

## Pre-Quotation Disclosure

The following information is provided to ASX Limited (**ASX**) for release to the market in connection with the official quotation, on a deferred settlement basis, of CHESS Depositary Interests (**CDIs**) representing shares of Class A common stock (**Shares**) of Imricor Medical Systems, Inc. (the **Company**) (ASX:IMR). Each CDI is equivalent to one Share.

Capitalised terms not defined in this document have the meaning given to them in the replacement prospectus lodged with the Australian Securities and Investments Commission on 14 August 2019 (**Prospectus**).

The Offer closed on 26 August 2019 and 14,578,313 CDIs were issued today, 30 August 2019, under the Offer at an issue price of A\$0.83 per CDI. In addition, 1,084,337 Shares (equivalent to 1,084,337 CDIs) were also issued today under the U.S. Private Placement. A total of A\$13.0 million has been raised under the Combined Offers before offer costs.

### Basis of allocation and procedures for determining allocations under the Offer

The basis of allocation of each component of the Offer was determined as follows:

- The allocation of CDIs between the Institutional Offer and the Broker Firm Offer was determined by agreement between the Company and the Lead Manager.
- Institutional Offer - the allocation of CDIs under the Institutional Offer was determined by agreement between the Company and the Lead Manager.
- Broker Firm Offer - for participants in the Broker Firm Offer, the relevant broker will decide as to how the CDIs are allocated amongst their eligible retail clients.

The Lead Manager has advised successful applicants in the Institutional Offer of their allocations. Applicants under the Broker Firm Offer may confirm their allocations by contacting their broker. Applicants can also confirm their allocation of CDIs, or make general enquiries regarding the Offer, by contacting the Imricor Offer Information Line on 1300 376 397 (within Australia) or +61 3 9415 4397 (outside Australia) from 8:30am until 5:00pm AEST, Monday to Friday.

The Company confirms that the Imricor Offer Information Line is expected to meet the anticipated demand for information from applicants.

### Number of CDIs issued under the Offer

The number of CDIs issued under each component of the Offer was as follows:

- Institutional Offer – 12,672,207 CDIs; and

- Broker Firm Offer – 1,906,106 CDIs.

## Intended despatch date

The intended date for despatch of CHESS allotment notices and issuer sponsored holding statements and refund of any money is 2 September 2019.

## Capital Structure

The Company confirms that:

- in addition to the 14,578,313 CDIs issued today under the Offer, 1,084,337 Shares (equivalent to 1,084,337 CDIs) have also been issued today under the U.S. Private Placement;
- all principal and accrued interest on the Convertible Notes have converted to Shares or CDIs with 5,024,086 CDIs and 21,975,980 Shares issued referable to principal and 523,869 CDIs and 2,033,437 Shares issued referable to accrued interest; and
- 3,187,375 Shares have been issued as a result of the down-round issue described in Section 12.4 of the Prospectus.

Accordingly, as at 30 August 2019 (following completion of the Combined Offers and the Note Conversion), the capitalisation of the Company is as follows:

|               |            |
|---------------|------------|
| CDIs / Shares | 92,932,470 |
| Options       | 7,184,233  |
| Warrants      | 787,909    |

## ASX Restrictions

The following table shows the number of securities subject to ASX restrictions and the applicable restriction periods. Some of the securities listed in the following table are also subject to the voluntary escrow described below.

| Last day of ASX restriction | Number of restricted Shares/CDIs | Number of restricted Options | Number of restricted Warrants |
|-----------------------------|----------------------------------|------------------------------|-------------------------------|
| 28 January 2020             | 917,655                          | -                            | -                             |
| 3 February 2020             | 153,284                          | -                            | -                             |
| 2 April 2020                | 60,281                           | -                            | -                             |
| 3 April 2020                | 361,101                          | -                            | -                             |
| 29 August 2020              | 3,599,957                        | -                            | -                             |
| 29 August 2021              | 9,861,747                        | 2,095,500                    | 273,972                       |
| Total                       | 14,954,025                       | 2,095,500                    | 273,972                       |

## Voluntary Escrow

The following table shows the number of securities subject to voluntary escrow and the applicable escrow periods. Some of the securities listed in the following table are also subject to the ASX restrictions described above.

| Last day of voluntary escrow | Number of escrowed Shares/CDIs |
|------------------------------|--------------------------------|
| 29 February 2020             | 29,127,430                     |
| 29 May 2020                  | 8,290,602                      |
| 29 August 2020               | 12,035,133                     |
| 29 November 2020             | 8,290,582                      |
| 29 August 2021               | 6,152,817                      |
| Total                        | 63,896,564                     |

## Waiver from Listing Rule 14.2.1

ASX has granted the Company a waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in its proxy form an option for holders of CDIs to vote against a resolution to elect or re-elect a director, on the following conditions:

1. The Company complies with relevant US laws as to the content of proxy forms applicable to resolutions for the election or re-election of directors.
2. The notice given by the Company to CDI holders under ASX Settlement Operation Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case.
3. The Company releases details of the waiver to the market as part of the pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.
4. Without limiting ASX's right to vary or revoke its decision under listing rule 18.3, the waiver from listing rule 14.2.1 only applies for so long as the relevant US laws prevent the Company from permitting shareholders to vote against a resolution to elect a director.

## Updated pro-forma statement of financial position and statement of commitments

The Maximum Offer Proceeds were raised under the Offer.

The pro-forma statement of financial position as at 31 December 2018 based on the Maximum Offer Proceeds being raised is as follows. An unaudited convenience translation in Australian dollars of the pro forma balance sheet as at 31 December 2018 has also been included (the indicative foreign exchange rate applied is A\$1.00 = US\$0.6812).

## Historical Audited and Pro Forma Balance Sheet as at 31 December 2018

|   | Notes | Audited<br>at 31 December<br>2018<br>US\$'000 | Actual Allotment<br>Pro forma<br>US \$'000 | Actual Allotment<br>Pro forma<br>A\$'000 |
|---|-------|---|--|--|
| <b>ASSETS</b>                             |       |   |  |  |
| <b>CURRENT ASSETS</b>                     |       |   |  |  |
| Cash and cash equivalents                 |       | 1,588   | 12,436                                     | 18,256                                   |
| Accounts receivable (current)             |       | 56  | 56   | 82                                       |
| Inventory                                 |       | 374   | 374  | 549                                      |
| Prepaid Offer costs <sup>1</sup>          |       | 184   | -  | -  |
| Other current assets                      |       | 67  | 67   | 99                                       |
| <b>TOTAL CURRENT ASSETS</b>               |       | <b>2,269</b>                                  | <b>12,933</b>                              | <b>18,986</b>                            |
| <b>NON CURRENT ASSETS</b>                 |       |   |  |  |
| Property and equipment                    |       | 2,115   | 2,115                                      | 3,105                                    |
| Accounts receivable (non current)         |       | 317   | 317  | 465                                      |
| Other non current assets                  |       | 528   | 692  | 1,016                                    |
| <b>TOTAL NON CURRENT ASSETS</b>           |       | <b>2,960</b>                                  | <b>3,124</b>                               | <b>4,586</b>                             |
| <b>TOTAL ASSETS</b>                       |       | <b>5,229</b>                                  | <b>16,057</b>                              | <b>23,572</b>                            |
| <b>LIABILITIES</b>                        |       |   |  |  |
| <b>CURRENT LIABILITIES</b>                |       |   |  |  |
| Accounts payable                          |       | 274   | 142  | 209                                      |
| Accrued expenses                          |       | 150   | 150  | 220                                      |
| Finance leasing obligations (current)     |       | 3   | 333  | 489                                      |
| <b>TOTAL CURRENT LIABILITIES</b>          |       | <b>427</b>                                    | <b>625</b>                                 | <b>918</b>                               |
| <b>NON CURRENT LIABILITIES</b>            |       |   |  |  |
| Convertible Notes                         |       | 9,771   | -  | -  |
| Accrued interest                          |       | 506   | -  | -  |
| Debt discount                             |       | (174)   | -  | -  |
| Finance leasing obligations (non current) |       | -   | 1,370                                      | 2,011                                    |
| Deferred revenue (non current)            |       | 593   | 593  | 870                                      |
| <b>TOTAL NON CURRENT LIABILITIES</b>      |       | <b>10,696</b>                                 | <b>1,963</b>                               | <b>2,881</b>                             |
| <b>TOTAL LIABILITIES</b>                  |       | <b>11,123</b>                                 | <b>2,588</b>                               | <b>3,799</b>                             |
| <b>NET ASSETS</b>                         |       | <b>(5,894)</b>                                | <b>13,469</b>                              | <b>19,773</b>                            |

### SHAREHOLDERS EQUITY /(DEFICIT)

|   |                |               |               |
|---|----------------|---------------|---------------|
| Common stock and additional paid in capital                 | 21,238         | 47,295        | 69,428        |
| Accumulated deficit   | (27,132)       | (33,826)      | (49,655)      |
| <b>TOTAL SHAREHOLDERS EQUITY /(DEFICIT)</b>                 | <b>(5,894)</b> | <b>13,469</b> | <b>19,773</b> |
| <b>TOTAL SHAREHOLDERS EQUITY /(DEFICIT) AND LIABILITIES</b> | <b>5,229</b>   | <b>16,057</b> | <b>23,572</b> |

The sources of proceeds based on the Maximum Offer Proceeds being raised is as follows.

| Sources of proceeds<br>\$'000s                      |                | (A\$)  | (US\$) |
|---|----------------|--------|--------|
| Actual Offer Proceeds                               |                | 12,100 | 8,242  |
| U.S. Private Placement                              |                | 900    | 613    |
| Expected cash balance at date of Prospectus         |                | 891    | 607    |
| Receipt of half of the CSC leasing security deposit |                | 242    | 165    |
| Total   | Actual Sources | 14,133 | 9,627  |

The proposed uses of funds associated with the Combined Offers are as follows.

|                            | Actual uses of A\$14.1 million |        |            |
|----------------------------|--------------------------------|--------|------------|
| Use of proceeds<br>\$'000s | (A\$)                          | (US\$) | % of funds |
| Sales and marketing        | 2,165                          | 1,475  | 15.3%      |
| Clinical and regulatory    | 7,954                          | 5,418  | 56.3%      |
| Costs of Combined Offers   | 1,759                          | 1,198  | 12.4%      |
| Other working capital      | 2,255                          | 1,536  | 16.0%      |
| Total                      | 14,133                         | 9,627  | 100.0%     |



## Bookbuild Information

In relation to funds raised pursuant to the institutional bookbuild conducted by the Lead Manager (**Bookbuild**):

1. 14,578,313 CDIs were allocated under the Bookbuild and the price at which they were issued was A\$0.83;
2. no promoters or related parties of the Company acquired a material number of securities under the Bookbuild;
3. no concessionary fee or other arrangements were entered into which had the result that the effective transfer price paid by some allottees differed materially from the Bookbuild price of A\$0.83;
4. no arrangements have been entered into which have had the result that some allottees have received a material benefit for agreeing to participate in the Bookbuild at the Bookbuild price and which is not received by other allottees; and
5. no arrangements have been entered into with associates of the Company or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

**For more information, please contact:**

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**Steve Wedan**

CEO

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## Foreign Ownership Restrictions

Imricor's CHES Depositary Interests (**CDIs**) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (**Securities Act**) for offers which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person for the foreseeable future except in very limited circumstances after the expiration of a restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a 'FOR US' designation on the Australian Securities Exchange (**ASX**). This designation restricts any CDIs from being sold on ASX to US persons. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

## Forward-Looking Statements



This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management.

All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These include, without limitation, regulatory clearances and sales of our product as well as our expectations with respect to our ability to develop and commercialize new products.

Management believes that these forward-looking statements are reasonable when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Imricor does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Imricor may not actually achieve the plans, projections or expectations disclosed in forward-looking statements. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.