**Filed Pursuant to Rule 424(b)(3)**
**Registration No. 333-251829**

**Prospectus Supplement No. 1**
**(to Prospectus dated April 2, 2021)**

**ASSURE HOLDINGS CORP.**

**6,543,082 Shares of Common Stock**

This prospectus supplement supplements the prospectus dated April 2, 2021 (the "Prospectus"), which forms a part of registration statement on Form S-1 (No. 333-251829) (the "Registration Statement") filed by Assure Holdings Corp., a Nevada corporation (the "Company," "we," "us," "our," and "Assure") with the Securities and Exchange Commission (the "Commission"), which relates to the offering and resale by the selling stockholders identified therein of up to 6,543,082 shares of common stock issued or issuable to such selling stockholders, including 3,271,540 shares of common stock issuable upon the exercise of outstanding warrants.

This prospectus supplement is being filed to update and supplement the information in the Prospectus with the information contained in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, filed with the Commission on November 15, 2021 (the "Quarterly Report"). Accordingly, we have attached the Quarterly Report to this prospectus supplement.

This prospectus supplement updates and supplements the information in the Prospectus and is not complete without, and may not be delivered or utilized except in combination with, the Prospectus, including any subsequent amendments or supplements thereto. This prospectus supplement should be read in conjunction with the Prospectus and if there is any inconsistency between the information in the Prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement. The information in this prospectus supplement modifies and supersedes, in part, the information in the Prospectus. Any information in the Prospectus that is modified or superseded shall not be deemed to constitute a part of the Prospectus except as modified or superseded by this prospectus supplement. You should not assume that the information provided in this prospectus supplement or the Prospectus is accurate as of any date other than their respective dates. Neither the delivery of this prospectus supplement and Prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained in this prospectus supplement or the Prospectus is correct as of any time after the date of that information.

Our common stock is listed on The NASDAQ Capital Market under the symbol "IONM". On November 17, 2021, the closing sale price of our common stock on The NASDAQ Capital Market was $6.17 per share.

**AN INVESTMENT IN OUR SECURITIES INVOLVES RISKS. SEE THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 12 OF THE PROSPECTUS.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the Prospectus or this prospectus supplement. Any representation to the contrary is a criminal offense.**

The date of this prospectus supplement is November 18, 2021

ASSURE HOLDINGS CORP.
FORM 10Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2021
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**PART I. FINANCIAL INFORMATION**
**ITEM 1. FINANCIAL STATEMENTS**

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

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | $ 918 | $ 4,386 |
| Accounts receivable, net | 22,683 | 14,965 |
| Income tax receivable | 150 | 150 |
| Other current assets | 104 | 618 |
| Due from PEs | 5,734 | 4,856 |
| Total current assets | 29,589 | 24,975 |
| Equity method investments | 638 | 608 |
| Fixed assets | 109 | 356 |
| Operating lease right of use asset | — | 124 |
| Finance lease right of use asset | 877 | 608 |
| Deferred tax asset, net | 144 | — |
| Intangibles, net | 3,763 | 4,115 |
| Goodwill | 4,448 | 2,857 |
| Total assets | $ 39,568 | $ 33,643 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | $ 2,069 | $ 2,871 |
| Current portion of debt | — | 4,100 |
| Current portion of lease liability | 579 | 521 |
| Current portion of acquisition liability | 306 | — |
| Other current liabilities | 10 | 96 |
| Total current liabilities | 2,964 | 7,588 |
| Lease liability, net of current portion | 750 | 772 |
| Debt, net of current portion | 10,451 | 2,251 |
| Acquisition liability | 561 | — |
| Acquisition share issuance liability | 540 | 540 |
| Fair value of stock option liability | 40 | 16 |
| Performance share issuance liability | — | 2,668 |
| Deferred tax liability, net | — | 599 |
| Total liabilities | 15,306 | 14,434 |
| Commitments and contingencies (Note 8) | | |
| **SHAREHOLDERS' EQUITY** | | |
| Common stock: $0.001 par value; 180,000,000 shares authorized; 11,839,304 and 11,275,788 shares issued and outstanding, as of September 30, 2021 and December 31, 2020, respectively | 12 | 11 |
| Additional paid-in capital | 38,385 | 30,886 |
| Accumulated deficit | (14,135) | (11,688) |
| Total shareholders' equity | 24,262 | 19,209 |
| Total liabilities and shareholders' equity | $ 39,568 | $ 33,643 |

*See accompanying notes to condensed consolidated financial statements.*

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Revenue** | | | | |
| Patient service fees, net | $ 6,443 | $ 2,965 | $ 13,087 | $ (6,342) |
| Hospital, management and other | 2,103 | 998 | 6,446 | 3,902 |
| Total revenue | 8,546 | 3,963 | 19,533 | (2,440) |
| Cost of revenues | 4,254 | 2,232 | 9,956 | 5,062 |
| Gross margin | 4,292 | 1,731 | 9,577 | (7,502) |
| **Operating expenses** | | | | |
| General and administrative | 3,180 | 1,957 | 10,275 | 5,853 |
| Sales and marketing | 247 | 349 | 748 | 801 |
| Depreciation and amortization | 293 | 249 | 965 | 769 |
| Total operating expenses | 3,720 | 2,555 | 11,988 | 7,423 |
| Income (loss) from operations | 572 | (824) | (2,411) | (14,925) |
| **Other income (expenses)** | | | | |
| Income (loss) from equity method investments | 139 | (232) | 136 | (1,449) |
| Other income (expense), net | (27) | (3) | (29) | 50 |
| Accretion expense | (171) | (227) | (386) | (619) |
| Interest expense, net | (264) | (58) | (500) | (164) |
| Total other expense | (323) | (520) | (779) | (2,182) |
| Income (loss) before income taxes | 249 | (1,344) | (3,190) | (17,107) |
| Income tax benefit (expense) | (158) | 367 | 743 | 2,396 |
| Net income (loss) | $ 91 | $ (977) | $ (2,447) | $ (14,711) |
| **Income (loss) per share** | | | | |
| Basic | $ 0.01 | $ (0.14) | $ (0.21) | $ (2.11) |
| Diluted | $ 0.01 | $ (0.14) | $ (0.21) | $ (2.11) |
| Weighted average number of shares used in per share calculation – basic | 11,838,032 | 6,988,058 | 11,528,371 | 6,968,728 |
| Weighted average number of shares used in per share calculation – diluted | 15,724,103 | 6,988,058 | 11,528,371 | 6,968,728 |

*See accompanying notes to condensed consolidated financial statements*

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

| | Nine Months Ended September 30, 2021 | Nine Months Ended September 30, 2020 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss | $ (2,447) | $ (14,711) |
| **Adjustments to reconcile net loss to net cash used in operating activities** | | |
| (Income) loss from equity method investments | (136) | 1,449 |
| Stock-based compensation | 818 | 456 |
| Depreciation and amortization | 599 | 769 |
| Amortization of debt issuance costs | 53 | — |
| Provision for stock option fair value | 24 | (50) |
| Accretion expense | 386 | 619 |
| Tax impact of equity component of convertible debt issuance | — | (288) |
| **Change in operating assets and liabilities** | | |
| Accounts receivable, net | (5,723) | 16,243 |
| Prepaid expenses | 177 | — |
| Right of use assets | 291 | — |
| Accounts payable and accrued liabilities | (1,045) | (3,126) |
| Due from related parties | (1,121) | (1,113) |
| Lease liability | (399) | (172) |
| Income taxes | (743) | (1,715) |
| Other assets and liabilities | (86) | (209) |
| Net cash used in operating activities | (9,352) | (1,848) |
| **Cash flows from investing activities** | | |
| Purchase of fixed assets | — | (33) |
| Net cash paid for acquisitions | (204) | (3,934) |
| Distributions received from equity method investments | 312 | 424 |
| Net cash provided by (used in) investing activities | 108 | (3,543) |
| **Cash flows from financing activities** | | |
| Proceeds from exercise of stock options | 19 | — |
| Proceeds from share issuance, net | 832 | 102 |
| Proceeds from promissory note | — | 1,978 |
| Repayment of promissory note | — | (1,418) |
| Proceeds from Paycheck Protection Program loan | 1,665 | 1,211 |
| Proceeds from line of credit | — | 2,122 |
| Repayment of line of credit | — | (1,000) |
| Proceeds from debenture | 7,360 | — |
| Repayment of short term debt | (4,100) | — |
| Proceeds from convertible debenture | — | 2,485 |
| Net cash provided by financing activities | 5,776 | 5,480 |
| **Increase (decrease) in cash** | (3,468) | 89 |
| **Cash at beginning of period** | 4,386 | 59 |
| **Cash at end of period** | **$ 918** | **$ 148** |
| **Supplemental cash flow information** | | |
| Interest paid | $ 301 | $ 145 |
| Income taxes paid | $ — | $ 62 |
| **Supplemental non-cash flow information** | | |
| Purchase of equipment with finance leases | $ 431 | $ 269 |

*See accompanying notes to condensed consolidated financial statements.*

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

| | Common Stock | | Additional paid-in | Retained earnings | Total shareholders' |
|---|---|---|---|---|---|
| | Shares | Amount | Capital | (deficit) | equity |
| **Balances, June 30, 2020** | **6,959,063** | **$ 7** | **$ 8,056** | **$ (10,386)** | **$ (2,323)** |
| Share issuance, net | 25,184 | — | 102 | — | 102 |
| Stock-based compensation | — | — | 88 | — | 88 |
| Settlement of payables | 10,000 | — | 40 | — | 40 |
| Net loss | — | — | — | (977) | (977) |
| **Balances, September 30, 2020** | **6,994,247** | **$ 7** | **$ 8,286** | **$ (11,363)** | **$ (3,070)** |
| | | | | | |
| **Balances, June 30, 2021** | **11,833,431** | **$ 12** | **$ 38,136** | **$ (14,226)** | **$ 23,922** |
| Exercise of stock options | 3,000 | — | 19 | — | 19 |
| Share issuance, net | — | — | — | — | — |
| Stock-based compensation | — | — | 210 | — | 210 |
| Convertible debt converted into shares | 2,858 | — | 20 | — | 20 |
| Other | 15 | — | — | — | — |
| Net income | — | — | — | 91 | 91 |
| **Balances, September 30, 2021** | **11,839,304** | **$ 12** | **$ 38,385** | **$ (14,135)** | **$ 24,262** |

| | Common Stock | | Additional paid-in | Retained earnings | Total shareholders' |
|---|---|---|---|---|---|
| | Shares | Amount | Capital | (deficit) | equity |
| **Balances, December 31, 2019** | **6,959,063** | **$ 7** | **$ 6,710** | **$ 3,348** | **$ 10,065** |
| Share issuance, net | 25,184 | — | 102 | — | 102 |
| Stock-based compensation | — | — | 456 | — | 456 |
| Expected tax loss of future stock compensation option exercises | — | — | (288) | — | (288) |
| Equity component of convertible debt issuance | — | — | 1,220 | — | 1,220 |
| Fair value of finders' warrants | — | — | 46 | — | 46 |
| Settlement of payables | 10,000 | — | 40 | — | 40 |
| Net loss | — | — | — | (14,711) | (14,711) |
| **Balances, September 30, 2020** | **6,994,247** | **$ 7** | **$ 8,286** | **$ (11,363)** | **$ (3,070)** |
| | | | | | |
| **Balances, December 31, 2020** | **11,275,788** | **$ 11** | **$ 30,886** | **$ (11,688)** | **$ 19,209** |
| Exercise of stock options | 3,000 | — | 19 | — | 19 |
| Share issuance, net | 171,032 | — | 832 | — | 832 |
| Share issuance, acquisition related | 332,117 | 1 | 2,274 | — | 2,275 |
| Stock-based compensation | — | — | 818 | — | 818 |
| Convertible debt converted into shares | 13,384 | | 60 | | 60 |
| Equity component of debenture issuance | — | — | 1,203 | — | 1,203 |
| Settlement of performance share liability | 43,968 | — | 2,293 | — | 2,293 |
| Other | 15 | — | — | — | — |
| Net loss | — | — | — | (2,447) | (2,447) |
| **Balances, September 30, 2021** | **11,839,304** | **$ 12** | **$ 38,385** | **$ (14,135)** | **$ 24,262** |

*See accompanying notes to condensed consolidated financial statements.*

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

## 1. NATURE OF OPERATIONS

Assure Holdings Corp. (the "Company" or "Assure"), through its two wholly-owned subsidiaries, Assure Neuromonitoring, LLC ("Neuromonitoring") and Assure Networks, LLC ("Networks"), provides outsourced intraoperative neurophysiological monitoring ("IONM") and is an emerging provider of remote neurology services. The Company delivers a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive procedures including spine, neurosurgery, ear, nose, and throat, cardiovascular and orthopedic. Accredited by The Joint Commission, Assure's mission is to provide exceptional surgical care and a positive patient experience.

IONM identifies real-time changes in spinal cord, brain, and peripheral nerve functions during high-risk surgeries to prevent injuries or accidental damage to patients that could lead to strokes, heart attacks, paralysis or other serious medical issues. IONM is well established and is regarded as the standard of care in U.S healthcare.

Assure employs highly trained IONM technologists, who provide a direct point of contact in the operating room to relay critical information to the surgical team while Company physicians deliver remote neurology services in support of the surgical team. In addition, Assure offers surgeons and medical facilities a value-added platform that manages patient scheduling, billing and collections, physician relationship management and patient advocacy services. The high quality IONM support that Assure provides results in decreased hospital and surgeon liability, abbreviated patient stays, fewer readmissions, reduced hospital costs, enhanced overall patient satisfaction and the efficient achievement of better clinical outcomes.

The Company maintains operations in twelve U.S. states. Assure believes that continued geographic expansion initiatives, facility-wide outsourcing agreements with medical facilities, the acceleration of its remote neurology services platform, and selective acquisitions will combine to generate substantial growth opportunities going forward.

The Company was originally incorporated in Colorado on November 7, 2016. In conjunction with a reverse merger with Montreux Capital Corp., a British Columbia corporation, the Company was redomesticated from British Columbia to Nevada on May 16, 2017.

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

Networks was formed on November 7, 2016 in Colorado and holds varying ownerships interests in numerous Provider Network Entities ("PEs"), which are professional IONM entities. These entities are accounted for under the equity method of accounting.

Networks also manages other PEs that Networks does not have an ownership interest and charges those PEs a management fee which is accounted for as service revenue.

The Company operates in the United States in one segment.

*COVID-19*

Our business and results of operations have been, and continues to be, adversely affected by the global COVID-19 pandemic and related events and we expect its impact to continue. The impact to date has included periods of significant volatility in various markets and industries, including the healthcare industry. The volatility has had, and we anticipate it will continue to have, an adverse effect on our customers and on our business, financial condition and results of operations, and may result in an impairment of our long-lived assets, including goodwill, increased credit losses and impairments of investments in other companies. In particular, the healthcare industry, hospitals and providers of elective procedures have been and may continue to be impacted by the pandemic and/or other events beyond our control, and further volatility could have an additional negative impact on these industries, customers, and our business. In addition, the COVID-19 pandemic and, to a lesser extent, the impact on other industries, including automotive, electronics and real estate, increased fuel costs, U.S. restrictions on trade, and transitory inflation have impacted and may continue to impact the financial conditions of our customers and the patients they serve.

In addition, actions by United States federal, state and foreign governments to address the COVID-19 pandemic, including travel bans, stay-at-home orders and school, business and entertainment venue closures, also had and may continue to have a significant adverse effect on the markets in which we conduct our businesses. COVID-19 poses the risk that our workforce, suppliers, and other partners may be prevented from conducting normal business activities for an extended period of time, including due to shutdowns or stay-at-home orders that may be requested or mandated by governmental authorities. We have implemented policies to allow our employees to work remotely as a result of the pandemic as we reviewed processes related to workplace safety, including social distancing and sanitation practices recommended by the Centers for Disease Control and Prevention (CDC). The COVID-19 pandemic could also cause delays in acquiring new customers and executing renewals and could also impact our business as consumer behavior changes in response to the pandemic.

Since the start of the second quarter of 2021, there has been increased availability and administration of vaccines against COVID-19, as well as an easing of restrictions on social, business, travel, and government activities and functions, including healthcare and elective surgeries, and we have experienced a gradual resumption of economic activities in our industries. On the other hand, infection rates continue to fluctuate in various regions and new strains of the virus, including the Delta variant, remain a risk, which may give rise to implementation of restrictions in the geographic areas that we serve. In addition, there are ongoing global impacts resulting from the pandemic, including disruption of the supply chains, product shortages, increased delivery costs, increased governmental regulation, strains on healthcare systems, and delays in shipments, product development, technology launches and facility access.

We have been closely monitoring the COVID-19 pandemic and its impact on our business, including legislation to mitigate the impact of COVID-19 such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was enacted in March 2020, and the American Rescue Plan Act of 2021 which was enacted in March 2021. Although a significant portion of our anticipated revenue for 2021 is derived from fixed-fee and minimum-guarantee arrangements, primarily from large, well-capitalized customers which we believe somewhat mitigates the risks to our business, our per-unit and variable-fee based revenue will continue to be susceptible to the volatility, supply chain disruptions, microchip shortages and potential market downturns induced by the COVID-19 pandemic.

The full extent of the future impact of the COVID-19 pandemic on the Company's operational and financial performance is uncertain and will depend on many factors outside the Company's control, including, without limitation, the timing, extent, trajectory and duration of the pandemic; the availability, distribution and effectiveness of vaccines; the spread of new variants of COVID-19; the continued and renewed imposition of protective public safety measures; the impact of COVID-19 on integration of acquisitions, expansion plans, implementation of telemedicine, restrictions on elective procedures, delays in payor remittance and increased regulations; and the impact of the pandemic on the global economy and demand for consumer products. Although we are unable to predict the full impact and duration of the COVID-19 pandemic on our business, we are actively managing our financial expenditures in response to continued uncertainty. Further discussion of the potential impacts on our business from the COVID-19 pandemic is provided under Part I, Item 1A – Risk Factors of the Form 10-K.

## 2. BASIS OF PRESENTATION

*Consolidation*

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, and majority-owned entities. The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which contemplates continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The accompanying consolidated financial statements do not include any adjustments that might become necessary should the Company be unable to continue as a going concern. All significant intercompany balances and transactions have been eliminated in consolidation.

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

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

*Accounting Policies*

There have been no changes to the Company's significant accounting policies or recent accounting pronouncements during the nine months ended September 30, 2021 as compared to the significant accounting policies disclosed in the 10-K for the year ended December 31, 2020 as filed on March 30, 2021.

*Common Stock Reverse Split*

During September 2021, the Company effectuated a five-for-one reverse stock split. All share, stock option and warrant information has been retroactively adjusted to reflect the stock split. See Note 5 for additional discussion.

## 3. 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 on the consolidated balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. As a practical expedient, the Company elected not to separate non-lease components for the corporate office facility (e.g., common-area maintenance costs) from lease components (e.g., fixed payments including rent) and instead to account for each separate lease component and its associated non-lease components as a single lease component.

*Operating leases*

The Company leases corporate office facilities under two operating sub-leases which expired June 30, 2021. The Company is negotiating lease renewal terms and is currently under a month-to-month lease arrangement.

*Finance leases*

The Company leases medical equipment under various financing leases with stated interest rates ranging from 6.5% — 12.2% per annum which expire at various dates through 2026.

The condensed consolidated balance sheets include the following amounts for right of use ("ROU") assets as of September 30, 2021 and December 31, 2020 (stated in thousands):

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Operating | $ — | $ 124 |
| Finance | 877 | 608 |
| Total | $ 877 | $ 732 |

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

Finance lease assets are reported net of accumulated amortization of $1.8 million and $1.3 million as of September 30, 2021 and December 31, 2020, respectively.

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

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2021 | 2020 |
| Lease cost: | | |
| Operating leases | $ 227 | $ 159 |
| Finance leases: | | |
| Amortization of ROU assets | 372 | 398 |
| Interest on lease liabilities | 69 | 60 |
| Total finance lease cost | 441 | 458 |
| Total lease cost | $ 668 | $ 617 |

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

| | As of September 30, 2021 | As of December 31, 2020 |
|---|---|---|
| **Weighted average remaining lease term (years):** | | |
| Operating leases | — | 0.5 |
| Finance leases | 3.1 | 3.3 |
| **Weighted average discount rate:** | | |
| Operating leases | — | 6.9 |
| Finance leases | 8.1 | 7.9 |

The Company acquired ROU assets in exchange for lease liabilities of $431 thousand upon commencement of finance leases during the nine months ended September 30, 2021.

Future minimum lease payments and related lease liabilities as of September 30, 2021 were as follows (stated in thousands):

| | Operating Leases | Finance Leases | Total Lease Liabilities |
|---|---|---|---|
| Remainder 2021 | $ — | $ 167 | $ 167 |
| 2022 | — | 620 | 620 |
| 2023 | — | 306 | 306 |
| 2024 | — | 239 | 239 |
| 2025 | — | 148 | 148 |
| Thereafter | — | 23 | 23 |
| Total lease payments | — | 1,503 | 1,503 |
| Less: imputed interest | — | (174) | (174) |
| Present value of lease liabilities | — | 1,329 | 1,329 |
| Less: current portion of lease liabilities | — | 579 | 579 |
| Noncurrent lease liabilities | $ — | $ 750 | $ 750 |

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

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

**4. DEBT**

*Paycheck Protection Program*

During March 2021, the Company received an unsecured loan under the United States Small Business Administration Paycheck Protection Program (“PPP”) in the amount of $1.7 million. Assure executed a PPP promissory note, which matures on February 25, 2026. The PPP Loan carries an interest rate of 1.0% per annum, with principal and interest payments due on the first day of each month, with payments commencing on the earlier of: (i) the day the amount of loan forgiveness granted to Assure is remitted by the Small Business Administration to the Bank of Oklahoma; or (ii) 10 months after the end of the 24-week period following the grant of the Loan. All or a portion of the Loan may be forgiven if the Company maintains its employment and compensation within certain parameters during the 24-week period following the loan origination date and the proceeds of the Loan are spent on payroll costs, rent or lease agreements dated before February 15, 2020 and utility payments arising under service agreements dated before February 15, 2020. The Company intends to submit its application for forgiveness of the PPP promissory note during the fourth quarter of 2021.

*Debenture*

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

The principal amount of the Debenture drawn and outstanding from time to time shall bear interest both before and after maturity, default and judgment from the date hereof to the date of repayment in full at the rate of the greater of 9.50% or the Royal Bank of Canada Prime Rate plus 7.05% per annum calculated and compounded monthly in arrears and payable on the first business day of each month during which any obligations are outstanding, the first of such payments being due July 2, 2021 for the period from the Advance to the date of payment, and thereafter monthly. The difference between the commitment and the amount of the Loan outstanding from time to time shall bear a standby charge, for the period between June 2021 and the end of the availability period, in the amount of 1.50% per annum calculated and compounded monthly in arrears and payable on the first business day of each month during which any amount of the commitment remains available and undrawn, the first of such payments being due July 2, 2021. Interest on overdue interest shall be calculated and payable at the same rate plus 3% per annum.

With respect to the Senior Revolving Loan, Assure may prepay advances outstanding thereunder from time to time, with not less than 10 business days prior written notice of the prepayment date and the amount, in the minimum amount of $250 thousand. Any amount of the Senior Revolving Loan prepaid may be re-advanced. With respect to the Senior Term Loan and Senior Term Acquisition Line, Assure may prepay the advances outstanding thereunder, without penalty or bonus, in an amount not to exceed 25% of the aggregate of all Advances then outstanding under the Term Loans, on each anniversary date of the first advance made hereunder, provided in each case with not less than 30 days written notice of the Company's intention to prepay on such anniversary date and the proposed prepayment amount. Any prepayments to the Term Loans other than those permitted in the immediately preceding sentence may only be made on 30 days prior written notice of the prepayment date and the amount, and are subject to the Company paying on such prepayment date a prepayment charge equal to the lesser of (i) twelve (12) months interest and (ii) interest for the months remaining from the prepayment date to the Maturity Date, on the amount prepaid at the interest rate in effect on the applicable Term Loan as of the date of prepayment. Any amount of the Term Loan prepaid may not be re-advanced.

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

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

A portion of the proceeds from the Debenture were utilized to repay the Central Bank line of credit and the Central Bank promissory note.

*Warrant Fee*

In addition, Assure issued Centurion an aggregate of 275,000 non-transferrable common stock purchase warrants. Each warrant entitles Centurion to acquire one share in the capital of Assure, at an exercise price equal to US$7.55 (representing the closing price of Assure's shares of common stock as of the close of business on June 9, 2021 and multiplied by the Bank of Canada's daily exchange rate on June 9, 2021) for a term of 48 months. The warrants and underlying shares of common stock are subject to applicable hold periods under U.S. securities laws.

The Company's debt obligations are summarized as follows:

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| Central Bank line of credit | $ — | $ 1,978 |
| Central Bank promissory note | — | 2,122 |
| PPP promissory note | 1,665 | — |
| Total | 1,665 | 4,100 |
| | | |
| Face value of convertible debenture | 3,450 | 3,450 |
| Less: principal converted to common shares | (60) | — |
| Less: deemed fair value ascribed to conversion feature and warrants | (1,523) | (1,523) |
| Plus: accretion of implied interest | 610 | 324 |
| Total convertible debt | 2,477 | 2,251 |
| | | |
| Face value of Centurion debenture | 8,000 | — |
| Less: deemed fair value ascribed to warrants | (1,204) | — |
| Plus: accretion of implied interest | 100 | — |
| Less: net debt issuance costs | (587) | — |
| Total Centurion debt | 6,309 | — |
| Total debt | 10,451 | 6,351 |
| Less: current portion of debt | — | (4,100) |
| Long-term debt | $ 10,451 | $ 2,251 |

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As of September 30, 2021, future minimum principal payments are summarized as follows (stated in thousands):

| | PPP Loan | Convertible Debt | Bank Indebtedness |
|---|---|---|---|
| Remainder 2021 | $ — | $ — | $ — |
| 2022 | — | — | — |
| 2023 | — | 965 | — |
| 2024 | — | 2,425 | — |
| 2025 | — | — | 8,000 |
| 2026 | 1,665 | — | — |
| Total | 1,665 | 3,390 | 8,000 |
| Less: fair value ascribed to conversion feature and warrants | — | (1,523) | (1,204) |
| Plus: accretion and implied interest | — | 610 | 100 |
| Less: net debt issuance costs | — | — | (587) |
| | $ 1,665 | $ 2,477 | $ 6,309 |

### 5. SHARE CAPITAL

*Common stock*

Common stock: 180,000,000 authorized; $0.001 par value. As of September 30, 2021 and December 31, 2020, there were 11,839,304 and 11,275,788 shares of common stock issued and outstanding, respectively.

Reverse Share Split

During September 2021, the total number of shares of common stock authorized by the Company was reduced from 900,000,000 shares of common stock, par $0.001, to 180,000,000 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 five (5): effecting a five (5) old for one (1) new reverse stock split.

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

Additionally, all options, warrants and other convertible securities of the Company outstanding immediately prior to the reverse split were adjusted by dividing the number of shares of common stock into which the options, warrants and other convertible securities are exercisable or convertible by five (5) and multiplying the exercise or conversion price thereof by five (5), 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.

Acquisition shares

In connection with the acquisition of the Sentry Neuromonitoring, LLC (the “Seller”) assets, we issued to Seller or the Principals, as elected by Seller, shares of common stock of the Company with a value of $1,625,000, determined on the effective date, as quoted on the TSX Venture Exchange (237,226 shares of common stock). In addition, the Company placed into escrow 94,891 shares of the

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Company's common stock with a value of $650,000. The common stock is subject to a 12-month lock up beginning on the date of delivery. See Note 7 for additional discussion.

Share issuance

In June 2020, in connection with common stock purchase agreements, the Company issued 156,032 shares of common stock at a deemed value of $4.00 per share to certain employees, directors and third parties.

Convertible debt

During the nine months ended September 30, 2021, certain holders of the convertible debenture exercised their right to convert $60,000 of outstanding principal into shares of common stock, resulting in the issuance of 13,384 common stock.

*Stock options*

On December 10, 2020, our 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"). As of September 30, 2021, an aggregate of 1,183,930 shares of common stock (10% of the issued and outstanding shares of common stock) were available for issuance under the Amended Stock Option Plan. Of this amount, stock options in respect of 1,014,100 shares are outstanding as of September 30, 2021.

Options under the 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:

| | Options Outstanding | | | |
|---|---|---|---|---|
| | Number of Shares Subject to Options | Weighted Average Exercise Price Per Share | Weighted Average Remaining Contractual Life (in years) | Aggregate Intrinsic Value (in thousands) |
| **Balance at December 31, 2020** | 748,600 | $ 5.25 | 4.00 | |
| Options granted | 348,000 | 5.33 | | |
| Options exercised | (3,000) | 6.40 | | |
| Options canceled / expired | (79,500) | 5.96 | | |
| **Balance at September 30, 2021** | 1,014,100 | 5.16 | 3.62 | $ 2,670 |
| **Vested and exercisable at September 30, 2021** | 636,008 | 4.93 | 3.39 | $ 1,894 |

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The following table summarizes information about stock options outstanding and exercisable under the Company's Stock Option Plan at September 30, 2021:

| 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 |
| 200,000 | 3.90 | $ | 0.25 | 200,000 | $ | 0.25 |
| 12,000 | 1.07 | $ | 14.00 | 12,000 | $ | 14.00 |
| 15,000 | 6.30 | $ | 9.00 | 15,000 | $ | 9.00 |
| 85,000 | 2.00 | $ | 9.00 | 73,667 | $ | 9.00 |
| 146,800 | 2.30 | $ | 7.80 | 127,227 | $ | 7.80 |
| 81,300 | 3.01 | $ | 6.40 | 48,780 | $ | 6.40 |
| 40,000 | 3.91 | $ | 4.50 | 18,667 | $ | 4.50 |
| 93,000 | 4.20 | $ | 4.85 | 31,000 | $ | 4.85 |
| 311,000 | 4.34 | $ | 5.30 | 103,667 | $ | 5.30 |
| 30,000 | 4.54 | $ | 5.60 | 6,000 | $ | 5.60 |
| 1,014,100 | 3.62 | $ | 5.16 | 636,008 | $ | 4.93 |

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

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

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

*Risk-free interest rate* — The risk-free interest rate assumption is based on the U.S. Treasury rate for issues with remaining terms similar to the expected life of the options.

*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.

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The following assumptions were used to value the awards granted during the nine months ended September 30, 2021:

| | Nine Months Ended September 30, 2021 | Nine Months Ended September 30, 2020 |
|---|---|---|
| Expected life (in years) | 5.0 | 5.0 |
| Risk-free interest rate | 0.4 % | 3.0 % |
| Dividend yield | — % | — % |
| Expected volatility | 91 % | 107 % |

Stock-based compensation expense for the three months ended September 30, 2021 and 2020 was $210 thousand and $88 thousand, respectively, and $818 thousand and $456 thousand for the nine months ended September 30, 2021 and 2020, respectively. As of September 30, 2021, there was approximately $925 thousand of total unrecognized compensation cost related to 378,092 unvested stock options that is expected to be recognized over a weighted-average remaining vesting period of 2.2 years.

*Warrants*

As of September 30, 2021 and December 31, 2020, there were 3,940,006 and 3,665,006 warrants outstanding, respectively.

| | Number of Warrants outstanding |
|---|---|
| **Balance at December 31, 2020** | 3,665,006 |
| Debenture, warrants issued (Note 4) | 275,000 |
| **Balance at September 30, 2021** | 3,940,006 |

**6. LOSS PER SHARE**

The following table sets forth the computation of basic and fully diluted loss per share for the three and months ended September 30, 2021 and 2020 (stated in thousands, except per share amounts):

| | Three Months Ended September 30, 2021 | Three Months Ended September 30, 2020 | Nine Months Ended September 30, 2021 | Nine Months Ended September 30, 2020 |
|---|---|---|---|---|
| Net income (loss) | $ 91 | $ (977) | $ (2,447) | $ (14,711) |
| Basic weighted average common stock outstanding | 11,838,032 | 6,988,058 | 11,528,371 | 6,968,728 |
| Basic income (loss) per share | $ 0.01 | $ (0.14) | $ (0.21) | $ (2.11) |
| Net income (loss) | $ 91 | $ (977) | $ (2,447) | $ (14,711) |
| Basic weighted average common shares outstanding | 11,838,032 | 6,988,058 | 11,528,371 | 6,968,728 |
| Dilutive effect of stock options and warrants | 3,886,071 | — | — | — |
| Dilutive weighted average common stock outstanding | 15,724,103 | 6,988,058 | 11,528,371 | 6,968,728 |
| Diluted income (loss) per share | $ 0.01 | $ (0.14) | $ (0.21) | $ (2.11) |

Basic net income (loss) per share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed using the treasury stock method to calculate the weighted average number of shares of common stock and, if dilutive, potential shares of common stock outstanding during the period. Potential dilutive shares of common stock include incremental shares of common stock issuable upon the exercise of stock options, less shares from assumed proceeds. The assumed proceeds calculation includes actual proceeds to be received from the employee upon exercise and the average unrecognized stock compensation cost during the period.

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Stock options, exercisable, to purchase 227,893 shares of common stock and warrants to purchase 462,068 shares of common stock were outstanding at September 30, 2021 that were not included in the computation of diluted weighted average common stock outstanding because their effect would have been anti-dilutive.

**7. ACQUISITION**

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

Under the terms of the Purchase Agreement, Assure Texas Holdings agreed to purchase certain assets ("Acquired Assets") related to the Seller's interoperative neuromonitoring business (the "Business") and assumed certain liabilities of the Seller. The Acquired Assets included, among other items, all assets used in the Business, certain tangible personal property, inventory, Seller's records related to the Business, deposits and prepaid expenses, certain contracts related to the Business, licenses, intellectual property, goodwill and accounts receivables. The purchase qualified as a business combination for accounting purposes.

The purchase price for the assets consisted of cash and stock, payable as follows:

*Cash Payment*

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

*Stock Payment*

The Company issued 237,226 shares of common stock issued to the Seller or the Principals, as elected by Seller, with a value of $1,625,000, determined on the Closing Date, as quoted on the TSX Venture Exchange, on or about the Closing Date and 94,891 shares of common stock were placed in escrow with a value of $650,000 and are being held by the Escrow Agent pursuant to terms set forth in an escrow agreement to be mutually agreed to by Purchaser and Seller. The common stock is subject to regulatory restrictions and requirements and a 12 month lock up from the date of delivery, in addition to any additional lock up period imposed on the common stock under applicable law and/or regulation,

*Reimbursements*

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

*Receivable Bonus*

Purchaser agreed to pay Seller or the Principals, as elected by Seller, a bonus in an amount equal to $250,000 ("Receivable Bonus") upon collecting $3,000,001 in accounts receivable acquired by Purchaser for accounts receivable that was generated by Seller prior to the Closing. The Receivable Bonus, if earned, will be paid to Seller or the Principals, as elected by Seller, in three payments: (i) the first payment being in the amount of $100 thousand, payable on the thirtieth (30th) day following the date the Receivable Bonus is earned, (ii) the second payment being in the amount of $100 thousand, payable on the sixtieth (60th) day following the date the Receivable Bonus is earned, and (iii) the third payment in the amount of $50 thousand, payable on the ninetieth (90th) day following the date the Receivable Bonus is earned.

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*Founders' Bonus*

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

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

The initial accounting for the acquisition of Sentry is incomplete as we, with the support of our valuation specialist, are in the process of finalizing the fair market value calculations of the acquired net assets. In addition, the Company is in the process of reviewing the applicable future cash flows used in determining the purchase accounting. As a result, the amounts recorded in the consolidated financial statements related to the Sentry acquisition are preliminary and the measurement period remains open. The following table summarizes the preliminary allocation of the total consideration to the assets acquired and liabilities assumed as of the date of the acquisition (in thousands):

| | | |
|---|---|---|
| **Purchase price consideration:** | | |
| Cash | $ | 1,125 |
| Common stock, at fair value | | 2,275 |
| **Total consideration** | $ | 3,400 |
| | | |
| **Assets acquired:** | | |
| Cash | $ | 51 |
| Accounts receivable | | 2,000 |
| Right of use assets | | 131 |
| Total assets acquired | | 2,182 |
| | | |
| **Liabilities assumed:** | | |
| Accounts payable and accrued liabilities | | 242 |
| Lease liability | | 131 |
| Total liabilities assumed | | 373 |
| | | |
| **Preliminary Goodwill** | **$** | **1,591** |

## 8. 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.

***Performance share compensation***

As part of a reverse takeover transaction ("RTO") during 2016, the Company entered into a one-time stock grant agreement with two executives which defines a bonus share threshold as follows: should the Company meet or exceed a 2017 fiscal year EBITDA threshold of Cdn$7,500, the Company would issue 1,200,000 shares of common stock of the surviving issuer at the trailing 30-day average closing price. See the Company's annual report for the year ended December 31, 2020 filed on March 30, 2021 for additional discussion. During the year ended December 31, 2020, the Company settled 1,000,000 performance shares resulting from the issuance of 1,000,000 shares of common stock. During the first half of 2021, the Company settled the remaining 200,000 performance shares.

**9. SUBSEQUENT EVENTS**

On October 1, 2021, the Company granted 197,000 stock options to certain officers and employees.

On November 15, 2021, the Company announced that it has closed a brokered private placement of approximately 900,000 shares of the Company at an issue price of $5.25 per share, for gross proceeds of $4.75 million (the "Offering"). The proceeds of the Offering are expected to be used for expanding the Company's remote neurology services offering for intraoperative neuromonitoring ("IONM"), extending the Company's operational footprint into new states, supporting expected growth generated by the agreement with Premier, Inc. and general working capital purposes. Kestrel Merchant Partners LLC (the "Sponsor") acted as the exclusive sponsor and The Benchmark Company, LLC (the "Agent") acted as sole placement agent in connection with the Offering. Additionally, certain directors, officers and employees are expected to participated in a subsequent offering to settle approximately $700 thousand of compensation at a market price to be determined in accordance with Nasdaq listing requirements following the end of the Company's trading blackout in accordance with the Company's insider trading policy.

## 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, 2020 found in the Form 10-K filed by Assure Holdings Corporation on March 30, 2021 (the "Form 10-K").*

*This Quarterly Report contains forward-looking statements, which are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Words such as "expects," "anticipates," "plans," "believes," "seeks," "estimates," "could," "would," "may," "intends," "targets" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this Quarterly Report. The identification of certain statements as "forward-looking" is not intended to mean that other statements not specifically identified are not forward-looking. All statements other than statements about historical facts are statements that could be deemed forward-looking statements, including, but not limited to, statements that relate to our future revenue, growth rate, competitiveness, gross margins, expenditures, tax expenses, cash flows, our management's plans and objectives for our current and future operations, general economic conditions, the impact of the COVID-19 pandemic and related events, the impact of acquisitions on our financial condition and results of operations, and the sufficiency of financial resources to support future operations and capital expenditures.*

*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 (the "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 in order 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.*

### OVERVIEW

Assure is a best-in-class provider of outsourced intraoperative neurophysiological monitoring ("IONM") and an emerging provider of remote neurology services. The Company delivers a turnkey suite of clinical and operational services to support surgeons and medical facilities during invasive procedures including spine, neurosurgery, ear, nose, and throat, cardiovascular and orthopedic. Accredited by The Joint Commission, Assure's mission is to provide exceptional surgical care and a positive patient experience.

IONM identifies real-time changes in spinal cord, brain, and peripheral nerve functions during high-risk surgeries to prevent injuries or accidental damage to patients that could lead to strokes, heart attacks, paralysis or other serious medical issues. IONM is well established and regarded as the standard of care in U.S healthcare.

Assure employs highly trained IONM technologists, which provide a direct point of contact in the operating room to relay critical information to the surgical team while Company physicians deliver remote neurology services in support of the surgical team. In addition, Assure offers surgeons and medical facilities a value-added platform including: patient scheduling, billing and collections, physician relationship management and patient advocacy services. High quality Assure IONM support results in decreased hospital and surgeon liability, abbreviated patient stays, fewer readmissions, reduced hospital costs, enhanced overall patient satisfaction and the efficient achievement of better clinical outcomes.

Assure's integrated IONM offering, encompassing both the technologist in the operating room as well as off-site remote neurology services, help the Company create an even higher standard of service for surgeons and patients alike. In addition, it broadens Assure's platform and greatly expands the Company's margin potential by significantly reducing cost of delivery. This allows Assure to improve profitability on every case performed. Expanded scale associated with physician-driven remote neurology services' one-to-many model, in contrast to the Company's legacy on-site technologist-driven one-to-one model, is the most important catalyst for margin improvement. The top-line also benefits from Assure's integrated offering, given that most remote neurology cases Assure performs itself establish a new revenue stream. Assure technologists have created substantial managed case volume for the business that the Company's physicians performing remote neurology services are simply consuming. Currently, driving growth in remote neurology services is a matter of scheduling and delivering Assure's existing managed case volume. Further, providing remote neurology services for IONM offers Assure new opportunities in adjacent markets such as electroencephalographic (EEG), epilepsy, sleep studies and stroke care, where similar services and expertise are utilized.

The Company maintains operations in twelve U.S. states. Assure believes that continued geographic expansion initiatives, facility-wide outsourcing agreements with medical facilities, the acceleration of its remote neurology services platform, and selective acquisitions will combine to generate substantial growth opportunities going forward.

The Company has financed its cash requirements primarily from revenues generated from its services, by utilizing a bank promissory note and line of credit, from the issuances of convertible debentures, other debentures, from government loan programs, and from the sale of common stock. The Company's ability to maintain the carrying value of its assets is dependent on successfully marketing its services and maintaining future profitable operations, the outcome of which cannot be predicted at this time. The Company has also stated its intention to grow its operations by developing additional PE relationships and directly contracting with hospitals and surgery centers for services. In the future, it may be necessary for the Company to raise additional funds for the continuing development of its business plan. For further information about Assure, please visit www.assureneuromonitoring.com, www.sedar.com and www.sec.gov.

**COVID-19**

Our business and results of operations have been, and continues to be, adversely affected by the global COVID-19 pandemic and related events and we expect its impact to continue. The impact to date has included periods of significant volatility in various markets and industries, including the healthcare industry. The volatility has had, and we anticipate it will continue to have, an adverse effect on our customers and on our business, financial condition and results of operations, and may result in an impairment of our long-lived assets, including goodwill, increased credit losses and impairments of investments in other companies. In particular, the healthcare industry, hospitals and providers of elective procedures have been and may continue to be impacted by the pandemic and/or other events beyond our control, and further volatility could have an additional negative impact on these industries, customers, and our business. In addition, the COVID-19 pandemic and, to a lesser extent, the impact on other industries, including automotive, electronics and real estate, increased fuel costs, U.S. restrictions on trade, and transitory inflation have impacted and may continue to impact the financial conditions of our customers and the patients they serve. In addition, actions by United States federal, state and foreign governments to address the COVID-19 pandemic, including travel bans, stay-at-home orders and school, business and entertainment venue closures, also had a significant adverse effect on the markets in which we conduct our businesses. COVID-19 poses the risk that our workforce, suppliers, and other partners may be prevented from conducting normal business activities for an extended period of time, including due to shutdowns or stay-at-home orders that may be requested or mandated by governmental authorities. We have implemented policies to allow our employees to work remotely as a result of the pandemic as we reviewed processes related to workplace safety, including social distancing and sanitation practices recommended by the Centers for Disease Control and Prevention. The COVID-19 pandemic could also cause delays in acquiring new customers and executing renewals and could also impact our business as consumer behavior changes in response to the pandemic.

Since the start of the second quarter of 2021, there has been increased availability and administration of vaccines against COVID-19, as well as an easing of restrictions on social, business, travel, and government activities and functions, and we have experienced a gradual resumption of economic activities in our industries. On the other hand, infection rates continue to fluctuate in various regions and new strains of the virus, including the Delta variant, remain a risk, which may give rise to implementation of restrictions in the geographic areas that we serve. In addition, there are ongoing global impacts resulting from the pandemic, including disruption of the supply chains, product shortages, increased delivery costs, increased governmental regulation, strains on healthcare systems, and delays in shipments, product development, technology launches and facility access.

We have been closely monitoring the COVID-19 pandemic and its impact on our business, including legislation to mitigate the impact of COVID-19 such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was enacted in March 2020, and the American Rescue Plan Act of 2021 which was enacted in March 2021. Although a significant portion of our anticipated revenue for 2021 is derived from fixed-fee and minimum-guarantee arrangements, primarily from large, well-capitalized customers which we believe somewhat mitigates the risks to our business, our per-unit and variable-fee based revenue will continue to be susceptible to the volatility, supply chain disruptions, microchip shortages and potential market downturns induced by the COVID-19 pandemic.

The full extent of the future impact of the COVID-19 pandemic on the Company's operational and financial performance is uncertain and will depend on many factors outside the Company's control, including, without limitation, the timing, extent, trajectory and duration of the pandemic; the availability, distribution and effectiveness of vaccines; the spread of new variants of COVID-19; the continued and renewed imposition of protective public safety measures; the impact of COVID-19 on integration of acquisitions, expansion plans, implementation of telemedicine, restrictions on elective procedures, delays in payor remittance and increased regulations; and the impact of the pandemic on the global economy and demand for consumer products. Although we are unable to predict the full impact and duration of the COVID-19 pandemic on our business, we are actively managing our financial expenditures in response to continued uncertainty. Further discussion of the potential impacts on our business from the COVID-19 pandemic is provided under Part I, Item 1A – Risk Factors of the Form 10-K.

## RESULTS OF OPERATIONS

***Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020***

The following table provides selected financial information from the condensed consolidated financial statements of income for the three months ended September 30, 2021 and 2020. All dollar amounts set forth in the table below are expressed thousands of dollars, except share and per share amounts.

| | Three Months Ended September 30, | | Change | Change |
|---|---|---|---|---|
| | 2021 | 2020 | $ | % |
| **Revenue** | | | | |
| Patient service fees, net | $ 6,443 | $ 2,965 | $ 3,478 | 117.3 % |
| Hospital, management and other | 2,103 | 998 | 1,105 | 110.7 % |
| Total revenue | 8,546 | 3,963 | 4,583 | 115.6 % |
| Cost of revenues | 4,254 | 2,232 | 2,022 | 90.6 % |
| Gross margin | 4,292 | 1,731 | 2,561 | 147.9 % |
| **Operating expenses** | | | | |
| General and administrative | 3,180 | 1,957 | 1,223 | 62.5 % |
| Sales and marketing | 247 | 349 | (102) | (29.2)% |
| Depreciation and amortization | 293 | 249 | 44 | 17.7 % |
| Total operating expenses | 3,720 | 2,555 | 1,165 | 45.6 % |
| Income (loss) from operations | 572 | (824) | 1,396 | (169.4)% |
| **Other income (expenses)** | | | | |
| Income (loss) from equity method investments | 139 | (232) | 371 | (159.9)% |
| Other income (expense), net | (27) | (3) | (24) | 800.0 % |
| Accretion expense | (171) | (227) | 56 | (24.7)% |
| Interest expense, net | (264) | (58) | (206) | 355.2 % |
| Total other expense | (323) | (520) | 197 | (37.9)% |
| Income (loss) before income taxes | 249 | (1,344) | 1,593 | (118.5)% |
| Income tax benefit (expense) | (158) | 367 | (525) | (143.1)% |
| Net income (loss) | $ 91 | $ (977) | $ 1,068 | (109.3)% |
| **Income (loss) per share** | | | | |
| Basic | $ 0.01 | $ (0.14) | $ 0.15 | (105.5)% |
| Diluted | $ 0.01 | $ (0.14) | $ 0.16 | (112.7)% |
| Weighted average number shares – basic | 11,838,032 | 6,988,058 | 4,849,974 | 69.4 % |
| Weighted average number shares – diluted | 11,838,032 | 6,988,058 | 4,849,974 | 69.4 % |

***Revenue***

Total revenues for the three months ended September 30, 2021 and 2020 were $8.5 million and $4.0 million, respectively, net of implicit price concessions. For the three months ended September 30, 2021 and 2020, we recorded an allowance for implicit price concessions of nil and $4.6 million, respectively.

Patient service fee 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 record out-of-network technical and professional revenue (included in-Patient service fees, net) per case based upon our historical collection rates from private insurance carriers. Our revenue estimation process for out-of-network revenue is based on the collection experience from insurance cases that are up to two years old and management the collection experience of these receivables is more indicative of future per case collection rates. The Company recognizes revenue from hospital and surgery center customers and certain PEs, for which the Company does not have an ownership interest in, on a contractual basis. Revenue from services rendered is recorded after services are rendered.

For the three months ended September 30, 2021, Assure managed 4,996 cases where it retained 100% of the professional revenue (from our wholly-owned subsidiaries) compared to 2,685 cases where it retained 100% of the professional revenue (from our wholly- owned subsidiaries) in the same period in the prior year, an 86% increase in case volume. The increase is primarily related to organic sales growth in new markets such as Nebraska and Nevada, the acquisition of Sentry on April 30, 2021, and the launch of tele neurologist services.

***Cost of Revenues***

Cost of revenues for the three months ended September 30, 2021 were $4.3 million compared to $2.2 million for the same period in 2020. Cost of revenues consist primarily of third-party billing fees, the cost of our internal billing and collection department, technologist and reader wages, third-party reader and collection fees and medical supplies. Technologist wages and medical supplies vary with the number of neuromonitoring cases. The cost of our internal billing and collection department increased as we have ramped up this department and as the number of cases they are responsible for invoicing increases. During the three months ended September 30, 2021, the number of neuromonitoring cases increased 86% compared to the three months ended September 30, 2020, which increased cost of revenues year over year.

***General and administrative***

General and administrative expenses were $3.2 million and $2.0 million for the three months ended September 30, 2021 and 2020, respectively. The increase period-to-period was primarily related to an increase in information technology consulting costs as we continue to focus on automation and infrastructure to scale our business and an increase in stock based compensation expense.

***Sales and marketing***

Sales and marketing expenses was $247 thousand and $349 thousand for the three months ended September 30, 2021 and 2020. The decrease period-to-period was related to cost savings measures.

***Depreciation and amortization***

Depreciation and amortization expense was $293 thousand and $249 thousand for the three months ended September 30, 2021 and 2020, respectively. The increase is primarily related to the increase in ROU lease assets compared to the prior year.

***Income (loss) from equity method investments***

Assure recognizes its pro-rata share of the net income (loss) generated by the non-wholly-owned PEs. During the three months ended September 30, 2021, the Company recognized $139 thousand of income from equity method investments compared to $232 thousand in losses for the three months ended September 30, 2020. The variance is primarily associated with recording of the previously mentioned implicit price concessions which were significantly larger in 2020 than 2021.

***Accretion expense***

The Company recorded accretion expense of $171 thousand and $227 thousand for the three months ended September 30, 2021 and 2020, respectively. The Company accretes the difference between the fair value of the warrants and conversion feature related to the Central Bank and Centurion debt, as applicable, and the face value of such debt over the term of the debt.

***Interest expense, net***

Interest expense, net was $264 thousand for the three months ended September 30, 2021 compared to $58 thousand for the three months ended September 30, 2020. The increase year-over-year is primarily due to higher outstanding debt balances and the amortization of debt issuance costs. The Company capitalizes debt issuance costs and then amortizes such costs over the term of the debt.

***Income tax benefit (expense)***

For the three months ended September 30, 2021 income tax expense was $158 thousand compared to an income tax benefit of $367 thousand for the three months ended September 30, 2020. 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.

***Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020***

The following table provides selected financial information from the condensed consolidated financial statements of income for the nine months ended September 30, 2021 and 2020. All dollar amounts set forth in the table below are expressed thousands of dollars, except share and per share amounts.

| | Nine Months Ended September 30, | | Change | Change |
|---|---|---|---|---|
| | 2021 | 2020 | $ | % |
| **Revenue** | | | | |
| Patient service fees, net | $ 13,087 | $ (6,342) | $ 19,429 | (306.4)% |
| Hospital, management and other | 6,446 | 3,902 | 2,544 | 65.2 % |
| Total revenue | 19,533 | (2,440) | 21,973 | (900.5)% |
| Cost of revenues | 9,956 | 5,062 | 4,894 | 96.7 % |
| Gross margin | 9,577 | (7,502) | 17,079 | (227.7)% |
| **Operating expenses** | | | | |
| General and administrative | 10,275 | 5,853 | 4,422 | 75.6 % |
| Sales and marketing | 748 | 801 | (53) | (6.6)% |
| Depreciation and amortization | 965 | 769 | 196 | 25.5 % |
| Total operating expenses | 11,988 | 7,423 | 4,565 | 61.5 % |
| Loss from operations | (2,411) | (14,925) | 12,514 | (83.8)% |
| **Other income (expenses)** | | | | |
| Income (loss) from equity method investments | 136 | (1,449) | 1,585 | (109.4)% |
| Other income (expense), net | (29) | 50 | (79) | (158.0)% |
| Accretion expense | (386) | (619) | 233 | (37.6)% |
| Interest expense, net | (500) | (164) | (336) | 204.9 % |
| Total other expense | (779) | (2,182) | 1,403 | (64.3)% |
| Loss before income taxes | (3,190) | (17,107) | 13,917 | (81.4)% |
| Income tax benefit | 743 | 2,396 | (1,653) | (69.0)% |
| Net loss | $ (2,447) | $ (14,711) | $ 12,264 | (83.4)% |
| **Loss per share** | | | | |
| Basic | $ (0.21) | $ (2.11) | $ 1.90 | (89.9)% |
| Diluted | $ (0.21) | $ (2.11) | $ 1.91 | (90.4)% |
| Weighted average number shares – basic | 11,528,371 | 6,968,728 | 4,559,643 | 65.4 % |
| Weighted average number shares – diluted | 11,528,371 | 6,968,728 | 4,559,643 | 65.4 % |

***Revenue***

Total revenues for the nine months ended September 30, 2021 and 2020 were $19.5 million and $(2.4 million,) respectively, net of implicit price concessions. For the nine months ended September 30, 2021 and 2020, we recorded an allowance for implicit price concessions of $1.2 million and $24.0 million, respectively.

Patient service fee 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 record out-of-network technical and professional revenue (included in-Patient service fees, net) per case based upon our historical collection rates from private insurance carriers. Our revenue estimation process for out-of-network revenue is based on the collection experience from insurance cases that are between 1-2 years old and management believes the more recent collection experience is more indicative of future per case collection rates. The Company recognizes revenue from hospital and surgery center customers and certain PEs, for which the Company does not have an ownership interest in, on a contractual basis. Revenue from services rendered is recorded after services are rendered.

For the nine months ended September 30, 2021, Assure managed 10,979 where it retained 100% of the professional revenue (from our wholly-owned subsidiaries) compared to 6,763 cases where it retained 100% of the professional revenue (from our wholly- owned subsidiaries) in the same period in the prior year, a 62% increase in case volume. The increase is primarily related to organic sales growth in new markets such as Nebraska and Nevada, the acquisition of Sentry on April 30, 2021, and the launch of tele neurologist services.

***Cost of Revenues***

Cost of revenues for the nine months ended September 30, 2021 were $10.0 million compared to $5.1 million for the same period in 2020. Cost of revenues consist primarily of third-party billing fees, the cost of our internal billing and collection department, technologist and reader wages, third-party reader and collection fees and medical supplies. Technologist wages and medical supplies vary with the number of neuromonitoring cases. The cost of our internal billing and collection department increased as we have ramped up this department and as the number of cases they are responsible for invoicing increases. During the nine months ended September 30, 2021, the number of neuromonitoring cases increased 62% compared to the nine months ended September 30, 2020 which increased costs of revenues year over year.

***General and administrative***

General and administrative expenses were $10.3 million and $5.9 million for the nine months ended September 30, 2021 and 2020, respectively. The increase period-to-period was primarily related to higher legal fees in relation to our Nasdaq listing, acquisition of Sentry and debt financing with Centurion, and increased head count as we continued to build an inhouse billing and collections function. During the nine months ended September 30, 2021, we incurred legal and audit expenses related to the filing of our registration statement on Form S-1 and our initial Form 10-K with the Securities and Exchange Commission which are nonrecurring expenses.

***Sales and marketing***

Sales and marketing expenses were relatively consistent at $748 thousand and $801 thousand for the nine months ended September 30, 2021 and 2020, respectively.

***Depreciation and amortization***

Depreciation and amortization expense was $965 thousand and $769 thousand for the nine months ended September 30, 2021 and 2020, respectively. The increase is primarily related to the increase in ROU lease assets compared to the prior year.

***Income (loss) from equity method investments***

Assure recognizes its pro-rata share of the net loss generated by the non-wholly-owned PEs. During the nine months ended September 30, 2021, the Company recognized $136 thousand of income from equity method investments compared to $1.5 million of losses for the nine months ended September 30, 2020. The variance is primarily associated with recording of the previously mentioned implicit price concessions which were significantly larger in 2020 than 2021.

***Accretion expense***

The Company recorded accretion expense of $386 thousand and $619 thousand for the nine months ended September 30, 2021 and 2020, respectively. The Company accretes the difference between the fair value of the warrants and conversion feature related to the Central Bank and Centurion debt, as applicable, and the face value of such debt over the term of the debt.

***Interest expense, net***

Interest expense, net was $500 thousand for the nine months ended September 30, 2021 compared to $164 thousand for the nine months ended September 30, 2020. The increase year-over-year is primarily due to higher outstanding debt balances.

***Income tax benefit***

For the nine months ended September 30, 2021 income tax benefit was $743 thousand compared to $2.4 million for the nine months ended September 30, 2020. 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.

**FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES**

Our cash position as of September 30, 2021 was $918 thousand compared to the December 31, 2020 cash balance of $4.4 million. Working capital was $26.6 million as of September 30, 2021 compared to $17.4 million at December 31, 2020. We rely on payments from multiple private insurers and hospital systems that have payment policies and payment cycles that vary widely. Because we are primarily an out-of-network biller to private insurance companies, the collection times for our claims can last in excess of 24 months. Accounts receivables outstanding greater than 24 months are fully reserved.

For the nine months ended September 30, 2021, we collected approximately $10.1 million of cash from operations compared to collecting approximately $10.0 million in the same prior year period. As at September 30, 2021, accounts receivable, which are recorded net of implicit price concessions, was $22.7 million compared to $15.0 million at December 31, 2020. We received $312 thousand in cash distributions from the PE entities for the nine months ended September 30, 2021 compared to $424 thousand received for the same prior year period.

We financed our operations primarily from revenues generated from services rendered and through equity and debt financings. We expect to meet our obligations for the next 12 months, through cash earned through operating activities, debt financings, and equity offerings. During November 2021, we completed an equity financing. See *Subsequent Event* below for additional discussion.

Cash used in operating activities for the nine months ended September 30, 2021 was $9.4 million compared to $1.8 million for the same period in the preceding year. Cash was used to fund operations and to fund our growth strategy.

Cash provided by investing activities of $108 thousand for the nine months ended September 30, 2021 was related the PE advances, offset by payments related to the Sentry acquisition. Cash used in investing activities of $3.5 million for the nine months ended September 30, 2020 was primarily related to payments against the Neuro-Pro acquisition partially offset by the distributions received from the PEs.

Cash provided by financing activities of $5.8 million for the nine months ended September 30, 2021 was due to $7.4 million of net proceeds from the debenture, $1.7 million of proceeds from the Payroll Protection Program loan, and $832 thousand in proceeds from common stock issuances, offset by $4.1 million payments of bank debt. Cash provided by financing activities of $5.5 million for the nine months ended September 30, 2020 was primarily due to $2.5 million of proceeds from the issuance of convertible debentures, $1.2 million of proceeds from the payroll protection program, net proceeds of $560 thousand from the bank promissory note, and net proceeds of $1.1 million from the bank line of credit.

Our near-term cash requirements relate primarily to payroll expenses, trade payables, debt payments, capital lease payments, and general corporate obligations. Approximately 50% - 55% of the trade and other payables at September 30, 2021 and December 31, 2020 consist of accrued billing fees. These fees will not be due and payable until the underlying accounts receivable is collected which may be in the longer term.

*Debenture*

On June 10, 2021, the Company entered into definitive agreements to secure a credit facility under the terms of a commitment letter dated March 8, 2021 (the "Commitment Letter") with Centurion Financial Trust, an investment trust formed by Centurion Asset Management Inc. ("Centurion"). Under the terms of the Commitment Letter, Assure issued a debenture to Centurion, dated June 9, 2021 (the "Debenture"), with a maturity date of June 9, 2025 (the "Maturity Date"), in the principal amount of $11 million related to a credit facility comprised of a $6 million senior term loan (the "Senior Term Loan"), a $2 million senior revolving loan (the "Senior Revolving Loan") and a $3 million senior term acquisition line (the "Senior Term Acquisition Line" and together with the Senior Term

Loan and the Senior Revolving Loan, the "Credit Facility"). The Senior Term Acquisition Line will be made available to the Company to fund future acquisitions, subject to certain conditions and approvals of Centurion. The Credit Facility matures in June 2025.

The principal amount of the Debenture drawn and outstanding from time to time shall bear interest both before and after maturity, default and judgment from the date hereof to the date of repayment in full at the rate of the greater of 9.50% or the Royal Bank of Canada Prime Rate plus 7.05% per annum calculated and compounded monthly in arrears and payable on the first business day of each month during which any obligations are outstanding, the first of such payments being due July 2, 2021 for the period from the Advance to the date of payment, and thereafter monthly. The difference between the commitment and the amount of the Loan outstanding from time to time shall bear a standby charge, for the period between June 2021 and the end of the availability period, in the amount of 1.50% per annum calculated and compounded monthly in arrears and payable on the first business day of each month during which any amount of the commitment remains available and undrawn, the first of such payments being due July 2, 2021. Interest on overdue interest shall be calculated and payable at the same rate plus 3% per annum.

With respect to the Senior Revolving Loan, Assure may prepay advances outstanding thereunder from time to time, with not less than 10 business days prior written notice of the prepayment date and the amount, in the minimum amount of $250,000. Any amount of the Senior Revolving Loan prepaid may be re-advanced. With respect to the Senior Term Loan and Senior Term Acquisition Line, Assure may prepay the advances outstanding thereunder, without penalty or bonus, in an amount not to exceed 25% of the aggregate of all Advances then outstanding under the Term Loans, on each anniversary date of the first advance made hereunder, provided in each case with not less than 30 days written notice of the Company's intention to prepay on such anniversary date and the proposed prepayment amount. Any prepayments to the Term Loans other than those permitted in the immediately preceding sentence may only be made on 30 days prior written notice of the prepayment date and the amount, and are subject to the Company paying on such prepayment date a prepayment charge equal to the lesser of (i) twelve (12) months interest and (ii) interest for the months remaining from the prepayment date to the Maturity Date, on the amount prepaid at the interest rate in effect on the applicable Term Loan as of the date of prepayment. Any amount of the Term Loan prepaid may not be re-advanced.

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

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

A portion of the proceeds from the Debenture were utilized to repay the Central Bank line of credit and the Central Bank promissory note.

*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.

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

*Subsequent Event*

On November 15, 2021, the Company announced that it has closed a brokered private placement of approximately 900,000 shares of the Company at an issue price of $5.25 per share, for gross proceeds of $4.75 million (the "Offering"). The proceeds of the Offering are expected to be used for expanding the Company's remote neurology services offering for intraoperative neuromonitoring ("IONM"), extending the Company's operational footprint into new states, supporting expected growth generated by the agreement with Premier, Inc. and general working capital purposes. Kestrel Merchant Partners LLC (the "Sponsor") acted as the exclusive sponsor and The Benchmark Company, LLC (the "Agent") acted as sole placement agent in connection with the Offering. Additionally, certain directors, officers and employees are expected to participate in a subsequent offering to settle approximately $700 thousand of compensation at a market price to be determined in accordance with Nasdaq listing requirements following the end of the Company's trading blackout in accordance with the Company's insider trading policy.

**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 MD&A. We consider our most important accounting policies that require significant estimates and management judgment to be those policies with respect to revenue, accounts receivable, 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, 2020 as filed with the Securities and Exchange Commission on March 30, 2021.

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, 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 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.

**Changes in Internal Control Over Financial Reporting**

There have been changes in our internal control over financial reporting during the quarter ended September 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Changes in our internal control over financial reporting during the quarter ended September 30, 2021 are discussed below under "Remediation".

***Material Weaknesses***

Previously, management noted that we had material weaknesses in our internal control over financial reporting related to inadequate controls over the review of the accounting for complex transactions and improper segregation of duties which management believes to be a material weakness.

***Remediation***

In response to the identified material weakness, during the first quarter of 2021, management has implemented a rigorous review process regarding the accounting for complex transactions. During the third quarter of 2021, the Company remediated the segregation of duties control weakness by restructuring certain employee functions.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities that are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole.

### ITEM 1A. RISK FACTORS

During the three months ended September 30, 2021 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, 2020.

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

Item 2(b) and 2(c) are not applicable.

Item 2(a) – Stock Issuances

| **2021** | **Total number of shares common stock issued** |
|---|---|
| July (1) | 2,858 |
| August | — |
| September | — |
| Total | 2,858 |

*(1) Convertible debenture*

In connection with the terms of the convertible debenture (See Note 5 to our Condensed Consolidated Financial Statements), the Registrant issued 2,858 shares of common stock upon the conversion of $20 thousand principal amount of convertible debenture pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, and applicable state securities laws exemptions. The shares of common stock are “restricted securities” as defined in Rule 144 of the Securities Act and subject to hold periods under applicable Canadian securities laws.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

**ITEM 5. OTHER INFORMATION**

*Credit Facility*

As previously reported on Form 8-K filed on June 16, 2021, we entered intcdefinitive agreements to secure a credit facility with Centurion Financial Trust, an investment trust formed by Centurion Asset Management Inc. ("Centurion"). Assure issued a Debenture to Centurion, dated June 9, 2021, with a maturity date of June 9, 2025, in the principal amount of US$11,000,000 related to a credit facility comprised of a US$6,000,000 senior term loan, a US$2,000,000 senior revolving loan and a US$3,000,000 senior term acquisition line (the "Credit Facility"). The Credit Facility is guaranteed by certain Assure subsidiaries.

*Adoption of Code of Business Conduct and Ethics*

On August 11, 2021, the Board of Directors adopted a Code of Business Conduct and Ethics, which replaces our prior Code of Ethics.

**ITEM 6. EXHIBITS**

| Exhibit Number | Description |
|---|---|
| 3.1 | Articles of Incorporation of Montreux Capital Corp. dated May 15, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Form S-1 filed with the SEC on February 11, 2021) |
| 3.2 | Articles of Domestication (from British Columbia to State of Nevada) dated May 15, 2017 (incorporated by reference to Exhibit 3.2 to the Company's Form S-1 filed with the SEC on February 11, 2021) |
| 3.3 | Certificate of Amendment to Articles of Incorporation (Name Change) of Montreux Capital Corp. dated May 17, 2017 (incorporate by reference to Exhibit 3.3 to the Company's Form S-1 filed with the SEC on February 11, 2021) |
| 3.4 | Bylaws of Assure Holdings Corp. (incorporated by reference to Exhibit 3.4 to the Company's Form S-1 filed with the SEC on February 11, 2021) |
| 3.5 | Certificate of Change (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed with the SEC on September 3, 2021) |
| 3.6 | Amendment No.1 to the Bylaws (incorporated by referenced to Exhibit 3.2 to the Company's Form 8-K filed with the SEC on September 3, 2021) |
| 3.7 | Amendment No. 2 to the Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed with the SEC on November 9, 2021) |
| 3.8+ | Amended and Restated Bylaws of Assure Holdings Corp. |
| 3.9+ | Amended Articles of Incorporation of Assure Holdings Corp. |
| 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 September 30, 2021, formatted in Inline XBRL (contained in Exhibit 101) |

+ Filed herewith.
++ Furnished herewith.
* Indicates a management contract or compensatory plan, contract or arrangement.

## 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: November 15, 2021

By: /s/ *John Price*
John Price, Chief Financial Officer (Principal Financial Officer)

Date: November 15, 2021