

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

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended June 30, 2024
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



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 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, \$0.001 par value per share	IONM	Nasdaq Stock Market LLC (Nasdaq Capital Market)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

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 is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of the registrant's shares of common stock outstanding as of September 22, 2024, was 3,134,054.

ASSURE HOLDINGS CORP.
FORM 10Q
FOR THE QUARTER ENDED JUNE 30, 2024
TABLE OF CONTENTS

	<u>PAGE</u>
Part I – Financial Information	2
Item 1. Condensed Consolidated Financial Statements	2
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statements of Operations	3
Condensed Consolidated Statements of Cash Flows	4
Condensed Consolidated Statements of Changes in Shareholders' Deficit	5
Notes to Condensed Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	28
Item 3. Quantitative and Qualitative Disclosures About Market Risk	36
Item 4. Controls and Procedures	36
 Part II – Other Information	37
Item 1. Legal Proceedings	37
Item 1A. Risk Factors	37
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	38
Item 3. Defaults Upon Senior Securities	38
Item 4. Mine Safety Disclosures	38
Item 5. Other Information	39
Item 6. Exhibits	39
 Signatures	40

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets		
Cash	\$ 45	\$ 123
Accounts receivable, net	3,301	3,601
Other current assets	521	562
Earnout from sale of assets	776	—
Assets held for sale	—	2,437
Total current assets	4,643	6,723
Equity method investments	175	175
Operating lease right of use asset, net	457	616
Total assets	<u>\$ 5,275</u>	<u>\$ 7,514</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,100	\$ 7,411
Current portion of debt	13,551	13,679
Current portion of lease liability	398	621
Current portion of acquisition liability	153	454
Short-term promissory notes	1,519	—
Other current liabilities	64	53
Total current liabilities	23,785	22,218
Lease liability, net of current portion	135	505
Acquisition liability, net of current portion	—	126
Total liabilities	<u>23,920</u>	<u>22,849</u>
Commitments and contingencies (Note 9)		
SHAREHOLDERS' DEFICIT		
Common stock: \$0.001 par value; 13,888,888 and 500,000 shares authorized; 605,024 and 373,359 shares issued and outstanding, as of June 30, 2024, and December 31, 2023, respectively	1	—
Additional paid-in capital	55,599	55,299
Accumulated deficit	(74,245)	(70,634)
Total shareholders' deficit	<u>(18,645)</u>	<u>(15,335)</u>
Total liabilities and shareholders' deficit	<u>\$ 5,275</u>	<u>\$ 7,514</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 1	\$ 67	\$ 10	\$ 182
Cost of revenue	229	697	704	1,376
Gross margin	(228)	(630)	(694)	(1,194)
Operating (income) expenses				
General and administrative	1,160	3,208	5,071	6,422
Gain on settlement of accounts payable	—	—	(181)	—
Total operating expenses	1,160	3,208	4,890	6,422
Loss from operations	(1,388)	(3,838)	(5,584)	(7,616)
Other income (expenses)				
Income from equity method investments	—	13	—	38
Income from ERTC (Employee Retention Tax Credit)	85	—	85	—
Failed merger fees	(2,000)	—	(2,000)	—
Interest expense	(591)	(491)	(1,118)	(992)
Other income, net	121	324	277	382
Accretion expense	(75)	(171)	(177)	(341)
Total other income (expense), net	(2,460)	(325)	(2,933)	(913)
Loss from continuing operations before income taxes	(3,848)	(4,163)	(8,517)	(8,529)
Income tax benefit (expense) on continuing operations	—	(9)	—	788
Loss from continuing operations	(3,848)	(4,172)	(8,517)	(7,741)
Income (loss) from discontinued operations, net of tax	3,593	(1,880)	4,501	(1,455)
Net income (loss)	\$ (255)	\$ (6,052)	\$ (4,016)	\$ (9,196)
Income (loss) per share				
Loss from continuing operations, basic and diluted	\$ (7.68)	\$ (23.23)	\$ (19.13)	\$ (64.82)
Income (loss) from discontinued operations, basic and diluted	\$ 7.18	\$ (10.47)	\$ 10.11	\$ (12.18)
Income (loss) per share, basic and diluted	\$ (0.50)	\$ (33.70)	\$ (9.02)	\$ (77.00)
Weighted average number of shares used in per share calculation – basic	500,758	179,575	445,316	119,432
Weighted average number of shares used in per share calculation – diluted	500,758	179,575	445,316	119,432

The accompanying notes are an integral part of these condensed consolidated financial statements .

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

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net loss	\$ (4,016)	\$ (9,196)
Adjustments to reconcile net loss to net cash used in operating activities		
Income from equity method investments	—	(38)
Stock-based compensation	(454)	56
Depreciation and amortization	—	—
Amortization of debt issuance costs	81	78
Accretion expense	177	341
Short term promissory notes issued	1,692	—
Gain on sale of assets	(666)	—
Gain on settlement of account payable	(181)	—
Right of use assets	159	191
Deferred income taxes, net	—	(198)
Change in operating assets and liabilities		
Accounts receivable	300	6,055
Accounts payable and accrued liabilities	1,469	507
Lease liability	(185)	—
Other assets and liabilities	63	(694)
Operating cash flows from discontinued operations	—	182
Net cash used in operating activities	(1,561)	(2,716)
Cash flows from investing activities		
Proceeds from sale of assets	2,320	—
Distributions received from equity method investments	—	37
Net cash provided by investing activities	2,320	37
Cash flows from financing activities		
Proceeds from share issuance, net of share issuance costs	—	5,383
Repayment of debt	(82)	—
Repayment of short-term promissory notes	(173)	—
Finance lease principal payments	(408)	(358)
Payment of acquisition liability	(174)	(102)
Net cash (used in) provided by financing activities	(837)	4,923
Increase (decrease) in cash	(78)	2,244
Cash at beginning of period	123	905
Cash at end of period	\$ 45	\$ 3,149
Supplemental cash flow information		
Interest paid	\$ 668	\$ 977
Income taxes paid	\$ —	\$ —
Supplemental non-cash investing and financing activities		
Settlement of accounts payable and other liabilities for common shares	\$ 706	\$ —
Debenture principal and interest exchanged for common shares	\$ 141	\$ —
Convertible debt converted to common shares	\$ 334	\$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

Changes in shareholders' equity for the three months ended June 30, 2024, and 2023:

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	paid-in Capital	deficit	shareholders' equity (deficit)
Balances, March 31, 2023	61,173	\$ —	\$ 50,311	\$ (47,700)	\$ 2,611
Share issuance, net	224,537	—	5,083	—	5,083
Stock-based compensation	14,893	—	66	—	66
Other	620	—	—	—	—
Net loss	—	—	—	(6,052)	(6,052)
Balances, June 30, 2023	<u>301,223</u>	<u>\$ —</u>	<u>\$ 55,460</u>	<u>\$ (53,752)</u>	<u>\$ 1,708</u>
Balances, March 31, 2024	462,588	\$ —	\$ 55,380	\$ (73,990)	\$ (18,610)
Stock-based compensation	556	—	(628)	—	(628)
Debenture principal and interest settled in common shares	13,120	—	141	—	141
Accounts payable settled in common shares	104,468	1	436	—	437
Other liabilities settled in common shares	24,292	—	270	—	270
Net loss	—	—	—	(255)	(255)
Balances, June 30, 2024	<u>605,024</u>	<u>\$ 1</u>	<u>\$ 55,599</u>	<u>\$ (74,245)</u>	<u>\$ (18,645)</u>

Changes in shareholders' equity for the six months ended June 30, 2024, and 2023:

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	paid-in Capital	deficit	shareholders' equity (deficit)
Balances, December 31, 2022	58,394	\$ —	\$ 50,021	\$ (44,556)	\$ 5,465
Share issuance, net	227,315	—	5,383	—	5,383
Stock-based compensation	14,893	—	56	—	56
Other	620	—	—	—	—
Net loss	—	—	—	(9,196)	(9,196)
Balances, June 30, 2023	<u>301,223</u>	<u>\$ —</u>	<u>\$ 55,460</u>	<u>\$ (53,752)</u>	<u>\$ 1,708</u>
Balances, December 31, 2023	373,359	\$ —	\$ 55,299	\$ (70,634)	\$ (15,335)
Adoption of new accounting standard ASU 2006-20	—	—	(427)	405	(22)
Stock-based compensation	15,487	—	(454)	—	(454)
Convertible debt converted into common shares	74,298	—	334	—	334
Debenture principal and interest settled in common shares	13,120	—	141	—	141
Accounts payable settled in common shares	104,468	1	436	—	437
Other liabilities settled in common shares	24,292	—	270	—	270
Net loss	—	—	—	(4,016)	(4,016)
Balances, June 30, 2024	<u>605,024</u>	<u>\$ 1</u>	<u>\$ 55,599</u>	<u>\$ (74,245)</u>	<u>\$ (18,645)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

1. NATURE OF OPERATIONS

Overview

Assure has been a provider of Intraoperative neuromonitoring ("IONM"). The Company delivered a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive surgical procedures. 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. Assure's mission was to provide exceptional surgical care and help make invasive surgeries safer. Our strategy 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 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 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.

Historically, the foundation of Assure's business has been providing the Technical Component of IONM via our INP staff. We employed highly trained INPs, which provided 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 paired a team of INPs with third-party surgeons to promote a level of familiarity, comfort, and efficiency between the surgeon and the INP. Our INPs monitored the surgical procedure using state of the art, commercially available, diagnostic medical equipment. The success of our service depended upon the timely recognition and successful interpretation of the data signals by our INPs and remote supervisors to quickly determine if the patient was experiencing a deficiency and advised the surgeon to determine if surgical intervention is required to positively impact the patient and surgery.

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 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"). See Note 3 for a complete disclosure of the sale of assets and discontinued operations. On March 26, 2024, Assure closed the sale transaction resulting in the disposal of most of the Company's clinical operations, equipment, and contracts. As of the filing date of this Quarterly Report on Form 10-Q, Assure is providing IONM services in limited markets, primarily Arizona and Montana.

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.

**ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

Assure Holdings, Inc.

Assure Holdings, Inc. is a direct subsidiary of Assure Holdings, Corp., 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. 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.

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, LLC.

Assure Neuromonitoring, LLC exists for the purpose of facilitating the performance of the Technical Component of 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.

Assure Networks, LLC.

Assure Networks, LLC exists for the purpose of facilitating the performance of the Professional Component of IONM support to surgeons and patients. Assure Networks provides off-site tele-neurology services for IONM. These services are provided by and through the Assure Networks, LLC's 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 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.

Current Strategy

As of June 30, 2024, the Company had sixteen active employees with operations limited to Montana and Arizona. The Company plans for the business to continue to operate in these markets while management continues to assess other strategic opportunities in the near term, which may include the acquisition of additional operational assets, acquiring new lines of business or engaging in other strategic transactions. As a result, the financial results of our past business operations may not be indicative of our financial results in the future.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Financial Reporting and Classification

As a result of the corporate actions previously described, the Company's technical and professional services met 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 in the condensed consolidated balance sheets as "held for sale" as of December 31, 2023, and their results of operations are classified as "discontinued operations" in the condensed consolidated statements of operations for the three and six months ended June 30, 2024, and 2023. Certain financial disclosures including major components of the assets and results of operations related to discontinued operations are provided in Note 3. 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.

Merger Agreement

On February 12, 2024, Assure 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 Assure and Danam, Assure Merger would have merged with and into Danam (the "Merger"), with Danam surviving the Merger as a wholly-owned subsidiary of Assure. The Merger was intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

The parties were able to terminate the Merger Agreement upon mutual consent. Either party may have terminated 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 failed to perform any covenant or agreement on the part of such party set forth in the Merger Agreement, (ii) the Merger was not consummated by the outside date (May 15, 2024), (iii) there was a governmental order prohibiting the Merger, and (iv) failure to obtain the stockholder vote. Danam was able to terminate the Merger Agreement if (i) the Board changes its recommendation to stockholders with respect to the Merger, (ii) the Board failed to reaffirm its recommendation to stockholders with respect to the Merger following a tender offer for Assure, (iii) the Board failed 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 resolved to do any of the above. Assure was able to terminate the Merger Agreement for acceptance of a superior proposal.

In the event Danam or Assure terminated the Merger Agreement pursuant to certain of the sections set forth above, Assure was 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 would have owed 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") which waived and amended certain provisions of the Merger Agreement.

Pursuant to the terms and conditions of the Waiver Agreement, Danam partially waived its right to terminate the Merger Agreement pursuant to breaches of Section 6.8(a) and 6.20 of the Merger Agreement. The Waiver Agreement required the following:

- a. Assure obtain the Preliminary Shareholder Vote required by Section 6.20 of the Merger Agreement no later than April 30, 2024;
- b. Assure file 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;
- d. Assure receive 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 was not in default under the Convertible Note; and
- f. Assure was 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.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Further the Waiver Agreement amended 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 Company issued a convertible note to Danam in principal amount of \$ 1 million. 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.

On June 11, 2024, Assure delivered a letter to Danam pursuant to which Assure terminated the Merger Agreement with Danam and Assure Merger, pursuant to Section 8.1(b) thereof. According to the terms of the Merger Agreement, Danam may be entitled to a \$ 1 million termination fee. Assure accrued the termination fee as of June 30, 2024, which is included as a component of the Accounts payable and accrued expenses balance in the accompanying condensed consolidated balance sheet. Additionally, the \$1 million convertible note matured on July 22, 2024, and as of the date of this filing, is currently in default. The note is included as a component of the short-term promissory notes balance in the accompanying condensed consolidated balance sheet as of June 30, 2024.

Pursuant to Section 8.1(b) of the Merger Agreement, Assure terminated the Merger Agreement based on Assure's assertion of certain misrepresentations by Danam regarding its representations and warranties set forth in Article 4 of the Merger Agreement, including but not limited to, its representations regarding its financial condition and ability to complete the Acquisition Transactions, and the Company's assertion that Danam was failing to perform its covenants under the Merger Agreement, including but not limited to its covenant to meet the closing condition to complete the Acquisition Transactions prior to or concurrent with the closing of the Merger and such breaches could not be cured within the time periods set forth in Section 8.1(b) thereof.

As a result of the termination of the Merger Agreement, in addition to reserving its right to seek other remedies, pursuant to Section 8.3(c) of the Merger Agreement, Assure is seeking reimbursement for all of its fees, costs and expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants) in relation to the Merger Agreement and its performance thereunder.

As of June 30, 2024, the Company has recorded \$ 1 million of termination fees in accrued expenses and \$ 1 million convertible note in short-term promissory notes within the condensed consolidated balance sheet.

2. BASIS OF PRESENTATION

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. The Company's financial statements were prepared on a consolidated basis and include the accounts of the Company and its wholly owned subsidiaries, as well as an entity in which the Company has a controlling financial interest. All intercompany accounts and transactions have been eliminated in consolidation.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Unaudited Interim Financial Statements

The accompanying unaudited interim condensed consolidated financial statements are presented in accordance with the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information. The amounts as of December 31, 2023, have been derived from the Company's annual audited consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2023, filed on April 26, 2024 (the "Form 10-K"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements reflect all adjustments, which consist of normal recurring adjustments, necessary to state fairly the financial position of the Company and its results of operations and cash flows as of and for the periods presented. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Form 10-K. The results of operations for the three and six months ended June 30, 2024, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2024, or any future period and the Company makes no representations related thereto.

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, fair value measurement of earnout from sale of 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.

Liquidity and Going Concern

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 shares of common stock, warrants to purchase common stock, convertible debt or other instruments that may dilute current stockholders. Financing may not be available on acceptable terms depending on market conditions at the time the Company seeks financing. 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.

Common Stock Reverse Split

In March 2023, the Company effectuated a twenty-for-one reverse stock split. In July 2024, the Company effectuated an eighteen-for-one reverse stock split. All share, stock option and warrant information has been retroactively adjusted to reflect these stock splits. See Note 10 for additional disclosure.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Accounting Policies

There have been no changes, except as noted below, to the Company's significant accounting policies or recent accounting pronouncements during the three and six months ended June 30, 2024, as compared to the significant accounting policies disclosed in the 10-K for the year ended December 31, 2023, as filed on April 26, 2024.

Sale of Assets

As a result of the sale of assets, disclosed in notes 1 and 3, the Company has recorded contingent consideration receivable in the amount of \$776 thousand noted as Earnout from sale of assets in the condensed consolidated balance sheet as of June 30, 2024. In accordance with accounting standard 805: *Business Combinations*, the Company recognized the fair value of the contingent consideration as of the date of the sale of assets and as of each reporting period. Gains or losses resulting from the change in fair value will be recorded in the condensed consolidated statement of operations each reporting period.

Accounting Policies Recently Adopted

In August 2020, the Financial Accounting Standard Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for convertible instruments by removing certain separation models such that the embedded conversion features are no longer separated from the host contract. The convertible debt instrument will be accounted for as a single liability measured at amortized cost. This guidance is effective for fiscal years beginning after December 15, 2023, including interim periods within the year. The Company adopted the standard on January 1, 2024 utilizing the modified retrospective method, that resulted in a reclassification of a charge of \$405 thousand from Accumulated Deficit to Additional Paid In Capital related to previously recognized accretion expense of the beneficial conversion feature and the recognition of a \$22 thousand charge to Additional Paid In Capital and a corresponding increase in debt related to the recognition of the remaining balance of the beneficial conversion.

Recent Accounting Pronouncements Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires significant segment expenses and other segment related items to be disclosed on an interim and annual basis. The new disclosure requirements are also applicable to companies with a single reportable segment. This guidance is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years 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.

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.

Reclassifications

Certain amounts for the three and six months ended June 30, 2023, have been reclassified to conform to the 2024 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.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Credit Risk

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

	June 30, 2024	December 31, 2023
Cash	\$ 45	\$ 123
Accounts receivable, net	3,301	3,601
Total	<u>\$ 3,346</u>	<u>\$ 3,724</u>

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 flows.

Accounts receivable

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 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.

3. 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 of directors agreed to conduct an auction process for the sale of its clinical operations. As of the filing date of this Quarterly Report on Form 10Q, Assure is providing limited IONM services in Arizona and Montana.

On March 26, 2024, the Company closed the sale of certain clinical assets with National Neuromonitoring Services, LLC for up to \$ 4.5 million, of which \$2.3 million was 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 clinical employees. The Company retained certain of its assets, including but not limited to, its accounts receivable, certain clinical employees, its employees in the revenue cycle management team and management and office personnel.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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." Accordingly, the assets associated with these services were classified and reflected on our consolidated balance sheets as "held for sale" as of December 31, 2023, and their results of operations are classified as "discontinued operations" in the condensed consolidated statements of operations for the three and six months ended June 30, 2024, and 2023. Since the sale of clinical assets closed on March 26, 2024, the assets held for sale balance was zero as of June 30, 2024. During June 2024, the Company recorded arbitration revenue from discontinued operations originating from professional services which qualified for federal or state arbitration under the no-surprises act.

The following table presents the major classes of assets of the discontinued operations as of December 31, 2023 (stated in thousands):

	December 31, 2023
Fixed assets	\$ 311
Finance lease right of use asset, net	118
Intangibles, net	98
Goodwill	1,910
Total assets	\$ 2,437

The following table summarizes the results of operations of the discontinued operations (stated in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue				
Technical services	\$ 240	\$ 98	\$ 1,558	\$ 1,332
Professional services	3,684	490	4,995	2,364
Other	(21)	507	17	836
Revenue, net	3,903	1,095	6,570	4,532
Cost of revenues, excluding depreciation and amortization	309	2,705	2,672	5,399
Gross margin	3,594	(1,610)	3,898	(867)
Operating expenses				
Sales and marketing	1	69	55	197
Depreciation and amortization	—	183	—	365
Total operating expenses	1	252	55	562
Income from discontinued operations	3,593	(1,862)	3,843	(1,429)
Other income (expense)				
Gain on sale of assets	—	—	666	—
Interest expense	—	(18)	(8)	(26)
Total other income (expense)	—	(18)	658	(26)
Income from discontinued operations	3,593	(1,880)	4,501	(1,455)
Income tax expense	—	—	—	—
Net income from discontinued operations	\$ 3,593	\$ (1,880)	\$ 4,501	\$ (1,455)

4. REVENUE

The Company disaggregates revenue between continuing operations and discontinued operations. Revenue streams from contracts with customers depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors. Commercial insurance consists of neuromonitoring cases whereby a patient has healthcare insurance that we bill. Facility billing consists of neuromonitoring cases whereby the Company has an agreement to bill the medical facility for patients that do not have health care insurance.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The Company does not have any contract assets or contract liabilities as of or during the six months ended June 30, 2024, or 2023 or as of December 31, 2023.

The Company's revenue is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Managed service agreements and other	\$ 1	\$ 67	\$ 10	\$ 182

Accounts Receivable

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

	June 30, 2024	December 31, 2023
Technical service	\$ 317	\$ 1,308
Professional service	97	2,293
Arbitration receivable	2,887	—
Total receivables, net	<u>\$ 3,301</u>	<u>\$ 3,601</u>

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

	As of June 30, 2024		As of December 31, 2023	
Commercial insurance	100	%	82	%
Facility billing	—	%	18	%
Total	<u>100</u>	<u>%</u>	<u>100</u>	<u>%</u>

5. 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.

Leases with an initial term of 12 months or less are not recorded in the condensed 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

The Company leases a corporate office facility in Denver, Colorado under an operating lease which expires October 31, 2025. The Company entered a sublease for this space during November 2023 for the remaining lease term. The incremental borrowing rate for this lease was 10%.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

During November 2023, the Company entered into a month-to-month lease for corporate office space in Denver, Colorado which expired on June 30, 2024, and was renewed under a new month-to-month lease expiring on August 31, 2024. The Company does not plan to review this lease.

During April 2023, the Company entered a lease for corporate offices space in Houston, Texas, which expires May 2025. The Company set a notice of termination in April 2024. The incremental borrowing rate for this lease was 7%.

Finance leases

The Company historically leased medical equipment under various financing leases with stated interest rates ranging from 5.2% — 13.4% per annum which expire at various dates through 2026. Finance lease assets are included in assets held for sale as of December 31, 2023. On March 26, 2024, in relation to the sale of certain clinical assets, the Company paid the remaining principal amount due on its outstanding finance leases. As a result, there are no assets remaining under finance leases nor outstanding amounts due.

The condensed consolidated balance sheets include the following amounts for right-of-use ("ROU") assets as of June 30, 2024, and December 31, 2023 (in thousands):

	June 30, 2024	December 31, 2023
Operating	\$ 457	\$ 616

The following are the components of lease cost for operating and finance leases (in thousands). Finance lease costs are included as a component of loss from discontinued operations in the condensed consolidated statements of operations for the periods presented.

	Six Months Ended June 30,	
	2024	2023
Operating leases:		
Amortization of ROU assets	\$ 190	\$ 151
Interest on lease liabilities	17	37
Total operating lease cost, included in general and administrative expenses	207	188
Finance leases:		
Amortization of ROU assets	—	152
Interest on lease liabilities	8	25
Total finance lease cost, included in discontinued operations	8	177
Total lease cost	\$ 215	\$ 365

During the six months ended June 30, 2024, the Company incurred operating and finance lease principal payments of \$ 183 thousand and \$408 thousand, respectively, and \$104 thousand and \$358 thousand related to operating and finance lease principal payments, respectively, during the six months ended June 30, 2023.

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

	As of June 30, 2024	As of June 30, 2023
Weighted average remaining lease term (years):		
Operating leases	2.6	2.3
Finance leases	NA	2.3
Weighted average discount rate (%):		
Operating leases	9.9	10.0
Finance leases	NA	7.9

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Future minimum lease payments and related lease liabilities as of June 30, 2024, were as follows (in thousands):

	Operating Leases	Finance Leases	Total Lease Liabilities
Remainder of 2024	\$ 233	\$ —	\$ 233
2025	352	—	352
Total lease payments	585	—	585
Less: imputed interest	52	—	52
Present value of lease liabilities	533	—	533
Less: current portion of lease liabilities	398	—	398
Noncurrent lease liabilities	\$ 135	\$ —	\$ 135

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

6. DEBT

The Company's debt obligations are summarized as follows:

	June 30, 2024	December 31, 2023
Face value of convertible debt	\$ 3,450	\$ 3,450
Less: principal converted to common shares	(394)	(60)
Less: deemed fair value ascribed to warrants and beneficial conversion feature	(1,096)	(1,523)
Plus: accretion of implied interest	1,096	1,467
Total convertible debt	3,056	3,334
Face value of Centurion debt	10,918	11,000
Less: deemed fair value ascribed to warrants	(1,204)	(1,204)
Plus: accretion of implied interest	927	776
Less: unamortized debt issuance costs	(146)	(227)
Total Centurion debt	10,495	10,345
Total debt	13,551	13,679
Less: current portion of debt	(13,551)	(13,679)
Long-term debt	\$ —	\$ —

As discussed in Note 2, the Company adopted ASU 2020-06 Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for convertible instruments by removing certain separation models such that the embedded conversion features are no longer separated from the host contract. The convertible debt instrument will be accounted for as a single liability measured at amortized cost. ASU 2020-06 only applies to the Company's beneficial conversion feature associated with the convertible debt. As of January 1, 2024, the remaining value of the beneficial conversion feature was recorded as a charge to retained earnings and increase to debt as the Company no longer incurs accretion expense. As a result, the deemed fair value of the warrants and beneficial conversion feature, in the table above, was reduced by \$427 thousand as of January 1, 2024.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The following table depicts accretion expense and interest expense (excluding debt issuance cost amortization) related to the Company's debt obligations for the three and six months ended June 30, 2024, and 2023 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Accretion expense				
Convertible debt	\$ —	\$ 95	\$ 27	\$ 191
Centurion debt	75	76	150	150
	<u>\$ 75</u>	<u>\$ 171</u>	<u>\$ 177</u>	<u>\$ 341</u>
Debt issuance cost amortization				
Centurion debt	\$ 40	\$ 39	\$ 81	\$ 78
Interest paid				
Convertible debt	\$ —	\$ 75	\$ —	\$ 221
Centurion debt	—	380	668	756
	<u>\$ —</u>	<u>\$ 455</u>	<u>\$ 668</u>	<u>\$ 977</u>

As of June 30, 2024, future minimum principal payments are summarized as follows (in thousands):

	Convertible Debt	Debenture
Principal due in 2024	\$ 3,056	\$ 10,918
Less: fair value ascribed to conversion feature and warrants	(1,096)	(1,204)
Plus: accretion and implied interest	1,096	927
Less: debt issuance costs	—	(146)
	<u>\$ 3,056</u>	<u>\$ 10,495</u>

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 June 30, 2024. The Company did not receive a waiver related to non-compliance with debt covenants.

Convertible Debt

The majority of the convertible debt matured during the period of December 2023 through March 2024. The Company has not paid the contractual amounts due per the terms of the convertible debt agreements, including principal and accrued interest. As such, the convertible debt is payable on demand. However, the Company anticipates issuing Assure common shares as settlement of the remaining principal and accrued interest. There is no guarantee the Company will be able to settle the amounts outstanding under the Convertible Debenture with common shares of the Company.

During March 2024, the Company entered into exchange agreements with certain Convertible Debenture holders, whereby the Company issued 74,298 common shares to settle \$334 thousand of principal and interest owed.

On June 21, 2024, the Company filed a Schedule TO, as amended, with the SEC in connection with an offer (the "Convertible Note Exchange Offer") to exchange, for each \$1,000 claim, consisting of principal amount, and accrued and unpaid interest through, and including, September 20, 2024, of the Company's 9% Convertible Debentures due 2023 and 2024 (the "Assure Convertible Debentures"), 1,000 shares (18,000 shares on a pre-reverse split basis) of the Company's common stock equal to the quotient of \$1,000 divided by a per share price of \$ 1.00 (\$0.055 on a pre-reverse split basis), as adjusted for a 1-for-18 reverse stock split which took effect on July 9, 2024. Assure is seeking to exchange any and all outstanding Assure Convertible Debentures in the Convertible Note Exchange Offer for the offered shares of common stock.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The Convertible Note Exchange Offer commenced on June 21, 2024, and expired at 11:59 p.m. (Mountain time) on September 20, 2024.

On September 22, 2024, in connection with the "Convertible Note Exchange Offer", the Company issued to holders of the Assure Convertible Notes, 2,477,082 shares of Common Stock in exchange for \$2,129,000 in principal amount of tendered and accepted Assure Convertible Notes and including an additional \$348,093 in accrued and unpaid interest.

Centurion Debt

In June 2021, Assure issued a debenture to Centurion Financial Trust ("Centurion") 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"). Additionally, the Company issued 764 warrants with an exercise price of \$21.60 which originally expired on June 14, 2025. During November 2021, the Company and Centurion entered an amendment to allow the Senior Short Term Acquisition Line to be utilized for organic growth and general working capital purposes. Under the terms and conditions of the debt arrangement, Centurion modified their debt covenant calculations to allow bad debt expense to be excluded from the covenant calculation.

The Credit Facility originally matured in June 2025 and bore interest at the rate of the greater of 9.50% or the Royal Bank of Canada Prime Rate plus 7.05% per annum.

During April 2024, the Company entered into an exchange agreement with Centurion whereby the Company issued 13,120 common shares to settle \$141 thousand of outstanding amounts owed under the Debenture agreement.

On July 18, 2024, the Company entered into a binding memorandum of understanding with Centurion pursuant to which the Company and Centurion agreed to the settlement of the Company's obligations under the Debenture to Centurion whereby the Company assigned \$2.5 million of arbitration receivable and \$ 3.0 million of Employee Retention Tax Credit assets along with the issuance of 9.1 million common shares and cancellation of 764 warrants in settlement of the entire debt balance including principle and interest. On August 30, 2024, the Company entered a binding amended and restated memorandum of understanding (the "Amended and Restated MOU") with Centurion pursuant to which the Company and Centurion agreed to amend certain of the terms of that certain binding memorandum of understanding dated July 18, 2024. Under the Amended and Restated MOU, the Company and Centurion agreed to settle the Company's obligations under the Debenture whereby the Company assigned certain assets of the Company along with a share payment of 9,135,924 shares of common stock at a price of \$ 0.70 per share and the Company obtaining settlement of all outstanding claims and obligations of the Company by October 10, 2024. The Assigned Assets under the MOU are as follows: (a) At closing, the Company will assign to Centurion 75% of the Company's portion of federal and state settlements and IDR Awards under the "No Surprises Act". Centurion will be entitled to cash receipts from the assigned IDR Accounts Receivable in the amount of 75% of the amount to which the Company is entitled of the collected amount of all amounts as collected and the Company will retain rights to cash receipts from the assigned IDR Accounts Receivable as to 25% of the amount to which the Company is entitled of the collected amount. (b) The Company's Employee Retention Tax Credit refund from the Internal Revenue Service from the tax years 2020 through 2021.

Short-Term Promissory Notes

During January 2024, the Company entered short-term promissory notes to settle potential legal action for a total of \$ 692 thousand. The short-term promissory notes mature January 25, 2025, and incur interest at a rate of 6% per annum. In April 2024, the Company paid \$173 thousand to the short-term promissory note holders in accordance with the terms of the short-term promissory notes.

As discussed in Note 1, in connection with the Danam Waiver Agreement, on April 8, 2024, the Company issued a convertible note to Danam in principal amount of \$1,000,000. The note is convertible into shares of the Company's common stock at a conversion price of \$0.54 per share. 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. As of the date of this filing, the note matured, and the Company is currently in default.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

7. SHAREHOLDERS' DEFICIT

Common stock

Common stock: 13,888,888 authorized; \$0.001 par value. As of June 30, 2024, and December 31, 2023, there were 605,024 and 373,359 shares of common stock issued and outstanding, respectively.

On May 14, 2024, the Company reconvened its previously adjourned special meeting of stockholders for which a total of 5,427,462 shares of common stock were present and approved a proposal to increase the authorized shares to 250,000,000. The number of authorized shares was reduced to 13,888,888 as a result of the July 2024 reverse stock split discussed below.

Reverse Share Splits

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.

During July 2024, the total number of shares of common stock authorized by the Corporation was reduced from 250,000,000 shares of Common Stock, par \$0.001, to 13,888,888 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 eighteen (18): effecting an eighteen (18) pre-split shares for one (1) post-split share reverse stock split.

No fractional shares were issued in connection with the reverse splits 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 splits 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), then again by eighteen (18) and multiplying the exercise or conversion price thereof by eighteen (18), 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 this Form 10-Q.

Nasdaq delisting

On July 25, 2023, 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 was 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 remained fully effective.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The Company was provided a compliance period of 180 calendar days from the date of the Notice, or until 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 January 22, 2024, the closing bid price of the Company's Common Stock closes at or above \$1.00 per share for 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 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 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.

On August 16, 2023, the Company received notice from the Staff of the Nasdaq that the Company no longer satisfied 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 notification was separate from, and in addition to, the previously deficiency letter that the Company received from the Staff on July 25, 2023.

As with the Bid Price Deficiency Letter, 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 were 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 was 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 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.

On May 16, 2024, the Company received a written notice from the Panel that it has granted the Company an extension to regain compliance with the continued listing requirements for The Nasdaq Capital Market (the "Panel Decision"). The Hearings Panel granted the Company an extension until July 22, 2024, by which date the Company would be required to demonstrate compliance with all applicable initial listing requirements for the Nasdaq Capital Market in relation to its completion of its previously announced transaction with Danam.

On July 8, 2024, the Company effectuated an eighteen-to-one reverse stock split (discussed below) in an effort to comply with the minimum closing bid requirement, pursuant to Nasdaq Listing Rule 5810(c)(3)(A) of the closing bid price of the Company's Common Stock at or above \$1.00 per share for a minimum of 10 consecutive business days,

On July 22, 2024, the Nasdaq notified Assure that the Panel determined to delist the Company's common stock, and that trading of the Company's securities will be suspended at the open of trading on July 24, 2024.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

In connection with the Nasdaq delisting notice, Nasdaq will complete the delisting by filing a Form 25 Notification of Delisting with the U.S. Securities and Exchange Commission after applicable appeal periods have lapsed. In the interim, the Company's common stock began trading under its current trading symbol "IONM" on the OTC Markets system effective with the open of the markets on July 24, 2024. The Company has submitted an application to the OTCQB for quotation of its common stock.

The Company had 15 days after the date it received notice of the Panel's decision (which was July 22, 2024) to request in writing that the Nasdaq Listing and Hearing Review Council (the "Council") review the decision. In addition, the Council may, on its own motion, determine to review the Panel's decision within 45 calendar days after the Company was notified of the decision.

If the Company is not able to list securities on another national securities exchange, management expect its securities could be quoted on an over-the-counter market. As a result, the Company could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the 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.

2023 Share Issuances

During March 2023, the Company completed a private placement for 2,778 common shares at \$108.00 per common shares for gross proceeds of \$300 thousand.

During May 2023, the Company completed its pricing of an underwritten public offering of 277,778 shares of common stock (or prefunded warrants in lieu thereof) at an offering price to the public of \$21.60 per share (or \$21.58 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.

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 intends to use the net proceeds from the offering for general corporate purposes, including working capital, marketing, and capital expenditures.

The Company granted the underwriters in the offering a 45-day option to purchase up to 41,667 additional shares of the Company's common 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 3,319 common shares to certain employees, directors, and vendors in lieu of cash compensation.

2024 Share Issuances

During March 2024, the Company issued 14,931 common shares to the members of the Board of Directors for compensation amounts owed from April 1, 2023 through March 31, 2024.

During March 2024, the Company entered into exchange agreements with certain Convertible Debenture holders, whereby the Company agreed to issue 74,298 common shares to settle \$334 thousand of principal and interest owed (Note 6).

During April 2024, the Company entered into an exchange agreement with Centurion whereby the Company agreed to issue 13,120 common shares to settle \$141 thousand of outstanding amounts owed under the Debenture agreement (Note 6).

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

On April 8, 2024, the Company entered into a 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 24,292 shares of common stock representing a deemed exchange price of \$11.12 per share.

Subscription Agreements

On June 27, 2024, Assure entered into subscription agreements ("Subscription Agreements") with certain investors (the "Investors") pursuant to which Assure, and the Investors agreed to cancel certain trade accounts payable held by such Investors for shares of common stock of Assure. Pursuant to the Subscription Agreements, Assure issued an aggregate total of 104,468 shares of common stock to certain Investors in exchange for the cancellation of an aggregate amount of \$437 thousand in trade accounts payable.

Stock options

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").

In November 2021, the Company adopted and approved the 2021 Stock Incentive Plan and the 2021 Employee Stock Purchase Plan. The intent of the Company and the Board of Directors 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, the Board will not grant future options or awards thereunder. Instead, only the 2021 Stock Incentive Plan will be used for the grant of options and awards to eligible participants.

As of June 30, 2024, there was 800 stock options outstanding under the Amended Stock Option Plan. No additional stock options will be issued under the Amended Stock Option Plan. As of June 30, 2024, there was nil stock options outstanding and an aggregate of 100,000 shares of common stock were available for issuance under the 2021 Stock Option Plan. As of June 30, 2024, no transactions have occurred under the 2021 Employee Stock Purchase Plan.

Options under the 2021 Stock Option Plan are granted from time to time at the discretion of the Board of Directors, with vesting periods and other terms as determined by the Board of Directors.

A summary of the stock option activity is presented below:

	Number of Shares Subject to Options	Options Outstanding		Aggregate Intrinsic Value (in thousands)
		Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	
Balance at December 31, 2022	2,724	\$ 2,332.80	2.8	
Options granted	556	\$ 15.48		
Options canceled	(1,256)	\$ 2,354.76		
Balance at December 31, 2023	2,024	\$ 1,683.90	3.5	
Options expired	(298)	\$ 2,808.00		
Options canceled	(926)	\$ 717.98		
Balance at June 30, 2024	800	\$ 2,156.27	1.8	\$ —
Vested and exercisable at June 30, 2024	791	\$ 2,149.81	1.8	\$ —

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The following table summarizes information about stock options outstanding and exercisable under the Company's Stock Option Plan at June 30, 2024:

Options Outstanding				Options Exercisable			
Number of Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price Per Share		Number Exercisable	Weighted Average Exercise Price Per Share		
117	0.5	\$ 2,304.00		117	\$ 2,304.00		
430	1.8	\$ 1,908.00		430	\$ 1,908.00		
83	2.0	\$ 2,016.00		83	\$ 2,016.00		
170	2.5	\$ 2,754.00		161	\$ 2,754.00		
800	1.8	\$ 2,156.27		791	\$ 2,149.81		

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 condensed 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 is 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.

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, which can result in negative stock-based compensation expense in the period of forfeiture.

The Company did not grant any stock options during the three and six months ended June 30, 2024, or 2023.

Stock-based compensation benefit for the three and six months ended June 30, 2024, was \$ 628 thousand and \$454 thousand, respectively, compared to stock-based compensation expense for the three and six months ended June 30, 2023, of \$66 thousand and \$56 thousand, respectively. The stock-based compensation benefit for the three and six months ended June 30, 2024, was related to stock option forfeitures and cancellations related to the sale of the clinical assts and termination of clinical employees. As of June 30, 2024, there was approximately \$26 thousand of total unrecognized compensation cost related to nine unvested stock options that is expected to be recognized over a weighted-average remaining vesting period of 2.25 years.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Warrants

The following table summarizes warrant activity during the six months ended June 30, 2024.

Balance at December 31, 2023	10,832
Warrants expired	(480)
Balance at June 30, 2024	<u>10,352</u>

The following table summarizes warrants outstanding by transaction type as of June 30, 2024:

Debenture, warrants issued	764
Other warrants issued	500
December 2020 equity financing warrants issued	9,088
Total warrants outstanding	<u>10,352</u>

The Debenture warrants were cancelled subsequent to June 30, 2024, in connection with the Centurion debenture settlement disclosed in Notes 6 and 10.

8. LOSS PER SHARE

The following table sets forth the computation of basic and fully diluted loss per share for the three and six months ended June 30, 2024, and 2023 (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Loss from continuing operations	\$ (3,848)	\$ (4,172)	\$ (8,517)	\$ (7,741)
Income (loss) from discontinued operations	3,593	(1,880)	4,501	(1,455)
Net loss	<u>\$ (255)</u>	<u>\$ (6,052)</u>	<u>\$ (4,016)</u>	<u>\$ (9,196)</u>
Loss from continuing operations per share, basic and diluted	\$ (7.68)	\$ (23.23)	\$ (19.13)	\$ (64.82)
Income (loss) from discontinued operations per share, basic and diluted	7.18	(10.47)	10.11	(12.18)
Loss per share, basic and diluted	<u>\$ (0.50)</u>	<u>\$ (33.70)</u>	<u>\$ (9.02)</u>	<u>\$ (77.00)</u>
Basic weighted average common stock outstanding	500,758	179,575	445,316	119,432
Dilutive weighted average common stock outstanding	500,758	179,575	445,316	119,432

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income 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.

Stock options to purchase 800 and 2,630 shares of common stock and warrants to purchase 10,352 and 10,852 shares of common stock were outstanding at June 30, 2024, and 2023, respectively, that were not included in the computation of diluted weighted average common stock outstanding because their effect would have been anti-dilutive.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

9. 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.

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 worked diligently to ensure that payments from Medicare Advantage plans were returned to the commercial insurance companies and believes it has returned substantially all such payments that it has discovered, totaling approximately \$450 thousand.

During February 2024, a Settlement Agreement ("Settlement Agreement") was executed between Assure and the DOJ.

In exchange for a payment of approximately \$1 million, the Settlement 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. As of June 30, 2024, the balance owed was \$602 thousand.

10. SUBSEQUENT EVENT

Subscription Agreements

Since June 30, 2024, Assure entered into subscription agreements ("Subscription Agreements") with certain investors (the "Investors") pursuant to which Assure, and the Investors agreed to cancel certain trade accounts payable held by such Investors for shares of common stock of Assure at a deemed value per share ranging from \$3.15 to \$5.09 per share. Pursuant to the Subscription Agreements, Assure issued an aggregate total of 60,943 shares of common stock to five Investors in exchange for the cancellation of an aggregate amount of \$259,990 in trade accounts payable.

Nasdaq

On July 22, 2024, the Nasdaq Stock Market LLC ("Nasdaq") notified the Company that the Nasdaq Hearings Panel (the "Panel") determined to delist the Company's common stock.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

In connection with the Nasdaq delisting notice, Nasdaq will complete the delisting by filing a Form 25 Notification of Delisting with the U.S. Securities and Exchange Commission after applicable appeal periods have lapsed. In the interim, the Company's common stock began trading under its current trading symbol "IONM" on the OTC Markets system effective with the open of the markets on July 24, 2024. The Company has submitted an application to the OTCQB for quotation of its common stock. See Note 7 for complete disclosure.

Reverse Stock Split

As of July 8, 2024, the total number of shares of common stock authorized by the Corporation was reduced from 250,000,000 shares of Common Stock, par \$0.001, to 13,888,888 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 eighteen (18): effecting an eighteen (18) pre-split shares for one (1) post-split share 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, pursuant to NRS 78.205(2)(b).

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 eighteen (18) and multiplying the exercise or conversion price thereof by eighteen (18), 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.

Immediately after the Reverse Split, each stockholder's percentage ownership interest in the Company and proportional voting power remained virtually unchanged, except for minor changes and adjustments that will result from rounding fractional shares into whole shares. The rights and privileges of the holders of shares of Common Stock were substantially unaffected by the Reverse Split.

Equity Purchase Agreement

On July 31, 2024, the Company signed an equity purchase agreement with 0915223 B.C. Ltd., a British Columbia corporation (the "Buyer"), pursuant to which the Buyer agreed to purchase all the equity interests of certain of the Company's subsidiaries (the "Subsidiaries") in consideration of the Buyer assuming certain indebtedness of the Subsidiaries totaling approximately \$2.6 million (the "Assumed Indebtedness"). In addition, as consideration for the Buyer agreeing to assume the Assumed Indebtedness, the Company as agree to (i) issue the Buyer 450,000 shares of Common Stock, (ii) pay the Buyer \$40,000 in cash and (iii) pay the Buyer an additional \$40,000 in cash or shares of Common Stock, at the Company's sole election, within 60 days of the closing of the transaction to acquire the Subsidiaries. The Subsidiaries sold do not hold any material assets of the Company.

Securities Purchase Agreement, Bridge Note and Promissory Note

On August 2, 2024, the Company entered into two securities purchase agreements (the "Securities Purchase Agreements") with 1800 Diagonal Lending LLC (the "Lender"), pursuant to which the Company issued to the Lender a bridge note in aggregate principal amount of \$37,950, with an original issue discount of \$4,950 (the "Bridge Note") and a promissory note in aggregate principal amount of \$60,950 with an original issue discount of \$7,950 (the "Promissory Note").

The Bridge Note is subject to a one-time interest charge of 15% applied upon issuance to the principal amount of the Bridge Note. The Bridge Note is subject to a repayment schedule of \$21,821 on January 30, 2025, and then \$5,455 on each of February 28, 2025, March 30, 2025, April 30, 2025, May 30, 2025. The Bridge Note may be pre-paid at a discount upon three trading days written notice to the Lender, such discount to be 97% if pre-paid within 90 days following the date of issuance and 98% is pre-paid within 180 days of the date of issuance. The Bridge Note contains a covenant that while any amount remains outstanding under the Bridge Note, the Company will not sell, lease, or otherwise dispose of any significant portion of its assets outside of the ordinary course. The Bridge Note is convertible into shares of common stock of the Company only upon a default thereunder.

ASSURE HOLDINGS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The Bridge Note will be deemed in default upon the occurrence of a number of events set forth therein, including (i) failure to pay principal and interest when due and payable, (ii) breach of covenants, (iii) breach of representations and warranties, (iv) the Company making an assignment for the benefit of creditors, (v) the bankruptcy, insolvency, reorganization or liquidation of the Company, (vi) maintaining the listing of the Company's common stock on the OTC Markets or comparable exchange, (vii) failure to comply with the reporting obligations of the Company under the Securities Exchange Act of 1934, (viii) any cessation of operations of the Company, (ix) any restatement of the financial statements of the Company, (x) replacement of the transfer agent, or (xi) cross-default in any other debts of the Company.

Upon the occurrence of an event of default under the Bridge Note, the Bridge Note will become immediately due and payable at 150% of the then outstanding principal amount plus accrued and unpaid interest plus any default interest. Upon occurrence of an event of default the Bridge Note may also be converted by the Lender into shares of common stock of the Company at a conversion price equal to 65% of the lowest trading price of the common stock during the ten trading days prior to the date of conversion. Conversion is limited by a beneficial ownership cap of 4.99% as described in the Bridge Note.

The Promissory Note is subject to a one-time interest charge of 14% applied upon issuance to the principal amount of the Bridge Note. The Promissory Note is to be repaid in ten equal monthly installments of principal and interest in the amount of \$ 6,948.30 beginning on September 15, 2024, with the subsequent payments being due on the 15th of each month thereafter. The Promissory Note may be pre-paid at a discount upon three trading days written notice to the Lender, such discount to be 97% if pre-paid within 90 days following the date of issuance and 98% is pre-paid within 180 days of the date of issuance. The Promissory Note contains a covenant that while any amount remains outstanding under the Promissory Note, the Company will not sell, lease, or otherwise dispose of any significant portion of its assets outside of the ordinary course. The Promissory Note is convertible into shares of common stock of the Company only upon a default thereunder.

The Promissory Note will be deemed in default upon the occurrence of a number of events set forth therein, including (i) failure to pay principal and interest when due and payable, (ii) breach of covenants, (iii) breach of representations and warranties, (iv) the Company making an assignment for the benefit of creditors, (v) the bankruptcy, insolvency, reorganization or liquidation of the Company, (vi) maintaining the listing of the Company's common stock on the OTC Markets or comparable exchange, (vii) failure to comply with the reporting obligations of the Company under the Securities Exchange Act of 1934, (viii) any cessation of operations of the Company, (ix) any restatement of the financial statements of the Company, (x) replacement of the transfer agent, or (xi) cross-default in any other debts of the Company.

Upon the occurrence of an event of default under the Promissory Note, the Promissory Note will become immediately due and payable at 150% of the then outstanding principal amount plus accrued and unpaid interest plus any default interest. Upon occurrence of an event of default the Promissory Note may also be converted by the Lender into shares of common stock of the Company at a conversion price equal to 65% of the lowest trading price of the common stock during the ten trading days prior to the date of conversion. Conversion is limited by a beneficial ownership cap of 4.99% as described in the Promissory Note.

Legal Settlement

On August 6, 2024, the Company entered into a settlement agreement for \$ 148,000 related to an outstanding legal matter payable in three installments. As of the date of this filing, the Company has made two of the three installments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the attached unaudited condensed consolidated financial statements and notes thereto, and with our audited financial statements and notes thereto for the year ended December 31, 2023, found in the annual report on Form 10-K filed by Assure Holdings Corp. on April 26, 2024 (the "Form 10-K")

This Quarterly Report 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.

Although forward-looking statements in this Quarterly Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks, uncertainties, and changes in condition, significance, value, and effect, including those discussed under the heading "Risk Factors" in our annual report on Form 10-K and other documents we file from time to time with the Securities and Exchange Commission ("SEC"), such as our quarterly reports on Form 10-Q and our current reports on Form 8-K. Such risks, uncertainties and changes in condition, significance, value, and effect could cause our actual results to differ materially from those expressed herein and in ways not readily foreseeable. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report and are based on information currently and reasonably known to us. We undertake no obligation to revise or update any forward-looking statements to reflect any event or circumstance that may arise after the date of this Quarterly Report, other than as required by law. Readers are urged to carefully review and consider the various disclosures made in this Quarterly Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

As used in this Quarterly 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.

OVERVIEW

Assure is a provider of Intraoperative neuromonitoring ("IONM"). The Company delivers a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive surgical procedures. 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. 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.

During each procedure, Assure 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.

We have made substantial investments in our training and development of clinical staff and have created a training program to rigorously train new INPs.

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 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 starting in 2022 and federal arbitrations starting in 2023. Many IONM competitors, particularly smaller peers that remain reliant on third-party billing companies lack the data 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.

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 realize 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 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 March 26, 2024, Assure closed the sale transaction resulting in the sale of most of the Company's clinical operations, equipment, and contracts. As of the filing date of this Quarterly Report on Form 10-Q, Assure is providing IONM services in limited markets, primarily Arizona and Montana.

On February 12, 2024, Assure 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 Assure and Danam, Assure Merger would have merged with and into Danam (the "Merger"), with Danam surviving the Merger as a wholly-owned subsidiary of Assure. The Merger was intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

The parties were able to terminate the Merger Agreement upon mutual consent. Either party may have terminated 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 failed to perform any covenant or agreement on the part of such party set forth in the Merger Agreement, (ii) the Merger was not consummated by the outside date (May 15, 2024), (iii) there was a governmental order prohibiting the Merger, and (iv) failure to obtain the stockholder vote. Danam was able to terminate the Merger Agreement if (i) the Board changes its recommendation to stockholders with respect to the Merger, (ii) the Board failed to reaffirm its recommendation to stockholders with respect to the Merger following a tender offer for Assure, (iii) the Board failed 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 resolved to do any of the above. Assure was able to terminate the Merger Agreement for acceptance of a superior proposal.

In the event Danam or Assure terminated the Merger Agreement pursuant to certain of the sections set forth above, Assure was 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 would have owed 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") which waived and amended certain provisions of the Merger Agreement.

Pursuant to the terms and conditions of the Waiver Agreement, Danam partially waived its right to terminate the Merger Agreement pursuant to breaches of Section 6.8(a) and 6.20 of the Merger Agreement. The Waiver Agreement required the following:

- g. Assure obtain the Preliminary Shareholder Vote required by Section 6.20 of the Merger Agreement no later than April 30, 2024;
- h. Assure file 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;
- j. Assure receive 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 was not in default under the Convertible Note; and
- l. Assure was 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 amended 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 Company issued a convertible note to Danam in principal amount of \$1 million. 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.

On June 11, 2024, Assure delivered a letter to Danam pursuant to which Assure terminated the Merger Agreement with Danam and Assure Merger, pursuant to Section 8.1(b) thereof. According to the terms of the Merger Agreement, Danam may be entitled to a \$1 million termination fee. Assure accrued the termination fee as of June 30, 2024, which is included as a component of the Accounts payable and accrued expenses balance in the accompanying condensed consolidated balance sheet. Additionally, the \$1 million convertible note matured on July 22, 2024, and as of the date of this filing, is currently in default. The note is included as a component of the short-term promissory notes balance in the accompanying condensed consolidated balance sheet as of June 30, 2024.

Pursuant to Section 8.1(b) of the Merger Agreement, Assure terminated the Merger Agreement based on Assure's assertion of certain misrepresentations by Danam regarding its representations and warranties set forth in Article 4 of the Merger Agreement, including but not limited to, its representations regarding its financial condition and ability to complete the Acquisition Transactions, and the Company's assertion that Danam was failing to perform its covenants under the Merger Agreement, including but not limited to its covenant to meet the closing condition to complete the Acquisition Transactions prior to or concurrent with the closing of the Merger and such breaches could not be cured within the time periods set forth in Section 8.1(b) thereof.

As a result of the termination of the Merger Agreement, in addition to reserving its right to seek other remedies, pursuant to Section 8.3(c) of the Merger Agreement, Assure is seeking reimbursement for all of its fees, costs and expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants) in relation to the Merger Agreement and its performance thereunder.

As of June 30, 2024, the Company has recorded \$1 million of termination fees in accrued expenses and \$1 million convertible note in short-term promissory notes within the condensed consolidated balance sheet based on the disclosure above.

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.

RESULTS OF OPERATIONS

Three and Six Months Ended June 30, 2024, Compared to the Three and Six Months Ended June 30, 2023

	Three Months Ended June 30,		Change	Change	Six Months Ended June 30,		Change	Change
	2024	2023	\$	%	2024	2023	\$	%
Revenue	\$ 1	\$ 67	\$ (66)	(99)%	\$ 10	\$ 182	\$ (172)	(95)%
Cost of revenue	229	697	(468)	(67)%	704	1,376	(672)	(49)%
Gross margin	(228)	(630)	402	(64)%	(694)	(1,194)	500	(42)%
Operating (income) expenses								
General and administrative	1,160	3,208	(2,048)	(64)%	5,071	6,422	(1,351)	(21)%
Gain on settlement of accounts payable	—	—	—	100 %	(181)	—	(181)	100 %
Total operating expenses	1,160	3,208	(2,048)	(64)%	4,890	6,422	(1,532)	(24)%
Loss from operations	(1,388)	(3,838)	2,450	(64)%	(5,584)	(7,616)	2,032	27 %
Other income (expenses)								
Income from equity method investments	—	13	(13)	(100)%	—	38	(38)	(100)%
Income from ERTC (Employee Retention Tax Credit)	85	—	85	100 %	85	—	85	100 %
Failed merger fees	(2,000)	—	(2,000)	100 %	(2,000)	—	(2,000)	100 %
Interest expense	(591)	(491)	(100)	20 %	(1,118)	(992)	(126)	13 %
Other income, net	121	324	(203)	(63)%	277	382	(105)	(27)%
Accretion expense	(75)	(171)	96	(56)%	(177)	(341)	164	48 %
Total other income (expense), net	(2,460)	(325)	(2,135)	657 %	(2,933)	(913)	(2,020)	221 %
Loss from continuing operations before taxes	(3,848)	(4,163)	315	(8)%	(8,517)	(8,529)	12	0 %
Income tax benefit (expense) on continuing operations	—	(9)	9	(100)%	—	788	(788)	(100)%
Loss from continuing operations	(3,848)	(4,172)	324	(8)%	(8,517)	(7,741)	(776)	10 %
Income from discontinued operations, net of tax	3,593	(1,880)	5,473	(291)%	4,501	(1,455)	5,956	(409)%
Net loss	<u>\$ (255)</u>	<u>\$ (6,052)</u>	<u>\$ 5,797</u>	<u>(96)%</u>	<u>\$ (4,016)</u>	<u>\$ (9,196)</u>	<u>\$ 5,180</u>	<u>56 %</u>
Loss per share								
Loss from continuing operations, basic and diluted	\$ (7.68)	\$ (23.23)	\$ 15.55	(67)%	\$ (19.13)	\$ (64.82)	\$ 45.68	70 %
Income from discontinued operations, basic and diluted	\$ 7.18	\$ (10.47)	\$ 17.65	(169)%	\$ 10.11	\$ (12.18)	\$ 22.29	183 %
Loss per share, basic and diluted	<u>\$ (0.50)</u>	<u>\$ (33.70)</u>	<u>\$ 33.20</u>	<u>(99)%</u>	<u>\$ (9.02)</u>	<u>\$ (77.00)</u>	<u>\$ 67.98</u>	<u>88 %</u>
Weighted average number shares – basic	500,758	179,575	321,183	179 %	445,316	119,432	325,884	273 %
Weighted average number shares – diluted	500,758	179,575	321,183	179 %	445,316	119,432	325,884	273 %

Revenue

Total revenue for the three months ended June 30, 2024, and 2023, were \$1 thousand and \$67 thousand, respectively, and \$10 thousand and \$182 thousand for the six months ended June 30, 2024, and 2023, 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 revenue is attributable to the Company's efforts to exit the managed service arrangements during 2023.

Cost of revenues

Cost of revenues for the three months ended June 30, 2024, and 2023, were \$229 thousand and \$679 thousand, respectively, and \$704 thousand and \$1.4 million for the six months ended June 30, 2024, and 2023, 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 three months ended June 30, 2024, and 2023, were \$1.2 million and \$3.2 million, respectively, and \$5.1 million and \$6.4 million for the six months ended June 30, 2024, and 2023, respectively. The overall decrease is primarily related to decrease in employee compensation and benefits, including a stock-based compensation benefit related to the cancellation of stock options of terminated employees, partially offset by an increase in legal fees associated with the sale of clinical assets, the proposed merger and settlement.

Gain on settlement of accounts payable

During the six months ended June 30, 2024, the Company settled certain amounts of accounts payable for less than the original amounts owed which resulted in a gain of \$181 thousand. There were no such transactions during the three and six months ended June 30, 2023.

Failed merger fees

As a result of the termination of the Merger Agreement, the Company recorded reverse merger fees of \$2 million for the three and six months ended. There were no similar transactions during the three and six months ended June 30, 2023.

Interest expense

Interest expense was \$591 thousand and \$1.1 million for the three and six months ended June 30, 2024, compared to \$491 thousand and \$1 million for the three and six months ended June 30, 2023. The increase year-over-year is primarily due to higher outstanding debt balances.

Accretion expense

The Company recorded non-cash accretion expense of \$75 thousand and \$171 thousand for the three months ended June 30, 2024, and 2023, respectively, and \$177 thousand and \$341 thousand for the six months ended June 30, 2024, and 2023, 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 \$nil and \$95 thousand for three months ended June 30, 2024, and 2023, respectively, related to the convertible debt and \$75 thousand and \$76 thousand for three months ended June 30, 2024, and 2023, respectively, related to the Centurion debt. Accretion expense was \$27 thousand and \$191 thousand for six months ended June 30, 2024, and 2023, respectively, related to the convertible debt and \$150 thousand for each of the six months ended June 30, 2024, and 2023 related to the Centurion debt.

Income tax benefit

For the three and six months ended June 30, 2024, income tax benefit was \$nil compared to a benefit of \$9 thousand for the three months ended June 30, 2023, and expense of \$788 thousand for the six months ended June 30, 2023. 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.

Discontinued operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue				
Technical services	\$ 240	\$ 98	\$ 1,558	\$ 1,332
Professional services	3,684	490	4,995	2,364
Other	(21)	507	17	836
Revenue, net	3,903	1,095	6,570	4,532
Cost of revenues, excluding depreciation and amortization	309	2,705	2,672	5,399
Gross margin	3,594	(1,610)	3,898	(867)
Operating expenses				
Sales and marketing	1	69	55	197
Depreciation and amortization	—	183	—	365
Total operating expenses	1	252	55	562
Income from discontinued operations	3,593	(1,862)	3,843	(1,429)
Other income (expense)				
Gain on sale of assets	—	—	666	—
Interest expense	—	(18)	(8)	(26)
Total other income (expense)	—	(18)	658	(26)
Income from discontinued operations	3,593	(1,880)	4,501	(1,455)
Income tax expense	—	—	—	—
Net income from discontinued operations	<u>\$ 3,593</u>	<u>\$ (1,880)</u>	<u>\$ 4,501</u>	<u>\$ (1,455)</u>

Income from discontinued operations was \$3.6 million and \$4.5 million for the three and six months ended June 30, 2024, respectively, compared to loss from discontinued operations \$1.9 million and \$1.5 million for the three and six months ended June 30, 2023, respectively. The sale of assets resulted in a gain of \$666 thousand for the three months ended March 31, 2024. Discontinued operations consist of the 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 and 24 months old as management believes the more recent collection experience is more indicative of future per case collection rates. 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 from the date of service at which point it is fully reserved.

Cost of revenues consist primarily of the cost of 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 decrease in costs of revenues is primarily related to the Company's efforts focused on reducing the Company's average cost of delivery in providing our services, both on the technologist and the remote neurology parts of the business.

Additionally, discontinued operations consist of sales and marketing expenses related to the generation of revenue and depreciation, amortization and implied interest expenses related to the medical equipment utilized in operations.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Funding Requirements

Our cash position as of June 30, 2024, was \$45 thousand compared to the December 31, 2023, cash balance of \$123 thousand. Working capital was negative \$19.1 million as of June 30, 2024, compared to negative \$15.5 million at December 31, 2023. Our working capital balance and our estimated cash flows from operations during 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 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. Furthermore, our independent registered public accountants have expressed that substantial doubt exists as to the Company's ability to continue as a going concern.

We are also dependent on Centurion 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.

Nasdaq Listing

On July 25, 2023, 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 was 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").

On August 16, 2023, the Company received notice from the Staff of the Nasdaq that the Company no longer satisfied 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 notification was separate from, and in addition to, the previously deficiency letter that the Company received from the Staff on July 25, 2023.

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 were 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 was 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.

On May 16, 2024, the Company received a written notice from the Panel that it has granted the Company an extension to regain compliance with the continued listing requirements for The Nasdaq Capital Market (the "Panel Decision"). The Hearings Panel granted the Company an extension until July 22, 2024, by which date the Company would be required to demonstrate compliance with all applicable initial listing requirements for the Nasdaq Capital Market in relation to its completion of its previously announced transaction with Danam.

On July 8, 2024, the Company effectuated an eighteen-to-one reverse stock split (discussed below) in an effort to comply with the minimum closing bid requirement, pursuant to Nasdaq Listing Rule 5810(c)(3)(A) of the closing bid price of the Company's Common Stock at or above \$1.00 per share for a minimum of 10 consecutive business days,

On July 22, 2024, the Nasdaq notified Assure that the Panel determined to delist the Company's common stock and that trading of the Company's securities will be suspended at the open of trading on July 24, 2024.

In connection with the Nasdaq delisting notice, Nasdaq will complete the delisting by filing a Form 25 Notification of Delisting with the U.S. Securities and Exchange Commission after applicable appeal periods have lapsed. In the interim, the Company's common stock is being quoted for trading under its current trading symbol "IONM" on the OTC Markets Pink Market system effective with the open of the markets on July 24, 2024. The Company has submitted an application to the OTCQB for quotation of its common stock.

The Company has 15 days after the date it received notice of the Panel's decision (which is July 22, 2024) to request in writing that the Nasdaq Listing and Hearing Review Council (the "Council") review the decision. In addition, the Council may, on its own motion, determine to review the Panel's decision within forty-five calendar days after the Company was notified of the decision.

As a result of the delisting, the Company faces significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the 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.

Cash flows from operating activities

For the six months ended June 30, 2024, we collected approximately \$6.6 million of receivables compared to collecting approximately \$9.5 million in the same prior year period. As of June 30, 2024, accounts receivable, which are recorded net of implicit price concessions, was \$3.3 million compared to \$3.6 million at December 31, 2023.

Cash used in operating activities for the six months ended June 30, 2024, and 2023 was \$3.3 million and \$2.4 million, respectively. Cash was used to fund operations.

Cash flows from investing activities

Cash provided by investing activities of \$2.3 million for the six months ended June 30, 2024, was related to the proceeds from the sale of clinical assets. Cash provided by investing activities of \$37 thousand for the six months ended June 30, 2023, was related to the professional entity distributions.

Cash flows from financing activities

Cash used in financing activities of \$855 thousand for the six months ended June 30, 2024, resulted from proceeds from the issuance from short term notes of \$1.7 million, repayment of short-term promissory notes of \$173 thousand, debt repayment of \$82 thousand, finance lease principal payments of \$408 thousand and acquisition liability payments of \$174 thousand. Cash provided by financing activities of \$4.9 million for the six months ended June 30, 2023, resulted from a public offering and a private placement, partially offset by finance lease principal payments of \$358 thousand and acquisition liability payments of \$102 thousand.

Off-Balance Sheet Arrangements

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

CRITICAL ACCOUNTING POLICIES

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 Management's Discussion and Analysis of Financial Condition and Results of Operations section. We consider our most important accounting policies that require significant estimates and management judgment to be those policies with respect to revenue, accounts receivable, stock-based compensation, acquired intangible assets, goodwill, 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 the Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on April 26, 2024.

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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q for the six months ended June 30, 2024, 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 Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective 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.

Material Weaknesses

Management noted inadequate controls over the review of the accounting for complex transactions and financial reporting which management believes to be a material weakness.

A material weakness (within the meaning of PCAOB Auditing Standard No. 5) is a deficiency, or a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

In response to the identified material weakness, during the fourth quarter of 2023 and through the first quarter of 2024, 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 during the quarter ended June 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. 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 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.

See the disclosure under Part II – Item 1 Legal Proceedings in the Company Quarterly Report of Form 10-Q for the period ended March 31, 2024, as filed with the Commission on June 7, 2024, for a description of legal proceedings reportable earlier in this fiscal year.

ITEM 1A. RISK FACTORS

Other than as set forth below, during the six months ended June 30, 2024, there were no material changes to the risk factors disclosed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2023.

We have delisted from the NASDAQ.

On July 25, 2023, 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 was 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”).

On August 16, 2023, the Company received notice from the Staff of the Nasdaq that the Company no longer satisfied 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 notification was separate from, and in addition to, the previously deficiency letter that the Company received from the Staff on July 25, 2023.

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 were 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 was 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 been accepted.

On May 16, 2024, the Company received a written notice from the Panel that it has granted the Company an extension to regain compliance with the continued listing requirements for The Nasdaq Capital Market (the “Panel Decision”). The Hearings Panel granted the Company an extension until July 22, 2024, by which date the Company would be required to demonstrate compliance with all applicable initial listing requirements for the Nasdaq Capital Market in relation to its completion of its previously announced transaction with Danam.

On July 22, 2024, the Nasdaq notified Assure that the Panel determined to delist the Company’s common stock, and that trading of the Company’s securities will be suspended at the open of trading on July 24, 2024.

In connection with the Nasdaq delisting notice, Nasdaq will complete the delisting by filing a Form 25 Notification of Delisting with the U.S. Securities and Exchange Commission after applicable appeal periods have lapsed. In the interim, the Company’s common stock began trading under its current trading symbol “IONM” on the OTC Markets system effective with the open of the markets on July 24, 2024. The Company intends to submit an application to the OTCQB for quotation of its common stock.

The Company has 15 days after the date it received notice of the Panel's decision (which is July 22, 2024) to request in writing that the Nasdaq Listing and Hearing Review Council (the "Council") review the decision. In addition, the Council may, on its own motion, determine to review the Panel's decision within forty-five calendar days after the Company was notified of the decision.

As a result of the delisting, the Company faces significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Items 2(b) and 2(c) - None.

Item 2(a) – Stock Issuances - All issuances of equity securities on an unregistered basis during the quarter ended June 30, 2024, were previously reported on a Current Report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Convertible Debt

The majority of the convertible debt matured during the period of December 2023 through March 2024. The Company has not paid the contractual amounts due per the terms of the convertible debt agreements, including principal and accrued interest. As such, the convertible debt is payable on demand. However, the Company anticipates issuing Assure common shares as settlement of the remaining principal and accrued interest. There is no guarantee the Company will be able to settle the amounts outstanding under the Convertible Debenture with common shares of the Company.

Short-Term Promissory Notes

As discussed in Note 1 to the condensed consolidated financial statements, in connection with the Danam Waiver Agreement, on April 8, 2024, the Company 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. As of the date of this filing, the note matured, and the Company is currently in default.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated February 12, 2024, by and among Assure, Assure Merger Corp. and Danam (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed with the SEC on February 12, 2024)
2.2	Partial Waiver and Amendment Agreement dated April 8, 2024 (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed with the SEC on April 12, 2024)
3.1	Amended Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Form 10-Q filed with the SEC on June 7, 2024)
3.2	Amended and Restated Bylaws of Assure Holdings Corp. (incorporated by reference to Exhibit 3.1 to the Company's 8-K filed with the SEC on April 12, 2024)
4.1	Form of Pre-Funded Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1/A filed with the SEC on May 2, 2023)
4.2	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.2 to the Company's Post-Effective Amendment No. 1 to the Registration Statement on Form S-1 filed with the SEC on May 12, 2023)
4.3	Convertible Note issued to Danam Health Inc. dated April 8, 2024 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed with the SEC on April 12, 2024)
10.1	Partial Waiver and Amendment Agreement dated April 8, 2024 (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed with the SEC on April 12, 2024)
10.2*	Exchange Agreement with Centurion dated April 8, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on April 12, 2024)
10.3	Subscription Agreement with Innovation dated April 8, 2024 (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed with the SEC on April 12, 2024)
10.4+	Form of Subscription Agreements dated June 27, 2024
10.5+	Memorandum of Understanding for Exchange Agreement with Centurion Financial Trust dated August 30, 2024
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
32.1++	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2++	Certification of the Principal Financial 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 page of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL (contained in Exhibit 101)
+	Filed herewith.
++	Furnished herewith.
*	Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

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: September 27, 2024

By : /s/ Paul Webster

Paul Webster, Chief Financial Officer
(Principal Financial Officer)

Date: September 27, 2024

SUBSCRIPTION AGREEMENT

ASSURE HOLDINGS CORP.

This **SUBSCRIPTION AGREEMENT** (this “**Agreement**”), dated as of [●], 2024 is made by and between Assure Holdings Corp., a Nevada corporation (the “**Company**”), and [●] (the “**Subscriber**”).

WHEREAS, the Company and the Subscriber has previously rendered services to the Company for value for which there is \$[●] of trade accounts payable due and payable.

WHEREAS, in accordance with the terms of this Agreement, the Company desires to sell, and Subscriber desires to purchase, in consideration for the cancellation of \$[●] of trade accounts payable, [●] shares of the Company’s common stock, par value \$0.001 per share (the “**Shares**”) in reliance on the exemptions from registration afforded under Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”) and Rule 506(b) of Regulation D promulgated under the Securities Act contemporaneously with the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the premises and the respective promises hereinafter set forth, the parties hereto hereby agree as follows:

1. SUBSCRIPTION

- a. The Subscriber hereby irrevocably subscribes for and agrees to purchase the Shares at a price of \$[●] per share (such subscription and agreement to purchase being the “**Subscription**”) for the total subscription price as set out on the signature page of this Agreement (the “**Subscription Amount**”), which Subscription Amount is to be paid by the Subscriber hereby agreeing to the cancel an equal amount of the Installment Amount, on the basis of the representations and warranties and subject to the terms and conditions set forth herein.
- b. The Company hereby agrees to sell on the basis of the representations and warranties and subject to the terms and conditions set forth herein, to the Subscriber the Shares. Subject to the terms hereof, the Agreement will be effective upon its acceptance by the Company.
- c. Unless otherwise provided, all dollar amounts referred to in this Agreement are in lawful money of the United States of America.

2. PAYMENT.

- a. Upon Closing, the Subscriber hereby agrees that as consideration for the purchase of the Shares, \$[●] of trade accounts payable is hereby cancelled without recourse and deemed to be fully paid. The Company hereby accepts the cancellation of \$[●] of trade accounts payable as payment in full for the Shares.
- b. The Subscriber must complete, sign and return to the Company an executed copy of this Agreement.
- c. The Subscriber shall complete, sign and return to the Company as soon as possible, on request by the Company, any documents, questionnaires, notices and undertakings as may

be required by regulatory authorities, and applicable law or that are deemed advisable or necessary by the Company in its reasonable discretion.

3. CLOSING.

- a. Closing of the purchase and sale of the Shares shall occur on or before June 28, 2024, or on such other date as may be determined by the Company in its sole discretion (the "Closing Date"). This Agreement shall not be binding on the Company until the satisfaction of each of the closing conditions set forth in Section 4 below and this Agreement has been accepted by the Company, which shall be evidenced by the Company countersigning this Agreement and the delivery thereof to the Subscriber.
- b. At the Closing, and subject to the limitations on issuance set forth in this Section 3b, the Shares will be deemed issued to the Subscriber in consideration for the cancellation of the trade accounts payable pursuant to Section 2a hereof and the Subscriber will have full rights of ownership in respect of such Shares as of the Closing Date, including the right to vote, transfer and dispose of such Shares. The Company will undertake to issue the evidence of the Shares registered in the name of the Subscriber or its designee within 5 business days of the Closing Date, such evidence to be in the form of certificates representing the Shares or DRS advise slip(s) issued by the Company's transfer agent showing the issuance of the Shares on the book-entry register of the Company. Provided however that in all cases, to the extent that any issuance of Shares to the Subscriber at the Closing Date or otherwise in accordance herewith would result in the Subscriber and its other Attribution Parties (as defined below) exceeding the Maximum Percentage (as defined below) (as calculated in accordance with procedures set forth below, a "Maximum Percentage Event"), then such Subscriber shall not be entitled to receive such aggregate number of Shares in excess of the Maximum Percentage (and shall not have beneficial ownership of such Shares (or other equivalent security) as a result of the Closing (and beneficial ownership) to such extent of any such excess) (such remaining portion of such Shares that would have otherwise been issued to the Subscriber at the Closing, the "Abeyance Shares"), such portion of the trade accounts payable in relation to the Abeyance Shares shall alternatively be exchanged for the right to receive such Abeyance Shares (with a beneficial ownership and issuance limitation as set forth below in this Section 3b), at such time or times as its right thereto would not result in such Subscriber and the other Attribution Parties exceeding the Maximum Percentage, at which time or times, if any, such Subscriber shall be granted such remaining portion of such Abeyance Shares in accordance herewith. The Company shall not effect the issuance of any Abeyance Shares pursuant to the Subscribers right to Abeyance Shares hereunder, and the Subscriber shall not have the right to request any Abeyance Shares pursuant to the terms and conditions of this Agreement, and any such issuance or request shall be null and void and treated as if never made, to the extent that after giving effect to such issuance or request, as the case may be, the Subscriber together with the other Attribution Parties collectively would beneficially own in excess of 9.99% (the "Maximum Percentage") of the shares of common stock of the Company outstanding immediately after giving effect to such issuance or request. For purposes of the foregoing sentence, the aggregate number of shares of common

stock beneficially owned by the Subscriber and the other Attribution Parties shall include the number of shares of common stock held by the Subscriber and all other Attribution Parties plus the number of shares of common stock to be issued pursuant to the right to Abeyance Shares with respect to which the determination is being made, but shall exclude shares of common stock which would be issuable (A) pursuant to the right to Abeyance Shares under this Agreement that is not being issued to the Subscriber or any of the other Attribution Parties at the time of determination and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred stock or warrants) beneficially owned by the Subscriber or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 3b. For purposes of this Section 3b, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). If the Company receives a request for Abeyance Shares from the Subscriber, the Company shall notify the Subscriber in writing of the number of shares of common stock then outstanding and, to the extent that such request for Abeyance Shares would otherwise cause the Subscribers' beneficial ownership, as determined pursuant to this Section 3b, to exceed the Maximum Percentage, such Abeyance Shares shall not be issued. For any reason at any time, upon the written or oral request of the Subscriber, the Company shall within three (3) business days confirm orally and in writing or by electronic mail to the Subscriber the number of shares of common stock then outstanding. In the event that the issuance of Abeyance Shares to the Subscriber pursuant to the right to Abeyance Shares under this Agreement results in the Subscriber and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of common stock (as determined under Section 13(d) of the Exchange Act), the number of shares so issued to the Subscriber by which the Subscriber's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "Excess Shares") shall be deemed null and void and shall be cancelled *ab initio*, and the Subscriber shall not have the power to vote or to transfer the Excess Shares and the Subscriber's right to unissued Abeyance Shares shall not be diminished by the amount of Excess Shares so cancelled. Upon delivery of a written notice to the Company, the Subscriber may from time to time increase (with such increase not effective until the sixty-first (61st) day after delivery of such notice) or decrease the Maximum Percentage to any other percentage not in excess of 19.9% as specified in such notice; provided that any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company. For purposes of clarity, the Abeyance Shares issuable pursuant to the terms of this Agreement in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Subscriber for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 3b to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended

beneficial ownership limitation contained in this Section 3b or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived. As used herein, "Attribution Parties" means, collectively, the following persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the date hereof, directly or indirectly managed or advised by the Subscriber or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Subscriber or any of the foregoing, (iii) any person acting or who could be deemed to be acting as a Group together with the Subscriber or any of the foregoing and (iv) any other persons whose beneficial ownership of the Company's common stock would or could be aggregated with the Holder's and the other Attribution Parties for purposes of Section 13(d) of the Exchange Act or for the purpose of exercising control over the Company. For clarity, the purpose of the foregoing is to subject collectively the Subscriber and all other Attribution Parties to the Maximum Percentage. As used herein, "Affiliate" means, with respect to any person, any other person that directly or indirectly controls, is controlled by, or is under common control with, such person, it being understood for purposes of this definition that "control" of a person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such person or direct or cause the direction of the management and policies of such person whether by contract or otherwise. As used herein, "Group" means a "group" as that term is used in Section 13(d) of the Exchange Act and as defined in Rule 13d-5 thereunder.

c.

4. **CONDITIONS TO OBLIGATIONS OF THE COMPANY.** The obligations of the Company to issue the Shares to the Subscriber on the Closing Date are subject to the fulfillment (or waiver by the Company), before or at the time of the closing, of each of the following conditions:
 - a. **Execution of Subscriber Documents.** The Subscriber will have executed and delivered this Agreement. This Agreement is also hereinafter referred to as the "Investor Documents."
 - b. **Performance by the Subscriber.** The Subscriber shall have duly performed and complied in all material respects with all agreements, covenants and conditions contained in this Agreement required to be performed or complied with by the Subscriber before the Closing Date including, without limitation, payment to the Company of the Subscription Amount.
5. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company represents and warrants to the Subscriber that the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to carry on its business as proposed to be conducted and to issue the Shares to the Subscriber.
6. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SUBSCRIBER.** The Subscriber hereby represents and warrants to and covenants with the Company (which representations, warranties and covenants shall survive the Closing Date indefinitely) that, as of the date hereof and as of the Closing Date:

- a. **Authorization.** It has the full power and authority to enter into this Agreement and the other Investor Documents, and (assuming due execution by the Company and the other parties to such agreements) such agreements constitute its valid and legally binding obligation, enforceable against it in accordance with its terms.
- b. **Purchase Entirely for Own Account.** The Shares are being acquired for investment for the Subscriber's own account, not as a nominee or agent and not with a view to the resale or distribution of any part thereof.
- c. **Disclosure of Information.** Prior to the time of purchase of any Shares, the Subscriber received a copy of this Agreement. The Subscriber has reviewed this Agreement and has had the opportunity to ask questions and receive any additional information from persons acting on behalf of the Company to verify the Subscriber's understanding of the terms thereof and of the Company's business and status thereof. The Subscriber acknowledges that no officer, director, attorney, broker-dealer, placement agent, finder or other person affiliated with the Company has given the Subscriber any information or made any representations, oral or written, other than as expressly provided in this Agreement, on which the Subscriber has relied upon in deciding to invest in the Shares, including without limitation, any information with respect to future acquisitions, mergers or operations of the Company or the economic returns which may accrue as a result of the purchase of the Shares. The Subscriber acknowledges and agrees that this Agreement contains all representations and warranties made by the Company to the Subscriber in connection with the offering, sale and purchase of the Shares.
- d. **Investment Experience.** The Subscriber represents that it is an "accredited investor" as defined in Rule 501(a) under Regulation D of the Securities Act. The Subscriber understands that the purchase of the Shares involves substantial risk. It acknowledges that it can bear the economic risk of its investment and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of its investment in the Shares. The Subscriber also represents it has not been organized for the purpose of acquiring the Shares.
- e. **No General Solicitation.** The Subscriber acknowledges that it has not seen, received, been presented with, or been solicited by any leaflet, public promotional meeting, newspaper or magazine article or advertisement, radio or television advertisement, or any other form of advertising or general solicitation with respect to the Shares.
- f. **Restricted Securities.** The Subscriber acknowledges and understands that the Shares are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. The Subscriber acknowledges that the Company has no obligation to file a registration statement regarding Subscriber's resale of the Shares. In this connection, the Subscriber represents that it is familiar with Rule 144 under the Securities Act ("**Rule 144**"), as presently in effect, and understands the resale limitations imposed thereby. The Subscriber understands that Subscriber must hold the Shares indefinitely unless such Shares, as applicable, are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Subscriber further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of

sale, the holding period for the Shares, as applicable, and on requirements relating to the Company which are outside of the Subscriber's control, and which the Company is under no obligation and may not be able to satisfy. In this regard, Subscriber understands and acknowledges that the Company has not represented or warranted that the Company has never been an issuer described in Rule 144(i)(1)(i).

- g. **Public Information.** The Subscriber understands that the Company has not agreed with the Subscriber to comply with the public information or other provisions of Rule 144 or any other exemption under U.S. federal or state law respecting the resale or other transfer of the Shares.
- h. **SEC Reports.** The Subscriber acknowledges that it has had access to and has reviewed the following (collectively, the "**Disclosure Documents**"): (i) the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, including, without limitation, the section captioned "Risk Factors" regarding risk factors associated with an investment in the Company, (ii) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and (iii) the Company's Current Reports on Form 8-K filed since January 1, 2024, including, in each case, any amendments thereto, all as filed with the SEC. In making this investment, the Subscriber has not relied upon any information not included in the Disclosure Documents or this Agreement, and the Subscriber has not relied upon any representations or warranties made by the Company, any other director or officer thereof, except as expressly set forth in this Agreement.
- i. **Consultation With Own Attorney.** The Subscriber has been advised to consult with its own attorney and other financial and tax advisers regarding all legal matters concerning an investment in the Company and the tax consequences of purchasing the Shares, and has done so, to the extent such Subscriber considers necessary.
- j. **Tax Consequences.** The Subscriber acknowledges that the tax consequences of investing in the Company will depend on particular circumstances, and neither the Company, the Company's officers, any other investors, nor the partners, shareholders, members, managers, agents, officers, directors, employees, affiliates or consultants of any of them, will be responsible or liable for the tax consequences to the Subscriber of an investment in the Company. The Subscriber has relied solely upon its own advisers with respect to the tax consequences of this investment.
- k. **Information Provided by Subscriber.** All information which the Subscriber has provided to the Company concerning the Subscriber, its financial position and its knowledge of financial and business matters is truthful, accurate, correct, and complete as of the date set forth herein and shall be as of the Closing Date. Subscriber undertakes to promptly inform the Company of any changes in such information or any inaccuracy in the representations and warranties made by Subscriber herein arising prior to the Closing Date.
- l. **Legends.** The Subscriber understands that the certificates evidencing the Shares may bear a legend substantially similar to the following, and other legends as may be determined by the Company upon consultation with its legal counsel:

NONE OF THE SECURITIES REPRESENTED HEREBY HAVE BEEN
REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE
SECURITIES LAWS, AND, UNLESS SO REGISTERED, MAY NOT BE
OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE UNITED

STATES (AS DEFINED HEREIN) OR TO U.S. PERSONS EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT.

- m. **Patriot Act.** All capitalized words and phrases and all defined terms used in the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including Executive Order 13224 effective September 24, 2001 (collectively referred as the "**Patriot Act**") are incorporated into this Section. The Subscriber and each and every Person affiliated with such Subscriber is: (i) not a "blocked" person listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and all modifications thereto or thereof (as used in this Section only, the "**Annex**"); (ii) in full compliance with the requirements of the Patriot Act and all other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**"); (iii) not in receipt of any notice from the Secretary of State or the Attorney General of the United States or any other department, agency or office of the United States claiming a violation or possible violation of the Patriot Act; and (iv) not listed as a Specially Designated Terrorist or as a "blocked" person on any lists maintained by the OFAC pursuant to the Patriot Act or any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of the OFAC issued pursuant to the Patriot Act or on any other list of terrorists or terrorist organizations maintained pursuant to the Patriot Act.
- 7. **INDEMNIFICATION.** The Subscriber agrees to indemnify and hold harmless the Company and its subsidiaries, as well as the respective officers, directors, and each other person, if any, who controls the Company, within the meaning of Section 15 of the Securities Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) (the "**Indemnified Liabilities**") arising out of or based upon any allegedly false representation or warranty or breach of or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing in connection with this transaction. To the extent that the foregoing undertaking by the Subscriber may be unenforceable for any reason, the Subscriber shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law. The indemnity and contribution agreements contained in this Section shall remain operative and in full force and effect regardless of (i) any termination of this Agreement and (ii) the consummation of the sale or successive resales of the Shares.
- 8. **MISCELLANEOUS.**
 - a. **Successors and Assigns.** Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the respective successors

and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under, or by reason of, this Agreement, except as expressly provided in this Agreement.

- b. **Governing Law and Jurisdiction.** This Agreement shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the internal laws of the State of Nevada, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Nevada or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Nevada. Each of the Company and Subscriber hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of Nevada, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of this Agreement.
- c. **Counterparts and Facsimile Signatures.** This Agreement may be executed manually or by facsimile or electronic signature and in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.
- d. **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.
- e. **Notices.** Except as otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, (b) when received by facsimile at the address and number for such party set forth on the signature page hereto, or (c) the next business day after deposit with a national overnight delivery service, postage prepaid, addressed to the parties as set forth on the signature page below, with next business day delivery guaranteed. A party may change or supplement its addresses for the purposes of receiving notice pursuant to this Section by giving the other parties written notice of the new address in the manner set forth above.
- f. **Finder's Fee.** Subscriber agrees to indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a brokers' fee, finders' fee or similar compensation (and the costs and expenses of defending against such liability or asserted liability) for which Subscriber or any of its officers, partners, employees or representatives is responsible.

- g. **Expenses.** Each of Subscriber and the Company shall bear its own fees and expenses in connection with this transaction. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party as determined specifically by the court shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.
- h. **Amendments and Waivers.** Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Subscriber.
- i. **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.
- j. **Further Assurances.** The Company and the Subscriber shall take all further actions and execute and deliver all further documents that are reasonably be required to effect the transactions contemplated by this Agreement.
- k. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding among the parties hereto and supersede all prior and contemporaneous negotiations and agreements between the parties regarding the subject matter hereof, whether oral or written.
- l. **Publicity.** Except as may be required by applicable law, including U.S. federal securities laws, none of the parties hereto shall issue a publicity release or announcement or otherwise make a public disclosure concerning this Agreement or the transactions contemplated hereby, without prior approval by the other parties hereto. Notwithstanding the foregoing, the Company shall be entitled to issue press release(s) regarding such transactions upon the Closing Date, so long as the release omits the name of the Subscriber.
- m. **Independent Counsel.** Subscriber confirms that either he, she or it has consulted with separate legal counsel or has determined of his, her or its free will not to obtain such separate representation. Subscriber acknowledges that legal counsel for the Company has not represented Subscriber in connection with this Agreement, the Shares, or the transactions contemplated hereby or thereby. Legal counsel for the Company is an intended third party beneficiary of this provision.

[Signatures appear on following page(s).]

ASSURE HOLDINGS CORP.

**SUBSCRIPTION AGREEMENT
SIGNATURE PAGE**

The undersigned Subscriber, by signing and returning this signature page, irrevocably commits to the purchase of the number of Shares set forth below, subject to the terms and conditions of this Subscription Agreement and hereby delivers to the Company, in settlement of trade accounts payable, the Subscription Amount.

The undersigned Subscriber further understands and agrees that while it is irrevocably committed to purchase the number of Shares subscribed for hereby, subject to the terms and conditions of this Subscription Agreement, the Company may reject this Subscription, in whole or in part, for any reason and refund to the undersigned Subscriber all or any portion of the Subscription Amount, without deduction or interest.

SUBSCRIBER:

Number of Shares:_____.

Subscription Amount: US\$_____

Address for Notices:

Street Address

City Country Zip

Daytime Telephone Number

Email Address

SIGNATURE BY SUBSCRIBER

Name of Corporation, Partnership or Trust (Please Print or Type)

By: _____
Signature of Authorized Agent

Title: _____

Taxpayer Identification No.: _____

Executed at:

City Country Zip

This _____ day of _____, 2024
11

Amended and Restated

Memorandum of Understanding
for Exchange Agreement

This Binding Amended and Restated Memorandum of Understanding ("Agreement") is entered into by and between Assure Holdings Corp. (the "Company") and Centurion Financial Trust (the "Holder" and in its capacity as agent and nominee, the "Agent") as of August 30, 2024, in amendment and restatement of that Memorandum of Understanding of July 18, 2024.

WHEREAS, 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 the Holder, an investment trust formed by Centurion Asset Management Inc. ("Centurion"). Under the terms of the Commitment Letter, the Company issued a debenture to Centurion Financial Trust, as Holder, dated June 9, 2021 (the "Debenture"), acting on behalf of the lenders thereunder, from time to time (the "Lender"), 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").

WHEREAS, as of the date hereof there is \$10,881,276.23 of principal amount outstanding, due and payable, under the Debenture plus \$ 1,187,749 in accrued and unpaid interest and penalties. Until all Settlement Terms have been satisfied (as outlined below) the Per Diem is \$4,139.40

WHEREAS, as security for the repayment of the Company's Obligations (as defined under the Debenture, the "Obligations"), the Company and certain subsidiaries of the Company named therein (the "Subsidiaries"), entered into a General Security Agreement dated June 9, 2021 (the "Security Agreement") with the Agent, pursuant to which, among other things, the Company and the Subsidiaries granted the Agent, in its capacity as agent and nominee to the Lender, a first priority security interest (the "Security Interest") on all of the assets of the Company and the Subsidiaries, respectively, defined as "Collateral" under the Security Agreement (the "Collateral") and to all "Intellectual Property" (as defined in the Security Agreement, the "Intellectual Property") of the Company and the Subsidiaries.

WHEREAS, as a further security for the repayment of the Corporation's Obligations, the Subsidiaries entered into a Guarantee and Indemnity Agreement dated June 9, 2021 (the "Guarantee") with the Agent, as lender and as agent and nominee for certain lenders pursuant to the Debenture, pursuant to which the Subsidiaries irrevocably and unconditionally guaranteed to the Agent, as a continuing obligation, the full and punctual payment and performance of the Obligations when due, whether at stated maturity, by acceleration, declaration, demand, or otherwise.

WHEREAS, the parties intended to settle the Company's Obligations under the Debenture in accordance with (i) the assignment of certain assets of the Company to the Agent, as set forth herein (the "Assigned Assets"), (ii) the exchange of the remaining Obligation into shares of common stock, par value \$0.001 (the "Exchange Common Stock"), of the Company, and (iii) the payment of an accommodation fee of \$750,000 to the Agent by the Company to be paid in Common Shares at the same price as the Exchange Common Stock, as set forth in (ii) above (the "Additional Stock") (the Exchange Common Stock and the Additional Stock are the "Common Stock") to be effective upon the closing of the Company's contemplated public offering of equity with a minimum aggregate raise amount of \$7 million, (the "Offering"), whereby the Company would have achieved the minimum equity required to retain its Nasdaq Listing and agree and satisfy other conditions precedent.

WHEREAS, the Company failed on a timely basis to satisfy the required conditions including the raising of the needed equity, the assignment of assets, the issuance of shares and as a consequence the settlement arrangements have not and cannot be completed as agreed in the Memorandum of Understanding and the Holder requires this amended and restated agreement in order to continue to forbear from realization on the Collateral under the Security Agreement.

WHEREAS, the company was, as a result of failing to raise equity, in need of bridge funding and the Holder is willing to renegotiate the prior agreement dated July 18, 2024 and make bridge funding available by not requiring the remittance of the required 35% of the collected arbitration awards for the period July 18, 2024 to this date, in that amount being a bridge provided by the Lender, the parties have agreed to enter into this new agreement.

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows such to be in full amendment and restatement of the Memorandum of Understanding and to set the terms and conditions for the Holder to forbear from realization the Holder retain its rights as secured lender and the right to exercise such as to the Collateral in the event of the failure to satisfy the conditions herein and complete the arrangement hereunder on or before October 10, 2024 :

1. Settlement and Release. The Parties are entering into this Agreement to agree upon the binding terms of settlement of the Obligations subject to the conditions herein. Closing will occur pursuant to, and upon complete satisfaction of the Settlement Terms (as set forth below) to be completed on or before October 10, 2024: (i) the Agent acting on its own behalf as the Holder and on behalf of the Lender, hereby agrees that the satisfaction of the Settlement Terms constitutes complete satisfaction of the Obligations under the Debenture and that at the Closing, upon satisfaction of the Settlement Terms, the Obligations shall be deemed to have been paid in full and indefeasibly discharged by the assignment and stock issuance with no further Obligations existing under the Debenture and the Debenture shall be extinguished and canceled in its entirety and the Agent on its own behalf as the Holder and as agent for the Lender will then release and forever discharges the Company and the Subsidiaries, of and from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, loss of services, expenses and compensation which the Agent or the Lender now has, or which may hereafter accrue or otherwise be acquired, on account of, or in any way growing out of the Debenture, the Security Agreement and the Guarantee (the "Settlement") and (ii) pursuant to one or more written releases in form and substance acceptable to the Company and the Agent, the Agent agrees to release all of its security interest in and to all the Collateral and Intellectual Property of the Company and the Subsidiaries under Security Agreement and terminates the Security Agreement and releases the Subsidiaries from the Guarantee and terminates the Guarantee (collectively, the "Release") where upon the right and interest of the Agent will consist of the rights under the Exchange Agreement, the issued Common Stock and Additional Stock and the Assigned Assets.

2. The Settlement Terms.

Closing will occur upon the following being completed to the satisfaction of the Agent:

2.1 Cash Payment. Agreement that if on or before December 10th, 2024, the Company closes a public or private offering of the Company's equity securities for cash then within 5 business days of the closing of the offering, the Company shall pay to the Agent, on behalf of the Lenders, fifty percent of the net proceeds and reduce the Common Stock by the equal dollar amount. If the company participates in a Reverse Merger Transaction (" RTO") and if a financing is completed to support of the RTO, and the investors of the financing are not willing to pay a percentage of the funds to the Agent, then the Common Stock will not be reduced.

2.2 Assignment of Assets. The Company will as an interim step to the full completion of the Settlement Terms (as set forth below), deliver to the Agent assignments, in form and substance reasonably acceptable to the Agent and the Company, of the Assigned Assets which consist of the following assets of the Company which will be applied to the Obligations as follows: first payment of any penalties due and owing, second to payment of any accrued and unpaid interest and finally to paying down the principal amount of the Debenture (the "Assignment Payment"). The assignments in the Assignment payment shall be as follows:

2.2.1 Federal and State Settlements and IDR Awards Under the "No Surprises Act" as Managed and Reported by Halo (IDR Accounts Receivable). The IDR Accounts Receivable collections are subject to an existing agreement with Halo and are allocated between Assure and Halo. Collections on IDR Accounts Receivable are net of the fees with Halo. Effective upon the closing of this Agreement, the Company will assign to the Agent on behalf of the Lenders 75% as collected of the Company's portion of the IDR Accounts Receivable. The Agent shall be entitled to cash receipts from the assigned IDR Accounts Receivable in the amount of 75% of amount to which the Company is entitled of the collected amount of all amounts as collected and the Company will retain rights to cash receipts from the assigned IDR Accounts Receivable as to 25% of amount to which the Company is entitled of the collected amount. The Company will on demand of the Agent provide a power of attorney allowing it to deal with the collection of the Company's portion of the IDR Accounts Receivable in similar form to that provided to Halo.

2.2.2 ERTC. Effective upon the closing of this Agreement, the Company will assign to the Agent on behalf of the Lenders the Company's Employee Retention Tax Credit refund from the Internal Revenue Service from the tax years 2020 through 2021.

2.3 Exchange. Effective upon the execution date of this Agreement, but no later than September 13, 2024, the Company will complete a Shares Payment and issue 9,135,924 of Common Shares (using a value of \$70 cents per share) for the reduction of the Obligations and none for the Cash Payment, the number of shares will remain fixed regardless of any additional amount paid under the assignment of assets but if any Cash Payment is made by October 31, 2024 that will result in the Company having the ability to rebuy the issues shares at the price of 70 cents per share. With respect to the 9,135,924 common shares, 60% of the shares are to be issued to the Agent and 40% issued to BRC Capital Partners Ltd. (BRC), with BRC being a party to the Agent's Senior Loan Syndication.

2.4 Settlement Of Other Claims and Obligations, the Company shall have settled by no later than October 10, 2024, with the agreement of the Agent to the terms of settlement, and completed the terms thereof as to the claims and obligations listed in Exhibit 1 hereto.

2.5 Cancellation of Warrants. Effective as of the execution date of this agreement but with delivery on Closing, the Holder will deliver the certificates representing the 763.89 common stock purchase warrants held by the Holder (the "Warrants") for cancellation by the Company.

3. Forbearance. The Company at the date hereof is in default under certain of the covenants and provisions of the Debenture, the Security Agreement or the Guarantee (collectively, the "Loan Documents"), pursuant to which the Lender has the right to accelerate its Obligations under the Loan Documents. From the date hereof until October 10th, 2024, the Lender will forbear in the exercise of any rights or remedies, whether granted in Loan Documents or under law, with respect to the Company or any of its assets (the "Forbearance Period"), other than the exercise of the Permitted Remedies. After October 10, 2024, the Holder will provide the Company 15 business days of notice of its intention to foreclose. During this 15-day period, the Company and the Holder will work collaboratively to develop and agree upon a strategy to effectuate a corporate reorganization. As used herein, the "Permitted Remedies" shall be limited solely to (i) enforce the terms of this Agreement and (ii) to obtain the benefits of the continuing indemnification obligations of the Company to Lenders in the Loan Documents. The Forbearance Period shall terminate automatically upon the occurrence of any of the following events: (i) the commencement by the Company of a voluntary proceeding seeking relief with respect to itself or its debts under any bankruptcy, insolvency or similar law,

or seeking appointment of a trustee, receiver, liquidator or other similar official for it or any substantial part of its assets; or its consent to any of the foregoing in any involuntary proceeding against it; or makes an assignment for the benefit of, or the offering to or entering into by The Company of any reorganization with its creditors, (ii) commencement of an involuntary proceeding against the Company of the kind described in clause (i) above; (iii) the failure to complete the conditions herein in Section 2 on or before October 10, 2024.

4. Securities to be Issued. The Exchange is being made in reliance upon the exemption from registration requirements of the Securities Act of 1933, as amended (the "**1933 Act**"), provided by Section 3(a)(9) promulgated thereunder. The Agent represents to the Company that it and each Lender is an "accredited investor" as defined in Rule 501(a) of Regulation D under the 1933 Act and understands and acknowledges that the Common Shares have not been and will not be registered under the 1933 Act or any applicable securities laws of any state of the United States and may not be offered or sold except pursuant to registration under such laws or pursuant to an available exemption thereunder. The Common Shares will be "restricted securities" under the 1933 Act, may bear a restrictive legend to such effect and will be subject to certain restrictions on resale under the 1933 Act which may prevent the holder thereof from offering, selling or otherwise transferring such securities. The Company acknowledges that the holding period of the Common Shares, if any, shall be tacked onto the holding period of the Debenture, and, in each case, the Company agrees not to take a position contrary. The Agent, acting on behalf of the Lender, has had access to such information regarding the Company, its business and its securities as it has deemed necessary to make its decision to invest in the Exchange Shares pursuant to the Exchange.

5. Closing of Shares Payment Subject to the conditions set forth herein, the closing of the Shares Payment and the Exchange shall take place via the electronic exchange of documents, securities and signatures, at such time and place as the Company and the Agent mutually agree (the "Closing" and the "Closing Date"), but in any event the Closing Date shall be no later than 2:00 p.m. (New York City Time) on September 13th, 2024. The Company's obligation to close will be conditioned upon (i) the Lender having delivered to the Company executed, written releases as contemplated in Section 1 hereof and (ii) the delivery of the certificates representing the Warrants as contemplated in Section 2.4 hereof and the Lender's obligation to close will be conditioned upon the Company having (i) made the Cash Payment, if applicable, (ii) delivered executed assignments as contemplated in Section 2.2 hereof, (iii) having provided for review by the Agent the treasury order for the Exchange Shares to be delivered to the transfer agent for the Company at the Closing and (iv) all of the terms of section 2 will have been completed to the satisfaction of the Agent.

6. Miscellaneous.

6.1 Further Assurances. The parties hereto agree to execute and deliver, without further consideration, all such further and other documents or assurances as may be required in order to carry out this Agreement according to its intent.

6.2 Assignment. This Agreement is not assignable by either party without the prior written consent of the other party. This Agreement will ensure to the benefit of and be binding on the parties hereto and their respective legal representatives, successors and permitted assigns.

6.3 Applicable Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Nevada, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Nevada or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Nevada.

6.4 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively

or prospectively), only with the written consent of the Company, and the Agent, or successor and assignee as provided under this Agreement.

6.5 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

6.6 Entire Agreement. This Agreement represents the entire agreement and understandings between the parties concerning the transactions hereunder and the other matters described herein and supersedes and replaces any and all prior agreements and understandings solely with respect to the subject matter hereof and thereof.

6.7 Specific Performance. It is recognized and acknowledged that a breach by any party of any material obligations contained in this Agreement will cause the other parties to sustain injury for which it would not have an adequate remedy at law for money damages. Accordingly, in the event of any such breach, any aggrieved party shall be entitled to the remedy of specific performance of such obligations and interlocutory, preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity, and each party will waive, in any action for specific performance, interlocutory, preliminary and permanent injunctive relief and/or any other equitable relief, the defense of adequacy of a remedy at law and any requirement for the securing or posting of any bond in connection with the obtaining of any such relief.

6.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Agent, on its own behalf as the Holder and as agent for the Lender, have each executed this Agreement as of the date set forth on the first page of this Agreement.

Assure Holdings Corp.

By: _____

Name: John Farlinger

Title: _____

Centurion Financial Trust

By: _____

Name:

Title:

[SIGNATURE PAGE TO MEMORANDUM OF
UNDERSTANDING]

IN WITNESS WHEREOF, the Company and the Agent, on its own behalf as the Holder and as agent for the Lender, have each executed this Agreement as of the date set forth on the first page of this Agreement.

Assure Holdings Corp.

By:
Name:
Title:

Centurion Financial Trust

By:
Name: Greg Romundt
Title:

[SIGNATURE PAGE TO MEMORANDUM OF UNDERSTANDING]

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, John Farlinger, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 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 controls 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 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 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 (or persons performing the equivalent functions):
 - (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: September 27, 2024

By: Is/ John Farlinger

Name: John Farlinger

Title: Chief Executive Officer

CERTIFICATIONS

I, Paul Webster, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: September 27, 2024

/s/ Paul Webster
Name: Paul Webster
Chief Financial Officer
(Principal Financial Officer)

**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 Quarterly Report of Assure Holdings Corp. (the "Company") on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to the best of my 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.

September 27, 2024 /s/ *John Farlinger*

Name: John Farlinger

Chief Executive Officer
(Principal Executive 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.

**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 Quarterly Report of Assure Holdings Corp. (the "Company") on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to the best of my 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.

September 27, 2024 /s/ *Paul Webster*

Name: Paul Webster

Chief Financial Officer (Principal Financial Officer
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.
