month lock-up.

Pursuant to the Purchase Agreement, the Company agreed to register the Shares under the Securities Act of 1933 on a registration statement on Form S-1 (the "Registration Statement") with the Securities and Exchange Commission within 15 days of the Closing (collectively, the "Registrable Securities") for resale by the Seller or Principals. The Company filed the registration statement on Form S-1 with the SEC (File No. 333-269759), and is working to have the SEC bring it effective.

The Purchase Agreement contains customary representations, warranties and covenants from each of the parties. Under the Purchase Agreement, the Seller have agreed to indemnify Assure for (a) any misrepresentation, omission, or breach by Seller and/or Principals of any representation or warranty contained in the Purchase Agreement or in any of the documents executed and delivered by Seller and/or Principals pursuant thereto; (b) any nonperformance, failure to comply, or breach of or default by Seller and/or Principals of any covenant, promise, or agreement of Seller and/or Principals contained in the Purchase Agreement or in any of the documents executed and delivered by Seller and/or Principals pursuant thereto; (c) any and all debts, obligations, duties, or liabilities (including taxes) of Seller and/or Principals relating to the Business deposits and prepaid expenses, certain contracts related or any of the Assets, that arise prior to the effective time of the Purchase Agreement, and any debts, obligations, duties, or liabilities of Seller relating to any asset retained by Seller, regardless of whether any notice, invoices, or bills for such debts, obligations, duties, or liabilities are received on or after the Closing Date; and (d) any material matter, act, thing, or occurrence caused by or resulting from any act or omission of Seller and/or Principals prior to the effective time of the Purchase Agreement. Under the Purchase Agreement, Purchaser has agreed to indemnify the Seller and Principals for (a) any misrepresentation, omission, or breach by Purchaser of any representation or warranty contained in the Purchase Agreement or in any of the documents executed and delivered by Purchaser pursuant thereto; (b) any nonperformance, failure to comply, or breach of or default by Purchaser of any covenant, promise, or agreement of Purchaser contained in the Purchase Agreement or in any of the documents executed and delivered by Purchaser pursuant thereto; (c) any and all debts, obligations, duties, or liabilities including, without limitation, those assumed by Purchaser hereunder, relating, directly or indirectly to the business activity of the Business licenses, intellectual property, goodwill that arise after the effective time of the Purchase Agreement; and accounts receivables. The (d) any matter, act, thing, or occurrence caused by or resulting from any act or omission of Purchaser.

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Additionally, on August 2, 2023, Assure Networks Texas Holdings II, LLC entered into an equipment sale agreement with Innovation to purchase qualified as certain equipment from Innovation for \$165,000. This transaction closed on August 2, 2023. Due to the timing of this agreement, the purchase price and acquired equipment is included in the purchase price allocation below.

As a business combination for accounting purposes.

The result, the total purchase price for the acquired assets consisted of cash and stock, payable as follows: was \$1.3 million.

Cash Payment

Cash consideration of \$1,125,000 in installment payments, payable (a) \$153,125 at closing, (b) \$153,125 within 30 days of Closing Date and (c) \$818,750, together with interest at The following table summarizes the applicable federal rate, shall be paid in cash in thirty-six equal monthly installments, with the first installment being due on or before the first business day allocation of the first month following the sixtieth day from the Closing Date and the remaining installments being due on the first business day of each month thereafter.

Stock Payment

The Company issued 11,861 shares of common stock issued total consideration to the Seller or the Principals, assets acquired, based on fair values as elected by Seller, with a value of \$1,625,000, determined on the Closing Date, as quoted on the TSX Venture Exchange, on or about the Closing Date and 4,745 shares of common stock were placed in escrow with a value of \$650,000 and are being held by the Escrow Agent pursuant Company, as of the close date of the acquisition (stated in thousands):

Total purchase price	\$	1,365
Less fair value of amount paid to third-party vendor		(37)
Less fair value adjustment for issuance of common shares		(195)
Net purchase price		1,133
Equipment		248
Total assets acquired		248
Total goodwill	\$	885

Assure incurred legal costs of approximately \$10,000 related to terms set forth this transaction.

7. DISCONTINUED OPERATIONS

During September 2023, the Company's Board of Directors initiated a process to explore strategic alternatives for the business. In consultation with financial and legal advisors, a comprehensive strategic review process began immediately and evaluated a broad range of options to maximize shareholder value. As part of this review process, Assure's board agreed to conduct an auction process for the sale of its clinical operations. During February 2024, Assure entered a Definitive Agreement and Plan of Merger with Danam Health, Inc. ("Danam"). Danam delivers unique solutions for pharmacies, providers, pharmaceutical manufacturers, and payors focused on improving the lives of patients. On March 26, 2024, Assure closed the disposal transaction resulting in an escrow agreement the sale of most of the Company's clinical operations, equipment, and contracts. As of the filing date of this Annual Report on Form 10K, Assure is providing IONM services in limited markets, primarily Arizona and Montana.

As a result of the corporate actions described above, the Company's technical and professional services meet the criteria to be mutually agreed to by Purchaser considered "held for sale". Accordingly, the assets associated with these services are classified and Seller. The common stock is subject to regulatory restrictions reflected on our consolidated balance sheets as "held for sale" as of and requirements December 31, 2023 and a 12 month lock up from the date 2022, and their results of delivery, in addition to any additional lock up period imposed on the common stock under applicable law and/or regulation,

Reimbursements

Reimbursement to Seller for operational capital injected by Seller or its Principals since December 31, 2020, for verifiable and reasonable expenses, consistent with past business practices up to a cap of \$50 thousand.

Receivable Bonus

Purchaser agreed to pay Seller or the Principals, operations are classified as elected by Seller, a bonus in an amount equal to \$250,000 ("Receivable Bonus") upon collecting \$3,000,001 in accounts receivable acquired by Purchaser for accounts receivable that was generated by

Seller prior to the Closing. The Receivable Bonus, if earned, will be paid to Seller or the Principals, as elected by Seller, in three payments: (i) the first payment being "discontinued operations" in the amount consolidated statements of \$100 thousand, payable on operations for the thirtieth (30th) day years ended December 31, 2023 and 2022.

The following table presents the date major classes of assets of the Receivable Bonus is earned, (ii) the second payment being discontinued operations (stated in the amount of \$100 thousand, payable on the sixtieth (60th) day following the date the Receivable Bonus is earned, and (iii) the third payment in the amount of \$50 thousand, payable on the ninetieth (90th) day following the date the Receivable Bonus is earned. thousands):

	December 31, 2023	December 31, 2022
Fixed assets	\$ 311	\$ 70
Finance lease right of use asset, net	118	382
Intangibles, net	98	390
Goodwill	1,910	1,025
Total assets	<u>\$ 2,437</u>	<u>\$ 1,867</u>

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Founders' Bonus

The Company agreed to pay a \$50 thousand bonus ("Founders' Bonus") payment to certain owners in installments: (i) \$25 thousand at Closing and (ii) \$25 thousand within twelve (12) months of Closing. The Founders' Bonus is additional consideration, which is independent, separate and apart from other consideration to be paid by Purchaser.

Under the Purchase Agreement, Purchaser agreed to enter into employment agreements with certain key personnel of Seller, as determined by Purchaser. The employment agreements, in standard form of employment agreement of Purchaser, include: (i) a minimum annual base salary of \$175 thousand with full benefits and (ii) up to \$50 thousand in annual variable compensation bonus to be memorialized in a mutually agreeable form of agreement that details the scope of services and compensation.

The following table summarizes the allocation of the total consideration to the assets acquired and liabilities assumed as of the date of the acquisition (stated in thousands):

The table below presents the fair value that was allocated to assets and liabilities based upon fair values as determined by the Company (stated in thousands).

Purchase price consideration:	
Cash	\$ 1,125
Common stock, at fair value	2,275
Total consideration	<u>\$ 3,400</u>
Assets acquired:	
Cash	\$ 51
Accounts receivable	2,000
Right of use assets	131
Total assets acquired	<u>2,182</u>
Liabilities assumed:	

Accounts payable and accrued liabilities	242
Lease liability	131
Total liabilities assumed	373
Goodwill	1,591
Total	\$ 3,400

8. INTANGIBLES AND GOODWILL

Goodwill

As of December 31, 2022 and 2021, the Company had goodwill of \$1.0 million and \$4.4 million, respectively. As of December 31, 2022, the Company utilized the market capitalization, a level one input, to estimate the Company's single reporting unit. Based on the analysis the estimated fair value of the reporting unit was \$5.5 million, compared to the carrying value of \$8.9 million. As such, the fair value of the Company's single reporting unit was deemed to be below its

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carrying value as of December 31, 2022, resulting in a goodwill impairment charge of \$3.4 million, which is reflected in the consolidated statement of operations for the year ended December 31, 2022.

Intangibles

Nerve Pro

On December 31, 2022, The following table summarizes the Company completed the acquisition results of substantially all operations of the assets of Neuroprotect Neuromonitoring, LLC, and certain of its affiliated entities (collectively, "NervePro"), a Colorado-based IONM service provider. Assure determined that the transaction should be accounted for as an asset purchase. As consideration, Assure issued to NervePro 75,000 shares of common stock of the Company at a deemed price of \$5.20 per share based on closing price on December 30, 2022. The Company recorded an intangible asset of \$390 thousand related to this agreement which will be amortized over one year. discontinued operations (stated in thousands):

	Year Ended December 31,	
	2023	2022
Revenue		
Technical services	\$ 2,991	\$ 3,519
Professional services	3,785	8,476
Other	978	(1,490)
Revenue, net	7,754	10,505
Cost of revenues, excluding depreciation and amortization	11,380	12,658
Gross margin	(3,626)	(2,153)
Operating expenses		
Sales and marketing	366	945
Depreciation and amortization	582	4,051
Total operating expenses	948	4,996

Loss from discontinued operations	(4,574)	(7,149)
Other expenses		
Interest expense	(45)	(100)
Total other expense	(45)	(100)
Loss from discontinued operations	(4,619)	(7,249)
Income tax expense	(12)	—
Net loss from discontinued operations	\$ (4,631)	\$ (7,249)

Identified intangible assets consisted of the following (stated in thousands):

	December 31,	
	2022	2021
Finite-lived intangible assets		
Doctor agreements	\$ 390	\$ 4,509
Non-compete agreements	—	36
Total finite-lived intangible assets	390	4,545
Less accumulated amortization	—	(1,013)
Finite-lived intangible assets, net	390	3,532
Indefinite-lived intangible assets		
Tradenames	—	117
Total intangible assets	\$ 390	\$ 3,649

Amortization expense was \$3.5 million and \$466 thousand for the years ended December 31, 2022 and 2021, respectively. The increase in amortization for the year ended December 31, 2022 compared to the year ended December 31, 2021 was a result of the change in estimated useful life of Doctor agreements (see Note 3 for the change in estimate). Additionally, during the year ended December 31, 2022, the Company recorded an impairment charge of \$117 million as the intangible did not have a future economic benefit.

9.8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following (stated in thousands):

	December 31,		December 31,	
	2022	2021	2023	2022
Accounts payable	\$ 2,296	\$ 1,236	\$ 6,840	\$ 2,296
Payroll liabilities	86	552	26	86
Other accrued liabilities	537	406	545	537
Accounts payable and accrued liabilities	\$ 2,919	\$ 2,194	\$ 7,411	\$ 2,919

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10.9. DEBT

As of December 31, 2022 December 31, 2023, and 2021, 2022, the Company's debt obligations are summarized as follows (stated in thousands):

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Paycheck Protection Program loan	\$ —	\$ 1,687		
Total	—	1,687		
Face value of convertible debenture	3,450	3,450		
Face value of convertible debt			\$ 3,450	\$ 3,450
Less: principal converted to common shares	(60)	(60)	(60)	(60)
Less: deemed fair value ascribed to conversion feature and warrants	(1,523)	(1,523)	(1,523)	(1,523)
Plus: accretion of implied interest	1,086	705	1,467	1,086
Total convertible debt	2,953	2,572	3,334	2,953
Face value of Centurion debenture	11,000	11,000		
Face value of Centurion debt			11,000	11,000
Less: deemed fair value ascribed to warrants	(1,204)	(1,204)	(1,204)	(1,204)
Plus: accretion of implied interest	476	176	776	476
Less: net debt issuance costs	(386)	(547)		
Less: unamortized debt issuance costs			(227)	(386)
Total Centurion debt	9,886	9,425	10,345	9,886
Total debt	12,839	13,684	13,679	12,839
Less: current portion of debt	(965)	(515)	(13,679)	(965)
Long-term debt	\$ 11,874	\$ 13,169	\$ —	\$ 11,874

As of December 31, 2022 December 31, 2023, future minimum principal payments are summarized as follows (stated in thousands):

	Convertible Debt	Convertible Debenture	Convertible Debt	Convertible Debenture
2023	\$ 965	\$ —		
2024	2,425	—		
2025	—	11,000		
Total	3,390	11,000		
Principal due in 2024			\$ 3,390	\$11,000
Less: fair value ascribed to conversion feature and warrants	(1,523)	(1,204)	(1,523)	(1,204)
Plus: accretion and implied interest	1,086	476	1,467	776
Less: net debt issuance costs	—	(386)		
Less: debt issuance costs			—	(227)
	\$ 2,953	\$ 9,886	\$ 3,334	\$10,345

The Centurion debt is contractually due during 2025 but has been classified as current liability for accounting purposes as the Company is not compliant with the Centurion debt covenants as of December 31, 2023.

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The following table depicts accretion expense, debt issuance cost amortization and interest expense related to the Company's debt obligations for the years ended **December 31, 2022**, **December 31, 2023**, and **2021**, **2022** (in thousands):

	Year Ended December 31,		Year Ended December 31,	
	2022	2021	2023	2022
Accretion expense				
Convertible debenture	\$ 381	\$ 381		
Centurion debenture	300	175		
Convertible debt			\$ 381	\$ 381
Centurion debt			300	300
	\$ 681	\$ 556	\$ 681	\$ 681
Debt issuance cost amortization				
Centurion debenture	\$ 161	\$ 93		
Centurion debt			\$ 159	\$ 161
Interest paid				
Convertible debenture	\$ 221	\$ 304		
Centurion debenture	1,230	456		
Convertible debt			\$ 221	\$ 221
Centurion debt			1,278	1,230
	\$ 1,451	\$ 760	\$ 1,499	\$ 1,451

Paycheck Protection Program

During March 2021, the Company received an unsecured loan under the United States Small Business Administration Paycheck Protection Program ("PPP") in the amount of \$1.7 million. Assure executed a PPP promissory note, which was to mature on February 25, 2026. **The Under the terms of the PPP Loan, carried an interest rate of 1.0% per annum, with principal and interest payments due on the first day of each month, with payments commencing on the earlier of: (i) the day the amount of loan forgiveness granted to Assure is remitted by the Small Business Administration to the Bank of Oklahoma; or (ii) 10 months after the end of the 24-week period following the grant of the Loan. All** or a portion of the Loan **may could** be forgiven if the Company maintains its employment and compensation within certain parameters during the 24-week period following the loan origination date and the proceeds of the PPP Loan **are were** spent on payroll costs, rent or lease agreements dated before February 15, 2020 and utility payments arising under service agreements dated before February 15, 2020. **The Company submitted its application for forgiveness of the PPP promissory note during the fourth quarter of 2021. During In** January 2022, the Company received forgiveness of the \$1.7 million PPP **promissory note. Loan, resulting in no balance due.**

Convertible Debt

On November 22, 2019, the Company launched a non-brokered private placement of convertible debenture units ("CD Unit") for gross proceeds of up to \$4 million, with an option to increase the offering by an additional \$2 million (the "Offering"). On December 13, 2019, the Company closed on Tranche 1 of the Offering for gross proceeds of \$965 thousand and the issuance of 3,445 warrants. These proceeds will be used for working capital and growth capital purposes. Each CD Unit was offered at a price of \$1. Each CD Unit included, among other things, 3 common share purchase warrants that allow the holder to purchase shares of the Company's common stock at a price of \$190.00 per share for a period of three years and the right to convert the CD Unit into shares of the Company's common stock at a conversion price of \$140.00 per share for a period of four years. The CD Units carry a 9% coupon rate.

The fair value of the debt was determined to be \$401 thousand, the conversion feature \$376 thousand and the warrants \$188 thousand. The difference between the fair value of the debt of \$401 thousand and the face value of debt of the \$965 thousand will be accreted as interest expense over the four-year life of the CD Units. The finders' received \$67 thousand and 9,650 warrants to purchase shares of the Company's common stock at a price of \$9.50 per share for three years. **These warrants expired during the year ended December 31, 2023 unexercised.**

From January 2020 to April 2020, the Company closed on three separate tranches of the Offering for total proceeds of \$1.7 million. The net proceeds from these tranches of the Offering are being utilized for working capital purposes. Each CD Unit was offered at a price of \$1. Each

CD Unit includes, among other things, 72 common share purchase warrants that allow the holder to purchase shares of the Company's common stock at a price of \$190.00 per share for a period of

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three years and the right to convert the CD Unit into shares of the Company's common stock as a conversion price of \$140.00 per share for a period of four years. The CD Units carry a 9% coupon rate. In conjunction with these Offerings,

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finders' received \$79 thousand and 563 warrants to purchase shares of the Company's common stock at a price of \$190.00 per share for three years. These warrants expired during the year ended December 31, 2023 unexercised.

The fair value of the second tranche of debt was determined to be \$259 thousand, the conversion feature \$152 thousand and the warrants \$58 thousand. The difference between the fair value of the debt of \$259 thousand and the face value of debt of \$469 thousand will be accreted as interest expense over the four-year life of the CD Units. The fair value of the third tranche of debt was determined to be \$483 thousand, the conversion feature \$291 thousand and the warrants \$112 thousand. The difference between the fair value of the debt of \$483 thousand and the face value of debt of \$886 thousand will be accreted as interest expense over the four-year life of the CD Units. The fair value of the fourth tranche of debt was determined to be \$159 thousand, the conversion feature \$96 thousand and the warrants \$45 thousand. The difference between the fair value of the debt of \$159 thousand and the face value of debt of \$300 thousand will be accreted as interest expense over the four-year life of the CD Units. The value of the conversion feature and the warrants is recorded to additional paid-in capital as the equity component of convertible debt issuance.

At the end of April 2020, the Company launched a separate non-brokered private placement of convertible debenture units ("April CD Unit") for gross proceeds of up to \$500 thousand, with an option to increase the offering by an additional \$500 thousand (the "April Offering"). The \$830 thousand proceeds from the April Offering were used for working capital and to retire part of the \$800 thousand obligation due on May 15, 2020 to the Sellers of Neuro-Pro Monitoring. Each April CD Unit was offered at a price of \$1. Each April CD Unit included, among other things, 100 common share purchase warrants that allow the holder to purchase shares of the Company's common stock at a price of \$100.00 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 \$3.35 for a period of four years. The CD Units carry a 9% coupon rate. On May 21, 2020, the Company closed the April Offering. In conjunction with the April Offering, finders' received \$23 thousand and 345 warrants to purchase shares of the Company's common stock at a price of \$67.00 per share for four years. The fair value of the April Offering of debt was determined to be \$364 thousand, the conversion feature \$279 thousand and the warrants \$187 thousand. The difference between the fair value of the debt of \$364 thousand and the face value of debt of \$830 thousand will be accreted as interest expense over the four-year life of the CD Units. The value of the conversion feature and the warrants is recorded to additional paid-in capital as the equity component of convertible debt issuance.

During April 2024, the Company entered into exchange agreements with certain Convertible Debenture holders, whereby the Company agreed to issue 1,337,371 common shares to settle \$334 thousand of principal and interest owed.

The majority of the convertible debt matured during the period of December 2023 through March 2024. The Company has not paid the amounts due per the terms of the convertible debt agreements. As such, the convertible debt is payable on demand. However, the Company

is planning to offer Assure common shares to settle the remaining principal and accrued interest related to the outstanding balance of the Convertible Debentures in common shares of Assure stock valued based on the 5-day VWAP prior to the closing of the Danam Health merger (see Note 16). There is no guarantee that the Company will be able to settle the amounts outstanding under the Convertible Debenture with common shares of the Company.

Debenture

On June 10, 2021, the Company entered into definitive agreements to secure a credit facility under the terms of a commitment letter dated March 8, 2021 (the "Commitment Letter") with Centurion Financial Trust, an investment trust formed by Centurion Asset Management Inc. ("Centurion"). Under the terms of the Commitment Letter, Assure issued a debenture to Centurion, dated June 9, 2021 (the "Debenture"), with a maturity date of June 9, 2025 (the "Maturity Date"), in the principal amount of \$11 million related to a credit facility comprised of a \$6 million senior term loan (the "Senior Term Loan"), a \$2 million senior revolving loan (the "Senior Revolving Loan") and a \$3 million senior term acquisition line (the "Senior Term Acquisition Line" and together with the Senior Term Loan and the Senior Revolving Loan, the "Credit Facility"). The Senior Term Acquisition Line will be made available to the Company to fund future acquisitions, subject to certain conditions and approvals of Centurion. The Credit Facility matures in June 2025. During November 2021, the Company and Centurion entered into an amended to allow the Senior Short Term Acquisition Line to be utilized for organic growth and general working capital purposes.

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The principal amount of the Debenture drawn and outstanding from time to time shall bear interest both before and after maturity, default and judgment from the date hereof to the date of repayment in full at the rate of the greater of 9.50% or the Royal Bank of Canada Prime Rate plus 7.05% per annum calculated and compounded monthly in arrears and payable on the first business day of each month during which any obligations are outstanding, the first of such payments being due July 2, 2021 for the period from the Advance to the date of payment, and thereafter monthly. The difference between the commitment and the amount of the Loan outstanding from time to time shall bear a standby charge, for the period between June 2021 and the end of the availability period, in the amount of 1.50% per annum calculated and compounded monthly in arrears and payable on the first business day of each month during which any amount of the commitment remains

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

available and undrawn, the first of such payments being due July 2, 2021. Interest on overdue interest shall be calculated and payable at the same rate plus 3% per annum.

With respect to the Senior Revolving Loan, Assure may prepay advances outstanding thereunder from time to time, with not less than 10 business days prior written notice of the prepayment date and the amount, in the minimum amount of \$250 thousand. Any amount of the Senior Revolving Loan prepaid may be re-advanced. With respect to the Senior Term Loan and Senior Term Acquisition Line, Assure may prepay the advances outstanding thereunder, without penalty or bonus, in an amount not to exceed 25% of the aggregate of all Advances then outstanding under the Term Loans, on each anniversary date of the first advance made hereunder, provided in each case with not less than 30 days written notice of the Company's intention to prepay on such anniversary date and the proposed prepayment amount. Any prepayments to the Term Loans other than those permitted in the immediately preceding sentence may only be made on 30 days prior written notice of the

prepayment date and the amount, and are subject to the Company paying on such prepayment date a prepayment charge equal to the lesser of (i) twelve (12) months interest and (ii) interest for the months remaining from the prepayment date to the Maturity Date, on the amount prepaid at the interest rate in effect on the applicable Term Loan as of the date of prepayment. Any amount of the Term Loan prepaid may not be re-advanced.

The Credit Facility is guaranteed by the subsidiaries under the terms of the guarantee and secured by a first ranking security interest in all of the present and future assets of Assure and the Subsidiaries under the terms of the security agreement.

Assure paid Centurion on first Advance of the Loan a commitment fee of 2.25%, being \$248 thousand, made by withholding from the first advance.

A portion of the proceeds from the Debenture were utilized to repay other debt which was outstanding at that time.

As of December 31, 2023, the Company was not in compliance with the Debenture debt covenants. As a result, Centurion may demand full repayment of the outstanding principal and interest.

During April 2024, the Company entered into an exchange agreement with Centurion whereby the Company agreed to issue 236,164 common shares to settle \$141 thousand of outstanding amounts owed under the Debenture agreement.

Warrant Fee

In addition, Assure issued Centurion an aggregate of 13,750 non-transferrable common stock purchase warrants. Each warrant entitles Centurion to acquire one share in the capital of Assure, at an exercise price equal to \$151.00 (representing the closing price of Assure's shares of common stock as of the close of business on June 9, 2021 and multiplied by the Bank of Canada's daily exchange rate on June 9, 2021) for a term of 48 months, \$1.20. The warrants and underlying shares of common stock are subject to applicable hold periods under U.S. securities laws.

11. 10. SHAREHOLDERS' (DEFICIT) EQUITY

Common Shares

The Company has 9,000,000 common shares authorized at \$0.001 par value. As of December 31, 2022, December 31, 2023, and 2021, 2022, there were 1,051,098, 6,720,460 and 645,943, 1,051,098, respectively, common shares issued and outstanding ("Common Shares").

Nasdaq Notice

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On October 11, 2022, July 25, 2023, Assure Holdings Corp. (the "Company") the Company received a letter from the Listing Qualifications Staff (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") indicating that, based upon the closing bid price of the Company's common stock, par value \$0.001 per share ("Common Stock"), for the last 30 consecutive business days, the Company is not currently in compliance with the requirement to maintain a minimum bid price of \$1.00 per share for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Notice").

The Notice had no immediate effect on the continued listing status of the Company's Common Stock on The Nasdaq Capital Market, and, therefore, the Company's listing remains fully effective.

The Company ~~was~~ is provided a compliance period of 180 calendar days from the date of the Notice, or until ~~April 10, 2023~~ January 22, 2024, to regain compliance with the minimum closing bid requirement, pursuant to Nasdaq Listing Rule 5810(c)(3)(A). If at any time before ~~April 10, 2023~~ January 22, 2024, the closing bid price of the Company's Common Stock closes at or above \$1.00 per share for

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

a minimum of 10 consecutive business days, subject to Nasdaq's discretion to extend this period pursuant to Nasdaq Listing Rule 5810(c)(3) (G) to 20 consecutive business days, Nasdaq ~~would~~ will provide written notification that the Company has achieved compliance with the minimum bid price requirement, and the matter would be resolved. If the Company does not regain compliance during the compliance period ending ~~April 10, 2023~~ January 22, 2024, then Nasdaq may grant the Company a second 180 calendar day period to regain compliance, provided the Company meets the continued listing requirement for market value of publicly-held shares and all other initial listing standards for ~~The Nasdaq Capital Market~~, other than the minimum closing bid price requirement, and notifies Nasdaq of its intent to cure the deficiency.

~~During March 2023~~, On August 16, 2023, the Company ~~completed~~ received notice from the Staff of the Nasdaq that the Company no longer satisfies the \$2.5 million stockholders' equity requirement for continued listing on The Nasdaq Capital Market, or the alternatives to that requirement - a ~~reserve split~~, \$35 million market value of listed securities or \$500,000 in net income in the most recent fiscal year or two or the last three fiscal years - as required by Nasdaq Listing Rule 5550(b) (the "Equity Requirement"). The notification is separate from, and in addition to, the previously deficiency letter that the Company received from the Staff on July 25, 2023, as discussed ~~below~~, above.

As with the Bid Price Deficiency Letter (as defined above), the Staff's notification had no immediate effect on the Company's continued listing on The Nasdaq Capital Market. In accordance with the Nasdaq Listing Rules, the Company was provided 45 calendar days, or until October 2, 2023, to submit a plan to regain compliance with the Equity Requirement (the "Compliance Plan").

On October 2, 2023, the Company submitted its plan of compliance to the Staff. On November 1, 2023, the Staff provided notice to the Company that the Staff had granted an extension until January 22, 2024, to complete certain key steps of the Company's compliance plan and, assuming those steps are complete on or before January 22, 2024 to complete certain key steps of the Company's compliance plan.

On January 24, 2024, the Company received a determination letter (the "Determination Letter") from the Staff stating that it had not regained compliance with Listing Rule 5550(a)(2) and is not eligible for a second 180-day period to regain compliance. The Company appealed the Staff's determination, pursuant to the procedures set forth in ~~order~~ the Nasdaq Listing Rule 5800 Series and had a hearing with a Nasdaq Hearings Panel (the "Panel") on April 9, 2024. The Company still awaiting the Panel's decision on whether the Company's plan as presented to ~~meet~~ the minimum bid price requirement. Panel has been accepted.

Based on the Company's representations made in its compliance plan submitted to the Staff, on November 1, 2023, the Staff granted the Company an extension until January 22, 2024, to regain compliance with the Equity Requirement. However, the Staff indicated in the Determination Letter that, pursuant to Listing Rule 5810(d)(2), this deficiency serves as an additional and separate basis for delisting, and as such, the Company should address its non-compliance with the Equity Requirement before the Panel, if it appeals the Staff's determination, which the Company has done.

There can be no assurance that the Company's plan as presented to the Panel will be accepted by the Panel or that, if it is, the Company will be able to regain compliance with the applicable Nasdaq listing requirements, or that a Panel will stay the suspension of the Company's securities.

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If Nasdaq delists our common stock from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Reverse Share Split

During March 2023, the total number of shares of common stock authorized by the Company was reduced from 180,000,000 shares of common stock, par \$0.001, to 9,000,000 shares of common stock, par \$0.001, and the number of shares of common stock held by each stockholder of the Company were consolidated automatically into the number of shares of common stock equal to the number of issued and outstanding shares of common stock held by each such stockholder immediately prior to the reverse split divided by twenty (20): effecting a twenty (20) old for one (1) new reverse stock split.

No fractional shares were issued in connection with the reverse split and all fractional shares were rounded up to the next whole share.

Additionally, all options, warrants and other convertible securities of the Company outstanding immediately prior to the reverse split were adjusted by dividing the number of shares of common stock into which the options, warrants and other convertible securities are exercisable or convertible by twenty (20) and multiplying the exercise or conversion price thereof by twenty (20), all in accordance with the terms of the plans, agreements or arrangements governing such options, warrants and other convertible securities and subject to rounding to the nearest whole share.

All shares of common stock, options, warrants and other convertible securities and the corresponding price per share amounts have been presented to reflect the reverse split in all periods presented within these consolidated financial statements.

Acquisition shares

In connection with the acquisition of Nerve Pro, the Company issued 75,000 shares of common stock with a value of \$390 thousand.

In connection with the acquisition of the Sentry Neuromonitoring, LLC (the "Seller") assets, we issued to Seller or the Principals, as elected by Seller, shares of common stock of the Company with a value of \$1,625,000, determined on the effective date, as quoted on the TSX Venture Exchange (11,861 shares of common stock). In addition, the Company placed into escrow 4,745 shares of the Company's common stock with a value of \$650,000. The common stock is subject to a 12-month lock up beginning on the date of delivery. See Note 7 for additional discussion.

Share issuances

In June 2021, in connection with common stock purchase agreements, the Company issued 7,802 shares of common stock at a deemed value of \$80.00 per share to certain employees, directors and third parties.

On November 15, 2021, the Company announced that it closed a brokered private placement of 909,262 shares of the Company at an issue price of \$105.00 per share, for gross proceeds of \$4.75 million (the "Offering"). The proceeds of the Offering are expected to be used for expanding the Company's remote neurology services offering for intraoperative neuromonitoring ("IONM"), extending the Company's operational footprint into new states, supporting expected growth

ASSURE HOLDINGS CORP.
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generated by the agreement with Premier, Inc. 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. Additionally, certain directors, officers and employees participated in a subsequent offering to settle approximately \$435 thousand of compensation at a market price of \$123.80 per share.

In August 2022, the Company completed an underwritten public offering with gross proceeds to the Company of approximately \$6.2 million, before deducting underwriting discounts and other estimated expenses payable by the Company. Under the offering 278,804 common shares were issued at a price to the public of \$22.40 per share. The Company is utilizing the net proceeds from this offering for general corporate purposes, including, but not limited to, repayment of indebtedness and increasing working capital expenditures. In addition, the Company granted the underwriter a 45-day option to purchase additional shares of common stock, representing up to 15% of the number of the shares offered in the base deal, solely to cover over-allotments. The overallotment expired unexercised in October 2022.

During March 2023, the Company completed a private placement for 50,000 common shares at \$6.00 per common shares for gross proceeds of \$300 thousand.

During May 2023, the year ended December 31, 2021, certain holders Company completed its pricing of the convertible debenture exercised their right to convert \$60,000 an underwritten public offering of outstanding principal into 5,000,000 shares of common stock resulting (or prefunded warrants in lieu thereof) at an offering price to the public of \$1.20 per share (or \$1.199 per pre-funded warrant). The Company issued 750,000 pre-funded warrants which were immediately exercisable at a nominal exercise price of \$0.001 or on a cashless basis. The 750,000 prefunded warrants were exercised during August 2023.

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The gross proceeds to the Company from the offering of approximately \$6 million, before deducting the underwriters' fees and other offering expenses payable by Assure. The Company utilized the net proceeds from the offering of \$5.1 million for general corporate purposes, including working capital, marketing, and capital expenditures.

The Company granted the underwriters in the issuance offering a 45-day option to purchase up to 750,000 additional shares of 669 the Company's common stock. stock and/or pre-funded warrants, in any combination thereof, from the Company at the public offering price, less underwriting discounts and commissions, solely to cover over-allotments, if any. No additional shares were issued under the allotment.

During June 2023, the Company issued 59,748 common shares to certain employees, directors, and vendors in lieu of cash compensation.

During August 2023, the Company issued 547,946 common shares per the terms of the Innovation asset purchase agreement (see Note 6).

See Note 16 for discussion regarding common shares issued in 2024.

Stock Option Plan

On December 10, 2020, shareholders approved amendments to the Company's stock option plan, which amended the plan previously approved on November 20, 2019 (the "Amended Stock Option Plan"). On December 10, 2020, the Company's shareholders approved the adoption of a new fixed equity incentive plan (the "Equity Incentive Plan"), which authorizes the Company to grant (a) stock options, (b) restricted awards, (c) performance share units, and other equity-based awards for compensation purposes (collectively, "Awards").

During November 2021, the Company **has** adopted and approved the 2021 Stock Incentive Plan and the 2021 Employee Stock Purchase Plan. The intent of the Company and the Board is that while the Amended 2020 Stock Option Plan and the 2020 Equity Incentive Plan will continue in existence in relation to the options and awards previously granted thereunder, the Board will not grant future options or awards thereunder. Instead, moving forward, only the 2021 Stock Incentive Plan will be used for the grant of options and awards to eligible participants thereunder.

As of **December 31, 2022** **December 31, 2023**, there was **42,540** **24,925** stock options outstanding under the Amended Stock Option Plan. No additional stock options will be issued under the Amended Stock Option Plan. As of **December 31, 2022** **December 31, 2023**, there was **6,500** **11,500** stock options outstanding and an aggregate of **93,500** **88,500** shares of common stock were available for issuance under the 2021 Stock Option Plan. As of **December 31, 2022** **December 31, 2023**, no transactions have occurred under the 2021 Employee Stock Purchase Plan.

Options under the Plan are granted from time to time at the discretion of the Board, with vesting periods and other terms as determined by the Board.

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A summary of the stock option activity is presented below:

	Options Outstanding				Options Outstanding			
	Number of Shares Subject to Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)	Number of Shares Subject to Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2020	37,430	\$ 105.00	4.00					
Options granted	27,250	\$ 123.40						
Options exercised	(150)	\$ 128.00						
Options canceled / expired	(4,318)	\$ 119.80						
Balance at December 31, 2021	60,212	\$ 111.20	3.6		60,212	\$111.20	3.60	
Options granted	6,500	\$ 103.20			6,500	\$103.20		
Options exercised	(40)	\$ 100.80			(40)	\$100.80		
Options canceled / expired	(17,632)	\$ 50.20			(17,632)	\$ 50.20		
Balance at December 31, 2022	49,040	\$ 129.60	2.8	\$ —	49,040	\$129.60	2.8	
Vested and exercisable at December 31, 2022	34,163	\$ 135.20	2.4	\$ —				
Options granted					10,000	\$ 0.86		
Options canceled / expired					(22,615)	\$130.82		
Balance at December 31, 2023					36,425	\$ 93.55	2.5	\$ —
Vested and exercisable at December 31, 2023					26,972	\$113.40	2.0	\$ —

The following table summarizes information about stock options outstanding and exercisable under the Company's Stock Option Plan at **December 31, 2022** **December 31, 2023**:

Options Outstanding				Options Exercisable	
Number of Outstanding	Weighted				
	Average	Weighted		Weighted	
	Remaining	Average		Average	
	Contractual	Exercise Price		Number	Exercise Price
	Life (in years)	Per Share		Exercisable	Per Share
750	5.0	\$ 180.00		750	\$ 180.00
4,200	0.8	\$ 180.00		4,200	\$ 180.00
7,290	1.0	\$ 156.00		7,290	\$ 156.00
3,695	1.8	\$ 128.00		3,695	\$ 128.00
4,150	2.9	\$ 97.00		3,043	\$ 97.00
12,655	3.1	\$ 106.00		7,520	\$ 106.00
1,500	3.3	\$ 112.00		900	\$ 112.00
8,300	3.8	\$ 153.00		4,598	\$ 153.00
6,500	4.2	\$ 103.20		2,167	\$ 103.20
49,040	2.8	\$ 129.60		34,163	\$ 135.20

Options Outstanding				Options Exercisable	
Number of Outstanding	Weighted				
	Average	Weighted		Weighted	
	Remaining	Average		Average	
	Contractual	Exercise Price		Number	Exercise Price
	Life (in years)	Per Share		Exercisable	Per Share
5,370	0.1	\$ 156.00		5,370	\$ 156.00
2,475	0.8	\$ 128.00		2,475	\$ 128.00
9,830	2.1	\$ 106.00		8,874	\$ 106.00
1,500	2.3	\$ 112.00		1,300	\$ 112.00
5,750	2.8	\$ 153.00		4,719	\$ 153.00
1,500	3.2	\$ 103.20		900	\$ 103.20
10,000	4.5	\$ 0.86		3,334	\$ 0.86
36,425	2.5	\$ 93.55		26,972	\$ 113.40

The Company uses the Black-Scholes option pricing model to determine the estimated fair value of options. The fair value of each option grant is determined on the date of grant and the expense is recorded on a straight-line basis and is included as a component of general and administrative expense in the consolidated statements of operations. The assumptions used in the model include expected life, volatility, risk-free interest rate, dividend yield and forfeiture rate. The Company's determination of these assumptions are outlined below.

Expected life — The expected life assumption is based on an analysis of the Company's historical employee exercise patterns.

Volatility — Volatility is calculated using the historical volatility of the Company's common stock for a term consistent with the expected life.

Risk-free interest rate — The risk-free interest rate assumption is based on the U.S. Treasury rate for issues with remaining terms similar to the expected life of the options.

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Dividend yield — Expected dividend yield is calculated based on cash dividends declared by the Board for the previous four quarters and dividing that result by the average closing price of the Company's common stock for the quarter. The Company has not declared a dividend to date.

Forfeiture rate — The Company does not estimate a forfeiture rate at the time of the grant due to the limited number of historical forfeitures. As a result, the forfeitures are recorded at the time the grant is forfeited.

The following assumptions were used to value the awards granted during the years ended **December 31, 2022** **December 31, 2023** and **2021**: **2022**:

	Year Ended December 31,		Year Ended December 31,	
	2022	2021	2023	2022
Expected life (in years)	5.0	5.0	5.0	5.0
Risk-free interest rate	1.7 %	0.4-0.9 %	4.0 %	1.7 %
Dividend yield	— %	— %	— %	— %
Expected volatility	132 %	91-137 %	137 %	132 %

Stock-based compensation expense (benefit) recognized in our consolidated financial statements for the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022** was **\$1.0 million** **\$(300) thousand** and **\$1.9 million** **\$1 million**, respectively. The stock-based compensation benefit for the year ended **December 31, 2023** was related to stock option forfeitures and cancellations. As of **December 31, 2022** **December 31, 2023**, there was approximately **\$840** **\$440** thousand of total unrecognized compensation cost related to **14,877** **9,453** unvested stock options that is expected to be recognized over a weighted-average remaining vesting period of **3.0** **2.7** years.

Derivative Liability Warrants

Stock options granted to consultants that have an exercise price this is stated in a different currency than the Company's functional currency are treated as a liability and are revalued at the end of each reporting period for the term of the vesting period. Any change in the fair value of the stock option subsequent to the initial recognition is recorded as a component of other income, net in the consolidated statements of operations. These stock options expired unexercised during October 2022.

Changes in the Company's stock option liability The following table details warrant activity for the years ended **December 31, 2022** **December 31, 2023**, and 2021 were as follows (stated in thousands):

Balance at December 31, 2020	\$	16
Gain on revaluation		(9)
Balance at December 31, 2021	\$	25
Gain on revaluation		25
Balance at December 31, 2022	\$	—

The assumptions used for the Black-Scholes Option Pricing Model to revalue the stock options granted to consultants as of **December 31, 2021** were as follows: **2022**:

		As Number of December 31, Warrants outstanding	
Balance at December 31, 2021			197,000
Debt, warrants issued			9,000
Balance at December 31, 2022			206,000
Warrants expired			(11,026)
Warrants issued			2021750,000
Warrants exercised			
Risk free rate of return	0.4 %	(750,000)	
Expected life	0.8		years
Expected volatility	186 %		
Expected dividend per share	nil	194,974	

There 2023 Warrants

During the year ended December 31, 2023, the Company issued 750,000 pre-funded warrants which were no stock options granted immediately exercisable at a nominal exercise price of \$0.001 or on a cashless basis. The 750,000 prefunded warrants were exercised during 2023.

2022 Warrants

During the year ended December 31, 2022, the Company issued 9,000 warrants to consultants during the years ended December 31, 2022 or 2021 that required recurring fair value adjustments. Roth Capital as compensation for consulting with management regarding future financing opportunities.

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Warrants

The following table details warrant activity for the years ended December 31, 2022 and 2021:

	Number of Warrants outstanding
Balance at December 31, 2020	183,250
Debtenture, warrants issued (Note 10)	13,750
Balance at December 31, 2021	197,000
Warrants issued	9,000
Balance at December 31, 2022	206,000

2022 Warrants

During the year ended December 31, 2022, the Company issued 9,000 warrants to Roth Capital as compensation for consulting with management regarding future financing opportunities.

2021 Warrants

As part of the 2021 debtenture issuance (Note 10), the Company issued 13,500 warrants to the debtenture holder.

The assumptions used for the Black-Scholes Option Pricing model to value the 2022 and 2021 warrants were as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Risk free rate of return	0.56 %	0.39 %
Expected life	4.0 years	5.0 years
Expected volatility	90 %	90 %

Expected dividend per share		nil		nil
Exercise price	\$	1.51	\$	0.78
Stock price	\$	1.50	\$	0.96

12.11. LOSS PER SHARE

The following table sets forth the computation of basic and fully diluted loss per common share for the years ended **December 31, 2022**, **December 31, 2023** and **2021**, **2022** (stated in thousands, except per share amounts):

	Year Ended December 31,		Year Ended December 31,	
	2022	2021	2023	2022
Net loss	\$ (30,112)	\$ (2,756)	\$ (26,078)	\$ (30,112)
Basic weighted average common stock outstanding	751,659	586,271	4,276,820	751,659
Basic loss per share	\$ (40.06)	\$ (4.70)	\$ (6.10)	\$ (40.06)
Net loss	\$ (30,112)	\$ (2,756)	\$ (26,078)	\$ (30,112)
Dilutive weighted average common stock outstanding	751,659	586,271	4,276,820	751,659
Diluted loss per share	\$ (40.06)	\$ (4.70)	\$ (6.10)	\$ (40.06)

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the treasury stock method to calculate the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential dilutive common shares include incremental common shares issuable upon the exercise of stock options, less shares from assumed proceeds. The assumed proceeds calculation includes actual proceeds to be received from the employee upon exercise and the average unrecognized stock compensation cost during the period.

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ASSURE HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Stock options to purchase **49,040**, **36,425** and **60,212**, **49,040** common shares and warrants to purchase **206,000**, **194,974** and **197,000**, **206,000** common shares were outstanding at **December 31, 2022**, **December 31, 2023** and **2021**, **2022**, respectively, that were not included in the computation of diluted weighted average common shares outstanding because their effect would have been anti-dilutive.

13.12. INCOME TAXES

The following table sets forth income tax expense for the years ended **December 31, 2022**, **December 31, 2023** and **2021**, **2022** (stated in thousands):

	Years Ended December 31,	
	2022	2021
Income tax expense:		
Federal	\$ —	\$ —
State	5	30
	5	30
Deferred tax benefit:		
Federal	179	(707)
State	18	(152)
	197	(859)

Total income tax benefit	\$ 202	\$ (829)
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The following table sets forth deferred tax assets and liabilities as of December 31, 2022 and 2021 (stated in thousands):

	Years Ended December 31,	
	2022	2021
Deferred Tax Assets (Liabilities):		
Noncurrent:		
Fixed assets	\$ (101)	\$ (185)
Stock-based and performance share compensation.	1,920	1,977
Equity method investments	(138)	(149)
Accrual to cash adjustment	(4,053)	(7,549)
Net operating loss and carryforward	7,792	5,762
Intangibles	1,773	(34)
Debt issuance costs	10	20
Accretion expense	(268)	(443)
Total Noncurrent DTL	6,935	(601)
Valuation Allowance	(7,731)	—
Deferred Tax Liabilities, net	\$ (796)	\$ (601)

	Years Ended December 31,	
	2023	2022
Income tax expense:		
Federal	\$ —	\$ —
State	60	5
	60	5
Deferred tax (benefit) expense:		
Federal	(729)	179
State	(67)	18
	(796)	197
Total income tax (benefit) expense	\$ (736)	\$ 202

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth deferred tax assets and liabilities as of December 31, 2023 and 2022 (stated in thousands):

	Years Ended December 31,	
	2023	2022
Deferred Tax Assets (Liabilities):		
Noncurrent:		
Fixed assets	\$ (41)	\$ (101)
Stock-based and performance share compensation.	1,408	1,920
Equity method investments	(134)	(138)
Accrual to cash adjustment	243	(4,079)
ROU Asset	(139)	(154)

Lease liability	161	180
Net operating loss and carryforward	9,354	7,792
Intangibles	1,347	1,773
Debt issuance costs	1	10
Accretion expense	(14)	(268)
Total Noncurrent DTL	12,186	6,935
Valuation Allowance	(12,186)	(7,731)
Deferred Tax Liabilities, net	\$ —	\$ (796)

The following table sets forth the effective tax rate reconciliation for the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022** (stated in thousands):

	Years Ended December 31,		Years Ended December 31,	
	2022	2021	2023	2022
Reconciliation of effective tax rate:				
Federal taxes at statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	2.0 %	2.8 %	1.4 %	2.0 %
Permanent items	— %	(0.8)%	(1.2)%	— %
Performance shares	1.1 %	— %	— %	1.1 %
Provision to return adjustment and other	(0.4)%	(2.3)%	(1.6)%	(0.4)%
Change in rate	0.8 %	3.8 %	0.4 %	0.8 %
Change in valuation allowance	(24.7)%	— %	(16.8)%	(24.7)%
NOL carryback difference	(0.5)%	(1.4)%	(0.5)%	(0.5)%
Effective income tax rate	<u>(0.7)%</u>	<u>23.1 %</u>	<u>2.7 %</u>	<u>(0.7)%</u>

The Company had an **nominal** effective tax rate of **(0.7)% and 23.1%** for the years ended **December 31, 2022** **December 31, 2023** and **2021**, **respectively, 2022.**

At **December 31, 2022** **December 31, 2023**, **\$33.3 million** **\$40.1 million** of cumulative net operating loss carryforwards for federal income tax purposes were available to offset future taxable income of which none is subject to expiration. The Tax Reform Act of 1986 contains provisions that limit the utilization of net operating loss carryforwards if there has been a change in ownership as described in Internal Revenue Code Section 382. The Company has not prepared an analysis to determine if a change of control has occurred. Such a change of ownership may limit the Company's utilization of its net operating losses.

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable that the Company will realize the benefits of these deductible differences at **December 31, 2022** **December 31, 2023.**

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company accounts for unrecognized tax benefits in accordance with ASC Topic 740, *Income Taxes*. As of **December 31, 2022** **December 31, 2023**, the Company has not recorded a liability for uncertain tax positions. The Company recognizes interest and penalties related to uncertain tax positions in income tax (benefit)/expense. No interest and penalties related to uncertain tax positions were accrued as at **December 31, 2022** **December 31, 2023.**

14. The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions with varying statutes of limitations. As of December 31, 2023, the Company is not under examination in any jurisdiction and the tax years 2019 through 2023 remain open to examination in its federal and state jurisdictions.

13. EQUITY METHOD INVESTMENT

Assure Networks, LLC holds various interests in PEs that are accounted for under the equity method of accounting. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the Company's pro rata share of earnings or loss of the investee. The amount of the adjustment is included in the determination of the Company's net income and the investment account is also adjusted for any profit distributions received or receivable from an investee. During the year ended December 31, 2023, the Company dissolved the majority of its interest in the PE firms. The Company anticipates dissolving the remaining interests during 2024. The table below details the activity from equity method investments for the years ended December 31, 2022, December 31, 2023 and 2021, 2022 (stated in thousands).

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Balance, December 31, 2020	\$	608	
Share of losses		225	
Distributions		(308)	
Balance, December 31, 2021	\$	525	\$ 525
Share of losses		39	39
Distributions		(254)	(254)
Balance, December 31, 2022	\$	310	\$ 310
Share of losses			43
Distributions			(101)
Disposition			(77)
Balance, December 31, 2023			\$ 175

15. 14. 401K PLAN

The Company established the Assure Holdings 401(k) Plan (the "401k Plan") under Section 401(k) of the Internal Revenue Code. Under the 401k Plan, employees, with greater than six months of service and over the age of 21, may contribute up to 100% of their compensation per year subject to the elective limits as defined by IRS guidelines and the Company may make matching contributions in amounts not to exceed 6.0% of the employees' annual compensation. Investment selections consist of mutual funds and do not include any of the Company's common stock. As of January 1, 2023, the Company terminated its matching contribution to the 401K Plan. The Company's contributions to the 401k Plan amounted to \$667 thousand and \$nil and \$467 \$667 thousand for the years ended December 31, 2022, December 31, 2023 and 2021, 2022, respectively.

16. 15. COMMITMENTS AND CONTINGENCIES

Indemnifications

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 other 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.

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ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As permitted under Nevada law, the Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company believes, given the absence of any such payments in the Company's history, and the estimated low probability of such payments in the future, that the estimated fair value of these indemnification agreements is immaterial. In addition, the Company has directors' and officers' liability insurance coverage that is intended to reduce its financial exposure and may enable the Company to recover any payments, should they occur.

In April 2022, the U.S. Department of Justice ("DOJ") issued Civil Investigative Demands which seek information with respect to a civil investigation under the Anti-kickback Statute and the False Claims Act. The Company voluntarily contacted the DOJ offering to provide any materials needed in the investigation and to answer any questions. While the Company's policy during the relevant time was to not seek payments from federal health care programs, the third-party billing company utilized at that time submitted some claims to Medicare Advantage plans administered by commercial insurance companies. The Company has worked diligently to ensure that payments from Medicare Advantage plans have been returned to the commercial insurance companies and believes it has returned substantially all such payments that it has discovered to date, totaling approximately \$450 thousand. During February 2024, the Company and the DOJ entered into a settlement agreement. See Note 16 for a complete discussion.

17.

16. SUBSEQUENT EVENTS

Reverse stock split Sale of Certain Assets

During March 2024, the Company entered into an agreement to sell certain assets of its IONM business to MPOWER Health for up to \$4.5 million, of which \$2.3 million will be paid in cash at the initial closing and up to an additional \$2.2 million to be paid in relation to a potential earnout payment tied to case volume from the acquired assets during the 12-month period following the initial closing. The asset sale includes most of the Company's healthcare facility contracts and clinical equipment, and a majority of the Company's employees. The Company retains certain of its assets, including but not limited to, its accounts receivable and its employees in the revenue cycle management team.

The initial closing of the sale of assets was subject to certain customary closing conditions and consents. The Company closed the transaction on March 26, 2024.

Merger Agreement

On March 3, 2023 February 12, 2024, Assure entered into an Agreement and Plan of Merger (the "Merger Agreement") with Danam Health, Inc. ("Danam") and Assure Merger Corp., a newly formed wholly-owned subsidiary of Assure ("Assure Merger"). Upon the Company announced that it effected terms and subject to the satisfaction of the conditions described in the Merger Agreement, including approval of the transaction by the stockholders of Assure and Danam, Assure Merger will be merged with and into Danam (the "Merger"), with Danam surviving the Merger as a reverse stock split (the "Reverse Stock Split") wholly-owned subsidiary of its shares of common stock, \$0.001 par value, at Assure. The Merger is intended to qualify as a ratio of 20 (old) tax-free reorganization for 1 (new) which became effective on March 4, 2023. U.S. federal income tax purposes.

The Reverse Stock Split was primarily intended Subject to bring the Company into compliance with the minimum bid price requirement for maintaining the listing of its common stock on the NASDAQ Capital Market.

As a result terms and conditions of the 20:1 Reverse Stock Split, Merger Agreement, at the total effective time of the Merger (the "Effective Time"): (i) each share of Danam capital stock issued and outstanding immediately prior to the Effective Time shall automatically be converted

into and become the right to receive the applicable per share portion of the "merger consideration" as set forth in the allocation statement to be delivered pursuant to the Merger Agreement ("merger consideration" is defined in the Merger Agreement to mean a number of shares of common stock authorized of Assure equal to (a) the quotient obtained by dividing (i) the Company under its Articles number of Incorporation will be reduced from 180,000,000 shares of Assure capital stock on a fully diluted basis (the "Assure Fully Diluted Share Number") by (ii) the quotient of (A) the adjusted value of Assure dividend by (B) the sum of the adjusted value of Assure and the adjusted value of Danam, minus (b) the Assure Fully Diluted Share Number minus (c) the number of shares of common stock par value \$0.001, of Assure the warrants of Danam will become exercisable for upon closing of the Merger); (ii) each outstanding warrant of Danam will be assumed by Assure and become a warrant to 9,000,000 purchase an adjusted number of shares of common

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ASSURE HOLDINGS CORP. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

shares stock of Assure, at an adjusted exercise price per share but subject to the same terms and conditions as the warrant of Danam. Following closing of the Merger, the former Assure equityholders immediately before the Merger are expected to own approximately 10% of the outstanding capital stock of the combined company on a fully diluted basis and the equityholders of Danam immediately before the Merger are expected to own approximately 90% of the outstanding capital stock of the combined company on a fully diluted basis. Upon closing of the Merger, Assure will be renamed Danam Health Holdings Corp. Suren Ajjarapu will serve as Chairman of the Board of Directors and Tim Canning will serve as the Chief Executive Officer of the combined company. The Merger Agreement provides that the Board of Directors of the combined company will be comprised of five members which will be filled upon completion of the Merger to be designated by Danam. The Merger Agreement contains customary representations, warranties and covenants of Assure and Danam, including covenants relating to the conduct of the business of both Assure and Danam from the date of signing the Merger Agreement through closing of the Merger, obtaining the requisite approval of the stockholders of Assure and Danam and maintain the listing of the common stock par value \$0.001. The number of shares Assure on the NASDAQ Capital Market and applying for the continued listing of common stock held by each stockholder Danam after the closing of the Company will consolidate automatically Merger on a twenty (old) shares the NASDAQ Capital Market. Under the terms of the Merger Agreement, Assure has also agreed not to solicit from any person an acquisition proposal (as defined in the Merger Agreement) for one (new) share basis. No fractional shares will be issued in Assure. In connection with the Reverse Stock Split. All fractional shares Merger, Assure will be rounded up prepare and file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 that will contain a prospectus and a proxy statement, and will seek the approval of Assure's stockholders with respect to certain actions, including the following (collectively, the "Assure Stockholder Proposals"):

- (viii) the Sale Transaction (as defined in the Merger Agreement);
- (ix) the Merger;
- (x) the change of control of Assure resulting from the transactions contemplated by the Merger Agreement pursuant to the rules of NASDAQ;
- (xi) the post-closing equity plan for Assure;
- (xii) the post-closing board of directors composition;
- (xiii) an amendment to the certificate of incorporation of Assure to effect a reverse stock split; and
- (xiv) an amendment to the certificate of incorporation of Assure to change the name of Assure.

The Board has agreed to recommend the approval of the Assure Stockholder Proposals to the nearest whole share, pursuant stockholders and to NRS 78.205(2)(b), solicit proxies in support of the approval of the Assure Stockholder Proposals at a meeting of the stockholders to be held for that purpose.

The Merger Agreement contains a limited contractual ability for the Board, in accordance with its fiduciary duties to the stockholders, to change its recommendation to the stockholders upon receipt of a superior proposal subject to certain terms and conditions therein, including providing Danam notice of the superior proposal and time to make a counter-proposal to amend the terms of the Merger Agreement.

Under the Merger Agreement, Assure has agreed to maintain certain indemnity rights (including advancing expenses) of the current officers and directors of Assure as they exist in the governing documents of Assure and maintain director and officers insurance for a period of 6 years following the closing of the Merger.

The closing of the Merger is subject to customary closing conditions, including, among other things, (i) the required approval of the stockholders of Assure and Danam, (ii) the accuracy of the representations and warranties of the parties made in the Merger Agreement,

subject to materiality qualifiers, (iii) compliance by the parties with their respective covenants under the Merger Agreement, and (iv) the approval of NASDAQ of the continued listing of Danam after the closing of the Merger. Further, closing of the Merger is conditioned on the simultaneous closing of a sale transaction of Assure's assets. The obligation of Assure is conditioned upon Danam completing acquisition transactions as set forth in

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The Reverse Stock Split affects all issued and outstanding shares of common stock. All outstanding options, restricted stock awards, warrants, preferred stock and convertible notes and other securities entitling their holders to purchase or otherwise receive shares of common stock will be adjusted as a result of the Reverse Stock Split by decreasing the number of shares acquirable pursuant to the ratio of 20:1 and increasing the exercise or conversion price, as applicable, by the same ratio, as required by the terms of each such security. The number of shares of common stock available to be awarded under the Company's equity incentive plans will also be proportionately adjusted.

ASSURE HOLDINGS

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As of March 3, 2022, the Company had 22,021,952 shares of common stock issued and outstanding, and after the Reverse Stock Split, the Company will have approximately 1,101,098 shares of common stock issued and outstanding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Private placement the Merger Agreement, including completing the acquisitions of (a) all of the membership interests in Wood Sage, LLC, a Florida limited liability company and (b) all of the membership interests in Wellgistics, LLC, a Florida limited liability company set forth in the applicable acquisition transactions agreements, both such acquisition transactions to close prior to or concurrent with the Merger. The obligation of Danam to close the Merger is also subject to satisfaction of certain additional conditions, including, among other things, (i) no Assure material adverse effect, (ii) Assure having performed its obligations under the agreement governing the sale transaction, (iii) Assure completing a wind down of its business, (iv) the reverse split having been consummated, and (v) Assure having a maximum amount of \$500,000 in retained liabilities.

The parties may terminate the Merger Agreement upon mutual consent. Either party may terminate the Merger Agreement (i) if any of the representations or warranties of the other party set forth in the Merger Agreement shall not be true and correct or if the other party has failed to perform any covenant or agreement on the part of such party set forth in the Merger Agreement, (ii) the Merger is not consummated by the outside date (May 15, 2024), (iii) there is a governmental order prohibiting the Merger, and (iv) failure to obtain the stockholder vote. Danam may terminate the Merger Agreement if (i) the Board changes its recommendation to stockholders with respect to the Merger, (ii) the Board fails to reaffirm its recommendation to stockholders with respect to the Merger following a tender offer for Assure, (iii) the Board fails to reaffirm its recommendation to stockholders with respect to the merger following a publicly announced acquisition proposal for Assure, (iv) Assure breaches its non-solicitation provisions, or (v) the Board resolves to do any of the above. Assure may terminate the Merger Agreement for acceptance of a superior proposal.

In the event that Danam or Assure terminates the Merger Agreement pursuant to certain of the sections set forth above, Assure will be required to pay Danam a termination fee of \$1,000,000, less any reimbursed expenses. Upon termination in other contexts in which a termination fee is not due, the breaching party may owe the non-breaching party reimbursement of expenses up to \$250,000.

On **March 3, 2023** April 8, 2024, the Company **completed** entered into a **private placement for \$300 thousand** partial waiver and amendment agreement (the Waiver Agreement") with Assure Acquisition Corp. (the "Merger Sub") and Danam which waives and amends certain provisions of that certain agreement and plan of merger (the "Merger Agreement") dated February 12, 2024 by **issuing 50,000 common shares** and between the Corporation, Merger Sub and Danam.

Pursuant to the terms and conditions of the Waiver Agreement, Danam has partially waived its right to terminate the Merger Agreement pursuant to breaches of Section 6.8(a) and 6.20 of the Merger Agreement provided that the Corporation meets the following conditions:

- g. Assure obtains the Preliminary Shareholder Vote required by Section 6.20 of the Merger Agreement no later than April 30, 2024;
- h. Assure files the proxy statement and registration statement on Form S-4 required by the Section 6.8(a) Covenant no later than April 26th, 2024;
- i. Assure issues Danam a \$1,000,000 convertible promissory note in the form attached as Exhibit A to the Merger Agreement (the "Convertible Note") simultaneously with the execution and delivery of this Waiver;
- j. Assure receives shareholder approval for the Merger five (5) Business Days prior to the Termination Date and effects the Reverse Split prior to the Termination Date;
- k. Assure is not in default under the Convertible Note; and

- I. Assure is not in breach of any other covenants set forth in the Merger Agreement, subject to any necessary notice requirements and cure period set forth therein.

Further the Waiver Agreement amends the Merger Agreement to change the definition of "Termination Date" to mean July 22, 2024.

In connection with the Waiver Agreement, on April 8, 2024, the Corporation issued a convertible note to Danam in principal amount of \$1,000,000. The note accrues interest on the then outstanding principal balance at a **price** rate equal to 10% per annum, computed on the basis of **\$6.00 per** the actual number of days elapsed and a year of 365 days. The note has a maturity date of July 22, 2024. Upon the occurrence of certain events, the note is convertible into shares of common **share** stock at the

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ASSURE HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nasdaq "Minimum Price" in accordance with Listing Rule 5635(d). The note will become immediately due and payable upon the occurrence of an event of default under the note, including but not limited to: a failure to pay, voluntary bankruptcy or insolvency of Assure, involuntary bankruptcy or insolvency proceedings of Assure, breach of the Merger Agreement or termination of the Merger Agreement

Nasdaq listing Settlement with the United States Department of Justice

As discussed During February 2024, a Settlement Agreement ("Agreement") was executed between Assure and the United States Department of Justice ("DOJ").

In exchange for a payment of approximately \$1 million, the Agreement releases Assure from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud. Payments are in **Note 10**, equal monthly installments over the next 12 months.

Issuance of Common Shares In Lieu

During April 2024, the Company **received a letter from Nasdaq stating** entered into an exchange agreement with Centurion whereby the Company **was not in compliance** agreed to issue 236,164 common shares to settle \$141 thousand of outstanding amounts owed under the Debenture agreement (Note 9).

During April 2024, the Company entered into exchange agreements with certain Convertible Debenture holders, whereby the **requirement** Company agreed to **maintain** issue 1,337,371 common shares to settle \$334 thousand of principal and interest owed (Note 9).

Subscription Agreement with Innovation

On April 8, 2024, the Corporation entered into a **minimum bid** subscription agreement (the "Subscription Agreement") with Innovation pursuant to which Innovation agreed to the cancellation of \$270,000 of future installment payments under the Asset Purchase Agreement dated August 2, 2023 by and between the Corporation and Innovation as consideration for the subscription of 437,247 shares of common stock of the Corporation (the "Subscribed Shares") representing a deemed exchange price of **\$1.00** \$0.6175 per share. The **Company completed a reverse split, discussed above, in order** Subscribed Shares were issued pursuant to **comply with** Section 4(a)(2) of the **minimum bid price requirements**. **As of March 20, 2023, the Nasdaq has confirmed Assure is compliant with the min minimum bid price requirements. Securities Act.**

In April 2022, the DOJ issued Civil Investigative Demands to the Company which seek information with respect to a civil investigation of Assure, Assure's founder and a surgeon partner under the Anti-kickback Statute and the False Claims Act. The Company voluntarily contacted the DOJ offering to provide any materials needed in the investigation and to answer any questions. While our policy during the relevant time was to not seek payments from federal health care programs, the third-party billing company we used at that time of Assure's start up submitted some claims to Medicare Advantage plans administered by commercial insurance companies. Assure worked diligently to ensure

that payments from Medicare Advantage plans have been returned to the commercial insurance companies. The Agreement resolves the DOJ investigation as it relates to Assure.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None. New Independent Registered Public Accounting Firm

On August 30, 2023, Withum Smith+Brown, PC ("Withum") was appointed as the new independent registered public accounting firm for Assure Holdings Corp. (the "Company"). The decision to appoint Withum was approved by the audit committee of the Company's board of directors (the "Audit Committee"). Prior to engaging Withum on August 30, 2023, the Company has not consulted Withum regarding the application of accounting principles to a specified transaction, completed or proposed, the type of audit opinion that might be rendered on the Company's financial statements or a reportable event, nor did the Company consult with Withum regarding any disagreements with the Company's prior auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope of procedure, which disagreements, if not resolved to the satisfaction of the prior auditor, would have caused it to make a reference to the subject matter of the disagreements in connection with its reports.

Previous Independent Registered Public Accounting Firm

As previously reported on a Form 8-K filed with the Securities and Exchange Commission (the "SEC") on April 14, 2023 by the Company, the Company's former independent accountant, Baker Tilly US, LLP ("Baker Tilly"), informed the Company and the Audit Committee that Baker Tilly would not stand for re-election as the Company's certifying accountant for the fiscal year ended December 31, 2023. Baker Tilly remained engaged to complete the review of the Company's unaudited condensed consolidated financial statements for the fiscal quarters ended March 31, 2023 and June 30, 2023, and such engagement ended on August 29, 2023. In connection with Baker Tilly's review of the financial statements in the Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2023 and June 30, 2023, there were no disagreements, within the meaning of Item 304(a)(1)(iv) of Regulation S-K promulgated under the Securities Exchange Act of 1934 ("Regulation S-K") and the related instructions thereto, with Baker Tilly on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Baker Tilly, would have caused it to make reference to the subject matter of the disagreements in connection with its reports. Also during this same period, there were no reportable events within the meaning of Item 304(a)(1)(v) of Regulation S-K and the related instructions thereto.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** ~~December 31, 2023~~, an evaluation was carried out under the supervision of, and with the participation of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this Annual Report on Form 10-K, our disclosure controls and procedures were ~~effective~~ **ineffective** in ensuring that (i) information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company. Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Exchange Act as a process designed by, or under the

supervision of, our principal executive and principal financial officers, and effected by

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our Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of their inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of **December 31, 2022** **December 31, 2023**. In making this assessment, our management used the criteria set forth in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our management's assessment, management concluded that, as of **December 31, 2022** **December 31, 2023**, our internal controls over financial reporting were **effective**, **ineffective related to inadequate controls over the review of the accounting for complex transactions and financial reporting which management believes to be a material weakness**.

Remediation

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[Table In response to the identified material weakness, during the fourth quarter of Contents 2023, management has implemented a rigorous review process regarding the accounting for complex transactions and financial reporting.](#)

Changes in Internal Control over Financial Reporting

There were no other changes in our internal control over financial reporting, except as noted above, during the quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report of the Independent Registered Public Accounting Firm

An attestation report on our internal control over financial reporting by our independent registered public accounting firm is not included herein because, as a non-accelerated filer, we are exempt from the requirement to provide such report.

Changes in Internal Control over Financial Reporting

In response to the identified material weakness as of December 31, 2021, during the first quarter of 2022 and continuing through the third quarter of 2022, management began to restructure certain employee functions to allow for proper review of all transactions in order to remediate the segregation of duties control weakness. Management believes the segregation of duties material weakness was remediated

during the fourth quarter of 2022. There were no other changes in our internal control over financial reporting during the quarter ended December 31, 2022, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Set forth below is certain information with respect to the individuals who are our directors and executive officers.

Name	Age	Position	Term
John Farlinger	63 64	Executive Chairperson and Chief Executive Officer	Since May 24, 2017
John Price Paul Webster	53 56	Interim Chief Financial Officer	Since March 26, 2021
Martin Burian	59	Lead Director	Since May 24, 2017 November 21, 2023
John Flood	63 64	Director	Since April 15, 2021
Christopher Rumana	54 55	Director	Since December 19, 2018
Steven Summer	73 74	Director	Since December 19, 2019

The following is a description of the business background of the current directors, director nominees and executive officers of the Company.

Directors

Directors

John Farlinger, Director, Chief Executive Officer and Executive Chairperson: Mr. Farlinger was appointed to Chief Executive Officer and Executive Chairman on August 28, 2019. Prior to his appointment as Chief Executive Officer and Executive Chairman, Mr. Farlinger was appointed as Interim Chief Executive Officer and Executive Chairman on May 15, 2018. Mr. Farlinger held the position of Chairman and CEO of Urban Communications Inc. from July 8, 2014 to June 2018. His past positions also include director and Chair of the Governance and Audit Committee of Freckle Ltd. (TSX-V) from June 2019 to February 2020, Senior Vice-President of Telephone Navigata-Westel from February 2013 to April 2014, and CEO of Titan Communications from 2009 to February 2013. Mr. Farlinger has been a Board member and Audit Committee member for BillDirect.com Technologies Inc. (TSX-V) from August 2021 to April 2022 and a Board member for Lite Access Technologies, Inc. (TSX-V) from April 2021 until June 2022. He is also an advisor to CareCru Inc., a healthcare start up.

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Mr. Farlinger was selected by the Board to serve as the Executive Chairman because he is the Chief Executive Officer of the Company and his prior experience as an Executive Chairman and director of other public companies brings valuable insight to the operation of the Board. Additionally, Mr. Farlinger holds a CPA, CA designation (Canada).

Currently, Mr. Burian is a director of multiple publicly traded companies. Mr. Burian is currently Managing Director of Investment Banking at RCI Capital Group, and also serves as CFO (part time) to Heffel Gallery Limited. Prior to 2014 Mr. Burian spent 20 years in senior investment banking roles including with Haywood Securities Inc., Bolder Investment Partners and Canaccord Capital Corp.

Mr. Burian was selected by the Board to serve as director because he holds a CPA designation (Canada) and has extensive experience with audit committees and his extensive experience in investment banking provides the Board with valuable experience and oversight in relation to the Company's capital raising activities.

John Flood, Director: Mr. Flood has nearly four decades of capital markets experience, as well as extensive operations, business building and governance expertise. Until retiring in 2019, he served as chairman and managing partner of Craig-Hallum Capital Group ("Craig-Hallum"), an equity research, trading and investment banking firm that Flood co-founded in 1997. At Craig-Hallum, Flood led the investment banking and institutional equity sales teams. He was also a member of Craig-Hallum's board of governors, and executive, research, banking and M&A committees.

Mr. Flood was selected by the Board to serve as director because his extensive capital markets experience provides the Board with valuable experience and oversight in relation to the Company's capital raising activities which are of significant importance to the Company at its current stage of operations.

Christopher Rumana, Director: Dr. Rumana brings over 20 years' experience in the medical field as a board-certified neurosurgeon. Dr. Rumana has served in many roles including Chairman of Department of Surgery, Chief of Neurosurgery, Chairman of the Medical staff, Chairman of the Medical Executive Committee, and Chairman of the Board of Directors at Tallahassee Memorial Hospital. Dr. Rumana has previously served as the President of the Tallahassee Neurological Clinic from 2000 to 2017 and served as the President and chairman of Caduceus, LLC, a joint venture pain management facility and surgery center from 2005 to 2017. Dr. Rumana currently runs a consulting company and serves on the board of multiple health-related companies.

Mr. Rumana was selected by the Board to serve as director because his experience in the medical field as a neurosurgeon and his service on numerous committees and boards in the neurology medical community provides the Board with

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specialized knowledge of the Company's industry and its customer's operations which is valuable to the Board's oversight role of the Company's operations.

Steven Summer, Director: Steven Summer brings over four decades of management experience in health care to the Company's board. From 2006 to December 2019, Mr. Summer served as President and CEO of the Colorado Hospital Association. Previously, from 1993 through 2006, he was the President and CEO of the West Virginia Hospital Association and prior to that he was with the Maryland Hospital Association, where he also held various senior level roles prior to becoming an executive. In January 2020, Mr. Summer was named President of the Healthcare Institute (HI), an organization whose membership consists of 35 of the nation's most prestigious non-profit hospitals and health care systems.

Mr. Summer has selected by the Board to serve as director because of his management experience in the health care industry including his experience as President and CEO of a number of Hospital Associations provides specialized knowledge of the Company's industry which is valuable to the Board's oversight role of the Company's operations.

Non-Director Executive Officers

John Price, Paul Webster, Interim Chief Financial Officer: Mr. Price was appointed Webster has served as Chief Financial Officer effective March 26, 2021, the Company's Senior Vice President of Managed Care and Revenue Cycle Management since May 2022, and will continue oversee those operations in addition to taking on the greater role in the Company's finance department. Mr. Price Webster has over 25 years two decades of managerial and strategic leadership experience in accounting, financial planning the healthcare industry. Prior to joining the Company, Mr. Webster served as vice president of policy and analysis, and business process improvement. He is also highly experienced in capital raise and debt financing, M&A, accounting operations, compliance, and system implementations. Mr. Price's prior positions include serving as chief accountant health economics for Air Methods Corp. (formerly Nasdaq: AIRM), one of National Beverage

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(December 2019 to November 2020), chief financial officer and president at Alliance MMA (August 2016 to October 2019), and chief financial officer at MusclePharm (March 2015 to August 2016) and in various accounting and finance roles in high growth technology the largest air medical service companies in the Silicon Valley world from January 2018 to December 2018. While in that role, he was responsible for engaging with legislators, regulators, and payers to articulate the economics of providing emergency air medical transportation. He also served in a variety of other management positions at Air Methods since March 1999 such as vice president of payer strategy and assistant controller. These roles included responsibilities such as treasury management, revenue recognition, accounting cycle close, negotiating in-network contracts with health insurance companies, cost trend analysis and the analytics around out-of-network billing as well as integrating acquisitions. Before Air Methods, Mr. Price spent the first seven years of his career Webster served in accounting roles at Ernst & Young (October Arthur Andersen, LLP from September 1998 to March 1999 and Compliance Systems, Inc. from January 1995 to July 2003). August 1998. Mr. Price earned Webster holds a Bachelor of Science degree in Accounting from Pennsylvania Metropolitan State University. Mr. Price does not have any family relationship with any other member University of the Board Denver and a Bachelor of Directors or any executive officer of the Company. Arts degree in Sociology from Hope College.

Arrangements between Officers and Directors

To our knowledge, there is no arrangement or understanding between any of our executive officers and any other person, including directors, pursuant to which the executive officer or director was selected to serve as an executive officer or director.

Family Relationships

None of our directors or executive officers is related by blood, marriage, or adoption to any other director or executive officer.

Other Directorships

None of our directors or director nominees are also directors of issuers with a class of securities registered under Section 12 of the *United States Securities Exchange Act of 1934*, as amended, (the “**Exchange Act**”) (or subject to the requirements of Section 15(d) of the Exchange Act or any company required to be registered as an investment company under the Investment Company Act of 1940, as amended).

Legal Proceedings

We know of no material proceedings in which any of our directors, executive officers, affiliates or any stockholder of more than 5% of any class of our voting securities, or any associate thereof, is a party adverse or has a material interest

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adverse to Assure or its subsidiaries. To the best of our knowledge, except as provided below, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- proceeding among private litigants, relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil

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money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Audit Committee and Audit Committee Financial Expert

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act and the NASDAQ Standards. The Audit Committee, in accordance with its written charter, is responsible for reviewing and approving the financial statements and public reports of the Company, considering the existence and adequacy of internal and management controls and reviewing and approving material accounting policies and measurements. The Audit Committee is also responsible for reviewing the annual audit and quarterly reviews and communicating directly with the external auditor as to their findings.

The Audit Committee's mandate provides for regularly scheduled meetings to review and approve annual audited financial statements and quarterly unaudited financial statements and other reports to stockholders. Additional meetings may be held as warranted with respect to public financing initiatives and other material transactions. In addition, the Audit Committee has the authority to pre-approve non-audit services which may be required from time to time. The Charter for the Audit Committee is available on our website at <https://www.assureneuromonitoring.com/>.

Currently, our Audit Committee consists of John Flood (Chairperson), **Martin Burian** **Steven Summer** and Christopher Rumana. The Board has determined that all members of the Audit Committee are "independent" and "financially literate," within the meaning of such terms in NI 52-110, and that all members are "independent" within the meaning of Rule 5605 of the NASDAQ Standards and Rule 10A-3 of the Exchange Act. Our Board has determined that Martin Burian qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K based on education, professional designations held, experience and background.

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Nomination Procedures

There have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by our governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the company.

Code of Business Conduct and Ethics

The Company has adopted a code of business conduct and ethics that applies to the Company's officers, directors, employees, and contractors.

We have adopted a corporate Code of Business Conduct and Ethics (the "Code") that applies to all our employees including our principal executive officer, principal financial officer, and principal accounting officer and is administered by our Chief Financial Officer, John Price, and the Chair of the Nomination and Corporate Governance Committee, Martin Burian. We believe our Code provides written standards for deterring, and is reasonably designed to deter, wrongdoing. The purpose of our Code is to promote:

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- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the SEC and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- accountability for adherence to the Code.

Our Code is available on our website at <https://www.assureneuromonitoring.com>. A copy of the Code will be provided to any person without charge upon written request to the Company at its administrative office: Assure Holdings Corp., 7887 East Belleview Avenue, Suite 500, 240, Denver, Colorado 80111. We intend to disclose on our website any waiver from a provision of our Code that applies to any of our principal executive officer, principal financial officer, principal accounting officer, controller, or persons performing similar functions that relates to any element of our Code.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires any person who is a director or executive officer of the Company or who beneficially holds more than 10% of any class of our securities which have been registered with the SEC, to file reports of initial ownership and changes in ownership with the SEC. These persons are also required under the regulations of the SEC to furnish us with copies of all Section 16(a) reports they file.

Delinquent Section 16(a) Reports

Based solely on our review of copies of such reports, we believe that our directors, executive officers, and holders of more than 10% of our registered securities timely complied with the requirements of Section 16(a) of the Exchange Act during fiscal year ended December 31, 2022 December 31, 2023, except for the Forms 4 filed on October 27, 2022 by John Farlinger, Christopher Rumana, Steven Summer, and Martin Burian for transactions dated October 21, 2022; and the Paul Webster who did not file Form 4 filed on December 28, 2022 by Preston Parsons for transaction dated December 20, 2022. 3 when appointed interim Chief Financial Officer.

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ITEM 11. EXECUTIVE COMPENSATION

Oversight of Executive Compensation Program

The Compensation Committee of the Board oversees the Company's executive compensation programs that are both motivational and competitive for executive officers and other members of senior management. Additionally, the Compensation Committee is charged with reviewing and approving all compensation decisions relating to the executive officers.

The Compensation Committee is composed entirely of independent, non-management members of the Board. At least once each year, and at such other times as is necessary, the Board reviews any and all relationships that each director has with the Company. The Board has determined that none of the Compensation Committee members has any material business relationship with the Company.

The responsibilities of the Compensation Committee, as stated in its charter, include the following:

- to review and assess the adequacy of the Compensation Committee charter annually and submit any proposed changes to the Board for approval;
- to produce an annual report on senior executive officer compensation for inclusion in the Company's annual report or the proxy statement relating to its annual meeting of stockholders;
- to review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to all incentive-based compensation plans and equity-based plans;

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- to establish peer groups of comparable companies and targeting competitive positioning for the Company's compensation programs; and
- to consider the implications of the potential risks associated with the Company's compensation policies and programs; and
- to review and make recommendations to the Board with respect to the compensation of the senior executive officers.

Overview of Executive Compensation Program

The objectives of our executive compensation policy are to attract and retain individuals of high caliber to serve as officers, to motivate their performance in order to achieve our strategic objectives and to align the interests of executive officers with the long term interests of our stockholders. Short-term compensation, including base salaries and annual performance bonus, is used to attract and retain employees. Long-term compensation, including our Stock Option Plan and Equity Incentive Plan, is used to reward growth in asset value per share.

Our compensation policy is reviewed and examined annually by the Compensation Committee in accordance with its charter. The Compensation Committee considered the implications of the risks associated with our compensation policies and practices and did not identify any risks arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on us.

We do not have any written policies which prohibit a named executive officer or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the named executive officer or director.

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For the purposes of this Annual Report, named executive officers or "NEOs" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the financial year ended December 31, 2020, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("CEO") of the Company;
- (b) the Company's two most highly compensated executive officers who were serving as executive officers at the end of the last completed fiscal year;

- (c) up to two individuals who would be an NEO under paragraph (b) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as of December 31, 2020.

During the financial year ended **December 31, 2022** **December 31, 2023**, we had **two** **three** NEOs: John Farlinger (CEO), **Paul Webster (Interim CFO)** and John Price **(CFO) (former CFO)**. Mr. Farlinger was appointed the CEO on August 28, 2019. Prior to his appointment as CEO, Mr. Farlinger was appointed as Interim CEO on May 15, 2018. Mr. **Webster was appointed Interim CFO on November 21, 2023. Mr. Price was appointed CFO on March 26, 2021 and resigned November 21, 2023.**

Compensation Elements and Rationale

Executive officer (including the NEOs) compensation consists of essentially three components: (i) base salary; (ii) annual performance bonus; and (iii) the equity compensation under our Stock Option Plan as amended, Equity Incentive Plan as amended, 2021 Stock Incentive Plan, 2021 Employee Stock Purchase Plan, or written grant agreements. Each component of our executive officer compensation arrangements are briefly described below.

Base Salaries

Salaries for executive officers and other members of senior management are determined by evaluating the responsibilities of each executive's position, as well as the experience and knowledge of the individual, with a view to market competitiveness. Assure benchmarks its executive salaries, by position and responsibility, against other comparable business enterprises. The base salaries for executive officers are reviewed in the fourth quarter of each financial year for

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the ensuing year by the NCG Committee. Annual salary adjustments take into account the market value of the executive's role, the executive's performance throughout the year and the economic factors that affect Assure's industry and marketplace.

Retention of executive officers is a risk considered by the Compensation Committee in setting base salaries.

Annual Performance Bonus

Each executive is eligible to receive an annual bonus (the "Annual Bonus") based upon achievement of milestones established by the Compensation Committee. The Annual Bonus is determined, at the discretion of the Compensation Committee at the beginning of each year and is paid during the first quarter of the subsequent year. If the executive voluntarily resigns from their employment with us or if their employment is terminated for cause prior to payment of the Annual Bonus, they shall not be entitled to receive payment of the Annual Bonus, or any portion thereof, whether prorated or otherwise.

Our Annual Bonus provides NEOs and key employees with the opportunity to earn annual incentive awards in respect of their leadership and contribution towards enhanced levels of operating performance. As such, the Annual Bonus is designed to increase alignment with Assure's strategic and operational goals with awards earned based on the achievement of both financial and personal performance goals.

The "financial performance" of each executive (including NEOs) is measured and calculated on three pre-established annual financial performance measure (the "Financial Performance Measure"). The Financial Performance Measures are designed around key drivers of profitability and operational cash flow, namely: (i) revenue growth; (ii) EBITDA growth;

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and (iii) cash flow growth, increase in procedures and other identified metrics. For each Financial Performance Measure, there are three performance levels set: threshold, target and maximum.

The 'personal performance' of each executive is measured against the extent to which each executive achieves his or her personal strategic objective ("Personal Strategic Objective"). The Personal Strategic Objectives are set by the executives in conjunction with the CEO at the commencement of each fiscal year and are expressed with reference to specific, measurable targets and given a weighting for each.

Equity Compensation

Options and Awards are granted by the Board at the recommendation of the Compensation Committee. In monitoring or adjusting the option allotments, the Compensation Committee takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Compensation Committee makes these determinations subject to and in accordance with the provisions of the Amended Stock Option Plan.

See "Equity Compensation Plans" for a description of our current equity compensation plans – the Amended 2020 Stock Option Plan, the 2020 Equity Incentive Plan, the 2021 Stock Incentive Plan and the 2021 Employee Stock Purchase Plan. On November 4, 2021, the Board approved and the Company adopted the 2021 Stock Incentive Plan and the 2021 Employee Stock Purchase Plan (the "2021 Plans"), and the Company's stockholders subsequently approved the 2021 Plans at the Annual Meeting on December 9, 2021. The Amended 2020 Stock Option Plan and the 2020 Equity Incentive Plan have been remained in effect; however, Since November 9, 2021, the Company has been and intends to continue to grant its awards under the 2021 Stock Incentive Plan. In addition, executive officers have the right to participate in the 2021 Employee Stock Purchase Plan along with other employees of the Company.

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Compensation Governance

The Compensation Committee exercises general responsibility regarding overall employee and executive officer compensation. It determines the total compensation of the CEO, CFO and other senior executives of the Company, all subject to Board approval. The Compensation Committee also meets with the CEO to review all other salaries and compensation items. These salaries and compensation items are ultimately approved by the Board annually in the overall general and administrative expense budget.

Options and Awards are also granted by the Board at the recommendation of the Compensation Committee. In monitoring or adjusting the option allotments, the Compensation Committee takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to stockholder value, previous option grants and the objectives set for the NEOs. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Compensation Committee makes these determinations subject to and in accordance with the provisions of the 2021 Stock Incentive Plan.

Summary Compensation Table

The following table sets forth the compensation earned by the NEOs for the years ended December 31, 2022, December 31, 2023, 2021, 2022, and 2020 2021 and are set out below and expressed in the currency of the United States unless otherwise noted. On March 4, 2023, the Company effected a reverse stock split on a twenty (20) to one (1) share basis. All information regarding stock options and warrants have been updated to reflect the reverse stock split unless provided otherwise.

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Change in pension value and nonqualified deferred compensation earnings								Non-Equity Compensation									
	Year	Salary	Bonus	Stock Awards	Option Awards	Incentive Plan Compensation	Non-Equity compensation	All Other Compensation	Total	Year	Salary	Bonus	Stock Awards	Option Awards	Incentive Plan Compensation	Non-Equity compensation	All Other Compensation	Total
Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
John Farlinger, (1)	2022	420,131	218,000	70,153	Nil	Nil	Nil	32,694	740,978									
John Farlinger (1)										2023	426,805	189,140	Nil	Nil				
Executive Chairperson and Chief Executive Officer	2021	401,610	323,380	144,918	330,382	Nil	Nil	61,889	1,262,179	2022	420,131	218,000	70,153	Nil				
John Price, (2)	2020	306,583	200,000	315,600	Nil	Nil	Nil	48,484	870,667	2021	401,610	323,380	144,918	330,382				
Chief Financial Officer	2022	276,826	48,740	67,713	Nil	Nil	Nil	13,884	407,163									
Paul Webster (2)	2021	244,800	97,920	61,900	67,113	Nil	Nil	17,400	489,133									
Interim Chief Financial Officer										2023	32,799	Nil	Nil	Nil				
John Price (3)										2023	280,349	120,664	Nil	Nil				
Former Chief Financial Officer																		
	2022	276,826	48,740	67,713	Nil									Nil				
	2020	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000	2021	244,800	97,920	61,900	67,113				

- (1) Mr. Farlinger was appointed to Chief Executive Officer and Executive Chairperson on August 28, 2019. Prior to his appointment as Chief Executive Officer and Executive Chairperson, Mr. Farlinger was appointed as Interim Chief Executive Officer and Executive Chairperson on May 15, 2018. During the year ended **December 31, 2022** **December 31, 2023**, Mr. Farlinger received a car allowance of **\$14,394** **\$15,235** and a matched retirement investment contribution moving allowance of **\$18,300** **\$25,000** paid by Assure, which values have been included in the column "All Other Compensation". Stock awards in 2021 consists of a grant of 810 common shares at \$123.80 and 302 common shares at \$80.00 per common share. On January 29, 2021, Mr. Farlinger was granted 4,500 stock options exercisable to acquire shares of common stock of Assure at \$106.00 per share, vesting 20% on the grant date and one-sixth every six months until fully vested, and expiring on January 27, 2026.
- (2) Mr. Price joined Webster was appointed Interim Chief Financial Officer on November 21, 2023. During the Company as period from November 21, 2023 through December 31, 2023, Mr. Webster received a car allowance of \$1,400 and a phone allowance of \$400 paid by Assure, which values have been included in the Vice President of Accounting and Finance during November 2020 and column "All Other Compensation".

(3) Mr. Price was appointed Chief Financial Officer on March 26, 2021. Mr. Price received a matched retirement investment contribution of \$13,884 paid by Assure, which value has been included in the column "All Other Compensation" resigned on November 21, 2023. Stock Awards in 2021 consist of a grant of 500 common shares at a price of \$123.80 per common share.

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Outstanding Equity Awards Table

The following table discloses the particulars of unexercised options, stock that has not vested and equity incentive plan awards for our NEOs for the last completed fiscal year ending December 31, 2022 December 31, 2023. On March 4, 2023, the Company effected a reverse stock split on a twenty (20) to one (1) share basis. All information regarding stock options and warrants have been updated to reflect the reverse stock split unless provided otherwise.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name and Principal Position	Option Awards					Stock Awards				Option Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units Vested	Market Value of Shares or Units Vested	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market Value of Unearned Value of Shares, Units or Other Rights That Have Not Vested	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)
	Exercisable	Unexercisable	(#)	(#)	(#)	(#)	(#)	(#)	(#)	Exercisable	Unexercisable	(#)	(#)
John Farlinger, (1) Executive Chairperson and Chief Executive Officer	3,020	Nil	Nil	\$ 180.00	10/1/2023	3,000	\$ 315,000	Nil	Nil	1,170	Nil	Nil	\$ 15
	1,170	Nil	Nil	\$ 156.00	1/16/2024					3,900	600	Nil	\$ 10
	2,700	1,800	Nil	\$ 106.00	2/1/2026								

John Price,											
(2) Chief											
Financial											
Officer	1,833	667	Nil	\$ 97.00	12/10/2025	Nil	Nil	Nil	Nil		
Paul											
Webster (2)											
										1,500	\$ 15
Interim											
Chief											
Financial											
Officer										500	\$ 12
	233	267	Nil	\$ 153.00	10/1/2026					650	\$ 10
										366	\$ 15
										134	

- (1) As of **December 31, 2022** **December 31, 2023**, Mr. Farlinger has an aggregate of **8,690** **5,670** options to purchase common stock of the Company. The options are exercisable to purchases: (a) 3,020 shares of the Company at an exercise price of \$180.00 which expire on October 1, 2023, pursuant to options awarded to Mr. Farlinger on October 1, 2018; (b) 1,170 shares of the Company at an exercise price of \$156.00 which expire ~~expired~~ on January 16, 2024 and (c) (b) 4,500 shares of the Company at an exercise price of \$106.00 which expire on February 1, 2026. On March 4, 2020, Preston Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 17,000 Performance shares to certain employees and senior management, including Mr. Farlinger (3,000 shares). On December 29, 2020, Assure issued 3,000 shares of common stock in settlement of the Performance shares to Mr. Farlinger, subject to forfeiture under the vesting terms of a restricted stock award agreement. The restricted shares vested under the terms of the restricted stock award agreement on September 29, 2021.
- (2) As of **December 31, 2022** **December 31, 2023**, Mr. **Price Webster** has an aggregate of **3,000** **5,750** options to purchase common stock of the Company. The options are exercisable to purchase (a) **2,500** **1,500** shares of the Company at an exercise price of **\$97.00** **\$156.00** which expired on January 16, 2024, (b) 500 shares of the Company at an exercise price of \$128.00 which expire on **December 10, 2025** **October 4, 2025**, pursuant to options awarded to Mr. Price (c) 750 shares of the Company at an exercise price of \$106.00 which expire on **December 10, 2021** **February 1, 2026**, and (b) (d) 500 shares of the Company at an exercise price of \$153.00 which expire on October 1, 2026 pursuant to options award to Mr. Price on October 1, 2021.

Option Exercise and Vested Stock

There were no option exercises or stock that vested on an aggregated basis for our NEOs during the year ended **December 31, 2022** **December 31, 2023**.

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Pension Plans, Defined Benefit Plans, Deferred Compensation Plans

The Company has not established a pension plan, defined benefits plan, or deferred compensation plan.

Potential Payments Upon Termination or Change-In-Control

The Company does not currently have any employment agreements which include material payments related to termination or change-in-control.

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Agreements with Named Executive Officers

The Company has entered into employment agreements with certain NEOs. The agreements establish the terms and conditions that will apply during their employment with the Company as well as the terms and conditions that will apply upon their termination of employment.

John Farlinger, Executive Chairperson, Chief Executive Officer

The Company entered into an employment agreement with John Farlinger effective June 1, 2018. Mr. Farlinger is employed as Chief Executive Officer of the Company and provides corporate management, financial strategy, capital market advisory, business expansion, compliance and advisory, corporate communications and general operational services to the Company that are relevant to his position. As compensation, Mr. Farlinger received an annual salary of ~~\$420,131~~ \$426,805 during the financial year ended ~~December 31, 2022~~ December 31, 2023. The Company reimburses Mr. Farlinger for reasonable and customary "out of pocket" expenses. Mr. Farlinger is entitled to insurance benefits, sick leave, five weeks of vacation time, a car allowance, a 401k matching plan of up to 6%, performance-based bonuses allocated at the discretion of the Board, a phone allowance and stock options pursuant to the Stock Option Plan. The agreement contains customary confidentiality arrangements for an executive in the healthcare industry and provides that for one year following the termination of Mr. Farlinger's employment with the Company, he will not directly or indirectly engage in any business competitive with the Company.

Paul Webster, Interim Chief Financial Officer (effective November 21, 2023)

Per the terms of Mr. Webster's offer letter as the Interim Chief Financial Officer, as compensation, Mr. Webster receives an annual salary of \$255,000. The Company reimburses Mr. Webster for reasonable and customary "out of pocket" expenses. Mr. Webster is entitled to insurance benefits, sick leave, five weeks of vacation time, a car allowance, a 401k matching plan of up to 6%, performance-based bonuses allocated at the discretion of the Board, a phone allowance and stock options pursuant to the Stock Option Plan.

John Price, Chief Financial Officer (effective March 26, 2021, resigned November 21, 2023)

The Company is currently in the process of negotiating did not enter into an employment agreement with John Price to serve as its Chief Financial Officer. Per the terms of Mr. Price's offer letter as the Vice President of Finance, as compensation, Mr. Price receives an annual salary of \$270,000. In addition, the Company reimburses Mr. Price for reasonable and customary "out-of-pocket" expenses. Mr. Price is entitled to insurance benefits, sick leave, four weeks of vacation time, a 401k matching plan of up to 6%, performance-based bonuses allocated at the discretion of the Board, and stock options pursuant to the Stock Option Plan.

Executive Incentive Compensation Recovery Policy

Under the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), in the event of misconduct that results in a financial restatement that would have reduced a previously paid incentive amount, we can recoup those improper payments from our executive officers. The SEC also recently adopted rules which direct national stock exchanges to require listed companies to implement policies intended to recoup bonuses paid to executives if the company is found to have misstated its financial results.

On November 30, 2023, our Board approved the adoption of an Executive Incentive Compensation Recovery Policy (the "Clawback Policy"), with an effective date of October 2, 2023, in order to comply with the final clawback rules adopted by the SEC under Section 10D and Rule 10D-1 of the Exchange Act ("Rule 10D-1"), and the listing standards, as set forth in Section 811 of the NYSE American Company Guide (the "Final Clawback Rules").

The Clawback Policy provides for the mandatory recovery of erroneously awarded incentive-based compensation from current and former executive officers as defined in Rule 10D-1 ("Covered Officers") of the Corporation in the event that the Corporation is required to prepare an accounting restatement, in accordance with the Final Clawback Rules. Under the Clawback Policy, the Corporation may recoup from the Covered Officers erroneously awarded incentive compensation.

received within a recovery period of the three completed fiscal years preceding the date on which the Corporation is required to prepare an accounting restatement

DIRECTOR COMPENSATION

The following table sets forth the compensation granted to our independent directors for the fiscal year ended **December 31, 2021** **December 31, 2023**. On March 4, 2023, the Company effected a reverse stock split on a twenty (20) to one (1) share basis. All information regarding stock options and warrants have been updated to reflect the reverse stock split unless provided otherwise.

Name	Nonqualified							Nonqualified				
	Fees Earned or	Stock	Option	Non-Equity	Deferred	All Other		Fees Earned or	Stock	Option	Non-Equity	Deferred
	Paid in Cash	Awards	Awards	Incentive Plan	Compensation	Compensation	Total	Paid in Cash or Stock	Awards	Awards	Compensation	Compensation
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Martin Burian, (1)(2)	52,000	40,000	Nil	Nil	Nil	Nil	92,000					
Christopher Rumana, (1)(2)								40,000	Nil	Nil	Nil	
Independent Director												
Christopher Rumana, (1)(3)	40,000	40,000	Nil	Nil	Nil	Nil	80,000					
Steven Summer, (1)(3)								46,000	Nil	Nil	Nil	
Independent Director												
Steven Summer, (1)(4)	46,000	40,000	Nil	Nil	Nil	Nil	86,000					
Independent Director												
John Flood, (1)(5)	46,000	40,000	Nil	Nil	Nil	Nil	86,000					
John Flood, (1)(4)								46,000	Nil	Nil	Nil	
Former Director												

- (1) All directors, who are not employees of the Company, are entitled to receive a quarterly retainer of \$10,000 for their services as directors of the Company and a quarterly retainer of \$1,500 for serving on a committee of the Company. The quarterly retainer is paid 50% in cash and 50% in stock.
- (2) As of December 31, 2022, Mr. Burian has options to purchase (a) 15,000 common shares of the Company at an exercise price of \$180.00 which expire on October 1, 2023, pursuant to options awarded to Mr. Burian on October 1, 2018; (b) 1,500 common shares of the Company at an exercise price of \$156.00 which expire on January 16, 2024, pursuant to options awarded to Mr. Burian on January 16, 2019 and (c) 500 common shares of the Company at an exercise price of \$106.00 which expire on January 27, 2026, pursuant to options awarded to Mr. Burian on January 29, 2021. As of December 31, 2022, all of the 750 of the options granted on October 1, 2018 have vested, all of the 1,500 options granted on January 16, 2019 have vested, and 300 of the options granted on January 29, 2021 have vested with the balance of options vesting in increments of 133 on each February 1 and August 1, until such time that the options have fully vested February 1, 2024.
- (3) As of December 31, 2022 **December 31, 2023**, Dr. Rumana has options to purchase (a) 1,500 common shares of the Company at an exercise price of \$156.00 which **expire expired** on January 16, 2024, pursuant to options awarded to Dr. Rumana on January 16, 2019 and (b) 1,000 common shares of the Company at an exercise price of \$106.00 which expire on January 27, 2026, pursuant to options awarded to Dr. Rumana on January 29, 2021. As of **December 31, 2022** **December 31, 2023**, all of the 1,500 options granted on January 16, 2019 had vested and **600 867** of the options granted on January 29, 2021 have vested with the balance of options vesting in increments of 133 on each February 1 and August 1, until such time that the options have fully vested February 1, 2024.

- (4) (3) of ~~December 31, 2022~~ December 31, 2023, Mr. Summer has options to purchase (a) 1,500 common shares of the Company at an exercise price of Cdn\$171.00 which expire on October 4, 2024, pursuant to options awarded to Mr. Summer on October 4, 2019 and (b) 1,000 common shares of the Company at an exercise price of \$106.00 which expire on January 27, 2026, pursuant to options awarded to Mr. Summer on January 29, 2021. As of ~~December 31, 2022~~ December 31, 2023, all of the 1,500 options granted on October 4, 2019 have vested and ~~600~~ 867 of the options granted on January 29, 2021 have vested with the balance of options vesting in increments of 133 on each February 1 and August 1, until such time that the options have fully vested February 1, 2024.
- (5) (4) of ~~December 31, 2022~~ December 31, 2023, Mr. Flood has options to purchase 1,500 common shares of the Company at an exercise price of \$112.00 which expire on April 15, 2026, pursuant to options awarded to Mr. Flood on April 15, 2021. As of ~~December 31, 2022~~ December 31, 2023, of 1,500 options granted on April 15, 2021, ~~900~~ 1,300 have vested, with the balance of options vesting in increments of 200 options each April 15 and October 15, until such time that the options have fully vested on April 15, 2024.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information as of ~~March 23, 2023~~ April 24, 2024, regarding the beneficial ownership of our common stock by (i) those persons who are known to us to be the beneficial owner(s) of more than 5% of our common stock, (ii) each of our directors and named executive officers, and (iii) all of our directors and executive officers as a group.

Except as otherwise indicated, the beneficial owners listed in the table below possess the sole voting and dispositive power in regard to such shares and have an address of c/o Assure Holdings Corp, 7887 E. Belleview Ave., Suite ~~500~~ 240 Denver, Colorado. As of ~~March 23, 2022~~ April 24, 2024, there were ~~1,101,098~~ 9,000,000 shares of our common stock outstanding.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. shares of our common stock subject to options, warrants, notes or other conversion

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privileges currently exercisable or convertible, or exercisable within 60 days of the date of this table, are deemed outstanding for computing the percentage of the person holding such option, warrant, note, or other convertible instrument but are not deemed outstanding for computing the percentage of any other person. Where more than one person has a beneficial ownership interest in the same shares, the sharing of beneficial ownership of these shares is designated in the footnotes to this table.

On March 4, 2023, the Company effected a reverse stock split on a twenty (20) to one (1) share basis. All information regarding stock options and warrants have been updated to reflect the reverse stock split unless provided otherwise.

Name and Address of Beneficial Owner	Amount and nature of	
	beneficial ownership	Percent of Class
John Farlinger (1) c/o Assure Holdings Corp, 7887 East Belleview Avenue, Denver, Colorado.	20,132	1.8 %
John Price (2) c/o Assure Holdings Corp, 7887 East Belleview Avenue, Denver, Colorado.	6,202	* %
Martin Burian (3) c/o Assure Holdings Corp, 7887 East Belleview Avenue, Denver, Colorado.	9,075	* %
Christopher Rumana (4) c/o Assure Holdings Corp, 7887 East Belleview Avenue, Denver, Colorado.	7,273	* %
Steven Summer (5)	6,273	* %

c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
John Flood (6)	6,359	* %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
Directors and Executive Officers as a Group (6 persons)	55,314	5.0 %
Manchester Management Company, LLC/James Besser/Morgan Frank(7)	92,742	8.1 %
2 Calle Nairn, #701 San Juan, PR 00907		
AWM Investment Company(8)(9)(10)(11)(12)	156,250	13.2 %
527 Madison Ave., Suite 2600 New York, NY 10022		
Preston Parson (13)	182,880	16.6 %
5 Mockingbird Lane Cherry Hills Village, CO 80113		

Name and Address of	Amount and nature of	
Beneficial Owner	beneficial ownership	Percent of Class
John Farlinger (1)	50,476	* %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
Christopher Rumana (2)	95,626	* %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
Steven Summer (3)	96,126	* %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
John Flood (4)	96,345	* %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
Paul Webster (5)	1,614	* %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
Directors and Executive Officers as a Group (5 persons)	340,187	3.8 %
Brad Hemingson	660,000	7.3 %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		
Robert Koppel	459,371	5.1 %
c/o Assure Holdings Corp,7887 East Belleview Avenue, Denver, Colorado.		

- Less than 1%.

(1) Mr. Farlinger is CEO and Executive Chairman of Assure. Consists of 11,042 44,376 shares of common stock and 9,090 6,100 shares of common stock acquirable upon exercise of stock options 7,490 (4,500 shares) and warrants (1,600 shares) within 60 days of March 23, 2023 April 24, 2024. Of the shares of common stock beneficially owned by Mr. Farlinger, 3,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, such shares are fully vested vested. Includes options exercisable to purchases: (a) 3,020 shares of the Company at an exercise price of \$180.00 which expire on October 1, 2023, pursuant to options awarded to Mr. Farlinger on October 1, 2018; (b) 1,170 shares of the Company at an exercise price of \$156.00 which expire on January 16, 2024 and (c) 4,500 shares of the Company at an exercise price of \$106.00

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which expire on February 1, 2026. On March 4, 2020, Preston Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 17,000 Performance shares to certain employees and senior management, including Mr. Farlinger (3,000 shares). On December 29, 2020, Assure issued 3,000 shares of common stock in settlement of the Performance shares to Mr. Farlinger, subject to forfeiture under the vesting terms of a restricted stock award agreement. The restricted shares vested under the terms of the restricted stock award agreement on September 29, 2021.

- (2) Mr. Price is CFO of Assure. Consists of 4,071 shares of common stock and 2,131 shares of common stock acquirable upon exercise of stock options 60 days from March 23, 2023. Includes options exercisable to purchase (a) 2,500 shares of the Company at an exercise price of \$97.00 which expire on December 10, 2025, pursuant to options awarded to Mr. Price on December 10, 2021 and (b) 500 shares of the Company at an exercise price of \$153.00 which expire on October 1, 2026 pursuant to options award to Mr. Price on October 1, 2021.
- (3) Mr. Burian is a director of Assure. Consists of 6,459 shares of common stock and 2,616 shares of common stock acquirable upon exercise of vested stock options within 60 days of March 23, 2023. Mr. Burian holds 4,138 shares of common stock directly. Mr. Burian beneficially holds 1,600 shares of common stock through Burian Investments Inc. of which Mr. Burian is a 1/3 beneficial owner, a director and acting secretary. Mr. Burian does not control investment decisions of shares held by Burian Investments Inc. Mr. Burian's wife, Cheryl Burian, holds 320 shares of common stock directly and 400 shares of common stock ITF Cameron & Lauren Burian. Mr. Burian does not have voting or dispositive power over the shares held by his wife, directly or in trust, and disclaims beneficial ownership of such shares. Includes options to purchase (a) 750 common shares of the Company at an exercise price of \$180.00 which expire on October 1, 2023, pursuant to options awarded to Mr. Burian on October 1, 2018; (b) 1,500 common shares of the Company at an exercise price of \$156.00 which expire on January 16, 2024, pursuant to options awarded to Mr. Burian on January 16, 2019 and (c) 500 common shares of the Company at an exercise price of \$106.00 which expire on January 27, 2026, pursuant to options awarded to Mr. Burian on January 29, 2021. As of March 23, 2023, all of the 750 of the options granted on October 1, 2018 have vested, all of the 1,500 options granted on January 16, 2019 have vested, and 367 of the options granted on January 29, 2021 have vested with the balance of options vesting in increments of 67 on each February 1 and August 1, until such time that the options have fully vested February 1, 2024 February 1, 2026.
- (4) Mr. Rumana is a director of Assure. Consists of 4,649 94,235 shares of common stock and 2,624 1,391 shares of common stock acquirable upon exercise of stock options (2,233 (1,000 shares) and warrants (391) within 60 days of March 23, 2023 April 24, 2024. Includes options to purchase (a) 1,500 common shares of the Company at an exercise price of \$156.00 which expire on January 16, 2024, pursuant to options awarded to Dr. Rumana on January 16, 2019 and (b) 1,000 common shares of the Company at an exercise price of \$106.00 which expire on January 27, 2026, pursuant to options awarded to Dr. Rumana on January 29, 2021. As of March 23, 2023 April 24, 2024, all of the 1,500 options granted on January 16, 2019 had vested and 733 867 of the options granted on January 29, 2021 have vested with the balance of options vesting in increments of 133 on each February 1 February 1, 2024 and August 1, until such time that the options have fully vested February 1, 2024, 1.
- (5) Mr. Summer is a director of Assure. Consists of 3,649 93,235 shares of common stock and 2,624 2,891 shares of common stock acquirable upon exercise of stock options (2,233 (2,500 shares) and warrants (391) within 60 days of March 23, 2023 April 24, 2024. Includes options to purchase (a) 1,500 common shares of the Company at an exercise price of Cdn\$171.00 which expire on October 4, 2024, pursuant to options awarded to Mr. Summer on October 4, 2019 and (b) 1,000 common shares of the Company at an exercise price of \$112.00 which expire on January 27, 2026, pursuant to options awarded to Mr. Summer on January 29, 2021. As of March 31, 2023 April 24, 2024, all of the 1,500 options granted on October 4, 2019 have vested and 733 867 of the options granted on January 29, 2021 have vested with the balance of options vesting in increments of 133 on each February 1 and August 1, until such time that the options have fully vested February 1, 2024.
- (6) Mr. Flood is a director of Assure. Consists of 5,259 94,845 shares of common stock held directly and 1,100 1,500 shares of common stock acquirable upon exercise of stock options within 60 days of March 23, 2023 April 24, 2024. Includes options to purchase 1,500 common shares of the Company at an exercise price of \$112.00 which expire on April 15, 2026, pursuant to options awarded to Mr. Flood on April 15, 2021. As of March 23, 2023 April 24, 2024, all of the 1,500 options granted on April 15, 2021, 900 have vested, with the balance of options vesting in increments of 200 options each April 15 and October 15, until such time that the options have fully vested on April 15, 2024.
- (7) Includes shares beneficially owned and 46,875 shares acquirable upon exercise of outstanding warrants held by the following affiliated entities and persons: 40,739 shares and 46,875 shares acquirable upon exercise of warrants beneficially owned by Manchester Explorer, L.P., over which James Besser and Morgan Frank have shared voting and disposition power, 45,867 shares and 46,875 shares acquirable upon exercise of warrants beneficially owned by Manchester Management Company, LLC and Manchester Management PR, LLC (which includes the 40,739 shares vested).

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- (5) and 46,875 shares acquirable upon exercise Mr. Webster was appointed interim CFO on November 21, 2023. Consists of warrants beneficially owned by Manchester Explorer, L.P.), 44,646 shares and 46,875 shares acquirable upon exercise of warrants beneficially owned by Morgan Frank (which includes the 40,739 shares and 46,875 shares acquirable upon exercise of warrants beneficially owned by Manchester Explorer, L.P. and 3,907 shares over which Mr. Frank has sole voting and disposition power) and 49,782 shares and 46,875 shares acquirable upon exercise of warrants beneficially owned by James Besser (which includes the 45,867 shares and 46,875 shares acquirable upon exercise of warrants beneficially owned by Manchester Management Company, LLC and 3,907 shares over which Mr. Besser has sole voting and disposition power). Pursuant to a letter agreement by and between Assure Holdings Corp. and Manchester Explorer, L.P., the beneficial ownership of Manchester Explorer, L.P. and its affiliated persons may not exceed 9.99% for the purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended. Accordingly, stock purchase warrants may not be exercised by Manchester Explorer, L.P. if the beneficial ownership of Manchester Explorer, L.P. and its affiliated persons exceed 9.99%. Ownership information is based on the Schedule 13G filed on February 10, 2023.

- (8) Includes 11,538 shares of common stock and 32,907 1,614 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) held by Special Situations Fund III QP, L.P. David Greenhouse is managing partner of Special Situations Fund III QP, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (9) stock options 60 days from April 24, 2024. Includes 3,821 options exercisable to purchase (a) 750 common shares of common stock and 10,913 the Company at an exercise price of \$106.00 which expire on January 27, 2026, pursuant to options awarded to Mr. Webster on January 29, 2021, (b) 500 shares of common stock acquirable upon the Company at an exercise price of warrants acquired in the private placement (December 1, 2020) held by Special Situations Cayman Fund, L.P. David Greenhouse is managing partner of Special Situations Cayman Fund, L.P. \$153.00 which expire on October 1, 2026 pursuant to options award to Mr. Webster on October 1, 2021 and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (10) Includes 10,084 (c) 500 common shares of common stock and 15,625 shares the Company at an exercise price of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) held by Special Situations Life Sciences Fund, L.P. David Greenhouse is managing partner of Special Situations Life Sciences Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (11) Includes 10,084 shares of common stock and 15,625 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) \$128 which are registered for resale and qualified under the Registration Statement. David Greenhouse is managing partner of Special Situations Private Equity Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (12) AWM Investment Company, Inc. expire on October 4, 2024, a Delaware Corporation (AWM), is the investment adviser to Special Situations Fund III QP, L.P., Special Situations Cayman Fund, L.P., Special Situations Private Equity Fund, L.P., and Special Situations Life Sciences Fund, L.P. David Greenhouse is managing partner of Special Situations Fund III QP, L.P., Special Situations Cayman Fund, L.P., Special Situations Life Sciences Fund, L.P. and Special Situations Private Equity Fund, L.P. (collectively, the "Holders"). Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over securities owned by the Holders. The Holders collectively beneficially own 115,625 shares of common stock, approximately 9.9%, however pursuant to agreed upon terms under the warrants, they may not be exercised if beneficial ownership of the funds and its affiliated persons exceed 9.99% Ownership information based options awarded to Mr. Webster on Form 4 filed on August 8, 2022 October 4, 2021.
- (13) Mr. Parsons is the founder and a former director of Assure. Consists of 181,317 shares of common stock and 1,563 shares of common stock acquirable upon exercise of warrants (1,563 shares) within 60 days of March 23, 2023. Mr. Parsons holds a portion of the shares of common stock through Triple C Holdings, LLC (a family holding company). Of the shares of common stock beneficially owned by Mr. Parsons, 33,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, such shares are fully vested.

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Equity Compensation Plan Information

The following table sets out those securities of the Company which have been authorized for issuance under our equity compensation plan, as of December 31, 2022 December 31, 2023. On March 4, 2023, the Company effected a reverse stock split on a twenty (20) to one (1) share basis. All information regarding stock options and warrants have been updated to reflect the reverse stock split unless provided otherwise.

Plan category	Number of securities to be issued upon exercise of outstanding options and rights		Weighted-average exercise price of outstanding options and rights (b)		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)		Number of securities to be issued upon exercise of outstanding options and rights (a)		Weighted-average exercise price of outstanding options and rights (b)		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	
	(a)		(b)		(a)		(a)		(b)		(a)	
Equity compensation plans approved by security holders	49,640	\$	117.80		93,500		36,425	\$	93.55		88,500	

Equity compensation plans not approved by security holders	N/A			N/A		
Total	49,640	\$	117.80	93,500	36,425	\$ 93.55 88,500

As of **December 31, 2022** **December 31, 2023**, there was **42,540** **24,925** stock options outstanding under the Amended Stock Option Plan. No additional stock options will be issued under the Amended Stock Option Plan. As of **December 31, 2022** **December 31, 2023**, there was **6,500** **11,500** stock options outstanding and an aggregate of **93,500** **88,500** shares of common stock were available for issuance under the 2021 Stock Option Plan. As of **December 31, 2022** **December 31, 2023**, no transactions have occurred under the 2021 Employee Stock Purchase Plan.

Equity Compensation Plan Descriptions

The Company currently has adopted and approved the 2021 Stock Incentive Plan and the 2021 Employee Stock Purchase Plan, the Amended 2020 Stock Option Plan and the 2020 Equity Incentive Plan. The intent of the Company and the Board is that while the Amended 2020 Stock Option Plan and the 2020 Equity Incentive Plan will continue in existence in relation to the options and awards previously granted thereunder, the Board will not grant future options or awards thereunder. Instead, moving forward, only the 2021 Stock Incentive Plan will be used for the grant of options and awards to eligible participants thereunder.

The following is a description of the plans.

Amended 2020 Stock Option Plan

The material features of the Amended 2020 Stock Option Plan are summarized below.

- Purpose of the Amended 2020 Stock Option Plan. The purpose of the Amended 2020 Stock Option Plan is to encourage share ownership by directors, senior officers and employees, together with consultants, who are primarily responsible for the management and growth of the Company. The number of shares, the exercise price per Common Share, the vesting period and any other terms and conditions of options granted pursuant to the Amended 2020 Stock Option Plan, from time to time, are determined and approved by the Board at the time of the grant, subject to the defined parameters of the Amended 2020 Stock Option Plan.

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- Maximum Plan Shares. The maximum aggregate number of shares that may be reserved for issuance pursuant to the exercise of options granted under the Amended 2020 Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding shares of the Company at the time of the grant. Notwithstanding the foregoing, the maximum aggregate number of shares which may be reserved for issuance as “Incentive Stock Options” (as defined in the Amended 2020 Stock Option Plan) granted under the Amended 2020 Stock Option Plan and all other plans of the Company and of any parent or subsidiary of the Company shall not exceed 3,497,123 shares.

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- Grant of Options. The Amended SOP is administered by the Board (or any committee to which the Board has delegated authority) and provides for grants of options to eligible participants in the discretion of the Board. The term and vesting provisions of any options will be fixed by the Board at the time of grant, subject to the terms of the Amended 2020 Stock Option Plan.

4. Eligibility and Limitations. The following restrictions on issuances of options are applicable under the Amended 2020 Stock Option Plan: (a) no eligible participant will be granted options to acquire more than five percent (5%) of the issued and outstanding common shares of the Company in any twelve (12) month period, unless the Company has obtained disinterested shareholder approval; and (b) in any twelve (12) month period, options granted to all eligible participants conducting investor relations activities may not exceed two percent (2%) of the issued and outstanding common shares, calculated at the date such options are granted.
5. Maximum Percentage to Insiders. The Company may not reserve for issuance such number of common shares pursuant to options granted to insiders at any point in time that exceeds ten percent (10%) of the issued and outstanding common shares of the Company nor can the Company grant to insiders, within a twelve (12) month period, an aggregate number of options, which exceeds ten percent (10%) of the issued and outstanding common shares of the Company as at the time of grant.
6. Exercise Price. The exercise price of an option will be set by the Board at the time such option is granted under the Amended 2020 Stock Option Plan, and cannot be less than the Fair Market Value (defined in the Amended 2020 Stock Option Plan as a price that is determined by the Board, and no less than 110% of Fair Market Value of a share on the grant date with respect to incentive stock options granted to a shareholder holding more than 10% of the shares).
7. Vesting of Options. Vesting of options shall be at the discretion of the Board and, in the absence of a vesting schedule being specified at the time of grant, options shall vest immediately. Where applicable, vesting of options will generally be subject to the participant remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time. Options granted to eligible participants conducting investor relations activities shall vest in stages over a period that is not less than twelve (12) months, and with no more than 25% of the total options granted vesting in any applicable three (3) month period.
8. Term and Expiry. The exercise period of each option cannot exceed ten (10) years. Upon termination of employment of the eligible participant all rights to purchase shares of the Company pursuant to the options granted under the Amended 2020 Stock Option Plan shall expire and terminate immediately except as follows: (a) expiry and termination of the granted options has been otherwise determined in the discretion of the Board or by the participant's option granting agreement; (b) upon the death, disability or leave of absence of a participant, any vested options held by such participant will be exercisable by the participant's lawful personal representatives, heirs or executors until the earlier of ninety (90) days after the date of death and the date of expiration of the term otherwise applicable to such options; (c) an option granted to any participant will expire thirty (30) days (or such other time, as shall be determined by the Board) after the termination of the participant's continuous service; and (d) if a participant is dismissed for cause, such participant's options, whether or not vested at the date of dismissal, will immediately terminate without the right to exercise such options.
9. Disinterested Shareholder Approval. The Company will be required to obtain disinterested shareholder approval prior to any of the following actions – whether by reason of an amendment to the Amended Option Plan or otherwise – becoming effective: (a) the Amended Option Plan, together with all of the Company's other previous

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compensation arrangements, could result at any time in: (i) the aggregate number of Common Shares reserved for issuance under options granted to insiders of the Company exceeding ten percent (10%) of the issued and outstanding Common Shares; (ii) the number of Common Shares issued to insiders upon exercise of options within a one (1) year period exceeding ten percent (10%) of the issued and outstanding Common Shares; or (iii) the issuance to any one Service Provider, within a twelve (12) month period, of a number of Common Shares exceeding 5% of the issued and outstanding Common Shares; or (b) any reduction in the exercise price of an option previously granted to an insider.

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10. Adjustments. The Amended 2020 Stock Option Plan also provides for adjustments to outstanding options in the event of certain corporate events, including but not limited to, any consolidation, subdivision, conversion or exchange of the Company's shares.

11. Amendments. The Amended 2020 Stock Option Plan provides that it may be amended by the Board or the Compensation Committee without stockholder approval, (i) correct typographical errors; (ii) clarify existing provisions of the 2020 Stock Option Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any applicable laws. No such amendment, suspension or termination shall adversely affect rights under any options previously granted without the consent of the optionees to whom such options were granted.
12. Governing Law. The Amended 2020 Stock Option Plan is governed and construed in accordance with the laws of the State of Colorado and the federal laws of the United States applicable therein.

2020 Equity Incentive Plan

The material features of the 2020 Equity Incentive Plan are summarized below.

1. Purpose of the Equity Incentive Plan. The purpose of the 2020 Equity Incentive Plan is to (a) enable the Company to attract and retain the types of employees, consultants and directors (collectively, the "EIP Recipients" and each, an "EIP Recipient") who will contribute to the Company's long term success; (b) provide incentives that align the interests of EIP Recipients with those of the security holders of the Company; and (c) promote the success of the Company's business.
2. Available Awards. Awards that may be granted under the Equity Incentive Plan include: (a) stock options, (b) restricted awards, (c) performance share units, and other equity-based awards (collectively, "EIP Awards").
3. Maximum Plan Shares. The maximum aggregate number of shares available for issuance pursuant to the exercise of the EIP Awards granted under the 2020 Equity Incentive Plan is 3,497,123 shares. The maximum aggregate number of shares which may be reserved for issuance as "Incentive Stock Options" (as defined under the 2020 Equity Incentive Plan) granted under the 2020 Equity Incentive Plan and all other plans of the Company and of any parent or subsidiary of the Company shall not exceed 3,497,123 shares.
4. Grant of EIP Awards. The 2020 Equity Incentive Plan is administered by the Board (or any committee to which the Board has delegated authority) and provides for grants of EIP Awards to EIP Recipients in the discretion of the Board. The term and vesting provisions of any options or EIP Awards will be fixed by the Board at the time of grant, subject to the terms of the 2020 Equity Incentive Plan.
5. Limitations on Issue. The following restrictions on issuances of EIP Awards are applicable under the 2020 Equity Incentive Plan: (a) no eligible award recipient will be granted EIP Awards to acquire more than five percent (5%) of the issued and outstanding shares of the Company in any twelve (12) month period, unless the Company has obtained disinterested shareholder approval; (b) no consultant or EIP Recipient conducting investor relations activities (may be granted options to acquire more than two percent (2%) of the issued and outstanding common stock in any twelve (12) month period; and (c) the Company and the EIP Recipient granted the EIP Award are responsible for ensuring and confirming the EIP Recipient is a bona fide employee, consultant or management company employee.

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6. Maximum Percentage to Insiders. The Company may not reserve for issuance such number of shares pursuant to EIP Awards granted to insiders at any point in time that exceeds ten percent (10%) of the issued and outstanding shares of the Company nor can the Company grant to insiders, within a twelve (12) month period, an aggregate number of EIP Awards, which exceeds ten percent (10%) of the issued and outstanding shares of the Company as at the time of grant, unless prior to such grant the Company has obtained disinterested shareholder approval.

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7. Exercise Price. The exercise price of an option will be set by the Board at the time such option is granted under the 2020 Equity Incentive Plan, and cannot be less than the Fair Market Value (defined in the 2020 Equity Incentive Plan as a price that is determined by the Board, and no less than 110% of Fair Market Value of a share on the grant date with respect to incentive stock options granted to a shareholder holding more than 10% of the shares.

8. Vesting of Options. Vesting of options shall be at the discretion of the Board and, in the absence of a vesting schedule being specified at the time of grant, options shall vest immediately. Where applicable, vesting of options will generally be subject to the participant remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time. Options granted to eligible participants conducting investor relations activities shall vest in stages over a period that is not less than twelve (12) months, and with no more than 25% of the total options granted vesting in any applicable three (3) month period.
9. Term and Expiry of Options. The exercise period of each option cannot exceed ten (10) years. Upon termination of an EIP Recipient's continuous service all rights to purchase shares of the Company pursuant to the options granted under the 2020 Equity Incentive Plan shall expire and terminate immediately except as follows: (a) expiry and termination of the granted options has been otherwise determined in the discretion of the Board or by the EIP Recipient's option granting agreement; (b) upon the death, disability or leave of absence of an EIP Recipient any vested options held by such EIP Recipient will be exercisable by the EIP Recipient's lawful personal representatives, heirs or executors until the earlier of ninety (90) days after the date of death and the date of expiration of the term otherwise applicable to such options; (c) an option granted to any EIP Recipient will expire thirty (30) days (or such other time, as shall be determined by the Board) after the termination of the EIP Recipient's continuous service; and (d) if an EIP Recipient is dismissed for cause, such EIP Recipient's options, whether or not vested at the date of dismissal, will immediately terminate without the right to exercise such options.
10. Restricted Awards. The Board may, from time to time, grant restricted share units ("RSU") to EIP Recipients, which require no share issuance by the Company at the time of such grant, carry no voting rights, and neither preclude nor entitle further RSU issuance to the EIP Recipient. At the discretion of the Board, each RSU may be credited with cash and stock dividends paid by the Company in respect of one share, which shall be evidenced in the EIP Recipient's share unit account, and distributed, upon settlement of such RSU after the date on which they vest, in cash or at the discretion of the Board, in shares for the fair market value equivalent of such cash distribution, such shares to be either issued from treasury, purchased in the open market, or any combination thereof. The RSUs shall be subject to forfeiture until vested, such vesting schedule to be determined for each grant of RSUs in the discretion of the Board, which may provide for acceleration of vesting upon the occurrence of specified events.
11. Performance Share Units. The Board may, from time to time, grant performance share units ("PSU") to EIP Recipients, which require no share issuance by the Company at the time of such grant, carry no voting rights, and neither preclude nor entitle further PSU issuance to the EIP Recipient. The Board in its discretion shall determine: (i) the number of shares subject to a PSU granted to any EIP Recipients; (ii) the specified performance goals and other conditions as well as the time period to achieve such goals in order to earn a PSU; and (iii) the other terms, conditions and restrictions of the PSU.
12. Other Equity-Based and Cash Awards. The Board may grant other equity-based awards, either alone or in tandem with other awards under the EIP, in such amounts and subject to such conditions as the Board shall determine in

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its sole discretion. Each such award shall be evidenced by an award agreement. The Board may grant cash awards to participants, such awards to be evidenced in such form as the Board may determine.

13. Disinterested Shareholder Approval. Unless disinterested shareholder approval is obtained, under no circumstances shall the 2020 Equity Incentive Plan, together with all of the Company's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of shares (including the Amended 2020 Option Plan),

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result in or allow at any time: (a) the number of shares reserved for issuance pursuant to EIP Awards granted to insiders (as a group) at any point in time exceeding 10% of the issued and outstanding shares; (b) the grant to insiders (as a group), within any 12 month period, of an aggregate number of EIP Awards exceeding 10% of the issued and outstanding shares at the time of the grant of the EIP Awards; (c) the issuance to any one EIP Recipient, within any 12 month period, of an aggregate number of EIP Awards exceeding 5% of the issued and outstanding shares at the time of the grant of the EIP Awards; (d) any individual EIP Award grant that would result in any EIP Recipient being granted EIP Awards to acquire or receive more than five percent (5%) of the issued and outstanding shares of the Company in any twelve (12) month period; or (e) any amendment to options held by insiders that would have the effect of decreasing the exercise price of such options.

14. Adjustments. The 2020 Equity Incentive Plan also provides for adjustments to outstanding Awards in the event of certain corporate events, including but not limited to, any consolidation, subdivision, conversion or exchange of the Company's shares.
15. Amendments. The 2020 Equity Incentive Plan provides that the Board or the Compensation Committee without stockholder approval may make the following amendments: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in the 2020 Equity Incentive Plan, or to correct or supplement any provision of the 2020 Equity Incentive Plan that is inconsistent with any other provision of the 2020 Equity Incentive Plan; (ii) amendments necessary to comply with the provisions of applicable law; (iii) amendments necessary for EIP Awards to qualify for favorable treatment under applicable tax laws; (iv) amendments to the vesting provisions of the 2020 Equity Incentive Plan or any EIP Award; (v) amendments to the termination or early termination provisions of the 2020 Equity Incentive Plan or any EIP Award, whether or not such EIP Award is held by an insider, provided such amendment does not entail an extension beyond the original expiry date of the EIP Award; and (vi) amendments necessary to suspend or terminate the 2020 Equity Incentive Plan.
16. Governing Law. The 2020 Equity Incentive Plan is governed and construed in accordance with the laws of the State of Colorado and the Federal laws of the United States applicable therein.

2021 Stock Incentive Plan

The material features of the 2021 Stock Incentive Plan are summarized below.

1. Purpose of the 2021 Stock Incentive Plan. The purpose of the 2021 Stock Incentive Plan is to promote the interests of the Company and its stockholders by aiding the Company in attracting and retaining employees, senior officers, consultants, advisors and non-employee Directors (collectively, the "Eligible Award Recipients" and each, an "Eligible Award Recipient") capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various stock based arrangements and provide them with opportunities for stock ownership in the Company, thereby aligning the interests of such persons with the Company's stockholders.
2. Available Awards. Awards that may be granted under the 2021 Stock Incentive Plan include: (a) incentive stock options, (b) non-qualified stock options, (c) stock appreciation right, (d) restricted stock and restricted stock units, and (e) performance share units (collectively, the "Awards").
3. Maximum Plan Shares. The maximum aggregate number of shares available for issuance pursuant to the exercise or vesting of the Awards granted under the 2021 Stock Incentive Plan is 2,000,000 shares. If any shares covered

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by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Company, or if an Award otherwise terminates or is cancelled without delivery of any shares, then the number of shares counted against the aggregate number of shares available under the 2021 Stock Incentive Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the 2021 Stock Incentive Plan. In addition, any shares subject to any outstanding award under any prior stock plan (Amended 2020 Stock Option Plan or 2020 Equity Incentive Plan) that, on and after the date shareholders approve the 2021 Stock Incentive Plan, are not purchased or are

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forfeited, paid in cash or reacquired by the Company, or otherwise not delivered to the participant of such prior plans due to termination or cancellation of such award shall again be available for granting Awards under the 2021 Stock Incentive Plan. Awards that do not entitle the holder thereof to receive or purchase shares shall not be counted against the number of shares available for Awards under the 2021 Equity Incentive Plan.

4. Limitations on Issue. Notwithstanding any provision to the contrary in the 2021 Incentive Stock Plan, the sum of the grant date fair value of equity-based Awards (such value computed as of the date of grant in accordance with applicable financial accounting rules) and the amount of any cash-based compensation granted to a non-employee director during any calendar year shall not exceed \$500,000. The independent members of the Board may make exceptions to this limit for a non-executive chair of the Board, provided that the non-employee Director receiving such additional compensation may not participate in the decision to award such compensation.
5. Eligibility. Any Eligible Award Recipient shall be eligible to be designated as a participant under the 2021 Stock Incentive Plan. In determining which Eligible Award Recipients shall receive an Award and the terms of any Award, the Compensation Committee may take into account the nature of the services rendered by the respective Eligible Award Recipient, their present, and potential contributions to the success of the Company or such other factors as the Compensation Committee. An incentive stock option may only be granted to full time or part time employees. Such incentive stock option shall not be granted to an employee of an affiliate of the Company, unless such affiliate is also a "subsidiary corporation" of the Company.
6. Composition of Eligible Award Recipients. The Company currently has approximately 125 employees, 2 senior officers, and 4 non-employee Directors who are eligible for the 2021 Stock Incentive Plan.
7. Grant of Options. The 2021 Stock Incentive Plan is administered by the Compensation Committee and provides for grants of options to Eligible Award Recipients at the discretion of the Compensation Committee. The term and vesting provisions of any options will be fixed by the Compensation Committee at the time of grant, subject to the terms of the 2021 Stock Incentive Plan.
8. Exercise Price. The exercise price of an option will be set by the Compensation Committee at the time such option is granted under the 2021 Stock Incentive Plan, and cannot be less than the 100% of the Fair Market Value (defined in the 2021 Stock Incentive Plan as a price that is determined by the Committee, provided that if the Shares are traded on a securities exchange, the Fair Market Value of a share as of a given date shall be the closing price of one share as reported on the securities exchange where the shares are then listed on such date or, if the applicable securities exchange is not open for trading on such date, on the most recent preceding date when such exchange is open for trading; the Compensation Committee may designate a purchase price below Fair Market Value on the date of grant if the option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Company or a subsidiary) of a share on the grant date, and no less than 110% of the Fair Market Value of a share on the grant date with respect to incentive stock options granted to a shareholder holding more than 10% of the shares.
9. Term and Expiry of Options. The exercise period of each option cannot exceed ten (10) years. If an Eligible Award Recipient's service with the Company and all Affiliates terminates for any reason during the term, then the Eligible Award Recipient's Option shall expire on the earliest of the following dates: (a) the Option's term expiry date fixed by the Committee at the date of grant; (b) the date an Eligible Award Recipient's service is terminated for cause; or (c) the date twelve months after the termination of the Eligible Award Participant's service for any reason other than cause, or such earlier date or dates as the Compensation Committee may determine and specify in the applicable award agreement at the date of grant.

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10. Time and Method of Exercise. The Compensation Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms including, but not limited to, cash, bank draft or certified cheque at the time of such exercise, in an amount equal to the applicable exercise price, in which, payment of the exercise price with respect thereto may be made or deemed to have been made. Notwithstanding the foregoing, the Committee may not accept a promissory note as consideration.

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11. Net Exercises. The terms of any Option may be written to permit the Option to be exercised by delivering to the Eligible Award Recipient a number of shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if any, of the Fair Market Value of the shares underlying the Option being exercised, on the date of exercise, over the exercise price of the Option for such shares.
12. Death of Eligible Award Participant. If an optionee who has been granted Options ceases to be employed by the Company because of the death of such optionee, such Option will cease to be qualified as an Option as of the date that is one year after the date of death (or upon the expiration of the term of such Option, if earlier).
13. Incentive Stock Options. The following provisions apply to incentive stock options under the 2021 Stock Incentive Plan ("*Incentive Stock Options*"):
- o To the extent that the aggregate Fair Market Value (determined at the time of grant) of the shares with respect to which Incentive Stock Options are exercisable for the first time by any Eligible Award Participant during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the United States Internal Revenue Code (the "*Code*")) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Non-Qualified Stock Options, notwithstanding any contrary provision of the applicable Award Agreement(s).
 - o All Incentive Stock Options must be granted within ten years from the earlier of the date on which the 2021 Stock Incentive Plan was adopted by the Board or the date the Stock Incentive Plan was approved by the Shareholders of the Company.
 - o Unless sooner exercised, all Incentive Stock Options shall expire and no longer be exercisable no later than 10 years after the date of grant; provided, however, that in the case of a grant of an Incentive Stock Option to a Eligible Award Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of its affiliates, such Incentive Stock Option shall expire and no longer be exercisable no later than five years from the date of grant.
 - o The purchase price per share for an Incentive Stock Option shall be not less than 100% of the Fair Market Value of a share on the date of grant of the Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a Eligible Award Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of its affiliates, the purchase price per share purchasable under an Incentive Stock Option shall be not less than 110% of the Fair Market Value of a share on the date of grant of the Incentive Stock Option.
 - o Any Incentive Stock Option authorized under the 2021 Stock Incentive Plan shall contain such other provisions as the Compensation Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required in order to qualify the Option as an Incentive Stock Option.
14. Stock Appreciation Rights. A stock appreciation right may be granted and confer on the holder a right to receive upon exercise a cash amount equal to excess of (i) the Fair Market Value of one share on the date of exercise, or a value determined by the Compensation Committee, over (ii) the grant price of the stock appreciation right as

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specified by the Compensation Committee, which price shall not be less than 100% of the Fair Market Value of one share on the date of grant of such stock appreciation right; provided that the Compensation Committee may designate a grant price below Fair Market Value on the date of grant if the stock appreciation right is granted in substitution for a stock appreciation right previously granted by an entity that is acquired by or merged with the Company or an affiliate of the Company. Subject to the terms of the 2021 Stock Incentive Plan and any applicable Award agreement, the grant price, term, dates of exercise and any other terms and conditions of any stock appreciation right shall be as determined by the Compensation Committee (except that the term of each stock

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appreciation right shall be subject to the limitations on term applicable to Options and grant limitations applicable to Awards generally). However, stock appreciation rights may not contain features providing for dividend equivalent rights other than equitable adjustments. The Compensation Committee may impose such conditions or restrictions on the exercise of any stock appreciation right as it may deem appropriate.

15. Restricted Stock and Restricted Stock Units. The Compensation Committee may, from time to time, grant restricted stock or restricted stock units, which include performance share units and deferred share units, to Eligible Award Recipients.

- o Restrictions. Shares of restricted stock and restricted stock units shall be subject to such restrictions as the Compensation Committee may impose (including, without limitation, any limitation on the right to vote a share of restricted stock or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Compensation Committee may deem appropriate. Vesting of such Awards may, at the Compensation Committee's discretion, be conditioned upon the Eligible Award Recipient's completion of a specified period of service with the Company or an Affiliate, or upon the achievement of one or more performance goals established by the Compensation Committee, or upon any combination of service based and performance-based conditions. Notwithstanding the foregoing, rights to dividend equivalent payments shall be subject to limitations. Restricted stock units may be settled upon vesting or on a deferred basis, in each case in accordance with rules and procedures established by the Compensation Committee and specified in an Award agreement.
- o Issuance and Delivery of Shares. Any restricted stock granted under the 2021 Stock Incentive Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Compensation Committee may deem appropriate, including book entry registration or issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company or held in nominee name by the stock transfer agent or brokerage service selected by the Company to provide such services for the 2021 Stock Incentive Plan. Such certificate or certificates shall be registered in the name of the Eligible Award Recipient and shall bear an appropriate legend referring to the restrictions applicable to such restricted stock. Shares representing restricted stock that are no longer subject to restrictions shall be delivered (including by updating the book entry registration) to the Eligible Award Recipient promptly after the applicable restrictions lapse or are waived. In the case of restricted stock units, no shares shall be issued at the time such Awards are granted. Upon the lapse or waiver of all restrictions and the restricted (or deferred) period relating to restricted stock units evidencing the right to receive shares, such shares (or a cash payment equal to the Fair Market Value of the shares) shall be issued and delivered to the holder of the restricted stock units.

16. Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Compensation Committee or required by applicable law.

17. Limits on Transfer of Awards. No Award (other than fully vested and unrestricted shares issued pursuant to any Award) and no right under any such Award shall be transferable by an Eligible Award Recipient other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any affiliate. The Compensation Committee shall have the discretion to permit the transfer of Awards; provided, however, that such transfers shall be in accordance with the rules of

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Form S-8 and provided, further, that such transfers shall not be made for consideration to the Eligible Award Recipient. The Committee may also establish procedures as it deems appropriate for an Eligible Award Recipient to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Eligible Award Recipient and receive any property distributable with respect to any Award in the event of the Eligible Award Recipient's death.

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18. Restrictions: Securities Exchange Listing. All shares or other securities delivered under the 2021 Stock Incentive Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the 2021 Stock Incentive Plan, applicable federal or state securities laws and regulatory requirements, including the policies of any applicable exchange, and the Compensation Committee may cause appropriate entries to be made with respect to, or legends to be placed on the certificates for, such Shares or other securities to reflect such restrictions.
19. Prohibition on Option and Stock Appreciation Right Repricing. The Compensation Committee may not, without prior approval of the Company's shareholders, seek to effect any re-pricing of any previously granted, "underwater" Option or Stock Appreciation Right by: (i) amending or modifying the terms of the Option or Stock Appreciation Right to lower the exercise price; (ii) canceling the underwater Option or Stock Appreciation Right and granting either (A) replacement Options or Stock Appreciation Rights having a lower exercise price; or (B) Restricted Stock, Restricted Stock Units or other Awards in exchange; or (iii) cancelling or repurchasing the underwater Option or Stock Appreciation Right for cash or other securities. An Option or Stock Appreciation Right will be deemed to be "underwater" at any time when the Fair Market Value of the shares covered by such Award is less than the exercise price of the Award.
20. Adjustments. The 2021 Stock Incentive Plan also provides for adjustments to outstanding Awards in the event of certain corporate events, including but not limited to, any consolidation, subdivision, conversion or exchange of the Company's shares.
21. Amendments to the Plan and Awards. The Board may from time to time amend, suspend or terminate the 2021 Stock Incentive Plan, and the Compensation Committee may amend the terms of any previously granted Award, provided that no amendment to the terms of any previously granted Award may, except as expressly provided in the 2021 Stock Incentive Plan, or with the written consent of the Eligible Award Recipient or holder thereof, adversely alter or impair the terms or conditions of the Award previously granted to an Eligible Award Recipient under the 2021 Stock Incentive Plan. Any amendment to this 2021 Stock Incentive Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or stock exchange. The 2021 Stock Incentive Plan provides for certain amendments that the Board and Compensation Committee can make without seeking stockholder approval including amendments to: (i) amend the eligibility for, and limitations or conditions imposed upon, participation in the 2021 Stock Incentive Plan; (ii) amend any terms relating to the granting or exercise of Awards, including but not limited to terms relating to the amount and payment of the exercise price, or the vesting, expiry, assignment or adjustment of Awards, or otherwise waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively; (iii) add or amend any terms relating to the provision of financial assistance to participants or resulting in participants receiving securities of the Company while no cash consideration is received by the Company; (iv) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange (including amendments to Awards necessary or desirable to maximize any available tax deduction or to avoid any adverse tax results, and no action taken to comply with such laws, rules, regulations and policies shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof); or (v) amend any terms relating to the administration of the 2021 Stock Incentive Plan, including the terms of any administrative guidelines or other rules related to the 2021 Stock Incentive Plan.
22. Governing Law. The internal law, and not the law of conflicts, of the State of Nevada shall govern all questions concerning the validity, construction and effect of the 2021 Stock Incentive Plan or any Award, and any rules and regulations relating to the 2021 Stock Incentive Plan or any Award.

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23. Term of the Plan. No Award shall be granted under the 2021 Stock Incentive Plan and the 2021 Stock Incentive Plan will terminate on the date that is ten (10) years after the effective date of the 2021 Stock Incentive Plan.

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2021 Employee Stock Purchase Plan

The material features of the 2021 Employee Stock Purchase Plan are summarized below.

1. Purpose of the 2021 Employee Stock Purchase Plan. The 2021 Employee Stock Purchase Plan was adopted to provide employees of the Company and certain subsidiaries with an opportunity to purchase the Company's shares through accumulated payroll deductions (collectively, the "*Eligible Employees*" and each, an "*Eligible Employee*"). It is the intention of the Company to have the 2021 Employee Stock Purchase Plan and the offerings thereunder qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "*Code*"). The provisions of the offerings, accordingly, will be construed so as to extend and limit 2021 Employee Stock Purchase Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code.
2. Maximum Plan Shares. The maximum aggregate number of shares available for sale pursuant to the 2021 Employee Stock Purchase Plan is two million (2,000,000) shares.
3. Eligibility. Any individual who is an Eligible Employee on the first trading day of each offering period (the "*Offering Date*"), which commences on February 1, May 1, August 1, and November 1, will be eligible to participate in the 2021 Employee Stock Purchase Plan. An Eligible Employee is any individual who is a common law employee of the Company and is customarily employed for at least twenty (20) hours per week, not including any individual who performs services for the Company or any certain subsidiary of the Company pursuant to (i) an agreement that classifies such individual's relationship with the Company or certain subsidiary of the Company as other than an employee or (ii) a collective bargaining agreement that provides for the exclusion of such individual from participation in the 2021 Employee Stock Purchase Plan.
4. Composition of Eligible Employees. The Company currently has approximately 127 employees who are eligible for the 2021 Employee Stock Purchase Plan.
5. Offering Periods. The 2021 Employee Stock Purchase Plan will be implemented by consecutive "Offering Periods", and unless the administrator provides otherwise, Offering Periods will have a duration of approximately three months (i) commencing on the first trading day on or after February 1 and terminating on the last trading day in the period ending the following April 30; (ii) commencing on the first trading day on or after May 1 and terminating on the last trading day in the period ending the following July 31; (iii) commencing on the first trading day on or after August 1 and terminating on the last trading day in the period ending the following October 31; and (iv) commencing on the first trading day on or after November 1 and terminating on the last trading day in the period ending the following January 31, continuing thereafter until terminated in accordance with Section 20 hereof. The first Offering Period under the 2021 Employee Stock Purchase Plan will be determined by the administrator. The administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future offerings without shareholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter.
6. Payroll Deductions. Eligible Employees may purchase shares by means of payroll deduction of an amount not exceeding twenty (20) percent of the employee's compensation during the Offering Period. Compensation means, in general, base straight time gross earnings, exclusive of payments for overtime, shift premium, incentive compensation, incentive payments, bonuses, and other compensation. After initial enrollment in the plan, payroll deductions will continue from the first pay day following the Offering Date and will end on the last pay day prior to the last trading day of each purchase period (the "*Exercise Date*") to which such authorization is applicable, unless sooner terminated by the employee. The amounts deducted will be credited to the participant's account under the plan, and no interest on the deducted amounts will be paid.

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7. Grant and Exercise of Option to Purchase Shares. On the Offering Date, the Company is deemed to grant each participant a non-transferable option to purchase, on the "Exercise Date", the amount of shares determined by dividing such Eligible Employee's payroll deductions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable purchase price; provided that in no

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event will an Eligible Employee be permitted to purchase during each offering period more than fifteen-thousand (15,000) shares. Unless, withdrawn, the option to purchase will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option to purchase will be purchased. No fractional shares will be purchased; any payroll deductions accumulated in an employee's account which are not sufficient to purchase a full share will be retained in the employee's account for the subsequent option offering, subject to earlier withdrawal by the employee. Any other funds left over in an employee's account after the Exercise Date will be returned to the employee. During an employee's lifetime, the employee's option to purchase shares under the 2021 Employee Stock Purchase Plan is exercisable only by him or her.

8. Withdrawal. An Eligible Employee may withdraw all but not less than all of the payroll deductions credited to his or her account and not yet used to exercise his or her option under the 2021 Employee Stock Purchase Plan at any time by providing notice to the plan administrator. All of the employee's payroll deductions credited to his or her account will be paid to such employee as promptly as practicable after receipt of notice of withdrawal and such employee's option for the offering period will be automatically terminated, and no further payroll deductions for the purchase of shares will be made for such offering period. An employee's withdrawal from an offering will not have any effect upon his or her eligibility to participate in any similar plan which may thereafter be adopted by the Company or in succeeding offerings which commence after the termination of the offering from which the employee withdraws.
9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares occurs, the Company will arrange the delivery to each participant, as appropriate, of the shares purchased upon exercise of his or her option in a form determined by the administrator (in its sole discretion) and pursuant to rules established by the administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares.
10. Termination of Employment. If a participant ceases to be an employee for any reason during an offering period, his or her outstanding option to purchase shares under the plan will immediately terminate, his or her payroll deductions will immediately cease, and all amounts previously collected from the participant during the offering period will be refunded.
11. Death of Participant. In the event of the death of a participant, the Company shall, subject to local law, deliver any remaining cash balance to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such cash balance to the spouse or to any one or more dependents or relatives of the participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate. All shares held by a broker or designated agent of the Company shall be delivered, subject to local law, to such beneficiary named under the brokerage or agent account (or if there is no such beneficiary, as provided under the account).

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12. Administration. The plan is administered the Compensation Committee. The Compensation Committee will have full and exclusive discretionary authority to determine how and when the option to purchase shares shall be granted and the terms for such offering; to designate which certain subsidiary shall be eligible to participate in the 2021 Employee Stock Purchase Plan; to construe, interpret, and apply the terms of the 2021 Employee Stock Purchase Plan; to determine eligibility and to adjudicate all disputed claims filed under the 2021 Employee Stock Purchase Plan; to adopt rules and procedures relating to the operation and administration of the 2021 Employee Stock Purchase Plan; to adopt procedures and sub-plans as necessary or appropriate to permit participation in the 2021 Employee Stock Purchase Plan by employees who are foreign nationals or employed outside the United States; and to exercise powers and to perform acts as the Committee deems necessary to promote the interest of the Company and to carry out the intent of the 2021 Employee Stock Purchase Plan.
13. Non-Assignability. Neither payroll deductions credited to a participant's account nor any rights to acquire shares under the 2021 Employee Stock Purchase Plan may be assigned, transferred, pledged or otherwise disposed of by participants other than by will or the laws of descent and distribution and rights to acquire shares may be exercised only by a participant during the lifetime of a participant. The 2021 Employee Stock Purchase Plan custodian will maintain accounts only in the names of the participants.
14. Adjustments. The 2020 Employee Stock Purchase Plan also provides for adjustments to the number of shares to be delivered under the 2020 Employee Stock Purchase Plan in the event of certain corporate events, including but not limited to, any consolidation, subdivision, conversion or exchange of the Company's shares.

15. Amendment or Termination. The Board may terminate or amend the 2021 Employee Stock Purchase Plan and any rights to acquire shares under the 2021 Employee Stock Purchase Plan at any time for any reason. Without stockholder consent, the Board will be entitled to change the offering periods, limit the frequency and/or number of changes in the amount withheld during an offering period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of shares for each participant properly correspond with amounts withheld from the participant's compensation, and establish such other limitations or procedures as the Board determines in its sole discretion advisable which are consistent with the 2021 Employee Stock Purchase Plan. If the offering periods are terminated prior to expiration, all amounts then credited to employees' accounts which have not been used to purchase shares will be returned to the employees (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable.
16. Term of Plan. The 2021 Employee Stock Purchase Plan will become effective upon its adoption by the Board, but no offerings will be treated as qualified under Section 423 of the Code unless the 2021 Employee Stock Purchase Plan has been approved by the stockholders of the Company. The Plan will continue in effect until terminated under or until no options are available for grants thereunder.

Governing Law. The internal law, and not the law of conflicts, of the State of Nevada shall govern all questions concerning the validity, construction and effect of the 2021 Employee Stock Purchase Plan or any option, and any rules and regulations relating to the 2021 Employee Stock Purchase Plan or any option.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS; AND DIRECTOR INDEPENDENCE

Except as set forth below, no director, executive officer, stockholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the beginning of the year ended **December 31, 2021** **December 31, 2022**, in which the amount involved in the transaction exceeded or exceeds the lesser of \$120 thousand or one percent of the average of our total assets at year-end for the years ended **December 31, 2022** **December 31, 2023** and **2021** **2022**.

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Balances and transactions between Assure Holdings Corp. and its wholly owned and controlled subsidiaries have been eliminated in consolidation and are not disclosed in this note. For entities in which management has determined the Company does not have a controlling financial interest but has varying degrees of influence regarding operating policies of that entity, the Company's investment is accounted for using the equity method of accounting and these transactions are reported as related party.

On March 4, 2020, Mr. Parsons agreed to reallocate 17,000 Performance shares to six employees and/or officers of Assure, including John Farlinger, our CEO (3,000 shares), under the terms of restricted stock award agreements. On December 29, 2020, we issued 50,000 shares of common stock in settlement of performance shares as "restricted common stock" to seven current and former employees and/or officers. The restricted common stock was subject to forfeiture under the terms of the restricted stock award agreements dated December 29, 2020. The restricted common stock vested under the terms of the restricted stock award agreements on September 29, 2021.

In June 2021, we entered into common stock purchase agreements, pursuant to which the Company issued 7,802 shares of common stock at a deemed issuance price of \$80.00 per shares to certain employees, directors and third parties. Pursuant to the share issuance, John Flood a director, purchased 1,500 shares of common stock, persons affiliated with Martin Burian, a director, purchased 1,000 shares of common stock and John Farlinger, our Chairman and Chief Executive Officer, purchased 302 shares of common stock.

In November 2021, we entered into common stock purchase agreements, pursuant to which the Company issued 3,515 shares of common stock at a price of \$123.80 per shares to certain employees, directors and consultants. Pursuant to the agreements, John Farlinger, our Chairman and Chief Executive Officer, purchased 810 shares of common stock, John Price, our Chief Financial Officer, purchased 685 shares of common stock, Preston Parsons, our founder, purchased 405 shares of common stock, John Flood, a director, purchased 150 shares of common stock, Christopher Rumana, a director, purchased 150 shares of common stock and Steven Summer, a director, purchased 150 share of common stock.

In November 2022, we entered into common stock purchase agreements, pursuant to which the Company issued 24,820 shares of common stock at a price of 12.00 per shares to certain employees, directors and consultants. Pursuant to the agreements, John Farlinger, our Chairman and Chief Executive Officer, purchased 3,531 shares of common stock, and John Price, our Chief Financial Officer, purchased 4,071 shares of common stock.

Policies and Procedures for the Review, Approval, or Ratification of Related Transactions

We have a policy for the review of transactions with related persons as set forth in our Audit Committee Charter and internal practices. The policy requires review, approval or ratification of all transactions in which we are a participant and in which any of our directors, executive officers, significant stockholders or an immediate family member of any of the foregoing persons has a direct or indirect material interest, subject to certain categories of transactions that are deemed to be pre-approved under the policy - including employment of executive officers, director compensation (in general, where such transactions are required to be reported in our proxy statement pursuant to SEC compensation disclosure requirements), as well as certain transactions where the amounts involved do not exceed specified thresholds. All related party transactions must be reported for review by the Audit Committee of the Board pursuant to the Audit Committee's charter.

Following its review, the Audit Committee determines whether these transactions are in, or not inconsistent with, the best interests of the Company and its stockholders, taking into consideration whether they are on terms no less favorable to the Company than those available with other parties and the related person's interest in the transaction. If a related party transaction is to be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the related person.

Our policy for review of transactions with related persons was followed in all of the transactions set forth above and all such transactions were reviewed and approved in accordance with our policy for review of transactions with related persons.

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ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Each year, the Audit Committee approves the annual audit engagement in advance. The Audit Committee also has established procedures to pre-approve all non-audit services provided by the Company's independent registered public accounting firm. All 2022 2023 and 2021 2022 services listed below were pre-approved.

Audit and Audit-Related Fees: This category includes the audit of our annual financial statements and review of financial statements included in our annual and periodic reports that are filed with the SEC. This category also includes services performed for the preparation of responses to SEC and NASDAQ correspondence, travel expenses for our auditors, on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements, and the preparation of an annual "management letter" on internal control and other matters.

Tax Fees: This category consists of professional services rendered by our independent auditors for tax compliance.

All Other Fees consist of fees for services other than the services described above.

On April 14, 2023, the Company's former independent accountant, Baker Tilly US, LLP ("Baker Tilly"), informed the Company and the Audit Committee that Baker Tilly would not stand for re-election as the Company's certifying accountant for the fiscal year ended December 31, 2023. Baker Tilly remained engaged to complete the review of the Company's unaudited condensed consolidated financial statements for the fiscal quarters ended March 31, 2023 and June 30, 2023, and such engagement ended on August 29, 2023. On August 30, 2023, Withum Smith+Brown, PC ("Withum") was

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appointed as the new independent registered public accounting firm the Company. The decision to appoint Withum was approved by the audit committee of the Company's board of directors.

The following fees were billed to us by our current independent registered public accounting firm, Withum Smith+Brown, PC for the year ended December 31, 2023.

Description	
Audit fees	\$345,280
Audit-related fees	—
Tax fees	—
All other fees	—
Total	\$345,280

The following fees were billed to us by our former independent registered public accounting firm, Baker Tilly US, LLP.

Description	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2023	2022
Audit fees	\$297,000	\$542,851	\$78,300	\$297,000
Audit-related fees	—	—	—	—
Tax fees	—	—	—	—
All other fees	—	15,000	—	15,000
Total	\$297,000	\$557,851	\$78,300	\$312,000

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Documents filed as part of this Annual Report or incorporated by reference:

- (1) The consolidated financial statements are presented in "Item 8. Financial Statements and Supplementary Data."
- (2) Financial Statement Schedules (omitted because they are either not required, not applicable, or the required information is disclosed in the Notes to the Consolidated Financial Statements or related notes).
- (3) Reference is made to the Exhibit Index that follows the signature pages on this report.

ITEM 16. FORM 10-K SUMMARY

None.

INDEX TO EXHIBITS

Exhibit Number	Description
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3.1+ 2.1	Agreement and Plan of Merger (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed with the SEC on February 12, 2024)
3.1	Amended Articles of Incorporation of Assure Holdings Corp. (incorporated by reference to Exhibit 3.1 to the Company's Form S-1 filed with the SEC on February 11, 2021)
3.2 3.2+	Amended and Restated Bylaws of Assure Holdings Corp. (incorporated by reference to Exhibit 3.8 3.1 to the Company's 10-Q Form 8-K filed with the SEC on November 15, 2021 April 9, 2024)
4.1+	Description of Securities

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		Employment Agreement between Assure Holdings Corp. and John Farlinger dated June 1, 2018 (incorporated by referenced to Exhibit 10.1 to the Company's Form S-1 filed with the SEC on December 30, 2020)
10.1*		
10.2*		
Exhibit 10.8 to the Company's Form S-1 filed with the SEC on December 30, 2020		
Number)	Description
10.3 10.1		Form of Stock Grant Agreement dated December 29, 2020 (incorporated by referenced to Exhibit 10.9 to the Company's Form S-1 filed with the SEC on December 30, 2020)
10.4 10.2		Registration Rights Agreement among Assure Holdings Corp. and investors dated December 1, 2020 (incorporated by referenced to Exhibit 10.15 to the Company's Form S-1 filed with the SEC on December 30, 2020)
10.5* 10.3*+		Amended 2020 Stock Option Plan
10.6* 10.4*+		2020 Amended Equity Incentive Plan
10.7*		Offer Letter between Assure Holdings Corp. and John Price dated November 16, 2020
10.8 10.5		Asset Purchase Agreement dated April 30, 2021 (incorporated by referenced to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on May 6, 2021)

10.9	10.6	Commitment Letter dated March 8, 2021 (incorporated by referenced to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on June 16, 2021)
10.10	10.7	Debenture dated June 9, 2021 (incorporated by referenced to Exhibit 10.2 to the Company's Form 8-K filed with the SEC on June 16, 2021)
10.11	10.8	Guarantee dated June 9, 2021 (incorporated by referenced to Exhibit 10.3 to the Company's Form 8-K filed with the SEC on June 16, 2021)
10.12	10.9	Security Agreement dated June 9, 2021 (incorporated by referenced to Exhibit 10.4 to the Company's Form 8-K filed with the SEC on June 16, 2021)
10.13	10.10	Contract Assignment dated June 9, 2021 (incorporated by referenced to Exhibit 10.5 to the Company's Form 8-K filed with the SEC on June 16, 2021)
10.14	10.11	Form of Warrant dated June 9, 2021 (incorporated by referenced to Exhibit 10.6 to the Company's Form 8-K filed with the SEC on June 16, 2021)
10.15	10.12	Registration Rights Agreement among Assure Holdings Corp. and Selling Stockholders dated November 15, 2021 (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed with the SEC on November 19, 2021)
10.16*	10.13*	Amending Agreement to the Company's Commitment Letter with Centurion Financial Trust dated November 23, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on December 1, 2021)
10.17*	10.14*	Asset Purchase Agreement among Assure Holdings Corp., NervePro LLC, Neuroprotect LLC, Neurotech Neuromonitoring, LLC, and Nervefocus, LLC dated December 30, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on January 6, 2023)
10.18	10.15	Registration Rights Agreement among Assure Holdings Corp., NervePro LLC, Neuroprotect LLC, Neurotech Neuromonitoring, LLC, and Nervefocus, LLC dated December 30, 2022 (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed with the SEC on January 6, 2023)
10.16		Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.31 the Company's Registration Statement on Form S-1/A filed with the SEC on May 2, 2023)
10.17		Asset Purchase Agreement among Assure Networks Texas Holdings II, LLC, Innovation Neuromonitoring LLC and each of Anthony Casarez and Jason Ehrhardt (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on August 8, 2023)
10.18		Nominee Agreement dated August 2, 2023, by and between Assure Networks Texas Holdings II, LLC and Innovation Neuromonitoring LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on August 8, 2023)
21.1+		Subsidiaries of the Company
23.1+		Report Consent of Registered Accounting Firm, Baker Tilly, LLP, Firm PCAOB ID 23
23.2+		Consent of Registered Accounting Firm, Withum Smith+Brown, PC, Firm PCAOB ID 23 100
24.1+		Power of Attorney (included on signature page)
31.1+		Certification of the Principal Executive Officer pursuant to Rule 13a-14 of the Exchange Act
31.2+		Certification of the Principal Financial Officer pursuant to Rule 13a-14 of the Exchange Act
32++		Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97+		Assure Holdings Corp. Incentive Compensation Recovery Plan
101.INS+		Inline XBRL Instance Document

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Exhibit Number	Description
31.2+	Certification of the Principal Financial Officer pursuant to Rule 13a-14 of the Exchange Act
32++	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS+	Inline XBRL Instance Document

101.SCH+	Inline XBRL Schema Document
101.CAL+	Inline XBRL Calculation Linkbase Document
101.DEF+	Inline XBRL Definition Linkbase Document
101.LAB+	Inline XBRL Label Linkbase Document
101.PRE+	Inline XBRL Presentation Linkbase Document
104+	The cover Cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted Interactive Data File (formatted in Inline XBRL (contained in Exhibit 101)

+ Filed herewith.

++ Furnished herewith.

* Indicates a management contract or compensatory plan, contract or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ASSURE HOLDINGS CORP.

By: /s/ John Farlinger

John Farlinger, Executive Chairman and Chief Executive Officer

(Principal Executive Officer)

Date: March 31, 2023 April 26, 2024

By: /s/ John Price Paul Webster

John Price, Paul Webster, Interim Chief Financial Officer
(Principal Financial Officer)

Date: March 31, 2023 April 26, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Martin Burian

Martin Burian, Director

Date: March 31, 2023

By: /s/ Christopher Rumana

Christopher Rumana, Director

Date: March 31, 2023 April 26, 2024

By: /s/ Steven Summer

Steven Summer, Director

Date: March 31, 2023 April 26, 2024

By: /s/ John Flood

John Flood, Director

Date: March 31, 2023 April 26, 2024

By: *Isl John Farlinger*
John Farlinger, Executive Chairperson and Chief Executive Officer
(Principal Executive Officer)
Date: **March 31, 2023** **April 26, 2024**


By: *Isl John Price***Paul Webster**
John price, Paul Webster, Interim Chief Financial Officer (Principal
Financial/Accounting Officer)
Date: **March 31, 2023** **April 26, 2024**


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


Exhibit 3.1

 **FRANCISCO V. AGUILAR**
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

 Secretary of State State Of Nevada	Filed in the Office of	Business Number
		E0232292017-6
		Filing Number
		20232997727
		Filed On
		3/2/2023 1:55:00 PM
		Number of Pages
		1

Certificate of Change Pursuant to NRS 78.209

TYPE OR PRINT – USE DARK INK ONLY – DO NOT HIGHLIGHT

INSTRUCTIONS:							
<p>1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).</p> <p>2. Indicate the current number of authorized shares and par value, if any, and each class or series before the change.</p> <p>3. Indicate the number of authorized shares and par value, if any of each class or series after the change.</p> <p>4. Indicate the change of the affected class or series of issued, if any, shares after the change in exchange for each issued share of the same class or series.</p> <p>5. Indicate provisions, if any, regarding fractional shares that are affected by the change.</p> <p>6. NRS required statement.</p> <p>7. This section is optional. If an effective date and time is indicated the date must not be more than 90 days after the date on which the certificate is filed.</p> <p>8. Must be signed by an Officer. Form will be returned if unsigned.</p>							
1. Entity Information:	<p>Name of entity as on file with the Nevada Secretary of State:</p> <p>Assure Holdings Corp</p> <p>Entity or Nevada Business Identification Number (NVID): E0232292017-6</p>						
2. Current Authorized Shares:	<p>The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change:</p> <p>Common Stock Authorized: 180,000,000, par value \$0.001</p>						
3. Authorized Shares After Change:	<p>The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change:</p> <p>Common Stock Authorized: 9,000,000, par value \$0.001</p>						
4. Issuance:	<p>The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series:</p> <p>20:1 Reverse Stock Split. Each twenty (20) shares of issued and outstanding common stock will consolidate into one (1) share of common stock.</p>						
5. Provisions:	<p>The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby:</p> <p>No fractional shares will be issued. Any fractional shares resulting from the reverse stock split will be rounded up to the nearest whole share.</p>						
6. Provisions:	<p>The required approval of the stockholders has been obtained.</p>						
7. Effective date and time: (optional)	<p>Date: 03/04/2023 Time: 12:01 a.m.</p> <p>(must not be later than 90 days after the certificate is filed)</p>						
8. Signature: (Required)	<table border="0"> <tr> <td><input checked="" type="checkbox"/> </td> <td>CFO</td> <td>03/02/2023</td> </tr> <tr> <td>Signature of Officer</td> <td>Title</td> <td>Date</td> </tr> </table>	<input checked="" type="checkbox"/> 	CFO	03/02/2023	Signature of Officer	Title	Date
<input checked="" type="checkbox"/> 	CFO	03/02/2023					
Signature of Officer	Title	Date					


This form must be accompanied by appropriate fees.

If necessary, additional pages may be attached to this form.

Page 1 of 1

Revised: 12/15/2022

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street

<p>Filed in the Office of</p> <p></p> <p>Secretary of State</p> <p>State Of Nevada</p>	Business Number
	E0232292017-6
	Filing Number
	20211716261
	Filed On
	8/31/2021 8:00:00 AM
	Number of Pages



Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov


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Certificate of Change Pursuant to NRS 78.209

TYPE OR PRINT – USE DARK INK ONLY – DO NOT HIGHLIGHT

INSTRUCTIONS:

1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).
2. Indicate the current number of authorized shares and par value, if any, and each class or series before the change.
3. Indicate the number of authorized shares and par value, if any, of each class or series after the change.
4. Indicate the change of the affected class or series of issued, if any, shares after the change in exchange for each issued share of the same class or series.
5. Indicate provisions, if any, regarding fractional shares that are affected by the change.
6. NRS required statement.
7. This section is optional. If an effective date and time is indicated the date must not be more than 90 days after the date on which the certificate is filed.
8. Must be signed by an Officer. Form will be returned if unsigned.

1. Entity Information:	Name of entity as on file with the Nevada Secretary of State: ASSURE HOLDINGS CORP Entity or Nevada Business Identification Number (NVID): E0232292017-6		
2. Current Authorized Shares:	The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change: Common Stock Authorized: 900,000,000, par value \$0.001		
3. Authorized Shares After Change:	The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change: Common Stock Authorized: 180,000,000, par value \$0.001		
4. Issuance:	The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series: 5:1 Reverse Stock Split. Each five (5) shares of issued and outstanding common stock, par value \$0.001, will be consolidated into one (1) share of common stock, par value \$0.001.		
5. Provisions:	The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby: No fractional shares will be issued. Any fractional shares resulting from the reverse stock split will be rounded up to the nearest whole share.		
6. Provisions:	The required approval of the stockholders has been obtained.		
7. Effective date and time: (optional)	Date: 09/07/2021 Time: 5:30 p.m. (ET) (must not be later than 90 days after the certificate is filed)		
8. Signature: (Required)	<div> X</div>	President Title	August 30, 2021 Date

This form must be accompanied by appropriate fees.

If necessary, additional pages may be attached to this form.

Page 1 of 1

Revised: 1/1/2019

BARBARA K. CEGAVSKE

Graphic

Secretary of State

202 North Carson Street

Carson City, Nevada 89701-4201

(775) 684-5708

Website: www.nvsos.gov

Certificate of Change Pursuant to NRS 78.209

TYPE OR PRINT – USE DARK INK ONLY – DO NOT HIGHLIGHT

INSTRUCTIONS:

1. Enter the current name as on file with the Nevada Secretary of State and enter the Entity or Nevada Business Identification Number (NVID).
2. Indicate the current number of authorized shares and par value, if any, and each class or series before the change.
3. Indicate the number of authorized shares and par value, if any of each class or series after the change.
4. Indicate the change of the affected class or series of issued, if any, shares after the change in exchange for each issued share of the same class or series.
5. Indicate provisions, if any, regarding fractional shares that are affected by the change.
6. NRS required statement.
7. This section is optional. If an effective date and time is indicated the date must not be more than 90 days after the date on which the certificate is filed.
8. Must be signed by an Officer. Form will be returned if unsigned.


1. Entity Information:	Name of entity as on file with the Nevada Secretary of State: ASSURE HOLDINGS CORP Entity or Nevada Business Identification Number (NVID): E0232292017-6						
2. Current Authorized Shares:	The current number of authorized shares and the par value, if any, of each class or series, if any, of shares before the change: Common Stock Authorized: 900,000,000, par value \$0.001						
3. Authorized Shares After Change:	The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change: Common Stock Authorized: 180,000,000, par value \$0.001						
4. Issuance:	The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series: 5:1 Reverse Stock Split. Each five (5) shares of issued and outstanding common stock, par value \$0.001, will be consolidated into one (1) share of common stock, par value \$0.001.						
5. Provisions:	The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby: No fractional shares will be issued. Any fractional shares resulting from the reverse stock split will be rounded up to the nearest whole share.						
6. Provisions:	The required approval of the stockholders has been obtained.						
7. Effective date and time: (optional)	Date: 09/07/2021 Time: 5:30 p.m. (ET) (must not be later than 90 days after the certificate is filed)						
8. Signature: (Required)	<table><tr><td>X</td><td>President</td></tr><tr><td>Signature of Officer</td><td>Title</td></tr><tr><td></td><td>Date</td></tr></table>	X	President	Signature of Officer	Title		Date
X	President						
Signature of Officer	Title						
	Date						

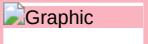
This form must be accompanied by appropriate fees.

If necessary, additional pages may be attached to this form.

Page 1 of 1

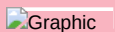
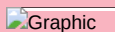
Revised: 1/1/2019

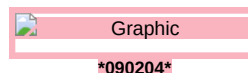
 **BARBARA K. CEGAVSKE**
Secretary of state
2022 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the Office of	Business Number
	E0232292017-6
Secretary of State	Filing Number
State Of Nevada	20201078227
	Filed On
	11/23/2020 10:00:00 AM
	Number of Pages
	1

Registered Agent Acceptance/Statement of Change (PURSUANT TO NRS 77.310, 77.340, 77.350, 77.380)

TYPE OR PRINT – USE DARK INK ONLY – DO NOT HIGHLIGHT

1. Entity information:	Name of represented entity: Assure Holdings Corp Entity or Nevada Business Identification Number (NVID): (for entities currently on file)		
2. Registered Agent Acceptance:	<input checked="" type="checkbox"/> Registered Agent Acceptance		
3. Information Being Changed:	Statement of Change takes the following effect: (select only one) <input type="checkbox"/> Appoints New Agent (complete section 5) <input type="checkbox"/> Update Represented Entity Acting as Registered Agent (complete sections 5) <input type="checkbox"/> Update Registered Agent Name (complete sections 4 & 5) <input type="checkbox"/> Update Registered Agent Address (complete sections 4 & 5)		
4. Registered Agent Information Before the Change: (Non-commercial registered agents ONLY)	Name of Registered Agent OR Title of Office or Position with Entity <div style="display: flex; justify-content: space-between;"> <div>Street Address</div> <div>City</div> <div>Nevada</div> <div>Zip Code</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Mailing Address (if different from street address)</div> <div>City</div> <div>Nevada</div> <div>Zip Code</div> </div>		
5. Newly Appointed Registered Agent or Registered Agent Information After the Change:	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Noncommercial Registered Agent (name and address below) <input checked="" type="checkbox"/> Commercial Registered Agent: (name only below) </div> <div> <input type="checkbox"/> Office or Position with Entity (title or position and address below) </div> </div> <div> InCorp Services, Inc. Name of Registered Agent OR Title of Office or Position within Entity <div style="display: flex; justify-content: space-between;"> <div>Street Address</div> <div>City</div> <div>Nevada</div> <div>Zip Code</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Mailing Address (if different from street address)</div> <div>City</div> <div>Nevada</div> <div>Zip Code</div> </div> </div>		
6. Electronic Notification: (Optional)	Email address for electronic for "Non-Commercial" or "Office or Positions with Entity" registered agents only		
7. Certificate of Acceptance of Appointment of Registered Agent: (Required)	I hereby accept appointment as Registered Agent for the above named Entity. <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> X  </div> <div> Karla Vazquez on behalf of InCorp Services, Inc. </div> <div> 11/11/2020 </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity </div> <div> Date </div> </div>		
8. Signature of Represented Entity: (Required)	<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> X  </div> <div> Authorized Signature On Behalf of the Entity </div> <div> 11/11/2020 </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> Authorized Signature On Behalf of the Entity </div> <div> Date </div> </div>		



BARBARA K. CEGAVSKE
Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov

Filed in the Office of Secretary of State State Of Nevada	Business Number E0232292017-6 Filing Number 20170214967-89 Filed On 05/17/2017 Number of Pages 1
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	Certificate of Amendment (PURSUANT TO NRS 78.385 AND 78.390)
--	--

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation:

Montreux Capital Corp.

2. The articles have been amended as follows: (provide article numbers, if available)

The name of the corporation has been changed from Montreux Capital Corp. to Assure Holdings Corp

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: **100%**

4. Effective date and time of filing: (optional) Date: Time:

(must not be later than 90 days after the certificate is filed)

5. Signature: (required)



Signature of Officer

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting

power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

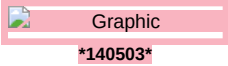
This form must be accompanied by appropriate fees.

Nevada Secretary of State Amend Profit-After

Revised: 1-5-15



BARBARA K. CEGAUSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov



Filed in the Office of	Business Number
Graphic	E0232292017-6
Secretary of State	Filing Number
State Of Nevada	20170212506-76
	Filed On
	05/15/2017
	Number of Pages
	1

Articles of Domestication

(PURSUANT TO NRS 92A.270)

USE BLACK INK ONLY – DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

1. Entity Name and Type of Domestic Entity as set forth in its Constituent Documents:	Montreux Capital Corp. Corporation formed under the British Columbia Business Corporations Act.
2. Entity Name Before Filing Articles of Domestication:	Montreux Capital Corp.
3. Date and Jurisdiction of Original Formation:	September 24, 2007 British Columbia, Canada
4. Jurisdiction that Constituted the Principal Place of Business, Central Administration or Equivalent of the Undomesticated Entity Immediately Before Articles of Domestication:	British Columbia, Canada
5. Signature of Authorized Representative:	<div><div>Graphic</div><div>Authorized Signature</div></div> <div><div>5.12.17</div><div>Date</div></div>

Filing Fee: \$350.00

IMPORTANT: This document must be accompanied by the appropriate constituent document for the type of domestic entity described in article 1 above and the filing fees.

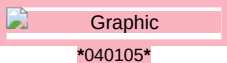
This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS B2A Domestication

Revised: 1-5-15



BARBARA K. CEGAUSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov




Filed in the Office of 	Business Number E0232292017-6
Secretary of State State Of Nevada	Filing Number 20170212507-87
	Filed On 05/15/2017
	Number of Pages 2

Articles of Incorporation
(PURSUANT TO NRS CHAPTER 78)

USE BLACK INK ONLY – DO NOT HIGHLIGHT		ABOVE SPACES IS FOR OFFICE USE ONLY																	
1. Name of Corporation:	Montreux Capital Corp.																		
2. Registered Agent for Service of Process: (check only one box)	<input checked="" type="checkbox"/> Commercial Registered Agent: Corporation Trust Company of Nevada Name <input type="checkbox"/> Noncommercial Registered Agent (name and address below) OR <input type="checkbox"/> Office or Position with Entity (name and address below) Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity <table><tr><td></td><td></td><td>Nevada</td><td></td></tr><tr><td>Street Address</td><td>City</td><td>Zip Code</td><td></td></tr><tr><td></td><td></td><td>Nevada</td><td></td></tr><tr><td>Mailing Address (if different from street address)</td><td>City</td><td>Zip Code</td><td></td></tr></table>					Nevada		Street Address	City	Zip Code				Nevada		Mailing Address (if different from street address)	City	Zip Code	
		Nevada																	
Street Address	City	Zip Code																	
		Nevada																	
Mailing Address (if different from street address)	City	Zip Code																	
3. Authorized Stock: (number of shares corporation is authorized to issue)	Number of shares Shares with par value: 900,000,000 Par value per share: \$.001 Number of shares without par value: 0																		
4. Names and Addresses of the Board of Directors/Trustees: (each Director/Trustee must be a natural person at least 18 years of age; attach additional page if more than two directors/trustees)	1) Ian M. Burns Name La Maison Godaine, Los Godaines St. Martin GY GY4 6QL Street Address City State Zip Code 2) Laurie W. Sadler Name 3785 Mallard Place Nanoose Bay BC V9P 9H1 Street Address City State Zip Code																		
5. Purpose: (optional; required only if not a benefit corporation)	The purpose of the corporation shall be: 6. Benefit Corporation:																		

if Benefit Corporation status selected)	(see Instructions) <input type="checkbox"/> Yes			
7. Name, Address and Signature of Incorporator: (attach additional page if more than one incorporator)	I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, It is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of state.			
	Jeffrey B. Lightfoot (counsel to Corporation)		X Graphic	
	Name		Incorporator Signature	
	PO Box 49130, 2900- 595 Burrard St	Vancouver	BC	V7X 1J5
	Address		City	State
8. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity.			
	X Graphic			5.12.17
	Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity			Date
Nevada Secretary of State NRS 78 Articles				
This form must be accompanied by appropriate fees. Revised: 1-5-15				

Graphic
180304


BARBARA K. CEGAVSKE
 Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov

Registered Agent Acceptance (PURSUANT TO NRS 77.310)
--

This form may be submitted by: a Commercial Registered Agent, Noncommercial Registered Agent or Represented Entity. For more information please visit <http://www.nvsos.gov/index.aspx?page=141>

USE BLACK INK ONLY – DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Acceptance of Appointment by Registered Agent

In the matter of Montreux Capital Corp.

Name of Represented Business Entity

I, Corporation Trust Company of Nevada

am a:

Name of Appointed Registered Agent OR Represented Entity Serving as Own Agent*

(complete only one)

a) ☒ commercial registered agent listed with the Nevada Secretary of State,

b) ☐ noncommercial registered agent with the following address for service of process:

Street Address City Nevada Zip Code

Mailing Address (if different from street address) City Nevada Zip Code


c) ☐ represented entity accepting own service of process at the following address:

Title of Office or Position of Person in Represented Entity

Street Address City Nevada Zip Code

Mailing Address (if different from street address) City Nevada Zip Code

and hereby state that on 5.12.17 I accepted the appointment as registered agent for the above named business entity. Date

X  5.12.17
Authorized Signature of R.A. or On Behalf of R.A. Company Date

*If changing Registered Agent when reinstating, officer's signature required.

X
Signature of Officer Date

Nevada Secretary of State Form RA Acceptance

Revised: 1-5-15

DESCRIPTION OF SECURITIES

Authorized Capital Stock

Our authorized capital stock consists of 9,000,000 shares of common stock, par value \$0.001 per share. As of March 28, 2023 April 24, 2024 there were 1,101,098 9,000,000 shares of our common stock outstanding.

Common Stock

We are authorized to issue up to a total of 9,000,000 shares of common stock, par value \$0.001 per share. Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of our stockholders. Holders of our common stock have no cumulative voting rights. Further, holders of our common stock have no preemptive or conversion rights or other subscription rights. Upon our liquidation, dissolution or winding-up, holders of our common stock are entitled to share in all assets remaining after payment of all liabilities and the liquidation preferences of any of our outstanding shares of preferred stock. Holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our Board out of our assets which are legally available. Such dividends, if any, are payable in cash, in property or in shares of capital stock.

The holders of shares of our common stock entitled to cast at least a majority of the total votes entitled to be cast by the holders of all of our outstanding capital stock, present in person or by proxy, are necessary to constitute a quorum at any meeting. If a quorum is present, an action by stockholders entitled to vote on a matter is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action. The vote of a majority of our stock held by shareholders present in person or represented by proxy and entitled to vote at the Meeting will be sufficient to elect Directors or to approve a proposal.

Anti-Takeover Provisions of Nevada State Law

Certain anti-takeover provisions of Nevada law could have the effect of delaying or preventing a third party from acquiring us, even if the acquisition arguably could benefit our stockholders.

Nevada's "combinations with interested stockholders" statutes, Nevada Revised Statutes ("NRS") 78.411 through 78.444, inclusive, prohibit specified types of business "combinations" between certain Nevada corporations and any person deemed to be an "interested stockholder" for two years after such person first becomes an "interested stockholder" unless the corporation's board of directors approves the combination, or the transaction by which such person becomes an "interested stockholder", in advance, or unless the combination is approved by the board of directors and sixty percent of the corporation's voting power not beneficially owned by the interested stockholder, its affiliates and associates. Further, in the absence of prior approval certain restrictions may apply even after such two-year period. However, these statutes do not apply to any combination of a corporation and an interested stockholder after the expiration of four years after the person first became an interested stockholder. For purposes of these statutes, an "interested stockholder" is any person who is (1) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (2) an affiliate or associate of the corporation and at any time within the two previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "combination" is sufficiently broad to cover most significant transactions between a corporation and an "interested stockholder." These statutes generally apply to Nevada corporations with 200 or more stockholders of record. However, a Nevada corporation may elect in its articles of incorporation not to be governed by these particular laws, but if such election is not made in the corporation's original articles of incorporation, the amendment (1) must be approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the corporation not beneficially owned by interested stockholders or their affiliates and associates, and (2) is not effective until 18 months after the vote approving the amendment and does not apply to any combination with a person who first became an interested stockholder on or before the effective date of the amendment. We have made such an election in our original articles of incorporation.

Nevada's "acquisition of controlling interest" statutes, NRS 78.378 through 78.379, inclusive, contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. These "control share" laws provide

generally that any person that acquires a "controlling interest" in certain Nevada corporations may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights. Absent such provision in our bylaws, these laws would apply to us as of a particular date if we were to have 200 or more stockholders of record (at least 100 of whom have addresses in Nevada appearing on our stock ledger at all times during the 90 days immediately preceding that date) and do business in the State of Nevada directly or through an affiliated corporation, unless our articles of incorporation or bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide that a person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the NRS, would enable that person to exercise (1) one fifth or more, but less than one third, (2) one third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become "control shares" to which the voting restrictions described above apply. Nevada law also provides that directors may resist a change or potential change in control if the directors determine that the change is opposed to, or not in the best interests of, the corporation. The existence of the foregoing provisions and other potential anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Anti-Takeover Effects of Our Articles of Incorporation and Bylaws

The following provisions of our articles of incorporation and bylaws could have the effect of delaying or discouraging another party from acquiring control of us and could encourage persons seeking to acquire control of us to first negotiate with our board of directors:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, with our stockholders only allowed to fill such a vacancy if not filled by the board;
- the ability of our board of directors to alter our bylaws without obtaining shareholder approval; and
- the requirement that a special meeting of stockholders may be called only by either (i) the directors; (ii) the chairman of the board; or (iii) the chief executive officer.

Forum Selection and Jurisdiction

Our bylaws provides that unless we consent in writing to the selection of an alternative forum, the applicable court of competent jurisdiction shall be the state and federal courts located in Denver, Colorado (the "**Colorado Court**"), which Colorado Court shall, to the fullest extent permitted by law, be the sole and exclusive forum for actions or other proceedings relating to:

- (i) a derivative action;
- (ii) an application for an oppression remedy, including an application for leave to commence such a proceeding;
- (iii) an action asserting a claim of breach of the duty of care owed by us; any director, officer or other employee or any shareholder;
- (iv) an action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee or any shareholder;
- (v) an action or other proceeding asserting a claim or seeking a remedy pursuant to any provision of the Nevada Revised Statute or our articles or bylaws; and
- (vi) an action or other proceeding asserting a claim against us or any director or officer or other employee of the Corporation regarding a matter of the regulation of our business and affairs.

The choice of forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes, which may discourage such lawsuits. We interpret the forum selection clauses in our bylaws

to be limited to specified actions and not to apply to actions arising under the Exchange Act or the Securities Act. Section 27 of the Exchange Act provides that, United States federal courts shall have jurisdiction over all suits and

any action brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and Section 22 of the Securities Act provides that, United States federal and state courts shall have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Exhibit **10.5** 10.3

ASSURE HOLDINGS CORP.

STOCK OPTION PLAN

APPROVED BY THE SHAREHOLDERS AND ADOPTED BY THE BOARD OF DIRECTORS
ON DECEMBER 10, 2020

AS AMENDED BY THE BOARD OF DIRECTORS ON NOVEMBER 4, 2021,
AND APPROVED BY THE SHAREHOLDERS ON DECEMBER 9, 2021

B-1

PART 1
INTERPRETATION

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

“**Administrator**” has the meaning ascribed thereto in Section 3.1 hereof.

“**Affiliate**” means any entity that is an “affiliate” for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Plan.

“**Associate**” means, where used to indicate a relationship with any Person,

- (a) any relative, including the spouse, son or daughter, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;
- (b) any partner, other than a limited partner, of that Person;
- (c) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity; or
- (d) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten (10) percent of the voting rights attached to all outstanding voting securities of the Corporation.

“**Blackout Period**” means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by such person, including any period when such person has material undisclosed information with respect to the Corporation, but excluding any period during which a regulator has halted trading in the Corporation's securities.

“**Board**” means the board of directors of the Corporation, as constituted at any time.

"Business Day" means any day on which the TSX Venture Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Denver, Colorado are not open for business.

"Cause" means:

With respect to any Optionee, unless the applicable Option Agreement states otherwise:

- (a) if the Optionee is a party to an employment or service agreement with the Corporation or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the Optionee's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law:
 - (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude;
 - (ii) material fiduciary breach with respect to the Corporation or an Affiliate;
 - (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates;
 - (iv) gross negligence or willful misconduct with respect to the Corporation or an Affiliate;
 - (v) material violation of Applicable Laws; or

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- (vi) the willful failure of the Optionee to properly carry out their duties on behalf of the Corporation or to act in accordance with the reasonable direction of the Corporation.

With respect to any Director, unless the applicable Option Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (a) gross misconduct or neglect;
- (b) willful conversion of corporate funds;
- (c) false or fraudulent misrepresentation inducing the director's appointment; or
- (d) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to whether an Optionee has been discharged for Cause.

"Committee" means a committee of the Board appointed in accordance with Section 3.2 hereof.

"Corporation" means Assure Holdings Corp. and its Affiliates.

"Consultant" means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company, that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Corporation or an Affiliate and the individual or the company, as the case may be;
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
- (d) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation.

"Director" means a member of the Board.

"Disability" means unless an employment agreement or the applicable Option Agreement says otherwise, that the Optionee:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an Officer or Employee of the employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Administrator. The Administrator may rely on any determination that an Optionee is disabled for purposes of benefits under any long-term disability plan maintained by the Corporation or any Affiliate in which an Optionee participates.

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.

"Eligible Charitable Organization" means:

- (a) an individual who is considered an Employee of the Corporation or its subsidiary under the Income Tax Act (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);

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- (b) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an Employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (c) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source.

"Employee" means any person, including an Officer or Director, employed by the Corporation or an Affiliate. Mere service as a Director or payment of a director's fee by the Corporation or an Affiliate shall not be sufficient to constitute "employment" by the Corporation or an Affiliate.

"Exchange" means the TSX Venture Exchange, or any other stock exchange on which the Corporation's Shares are listed for trading.

"Exchange Policies" mean the policies set forth in the Exchange's Corporate Finance Manual, as amended from time to time.

"Exercise Price" means the price at which a Share may be purchased upon the exercise of an Option.

"Expiry Date" means the date on which an Option's Term expires, and after which an Option shall not be exercisable.

"Fair Market Value" means, unless otherwise required by any applicable accounting standard for the Company's desired accounting for Options or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Shares on the Exchange for the twenty trading days immediately prior to the Grant Date and (ii) the closing price of the Shares on the Exchange on the trading day immediately prior to the Grant Date.

"Grant Date" means the date on which the Board adopts a resolution, or takes other appropriate action, expressly granting an Option to an Optionee that specifies the key terms and conditions of the Option or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"Guardian" means the guardian, if any, appointed for an Optionee.

"Incentive Stock Option" or **"ISO"** means an Option to purchase Shares granted under Section 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of section 422 of the U.S. Internal Revenue Code, or any successor provision.

"Insider" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"Investor Relations Activities" has the meaning ascribed thereto in the Exchange Policies.

"Leave of Absence" means any period during which, pursuant to the prior written approval of the Optionee's employer or by reason of Disability, the Optionee is considered to be on an approved leave of absence or on Disability and does not provide any services to their employer.

"Management Company Employee" means an individual employed by a Person providing management services to the Corporation (other than Investor Relations Activities), which are required for the ongoing successful operation of the business of the Corporation.

"Officer" means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Corporation or its subsidiaries, and includes a Management Company Employee that provides the services of such Officer.

"Option" means an option to purchase Shares granted pursuant to the provisions of this Plan.

"Option Agreement" means a written agreement between the Corporation and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule "A" hereto.

"Optionee" means the recipient of an Option granted by the Corporation pursuant to the Plan.

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"Person" means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person.

"Plan" means this stock option plan of the Corporation, as amended from time to time.

"Rule 144" means Rule 144 as promulgated under the U.S. Securities Act.

"Shares" means the common shares without par value in the capital of the Corporation.

"Significant Shareholder" means a person who at the time of a grant of an ISO to such person owns (or is deemed to own pursuant to section 424(d) of the U.S. Internal Revenue Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation or any of its Affiliates.

"Successor" means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions.

"Tax Act" means the Income Tax Act (Canada), as amended from time to time.

"Term" means the period of time during which an Option is exercisable.

"Terminating Event" means:

- (a) the dissolution or liquidation of the Corporation, or

- (b) a material change in the capital structure of the Corporation that is deemed to be a Terminating Event pursuant to Section 8.1 or 8.5 hereof.

"Termination of Continuous Service" means the date on which a Optionee ceases to be a Director, Officer, Employee or Consultant as a result of a termination of employment or retention with the Corporation or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, an Optionee's employment or retention with the Corporation or an Affiliate shall be considered to have terminated effective on the last day of the Optionee's actual and active employment or retention with the Corporation or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Optionee or the Corporation or Affiliate, and whether with or without advance notice to the Optionee. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Optionee's last day of actual and active employment or retention shall be considered as extending the Optionee's period of employment or retention for the purposes of determining their entitlement under the Plan. An Optionee's transfer of employment to another employer within the Corporation or an Affiliate will not be considered a Termination of Continuous Service.

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN

- 2.1 **Establishment of the Plan.** The Corporation hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees. The Plan is designed to be a "rolling" stock option plan under Exchange Policies, reserving at any one time a maximum of 10% of the issued Shares of the Corporation for the exercise of Options.
- 2.2 **Principal Purposes.** The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new Directors, Officers, Employees and Consultants to the Corporation.

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- 2.3 **Benefit to Shareholders.** This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

PART 3 ADMINISTRATION

- 3.1 **Board or Committee.** This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the "Administrator".
- 3.2 **Appointment of Committee.** The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.
- 3.3 **Quorum and Voting.** A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are disinterested Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to him).
- 3.4 **Powers of Administrator.** Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:
- (a) administer this Plan in accordance with its express terms;
 - (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
 - (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;

- (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- (e) determine the duration and purposes of a Leave of Absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- (f) do the following with respect to the granting of Options:
 - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement);
 - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:
 - (A) the consent of the Optionee; and
 - (B) if applicable, the approval of the Exchange and/ or Disinterested Shareholder Approval;
 - (iv) determine when Options shall be granted;
 - (v) determine the Exercise Price of each Option, and
 - (vi) determine the number of Shares subject to each Option; and

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- (g) make all other determinations necessary or advisable for administration of this Plan.

- 3.5 **Obtain Regulatory Approvals.** In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.
- 3.6 **Annual Shareholder Approval.** This Plan must receive approval of the Corporation's shareholders annually at the Corporation's annual general meeting. Evidence that the majority of the shareholders are in favour of a proposal to approve the Plan or any amendment thereto is not sufficient.
- 3.7 **Administration by Administrator.** All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Corporation and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

PART 4 ELIGIBILITY

- 4.1 **General Eligibility.** Options may be granted to an Eligible Charitable Organization or a Director, Officer, Employee or Consultant of the Corporation or its subsidiary at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan. An Incentive Stock Option may be granted only to an employee (including a director or officer who is also an employee) of the Corporation (or of any parent or subsidiary of the Corporation). For purposes of granting Incentive Stock Options only, the term "employee" means an employee for purposes of the U.S. Internal Revenue Code, and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the U.S. Internal Revenue Code.
- 4.2 **No Violation of Laws.** No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.
- 4.3 **Optionees to be Named.** No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

PART 5 SHARES SUBJECT TO THIS PLAN

- 5.1 **Maximum Number of Shares Reserved Under Plan.** The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Corporation's issued and outstanding Shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 8 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Corporation prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options. Notwithstanding the foregoing, the maximum aggregate number of Shares which may be reserved for issuance as Incentive Stock Options granted under this Plan and all other plans of the Corporation and of any parent or subsidiary of the Corporation shall not exceed 3,497,123.

- 5.2 **Sufficient Authorized Shares to be Reserved.** If the constating documents of the Corporation limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.
- 5.3 **Disinterested Shareholder Approval.** Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:
- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;
 - (b) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;

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- (c) the issuance to any one Optionee, within any 12 month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;
 - (d) any individual Option grant that would result in any of the limitations set out in sections 5.3 (a), (b) or (c) being exceeded; or
 - (e) any amendment to Options held by Insiders that would have the effect of decreasing the Exercise Price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider

- 5.4 **Number of Shares Subject to this Plan.** Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.
- 5.5 **Expiry of Option.** If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

PART 6 TERMS AND CONDITIONS OF OPTIONS

- 6.1 **Option Agreement.** Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:
- (a) the number of Shares subject to purchase pursuant to such Option;
 - (b) the Grant Date;
 - (c) the Term;
 - (d) the Exercise Price;
 - (e) the Option is not assignable or transferable; and
 - (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan. The terms of the Award Agreement shall specify whether or not such Option is intended to be an Incentive Stock Option (ISO). No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Corporation. The Corporation will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options are exercisable for the first time during any calendar year (under this Plan and all other plans of the Corporation and of any parent or subsidiary of the Corporation) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the U.S Internal Revenue Code.
- 6.2 **Exchange Restrictions of Reservations.** Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the number of Shares reserved for issuance to:
- (a) any one Optionee pursuant to Options granted to such Optionee during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;

- (b) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (c) all Optionees who are engaged or employed in Investor Relations Activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares, calculated at the date such Options are granted; and

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- (d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Corporation, calculated at the date such Options are granted.

- 6.3 **Exercise Price.** The Option Exercise Price of each Option shall be determined by the Administrator on the Grant Date, subject to all applicable regulatory requirements, and shall be specified in the Option Agreement. The Exercise Price shall be stated and payable in United States dollars. Disinterested Shareholder Approval will be obtained for any reduction in the Option's Exercise Price if the Person granted the Option is an Insider of the Corporation at the time of the proposed amendment. The Option Exercise Price shall be no less than the Fair Market Value of a Share on the Grant Date, and no less than 110% of Fair Market Value of Share on the Grant Date with respect to Incentive Stock Options granted to a Significant Shareholder).
- 6.4 **Maximum Term of Ten Years.** Subject to section 6.5, the maximum Term of an Option granted shall be ten (10) years from the Grant Date; provided that the maximum term of an ISO granted to a Significant Shareholder shall be five years from the Grant Date.
- 6.5 **Blackout Period.** The Term of an Option shall be automatically extended if the Expiry Date falls within a Blackout Period or within ten (10) Business Days of the end of the Blackout Period provided that: (i) the Blackout Period is imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the extension is not more than ten (10) Business Days from the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Corporation or Optionee is also subject to a cease trade order or similar trading restriction. Notwithstanding the foregoing, in the case of any Option held by a United States taxpayer, such Option may not be extended beyond the Option's Expiry Date.
- 6.6 **Vesting Schedule.** No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the date it is granted.

Notwithstanding the foregoing, for Options granted to Optionees who provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Option Vested
3 months after Grant Date	25%
6 months after Grant Date	50%
9 months after Grant Date	75%
12 months after Grant Date	100%

- 6.7 **Acceleration of Vesting.** The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion, unless such Options are granted to an Optionee who provides Investor Relations Activities and such acceleration would result in a vesting period of less than 12 months, or with more than 1/4 of the options granted vesting in any three month period.
- 6.8 **Hold Periods.** In addition to any resale restrictions under any Applicable Laws, if the Exercise Price is set at a discount to the Market Price (as defined in Exchange Policies), the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear the following legend:

"WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after the grant of the Options]."

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- 6.9 Form for Non-Individuals.** If a proposed Optionee is a corporation or is otherwise not an individual, it must provide the Exchange with a completed Form 4F - *Certification and Undertaking Required from a Company Granted an Incentive Stock Option*, or any amended or replacement form.
- 6.10 Bona Fide Optionee.** By execution of an Option Agreement, the Optionee represents that he, she or it is a bona fide Director, Officer, Employee or Consultant, as the case may be. It will be the joint responsibility of the Corporation and the Optionee that the Optionee is and will remain a bona fide Employee, Consultant or Management Company Employee.
- 6.11 Termination of Continuous Service.** Unless otherwise determined by the Administrator, in its discretion, or as provided in this Part 6 or pursuant to the terms provided in an Option Agreement or in an employment agreement the terms of which have been approved by the Administrator, all rights to purchase Shares pursuant to an Option shall expire and terminate immediately upon the Optionee's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionee is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionee of such termination for Cause. If an Optionee who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Corporation) for any reason, whether voluntary or involuntary, other than death or permanent disability, such Incentive Stock Option shall cease to be qualified as an Incentive Stock Option as of the date that is three months after the date of cessation of employment (or upon the expiration of the term of such Incentive Stock Option, if earlier). If an Optionee who has been granted Incentive Stock Options ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) because of the death or permanent disability of such Optionee, such Optionee, such Incentive Stock Option will cease to be qualified as an Incentive Stock Option as of the date that is one year after the date of death or permanent disability, as the case may be (or upon the expiration of the term of such Incentive Stock Option, if earlier). For purposes of this Section, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the U.S. Internal Revenue Code.
- 6.12 Death, Disability or Leave of Absence.** Unless otherwise provided in an Option Agreement, in the event of an Optionee's Termination of Continuous Service as a result of the Optionee's death, Disability or a Leave of Absence, then:
- (a) the unvested part of any Option held by the Optionee shall expire and terminate immediately upon the Optionee's Termination of Continuous Service; and
 - (b) the vested part of any Option held by the Optionee may be exercised in accordance with Part 7 at any time during the period that terminates on the earlier of:
 - (i) the Option's Expiry Date; and
 - (ii) the 90th day after the Optionee's Termination of Continuous Service.
- Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.
- 6.13 Resignation or Termination Without Cause.** Unless otherwise provided in an Option Agreement, in the event of an Optionee's Termination of Continuous Service as a result of the Optionee's voluntary resignation or termination by the Employer for any reason other than for Cause, then:
- (a) the unvested part of any Option held by the Optionee shall expire and terminate immediately upon the Optionee's Termination of Continuous Service; and
 - (b) the vested part of any Option held by the Optionee may be exercised in accordance with Part 7 at any time during the period that terminates on the earlier of:
 - (i) the Option's Expiry Date; and
 - (ii) the 30th day after the Optionee's Termination of Continuous Service.
- Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.
- 6.14 Vesting.** Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

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- 6.15 Majority Agreement.** If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.
- 6.16 Non-Transferable.** Except as provided otherwise in this Part 6, Options are non-assignable and non-transferable.
- 6.17 US Securities Act.**
- (a) Options granted to all eligible Optionees must be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, which may include Rule 701 and/or Section 4(a)(2) of the U.S. Securities Act.
 - (b) None of the Options or any Shares issuable upon exercise of the Option have been or are expected to be registered under the U.S. Securities Act or any applicable state securities laws, and will be granted or issued pursuant to exemptions from such registration or qualification requirements.

- (c) Unless the Options and/or any Shares issuable upon exercise of the Options have been registered under the U.S. Securities Act, such securities will be deemed "restricted securities" as defined in Rule 144 and will bear a U.S. restricted legend to such effect set forth in Section 6.17(d). Each Optionee has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Corporation, the resale occurring following the required holding period under Rule 144 following the exercise of the Options. An "affiliate" as defined in the U.S. Exchange Act, including an officer, director, or owner of 10% or greater of the Corporation, shall be restricted so that the number of Shares an affiliate may sell during any three-month period cannot exceed the great of 1% of the outstanding Shares of the same class being sold, or the greater of 1% or the average reported weekly trading volume during the four weeks preceding the filing of a notice of sale on Form 144, or if no such notice is required, the date of receipt of the order to execute the transaction.
- (d) Unless the Options and the Shares issuable upon exercise of the Options are registered under the U.S. Securities Act, the certificates representing the Shares will bear a legend in substantially the form set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN AND PROVINCIAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO CLAUSES (B), (C) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES, EXCEPT AS PERMITTED BY THE U.S. SECURITIES ACT."

PART 7 EXERCISE OF OPTION

- 7.1 **Method of Exercise.** Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to the Expiry Date thereof, by giving written notice thereof to the Corporation at its principal place of business or as otherwise indicated by the Corporation in writing, in accordance with Schedule "B" hereto.
- 7.2 **Payment of Exercise Price.** The notice described in Section 7.1 hereof shall be accompanied by full payment of the Exercise Price to the extent the Option is so exercised, and full payment of any amounts the Corporation determines must

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be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be in lawful money of the United States (USD) in one or more of the following forms, as determined by the Corporation:

- (a) cash or cheque made payable to the Corporation;
- (b) to the extent permitted by the policies of the Corporation and subject to applicable securities law, a broker-assisted sale of Shares sufficient to cover the Exercise Price (a "sell-to-cover exercise");
- (c) unless the company is listed on the TSX Venture Exchange ("TSXV") or unless otherwise permitted by the policies of the TSXV, to the extent permitted by the policies of the Corporation and subject to applicable securities law, in Shares (1) held by the Optionee (or any other person or persons permitted to exercise the option) for the requisite period necessary to avoid a charge to the Corporation's earnings for financial reporting purposes and (2) valued at fair market value on the exercise date (a "cashless stock-for-stock exercise"); or
- (d) unless the company is listed on the TSXV or unless otherwise permitted by the policies of the TSXV, in accordance with a Notice of Cashless Settlement (in the form provided by the Corporation upon request), in Shares withheld by the Corporation equivalent in value to the exercise price (a "cashless net exercise").

- 7.3 **Issuance of Stock Certificate.** As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Corporation shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

- 7.4 **Monitoring Trading.** An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Corporation, within five Business Days of each trade.
- 7.5 **US Dollars.** The Exercise Price shall be stated and payable in United States dollars.

PART 8 ADJUSTMENTS TO OPTIONS

- 8.1 **Alteration of Capital.** In the event of any material change in the outstanding Shares of the Corporation prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Exercise Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Corporation is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan. Adjustments with respect to Options of United States taxpayers shall be made in accordance with the requirements of sections 409A and 424 of the U.S. Internal Revenue Code, as applicable.
- 8.2 **No Fractions.** No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.
- 8.3 **Terminating Events.** Subject to Section 8.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.
- 8.4 **Notice of Terminating Event.** The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.
- 8.5 **General Offer for Shares.** Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Corporation, or (ii) of a sale of all or substantially all of the assets of the Corporation, or (iii) the sale, pursuant to an agreement with the Corporation, of securities of the Corporation pursuant to which the Corporation

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is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Corporation shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.

- 8.6 **Determinations to be made by Administrator.** Adjustments and determinations under this Part 8 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

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PART 9 TERMINATION AND AMENDMENT OF PLAN

- 9.1 **Termination of Plan.** The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to section 8.1. The Administrator may terminate this Plan at such other time and on such conditions as the Administrator may determine, provided that no such termination shall be effected if it would affect the rights of then existing Optionees, without the approval of such Optionees.
- 9.2 **Power of Administrator to Amend Plan.** The Administrator may, subject to the approval of the Exchange, amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Corporation to comply with or to avail the Corporation and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the above, the Corporation may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Corporation also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments, (ii) no Options granted under the amendments are exercised prior to shareholder approval, (iii) shareholder approval

is obtained on or before the earlier of the Corporation's next annual general meeting or 12 months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.

9.3 Shareholder Approvals. Any shareholder approval required to amend this Plan must take place at a meeting of the shareholders. Evidence that the majority of the shareholders are in favour of a proposal to approve any amendment thereto is not sufficient.

9.4 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

PART 10

CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

10.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-issuance or sale of such Shares.

10.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Corporation may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Corporation, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Corporation, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. THE CORPORATION HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.

10.3 Tax Withholding. The Optionee shall hold harmless the Corporation and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition

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of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

PART 11

NOTICES

11.1 Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

PART 12

MISCELLANEOUS PROVISIONS

12.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

12.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Corporation to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation to change the terms or conditions of the Optionee's employment or engagement with the Corporation, including the Optionee's compensation.

12.3 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

12.4 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Colorado and the federal laws of the United States applicable therein.

12.5 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

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SCHEDULE "A"

ASSURE HOLDINGS CORP.

OPTION AGREEMENT

The Option granted herein is not assignable or transferable by the Optionee. Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded O11 or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day after the Grant Date.

NEITHER THE OPTIONS REPRESENTED BY THIS CERTIFICATE NOR THE COMMON SHARES ISSUABLE UPON EXERCISE HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("U.S. SECURITIES ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE ABSENCE OF REGISTRATION THEREUNDER OR ANY AVAILABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

This Option Agreement is entered into between Assure Holdings Corp. ("the Corporation") and the Optionee named below pursuant to the Corporation's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on _____, _____ (the "Grant Date");
2. _____ (the "Optionee");
3. was granted the option (the "Option") to purchase _____ Common Shares (the "Option Shares") of the Corporation.
4. at the price (the "Exercise Price") of US\$ _____ per share;
5. which shall / shall not *(select)* be exercisable ("Vested") in accordance with Section 6.6 of the Plan *(applicable if the Optionee is a person who performs Investor Relations Activities for the Corporation)*;
6. shall expire on _____, 20____ (the "Expiry Date"); and
7. **[insert other terms or conditions]**.

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

- (a) confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) consents to the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Corporation; and
- (c) consents to the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.
- (d) The Optionee understands and agrees that neither the Options nor the Common Shares have been or are expected to be registered under the U.S. Securities Act, and the Options are being granted by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act. The Common Shares issued upon exercise of the Options, if any, will be deemed "restricted securities" as defined in Rule 144 of the U.S. Securities Act and may only be resold pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Certificates representing the Common Shares, if any, will bear a restrictive legend to such effect.

Issued as of the _____ day of _____, 20____

ASSURE HOLDINGS CORP.

[NAME OF OPTIONEE]

By its authorized signatory

Per: _____

Per: _____

Name:

Name:

Title:

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SCHEDULE "B"

STOCK OPTION PLAN

NEITHER THE OPTIONS NOR THE COMMON SHARES ISSUABLE UPON EXERCISE OF THE OPTIONS HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("U.S. SECURITIES ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE ABSENCE OF REGISTRATION THEREUNDER OR ANY AVAILABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

EXERCISE NOTICE

TO: ASSURE HOLDINGS CORP.

4600 South Ulster Street, Suite 1225

Denver, CO 80237

Attention: Chief Executive Officer

Re: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of **ASSURE HOLDINGS CORP.** (the "Corporation"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (i) all of the Shares; or
- (ii) certain of the Shares which are subject of the option certificate attached hereto.

Calculation of total Exercise Price:

(i) number of Shares to be acquired on exercise: _____ Shares

(ii) times the Exercise Price per Share: US\$ _____

Total Exercise Price, as enclosed herewith: US\$ _____

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Corporation, and directs the Corporation to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the _____ day of _____, 20____

Signature of Option Holder

Name of Option Holder (please print)

Acknowledgements

In connection with the exercise of the Options, the Option Holder acknowledges and agrees that neither the Options nor the Common Shares have been or are expected to be registered under the U.S. Securities Act, and the Options are being granted by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act. The Common Shares issued upon exercise of the Options, if any, will be deemed "restricted securities" as defined in Rule 144 of the U.S. Securities Act and may only be resold pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Certificates representing the Common Shares, if any, will bear a restrictive legend to such effect.

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APPENDIX "C"

ASSURE HOLDINGS CORP. EQUITY INCENTIVE PLAN

SECTION 1 - Purpose; Eligibility

- 1.1 General Purpose.** The name of this plan is the Assure Holdings Corp. Equity Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable Assure Holdings Corp., a corporation existing under the laws of the State of Nevada (the "**Company**"), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business.
- 1.2 Eligible Award Recipients.** The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates.
- 1.3 Available Awards.** Awards that may be granted under the Plan include: (a) Stock Options, (b) Restricted Awards, (c) Performance Share Units, and (d) Other Equity-Based Awards.

SECTION 2 - Definitions

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

"**Award**" means any right granted under the Plan, including a Stock Option, a Restricted Award, a Performance Share Unit, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"**Bank of Canada Rate**" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"**Board**" means the Board of Directors of the Company, as constituted at any time.

"**Business Day**" means any day on which the TSX Venture Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Denver, Colorado are not open for business.

"Cash Award" means an Award denominated in cash that is granted under Section 7.4 of the Plan.

"Cause" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

-
- (a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
 - (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (c) gross misconduct or neglect;
- (d) willful conversion of corporate funds;
- (e) false or fraudulent misrepresentation inducing the director's appointment; or
- (f) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"Change in Control" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (a) any transaction at any time and by whatever means pursuant to which direct or indirect beneficial ownership over voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are to be transferred to a Person or related group of Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transactions is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company immediately following the transaction;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);
- (c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company); or
- (e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization or in connection with a bona fide financing or series of financings by the Company or any of its Affiliates.

"Committee" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3; provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"Common Share" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"Company" means Assure Holdings Corp., and any successor thereto.

"Company Group" means the Company and its subsidiaries and Affiliates.

"Constructive Dismissal", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"Consultant" means any individual or entity engaged by the Company or any Affiliate, other than an Employee or Director, and whether or not compensated for such services that:

- (a) is engaged to provide services to the Company or any Affiliate, other than services provided in relation to a distribution,
 - (b) provides the services under a written contract with the Company or any Affiliate, and
 - (c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Affiliate,
- and includes
- (d) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and
 - (e) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount.

"Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"Corporate Reorganization" has the meaning ascribed thereto in Section 10.

"Director" means a member of the Board.

"Disability" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or

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- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attached to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates.

"Dividend Equivalent" has the meaning ascribed to such term in Section 7.1(b).

"Effective Date" shall mean December 10, 2020, the date that the Company's security holders approve this Plan.

"Eligible Person" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"Employee" means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"Employer" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"Exchange" means the TSX Venture Exchange.

"Expiry Date" has the meaning ascribed thereto in Section 6.2.

"Fair Market Value" means, unless otherwise required by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Common Shares on the Exchange for the twenty trading days immediately prior to the Grant Date and (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the Grant Date.

"Fiscal Year" means the Company's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"Grant Date" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"Incentive Stock Option" or "ISO" means an Option to purchase Common Shares granted under Section 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of section 422 of the U.S. Internal Revenue Code, or any successor provision.

"Insider" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"Investor Relations Activities" means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include: (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company to (i) promote the sale of products or services of the Company, or (ii) raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company; (b) activities or communications necessary to comply with the requirements of Applicable Laws, or requirements and policies of the Exchange or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company; (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or (d) activities or communications that may be otherwise specified by the Exchange.

"ITA" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"Leave of Absence" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"Notice of Exercise" means a notice substantially in the form set out as Schedule B to this Plan, as amended by the Company from time to time.

"Option" means a Stock Option granted to a Participant pursuant to the Plan.

"Option Exercise Price" means the price at which a Common Share may be purchased upon the exercise of an Option.

"Optionholder" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

"Other Equity-Based Award" means an Award that is not an Option, Restricted Share Unit, or Performance Share Unit that is granted under Section 7.4 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

"Participant" means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

"Participant Information" has the meaning set forth in Section 13.13(a).

"Performance Criteria" or **"Performance Criterion"** means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Share Unit under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company). Any one or more Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"Performance Goals" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time, in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants.

"Performance Period" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a performance based Award.

"Performance Share Unit" or **"PSU"** means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.2 to the Participant to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"Permitted Reorganization" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership of the Company remains substantially the same upon the completion of the reorganization.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"Plan" means this Assure Holdings Corp. Equity Incentive Plan, as amended and/or amended and restated from time to time.

"Restricted Award" means any Award granted pursuant to Section 7.1 to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Restricted Period" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"Restricted Share Unit" or **"RSU"** means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.1(a) to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Rule 144" means Rule 144 as promulgated under the U.S. Securities Act.

"Rule 701" means Rule 701 as promulgated under the U.S. Securities Act.

"Settlement Date" has the meaning ascribed to such term in Section 7.1(e).

"**Share Unit**" means either an RSU, PSU or Dividend Equivalent as the context requires.

"**Share Unit Account**" has the meaning ascribed to such term in Section 7.3.

"**Significant Shareholder**" means a person who at the time of a grant of an ISO to such person owns (or is deemed to own pursuant to section 424(d) of the U.S. Internal Revenue Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any of its Affiliates.

"**Stock Option**" means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

"**Subsidiary**" means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

"**Substitution Event**" means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

"**Take-Over Bid**" means a take-over bid as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*, as amended from time to time.

"**Termination of Continuous Service**" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

"**Total Share Reserve**" has the meaning set forth in Section 4.1.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Vesting Date**" means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

SECTION 2 - Administration

- 2.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties.
- 2.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 10 and, subject to Section 12, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and Affiliates operate.
- 2.3 Delegation.** The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, provided however, that any such delegation must be permitted under applicable corporate law. The term "**Committee**" shall apply to any person or persons to whom such authority has been delegated.

SECTION 3 - Number of Shares Available for Awards

- 3.1 Subject to adjustment in accordance with Section 10, no more than 3,497,123 Common Shares shall be available for the grant of Awards under the Plan (the "Total Share Reserve") or such greater number as may be approved from time to time by Disinterested Shareholder Approval and in accordance with the policies of the Exchange. During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards. Notwithstanding the foregoing, the maximum aggregate number of Common Shares which may be reserved for issuance as Incentive Stock Options granted under this Plan and all other plans of the Company and of any parent or subsidiary of the Company shall not exceed 3,497,123.
- 3.2 Any Award granted to a Participant must be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, which may include Rule 701 and/or Section 4(a)(2) of the U.S. Securities Act. Any Award granted pursuant to the exemption available under Rule 701 shall be subject to the limitations set forth therein.
- 3.3 Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, or (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, or other Awards that were not issued upon the settlement of the Award.
- 3.4 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, result in or allow at any time:
- (a) the number of Common Shares reserved for issuance pursuant to Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Common Shares;
 - (b) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the issued and outstanding Common Shares at the time of the grant of the Awards;

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- (c) the issuance to any one Participant, within any 12 month period, of an aggregate number of Awards exceeding 5% of the issued and outstanding Common Shares at the time of the grant of the Awards;
 - (d) any individual Awards grant that would result in any of the limitations set out in Section 5.2(a) being exceeded; or
 - (e) any amendment to Awards held by Insiders that would have the effect of decreasing the exercise price of such Options.

SECTION 4 - Eligibility and Participation

- 4.1 **Eligibility.** Individuals eligible to participate in the Plan include all Employees, Directors and Consultants.
- 4.2 **Grant of Awards.** Subject to the terms and provisions of the Plan, Awards may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, provided:
- (a) the aggregate number of Awards granted to any one Person (and companies wholly owned by that Person) in any 12 month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date an Award is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
 - (b) the aggregate number of Awards granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated on the date an option is granted to the Consultant;
 - (c) Persons retained to provide Investor Relations Activities to the Company may not be granted any Awards under this Plan, save and except Options, provided that the aggregate number of such Options granted to all such Persons must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, calculated at the date that an Option is granted to any such Person; and
 - (d) for Options granted to Employees, Consultants or Management Company Employees (as such term is defined by the Exchange), the Company and the Person granted the Option are responsible for ensuring and confirming that the Person granted the Option is a bona fide Employee, Consultant or Management Company Employee (as such term is defined by the TSX-V), as the case may be.

SECTION 5 - Stock Options

- 5.1 **Award Agreement.** Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6. The terms of the Award Agreement shall specify whether or not such Option is intended to be an Incentive Stock Option (ISO). An Incentive Stock Option may be granted only to an employee (including a director or officer who is also an employee) of the Company (or of any parent or subsidiary of the Company). For purposes of granting Incentive Stock Options only, the term Optionholder shall mean a person who is an employee for purposes of the U.S. Internal Revenue Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the U.S. Internal Revenue Code. No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Company. The Company will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the U.S Internal Revenue Code.

5.2 Term of Option. No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Optionholder's Award Agreement ("**Expiry Date**"), at which time such Option will expire; provided that the maximum term of an ISO granted to a Significant Shareholder shall be five years from the Grant Date. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end

of the Blackout Period; provided that in the case of any Optionholder who is a U.S. taxpayer, no Option may be extended beyond the Option's Expiry Date.

5.3 Exercise Price of Stock Options. The Option Exercise Price of each Stock Option shall be determined by the Committee on the Grant Date, subject to all applicable regulatory requirements, and shall be specified in the Award Agreement. The Exercise Price shall be stated and payable in United States dollars. Disinterested Shareholder Approval must be obtained for any reduction in the Option Exercise Price if the Person granted the Option is an Insider of the Company at the time of the proposed amendment. The Option Exercise Price shall be no less than the Fair Market Value of a Common Share on the Grant Date (and no less than 110% of Fair Market Value of a Common Share on the Grant Date with respect to ISOs granted to a Significant Shareholder).

5.4 Exercise of Options. A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, in cash or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee, subject to the policies of the Exchange.

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) for any reason, whether voluntary or involuntary, other than death or permanent disability, such Incentive Stock Option shall cease to be qualified an Incentive Stock Option as of the date that is three months after the date of cessation of employment (or upon the expiration of the term of such Incentive Stock Option, if earlier). If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) because of the death or permanent disability of such Optionholder, such Optionholder, such Incentive Stock Option will cease to be qualified as an Incentive Stock Option as of the date that is one year after the date of death or permanent disability, as the case may be, (or upon the expiration of the term of such Incentive Stock Option, if earlier). For purposes of this Section, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the U.S. Internal Revenue Code.

5.5 Transferability of a Stock Option. A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

The Committee may impose such restrictions on any Common Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Common Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed and/or traded.

5.6 Vesting of Options. Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event, unless such Options are granted to Participants who provide Investor Relations Activities and such acceleration would result in a vesting period of less than 12 months, or with more than 1/4 of the Options granted vesting in any three month period.

Notwithstanding the foregoing, for Options granted to persons retained to provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Options Vested
3 months after Grant Date	25%
6 months after Grant Date	50%
9 months after Grant Date	75%
12 months after Grant Date	100%

- 5.7 Termination of Continuous Service.** Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.
- 5.8 Death, Disability or Leave of Absence.** Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's death, Disability or the Optionholder is on a Leave of Absence, then:
- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
 - (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.
- 5.9 Resignation or Termination Without Cause.** Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation or is terminated by the Employer for any reason other than for Cause, then:
- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
 - (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.

SECTION 6 - Provisions of Awards Other than Options

6.1 Restricted Awards.

(a) Restricted Share Units

The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an RSU Agreement. In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Dividend Equivalents

At the discretion of the Committee, each RSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("Dividend Equivalents"). Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. Dividend Equivalents shall be withheld by the Company and credited to the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents credited to the Participant's account at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's Share Unit Account and attributable to any particular RSU (and earnings thereon, if applicable) shall be distributed in cash or, at the discretion of the Committee, in Common Shares having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such RSU and, if such RSU is forfeited, the Participant shall have no right to such Dividend Equivalents.

(c) Restrictions

- (i) RSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs are forfeited, all rights of the Participant to such RSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.
- (ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs are granted, such action is appropriate.

(d) Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s), subject to the continuation of the Continuous Service of the Participant. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement.

No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

(e) **Settlement of Restricted Share Units**

On or within 60 days following the Vesting Date of a Share Unit (the "**Settlement Date**"), and subject to Section 9.5, the Company shall (i) issue to Participant from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver to the Participant an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iii) a combination of (i) and (ii). Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant shall have no further rights, title or interest with respect thereto.

6.2 Performance Share Unit Awards. The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by a PSU Agreement. In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares subject to a Performance Share Unit granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Settlement of a PSU shall be made as provided in Section 7.1(e).

6.3 Share Unit Accounts. An account, called a "**Share Unit Account**", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, PSUs or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 7.1(e) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs or PSUs, such RSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.

6.4 Other Equity-Based and Cash Awards. The Committee may, to the extent permitted by the Exchange, grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award

Agreement. The Committee may grant Cash Awards to Participants. Cash Awards shall be evidenced in such form as the Committee may determine.

SECTION 7 - Compliance with Applicable Laws

7.1 The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company or Committee determines to be necessary or advisable in order to safeguard against the violation of the securities or other laws of any jurisdiction. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

7.2 U.S. Securities Act Compliance. This Plan is subject to the requirements of the U.S. Securities Act and applicable state securities laws.

(a) Neither the Awards nor any Common Shares issuable under any Award have been or are expected to be registered under the U.S. Securities Act or any applicable state securities laws, and will be granted or issued pursuant to exemptions from such registration or qualification requirements.

(b) Unless the Award and/or any Common Shares issuable under the Award have been registered under the U.S. Securities Act, such securities will be deemed "restricted securities" as defined in Rule 144 and will bear a U.S. restricted legend to such effect set forth in Section 8.2(c). Each Participant has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 following the exercise of the Options. An "affiliate" as defined in the U.S. Exchange Act, including an officer, director, or owner of 10% or greater of the Company, shall be restricted so that the number of Common Shares an affiliate may sell during any three-month period cannot exceed the great of 1% of the outstanding Common Shares of the same class being sold, or the greater of 1% or the average reported weekly trading volume during the four weeks preceding the filing of a notice of sale on Form 144, or if no such notice is required, the date of receipt of the order to execute the transaction.

- (c) Unless the Award and the Common Shares issuable under the Award are registered under the U.S. Securities Act, the certificates representing the Common Shares will bear a legend in substantially the form set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE COMPANY THAT THESE SECURITIES MAY BE OFFERED, SOLD PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN AND PROVINCIAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO CLAUSES (B), (C) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES, EXCEPT AS PERMITTED BY THE U.S. SECURITIES ACT."

SECTION 8 - Miscellaneous

- 8.1 Acceleration of Exercisability and Vesting.** The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan,

notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

- 8.2 Shareholder Rights.** Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.
- 8.3 No Employment or Other Service Rights.** Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.
- 8.4 Transfer; Leave of Absence.** For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.
- 8.5 Withholding Obligations.** It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Common Shares or the Participant making such other arrangements, including the sale of Common Shares, in either case on such conditions as the Committee specifies.

SECTION 9 - Adjustments upon Changes in Capital

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares (each, a "**Corporate Reorganization**"), the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options; (v) the number of Share Units in the Participants' Share Unit Accounts; (vi) the vesting of RSUs or PSUs (and related Dividend Equivalents); and (vii) any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization, provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments

made pursuant to this Section 10 shall be made in compliance with and subject to the rules of the Exchange. The Company shall give each Participant notice of any adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. Adjustments with respect to Awards of United States taxpayers shall be made in accordance with the requirements of sections 409A and 424 of the U.S. Internal Revenue Code, as applicable.

SECTION 10 - Effect of Change in Control

10.1 The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of the Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to the Awards, contingent upon the closing or completion of the Change in Control:

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- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar share award for the Award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change in Control);
 - (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
 - (c) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control; provided, however, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Change in Control, which exercise is contingent upon the effectiveness of such Change in Control;
 - (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
 - (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration (including no consideration) as the Board, in its sole discretion, may consider appropriate; and
 - (f) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such Participant in connection with such exercise. For clarity, this payment may be zero (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

10.2 The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award.

10.3 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

SECTION 11 - Amendment of the Plan and Awards

11.1 Amendment of Plan and Awards. The Board at any time, and from time to time, may amend or suspend any provision of an Award Agreement or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

- (a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan, Award Agreements or any Awards without seeking security holder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange); (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws; (iv) amendments to the vesting provisions of this Plan or any Award; (v) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and (vi) amendments necessary to suspend or terminate this Plan.
 - (b) Security holder approval will be required for the following types of amendments: (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10; (ii) any
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amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised; (iii) any amendment to remove or to exceed the Insider participation limit set out in Section 4.4; (iv) any amendment that reduces the Exercise Price of an Option benefiting an Insider of the Company or one of its Affiliates, other than pursuant to Section 10, or Section 11.1; (v) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2; (vi) any amendment to the amendment provisions; and (viii) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).

- 11.2 No Impairment of Rights.** Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

SECTION 12 - General Provisions

12.1 Forfeiture and Clawback.

- (a) The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.
- (b) The Committee may impose such clawback, recovery or recoupment provisions in an Award Agreement as the Committee determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares or other cash or property upon the occurrence of an event constituting Cause. Such recovery of compensation will not be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

- 12.2 Legend.** The certificate for Common Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Common Shares.

- 12.3 Investment Representations.** The Committee may require each Participant receiving Common Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Common Shares for investment and without any present intention to sell or distribute such Common Shares.

- 12.4 Other Compensation Arrangements.** Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

- 12.5 Unfunded Plan.** The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

- 12.6 Delivery.** Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

- 12.7 No Fractional Shares.** No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

- 12.8 Other Provisions.** The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

- 12.9 Expenses.** The costs of administering the Plan shall be paid by the Company.

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- 12.10 Severability.** The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

- 12.11 Plan Headings.** The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

- 12.12 Non-Uniform Treatment.** The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

- 12.13 Participant Information.**

- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
- (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.13(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

12.14 Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

SECTION 13 - Effective Date of Plan

The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

SECTION 14 - Termination or Suspension of the Plan

The Board may suspend or terminate the Plan at any time. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

SECTION 15 - Governing Law

The Plan shall be governed by and construed in accordance with the policies of the Exchange and the laws of the State of Colorado and the federal laws of the United States, applicable therein.

Exhibit **10.6** 10.4

ASSURE HOLDINGS CORP.

EQUITY INCENTIVE PLAN

APPROVED BY THE SHAREHOLDERS AND ADOPTED BY THE BOARD OF DIRECTORS
ON DECEMBER 10, 2020

AS AMENDED BY THE BOARD ON NOVEMBER 4, 2021 AND APPROVED BY SHAREHOLDERS ON DECEMBER 9, 2021

ASSURE HOLDINGS CORP. EQUITY INCENTIVE PLAN

SECTION 1 - Purpose; Eligibility

- 1.1 General Purpose.** The name of this plan is the Assure Holdings Corp. Equity Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable Assure Holdings Corp., a corporation existing under the laws of the State of Nevada (the "**Company**"), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business.
- 1.2 Eligible Award Recipients.** The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates.
- 1.3 Available Awards.** Awards that may be granted under the Plan include: (a) Stock Options, (b) Restricted Awards, (c) Performance Share Units, and (d) Other Equity-Based Awards.

SECTION 2 - Definitions

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

"**Award**" means any right granted under the Plan, including a Stock Option, a Restricted Award, a Performance Share Unit, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be

subject to the terms and conditions of the Plan.

"Bank of Canada Rate" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"Blackout Period" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"Board" means the Board of Directors of the Company, as constituted at any time.

"Business Day" means any day on which the TSX Venture Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Denver, Colorado are not open for business.

"Cash Award" means an Award denominated in cash that is granted under Section 7.4 of the Plan.

"Cause" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

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- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (c) gross misconduct or neglect;
- (d) willful conversion of corporate funds;
- (e) false or fraudulent misrepresentation inducing the director's appointment; or
- (f) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"Change in Control" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (a) any transaction at any time and by whatever means pursuant to which direct or indirect beneficial ownership over voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are to be transferred to a Person or related group of Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transactions is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company immediately following the transaction;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);
- (c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company); or

(e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization or in connection with a bona fide financing or series of financings by the Company or any of its Affiliates.

"Committee" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3; provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"Common Share" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"Company" means Assure Holdings Corp., and any successor thereto.

"Company Group" means the Company and its subsidiaries and Affiliates.

"Constructive Dismissal", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"Consultant" means any individual or entity engaged by the Company or any Affiliate, other than an Employee or Director, and whether or not compensated for such services that:

- (a) is engaged to provide services to the Company or any Affiliate, other than services provided in relation to a distribution,
 - (b) provides the services under a written contract with the Company or any Affiliate, and
 - (c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Affiliate,
- and includes
- (d) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and
 - (e) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount.

"Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"Corporate Reorganization" has the meaning ascribed thereto in Section 10.

"Director" means a member of the Board.

"Disability" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or

(b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attached to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates.

"Dividend Equivalent" has the meaning ascribed to such term in Section 7.1(b).

"Effective Date" shall mean December 10, 2020, the date that the Company's security holders approve this Plan.

"Eligible Person" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"Employee" means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"Employer" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"Exchange" means the TSX Venture Exchange.

"Expiry Date" has the meaning ascribed thereto in Section 6.2.

"Fair Market Value" means, unless otherwise required by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Common Shares on the Exchange for the twenty trading days immediately prior to the Grant Date and (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the Grant Date.

"Fiscal Year" means the Company's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"Grant Date" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"Incentive Stock Option" or "ISO" means an Option to purchase Common Shares granted under Section 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of section 422 of the U.S. Internal Revenue Code, or any successor provision.

"Insider" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"Investor Relations Activities" means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include: (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company to (i) promote the sale of products or services of the Company, or (ii) raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company; (b) activities or communications necessary to comply with the requirements of Applicable Laws, or requirements and policies of the Exchange or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company; (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or (d) activities or communications that may be otherwise specified by the Exchange.

"ITA" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"Leave of Absence" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"Notice of Exercise" means a notice substantially in the form set out as Schedule B to this Plan, as amended by the Company from time to time.

"Option" means a Stock Option granted to a Participant pursuant to the Plan.

"Option Exercise Price" means the price at which a Common Share may be purchased upon the exercise of an Option.

"Optionholder" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

"Other Equity-Based Award" means an Award that is not an Option, Restricted Share Unit, or Performance Share Unit that is granted under Section 7.4 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

"Participant" means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

"Participant Information" has the meaning set forth in Section 13.13(a).

"Performance Criteria" or **"Performance Criterion"** means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Share Unit under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company). Any one or more Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"Performance Goals" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time, in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants.

"Performance Period" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a performance based Award.

"Performance Share Unit" or **"PSU"** means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.2 to the Participant to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"Permitted Reorganization" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership of the Company remains substantially the same upon the completion of the reorganization.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"Plan" means this Assure Holdings Corp. Equity Incentive Plan, as amended and/or amended and restated from time to time.

"Restricted Award" means any Award granted pursuant to Section 7.1 to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Restricted Period" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"Restricted Share Unit" or "RSU" means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.1(a) to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Rule 144" means Rule 144 as promulgated under the U.S. Securities Act.

"Rule 701" means Rule 701 as promulgated under the U.S. Securities Act.

"Settlement Date" has the meaning ascribed to such term in Section 7.1(e).

"Share Unit" means either an RSU, PSU or Dividend Equivalent as the context requires.

"Share Unit Account" has the meaning ascribed to such term in Section 7.3.

"Significant Shareholder" means a person who at the time of a grant of an ISO to such person owns (or is deemed to own pursuant to section 424(d) of the U.S. Internal Revenue Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any of its Affiliates.

"Stock Option" means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

"Subsidiary" means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time.

"Substitution Event" means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

"Take-Over Bid" means a take-over bid as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*, as amended from time to time.

"Termination of Continuous Service" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

"Total Share Reserve" has the meaning set forth in Section 4.1.

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Vesting Date" means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

SECTION 2 - Administration

- 2.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties.

- 2.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 10 and, subject to Section 12, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and Affiliates operate.
- 2.3 Delegation.** The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, provided however, that any such delegation must be permitted under applicable corporate law. The term "**Committee**" shall apply to any person or persons to whom such authority has been delegated.

SECTION 3 - Number of Shares Available for Awards

- 3.1** Subject to adjustment in accordance with Section 10, no more than 3,497,123 Common Shares shall be available for the grant of Awards under the Plan (the "**Total Share Reserve**") or such greater number as may be approved from time to time by Disinterested Shareholder Approval and in accordance with the policies of the Exchange. During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards. Notwithstanding the foregoing, the maximum aggregate number of Common Shares which may be reserved for issuance as Incentive Stock Options granted under this Plan and all other plans of the Company and of any parent or subsidiary of the Company shall not exceed 3,497,123.
- 3.2** Any Award granted to a Participant must be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, which may include Rule 701 and/or Section 4(a)(2) of the U.S. Securities Act. Any Award granted pursuant to the exemption available under Rule 701 shall be subject to the limitations set forth therein.
- 3.3** Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, or (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, or other Awards that were not issued upon the settlement of the Award.
- 3.4** Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, result in or allow at any time:
- (a) the number of Common Shares reserved for issuance pursuant to Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Common Shares;
 - (b) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the issued and outstanding Common Shares at the time of the grant of the Awards;
 - (c) the issuance to any one Participant, within any 12 month period, of an aggregate number of Awards exceeding 5% of the issued and outstanding Common Shares at the time of the grant of the Awards;

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- (d) any individual Awards grant that would result in any of the limitations set out in Section 5.2(a) being exceeded; or
 - (e) any amendment to Awards held by Insiders that would have the effect of decreasing the exercise price of such Options.

SECTION 4 - Eligibility and Participation

- 4.1 Eligibility.** Individuals eligible to participate in the Plan include all Employees, Directors and Consultants.
- 4.2 Grant of Awards.** Subject to the terms and provisions of the Plan, Awards may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, provided:
- (a) the aggregate number of Awards granted to any one Person (and companies wholly owned by that Person) in any 12 month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date an Award is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
 - (b) the aggregate number of Awards granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated on the date an option is granted to the Consultant;
 - (c) Persons retained to provide Investor Relations Activities to the Company may not be granted any Awards under this Plan, save and except Options, provided that the aggregate number of such Options granted to all such Persons must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, calculated at the date that an Option is granted to any such Person; and
 - (d) for Options granted to Employees, Consultants or Management Company Employees (as such term is defined by the Exchange), the Company and the Person granted the Option are responsible for ensuring and confirming that the Person granted the Option is a bona fide Employee, Consultant or Management Company Employee (as such term is defined by the TSX-V), as the case may be.

SECTION 5 - Stock Options

- 5.1 Award Agreement.** Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6. The terms of the Award Agreement shall specify whether or not such Option is intended to be an Incentive Stock Option (ISO). An Incentive Stock Option may be granted only to an employee (including a director or officer who is also an employee) of the Company (or of any parent or subsidiary of the Company). For purposes of granting Incentive Stock Options only, the term Optionholder shall mean a person who is an employee for purposes of the U.S. Internal Revenue Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the U.S. Internal Revenue Code. No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Company. The Company will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the U.S. Internal Revenue Code.
- 5.2 Term of Option.** No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Optionholder's Award Agreement ("Expiry Date"), at which time such Option will expire; provided that the maximum term of an ISO granted to a Significant Shareholder shall be five years from the Grant Date. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period; provided that in the case of any Optionholder who is a U.S. taxpayer, no Option may be extended beyond the Option's Expiry Date.

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- 5.3 Exercise Price of Stock Options.** The Option Exercise Price of each Stock Option shall be determined by the Committee on the Grant Date, subject to all applicable regulatory requirements, and shall be specified in the Award Agreement. The Exercise Price shall be stated and payable in United States dollars. Disinterested Shareholder Approval must be obtained for any reduction in the Option Exercise Price if the Person granted the Option is an Insider of the Company at the time of the proposed amendment. The Option Exercise Price shall be no less than the Fair Market Value of a Common Share on the Grant Date (and no less than 110% of Fair Market Value of a Common Share on the Grant Date with respect to ISOs granted to a Significant Shareholder).

- 5.4 Exercise of Options.** A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, in one or more of the following forms, as determined by the Company:

- (a) cash or cheque made payable to the Company;
- (b) to the extent permitted by the policies of the Company and subject to applicable securities law, a broker-assisted sale of Common Shares sufficient to cover the Exercise Price (a "sell-to-cover exercise");
- (c) unless the company is listed on the TSX Venture Exchange ("TSXV") or unless otherwise permitted by the policies of the TSXV, to the extent permitted by the policies of the Company and subject to applicable securities law, in Common Shares (1) held by the Optionholder (or any other person or persons permitted to exercise the option) for the requisite period necessary to avoid a charge to the Company's earnings for financial reporting purposes and (2) valued at fair market value on the exercise date (a "cashless stock-for-stock exercise"); or
- (d) unless the company is listed on the TSXV or unless otherwise permitted by the policies of the TSXV, in accordance with a Notice of Cashless Settlement (in the form provided by the Company upon request), in Common Shares withheld by the Company equivalent in value to the exercise price (a "cashless net exercise").

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) for any reason, whether voluntary or involuntary, other than death or permanent disability, such Incentive Stock Option shall cease to be qualified an Incentive Stock Option as of the date that is three months after the date of cessation of employment (or upon the expiration of the term of such Incentive Stock Option, if earlier). If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) because of the death or permanent disability of such Optionholder, such Optionholder, such Incentive Stock Option will cease to be qualified as an Incentive Stock Option as of the date that is one year after the date of death or permanent disability, as the case may be, (or upon the expiration of the term of such Incentive Stock Option, if earlier). For purposes of this Section, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the U.S. Internal Revenue Code.

- 5.5 Transferability of a Stock Option.** A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

The Committee may impose such restrictions on any Common Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Common Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed and/or traded.

- 5.6 Vesting of Options.** Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event, unless such Options are granted to Participants who provide Investor Relations Activities and such acceleration would result in a vesting period of less than 12 months, or with more than 1/4 of the Options granted vesting in any three month period.

Notwithstanding the foregoing, for Options granted to persons retained to provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Options Vested
3 months after Grant Date	25%
6 months after Grant Date	50%
9 months after Grant Date	75%
12 months after Grant Date	100%

- 5.7 Termination of Continuous Service.** Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.
- 5.8 Death, Disability or Leave of Absence.** Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's death, Disability or the Optionholder is on a Leave of Absence, then:
- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
 - (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.
- 5.9 Resignation or Termination Without Cause.** Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation or is terminated by the Employer for any reason other than for Cause, then:
- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
 - (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.

SECTION 6 - Provisions of Awards Other than Options

6.1 Restricted Awards.

- (a) Restricted Share Units

The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an RSU Agreement. In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

- (b) Dividend Equivalents

At the discretion of the Committee, each RSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("**Dividend Equivalents**"). Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. Dividend Equivalents shall be withheld by the Company and credited to the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents credited to the Participant's account at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's Share Unit Account and attributable to any particular RSU (and earnings thereon, if applicable) shall be distributed in cash or, at the discretion of the Committee, in Common Shares having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such RSU and, if such RSU is forfeited, the Participant shall have no right to such Dividend Equivalents.

(c) Restrictions

- (i) RSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs are forfeited, all rights of the Participant to such RSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.
- (ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs are granted, such action is appropriate.

(d) Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s), subject to the continuation of the Continuous Service of the Participant. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement.

No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

(e) Settlement of Restricted Share Units

On or within 60 days following the Vesting Date of a Share Unit (the "**Settlement Date**"), and subject to Section 9.5, the Company shall (i) issue to Participant from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver to the Participant an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iii) a combination of (i) and (ii). Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant shall have no further rights, title or interest with respect thereto.

6.2 Performance Share Unit Awards. The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by a PSU Agreement. In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares subject to a Performance Share Unit granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 6.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Settlement of a PSU shall be made as provided in Section 6.1(e).

6.3 Share Unit Accounts. An account, called a "**Share Unit Account**", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, PSUs or Dividend Equivalents as are received by the Participant

from time to time. Share Units that fail to vest or that are settled in accordance with Section 6.1(e) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs or PSUs, such RSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.

- 6.4 Other Equity-Based and Cash Awards.** The Committee may, to the extent permitted by the Exchange, grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. The Committee may grant Cash Awards to Participants. Cash Awards shall be evidenced in such form as the Committee may determine.

SECTION 7 - Compliance with Applicable Laws

- 7.1** The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company or Committee determines to be necessary or advisable in order to safeguard against the violation of the securities or other laws of any jurisdiction. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

- 7.2 U.S. Securities Act Compliance.** This Plan is subject to the requirements of the U.S. Securities Act and applicable state securities laws.

- (a) Neither the Awards nor any Common Shares issuable under any Award have been or are expected to be registered under the U.S. Securities Act or any applicable state securities laws, and will be granted or issued pursuant to exemptions from such registration or qualification requirements.
- (b) Unless the Award and/or any Common Shares issuable under the Award have been registered under the U.S. Securities Act, such securities will be deemed "restricted securities" as defined in Rule 144 and will bear a U.S. restricted legend to such effect set forth in Section 8.2(c). Each Participant has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 following the exercise of the Options. An "affiliate" as defined in the U.S. Exchange Act, including an officer, director, or owner of 10% or greater of the Company, shall be restricted so that the number of Common Shares an affiliate may sell during any three-month period cannot exceed the great of 1% of the outstanding Common Shares of the same class being sold, or the greater of 1% or the average reported weekly trading volume during the four weeks preceding the filing of a notice of sale on Form 144, or if no such notice is required, the date of receipt of the order to execute the transaction.
- (c) Unless the Award and the Common Shares issuable under the Award are registered under the U.S. Securities Act, the certificates representing the Common Shares will bear a legend in substantially the form set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE COMPANY THAT THESE SECURITIES MAY BE OFFERED, SOLD PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN AND PROVINCIAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT

TO CLAUSES (B), (C) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES, EXCEPT AS PERMITTED BY THE U.S. SECURITIES ACT."

SECTION 8 - Miscellaneous

- 8.1 Acceleration of Exercisability and Vesting.** The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.
- 8.2 Shareholder Rights.** Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.
- 8.3 No Employment or Other Service Rights.** Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

- 8.4 Transfer; Leave of Absence.** For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.
- 8.5 Withholding Obligations.** It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Common Shares or the Participant making such other arrangements, including the sale of Common Shares, in either case on such conditions as the Committee specifies.

SECTION 9 - Adjustments upon Changes in Capital

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares (each, a **"Corporate Reorganization"**), the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options; (v) the number of Share Units in the Participants' Share Unit Accounts; (vi) the vesting of RSUs or PSUs (and related Dividend Equivalents); and (vii) any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization, provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10 shall be made in compliance with and subject to the rules of the Exchange. The Company shall give each Participant notice of any adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. Adjustments with respect to Awards of United States taxpayers shall be made in accordance with the requirements of sections 409A and 424 of the U.S. Internal Revenue Code, as applicable.

SECTION 10 - Effect of Change in Control

- 10.1** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of the Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to the Awards, contingent upon the closing or completion of the Change in Control:
- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar share award for the Award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change in Control);
 - (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
 - (c) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control; provided, however, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Change in Control, which exercise is contingent upon the effectiveness of such Change in Control;
 - (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
 - (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration (including no consideration) as the Board, in its sole discretion, may consider appropriate; and
 - (f) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such Participant in connection with such exercise. For clarity, this payment may be zero (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.
- 10.2** The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award.

- 10.3 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

SECTION 11 - Amendment of the Plan and Awards

- 11.1 **Amendment of Plan and Awards.** The Board at any time, and from time to time, may amend or suspend any provision of an Award Agreement or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

- (a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan, Award Agreements or any Awards without seeking security holder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan; (ii) amendments necessary to comply with the provisions of applicable law (including,

without limitation, the rules, regulations and policies of the Exchange); (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws; (iv) amendments to the vesting provisions of this Plan or any Award; (v) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and (vi) amendments necessary to suspend or terminate this Plan.

- (b) Security holder approval will be required for the following types of amendments: (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10; (ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised; (iii) any amendment to remove or to exceed the Insider participation limit set out in Section 4.4; (iv) any amendment that reduces the Exercise Price of an Option benefiting an Insider of the Company or one of its Affiliates, other than pursuant to Section 10, or Section 11.1; (v) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2; (vi) any amendment to the amendment provisions; and (viii) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).

- 11.2 **No Impairment of Rights.** Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

SECTION 12 - General Provisions

- 12.1 **Forfeiture and Clawback.**

- (a) The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.
- (b) The Committee may impose such clawback, recovery or recoupment provisions in an Award Agreement as the Committee determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares or other cash or property upon the occurrence of an event constituting Cause. Such recovery of compensation will not be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

- 12.2 **Legend.** The certificate for Common Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Common Shares.

- 12.3 **Investment Representations.** The Committee may require each Participant receiving Common Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Common Shares for investment and without any present intention to sell or distribute such Common Shares.

- 12.4 **Other Compensation Arrangements.** Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

- 12.5 **Unfunded Plan.** The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

- 12.6 **Delivery.** Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

-
- 12.7 No Fractional Shares.** No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.
- 12.8 Other Provisions.** The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.
- 12.9 Expenses.** The costs of administering the Plan shall be paid by the Company.
- 12.10 Severability.** The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.
- 12.11 Plan Headings.** The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.
- 12.12 Non-Uniform Treatment.** The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.
- 12.13 Participant Information.**
- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
 - (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.13(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.
- 12.14 Priority of Agreements.** In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

SECTION 13 - Effective Date of Plan


The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

SECTION 14 - Termination or Suspension of the Plan

The Board may suspend or terminate the Plan at any time. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

SECTION 15 - Governing Law

The Plan shall be governed by and construed in accordance with the policies of the Exchange and the laws of the State of Colorado and the federal laws of the United States, applicable therein.

 November 16, 2020

Mr. John Price

RE: Offer of Employment Dear John

Price:

We are pleased to provide compensation and benefit information that will confirm our employment offer to you with Assure Holding's Corp (Assure). This confidential written offer letter contains an overview of both company and employee paid benefits.

ANTICIPATED HIREDATE: November 30, 2020

JOB TITLE:

ANNUAL SALARY: Vice President of Finance, becoming CFO by December 31, 2020

STOCK OPTIONS: \$240,000 per year, equally divided into 24 pay periods, less applicable taxes and withholdings, and paid semi-monthly.

INCENTIVE BONUS: You will be granted 250,000 stock options within 30 days after your start date. Options vest in a manner consistent with the employee stock option plan.

INCENTIVE STOCK OPTIONS: You will be eligible to earn an annual discretionary bonus up to \$60,000 based upon mutually agreed to goals around Sland NASDAQ uplisting.

PAID TIME OFF: You will be eligible to earn additional incentive stock options on an annual basis starting in 2021.

HOLIDAYS: Paid Time Off (PTO) to accrue at 5 hours per pay period for a total of three (3) weeks annually.

OTHER BENEFITS: You are eligible to take the following eight (8) holidays off with pay during your employment: New Year's Day, Memorial Day, 4th of July/Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, and New Year's Eve.

On the first of the month following hire, you will become eligible for medical, dental and vision benefits. You will be eligible to participate in Assure's 401K plan after 6 months of continuous service with the company. The company will match 100% of the first 6% of the pay you contribute.

4600 S. Ulster Street, STE 1225 Denver, CO 80237

(720) 287 - 3093

SEVERANCE: Probationary period of sixty (60) days is required. On its successful completion, the employee will be entitled to three (3) months of severance if terminated without cause plus one (1) month for each additional year of service.

Occasionally, due to the nature of our projects and the need to develop business and create/maintain those business relationships, work on certain holidays may be required. If you are required to work Christmas Eve or New Year's Eve, you will be given a floating holiday.

These benefits will be reviewed during your orientation with Rachel Ego, our HR Representative; however, if you have any questions, please do not hesitate to contact her at your convenience. Her email address is rego@oasisneo.com.

By accepting this offer, you are representing to Assure that you are not subject to any agreements with your current or former employers that would prevent you from accepting this position or performing the duties outlined herein.

During your employment, you may have access to trade secrets and confidential business information belonging to Assure. By accepting this offer of employment, you acknowledge that you must keep this information strictly confidential, and refrain from using it for your own purposes or from disclosing it to anyone outside the Company. In addition, you agree to, upon termination of your employment, immediately return to the Company all of its property, equipment, and documents including electronically stored information.

The implementation of this Agreement carries with it the continuing requirement that you make prompt disclosure of any fact that involves a conflict of interest and avoid disclosure of, or improper use of, Confidential Information. Adherence to this Covenant is a significant factor relating to continued employment and should not be treated casually. Any violation of this Covenant is grounds for dismissal and could cause action to be taken to collect damages for breach of the conflict of interest or confidentiality.

You, the Employee, and Assure expressly agree that the covenants and agreements contained in this Agreement are separate, severable, and divisible, and in the event any portion or portions of such paragraphs are declared invalid or unenforceable, the validity of the remaining paragraphs of this Agreement will not be affected. If any provision contained herein shall for any reason be held excessively broad or unreasonable as to time, territory, or interest to be protected, the court is hereby empowered and requested to construe said provision by narrowing it, so as to make it reasonable and enforceable to the extent provided under applicable law. Further, the parties agree that Assure's waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement.

John, we look forward to receiving a favorable response to the employment offer outlined within and to working with you in the near future. If you have specific questions, please feel free to contact me at (604) 763-7565.



John A. Farlinger

Executive Chairman & CEO Assure Holdings Corp.

(Signature page to follow.)

(720) 287-3093

Employee Acknowledgement:

I have read and accept the terms listed in the above agreement.

 Graphic


Signature

John Price

 Graphic

Printed Name

11/17/2020

 Graphic

Date

(720) 287-3093

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-266730) and in the Registration Statement on Form S-8 (No. 333-262092) of Assure Holdings Corp. of our report dated March 31, 2023, which expresses an unqualified opinion and includes an explanatory paragraph relating to the conditions and events that raise substantial doubt on the Company's ability to continue as a going concern, relating to the financial statements for the fiscal year ended December 31, 2022, which appears in this Form 10-K.

/s/ Baker Tilly US, LLP
Los Angeles, California
March 31, 2023

SUBSIDIARIES

SUBSIDIARIES

Assure Holdings Corp.

- Subsidiaries

Assure Holdings, Inc.

Colorado

Assure Holdings, Inc.

- Subsidiaries

Assure Neuromonitoring LLC

Colorado

Assure Networks, LLC

Colorado

Assure Equipment Leasing, LLC

Colorado

Velocity Revenue Cycle, LLC

Colorado

Assure Telehealth Providers, LLC

Colorado

Assure Neuromonitoring LLC

- Subsidiaries	Assure National Neuromonitoring, LLC	Colorado
	Assure Neuromonitoring Alabama, LLC	Alabama
	Assure Neuromonitoring Arizona, LLC	Arizona
	Assure Neuromonitoring Colorado, LLC	Colorado
	Assure Neuromonitoring Georgia, LLC	Georgia
	Assure Neuromonitoring Kansas, LLC	Kansas
	Assure Neuromonitoring Louisiana, LLC	Louisiana
	Assure Neuromonitoring Michigan, LLC	Michigan
	Assure Neuromonitoring Minnesota, LLC	Minnesota
	Assure Neuromonitoring Missouri, LLC	Missouri
	Assure Neuromonitoring Montana, LLC	Montana
	Assure Neuromonitoring Nebraska, LLC	Nebraska
	Assure Neuromonitoring Nevada, LLC	Nevada
	Assure Neuromonitoring New Jersey, LLC	New Jersey
	Assure Neuromonitoring Oklahoma, LLC	Oklahoma
	Assure Neuromonitoring Pennsylvania, LLC	Pennsylvania
	Assure Neuromonitoring South Carolina, LLC	South Carolina
	Assure Neuromonitoring Tennessee LLC	Tennessee
	Assure Neuromonitoring Texas, LLC	Texas
	<hr/>	
	Assure Neuromonitoring Texas Holdings, LLC	Texas
	Assure Neuromonitoring Utah, LLC	Utah
	Assure Neuromonitoring Virginia, LLC	Virginia
Assure Networks, LLC		
- Subsidiaries	Assure Networks Alabama, LLC	Alabama

	Assure Networks Arizona, LLC	Arizona
	Assure Networks Colorado, LLC	Colorado
	Assure Networks Georgia, LLC	Georgia
	Assure Networks Kansas, LLC	Kansas
	Assure Networks Louisiana, LLC	Louisiana
	Assure Networks Michigan, LLC	Michigan
	Assure Networks Minnesota LLC	Minnesota
	Assure Networks Missouri, LLC	Missouri
	Assure Networks Nebraska, LLC	Nebraska
	Assure Networks Nevada LLC	Nevada
	Assure Networks New Jersey, LLC	New Jersey
	Assure Networks Oklahoma, LLC	Oklahoma
	Assure Networks Pennsylvania, LLC	Pennsylvania
	Assure Networks South Carolina, LLC	South Carolina
	Assure Networks Tennessee LLC	Tennessee
	Assure Networks Texas, LLC	Texas
	Assure Networks Texas Holdings, LLC	Texas
	Assure Networks Texas Holdings II, LLC	Texas
	Assure Networks Utah, LLC	Utah
	Assure Networks Virginia, LLC	Virginia
Assure Networks Colorado, LLC - Subsidiaries	DNS Professional Reading, LLC	Colorado
	Littleton Professional Reading, LLC	Colorado
Assure Networks Louisiana, LLC - Subsidiaries	DNS Louisiana, LLC	Louisiana

Assure Networks Utah, LLC

- Subsidiaries	DNS Utah, LLC	Utah	100%
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Assure Networks Missouri, LLC

- Subsidiaries	DNS Missouri, LLC	Missouri	100%
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Assure Networks Nebraska, LLC

- Subsidiaries	DNS Nebraska, LLC	Nebraska	100%
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Exhibit 23.1**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-266730) and Form S-8 (No. 333-262092) of Assure Holdings Corp. and its subsidiaries of our report dated March 31, 2023 relating to the consolidated financial statements of Assure Holdings Corp. and its subsidiaries, which appears in this Annual Report on Form 10-K of Assure Holdings Corp. and its subsidiaries.

/s/ Baker Tilly US, LLP

Los Angeles, California

April 26, 2024

Exhibit 23.2**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-266730) and in the Registration Statement on Form S-8 (No. 333-262092) of Assure Holdings Corp. of our report dated April 26, 2024, which includes an explanatory paragraph relating to the Company's ability to continue as a going concern relating to the consolidated financial statements for the fiscal year ended December 31, 2023, which appears in this Form 10-K.

/s/ Withum Smith+Brown, PC,

Whippany, New Jersey

April 26, 2024

Exhibit 31.1**CERTIFICATIONS**

I, John Farlinger, certify that:

1. I have reviewed this annual report on Form 10-K of Assure Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **March 31, 2023** April 26, 2024

/s/ John Farlinger

Name: John Farlinger

Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, **John Price**, **Paul Webster**, certify that:

1. I have reviewed this annual report on Form 10-K of Assure Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~March 31, 2023~~ April 26, 2024

/s/ ~~John Price~~ Paul Webster

Name: ~~John Price~~ Paul Webster

~~Interim~~ Chief Financial Officer

(Principal Financial Officer)

Exhibit 32

STATEMENT PURSUANT TO
18 U.S.C. SECTION 1350
AS REQUIRED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Assure Holdings Corp. (the "Company") on Form 10-K for the period ending **December 31, 2022** **December 31, 2023**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2023 **April 26,**/s/ *John Farlinger*
2024

Chief Executive Officer

Name: John Farlinger

(Principal Executive Officer)

March 31, 2023 **April 26,**/s/ *John Price Paul Webster*
2024

Interim Chief Financial Officer (Principal Financial Officer

Name: *John Price Paul Webster*

Office and Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Assure Holdings Corp. and will be retained by Assure Holdings Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 97

ASSURE HOLDINGS CORP.

INCENTIVE COMPENSATION RECOVERY POLICY

1. Introduction.

The Board of Directors (the "**Board**") of Assure Holdings Corp. (the "**Company**") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's compensation philosophy. The Board has therefore adopted this policy, which provides for the recovery of erroneously awarded incentive compensation in the event that the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirements under the federal securities laws (the "**Policy**"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), related rules and the listing standards of the Nasdaq Stock Market LLC (Nasdaq Capital Market), including but not limited to Nasdaq Listing Rule 5608, or any other securities exchange on which the Company's shares are listed in the future.

2. Administration.

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee of the Board (the "**Committee**"), in which case, all references herein to the Board shall be deemed references to the

Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

3. Covered Executives.

Unless and until the Board determines otherwise, for purposes of this Policy, the term “Covered Executive” means a current or former employee who is or was identified by the Company as the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including any executive officer of the Company’s subsidiaries or affiliates) who performs similar policy-making functions for the Company. “Policy-making function” excludes policy-making functions that are not significant. “Covered Executives” will include, at minimum, the executive officers identified by the Company in its disclosure prepared in response to Item 401(b) of Regulation S-K of the Exchange Act. For the avoidance of doubt, “Covered Executives” will include at least the following Company officers: Chief Executive Officer and Chief Financial Officer.

This Policy covers Incentive Compensation received by a person after beginning service as a Covered Executive and who served as a Covered Executive at any time during the performance period for that Incentive Compensation.

4. Recovery: Accounting Restatement.

In the event of an Accounting Restatement, the Company will recover reasonably promptly any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, including transition periods resulting from a change in the Company’s fiscal year as provided in Rule 10D-1 of the Exchange Act. Incentive Compensation is deemed “received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

(a) Definition of Accounting Restatement.

For the purposes of this Policy, an “Accounting Restatement” means the Company is required to prepare an accounting restatement of its financial statements filed with the Securities and Exchange Commission (the “SEC”) due to the Company’s material noncompliance with any financial reporting requirements under the federal securities laws (including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period).

The determination of the time when the Company is “required” to prepare an Accounting Restatement shall be made in accordance with applicable SEC and national securities exchange rules and regulations.

An Accounting Restatement does not include situations in which financial statement changes did not result from material non-compliance with financial reporting requirements, such as, but not limited to retrospective: (i) application of a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company’s internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; (v) adjustment to provision amounts in connection with a prior business combination; and (vi) revision for stock splits, stock dividends, reverse stock splits or other changes in capital structure.

(b) Definition of Incentive Compensation.

For purposes of this Policy, “**Incentive Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including, for example, bonuses or awards under the Company’s short and long-term incentive plans, grants and awards under the Company’s equity incentive plans, and contributions of such bonuses or awards to the Company’s deferred compensation plans or other employee benefit plans that are not tax-qualified plans. For avoidance of doubt, Incentive Compensation that

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is deferred (either mandatorily or voluntarily) under the Company’s non-qualified deferred compensation plans, as well as any matching amounts and earnings thereon, are subject to this Policy. Incentive Compensation does not include awards which are granted, earned and vested without regard to attainment of Financial Reporting Measures, such as time-vesting awards, discretionary awards and awards based wholly on subjective standards, strategic measures or operational measures.

(c) Financial Reporting Measures.

“**Financial Reporting Measures**” are those that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements (including non-GAAP financial measures) and any measures derived wholly or in part from such financial measures. For the avoidance of doubt, Financial Reporting Measures include stock price and total shareholder return. A measure need not be presented within the financial statements or included in a filing with the SEC or other applicable securities regulators to constitute a Financial Reporting Measure for purposes of this Policy.

(d) Excess Incentive Compensation: Amount Subject to Recovery.

The amount(s) to be recovered from the Covered Executive will be the amount(s) by which the Covered Executive’s Incentive Compensation for the relevant period(s) exceeded the amount(s) that the Covered Executive otherwise would have received had such Incentive Compensation been determined based on the restated amounts contained in the Accounting Restatement. All amounts shall be computed without regard to taxes paid.

For Incentive Compensation based on Financial Reporting Measures such as stock price or total shareholder return, where the amount of excess compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Board will calculate the amount to be reimbursed based on a reasonable estimate of the effect of the Accounting Restatement on such Financial Reporting Measure upon which the Incentive Compensation was received. The Company will maintain documentation of that reasonable estimate and will provide such documentation to the applicable national securities exchange.

(e) Method of Recovery.

The Board will determine, in its sole discretion, the method(s) for recovering reasonably promptly excess Incentive Compensation hereunder. Such methods may include, without limitation:

- (i) requiring reimbursement of Incentive Compensation previously paid;
- (ii) forfeiting any Incentive Compensation contribution made under the Company’s deferred compensation plans;

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- (iii) offsetting the recovered amount from any compensation or Incentive Compensation that the Covered Executive may earn or be awarded in the future;
 - (iv) some combination of the foregoing; or
 - (v) taking any other remedial and recovery action permitted by law, as determined by the Board.

Before the Board makes a final determination as to whether an Accounting Restatement is required and any recovery of excess Incentive Compensation is payable under the Policy from a Covered Officer, the Board shall provide the Covered Officer with written notice thereof and the opportunity to be heard at a duly held meeting of the Board, which may take place either in person or by way of a conference or video call, as determined by the Board.

If the Board makes a final determination that an Accounting Restatement is required and recovery of excess Incentive Compensation is payable under the Policy, the Board shall reasonably promptly make a written demand for recovery from the Covered Officer, and in the event that the Covered Officer does not, within a reasonably promptly period thereafter, tender repayment and/or reimbursement in response to such demand, the Board shall be entitled to pursue such other actions or remedies, including, without limitation, legal recourse against the Covered Officer to obtain such repayment and/or reimbursement of excess Incentive Compensation under this Policy, as applicable.

To the extent practicable and as permitted by all applicable laws, including, without limitation, securities legislation and stock exchange rules, all investigations and related findings under this Policy shall be conducted, undertaken and treated in a confidential manner.

5. No Indemnification or Advance.

Subject to applicable law, the Company shall not indemnify, including by paying or reimbursing for premiums for any insurance policy covering any potential losses, any Covered Executives against the loss of any erroneously awarded Incentive Compensation, nor shall the Company advance any costs or expenses to any Covered Executives in connection with any action to recover excess Incentive Compensation.

6. Interpretation.

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC or any national securities exchange on which the Company's securities are listed.

7. Effective Date.

The effective date of this Policy is October 2, 2023 (the “Effective Date”). This Policy applies to Incentive Compensation received by Covered Executives on or after the Effective Date that results from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. In addition, this Policy is intended to be and will be incorporated as an essential term and condition of any Incentive Compensation agreement, plan or program that the Company establishes or maintains on or after the Effective Date.

8. Amendment and Termination.

The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary to reflect changes in regulations adopted by the SEC under Section 10D of the Exchange Act and to comply with any rules or standards adopted by the Nasdaq Stock Market or any other securities exchange on which the Company's shares are listed in the future.

9. Other Recovery Rights.

The Board intends that this Policy will be applied to the fullest extent of the law. Upon receipt of this Policy, each Covered Executive is required to complete the Receipt and Acknowledgement attached as Schedule A to this Policy. The Board may require that any employment agreement or similar agreement relating to Incentive Compensation received on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any (i) other remedies or rights of compensation recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, or similar agreement relating to Incentive Compensation, unless any such agreement expressly prohibits such right of recovery, and (ii) any other legal remedies available to the Company. The provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable laws.

10. Impracticability.

The Company shall recover any excess Incentive Compensation in accordance with this Policy, except to the extent that certain conditions are met and the Board has determined that such recovery would be impracticable, all in accordance with Rule 10D-1 of the Exchange Act and Nasdaq Listing Rule 5608 or any other securities exchange on which the Company's shares are listed in the future.

11. Successors.

This Policy shall be binding upon and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Schedule A

INCENTIVE-BASED COMPENSATION CLAWBACK POLICY RECEIPT AND ACKNOWLEDGEMENT

I, _____, hereby acknowledge that I have received and read a copy of the Incentive Compensation Recovery Policy. As a condition of my receipt of any Incentive Compensation as defined in the Policy, I hereby agree to the terms of the Policy. I further agree that if recovery of excess Incentive Compensation is required pursuant to the Policy, the Company shall, to the fullest extent permitted by governing laws, require such recovery from me up to the amount by which the Incentive Compensation received by me, and amounts paid or payable pursuant or with respect thereto, constituted excess Incentive Compensation. If any such reimbursement, reduction, cancelation, forfeiture, repurchase, recoupment, offset against future grants or awards and/or other method of recovery does not fully satisfy the amount due, I agree to immediately pay the remaining unpaid balance to the Company.

Signature

Date

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