

## Spine Pain Management Reports 2013 Financial Results and Corporate Update and Reminds for Conference Call 4:15 EDT Today



March 31, 2014 16:01 ET | Source: Spine Injury Solutions, Inc.

HOUSTON, March 31, 2014 (GLOBE NEWSWIRE) -- Spine Pain Management, Inc. (OTCQB:SPIN), a financial service and technology company that provides licensing, management, marketing, billing, collections and financial services related to liability spine injuries, today announced financial results for the full year, 2013.

Net loss for the year ended December 31, 2013 was \$626,071 compared to net loss of \$430,218 for the year ended December 31, 2012. Lower revenue, coupled with additional personnel and non-cash charges (interest costs for stock options and stock warrants, consulting, and bad debt expense) resulted in net loss increasing in 2013 from 2012. Non-cash charges for 2013 included \$460,000 in bad debt expenses, \$516,666 in stock based compensation, \$100,448 in interest expense related to warrant amortization, and \$113,358 in accretion of long term debt discount. Non-cash charges for 2012 included \$240,000 in bad debt expenses, \$474,084 in stock based compensation, \$168,408 in interest expense related to warrant amortization, and \$41,678 in accretion of long term debt discount plus a litigation settlement of stock worth \$326,650.

The company recorded \$3,299,928 in net revenues with \$1,320,348 in costs of services and gross profit of \$1,979,580 for the year ended December 31, 2013. For the year ended December 31, 2012, we recorded \$3,459,231 in net revenues with \$1,468,731 in costs of services and gross profit of \$1,990,500. Revenue was down in 2013 due to multiple factors. The company faced new competition in the McAllen and Florida locations resulting in lower case volume in 2013. Additionally in 2013, because of the low returns we have experienced on cases of patients with minimal insurance coverage limits, the affiliated diagnostic centers performed fewer of the procedures on these patients.

### Major Developments and Milestones

- Annual Cash Collections surpassed \$3 million for the first time.
- 1243 Cases Settled to date (503 for 2013) with cash received surpassing \$8 million (\$3 million for 2013) ; leaving a record 2,334 funded cases already awaiting Settlement.
- Successfully opened a new affiliate in San Antonio, Texas using both Company developed Quad Video HALO™ (QVH) and CLE\* programs from inception.
- Entered Partnership Distribution Agreement Med X Change for QVH "upstream" hardware/software.
- Successfully Introduced 3<sup>rd</sup> Party version of QVH at Radiological Society of North America (RSNA) trade show in Dec. with much interest.
- Ended the year with a strong cash position while also reducing debt by over \$500,000

(\*Continued Legal Education program for attorneys)

### Subsequent Events

- Exhibited the new QVH branded Med X Change upgrade at the American Academy of Orthopedic Surgeon annual convention in New Orleans in March 2014 .
- Will be attending and exhibiting at the:
  - Radiology & Imaging Conference 2014 (St. Louis, MO) April 28-30, 2014.(Booth 306)
  - Medical World Americas Conference & Expo-MEDICA (Houston, TX) April 28-30. (Booth 313)
- Initiated and currently executing exit from Florida market regarding future procedure funding do to complex changes in Florida law regarding personal injury cases, coupled with changes with our affiliate doctor. Funds will be deployed in current and new markets with greater profit potential.

**Spine Pain Management's CEO, Dr. William Donovan stated;** "We faced some formidable hurdles during 2013 resulting in a small loss of \$.03 a share for SPIN. We did spend a lot of time and resources in developing our QVH product for third party sales. Our referrals in the fourth quarter dropped significantly dragging down revenue. This decline, coupled with the increase in our bad debt allowance, were the main drivers of our loss for the year. The decline in referrals was from new competition in the McAllen, Texas and changes in our Florida affiliate.

"We still believe in our core funding model," Dr. Donovan continued. "We ended 2013 with total cash collections since inception of over \$8 million which was collected from only 1,243 cases or 35% of the 3,577 total active cases we had already funded by years end. Based on recent meetings with prospective new Affiliate doctors, thanks to our unique advantage of having the QVH to offer with our program, access to cash and a very successful 3<sup>rd</sup> party pilot program in San Antonio, we are very confident new centers will be opening and earnings and revenue growth will resume in Q2 of this year due to our core business alone.

### Conference Call Details

**Conference Call:** An investor's conference call with management will be held on Monday, March 31, at 4:15 p.m. (EDT). The call will be video WebCast with a short live Power Point Presentation followed by Q & A. The call may be accessed either by phone alone, which will not allow asking questions, or by phone and/or VOIP with headset after internet log-in with an on screen provided Audio Pin # which will allow verbally asking questions. Questions can also be typed into an online chat screen at any time during the presentation or Q & A period.

**Access to the Call:** To use the internet link, you must register prior to access. So we suggest you complete the registration and get your log-in information in advance of the start of the presentation. You can register at any time. As mentioned above, the call is Monday, March 31, at 4:15 p.m. (EDT).

Click or paste the link below in your browser for registration and web access to the presentation and follow the online instructions:

<https://www3.gotomeeting.com/register/873444350>

Or if the above link doesn't work, please try the following:

<http://www.joinwebinar.com> Webinar ID: 873-444-350

Telephone Dial-in and/or VOIP which provides Q&A: To verbally ask a question using your telephone, you must be online at the presentation website during the internet presentation where a unique Audio PIN # will be provided to you on screen after you log-in to the presentation console. You must use the pin to hear the call on the phone. During the presentation, all will be muted until the Q&A portion.

The Q & A will be moderated, but without an operator, and will be open to all questions after the formal presentations. Review this short YouTube tutorial video for pointers on how to use the Webinar Features. (This is just a demo. Do not use the numbers or codes on this demo. Use what is provided above.)

**YouTube webinar instructions:** <http://youtu.be/n7b1VHDwwD4>

If you use the telephone, but are NOT also online, you will be able to hear the presentation plus Q & A, but will remain in "listen only" mode for the duration of the call.

Conference Dial-in Number: +1 (415) 655-0063

Participant Access Code: 577-959-418

**Conference Play Back:** A video replay of the conference call presentation will be available several hours after the completion of the call at the company website:

<http://www.spinepaininc.com/investor-information.php>

### About Spine Pain Management, Inc:

We are a medical services and technology company facilitating diagnostic services for patients who have sustained spine injuries resulting from traumatic accidents. We deliver turnkey solutions to spine surgeons, orthopedic surgeons and other healthcare providers that provide necessary and appropriate treatment of musculo-skeletal spine injuries resulting from automobile and work-related accidents. Our care management services help reduce the financial burden on healthcare providers that provide patients with early-stage diagnostic testing and non-invasive surgical care, preventing many patients from being unnecessarily delayed or inhibited from obtaining needed treatment. We believe that our services and technology brings strong transparency and impartiality to all parties involved in the settlement of patient cases.

In addition, we are the owners and developers of the Quad Video HALO™, the latest hardware/software advancement in providing video transparency to medical procedures using C-Arm Fluoroscopy.

Additional information about the company, along with a video can be found at its website at [www.spinepaininc.com](http://www.spinepaininc.com).

*Forward-Looking Statements: This press release includes forward-looking statements as determined by the U.S. Securities and Exchange Commission (the "SEC"). All statements, other than statements of historical facts, included in this press release that address activities, events, or developments that the company believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions, the ability to acquire and develop specific projects, the ability to fund operations, healthcare services demands, changes in healthcare practices, government regulation, and other factors over which the company has little or no control. The company does not intend (and is not obligated) to update publicly any forward-looking statements. The contents of this press release should be considered in conjunction with the warnings and cautionary statements contained in the company's recent filings with the SEC.*

### Company Contact

Dr. William F. Donovan  
Chairman, President & CEO  
Spine Pain Management, Inc.  
713 521-4224