Imricor Medical Systems, Inc.
(ARBN 633 106 019)

PROSPECTUS

Initial Public Offering

Financial Advisor and Lead Manager

MOELIS AUSTRALIA

Legal Advisor

JOHNSON WINTER & SLATTERY

CONTENTS

imricor

IMPORTANT INFORMATION

General

Imricor Medical Systems, Inc. (**Imricor; Company**) is a company incorporated in the State of Delaware in the U.S. and registered in Australia as a foreign company (ARBN 633 106 019). Applicants purchasing CHESS Depositary Interests (**CDIs**) in the Company under the Offer will receive a holding statement for CDIs in the Company. Please refer to Sections 8.9 and 12.7 for further information about CDIs.

Defined terms and abbreviations (including technical terms and abbreviations) used in this Prospectus have the meanings given in the Glossaries in Section 14.

Offer

The Offer contained in this Prospectus is an invitation to acquire CDIs (representing Shares) in the Company. This Prospectus is issued by Imricor for the purposes of Chapter 6D of the Corporations Act.

Expiry date

No CDIs will be allotted or issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

Prospectus

This Prospectus is dated 14 August 2019 and a copy of this Prospectus was lodged with ASIC on that date.

This is a replacement prospectus which replaces the prospectus dated 7 August 2019 (**Original Prospectus**) that was lodged with ASIC on that day (**Original Prospectus Date**).

This Replacement Prospectus differs from the Original Prospectus in the following key areas:

- the 'Key Dates' contains a change to the date on which the CDIs are expected to commence trading on a normal settlement basis on the ASX, from 5 September 2019 to 3 September 2019 (that is, the business day following the expected date for the despatch of holding statements);
- the 'Key Offer Statistics' contains more detailed information about the amounts raised under the Combined Offers and omits a disclosure of the indicative market capitalisation on a fully-diluted basis;
- Section 1.1 contains a more detailed summary of disclosures elsewhere in the Prospectus about the Options, Warrants and Royalty Shares;
- Section 1.7 contains separate descriptions of the Offer and the U.S. Private Placement rather than a consolidated description of the Combined Offers;
- Section 1.8 contains more detailed information about the Company's proposed use of funds associated with the Combined Offers;
- Sections 1.7, 8.3 and 8.6 now repeat the disclosure in Section 9.10 that the obligation of the Lead Manager to underwrite the Offer is subject to the investors under the U.S. Private Placement settling their funds with the Company by the Settlement Date;
- Section 5.22 contains updated information about the Company's financial reporting following the Combined Offers; and
- The disclosure in Sections 5.19 (Table 5.18) and 9.9 have been updated to reflect a contract signed since the Original Prospectus Date in relation to the sale of Imricor's products to Leipzig Heart Centre.

The lodgement of a replacement prospectus has also required certain references to 'this Prospectus' and 'the date of this Prospectus' to be amended to refer to the 'Original Prospectus' and 'Original Prospectus Date' respectively, and to reflect the fact that the Company has now applied to the ASX for admission to the Official List and for quotation of its CDIs on the ASX.

Neither ASIC, the ASX nor any of their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

A paper copy of this Prospectus is available to Australian residents, free of charge, by calling the Offer Information Line on 1300 376 397 (within Australia) or +61 3 9415 4397 (outside Australia) between 8:30am and 5:00pm (AEST) during the Offer Period. This Prospectus is also available in electronic form to Australian residents at www.imricor.com/ipo. The Offer constituted by this Prospectus in electronic form is only available to persons in Australia. It is not available to persons in other jurisdictions (including the U.S., other than to Eligible U.S. Fund Managers, or to U.S. Persons). Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If you are unsure about the completeness of this Prospectus received electronically, or a print-out of it, you should contact the Company.

Applications for CDIs under this Prospectus may only be made on the Application Form attached to or accompanying this Prospectus in its hard copy form, or its soft copy form which must be downloaded in its entirety from www.imricor.com/ipo. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Refer to Section 8.8 for further information about Applications.

Application for admission and quotation on the ASX

The Company has applied to be admitted to the Official List of the ASX and for quotation of the CDIs on the ASX. The fact that the ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the CDIs, the Offer or the Company.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of the Original Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds under the Offer. The examination may result in the identification of certain deficiencies in this Prospectus, in which case Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received under this Prospectus during the Exposure Period will not be processed until after the expiry of the Exposure Period.

Note to U.S. residents

The CDIs offered under this Prospectus have not been registered under the *Securities Act of 1933* (U.S.) (as amended to date and the rules and regulations promulgated thereunder) (**U.S. Securities Act**) and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor will there be any sale of the CDIs in any of the U.S. or any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging or similar transactions in the CDIs may not be conducted unless in compliance with the U.S. Securities Act.

FOR U.S. restrictions

The Offer is being made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers and sales which are made outside the U.S. to non-U.S. Persons and to eligible U.S. Fund Managers.

As a result of relying on the Regulation S exemption, the CDIs which are issued under the Offer will be 'restricted securities' under Rule 144 of the U.S. Securities Act. This means that you will not be permitted to sell the CDIs issued to you under the Offer into the U.S. or to a U.S. Person for a period of at least 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption is available (including resales to QIBs pursuant to Rule 144A). Please refer to Section 12.12 for further information.

The Company has requested that all CDIs issued under the Offer bear a designation on the ASX to enforce these restrictions. This designation is intended to automatically prevent any CDIs from being sold on the ASX to U.S. Persons that are not QIBs. However, you will still be able to freely transfer your CDIs on the ASX to any person other than a U.S. Person, or to QIBs. The Company cannot provide any assurances as to when this designation will be lifted from the CDIs. Please refer to Section 12.12 for further information on the restrictions which will be placed on the Company's CDIs.

Representations and warranties of non-U.S. Person status

All investors subscribing for CDIs under the Offer will be required to make certain representations and warranties regarding status as non-U.S. Persons in their Application for CDIs under the Offer. Please refer to Section 12.12.3 of this Prospectus for further information.

Other foreign jurisdictions

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to permit a public offering of CDIs, in any jurisdiction other than Australia.

The Offer is not being extended to any investor outside of Australia, other than to certain Institutional Investors as part of the Institutional Offer in certain jurisdictions. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

Financial information and amounts

The Historical Financial Information included in this Prospectus has been prepared and presented in accordance with accounting principles generally accepted in the United States of America (**USGAAP**) and is expressed in U.S. dollars, except where otherwise stated. The financial amounts referred to in this Prospectus are expressed in U.S. dollars unless stated otherwise.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Forward looking statements

This Prospectus may contain forward looking statements (statements as to the future) which are typically identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'anticipates', 'intends' and other similar words.

You should consider that as such statements relate to future matters, they are subject to inherent risks, uncertainties and assumptions that could cause actual results or events to differ materially from those foreshadowed in the forward looking statement. Neither the Company, the Directors, nor any other person named, with their consent, in this Prospectus can assure you that any forward looking statement or projected result will be achieved.

Reliance

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire securities in the Company under the Offer. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Directors of the Company or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

Privacy

By completing an Application Form, you are providing personal information to the Company and the Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information in accordance with these terms. If you do not wish to provide this information, the Company may not be able to process your Application. The Company and the Registry will collect, hold and use your personal information in order to assess and process your Application, and if successful, administer securityholdings in the Company.

The Company and the Registry may disclose your personal information, for purposes related to your investment, to their agents and service providers, including:

- the Lead Manager in order to assess your Application;
- the Registry for ongoing administration of the Company's registers;
- the printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail; and
- legal and accounting firms, auditors and other advisers for the purpose of administering and advising on the CDIs and Shares and for associated actions.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company, or the Registry, details of which are set out elsewhere in this Prospectus.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change.

References to time

All references to time in this Prospectus refer to Australian Eastern Standard Time, unless stated otherwise.

Photographs and diagrams

Photographs used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

Investment decision

The information in this Prospectus is not financial product advice or a recommendation to acquire securities in the Company and has been prepared without taking into account the objectives, financial situation or needs of individuals. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should consult your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the CDIs. There are risks associated with an investment in the Company and the CDIs offered under this Prospectus should be regarded as a speculative investment. You should consider the risk factors set out in Section 4 of this Prospectus in light of your personal circumstances (including financial and tax issues). There may also be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Regulation of Imricor

As Imricor is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Delaware General Corporation Law and all applicable U.S. securities laws.

Currency conversions

Where an amount is expressed in this Prospectus in Australian dollars and U.S. dollars, the conversion is based on the Indicative Exchange Rate (being A$1.00 = US$0.6812). The amount when expressed in Australian dollars or U.S. dollars may change as a result of fluctuations in the exchange rate between those currencies.

Fully-diluted figures

Except where the context otherwise requires, where a figure in this Prospectus is expressed to be, or to be based on, the "fully-diluted" number of Shares in the Company, it takes into account Shares, Options, Warrants and the maximum number of Royalty Shares that may be issued to Drs. Henry Halperin and Ronald Berger in the future pursuant to the Royalty and Conversion Agreements described in Section 9.3.

Pre- and post-allotment figures

In this Prospectus, there are numerous references to the capital structure of the Company or figures which are based on the capital structure of the Company, at a particular point in time. Section 8.5.1 describes the capital structure of the Company in detail, including the events that will affect the capital structure on or about the time of allotment under the Offer and a concurrent U.S. Private Placement (together, the **Combined Offers)**.

In other Sections of this Prospectus, where a figure is expressed to be, or to be based on, the number of Shares or other securities on issue immediately prior to allotment under the Combined Offers, the figure is calculated on the bases that the Note Conversion described in Section 12.3 is treated as having occurred (and occurred on 30 August 2019), the bonus issue of Shares as a result of existing down-round protections described in Section 12.5 is treated as having occurred, no Options or Warrants are exercised or lapse before allotment, and for the avoidance of doubt, in the case of fully-diluted figures, includes the maximum possible number of Royalty Shares that may be issued on 12 April 2020, described in Section 9.3. Where a figure is expressed to be, or to be based on, the number of Shares or other securities immediately following allotment (or on Listing), the figure also takes into account the CDIs and Shares to be issued under the Combined Offers, the CDIs to be issued at the Offer Price in lieu of advisory fees in connection with the Combined Offers (see Section 7.6) and the additional Options to be issued following completion of the Offer under this Prospectus (see Sections 7.4.6 and 7.7.2).

KEY OFFER INFORMATION AND IMPORTANT DATES

KEY DATES

Lodgement of Original Prospectus with ASIC	7 August 2019
Opening Date of Offer	15 August 2019
Closing Date of Offer	26 August 2019
Settlement Date of Offer	29 August 2019
Allotment Date of CDIs and commencement of deferred settlement trading on the ASX	30 August 2019
Expected dispatch of holding statements	2 September 2019
CDIs expected to commence trading on a normal settlement basis on ASX	3 September 2019

DATES MAY CHANGE

The above dates are subject to change and are indicative only. The Company reserves the right to change the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens. Any variations to the dates and times of the Offer will require the consent of the Lead Manager (not to be unreasonably withheld).

KEY OFFER STATISTICS

	Minimum Allotment	Maximum Allotment
Gross proceeds from the Offer	A$11.1 million	A$12.1 million
Gross proceeds from the U.S. Private Placement	A$900,000	A$900,000
Aggregate gross proceeds from the Combined Offers	A$12 million	A$13 million
Ratio of CDIs per Share	1	1
Number of existing Shares on issue[1]	77,089,098	77,089,098
Number of New CDIs and Shares available under the Combined Offers	14,457,831	15,662,650
Offer Price for each New CDI and for each equivalent Share	A$0.83	A$0.83
Total number of CDIs on issue at completion of Combined Offers[2,3]	91,727,651	92,932,470
Indicative market capitalisation at completion of the Combined Offers (on an undiluted basis)[4]	A$76,133,950	A$77,133,950
Maximum number of Royalty Shares that may be issued on 12 April 2020[5]	7,200,000	7,200,000
Options on issue at completion of the Combined Offers (over unissued Shares)	7,954,233	7,954,233
Warrants on issue at completion of the Combined Offers (over unissued Shares)	787,909	787,909

Notes:

1. The figure for existing Shares is calculated on the basis described under the heading "Pre-allotment figures" in the Important Information section at the beginning of this Prospectus.
2. Assumes all Shares are held as CDIs.
3. Also includes 180,722 CDIs to be issued at the Offer Price in lieu of advisory fees in connection with the Combined Offers; see Section 7.6 for further information.
4. The indicative market capitalisation is determined by multiplying the applicable number of CDIs on issue (assuming all of the Shares are held in the form of CDIs) by the Offer Price per CDI. The CDIs may not trade at the Offer Price after listing on the ASX (**Listing**). If the CDIs trade below the Offer Price after Listing, the market capitalisation will be lower.
5. This is the maximum number of Shares that may be issued to two individuals on 12 April 2020 pursuant to the Royalty and Conversion Agreements described in Section 9.3.

HOW TO INVEST

Completing and lodging an Application Form is the only way to apply for New CDIs. Instructions on how to apply for New CDIs are set out in Section 8.8 and on the back of the Application Form.

QUESTIONS

If you have any questions about the Application Form, please contact the Registry, Computershare Investor Services Pty Limited, on 1300 376 397 (if calling within Australia) or +61 3 9415 4397 (if calling from outside of Australia) from 8:30am to 5:00pm (AEST time) Monday to Friday.

If you have any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

LETTER FROM THE CHAIRMAN

7 August 2019

Dear Investors,

On behalf of the Directors, it is my pleasure to invite you to become a holder of CHESS Depositary Interests (**CDIs**) in Imricor Medical Systems, Inc. (**Imricor**).

Imricor is a leading developer of innovative MRI-compatible medical devices which can be used to carry out MRI-guided cardiac catheter ablation procedures. Imricor's products seek to make a meaningful impact on healthcare facilities, healthcare professionals and patients globally by increasing the success rates and bringing down the overall costs of cardiac catheter ablation procedures.

Imricor's technology and intellectual property portfolio has been pioneered by the Company in-house and through licensing arrangements with leading healthcare institutions such as Johns Hopkins University and Koninklijke Philips N.V., and has had success in clinical demonstrations.

"Imricor believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market."

Imricor believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market. Imricor is currently in the final stages of a regulatory approval process which, if successfully completed, will allow it to label its key products, including the Vision-MR Ablation Catheter, with the 'CE' marking, allowing them to be placed on the market in the European Union (i.e. CE mark approval). Imricor also expects it will be able to obtain regulatory approval to market its key products in Australia within 12 to 24 months after CE mark approval.

Imricor is seeking to raise minimum gross proceeds of A$12 million and maximum gross proceeds of A$13 million under the Offer the subject of this Prospectus and a concurrent U.S. Private Placement (together, the **Combined Offers**). Of that amount, Imricor is seeking to raise approximately A$11.1 million through the issue of approximately 13.4 million CDIs under the Offer at A$0.83 per CDI, with the ability to accept oversubscriptions for up to approximately 1.2 million CDIs to raise up to a further A$1.0 million. The U.S. Private Placement will raise gross proceeds of A$900,000 or approximately US$600,000.

The funds raised under the Combined Offers will provide Imricor with additional funding to execute its growth strategy. Imricor's growth strategy will focus on increasing sales and marketing capabilities with a view to increasing revenue from hospitals and clinics globally, and investing in additional research and development capabilities.

This Prospectus contains important information in relation to the Offer, the historical financial results of the Company, the operations, management team and the future plans of Imricor. The key risks associated with an investment in the Company are contained in Section 4 of this Prospectus, which should be considered in detail. I encourage you to read the Prospectus carefully before making any investment decision and to consult with your independent professional advisers in connection with the Offer.

On behalf of my fellow Directors, I look forward to welcoming you as an investor in Imricor.

Yours sincerely,

Steve Wedan
Chairman

SECTION 1

INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

The information contained in this Section 1 is a summary only. You should read this Section in conjunction with the information set out in the remainder of this Prospectus.

1.1 BACKGROUND

Topic	Summary	For more information refer to:
What is Imricor?	Imricor is a U.S.-based medical device company, focused on designing, manufacturing and selling MRI-compatible products for cardiac catheter ablation procedures to treat arrhythmias. Imricor has obtained CE mark approval to place one of its key products, the Advantage-MR EP Recorder/Stimulator System, on the market in the European Union, and is in the final stages of the CE mark approval process for its other key products, the Vision-MR Ablation Catheter (with an indication for treating type I atrial flutter) and the Vision-MR Dispersive Electrode. Imricor believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market.	**Section 3**
What industry does Imricor operate in?	Imricor primarily operates in the cardiac catheter ablation market. The Company also performs contract research on, and licenses some of its IP for use in, other MRI-compatible devices.	**Section 2**
What is arrhythmia?	An arrhythmia is an abnormal heart rhythm.	**Section 2.1**
What is cardiac catheter ablation?	Cardiac catheter ablation (also sometimes referred to as **catheter ablation, cardiac ablation** or **ablation**) is one of the recommended first-line therapies for the treatment of a number of different types of arrhythmias. The procedure involves an electrophysiologist (a cardiologist with specialist training in the treatment of arrhythmias) guiding a catheter into the heart and aiming the tip of the catheter at one or more areas of abnormal heart tissue. Energy travels through the tip of the catheter with the aim of intentionally creating a scar or permanently destroying (also referred to as creating lesions or ablating) the tissue that triggers or supports the arrhythmia.	**Section 2.4.1**
Why are the Combined Offers being conducted?	The Combined Offers are being conducted to: • Fund the commercial launch of the Advantage-MR EP Recorder/Stimulator, Vision-MR Ablation Catheter and Vision-MR Dispersive Electrode in the European Union; • Grow sales, marketing, and manufacturing capabilities to support commercialisation in the European Union; • Progress regulatory approvals for the Australian and U.S. markets; • Continue to develop the Company's line extensions (including the diagnostic catheter) and additional products; and • Fund general working capital requirements.	**Section 8.4**

1. INVESTMENT OVERVIEW (CONT)

Topic	Summary	For more information refer to:
What is the historical and forecast financial performance of Imricor?	A selected summary of Imricor's Pro Forma Historical and Forecast Statement of Operations is set out below. Prospective investors should read Section 5 for full details on Imricor's Pro Forma Historical and Forecast Statement of Operations and Statutory Forecast Statements of Operations.	**Section 5**

	Historical Period			Forecast Period
US$'000 December year end	**FY2016 Pro forma**	**FY2017 Pro forma**	**FY2018 Pro forma**	**FY2019 Pro forma**
Revenue	523	434	1,002	6,905
Gross profit	473	434	1,002	5,148
EBITDA (excluding R&D)	(1,999)	(2,136)	(2,161)	1,381
EBITDA (after R&D expenses)	(4,841)	(5,812)	(5,637)	(2,664)
EBIT	(4,951)	(5,913)	(5,715)	(2,930)
Net loss after finance income/(costs) and income tax	(4,948)	(5,912)	(5,702)	(3,192)

What is Imricor's financial position before and after the Combined Offers?

The table below sets out the summarised Historical Audited and Pro Forma Balance Sheet. Details of the pro forma balance sheet, including the pro forma adjustments are set out in Section 5.

Section 5

As at 31 December 2018	Audited US$'000	Minimum Allotment Pro forma US$'000	Minimum Allotment Pro forma A$'000	Maximum Allotment Pro forma US$'000	Maximum Allotment Pro forma A$'000
Current assets	2,269	12,287	18,038	12,933	18,986
Non current assets	2,960	3,124	4,586	3,124	4,586
Total assets	5,229	15,411	22,624	16,057	23,572
Current liabilities	427	625	918	625	918
Non current liabilities	10,696	1,963	2,881	1,963	2,881
Total liabilities	11,123	2,588	3,799	2,588	3,799
Net assets	(5,894)	12,823	18,825	13,469	19,773
Equity / (deficit)	(5,894)	12,823	18,825	13,469	19,773
Stockholder equity and liabilities	5,229	15,411	22,624	16,057	23,572

Topic	Summary	For more information refer to:
What will be the capital structure of Imricor on quotation of its CDIs on the ASX?	Following allotment under the Combined Offers and upon quotation on the ASX, Imricor will have the following securities on issue:	**Sections 7.4.6, 7.7.2, 8.5.1, 9.3, 12.5 and 12.6**

	Minimum Allotment		Maximum Allotment	
	No. of securities	Fully diluted %	No. of securities	Fully diluted %
Shares	91,727,651	85.18%	92,932,470	85.36%
Options	7,954,233	7.39%	7,954,233	7.31%
Warrants	787,909	0.73%	787,909	0.72%
Royalty Shares	7,200,000	6.69%	7,200,000	6.61%
Total	**107,669,793**	**100%**	**108,874,612**	**100%**

Notes:

1. See footnotes to the table in Section 8.5.1 regarding the basis on which these figures are calculated.

The Options listed include 770,000 Options to be issued to Directors and the Company's CFO shortly following Listing, with a ten-year expiry period from the date of the grant and exercise prices equivalent to the prevailing market price of CDIs on ASX when the Options are granted. The other Options have exercise prices of US$0.341 to US$0.85 per Share and expire between 16 December 2019 and 15 March 2029.

The Warrants all have exercise prices of US$0.73 per Share and expire on 30 April 2020.

The 7,200,000 Royalty Shares represents the maximum number of additional Shares that will be issued to two individuals in connection with certain Royalty Agreements entered into in 2007. The Company does not expect this to occur until 12 April 2020. The number of additional Shares may be reduced as a consequence of the Company paying cash royalties under those Royalty Agreements.

1.2 KEY FEATURES OF IMRICOR'S PRODUCTS

Topic	Summary	For more information refer to:
What is Imricor's product offering?	Imricor's key products are the Advantage-MR EP Recorder/Stimulator System, the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode. The Advantage-MR EP Recorder/Stimulator System is capital equipment which can be used in multiple procedures, while the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode are single-use consumable products. Imricor is also in the process of developing other products for use in cardiac catheter ablation procedures, and is exploring the potential to develop MRI-compatible products for use in a number of other types of procedures which may be more effectively carried out under MRI guidance.	**Section 3.3**

1. INVESTMENT OVERVIEW (CONT)

Topic	Summary	For more information refer to:
What is Imricor's business and revenue model?	Imricor currently generates revenue from licensing IP for use in implantable devices and a contract research project in the area of MRI-guided interventions. Given that Imricor has received CE mark approval for the Advantage-MR EP Recorder/Stimulator system, and is in the final stages of an application for CE mark approval for the Vision-MR Ablation Catheter (with an indication for treating type I atrial flutter) and the Vision-MR Dispersive Electrode, Imricor plans to establish a third revenue stream which, in the future, is expected to become its primary revenue source, from the sale of these products. Imricor intends that its key products will initially be sold in the European Union, but it is also in the early stages of pursuing the required regulatory approvals to sell these products in other jurisdictions, and is developing other products for use in MRI-guided cardiac catheter ablation procedures.	**Section 3.7**
What is the target market for Imricor?	Imricor primarily operates in the cardiac catheter ablation market. Imricor expects to sell its products to hospitals and clinics for use in Interventional Cardiac Magnetic Resonance Imaging (**iCMR**) labs, in which cardiac catheter ablation procedures using the Vision-MR Ablation Catheter can be performed. Each iCMR lab, once established, will need at least one Advantage-MR EP Recorder/Stimulator System to allow for ablation procedures to be performed with the Vision-MR Ablation Catheter.	**Section 3.7**
What are the sales channels?	The installation of iCMR labs by hospitals and clinics is driven by MRI equipment vendors (**MR vendors**). Imricor works collaboratively with MR vendors such as Koninklijke Philips N.V. and Siemens Healthcare GmbH to target certain sites and help design iCMR labs for those sites. As of the date of this Prospectus, Imricor, in collaboration with Koninklijke Philips N.V. and Siemens Healthcare GmbH, is currently in discussions with over 45 hospitals and clinics about establishing an iCMR lab. Though Imricor will initially sell all of its capital and consumable products directly to the hospitals or clinics, it is pursuing agreements with MR vendors such as Siemens Healthcare GmbH and Koninklijke Philips N.V., which will allow the Advantage-MR EP Recorder/Stimulator System to be sold to hospitals and clinics through these MR vendors as part of a larger lab construction package.	**Section 3.8**
Who are Imricor's competitors?	Imricor believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market. Other companies have sought to develop products which use MRI to perform cardiac catheter ablation procedures, but to date, so far as Imricor is aware, none of these companies have been able to obtain regulatory approval for, or commercialise, an MRI-compatible cardiac catheter ablation product. In the broader cardiac catheter ablation market, the Company currently perceives its key competitors as Biosense Webster/Johnson & Johnson, Abbott, Boston Scientific and Medtronic.	**Section 2.10**
What is Imricor's growth strategy?	Following completion of the Combined Offers and receipt of CE mark approval for the Vision-MR Ablation Catheter, Imricor intends to begin a controlled limited release of its key products to iCMR lab sites in the Netherlands, Austria, Germany and Switzerland (Phase One), and is aiming to have 13 iCMR lab sites purchasing consumable products by the end of 2019. Imricor aims to then expand its focus to Australia (if and when Australian regulatory approval is obtained), France, Hungary and the United Kingdom in 2021 (Phase Two), followed by the Czech Republic, Italy, Spain, Sweden and other EU countries around 2023 (Phase Three).	**Section 3.12**

Topic	Summary	For more information refer to:
What is Imricor's growth strategy? **(continued)**	The actual timing of these phases will, however, depend on a number of factors such as the level of adoption in each preceding phase and when greater growth opportunities are identified in the next phase. These countries have been selected based on a number of factors, including Imricor's ability to obtain regulatory approvals, reimbursement structures, standard timelines for receiving customer payments and the number of existing ablation centres in those countries. Within each targeted country, Imricor will first target ablation centres which historically have carried out larger volumes of procedures. Imricor believes targeting sites which are geographically proximate to existing iCMR labs may also promote lab growth.	
	Where the opportunity arises (e.g. a site has expressed interest in establishing an iCMR lab) and it is feasible to do so, Imricor intends to try to facilitate the sale of its products to sites in countries that are not currently being targeted as part of its initial growth strategy, or in countries that are being targeted as part of a later phase. Imricor is also in the early stages of pursuing regulatory approval to sell its key products in the U.S., and may in the future pursue regulatory approvals in other jurisdictions. In addition, Imricor intends to pursue approvals for its key products with expanded indications (i.e. for treating arrhythmias other than typical atrial flutter) in the future.	

1.3 KEY INVESTMENT HIGHLIGHTS

Topic	Summary	For more information refer to:
Expects to have world's first commercially available MRI-compatible catheter ablation devices	Imricor is a pioneer and leader in developing MRI-compatible products for cardiac catheter ablation procedures, and believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market. The Company's primary product offering, the Vision-MR Ablation Catheter, is specifically designed to work under real-time MRI guidance, with the intent of enabling higher success rates along with a faster and safer treatment compared to conventional procedures using x-ray guided catheters.	**Section 3.1**
Large addressable market with favourable growth drivers	Imricor's products are designed to operate in a global cardiac catheter ablation market which is expected to increase to US$4.37 billion in 2021 from US$3.03 billion in 2016 (~7.6% CAGR). The global growth is underpinned by several favourable drivers, including rising incidences of cardiac disease due to changing demographic trends, a shift towards minimally invasive procedures and cost savings that have been associated with catheter ablation as a treatment method for certain arrhythmias.	**Section 2.9**

1. INVESTMENT OVERVIEW (CONT)

Topic	Summary	For more information refer to:
Compelling value propositions for stakeholders	Imricor believes its products have the potential to successfully address unmet needs in the ablation technology currently available in the cardiac catheter ablation market and deliver value to stakeholders, including patients, physicians, hospitals and insurers in the following ways. • Improved visualisation of the heart anatomy; • Higher single procedure success rates; • Faster average procedure times; • Lower overall treatment costs per patient; and • Elimination of radiation exposure.	**Section 3.4**
Strong IP portfolio and patents protection	Imricor has 18 issued U.S. patents, 40 corresponding foreign patents and 2 foreign patent applications that have been allowed with the Company's oldest issued patent expiring in 2030. In addition, Imricor has 17 pending patent applications worldwide.	**Sections 3.9 and 3.10**
Leveraging strategic relationships with Koninklijke Philips N.V. and Siemens Healthcare GmbH	Imricor has strategic relationships with Siemens Healthcare GmbH and Koninklijke Philips N.V., global leaders in the provision of MRI equipment to hospitals and labs, which Imricor wishes to target for the sale of its key capital and consumable products. These strategic relationships are expected to provide new sales and marketing channels for Imricor's products, as well as facilitate the research and development (**R&D**) of Imricor's existing and pipeline product range.	**Sections 3.1 and 3.8**
Experienced and highly credentialed management team	Imricor's Board and management team is composed of highly credentialed business and medical device professionals. The management team has an average of over 18 years of medical device industry experience globally.	**Sections 7.1 and 7.2**

1.4 SUMMARY OF KEY RISKS

There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and share price. The following table is a summary of the specific key risks that the Company is exposed to. Further details about these and other general risks associated with an investment in the Company are set out in Section 4. An investment in an early-stage medical device company, such as Imricor, is speculative and you should consult your professional advisers before deciding whether to apply for CDIs.

Topic	Summary	For more information refer to:
What are the key risks for Imricor?	**Regulatory risk** While Imricor is in the final stages of an application for CE mark approval to place the Vision-MR Ablation Catheter on the market within the European Union, Imricor does not currently have regulatory clearance to sell this key product in any jurisdiction. Imricor's business model is dependent on obtaining CE mark approval and, until received, Imricor will be unable to generate revenue from its key products. Even if such approval is received, Imricor is not assured of receiving future regulatory clearances and approvals in other jurisdictions/countries, for additional approved indications, or for other products in Imricor's product pipeline.	**Section 4**

Topic	Summary	For more information refer to:
	Market adoption risk Imricor's business model and ability to generate revenue depends on hospitals and clinics with ablation centres in markets where it obtains the required regulatory approvals establishing an iCMR lab and adopting Imricor's MRI-compatible technology for cardiac catheter ablation procedures. While Imricor is in discussions with various hospitals and clinics in the European Union, there can be no guarantee that all of these hospitals and clinics will establish an iCMR lab. Even if an iCMR lab is established, the hospital or clinic may not perform MRI-guided procedures at the levels required to support Imricor's business model and growth strategy.	
	Forecast Financial Information The Forecast Financial Information assumes that, by the end of FY19, Imricor will have commenced selling its products in 13 iCMR labs (some of which are still in the planning or building stage as at the date of this Prospectus) in line with its planned lab rollout. If the planned lab rollout is not achieved or is delayed past FY19, or if Imricor's products are not used in the volumes anticipated at these sites, Imricor will be unable to achieve its revenue forecasts for FY19 and will, therefore, be unlikely to achieve the financial projections set out in the Forecast Financial Statements generally.	
	Integration with third party systems Active MR Tracking and 3D mapping may enhance atrial flutter ablation procedures and are expected to be desired by physicians for more complex ablation procedures such as for atrial fibrillation or ventricular tachycardia. Imricor's ablation system is designed to work with third-party 3D mapping systems developed by Siemens Healthcare GmbH or Koninklijke Philips N.V., which have Active MR Tracking functionality. In order to be made commercially available, these 3D mapping systems require certain approval (CE mark or local ethics committee approval), which have not yet been obtained. Until such approvals are obtained, the 3D mapping systems will not be able to be used with Imricor's ablation system, meaning Active MR Tracking functionality cannot be taken advantage of. Although it is possible for Imricor to commercialise its ablation system independently of any mapping software or equipment, or by integrating the mapping system of another company, to do so may cause delays, decrease the quality of Imricor's product offering and significantly hinder Imricor's growth strategy and ability to generate revenue.	
	Competition risk Imricor expects to generate the vast majority of its revenue going forward from the sale of its products used for MRI-guided cardiac catheter ablation procedures. Although the Company believes that there are currently no products or technologies that are commercially comparable to Imricor's MRI-compatible cardiac catheter ablation products, there are a number of other products and devices on the market which are not traditionally MRI-compatible but which are commonly used to perform conventional cardiac catheter ablation procedures. To this end, Imricor will compete with the larger companies who manufacture and sell ablation and diagnostic electrophysiology products, including Abbott Laboratories, Inc., Boston Scientific, Biosense Webster/Johnson & Johnson, Inc., and Medtronic. If competitors develop new products or technologies that offer better combinations of price and performance than Imricor can offer for the treatment of arrhythmia, Imricor's products may become obsolete or not competitive, which would have a significant negative effect on the Company's business and financial position.	

1. INVESTMENT OVERVIEW (CONT)

Topic	Summary	For more information refer to:
	Additional or different requirements for capital As is common with companies early in their commercialisation, Imricor has incurred net losses since its inception, has never been profitable and can give no assurance that it will be profitable or cash-flow positive in the future. Furthermore, the proceeds of the Combined Offers will be primarily used to support the commercial launch of the Vision-MR Ablation Catheter in the European Union. Imricor may decide to use the proceeds of the Combined Offers differently to its current plans or may need to obtain additional funding to continue operations (or both).	
	Sales and marketing risk Imricor currently has limited sales and marketing resources and will need to, among other things, expand its sales team. Whilst the Company will look to sell some of its products via MR vendors in the future, Imricor will, for the foreseeable future, sell all of its products directly to hospitals and clinics and will therefore need to commit increased resources to product sales and marketing to execute its current growth strategy. There is a risk that the Company will be unable to develop sufficient sales and marketing capabilities to effectively commercialise its products.	
	Intellectual property risk The protection of the intellectual property relied upon by Imricor is critical to its business and commercial success. If Imricor is unable to protect or enforce the intellectual property rights embodied in its products, there is a risk that other companies will incorporate the intellectual property into their technology, which could adversely affect Imricor's ability to compete in the cardiac catheter ablation market.	
	Healthcare organisations are constantly facing significant budget constraints Imricor's ability to generate revenue will largely depend on how effectively it can market and sell its MRI-compatible cardiac catheter ablation products to the healthcare industry. Healthcare organisations are constantly facing significant budget constraints. As a result, marketing and sales to healthcare organisations requires significant time and expense, is intensely competitive, and the revenue cycle can be lengthy and unpredictable. These factors may cause Imricor's operating results to fluctuate or adversely affect Imricor's ability to achieve its forecasted growth strategy.	

1.5 DIRECTORS AND KEY EMPLOYEES

Topic	Summary	For more information refer to:
Who are the Directors of Imricor?	• **Steve Wedan (*President, Chief Executive Officer and Chairman*)** Mr Wedan co-founded the Company in 2006 and has served as CEO since that time. Mr Wedan has over 29 years of experience in the medical device industry, including design engineering of MRI and ultrasound systems for GE Healthcare.	**Section 7.1**

Topic	Summary	For more information refer to:
Who are the Directors of Imricor? **(continued)**	• **Mark Tibbles (*Non-executive Director*)** Mr Tibbles is an entrepreneur, business owner, company director and active venture investor in and advisor to technology, life science and medical device companies. • **Doris Engibous (*Non-executive Director*)** Ms Engibous has over 40 years of experience in the medical device industry. Ms Engibous previously served for a number of years as an independent non-executive director of Nasdaq-listed, Natus Medical Incorporated. • **Peter McGregor (*Non-executive Director*)** Mr McGregor has over 30 years' experience in senior finance and management roles. Mr McGregor currently serves as Chairman of Nutrano Produce Group Pty Ltd, and is a director of Pivotal Systems Corporation (ASX: PVS) and the Brisbane Lions Australian Football Club.	**Section 7.1**
Who are the Key Managers?	• **Steve Wedan (*President and Chief Executive Officer*)** Refer to Mr Wedan's bio above. • **Lori Milbrandt (*VP of Finance and Chief Financial Officer*)** Ms Milbrandt has served as the Company's Chief Financial Officer since it was founded in 2006. Ms Milbrandt has over 30 years of accounting, finance, and HR experience including at KPMG and a number of medical device companies. • **Gregg Stenzel (*VP Operations*)** Mr Stenzel joined Imricor in 2007. Mr Stenzel has over 20 years of medical device experience and brings a breadth of knowledge in new product development, supply chain management, quality/regulatory systems, and customer support. Prior to joining the Company, Mr Stenzel was the Manager of Instrument Technical Operations at Beckman Coulter, Inc. • **Dan Sunnarborg (*VP Engineering*)** Mr Sunnarborg joined Imricor in 2007. Mr Sunnarborg has more than 20 years of engineering experience in fields such as medical devices, telecommunications, defense, and consumer electronics. • **Jennifer Weisz (*VP Regulatory and Quality*)** Ms Weisz joined Imricor in 2012. Ms Weisz has over 19 years of experience in the medical device industry, including product development, clinical evidence development, quality system implementation, and regulatory strategy development and implementation. Prior to joining the Company, Ms Weisz was a member of the Medtronic Global Clinical Operations Quality team. • **Tom Lloyd (*VP Clinical Research*)** Mr Lloyd began his career at the Company in 2007 as a radio-frequency engineer and is the lead inventor on many of the Company's patents. Mr Lloyd has over 13 years of medical device design experience primarily focused on interactions between implanted devices and the electromagnetic fields associated with MRI.	**Section 7.2**

1. INVESTMENT OVERVIEW (CONT)

Topic	Summary	For more information refer to:
Who are the Key Managers? **(continued)**	• **Peter Gabrail (*Director of Software*)** Mr Gabrail joined Imricor in 2008. Mr Gabrail has over 25 years of experience in embedded software development and 8 years of medical device experience, including at companies such as Siemens, Microsoft, Son and, Xerox. • **Greg Englehardt (*Director of Sales*)** Mr Englehardt joined Imricor in 2018. Mr Englehardt has 18 years of experience working in the medical device industry with 16 years of sales leadership experience. Prior to joining the Company, Mr Englehardt spent a number of years as Regional Business Director at Medtronic.	**Section 7.2**

1.6 KEY PEOPLE, INTERESTS AND BENEFITS

What are the Directors' securityholdings?

For more information refer to: Section 7.4.4

The Directors are expected to hold a direct or indirect interest in the following securities on completion of the Combined Offers, including Options to be granted to the Directors following completion of the Combined Offers and Shares to be subscribed for under the U.S. Private Placement:

Director	Number and type of security	Holding % (fully diluted) (approx.) Minimum Allotment	Holding % (fully diluted) (approx.) Maximum Allotment
Steve Wedan	4,424,232 Shares 1,260,800 Options	5.28%	5.22%
Mark Tibbles	4,548,981 Shares 444,900 Options	4.64%	4.59%
Doris Engibous	135,000 Options	0.13%	0.12%
Peter McGregor	135,000 Options	0.13%	0.12%

Notes:

1. See footnotes to table in Section 7.4.4 regarding the basis on which these figures are calculated.

What significant interests or benefits are payable to the Directors and other key persons connected to Imricor or the Offer?

For more information refer to: Section 7.4

Key person	Interest or benefit
CEO & Chairman	Remuneration and non-cash benefits, including stock awards under Imricor's equity incentive plans
Non-executive directors	Cash fee and stock options
Key Managers (excluding the CEO)	Remuneration and non-cash benefits, including stock awards under Imricor's equity incentive plans
Lead Manager	Fees for service
Other advisers	Fees for service, partly paid in CDIs at the Offer Price

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information refer to:</th></tr>
<tr><td>Who are the significant Existing Holders of Imricor and what will their interests be after completion of the Combined Offers?</td><td>The direct and indirect holdings of significant Existing Holders immediately prior to, and following allotment, under the Combined Offers will be as set out in the table below.
<table>
<tr><th rowspan="2">Existing Holders</th><th rowspan="2">Existing shareholding % (undiluted)</th><th colspan="2">Shareholding % (undiluted) after completion of the Combined Offers</th></tr>
<tr><th>Minimum Allotment</th><th>Maximum Allotment</th></tr>
<tr><td>Warren G. Herreid II & KAHR Foundation</td><td>12.70%</td><td>11.44%</td><td>11.29%</td></tr>
<tr><td>Siemens Medical Solutions USA, Inc.</td><td>11.37%</td><td>9.55%</td><td>9.43%</td></tr>
<tr><td>Mark Tibbles</td><td>5.76%</td><td>4.96%</td><td>4.89%</td></tr>
<tr><td>Steve Wedan</td><td>5.74%</td><td>4.82%</td><td>4.76%</td></tr>
</table>
Notes:
1. See footnotes to the table in Section 8.5.2 regarding the basis on which these figures are calculated.</td><td>Section 8.5</td></tr>
</table>

1.7 SUMMARY OF THE OFFER AND THE PROPOSED USE OF FUNDS RAISED

Topic	Summary	For more information refer to:
Who is the issuer of the Prospectus?	Imricor Medical Systems, Inc., a Delaware corporation	**Section 12.1**
What is the Offer?	The Offer is the offer provided under this Prospectus for investors to participate in the initial public offering of CHESS Depositary Interests (**CDIs**) representing shares of Class A common stock in Imricor (**Shares**). Each CDI represents an interest in 1 Share. The Offer is an offer of 13,373,494 New CDIs (equivalent to the same number of Shares) at A$0.83 per New CDI to raise gross proceeds of a minimum of A$11,100,000 (**Minimum Offer Proceeds**), with the ability to accept oversubscriptions for up to an additional 1,204,819 New CDIs to raise gross proceeds of up to A$12,100,000 (**Maximum Offer Proceeds**). The Offer is not contingent upon the completion of the U.S. Private Placement.	**Section 8**
What is the U.S. Private Placement?	Imricor is also conducting a concurrent private placement of 1,084,337 Shares (equivalent to the same number of CDIs) to certain accredited investors in the U.S. pursuant to Regulation D of the U.S. Securities Act (**U.S. Private Placement**) at US$0.565396 per Share, being the equivalent price per Share as the Offer Price (but in U.S. dollars). The U.S. Private Placement will raise gross proceeds of A$900,000. The Offer and the U.S. Private Placement are together referred to in this Prospectus as the **Combined Offers** and are expected, together, to raise minimum gross proceeds of A$12 million (approximately US$8.2 million) or maximum gross proceeds of A$13 million (approximately US$8.9 million).	**Section 8.3**

1. INVESTMENT OVERVIEW (CONT)

Topic	Summary	For more information refer to:
How is the Offer structured?	The Offer will consist of: • The Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for CDIs; and • The Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker.	**Section 8.2**
What are CDIs?	The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. Imricor is incorporated in the state of Delaware in the U.S., which does not recognise the CHESS system of holding securities. Accordingly, to enable companies such as Imricor to have their securities cleared and settled electronically through CHESS, depositary interests called CHESS Depositary Interests or CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company such as Imricor and are traded in a manner similar to shares of Australian companies listed on the ASX. Each Share will be equivalent to 1 CDI. Due to certain U.S. securities laws, you will not be able to sell CDIs into the U.S. or to U.S. Persons for a period of at least 12 months from the Allotment Date, unless the resale of the CDI is registered under the U.S. Securities Act or an exemption is available (including resales to QIBs). The Company has requested that all CDIs issued under the Offer bear a designation on the ASX to enforce these restrictions.	**Sections 8.9 and 12.7**
Will the Company be adequately funded after completion of the Combined Offers?	The Board is satisfied that upon completion of the Combined Offers (even without proceeds from any oversubscriptions), the Company will have sufficient working capital to carry out its stated objectives, including: • Commercial launch of the Advantage-MR EP Recorder/Stimulator, Vision-MR Ablation Catheter and Vision-MR Dispersive Electrode in the European Union; • Growing sales, marketing, and manufacturing capabilities to support commercialisation in the European Union; and • Progressing regulatory approvals for the Australian and U.S. markets. The Board currently expects that the Company's current cash reserves, the net proceeds of the Combined Offers (assuming the Minimum Offer Proceeds are raised), plus expected operating cash flows will be sufficient to fund its objectives through to the end of 2021. Should the Company raise the Maximum Offer Proceeds, the Board expects that the Company may also be able to accelerate the commercialisation of one or more pipeline products (see Section 3.3.2). Future capital requirements will depend on a number of factors, including the amount of revenue growth that may be generated from sales of Imricor's products in the European Union following the planned commercial launch. Imricor's long-term objective is to fund its operations out of the profits generated from its business, however, the Board will consider raising further capital where and when it is appropriate based on its future capital requirements or to accelerate growth.	**Section 8.4**
What rights and liabilities attach to the CDIs being offered?	A description of the CDIs, including the rights and liabilities attaching to them, is set out in Sections 12.7 and 12.8.	**Sections 12.7 and 12.8**

Topic	Summary	For more information refer to:
Will the CDIs be quoted on the ASX?	The Company has applied to the ASX for admission to the Official List of the ASX and for the CDIs to be granted Official Quotation by the ASX.	**Section 8.12**
Is the Offer underwritten?	Yes, the Offer is underwritten by the Lead Manager up to the Minimum Offer Proceeds of A$11.1 million. The obligation of the Lead Manager to underwrite the Offer is subject to the investors under the U.S. Private Placement settling their funds with Imricor by the Settlement Date.	**Section 9.10**
What is the allocation policy applicable to the Offer?	The Lead Manager will determine the allocation of CDIs in consultation with the Company. The Lead Manager and the Company have absolute discretion regarding the level of scale-back and the allocation of CDIs under the Offer (if any).	**Section 8.7**
What is the minimum Application under the Offer?	Applications must be for a minimum of 2,410 CDIs (approximately A$2,000).	**Section 1.1**
When will I know if my Application has been successful?	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful. It is expected that initial holding statements will be dispatched by post on or about 2 September 2019.	**Section 1.1**
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of CDIs under the Offer.	**Section 1.1**
What are the tax implications of investing in the CDIs?	The tax consequences of any investment in CDIs will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	**Section 11**
What is the Company's dividend policy?	The Company currently intends to invest all cash flow into the business in order to maximise its growth. Accordingly, no dividends will be payable for the foreseeable future following the Listing.	**Section 12.9**
How do I apply for the CDIs?	Applicants under the Broker Firm Offer should follow the instructions provided by their broker. The Lead Manager has separately advised Institutional Investors of the application procedure under the Institutional Offer. To the extent permitted by law, an application by an Applicant under the Offer is irrevocable.	**Section 8.8**
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of CDIs to Successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	**Section 8.16**
Where can I find more information?	Questions relating to Applications for CDIs can be directed to the Registry, Computershare Investor Services Pty Limited, on 1300 376 397 (if calling within Australia) or +61 3 9415 4397 (if calling from outside of Australia).	**Section 8.17**

1. INVESTMENT OVERVIEW (CONT)

1.8 SOURCES AND PROPOSED USES OF FUNDS ASSOCIATED WITH THE COMBINED OFFERS

The Combined Offers are being conducted to:

- Fund the commercial launch of the Advantage-MR EP Recorder/Stimulator, Vision-MR Ablation Catheter and Vision-MR Dispersive Electrode in the European Union;
- Grow sales, marketing, and manufacturing capabilities to support commercialisation in the European Union;
- Progress regulatory approvals for the Australian and U.S. markets;
- Continue to develop the Company's line extensions (including the diagnostic catheter) and additional products; and
- Fund general working capital requirements.

Further details about the sources of the funds that will be used to carry out these objectives (including the proceeds under the Combined Offers) and how those funds will be allocated are set out in the tables below and in Section 8.4.

Sources of proceeds $'000s		(A$)	(US$)
Offer	Minimum Offer Proceeds	11,100	7,561
	Maximum Offer Proceeds	12,100	8,242
U.S. Private Placement		900	613
Estimated cash reserves as at date of Original Prospectus		891	607
Receipt of half of the CSC leasing security deposit		242	165
Total	Minimum	13,133	8,946
	Maximum	14,133	9,627

	Minimum of A$13.1 million[1]			Maximum of A$14.1 million[2]		
Use of proceeds $'000s	(A$)	(US$)	% of funds	(A$)	(US$)	% of funds
Sales and marketing	1,947	1,327	14.8%	2,165	1,475	15.3%
Clinical and regulatory	7,156	4,875	54.5%	7,954	5,418	56.3%
Costs of the Combined Offers	1,707	1,163	13.0%	1,759	1,198	12.4%
Other working capital	2,323	1,581	17.7%	2,255	1,536	16.0%
Total	13,133	8,946	100.0%	14,133	9,627	100.0%

Notes:

1. Based on Minimum Offer Proceeds being received under the Offer (i.e. no oversubscriptions).
2. Based on Maximum Offer Proceeds being received under the Offer.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

SECTION 2

INDUSTRY BACKGROUND

2. INDUSTRY BACKGROUND

2.1 WHAT IS AN ARRHYTHMIA?

An arrhythmia is an abnormal heart rhythm.

The heart has four chambers that pump blood and carry nutrients around the body. The two upper chambers of the heart referred to as the atria receive and collect the blood. The lower two chambers referred to as the ventricles, pump the blood to other parts of the body. Normally, a heartbeat is initiated by an electrical signal that originates from the sinus node, which resides in the right atrium (one of the two upper chambers).

A normally functioning heart relies on the electrical impulse traveling first through the atria and then through a connecting pathway between the upper chambers (**atria**) and lower chambers (**ventricles**) of the heart called the atrioventricular (**AV**) node. As the signal passes from the sinus node through the atria, the chambers contract, pumping blood from the atria into the ventricles below. After the signal passes through the AV node to the ventricles, it causes the ventricles to contract, pumping blood out to the body.

When abnormal electrical activity drives the heart to beat too fast, too slowly, or irregularly, this is referred to as an arrhythmia. If certain arrhythmias are left untreated, they can lead to serious cardiac conditions such as blood clotting and stroke.

2.2 TYPES OF ARRHYTHMIAS

A normal heart rate is between 60 to 100 beats per minute. When a heart beats outside of this range, it is considered an arrhythmia. An arrhythmia is commonly categorised into two main types based on the speed of the heart rate.

- Tachycardia is where a resting heart rate is greater than 100 beats per minute.
- Bradycardia is where a resting heart rate is less than 60 beats per minute.

Some, but not all, tachycardias and bradycardias are related to heart disease. For example, during exercise it is normal to develop a fast heartbeat, and during sleep or times of deep relaxation, it is relatively common for the heartbeat to slow down.

Tachycardia can be further subcategorised based on whether the arrhythmia originates in the atria or in the ventricles. Bradycardia and each subcategory of tachycardia affect the heart differently as outlined below.

TACHYCARDIAS IN THE ATRIA

- ***Supraventricular tachycardia ("SVT")*** — SVT is a broad term that can include many types of arrhythmias. It is associated with an abnormally fast heartbeat (**tachycardia**) that originates in the atria (above the ventricles). Patients commonly refer to the feeling of a SVT as a 'racing heart'. Episodes of SVT commonly occur because of a conductive accessory path located in or near the AV node that should not be there, causing the heart to beat prematurely. In general, SVTs are not life threatening unless the patient also has a heart disorder.

The following two atrial tachycardias are technically SVTs but are often considered separately, rather than grouped with other SVTs.

- ***Atrial fibrillation ("AF")*** — AF is the most common type of arrhythmia and can cause serious health problems, with stroke being the major risk. AF occurs when the atria beat out of coordination with the ventricles (lower chambers). It is caused by erratic electrical signals, normally originating in the left atrium, which lead to a quivering or twitching of the atria. When the erratic electrical signals bombard the AV node, not all electrical signals are able to pass through to the ventricles, causing rapid and irregular contractions of both the atria and the ventricles. AF may occur in brief episodes, or it may be a longer-term or permanent condition.
- ***Atrial flutter ("AFL")*** — AFL is similar to AF, but is less chaotic, as the rhythm in the atria is more organised than the abnormal patterns commonly experienced by patients with AF. AFL is generally not life threatening unless left untreated. In AFL, the atria (upper chambers) of the heart beat too fast, which results in atrial muscle contractions that are faster than and out of sync with the ventricles. Typical AFL (type I) is localised to the right atrium but AFL can arise in the left atrium.

TACHYCARDIAS IN THE VENTRICLES

- *Ventricular tachycardia ("VT")* — VT is associated with a rapid heart rhythm that originates from abnormal electrical signals in the ventricles. The rapid heart rate may not allow the ventricles to fill and contract efficiently to pump enough blood to the body. A VT may only last for a few seconds and may not give rise to a more serious medical issue unless sustained. Sustained occurrences of VT can lead to VF (see below).
- *Ventricular fibrillation ("VF")* — VF occurs when rapid, chaotic electrical impulses cause the ventricles to quiver ineffectively instead of contracting and pumping blood out to the body. VF is potentially life-threatening. Sustained occurrences of VF can lead to cardiac arrest and death. People who experience VF commonly have an underlying heart disease or have experienced serious trauma.

BRADYCARDIA

Bradycardia is associated with a slower than normal heart rate and is diagnosed when the heart is beating at a rate of less than 60 beats per minute. This can pose a serious health risk if it results in the heart not pumping enough oxygen-rich blood around the body. Bradycardia is not, however, considered serious in all instances, particularly amongst healthy young adults and trained athletes, for whom a slow resting heart rate can be normal.

2.3 WHAT CAUSES AN ARRHYTHMIA?

There are various causes of an arrhythmia, including:

- Congenital abnormality of the heart's electrical system – the patient is born with an abnormal muscle fibre connecting the upper and lower chambers of the heart which can lead to SVT later in life.
- Inherited heart disease – this can cause heart abnormalities to develop over time or later in life, setting the stage for an arrhythmia.
- Acquired conditions – such as a heart attack, which can cause parts of the heart muscle to turn to scar (scar tissue may form a site that disrupts the normal electrical pathway and set the stage for VT, as described above).
- Changes over time – the heart can change as years pass due to a number of factors such as lifestyle, dietary habits and ageing.

2.4 CURRENT AVAILABLE TREATMENT OPTIONS

Not all arrhythmias need to be treated. If however, a patient presents with an arrhythmia which requires immediate management, several acute treatments may be attempted to restore a normal heart beat. These acute treatments include vagal manoeuvres, cardioversion (synchronised defibrillation), and various drug therapies.

Longer term, medical practitioners will commonly only prescribe a treatment plan if the arrhythmia is causing ongoing symptoms or putting the patient at risk of a more serious arrhythmia or complication. Long-term treatment options and preventative measures include ablation procedures, drugs, implantable devices and lifestyle changes as set out in further detail below:

2.4.1 ABLATION

Cardiac catheter ablation (also sometimes referred to as **catheter ablation, cardiac ablation** or **ablation**) is one of the recommended first-line therapies for the treatment of AFL, AF and certain other SVTs. It is also considered an important treatment option for patients with VT when antiarrhythmic drugs (see Section 2.4.2 for more information) are ineffective, not tolerated, or not desired by the patient. Cardiac catheter ablation is not used to treat bradycardia and is not generally used to treat VF. The gold standard treatment for VF is the insertion of an implantable cardioverter defibrillator (see Section 2.4.3 for further information about ICDs).

Cardiac catheter ablation procedures are performed in an electrophysiology (**EP**) lab by an electrophysiologist, that is, a cardiologist with specialist training in the treatment of arrhythmias.

The procedure involves the electrophysiologist guiding a catheter into the heart and aiming the tip of the catheter at one or more areas of abnormal heart tissue. Energy (extreme cold – cryoablation; or heat – radiofrequency (**RF**), microwave, or infrared lasers) travels through the tip of the catheter with the aim of intentionally creating a scar or permanently destroying (also referred to as creating lesions or ablating) the tissue that triggers or supports the arrhythmia.

2. INDUSTRY BACKGROUND (CONT)

An ablation procedure is ordinarily considered to have been successful when the patient is free of the arrhythmia. Ablation procedure success rates vary based on the type of arrhythmia being treated, as shown below.

Type of arrhythmia	Success rate	Comments
SVT	90% - 95%	Single-procedure success rate (excluding AF)
AFL	≥90%	Single-procedure success rate
AF	42 - 54%	Single-procedure success rates (when follow-up was two or more years after the procedure had been carried out), which vary depending on the severity of the AF
AF	~80%	Success rate after two or more procedures
VT	38% - 88%	Single-procedure success rates for VT ablation associated with ischemic cardiomyopathy. Success rates vary for VT ablations with other underlying heart diseases.

2.4.2 ANTIARRHYTHMIC DRUGS

There are a large variety of antiarrhythmic drugs available for medical practitioners to prescribe to patients. These drugs focus on changing the electrical properties of the cardiac tissue and, by doing so, changing the way the heart's electrical signals spread across the heart. Whilst a number of arrhythmias can be treated with antiarrhythmic drugs, in some patients antiarrhythmic drugs are not effective in restoring and maintaining normal heart rhythm and/or cause side effects that warrant treatment cessation (e.g. lung or liver damage).

2.4.3 IMPLANTABLE DEVICES

- ***Pacemaker*** — When a patient is diagnosed with a bradycardia, a pacemaker is the preferred method of treatment, as it is the most reliable method to speed up the heart. A pacemaker is a small device implanted in the upper chest, where electrode-tipped wires run from the pacemaker through the blood vessels to the inner heart. In instances of the heart rate slowing or stopping, the pacemaker sends out electrical impulses that stimulates the heart to beat at a steady rate.
- ***Implantable Cardioverter Defibrillator ("ICD")*** — An ICD is similar to a pacemaker and is commonly used in conjunction with medication as it does not prevent an arrhythmia. It is a battery powered device placed underneath the skin in the region of the upper chest. The electrode-tipped wires are attached to the heart and the ICD monitors the heart continually. Upon detecting an abnormal rhythm, the ICD sends a shock or a pacing treatment to the heart to get it back to a normal rhythm.

2.4.4 OTHERS

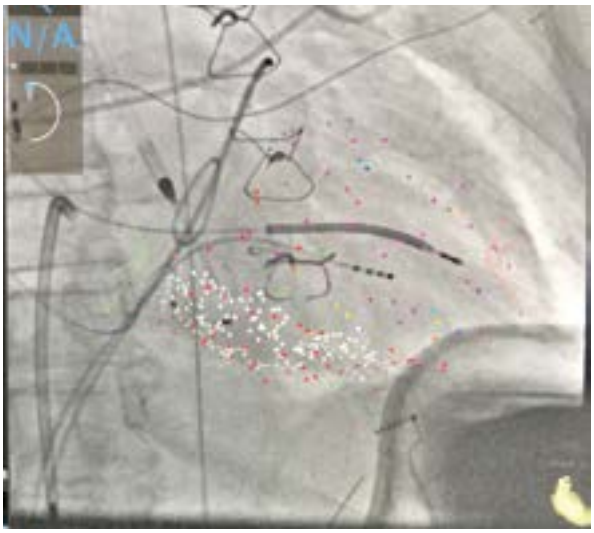
Maintaining a healthy lifestyle, including a good diet, regular exercise, not smoking, managing stress and limiting alcohol intake, can assist in the prevention of arrhythmias.

2.5 CONVENTIONAL CARDIAC CATHETER ABLATION

The cardiac catheter ablation procedure involves small incisions being made in the leg or groin of the patient, where the catheters are inserted. One or more catheters are then guided through veins or arteries into the heart. Conventionally, the procedure has been performed with the use of x-ray guidance, where information on catheter placement within the heart is determined through the x-ray imaging. Based on this imaging and electrical signal measurements taken at the catheter tip, the electrophysiologist is then able to direct the inserted catheter to destroy the tissue that is triggering the arrhythmia.

Figure 2.1: An x-ray image of several catheters in a patient's heart

(note coloured dots are computer-generated markers on the image)



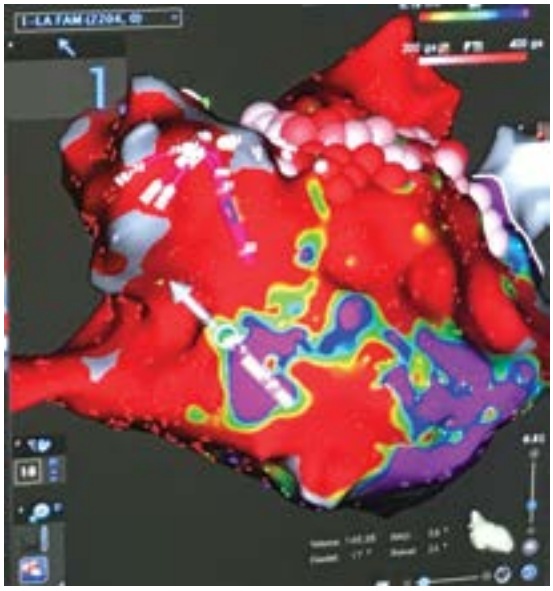
To aid in the procedure, three-dimensional (3D) mapping and tracking tools are commonly used in conjunction with x-ray image guidance, especially for complex ablation procedures. 3D mapping and tracking tools vary in their exact technology, though they normally consist of external sensors around the patient and a computer workstation with associated software. The primary functions of 3D mapping and tracking tools are to provide a 3D representation (shell) of the heart chamber of interest, and to allow the physician to take electrical measurements with the catheter and represent these measurements as a colour map on the shell.

Conventional 3D mapping systems must therefore provide a means to create the shell, track the catheter's location within the shell, and map electrical activity onto the shell.

In conventional 3D mapping and tracking, catheters are tracked using external sensors around the patient, which communicate with the catheters such that the locations and orientations of the catheters can be determined. Different technologies have varying degrees of tracking precision. Once a tracked catheter is within the heart, the physician can move it around within a chamber while computer software gradually builds and draws a 3D shell based on the locations where the catheter has been positioned. Since the catheter should not be able to move outside the chamber, the result is a 3D shell that approximates the chamber. Once a shell is created, the tracked catheter may be used to measure electrical information within the heart chamber, and this information can be mapped onto the shell. A 3D shell with electrical information mapped onto it is called an electroanatomical map.

2. INDUSTRY BACKGROUND (CONT)

Figure 2.2: A typical electroanatomical map of a left atrium



2.6 ISSUES WITH CONVENTIONAL CARDIAC CATHETER ABLATION

There are some inherent limitations associated with x-ray guided cardiac catheter ablation procedures which, based on Imricor's experience, have increased levels of interest within the medical community in the use of MRI in performing cardiac catheter ablation procedures. These limitations are outlined below.

2.6.1 POOR VISUALISATION OF HEART ANATOMY

X-ray's two dimensional imaging guidance provides poor visualisation of the soft tissues of the heart anatomy (see Figure 2.1 above), which limits its ability to guide complex ablation procedures. Poor visualisation of the heart anatomy also makes it difficult to determine the unique structural characteristics of the heart and to determine a catheter's position relative to the heart.

2.6.2 3D MAPPING APPROXIMATIONS

Conventional 3D mapping and tracking tools also have inherent limitations. Due to the way shells are created, these tools can only provide approximations of the actual heart chambers. During the creation of a shell, the mapping system user may "shave" a shell when he/she thinks it has made an error in estimating the chamber. It can be difficult to create an accurate shell, especially if the patient's heart has unexpected anatomical variations. Also, as mentioned above, the accuracy of the catheter tracking is technology-dependent. Any error in catheter tracking will result in an error in the shell.

If a more accurate representation of the heart is desired, previously-acquired 3D images (MRI or CT) can be imported into many conventional 3D mapping and tracking systems. Once these images are registered to the position of the shells in the mapping system, the shells can then be scaled, translated, or otherwise modified to more closely match the imported images. However, such registration and shell manipulation take time.

2.6.3 NO ABLATION THERAPY (LESION) VERIFICATION

Conventional x-ray guided ablation procedures (even with 3D mapping and tracking tools) do not provide a direct means for the physician to verify whether the ablation lesions they intend to create are temporary or permanent.

When an operator delivers ablation, the intent is to burn the tissue to create a lasting permanent lesion. However, it is common that some ablation burns are immediately effective but not permanent (meaning they heal later, after the procedure is complete).

The acute (i.e. short-term) effectiveness of a burn can be checked by the electrophysiologist by taking an electrical measurement where the burn was attempted. An acutely effective burn will result in no electrical activity at that point. However, with conventional x-ray guided ablation (with or without 3D electroanatomical mapping) there is no way to verify whether an acutely effective burn will result in a permanent lesion. The inability to determine whether permanent lesions are being created while ablating can negatively impact the single-procedure success rates of many ablation procedures.

2.6.4 RADIATION EXPOSURE

X-ray guided procedures expose both the patient and physician to the risk of injury due to exposure to ionising radiation, including skin injuries, cancers and genetic effects. The x-ray exposure for individual procedures can vary greatly depending upon the operator and may be reduced if 3D mapping tools are used in conjunction with x-ray during a procedure. Radiation exposure to the patient can be up to 23 Gy cm^2 for simple SVTs, and up to 46 Gy cm^2 for complex arrhythmias. The guiding principle for radiation safety, as low as reasonably achievable (**ALARA**), maintains that there is no measurable lower safe dose for radiation exposure.

Aside from the radiation exposure itself, physicians are required to wear heavy protective garments to protect against the radiation, often resulting in occupational back and neck injuries.

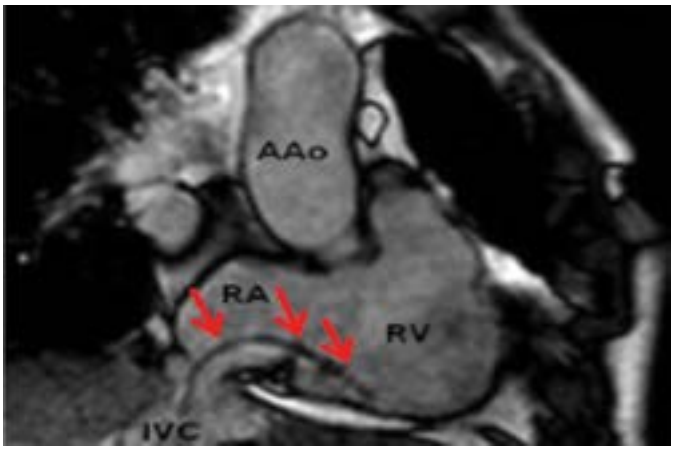
2.7 POTENTIAL BENEFITS OF MRI-GUIDED CATHETER ABLATION

The Company believes that interest in the medical community in performing MRI-guided cardiac catheter ablation procedures primarily stems from MRI's ability to provide the benefits outlined in this Section.

2.7.1 IMPROVED VISUALISATION OF THE HEART ANATOMY AND PASSIVE MR TRACKING

MRI offers the ability to visualise the heart in real time and with higher quality soft tissue contrast than x-ray provides. Various forms of MRI scanning protocols are often used to provide these real-time videos. Catheters, if they are compatible with MRI, can be seen in real-time MRI images. This type of device visualisation or tracking in MRI (where the intrinsic material characteristics of the device allow it to be seen in the MR image) is called "Passive MR Tracking".

Figure 2.3: An MR image of a catheter (indicated by the red arrows) in the heart



2. INDUSTRY BACKGROUND (CONT)

2.7.2 ABLATION THERAPY (LESION) VERIFICATION

When ablation burns are not permanent, it is common for patients to require a second ablation procedure, to fill the gaps left behind by the healed burns.

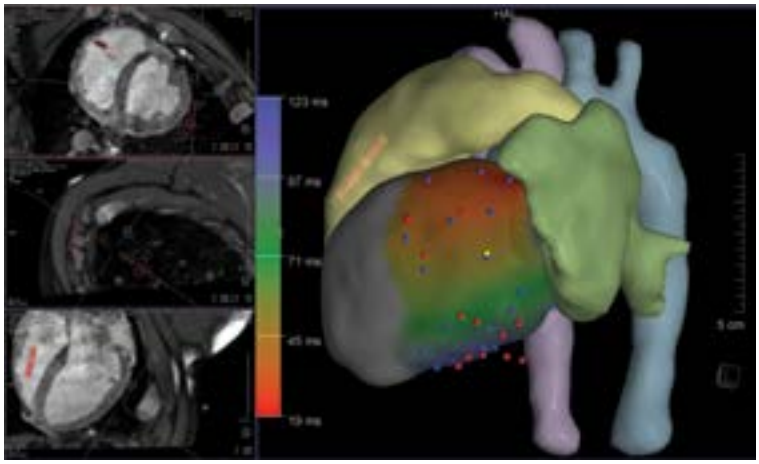
The soft tissue contrast of MR imaging enables the physician to see the quality of the lesion they have created. This provides the physician an opportunity during the first procedure to distinguish permanent lesions from acutely effective but non-permanent burns and re-ablate at locations where only temporary burns have formed. The potential for MRI is, therefore, that it will be possible for the physician to achieve in one procedure what can take multiple procedures to achieve using conventional technology.

2.7.3 3D MAPPING AND TRACKING TOOLS WITH MRI

3D mapping and tracking tools can be integrated with MRI-guided ablation systems to offer the additional visualisation and diagnostic benefits of conventional 3D mapping and tracking systems (e.g. electroanatomical maps). However, there are differences between conventional 3D mapping and tracking tools compared to MRI 3D mapping and tracking tools.

First, rather than having to manually "map out" the inner geometry of the heart chamber with a tracked catheter, the heart chamber shells can be created directly from the 3D MRI image created during the procedure. In that way, the shells more accurately represent the patient's actual heart. The shells need no registration, no shape manipulation, and are not approximations of the patient's heart chambers.

Figure 2.4: An example of heart chamber shells created from MR images of a heart (note Imricor's Vision-MR Ablation Catheter tip (red) in the images)



Further, MRI can facilitate "Active MR Tracking". This is a technique whereby tiny receiver coils or other sensors are embedded in a device (such as the catheter) and the location of the coils can be determined within the MRI field of view using certain non-imaging MRI pulse sequences in real time. Two such coils on a catheter tip allow the system to determine the location and orientation of the catheter tip within the patient (see example in Figure 2.4 above). However, unlike conventional catheter tracking (described in Section 2.5 above), Active MR Tracking uses the MRI scanner, itself, to track the catheter. This means that when Active MR Tracking is used for electroanatomic mapping, no calibration or registration to the MRI image is required.

The combination of Active MR Tracking and shells created directly from MR imaging performed during the procedure has the potential to provide a more efficient and accurate electroanatomical mapping solution.

2.7.4 NO RADIATION WITH MRI

MRI is radiation-free. In MRI-guided procedures, neither the patient nor the medical personnel is exposed to ionising radiation. Accordingly, the electrophysiologist and other medical personnel do not have to wear heavy lead gowns which can cause occupational injuries to protect themselves from radiation exposure.

2.8 DEVELOPMENT OF MRI-GUIDED CARDIAC CATHETER ABLATION

There are several known key challenges associated with the development of MRI-compatible ablation catheters, such as magnetic attraction impairing the effective navigation of the catheter, excessive heating of the catheter, unintended stimulation of the patient's heart and electromagnetic signal interference. These key challenges, and the ways in which Imricor believes its products overcome them, are all further discussed in Section 3.5.

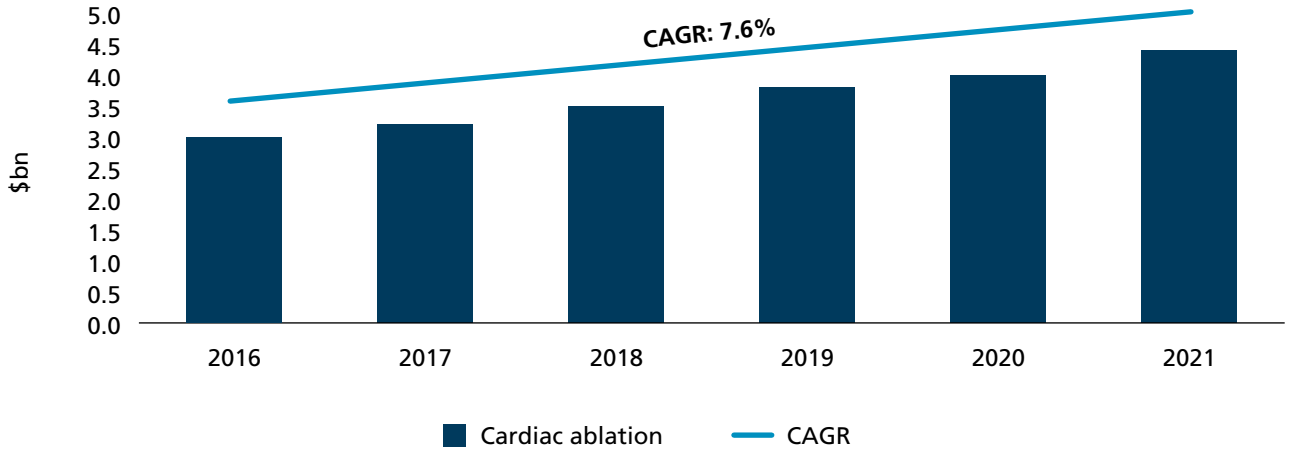
So far as Imricor is aware, no MRI-compatible cardiac ablation catheter has ever been approved for commercialisation. For this reason, the advantages of MRI-guided ablations have not yet been realised. However, Imricor believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market, and is currently in the final stages of an application for CE mark approval for the Vision-MR Ablation Catheter.

2.9 ADDRESSABLE MARKET FOR CARDIAC CATHETER ABLATION PROCEDURES

The market for cardiac catheter ablation procedures is experiencing increased global growth in developed economies such as the United States, Europe, the Middle East and Africa and the Asia Pacific. This growth is supported by drivers such as rising incidences of cardiac diseases, a shift towards minimally invasive procedures with improved medical imaging and cost savings that have been associated with catheter ablation as a treatment method for certain arrhythmias.

Based on a recent industry report and other market data, the market for cardiac ablations is expected to grow by a CAGR of 7.6%, with annual revenues across the global cardiac ablation market forecasted to increase from US$3.03 billion in 2016 to US$4.37 billion in 2021 (see Figure 2.5 below). In the Company's opinion however, this projected growth rate is on the conservative side having regard to other commentary in the sector. For example, St Jude Medical (now part of Abbott) considered in 2016 that revenue in the electrophysiology market (which includes cardiac catheter ablation products) was over US$4 billion and was anticipated to grow by 10% from the prior year. Further, an industry brief published by Raymond James & Associates in January 2018, considered that the electrophysiology market was a US$4.4 billion market and growing at an annual rate of 15%.

Figure 2.5: Global cardiac ablation market annual revenue 2016-2021 (US$ billions)



2. INDUSTRY BACKGROUND (CONT)

2.9.1 DRIVERS OF MARKET GROWTH

Some of the key drivers of growth in the market for cardiac catheter ablation procedures include:

- ***Increased incidence of cardiac disease*** — A key driver for growth in the cardiac catheter ablation market is changing global demographic trends, such as an aging population and increased occurrence of hypertension, obesity and diabetes. A consensus statement from the Heart Rhythm Society, the European Heart Rhythm Association, the Asia Pacific Heart Rhythm Society, and eight other global cardiology societies states that current estimates reveal that more than 33 million individuals worldwide have AF. The American Journal of Cardiology estimates that the number of newly diagnosed cases of AF in the United States will double from 1.2 million cases in 2010 to 2.6 million cases in 2030. As a consequence, the total actual number of cases of AF in the United States is projected to increase from 5.2 million in 2010 to 12.1 million cases in 2030.
- ***Shift towards minimally invasive procedures*** — Medical facilities globally are shifting towards minimally invasive procedures given the improvement in technologies over the years. Catheter ablations are less invasive procedures compared to some of the alternative arrhythmia treatment options, such as implanting devices and surgical ablations.
- ***Cost effectiveness of catheter ablation*** — Relative to other medical management, cardiac catheter ablation can improve the cost effectiveness of the treatment of certain arrhythmias. Cost savings which have been associated with cardiac catheter ablation have been obtained through:
  - Reductions in hospitalisation;
  - Lower frequency of GP and specialist visits; and
  - Lower medication and associated costs.

2.10 COMPETITIVE LANDSCAPE

As at the date of this Prospectus, Imricor believes it will be the first company in the world to bring commercially viable MRI-compatible products to the cardiac catheter ablation market.

Other companies have sought to develop products which use MRI to perform cardiac catheter ablation procedures, but to date, so far as Imricor is aware, none of these companies have been able to gain regulatory approval for, or commercialise, an MRI-compatible cardiac catheter ablation product. One such company, MRI Interventions, Inc., was developing an MRI-compatible catheter but has currently ceased product development to refocus its activities in another area.

In the broader cardiac catheter ablation market, the Company currently perceives its key competitors, and the functionality of their respective products, to be those set out in the table below.

Categories	Imricor	Biosense Webster / Johnson & Johnson	Abbott	Boston Scientific	Medtronic
Ablation platform name	Advantage-MR	Carto 3® System	Ensite Precision™ / NavX™	Rhythmia HDx™	Arctic Front Advance™
Image guidance	MRI	X-Ray	X-Ray	X-Ray	X-Ray
Ablation energy	RF	RF	RF	RF	Cryogen
Catheter tracking	Active MR tracking	Electromagnetic sensors	Magnetic sensors and Impedance	Magnetic sensors and impedance	None
3D mapping enabled	✓	✓	✓	✓	×
Ablation therapy (lesion) verification[1]	✓	×	×	×	×
Ability to visualise anatomy	✓	×	×	×	×
Radiation-free	✓	×	×	×	×

Notes:

1. See Section 2.6.3 above for a description of ablation therapy (lesion) verification.

SECTION 3

COMPANY OVERVIEW

3. COMPANY OVERVIEW

3.1 OVERVIEW OF IMRICOR

Imricor is a U.S.-based medical device company that seeks to address the current issues with traditional x-ray-guided ablation procedures through the development of MRI-guided technology. Incorporated in the State of Delaware in 2006, the Company's principal focus is the design, manufacturing, sale and distribution of MRI-compatible products for cardiac catheter ablation procedures. Imricor's unique technology utilises an intellectual property (**IP**) portfolio that includes technology developed in-house, as well as IP originating from Johns Hopkins University and Koninklijke Philips N.V. The Company is headquartered in Burnsville, Minnesota, where it has development and manufacturing facilities.

Imricor is a pioneer and leader in developing MRI-compatible products for cardiac catheter ablation procedures, and believes it will be the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market. The Company's primary product offering, the Vision-MR Ablation Catheter is specifically designed to work under real-time MRI guidance, with the intent of enabling higher success rates along with a faster and safer treatment compared to conventional procedures using x-ray guided catheters.

Imricor currently generates income from licensing some of its IP for use in implantable devices and performing contract research, but expects to generate most of its future income from the sale of the MRI-compatible products it has developed for use in cardiac catheter ablation procedures (comprising single-use consumables and capital goods).

Imricor has obtained CE mark approval to place one of its key products, the Advantage-MR EP Recorder/Stimulator System, on the market in the European Union, and is in the final stages of the CE mark approval process for its other key products, the Vision-MR Ablation Catheter (with an indication for treating type I atrial flutter) and the Vision-MR Dispersive Electrode. Imricor is also in the early stages of pursuing the required regulatory approvals to place its key products on the market in Australia and the U.S.

Imricor currently has joint development agreements with leading, global MRI vendors, Koninklijke Philips N.V. and Siemens Healthcare GmbH, and is working towards agreements with these MR vendors in relation to the sales and marketing of Imricor's products. These agreements (if reached), in combination with Imricor's current agreements with Siemens Healthcare GmbH and Koninklijke Philips N.V., are expected to provide new sales channels for Imricor, as well as facilitate the research and development of Imricor's existing and pipeline product range (see Sections 3.8.1, 9.4 and 9.5 below for more information).

3.2 HISTORY

2006	Imricor was founded in 2006 and headquartered in Burnsville, Minnesota
2007	Licensed IP from Johns Hopkins University
2008	Grant received from U.S. National Institutes of Health (**NIH**) to assist funding the development of an MRI-compatible ablation catheter
2009	Imricor invents technology for MRI catheter compatibility
2011	First in-man diagnostic and ablation procedures using Imricor's catheter with Passive MR Tracking performed at Leipzig Heart Centre in Germany
2012	First license of Imricor IP to a third party Licensed IP from Koninklijke Philips N.V. for use in MRI-compatible ablation catheters
2014	Performed the first human pilot study with Active MR Tracking at King's College London
2015	Signed joint research agreement with Siemens Healthcare GmbH; Imricor and Siemens Healthcare GmbH providing support for sites for performing research activities in MR guided electrophysiology and cardiovascular interventions
2016	Received CE mark approval for the Advantage-MR EP Recorder/Stimulator system Enrolled patients in clinical trial to support CE mark approval for the Vision-MR Ablation Catheter

2017	Signed joint development agreement with Siemens Healthcare GmbH aimed to establish compatibility between Siemens Healthcare GmbH's mapping software and Imricor products Awarded a contract with NIH to perform research and development on an MRI-compatible device for chemoablation (see Section 3.7.2) Completed enrolment in clinical trial for Vision-MR Ablation Catheter (see Section 3.6)
2018	Signed first customer contract with Dresden Heart Centre, Germany (see Section 9.9)
Q2 2019	Signed joint development agreement with Koninklijke Philips N.V. aimed to establish compatibility between Koninklijke Philips N.V.'s mapping software and Imricor products
Q3 2019	Lodged review and design dossier with TÜV SÜD's certification body in support of CE mark approval

3.3 PRODUCT OVERVIEW

3.3.1 KEY PRODUCTS

Imricor designs and manufactures consumable products and capital equipment; all of which are designed to be used in performing MRI-guided cardiac catheter ablation procedures. The consumable products are single-use devices, whilst the capital equipment is designed to be used for multiple procedures. The specifications of the three key products are outlined in the table below.

Product	**Advantage-MR EP Recorder/Stimulator System**	**Vision-MR Ablation Catheter**	**Vision-MR Dispersive Electrode**
			
Technical specification	Electrophysiology amplifier and recording system with integrated cardiac stimulator (pacer)	9 Fr (French size) irrigated tip, single-use RF ablation catheter	Dispersive electrode
Description	• Provides the functionality of both a conventional EP recording system and a cardiac stimulator within the MRI environment • Ability to operate multiple Vision-MR Ablation Catheters simultaneously	• MR-compatible single use ablation catheter • Designed to look, feel and function like a traditional ablation catheter for the benefit of electrophysiologists • Functionality includes Active MR Tracking and fibre optic tip temperature sensing capabilities	• Designed to minimise eddy currents induced on the device's conductive pads during MR scanning
Type of good	Capital good	Consumable good	Consumable good
Regulatory status	Received CE mark in January 2016	CE mark expected in Q3 2019 (with an indication for treating type I atrial flutter)	CE mark expected in Q3 2019

3. COMPANY OVERVIEW (CONT)

3.3.2 OTHER PRODUCTS

While not currently approved for sale or distribution and not yet the subject of an application for such approval, other products in Imricor's commercialisation pipeline include a diagnostic catheter, and a steerable sheath and transeptal needle, each of which is designed for use in MRI-guided cardiac catheter ablation procedures.

- *Diagnostic Catheter* – Pictured below is a prototype of the diagnostic catheter, which can sense electrical signals flowing through the heart and deliver pacing pulses but cannot ablate. The diagnostic catheter can be used in addition to an ablation catheter in procedures where multiple catheters are required, but the diagnostic catheter is less expensive.

- *Steerable sheath and transeptal needle* – Pictured below are prototypes of the steerable sheath and transeptal needle, which are intended to be used together in procedures where access to the left side of the heart is required and the physician opts to access the left side by crossing the intra-atrial septum.

3.4 VALUE PROPOSITION OF IMRICOR'S MRI-GUIDED CARDIAC CATHETER ABLATION

As discussed in Sections 2.6 and 2.7, the use of MRI technology for cardiac catheter ablation procedures has a number of potential advantages over the use of x-ray technology. Imricor's products allow physicians to perform cardiac catheter ablation procedures using MRI technology and, in turn, take advantage of all of the benefits related to MRI-guided ablation procedures.

The table below sets out the ways in which Imricor expects that its technology and MRI will address the challenges that are presented by the x-ray technology that is currently used for cardiac catheter ablation procedures.

Challenges	Description	Imricor's value proposition	Main stakeholders which could benefit
Poor soft tissue visualisation for guiding procedure	When x-ray imaging is used, the soft tissue of the heart is extremely difficult to visualise and navigate. Additional 3D mapping systems are often required to provide surrogate shells to represent heart chambers.	Imricor's products allow procedures to be performed with MRI imaging, in which the soft tissue of the heart is clearly visible to the physician in both 2D and 3D.	• Physician • Patient
Varying single-procedure success rates	Using x-ray guided cardiac catheter ablation, single procedure success rates in treating AF and VT can vary greatly and repeat procedures are often required. For further information about single-procedure success rates refer to the table in Section 2.4.1.	The higher resolution of MR imaging provides the physician an opportunity during the procedure to identify whether lesions are temporary or permanent and fill gaps (i.e. re-ablate), reducing the chances that the patient will need to undergo additional follow-up procedures. In Imricor's catheter clinical trial carried out on AFL patients, the chronic success rate (3-months post ablation) was 100%.	• Patient • Physician • Insurer (as payer)
High cost of patient treatment	If repeat procedures are required to successfully treat an arrhythmia, medical costs for patients (or other payers) and hospitals can increase dramatically. For example, a U.S. study over a 5-year period showed that the total medical cost for patients who require repeat AF ablation is 294% higher than for those who are successfully treated with one ablation procedure.	The per-procedure cost of an MRI-guided ablation with a Vision-MR Ablation Catheter is expected to be similar to the per-procedure cost of a conventional x-ray guided ablation. If MRI-guided ablations are more effective however (see above), then fewer procedures should be required per patient, resulting in a lower overall treatment cost. In addition, iCMR labs in which ablation procedures using Imricor's products are carried out, can be used for diagnostic purposes while not in use for interventional procedures.	• Patient • Insurer • Hospital/lab

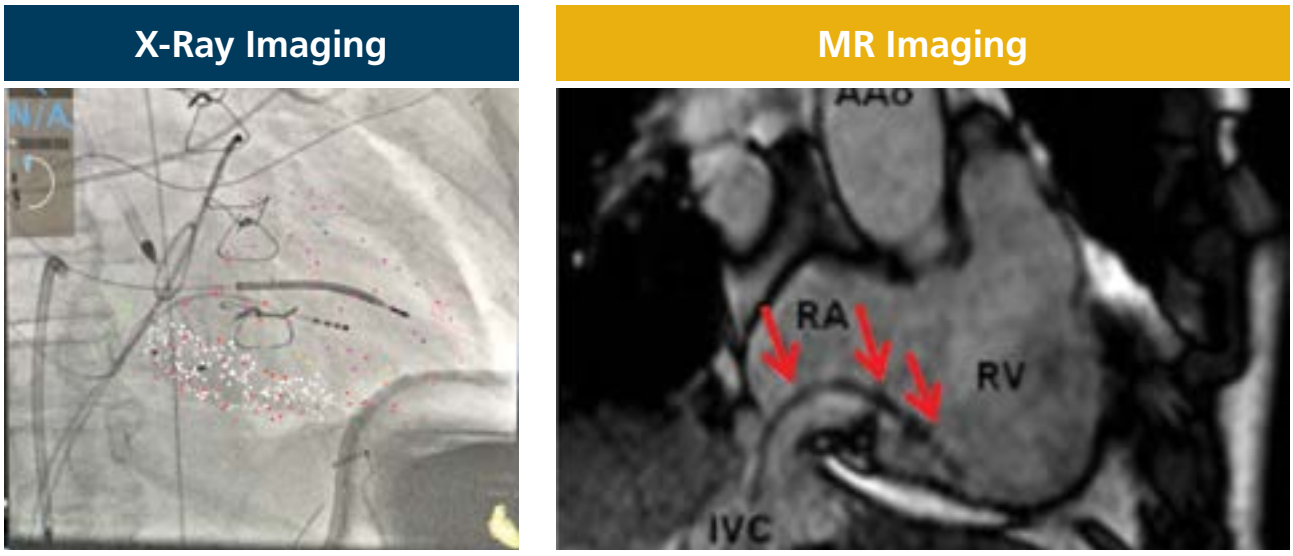
3. COMPANY OVERVIEW (CONT)

Challenges	Description	Imricor's value proposition	Main stakeholders which could benefit
Lengthy procedure times	Conventional 3D mapping systems require the physician to "map out" the inner geometry of the heart chamber of interest in order to create 3D representations (or shells) of it (see Section 2.5 above). Importing pre-acquired 3D heart images requires additional time to register the images to the position of the shells in the mapping system and manipulate the shape of the shells to match the imported images (see Section 2.6.2 above).	No shell-to-image or catheter-to-image registration or calibration is required in MRI-guided ablation. Physician inserts catheter and commences the procedure immediately.	• Physician • Patient • Hospital/lab
	A study published in the journal of Cardiovascular Electrophysiology reports average procedure times for conventional AFL ablations at 88 minutes.	The average procedure time for Imricor's MRI-guided AFL ablations, which was achieved in its catheter clinical trial, is 48 minutes. Faster procedure times could allow for more procedures to be performed in hospitals and labs.	
Safety issues	Both patient and physician are exposed to ionising radiation during x-ray guided ablations. Occupational injuries can arise from the heavy lead garments physicians wear in order to protect themselves from the risk of radiation injury.	MRI generates no radiation. The risk of radiation injury to the physician and patient is therefore eliminated, and the physician does not need to wear heavy protective garments that can result in occupational injury.	• Physician • Patient • Other medical personnel in the room for the procedure

3.4.1 VISUALISATION IMPROVEMENTS

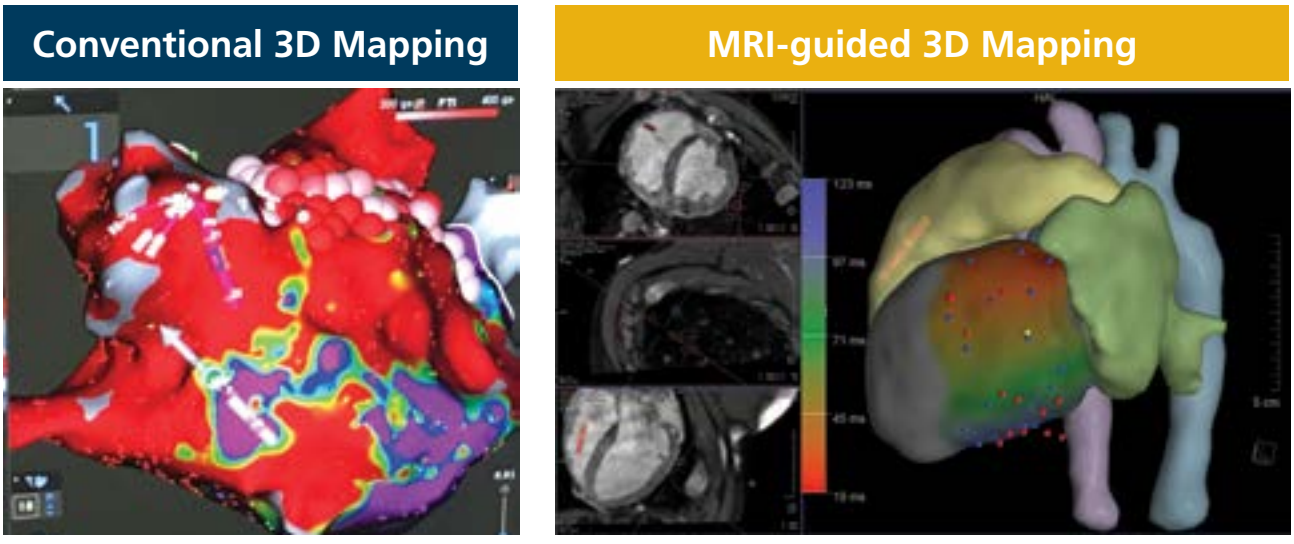
A key advantage of MRI-guided procedures is the significant soft tissue visibility improvements over x-ray imaging. Figures 3.1 and 3.2 below show the relative improvements in the visibility of the heart anatomy when MRI is used compared to x-ray imaging, and when 3D mapping and tracking tools are used with MR imaging compared to x-ray imaging, respectively.

Figure 3.1: Example of x-ray imaging (procedure involving multiple catheters) compared to example of MR imaging using Imricor's products (procedure involving one catheter indicated by the red arrows)



As seen in the above images, the heart is almost invisible when using x-ray imaging, with the physician only able to see the position of the catheters. Comparatively, MR imaging enables the physician to see the heart in real time and with higher quality soft tissue contrast, and also the relative position of the catheters.

Figure 3.2: Example of 3D mapping and tracking tools used with x-ray imaging compared to example of 3D mapping and tracking tools used with Imricor's MRI-guided ablation system



3. COMPANY OVERVIEW (CONT)

MRI technology enables the physician to use 3D mapping shells that are created directly from the 3D MR image during the procedure, rather than approximations of the heart chambers created by the conventional means described in Section 2.6.2. As seen in the above images, this creates better quality shells (3D representations of the heart chambers). The above images also demonstrate how electroanatomical mapping overlays electrical information about heart activity (represented by colour differences) on top of the shells.

3.5 OVERCOMING THE CHALLENGES OF DEVELOPING MRI-GUIDED CARDIAC CATHETER ABLATION PRODUCTS

As mentioned in Section 2.8, there are several challenges associated with developing products for MRI-guided cardiac catheter ablation. Imricor has overcome these challenges to deliver what it believes to be the world's first commercially viable MRI-guided cardiac catheter ablation solution as set out below.

Challenge	Solution
Magnetic attraction impairs the effective navigation of the catheter Conventional catheters are typically made up of metallic materials which have a strong magnetic attraction to the large MRI magnet.	Imricor has minimised this magnetic attraction using polymer materials and non-magnetic metals.
Excessive heating of the catheter Conventional catheters can become dangerously hot, with temperature increases greater than 35°C when exposed to MRI scanning. This is due to wires in the catheters acting as antennae, which "pick up" the strong RF field emitted by the MRI.	Imricor's catheters are designed with patented technology that eliminates unsafe RF heating.
Unintended stimulation of the patient's heart Conductive loops within MRI environments experience induced currents when the MRI is actively scanning. If these currents pass through cardiac tissue, they can stimulate the heart to beat, which can be life threatening.	Imricor's technology avoids the risk of unintended stimulation by isolating each catheter connected to the Advantage-MR EP Recorder/ Stimulator System, which prevents any catheter-to-catheter conductive loop that could pose a hazard to the patient.
Impaired visualisation of the catheter within the patient Metallic structures in conventional catheters can obscure the images of cardiac tissue around them and non-metallic structures can be difficult to see in MRI images.	The Vision-MR Ablation Catheter is designed with materials that are visible in MRI images but do not obscure the imaging of nearby tissues. The catheter is also capable of Active MR Tracking (see Section 2.7.3 above).
Electromagnetic signal interference Catheters must sense very small (e.g. < 1mV) cardiac signals and deliver reliable pacing stimuli to the heart. RF ablation catheters also deliver radiofrequency ablative energy (typically 20 – 50 watts) to the heart to create lesions. In addition the MRI typically generates a 10 kilowatt RF field. All of this combines to create challenges associated with sensing, pacing, ablating, and imaging in the same environment.	The Advantage-MR EP Recorder/ Stimulator System has been designed to sense cardiac signals, deliver pacing stimuli, and deliver ablative energy effectively through the Vision-MR Ablation Catheter, all while avoiding interference with MRI images.

3.6 CLINICAL EXPERIENCE

Imricor's technology has been used in 76 patient procedures throughout the development history of the Vision-MR Ablation Catheter and Advantage-MR EP Recorder/Stimulator System. These procedures have spanned four pilot studies and one clinical trial.

The clinical trial was completed to support CE mark approval of the Vision-MR Ablation Catheter for the treatment of type I atrial flutter. The clinical trial consisted of 35 patients, who were ablated with the Vision-MR Ablation Catheter. The study, which was enrolled between March 2017 and December 2017 at Leipzig Heart Centre, Germany, was a non-randomised, single arm cohort study, and there was no stratification of the study population (i.e. the patients enrolled in the trial were all selected because they were suffering from type I AFL, all patients underwent the same procedure, and the patients were not divided into sub-groups to assess the success of the procedure against another factor such as age, gender or race).

Objective(s)/endpoints	Key findings
Analyse the *acute* success – measured by the whole ablation procedure being performed using MRI guidance	91.4% acute success rate with: • 1 unsuccessful procedure wherein there was incorrect application of the return electrode. • 2 unsuccessful procedures due to patients developing a secondary arrhythmia requiring external defibrillation outside of lab.
Analyse the *chronic* success – measured by freedom from the recurrence of atrial flutter at 3 months post-procedure	100% chronic success rate
Test the safety of the device measured by the rate of device or procedure related serious adverse events (**SAEs**) at seven days post-procedure	Four procedure related SAEs which are typical for AFL ablation procedures (e.g. bleeding at catheter insertion site). One procedure and device related SAE where the introducer sheath was kinked. The cause of the kink was unable to be determined but the sheath was replaced and the procedure was completed successfully.
Other	Average procedure time of 48 minutes

3.7 REVENUE MODEL

Imricor currently generates revenue from licensing IP for use in implantable devices and a contract research project in the area of MRI-guided interventions.

Given that Imricor has received CE mark approval for the Advantage-MR EP Recorder/Stimulator system and is in the final stages of an application for CE mark approval for the Vision-MR Ablation Catheter (with an indication for treating type I atrial flutter) and the Vision-MR Dispersive Electrode, the Company plans to establish a third revenue stream which, in the future, is expected to become its primary revenue source, from the sale of its key products. Imricor intends that its key products will initially be sold in the European Union, but it is also in the early stages of pursuing the required regulatory approvals to sell these products in other jurisdictions and is developing other products for use in MRI-guided cardiac catheter ablation procedures.

3.7.1 IP LICENSING

Imricor has to date executed three separate agreements under which it has licensed patents that it owns to third parties for use in implantable devices. Two licenses are to LivaNova (formerly Sorin and Cyberonics) and MicroPort Scientific (as a result of LivaNova having divested its Cardiac Rhythm Management (CRM) business, along with the Imricor licence, to MicroPort Scientific). The other license is to Nalu Medical. Imricor has received over US$13 million of payments under these licenses as at the date of this Prospectus. See Section 9.7 for more information about these licenses.

3. COMPANY OVERVIEW (CONT)

3.7.2 CONTRACT RESEARCH

Imricor was awarded a Small Business Innovation Research contract with NIH to perform research on and develop an injection catheter for treating arrhythmias using chemoablation that is safe for operation during MRI. As at the date of the Prospectus, Imricor has received US$300,000 under this contract and additional fees of approximately US$2.1 million are expected. See Section 9.8 for more information about this contract.

The Company plans to continue submitting proposals for contract research projects in the future that align with the Company's core competency and growth plans.

3.7.3 CAPITAL AND CONSUMABLES SALES

Imricor expects to make unit sales and generate a third revenue stream by selling capital equipment and consumable goods to hospitals and clinics for use in Interventional Cardiac Magnetic Resonance Imaging (**iCMR**) labs, in which ablation procedures using the Vision-MR Ablation Catheter can be performed. An iCMR lab is a lab that is fitted with MRI equipment for use in cardiac diagnostic and interventional procedures.

Each iCMR lab, once established, will need at least one Advantage-MR EP Recorder/Stimulator System to allow for ablation procedures to be performed with the Vision-MR Ablation Catheter.

Sales of single-use consumable goods (e.g. the Vision-MR Ablation Catheter and Vision-MR Dispersive Electrode) will depend on factors such as the usual procedure volume at each lab site and the types of arrhythmias the products are used to treat. If and when CE mark approval is obtained for the Vision-MR Ablation Catheter, it will only be indicated for the treatment of type I atrial flutter. The Company intends to pursue approvals with expanded indications in the future.

3.8 PRODUCT SALES MODEL AND THE iCMR LAB

For product sales, Imricor intends to sell its products to hospitals and clinics that either have an iCMR lab or are in the process of installing an iCMR lab.

The installation of iCMR labs, themselves, is driven by MRI equipment vendors (**MR vendors**). Imricor works collaboratively with MR vendors such as Siemens Healthcare GmbH and Koninklijke Philips N.V. to target certain sites and help design iCMR labs for those sites, but Imricor is not involved in the sale or construction of these labs.

In some cases, representatives of a hospital or clinic have approached Imricor with an interest in adopting MRI-guided ablations, in which case Imricor has put them in touch with the MR vendors and, as mentioned, followed and collaborated with them on the process as it has moved forward.

Apart from being able to take advantage of the benefits related to carrying out ablation procedures under MRI guidance, Imricor believes that another incentive for hospitals to install iCMR labs is that iCMR labs can also be used for general diagnostic MRI purposes while not in use for interventional procedures.

As of the date of this Prospectus, the Company, in collaboration with MR vendors, is currently in discussions with over 45 hospitals and clinics about establishing an iCMR lab. Each of these hospitals or clinics is at one of many various stages in the process, ranging from early investigation and planning to constructing and equipping the iCMR lab. The timeline for the rollout of a fully-equipped iCMR lab generally ranges from several months (in cases where a suitable MRI room already exists) to several years (when a new iCMR lab is part of a larger construction project). There are a number of factors that can impact the speed of lab development as outlined in Section 4.2.

3.8.1 CAPITAL EQUIPMENT AND CONSUMABLES

Imricor intends to initially sell the Advantage-MR EP Recorder/Stimulator System in the EU directly to hospitals or clinics.

As other capital equipment is needed to outfit an iCMR lab (e.g. an MRI scanner, in-room monitors, a patient monitoring system, etc.) and this is often sourced by hospitals and clinics through an MR vendor as part of an overall lab construction package, the Company is pursuing agreements with MR vendors such as Koninklijke Philips N.V. and Siemens Healthcare GmbH, which will allow the Advantage-MR EP Recorder/Stimulator System to be sold to hospitals and clinics through these MR vendors in the future.

Imricor intends to sell its consumable products (e.g. its catheters and other single-use devices) directly to hospitals and clinics in the EU. The Company has contracted Kalms Operations in Berlin for import, warehousing, and fulfilment logistics.

3.8.2 SALES TEAM

The Company employs a Director of Sales, who is responsible for initial capital equipment and consumable sales, as well forming potential long-term strategic sales and distribution relationships with MR vendors. The Director of Sales will also be responsible for establishing a functional sales team as Imricor's customer base is expanded. The sales team will be responsible for working collaboratively with MR vendors to establish new iCMR labs, overseeing the successful adoption of Imricor's products at new sites, and supporting the continued use and repeat orders of Imricor products at existing iCMR labs. The marketing strategy as outlined in Section 3.12.3 is the framework through which Imricor's sales team will be expected to achieve this.

To execute the Company's growth strategy in the EU over the next few years (see Section 3.12 for more information), Imricor expects to gradually expand the sales team by recruiting new staff to carry out the following new roles:

- Director of Marketing (2019)
- Inside Sales Support and Customer Service Representative (2019)
- Clinical Support Representative, Germany (2019)
- Clinical Support Representative, The Netherlands (2020)
- Clinical Support Representative (second), Germany (2020)

From 2020 and beyond, the Company plans to continue its growth strategy into select non-EU European, U.S., and Asia-Pacific markets (subject, as applicable, to the receipt of necessary regulatory approvals), and is currently in the process of assessing sales staff and distribution requirements to deliver such growth.

3.9 MANUFACTURING AND OPERATIONS

3.9.1 MANUFACTURING OVERVIEW

Imricor has two facilities located in Burnsville, Minnesota which jointly house the Company's office spaces, research and development laboratories, manufacturing and warehouse spaces. At the date of the Prospectus, based on current estimates for sales growth, Imricor's current facilities will remain sufficient to satisfy demand for the Company's products through to the end of 2020, with minimal additional investment in infrastructure expected to be required to support manufacturing of product offerings in the existing Imricor product pipeline.

The Company's headquarter location is a 12,650 square feet facility that houses office, R&D laboratory and manufacturing space. Approximately 2,500 square feet of the facility is allocated to the manufacturing process, which includes both of the Company's capital and consumable product range. The percentage of this space dedicated to manufacturing is expected to grow through 2020.

Imricor's second facility, its 'iCMR Design Centre', is approximately 5,000 square feet, and functions as an office and warehouse space and an additional research and development area. This facility also has a 1,260 square feet iCMR lab, which houses a Siemens Aera MR scanner. Imricor expects to relocate certain research and development personnel and equipment to this location, as manufacturing expands in the Company's headquarters.

3.9.2 QUALITY AND LOGISTICS

Imricor maintains certification and operates a quality management system which complies with the requirements of ISO 13485:2016 and EN ISO 13485:2016 for design, manufacture, distribution of non-sterile medical electronics systems and related accessories. Both capital and consumables product assembly areas are governed by released procedures that govern conduct in the respective areas.

Additionally, all devices designed and manufactured by Imricor adhere to the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation.

3. COMPANY OVERVIEW (CONT)

3.10 INTELLECTUAL PROPERTY

Imricor has 18 issued U.S. patents, 40 corresponding granted foreign patents and 2 foreign patent applications that have been allowed. In addition, Imricor has 17 pending patent applications world-wide. Imricor's intellectual property is relatively new, with the Company's oldest issued patent expiring in 2030. In addition to protecting Imricor's devices and procedures, its patents provide an opportunity for the Company to license its technology to third party medical device companies (particularly implant manufacturers) to help make their devices compatible with MRI.

For further information please refer to the detailed description of Imricor's patent portfolio outlined in Section 10.

3.11 REGULATORY FRAMEWORK

To be available for commercial sale, Imricor's products require regulatory approval or market clearance in each respective jurisdiction. Each country and region differs in its regulatory framework for medical device companies. Further, each jurisdiction has its own regulatory body or bodies.

As at the date of the Prospectus, the Company has received CE mark approval to place the Advantage-MR EP Recorder/Stimulator System on the market in the European Union and is currently in the final stages of an application for CE mark approval for its other key products, the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode. If and when CE mark approval is obtained for the Vision-MR Ablation Catheter, it will only be indicated for the treatment of type I atrial flutter. The Company is also in the early stages of pursuing the required regulatory approvals to place its key products on the market in Australia and the U.S.

Once a regulatory approval is obtained in a jurisdiction, ongoing compliance with the relevant jurisdiction's regulations is required in order to maintain that approval.

The regulatory and approval process for Imricor's primary and target markets is outlined in the Sections below.

3.11.1 EUROPEAN UNION

OVERVIEW

In order to commercialise its products in the European Union, Imricor must label its products with the appropriate 'CE' marking. The CE marking is a manufacturer's declaration that a product meets the EU regulatory requirements that apply to that product. Before Imricor may apply the CE marking to its products, they must be assessed for conformity with the European Medical Devices Directive (93/42/EEC) (**MDD**) by a Notified Body (an entity accredited by an EU Member State to perform such reviews). The conformity assessment procedures vary for different classes of devices.

Imricor received CE mark approval for the Advantage-MR EP Recorder/Stimulator system in 2016, and is currently in the final stages of an application for CE mark approval for the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode. Based on discussions with TÜV SÜD, the Notified Body which is carrying out Imricor's conformity assessment, Imricor understands that given the advanced stage of the approval processes that Imricor has reached, it would be extremely unlikely for CE mark approval not to be granted, and Imricor expects that it will receive CE mark approval for the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode in Q3 2019.

APPROVAL PROCESSES

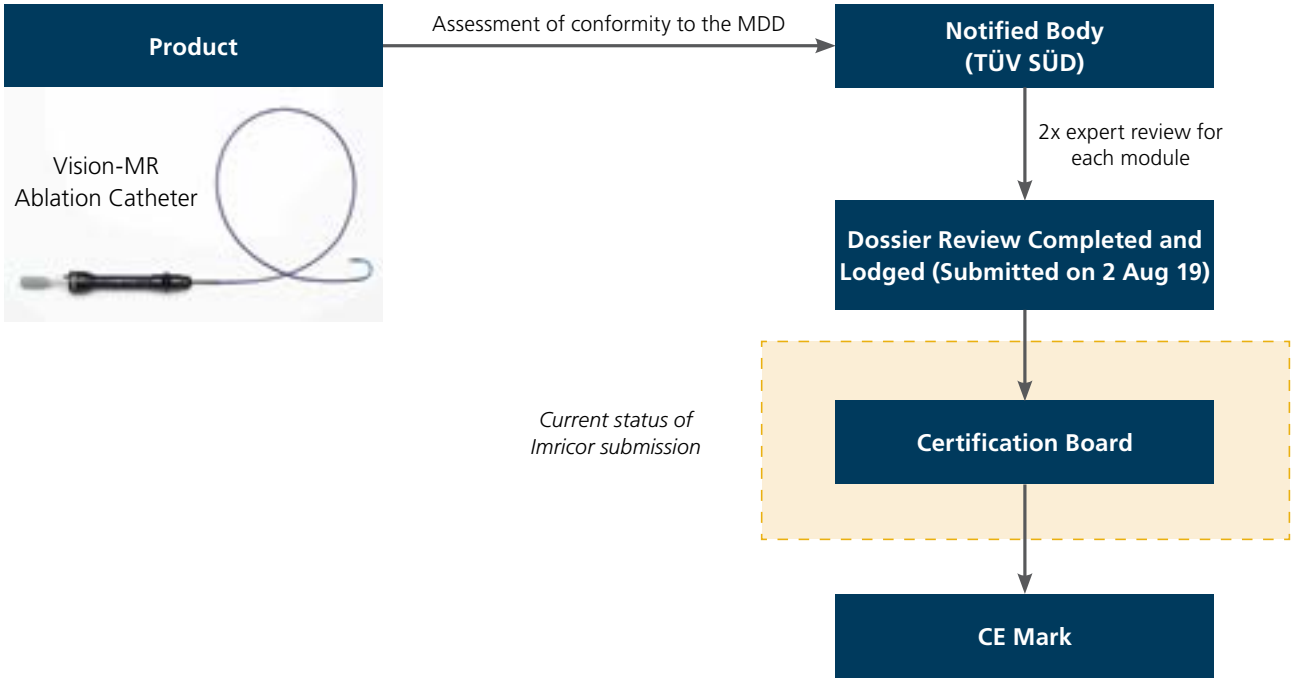
The conformity assessment procedure, which must be carried out before a product can bear the CE marking, differs depending on the class of the medical device being assessed. Further details about the process that Imricor's Notified Body, TÜV SÜD, is carrying out for each of the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode are as follows.

APPROVAL PROCESS FOR VISION-MR ABLATION CATHETER – DESIGN DOSSIER REVIEW

As a Class III therapy delivery device, the Vision-MR Ablation Catheter must be approved with a specific therapeutic indication (i.e. a particular disease or condition for which a therapeutic product is used). Imricor is seeking approval of the Vision-MR Ablation Catheter with an indication for treating type I atrial flutter. Imricor intends to seek approval for expanded indications in the future.

In order to comply with the relevant TÜV SÜD procedures, various experts within TÜV SÜD have carried out a number of detailed reviews and assessments of the devices' conformity to the MDD. TÜV SÜD's procedure for a conformity assessment of this kind is generally as follows:

- The requirements under the MDD can be categorised into a number of separate modules. Compliance with each module is separately reviewed and assessed by an expert in the subject matter of that module.
- The expert then asks questions and/or points out deficiencies that have arisen from their review, to which the applicant responds with clarifications or additional information.
- Once the expert is satisfied that all questions and deficiencies have been answered or addressed, the device's compliance with the module is then, in most cases, reviewed by a second subject matter expert.
- Once both reviews have been completed to the reviewers' satisfaction, TÜV SÜD records the module as 'closed with positive results' or sometimes also 'with conditions' in cases where follow-up is required after CE marking. This means that the experts have determined that the device conforms to the MDD requirements.



The table below sets out the modules against which the Vision-MR Ablation Catheter (a Class III device) was assessed, along with the results of TÜV SÜD's review of each module.

Module	Reviewer focus	First review results	Second review results
Main and Mechanical	Mechanical testing of the catheter	Closed with positive results	Closed with positive results with conditions*
Electrical and MR Safety	Electrical and MRI compatibility testing of the catheter	Closed with positive results	Closed with positive results
Biocompatibility	Biocompatibility of the catheter	Closed with positive results	Closed with positive results
Sterilisation and Packaging Validation	Proper sterilisation of catheter and robust packaging to ensure continued sterility	Closed with positive results	Closed with positive results
Clinical	Clinical evidence demonstrating effectiveness of the catheter for its stated indication of use: the treatment of type I atrial flutter	Closed with positive results	Closed with positive results

* Post-CE mark conditions: (1) Provide additional test method validation documentation; (2) Verify visibility under x-ray imaging; (3) Obtain additional usability data as more users start using catheter; (4) Demonstrate compliance to most current EMC standard; (5) Provide more detail on acceptability of process risks.

3. COMPANY OVERVIEW (CONT)

APPROVAL PROCESS FOR VISION-MR ABLATION CATHETER – CERTIFICATION

Once all modules are closed with positive results or with conditions, the entire review and design dossier is compiled and submitted to an internal TÜV SÜD body for certification. The certification body then verifies conformity to the MDD and issues a certificate evidencing such conformity.

Imricor's review and design dossier for the Vision-MR Ablation Catheter has been submitted to TÜV SÜD's certification board, having closed all module reviews. Based on discussions with TÜV SÜD, Imricor understands that, although the certification board may direct further questions to an applicant as it is verifying conformity to the MDD, given the extensive and thorough review that is undertaken by various experts prior to submission to the certification board, it would be extremely unlikely for CE mark approval to be refused at this stage in the approval process. On this basis, Imricor is confident that it will receive CE mark approval for the Vision-MR Ablation Catheter in Q3 2019.

APPROVAL PROCESS FOR VISION-MR DISPERSIVE ELECTRODE – TECHNICAL FILE REVIEW AND CERTIFICATION

As a Class IIb device, the Vision-MR Dispersive Electrode is approved via a technical file review process. The information reviewed in this process is similar to the Class III design dossier review except that the examination of the design of the product is not performed.

The Vision-MR Dispersive Electrode technical file review was performed by one lead technical reviewer and a reviewer in training on-site at Imricor in January 2019. This review has been closed with positive results and submitted to the certification body.

Based on discussions with TÜV SÜD, Imricor understands that, although the certification board may direct further questions to an applicant as it is verifying conformity to the MDD, given the thorough review that is undertaken prior to submission to the certification board, it would be extremely unlikely for CE mark approval to be refused at this stage in the approval process. On this basis, Imricor is confident that it will receive CE mark approval for the Vision-MR Dispersive Electrode in Q3 2019.

3.11.2 UNITED STATES

Within the U.S., the relevant regulatory body for medical devices is the Food and Drug Administration (**FDA**), which operates under the Federal Food, Drug, and Cosmetic Act of 1938. The FDA ensures that medical products distributed in the U.S. are safe and effective for their intended uses.

The FDA classifies different types of medical devices based on the risks associated with the device and by evaluating the level of regulation that would provide reasonable assurance of the device's safety and effectiveness. Devices are classified into one of three regulatory classes: Class I, Class II or Class III. The higher the class classification, the greater the implied risk, which inevitably results in a more intensive clinical trial requirement. Like all ablation catheters, Imricor's Vision-MR Ablation Catheter is classified as a Class III product.

The Company is undertaking the early steps of testing required to obtain FDA approval in relation to the Advantage-MR EP Recorder/Stimulator System, the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode. Like the CE mark approval Imricor is currently seeking for the Vision-MR Ablation Catheter, initial FDA approval, if obtained, will cover a particular indication of arrhythmia and additional approvals will be required for other indications.

The Company is currently performing a pre-clinical study at the Hospital of the University of Pennsylvania. This pre-clinical study is intended to support a clinical (human) pilot study at the same site, which the Company expects to commence later this year or early 2020.

The clinical pilot study is, in turn, intended to support an application for an Investigational Device Exemption from the FDA which will enable Imricor to perform a wider multi-centre pivotal human clinical trial, which the Company is aiming to complete in early 2022. If the pivotal trial is successful, the Company expects that FDA approval will follow, though the likely timing of any such approval is not clear at this stage.

3.11.3 AUSTRALIA

Within Australia, the Australian Therapeutic Goods Administration (**TGA**) is the relevant regulatory body. The TGA is responsible for regulating the supply, import, export, manufacturing and advertising of therapeutic goods in Australia. Unless specifically exempted, medical devices must be included in the Australian Register of Therapeutic Goods (**ARTG**) if they are to be sold and marketed in Australia.

The Company is in discussions with a Contract Research Organisation (or CRO) in Australia for assistance with medical, regulatory, strategic, and clinical activities for the Company in Australia. This will include making submissions to the TGA on behalf of the Company. The Company will be able to use its European clinical data and CE mark certification in support of an application for TGA approval to place the Advantage-MR EP Recorder/Stimulator System, the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode on the market in Australia. Like the CE mark approval Imricor is currently seeking, initial TGA approval of the Vision-MR Ablation Catheter, if obtained, will cover the treatment of type I atrial flutter, with additional indications to follow pending further approvals. Based on the Company's understanding of common practice in TGA processing times, it expects to receive TGA approval within 12 to 24 months after CE mark approval is obtained.

3.12 GROWTH STRATEGY AND INITIATIVE

3.12.1 LIMITED RELEASE IN 2019

Following completion of the Combined Offers and receipt of CE mark approval for the Vision-MR Ablation Catheter, the Company intends to begin a controlled limited release of its approved products to certain targeted European countries (referred to in Section 3.12.2 as the Phase One countries). In total, the Company aims to have 13 iCMR lab sites purchasing consumable products by the end of 2019.

In 2019, the volume of procedures carried out in each iCMR lab using Imricor's products is expected to vary across sites, depending on the demand and capacity for atrial flutter ablations at each site. In addition, the Company anticipates that initial volume uptake will be gradual, with volumes expected to ramp up more quickly with ongoing technical support from Imricor's staff, medical practitioners becoming more experienced and comfortable with the technology, and the execution of marketing campaigns by Imricor, including engagement with Key Opinion Leaders (**KOLs**).

3.12.2 GEOGRAPHIC EXPANSION

The rollout of the Company's products to different countries will be based on factors such as reimbursement structures, standard timelines for receiving customer payments and the number of existing ablation centres in those countries. Based on these factors, which are explained further below, Imricor is seeking to initially target the following countries in the following three phases.

Phase One (targeted to commence in 2019)	• The Netherlands • Austria • Germany • Switzerland
Phase Two (targeted to commence in 2021)	• Australia • France • Hungary • United Kingdom
Phase Three (targeted to commence in 2023)	• Czech Republic • Italy • Spain • Sweden • Other EU countries

3. COMPANY OVERVIEW (CONT)

The Company's initial focus will be on the Phase One countries. These are countries in which Imricor understands favourable reimbursement (explained below) exists and in which it is customary for hospitals and clinics to pay for products in a timely fashion. In addition, focusing on a contiguous and constrained geography may help promote iCMR lab growth, as Imricor believes that neighbouring hospitals and clinics to an iCMR lab site are likely to feel pressure to also offer MRI-guided ablation procedures to their patients or risk losing those patients to hospitals and clinics that do.

Within each country, Imricor will first target ablation centres which historically have carried out larger volumes of procedures.

The Company aims to expand its focus to the Phase Two countries in 2021, and then to Phase Three countries around 2023. The exact timing depends on the level of adoption in each preceding phase and when greater growth opportunities are expected or identified in the next phase.

This phased approach does not mean that the Company will necessarily ignore sites in countries that are not in the current phase or have not been identified above as being part of a phase. For example, if a hospital or clinic approaches Imricor and expresses an interest in establishing an iCMR lab, the Company intends to use its best endeavours to facilitate this (provided Imricor has the requisite regulatory approval for its products in the relevant country).

3.12.3 MARKETING STRATEGY

Imricor's marketing strategy has been designed to specifically address the two drivers that the Company believes are key to revenue growth:

(1) the number of iCMR labs that are fully equipped to perform ablation procedures with Imricor's consumables; and

(2) the number of procedures performed within these labs using Imricor consumables.

The fundamental driver of revenue growth is the number of iCMR labs that exist and are equipped to perform ablation procedures with Imricor's consumables. No consumables can be sold at a site until that site has a fully equipped iCMR lab including an Advantage–MR EP Recorder/Stimulator System. Once an iCMR lab is ready, the driver of revenue growth at that site becomes the number of procedures performed there.

Certain factors are expected to affect these drivers of revenue growth, including the successful integration of the Advantage-MR EP Recorder/Stimulator system with the MRI systems sold by other MR vendors (e.g. General Electric, Canon), the geographical areas where Imricor's products have the requisite regulatory approvals, and the catheter's approved indications in these geographical areas.

DRIVER 1: THE NUMBER OF FULLY EQUIPPED ICMR LABS

Imricor's marketing strategy is to work collaboratively with MR vendors to drive lab adoption growth via the following initiatives:

- Growing awareness in the medical community regarding the benefits of iCMR labs. The Company is aiming to achieve this through exhibiting at key medical conferences, hosting MR-guided ablations workshops for physicians and engaging with KOLs in the field.
- Developing co-marketing strategies with MR vendors, such as presenting cost benefit analyses for new iCMR labs, leveraging existing relationships with physicians and identifying potential new sites.

DRIVER 2: THE NUMBER OF PROCEDURES PERFORMED USING IMRICOR'S CONSUMABLES WITHIN THE ICMR LABS ONCE THEY ARE FULLY EQUIPPED

Imricor's marketing strategy is designed to promote and grow usage of Imricor's consumable products within established and fully equipped iCMR labs. This is expected to be achieved through the provision of comprehensive training on iCMR procedures for physicians and nurses, providing on-site technical support, applying for reimbursement codes in target countries and writing articles and case studies for inclusion in leading industry publications.

3.12.4 REIMBURSEMENT

Imricor expects its products will generally be purchased by hospitals and clinics who will then seek reimbursement from various public and private third-party payers when those products are used to provide health care services to patients. Reimbursement will generally be on the basis of the procedure performed or device used in performing the procedure, but this can differ depending on the country.

Existing reimbursement codes apply to the sale of the Vision-MR Ablation Catheter in the European Union and Imricor also expects to benefit from existing reimbursement codes in the U.S.

In Australia, cardiac ablation catheters were added to the Prostheses List for the first time in March 2019, meaning that cardiac ablation devices may be able to be covered by private health insurance.

3.12.5 PRODUCT LINE EXPANSION

In conjunction with organic growth of the existing products, the Company has identified or is targeting the following procedures as potential growth opportunities for product line expansion in the future:

CARDIAC BIOPSIES

Cardiac biopsies are currently undertaken under the guidance of x-ray images. Imricor believes that the improved soft-tissue imaging provided by MRI will allow physicians to more accurately target biopsy sites.

ARRHYTHMIA TREATMENT FOR PAEDIATRIC PATIENTS

The Company has received feedback from paediatric electrophysiologists that they would be interested in using MRI-guided procedures for treating arrhythmias in their paediatric patients. Precise visualisation of the cardiac anatomy and eliminating x-ray radiation during such procedures is particularly important for paediatric patients. Imricor is therefore exploring the possibility of developing and seeking regulatory approval for a smaller sized catheter designed specifically for treating arrhythmias in paediatric patients.

CHEMOABLATION

As discussed in Section 9.8, Imricor has been contracted by the NIH to develop an MR-compatible injection catheter for treating arrhythmias using chemoablation. In chemoablation procedures, an injection catheter delivers small amounts of caustic agents to targeted ablation sites to destroy heart tissue rather than heating or freezing, as with conventional ablation. It is hypothesised that chemoablation can provide more localised ablation therapy, minimising the damage to surrounding tissue, and carrying out chemoablation under MRI guidance offers the benefits of real time visibility of the ablation site and lesion verification.

RENAL DENERVATION

Based on some preliminary research that Imricor has completed, Imricor believes that carrying out renal denervation procedures to treat hypertension under MRI guidance may be more effective than under conventional x-ray guidance due to the advantages associated with lesion verification (see Section 2.7.2 above for more information), made possible by MRI imaging.

TARGETED REGENERATIVE THERAPY

Imricor is part of the 'MIGRATE' consortium, along with Koninklijke Philips N.V. and others, and led by the University Medical Centre Utrecht in The Netherlands. The goal of the work being undertaken by the consortium is to use MRI to identify, in real-time, areas of a patient's heart that are damaged, and to target those areas under MRI-guidance with an injection catheter (which is being developed by Imricor) that allows the delivery of regenerative therapy, such as stem cells. The consortium is investigating the potential for patients to be able to re-grow heart tissue, and eliminate damaged areas.

STRUCTURAL HEART INTERVENTIONS

Imricor believes that structural heart interventions (that is, cardiac interventions for treating structural heart disease) may benefit from more precise placement of devices using real-time MRI guidance. Imricor has supported past research at the NIH for feasibility studies in this area, but no work is currently actively underway.

SECTION 4

RISK FACTORS

4. RISK FACTORS

4.1 INTRODUCTION

An investment in Imricor is speculative and involves a number of risks. This Section 4 describes some of the potential risks associated with Imricor's business, the industry in which Imricor operates and the risks associated with investing in CDIs and the Offer. The risks in this Section 4, if they eventuate, could have a significant negative effect on the Company's business, financial position and the value of your investment.

There are also risks that are common to all investments in equity securities and which are not specific to an investment in Imricor – for example, the general volatility of share prices in Australia and overseas and risks associated with other external events which are not related to the usual course of the Company's business, such as changes in tax regulations or accounting standards, general economic conditions, acts of terrorism, natural disasters or war.

The risks in this Section 4 should not be viewed as an exhaustive list of the risks to which the Company and its Shareholders are exposed, either now or in the future. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for CDIs.

4.2 RISKS RELATED TO IMRICOR'S BUSINESS

Imricor may not be able to pass the regulatory hurdles and gain the necessary approvals and clearances to sell its key products

As discussed in Sections 3.1 and 3.6, whilst Imricor is in the final stages of an application for CE mark approval to place the Vision-MR Ablation Catheter and the Vision-MR Dispersive Electrode on the market within the European Union, Imricor does not currently have regulatory clearance to place these key products on the market in any jurisdiction. If and when CE mark approval is received, the Vision-MR Ablation Catheter's approved indication will be for treating type I atrial flutter.

Imricor's business model and growth strategy is dependent on obtaining CE mark approval as well as clearances or approvals from regulatory bodies in other key jurisdictions, such as in the U.S. and Australia; on obtaining additional indications for its Vision-MR Ablation Catheter; and on obtaining regulatory clearance for new products, such as Imricor's diagnostic catheter.

In particular, until Imricor receives CE mark approval, it will be unable to generate any revenue from its key products. If CE mark approval is not received within the expected timeframe, or not received at all, Imricor will be unable to implement its business model and will be unable to meet the financial projections set out in the Forecast Financial Statements (see separate risk factor on the Forecast Financial Statements below). Though Imricor has no reason to believe that CE mark will not be granted, it can give no assurance as to the outcome of the approval process and has no control over the timing of that process.

Furthermore, even if Imricor receives CE mark approval, it is not assured of receiving future regulatory clearances and approvals for other indications or in other jurisdictions, and cannot predict with certainty the timelines for such clearances and approvals, or other requirements that may be imposed by regulatory authorities (e.g. further clinical trials or other requirements to prove the safety and effectiveness of its products). In addition, future changes or updates to Imricor's products which affect their safety or efficacy may require new regulatory clearance or approval in some jurisdictions before Imricor may sell the revised product.

The success of the catheter clinical trial which has been submitted in support of its application for CE mark approval may not necessarily be predictive of the results of future clinical trials that will need to be conducted to support regulatory clearance in the U.S. or other jurisdictions. Trial results can also be susceptible to varying interpretations and analyses. Although the Company considers that the data collected to date demonstrates the safety and effectiveness of Imricor's key products, there is no assurance that future trials will meet their end-points or that regulatory bodies such as the FDA and TGA will agree that Imricor's products are sufficiently safe and effective to support regulatory clearance.

Any barriers or delays to Imricor obtaining future regulatory clearances would limit the size of the market opportunity for Imricor's ablation system.

Hospitals and clinics may not adopt MRI-guided technology for cardiac catheter ablation procedures

Imricor's business model depends on hospitals and clinics with ablation centres in markets where it obtains the required regulatory approvals establishing an iCMR lab and adopting Imricor's MRI-compatible technology for cardiac catheter ablation procedures. While Imricor expects to sell its products to 13 iCMR labs in the European Union by the end of 2019, and is in discussions with over 32 other hospitals or clinics in Europe, there can be no guarantee that all of these hospitals and clinics will establish an iCMR lab. Even if an iCMR lab is established, the hospital or clinic may not perform MRI-guided procedures at the levels required to support Imricor's business model and growth strategy. The time to establish an iCMR

4. RISK FACTORS (CONT)

lab can also vary significantly from months to years depending on the individual hospital and clinic and its internal processes. If MRI-guided technology for cardiac catheter ablation procedures is not increasingly adopted or favoured by hospitals and clinics, along with physicians, Imricor's ability to achieve its growth strategy and generate revenue will be significantly impaired.

The Forecast Financial Information is based on assumptions that may not prove correct

The Forecast Financial Information included in the Prospectus is based on assumptions that Imricor's management believe to be reasonable, but which are inherently uncertain, unpredictable and based on certain contingencies that are outside the control of Imricor. In particular, the Forecast Financial Information assumes that, by the end of FY19, Imricor will have commenced selling its products in 13 iCMR labs (some of which are still in the planning or building stage as at the date of this Prospectus) in line with its planned lab rollout. If the planned lab rollout is not achieved or is delayed past FY19, or if Imricor's products are not used in the volumes anticipated at these sites, Imricor will be unable to achieve its revenue forecasts for FY19 and will, therefore, be unlikely to achieve the financial projections set out in the Forecast Financial Statements generally.

Imricor's ablation system works with third-party 3D mapping systems, which require certain approvals that have not yet been obtained

Atrial flutter ablations may be performed entirely using Passive MR Tracking and no 3D mapping. However, Active MR Tracking and 3D mapping may enhance atrial flutter ablation procedures and are expected to be desired by physicians for more complex ablation procedures such as for AF or VT. Most often, Active MR Tracking functionality is provided by a 3D mapping system. This is for convenience rather than a necessity, but it is the current approach that Imricor has pursued with Koninklijke Philips N.V. and Siemens Healthcare GmbH.

Siemens Healthcare GmbH and Koninklijke Philips N.V. have developed 3D mapping systems, which provide Active MR Tracking functionality. However, until such time as those systems are approved for commercial sale, local ethics committee approval to use these systems must be obtained at each iCMR site. As at the date of the Prospectus, no local ethics committee approvals have been obtained at any sites, meaning that Imricor's customers cannot currently use either mapping system with Imricor's ablation products.

There is no guarantee that regulatory approval of the mapping systems will ever be obtained, nor is there any guarantee in the absence of regulatory approval, that local ethics committee approval will be obtained at each site. Without the requisite regulatory or local ethics committee approval (as applicable) of either the Siemens Healthcare GmbH or Koninklijke Philips N.V. mapping systems, it will not be possible for customers to use Imricor's ablation products in conjunction with Active MR Tracking and 3D mapping.

In addition, there is no certainty that Koninklijke Philips N.V. or Siemens Healthcare GmbH (as applicable) will continue to pursue the commercial availability of their mapping systems in the European Union or in markets outside of the EU, or that they will continue to facilitate the integration of their systems with Imricor's products.

Although Imricor believes it is possible to commercialise its ablation system independently of any mapping software or equipment, or by integrating the mapping system of another company, to do so may cause delays, decrease the quality of Imricor's product offering and significantly hinder Imricor's growth strategy and ability to generate revenue.

New or competing technologies or products could emerge

Imricor expects to generate the vast majority of its revenue going-forward from the sale of its products used for MRI-guided cardiac catheter ablation procedures. The medical device industry is competitive, subject to rapid change and significantly affected by new product introductions. Although the Company believes that there are currently no products or technologies that are commercially comparable to Imricor's MRI-compatible cardiac catheter ablation products, there are a number of other products and devices on the market which are not traditionally MRI-compatible but which are commonly used to perform conventional cardiac catheter ablation procedures. To this end, Imricor will compete with larger companies who manufacture and sell ablation and diagnostic electrophysiology products, including Abbott Laboratories Inc., Boston Scientific Inc., Johnson and Johnson Inc., and Medtronic Inc. If competitors develop new products (which could include devices or drugs) or technologies that offer better combinations of price and performance than the Company can offer for the treatment of arrhythmia, Imricor's products or future products may become obsolete or not competitive, which would have a significant negative effect on the Company's business and financial position.

Imricor may face difficulties encountered by many companies early in their commercialisation

Imricor commenced operations in 2006 and to date, has generated most of its revenue through the licensing of its intellectual property. Imricor is only at the initial stages of commercialising its key MRI-compatible products in the European Union. As is common with companies with a limited operating history, Imricor has incurred net losses since its inception, has never been profitable and can give no assurance that the Company will be profitable or cash-flow positive in the future. In assessing Imricor's business prospects, you should consider the various risks encountered by companies early in their commercialisation, particularly companies that develop and sell medical devices. These risks include Imricor's ability to:

- transition into a commercialisation-stage company, and implement and execute its business strategy;
- increase awareness of its brand and market acceptance of its products;
- obtain future regulatory registrations and market clearances;
- manage expanding operations; and
- respond effectively to competitive pressures and developments.

Imricor has limited sales and marketing resources

The Company currently has limited sales and marketing resources and will need to, among other things, expand its sales team (see Section 3.8.2). Whilst the Company will look to sell some of its products via MR vendors in the future, Imricor will, for the foreseeable future, sell all of its products directly to hospitals and clinics and will therefore need to commit increased resources to product sales and marketing to execute its current growth strategy. There is a risk that the Company will be unable to develop sufficient sales and marketing capabilities to effectively commercialise its products.

Imricor's current capital reserves (plus the net proceeds of the Combined Offers) may not be adequate

The proceeds of the Combined Offers will be primarily used to support the commercial launch of the Vision-MR Ablation Catheter in the European Union. Imricor may decide to use the proceeds of the Combined Offers differently to its current plans or may need to obtain additional funding to continue operations (or both).

If Imricor raises additional funds by issuing equity securities, the interests held in the Company by Shareholders and CDI Holders may be diluted. Debt financing, if available, may involve covenants restricting Imricor's operations or its ability to incur additional debt. Imricor cannot guarantee the future availability of funds or that the funds will be available on terms that are favourable to it. If Imricor requires additional funding and is unable to raise these funds, it could adversely impact Imricor's business.

Imricor may not realise benefits from continued research and development costs

Developing medical devices and related technologies is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. An important element of Imricor's business strategy is to continue to make investments in innovation and related product opportunities. Imricor believes that it must continue to dedicate resources to its innovation efforts to develop product offerings in order to maintain its competitive position and expand the total addressable market opportunity. Imricor may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all.

Imricor may not be able to effectively manage its growth

The Company expects that its current manufacturing capabilities will be sufficient to support its projected growth profile only through to the end of 2020. If the Company gains significant market share over and above its current short-term expectations and, in any case, from 2021 onwards, it will need to expand its manufacturing capacity, including additional facilities, and invest in systems and processes to support the development of the business. The failure of the Company to address projected growth in a timely, robust and efficient manner may negatively impact the Company's financial performance.

Imricor relies on key suppliers for product components

Imricor's products include components that are manufactured and supplied by third parties. The products are then assembled, validated and tested at the Company's headquarters in Burnsville, Minnesota. There are inherent risks in relying on third party suppliers for the Company's product components, especially since any change to the manufacturing process of an approved medical device requires significant documentation and, in many cases, supplemental testing. A disruption at a key supplier could cause a substantial delay in the availability of Imricor's products, leading to a potential loss of sales.

4. RISK FACTORS (CONT)

Imricor currently uses a single-location to perform its manufacturing activities and most of its research and development

The Company performs all of its manufacturing activities and most of its research and development at its headquarters in Burnsville, Minnesota. Should operations at the facility be disrupted or production halted for any reason (e.g. due to labour strikes, extreme weather or other events outside Imricor's control), the Company may not have enough products available to satisfy demand in a timely manner. While alternative arrangements could be made to transfer the manufacturing process to a different facility, this would take some time and may involve other risks. If such disruption were to occur, it would adversely affect the Company's ability to sell its products and customers might instead purchase ablation products from Imricor's competitors. There may also be an ongoing sales impact in the form of a reduction of goodwill as a result of the Company being unable to supply hospitals, clinics and physicians with the product in a timely manner.

The manufacturing facilities for Imricor's products must comply with stringent regulatory requirements

The manufacturing facilities for Imricor's products must meet stringent quality standards. To maintain CE mark approval (once obtained), the Company's Notified Body will regularly audit the Company and its suppliers. Although Imricor has passed audits to date, any failure to comply with the applicable regulatory requirements in the future can result in, among other things, temporary manufacturing shutdowns, product recalls, product shortages, bans on imports and exports and a damaged brand name.

Imricor is dependent on the protection and enforcement of its intellectual property rights

The protection of the intellectual property relied upon by Imricor is critical to its business and commercial success. If the Company is unable to protect or enforce the intellectual property rights embodied in its products, there is a risk that other companies will incorporate the intellectual property into their technology, which could adversely affect the Company's ability to compete in the cardiac catheter ablation market.

Imricor's patent portfolio comprises of 18 issued U.S. patents, 40 corresponding granted foreign patents and 2 foreign patent applications that have been allowed. In addition, Imricor has 17 pending patent applications worldwide (see Section 10 for more details). No assurance can be given that the pending applications will result in granted patents. Furthermore, there is a risk that the Company's granted patents could be found by a court to be invalid or unenforceable or revoked before their planned expiry. There is also the risk that the granted patents may not provide Imricor with sufficient protection against competitive products and therefore the Company may not be able to prevent competitors from copying its products and technology.

Imricor may be subject to future third party intellectual property rights disputes

Imricor does not believe that its activities infringe any third party's intellectual property rights. However, in the future the Company may be subjected to infringement claims or litigation arising out of patents and pending applications of its competitors, or third parties or intellectual property authorities may re-examine the patentability of licensed or owned patents. The defence and prosecution of intellectual property claims are costly and time consuming to pursue, and their outcome is uncertain. If Imricor infringes the rights of third parties, the Company could be prevented from selling products, which would have a significant negative effect on the Company's business and financial position. The Company has not budgeted for potential legal costs of intellectual property claims and significant legal costs would have a negative effect on the Company's financial position.

Imricor has limited management resources and must attract and retain skilled staff

Imricor's long term growth and performance is dependent on attracting and retaining highly skilled staff. Despite having structured incentive programs, there is a risk that Imricor will be unable to attract and retain the necessary staff to pursue its business model. In particular, if Mr. Steve Wedan, Imricor's CEO and a founder, was to leave Imricor, it would lose significant technical and business expertise and Imricor may not be able to find a suitable replacement. This would affect how efficiently Imricor operates its business and its future financial performance could be impacted.

Imricor's customers may not be able to achieve adequate reimbursement for using Imricor's products

Imricor expects its products will generally be purchased by hospitals and clinics who will then seek reimbursement from various public and private third-party payers once those products are used to provide health care services to patients. Existing reimbursement codes apply to the sale of the Vision-MR Ablation Catheter and Imricor's diagnostic catheter in the European Union and Imricor also expects its products will qualify for reimbursement codes in the U.S. and Australia. There is no assurance however, that third-party payers will provide adequate reimbursement for hospitals and physicians to consider Imricor's products cost-effective for patients requiring ablation procedures. In addition, the overall amount of reimbursement available for ablation procedures could decrease in the future. Failure by hospitals and other users of Imricor's products to obtain sufficient reimbursement could cause the Company's business to suffer.

Imricor may incur significant liability if it is determined that the Company is promoting off-label uses of its products in violation of relevant laws and regulations

The Company is only permitted to market, promote, label or train physicians in its ablation products for the uses cleared by the relevant regulatory bodies in each market. If the Company is deemed to have in any way promoted its products for off-label use, the Company could be subject to injunctions, fines or other penalties by regulatory bodies. This could cause damage to the Company's reputation and market adoption of its products may be impaired. In addition, the Company cannot prevent a physician or other third party from using or recommending the use of its products for purposes outside of their approved intended use. Such off-label use may increase the risk of injury to patients and, in turn, the risk of product liability claims (see separate risk factor on product liability claims in Section 4.3 below).

Imricor will be exposed to exchange rate risk due to receiving all of its initial sales revenue in Euros

Although Imricor intends to seek regulatory approval to place its key products on the market in the U.S. and Australia, unless and until it obtains such regulatory approvals, Imricor expects to derive a significant portion of its revenue in the foreseeable future from the sale of its key products in the EU (if and when CE mark approval is obtained). Revenue from products sold in the EU will largely be denominated in Euros, while Imricor's functional and reporting currency is U.S. dollars. Imricor is not currently hedging against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in the Euro/U.S. dollar exchange rate.

4.3 RISKS RELATED TO THE INDUSTRY

Hospitals and other healthcare organisations are constantly facing significant budget constraints

The Company's ability to generate revenue will largely depend on how effectively it can market and sell its MRI-compatible cardiac catheter ablation products to the healthcare industry. Hospitals and healthcare organisations are constantly facing significant budget constraints, the competition for limited capital budgets is intense and the budget allocation process and approvals for spending on medical devices is complex and time consuming. As a result, marketing and sales to hospitals and other healthcare organisations requires significant time and expense, is intensely competitive, and the revenue cycle for medical devices can be lengthy, unpredictable and results highly variable. These factors may cause the Company's operating results to fluctuate or adversely affect the Company's ability to achieve its forecasted growth strategy.

Regulatory registrations or market clearances may be withdrawn or regulatory requirements may change

The manufacture, testing, labelling, sale and marketing of medical devices are subject to extensive regulation in Europe, the U.S., Australia and other countries. Imricor has received CE mark approval to place the Advantage-MR EP Recorder/Stimulator system on the market in the European Union (see Sections 3.1, 3.6 and 3.11 for more information), and is pursuing the required regulatory approvals to place that and its other key products on the market in the European Union, the U.S. and Australia. However, regulatory registrations or market clearance of products can subsequently be withdrawn for a variety of reasons including failure by the Company or any third party contractors engaged by Imricor to manufacturer its products from time to time to comply with manufacturing regulatory requirements. Regulators have the power to ban products sold by Imricor as well as to require the recall, repair, replacement or refund of such products. Further, regulators may change their clearance policies or impose additional regulatory requirements on the Company that could increase its compliance costs, restrict its ability to maintain its current regulatory registrations or market clearances, prevent or delay clearance of future products under development or impact its ability to modify its currently cleared products. Imricor cannot guarantee that it will successfully maintain the registrations and clearances it currently has or obtain the additional registrations and clearances that it is seeking or may receive in the future, or that it will successfully obtain the registrations and clearances required for future products.

4. RISK FACTORS (CONT)

In addition, since a significant proportion of the regulatory framework in the U.K. relevant to Imricor's products is derived from European Union directives and regulations, the referendum in which voters approved the U.K.'s exit from the EU (commonly known as "Brexit") could materially change the regulatory regime applicable to Imricor's proposed future operations in the U.K. (currently expected to be a Phase 2 country in Imricor's geographic expansion plan). Imricor may therefore face new regulatory costs and challenges as a result of Brexit that could impact the Company's ability to sell its products in the U.K. or the timeline for the U.K. lab rollout.

Healthcare policy changes may have a material adverse effect on Imricor's financial position and results of operations

Many countries have instituted healthcare policy changes in an attempt to bring increasing spending on healthcare under control. For example, in the U.S. the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the ACA), enacted in March 2010, made changes that significantly impact the healthcare industry. Under the ACA, each medical device manufacturer is required to pay an excise tax in an amount equal to 2.3% of the price for which such manufacturer sells its medical devices beginning in 2013. In December 2015, Congress passed a two year suspension of the medical device tax from 1 January 2016 to 31 December 2017. This suspension was extended in January 2018 for another two years. Absent further legislative action, the medical device tax will be reinstated on 1 January 2020.

In addition to the ACA, various healthcare reform proposals have also been proposed by U.S. federal and state governments and other national governments that may subject the Company to additional U.S. or foreign regulatory requirements. Imricor cannot predict whether future healthcare initiatives will be implemented in or outside of the U.S., or the effect any future legislation or regulation will have on the Company. The expansion in any government's regulation of the healthcare industry may result in decreased profits to Imricor and reduced medical procedure volumes, all of which may adversely affect the Company's business and financial position.

Imricor faces risks related to product liability claims, which could exceed the limits of available insurance coverage

The medical device industry is subject to substantial litigation, and Imricor will face an inherent risk of exposure to product liability claims in the event that the use of Imricor's products results or is alleged to have resulted in adverse effects to a patient. Although Imricor maintains product liability insurance, the Company cannot assure you that the coverage limits of its insurance policies will be adequate, or that insurance will be available to it on acceptable terms, if at all. A product liability or other claim with respect to uninsured liabilities or in excess of the Company's insurance coverage would materially impact Imricor's business, financial condition and operating results.

Imricor's presence in the international marketplace exposes it to foreign operational risks

As discussed in Section 3.11, Imricor will, subject to regulatory clearances, seek to sell its key products in the European Union, the U.S. and Australia. The sale of its products outside of the U.S. exposes it to national trade laws, regulatory rules, as well as customs regulations. In some jurisdictions there can be high compliance costs associated with these laws, rules and regulations, and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action (for example, delays in approving or clearing the Company's products).

4.4 RISKS RELATED TO AN INVESTMENT IN CDIS AND THE OFFER

There may be limited liquidity in Imricor's CDIs upon listing on the ASX

In accordance with the escrow requirements in Chapter 9 of the Listing Rules, at completion of the Combined Offers the Company will enter into restriction agreements with certain Existing Holders. The Company will also enter into voluntary escrow arrangements with certain Existing Holders. In the case of the Minimum Allotment, the Company expects that approximately 73% of the Shares/CDIs on issue will not be able to be traded for a period after Listing. Given the number of Shares/CDIs restricted from trading, there will only be liquidity with respect to approximately 27% of the Shares/CDIs on issue at completion of the Combined Offers until such time as applicable escrow periods end. (See Section 12.11 for further information, including for the Maximum Allotment.)

The CDIs issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia, the U.S. or elsewhere. As such, there can be no guarantee that an active market in the CDIs will develop or continue. If a market does not develop or is not sustained, it may be difficult for investors to sell their CDIs. Furthermore, the market price for CDIs may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of shares. If illiquidity arises, there is a risk that CDI Holders and Shareholders will be unable to realise their investment in the Company.

The ability to achieve a return on an investment in Imricor will largely depend on an appreciation in the market price of the CDIs

The CDIs to be issued pursuant to the Offer carry no guarantee with respect to the payment of dividends, return of capital or market value. As Imricor does not currently intend to pay dividends on its Shares in the foreseeable future, investors' ability to achieve a return on their investment in Imricor will depend on an appreciation in the market price of the CDIs. There is no guarantee that the CDIs will appreciate in value or even maintain the same level as the Offer Price. Accordingly, there is a risk that investors may not achieve any return on their investment.

Imricor will incur exchange rate risks relating to the pricing of the Offer and listing on the ASX

The proceeds of the Offer will be received in Australian dollars, while Imricor's functional currency is U.S. dollars. Imricor is not currently hedging against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in the U.S. dollar-Australian dollar exchange rate between the pricing of the Offer and the closing of the Offer. If the Australian dollar falls during this period, the net proceeds of the Offer, after being converted to U.S. dollars, will be reduced, meaning Imricor will have less money to spend on the purposes set out in Section 8.4.

The CDIs will be listed on the ASX and priced in Australian dollars. However, Imricor's reporting currency is U.S. dollars. As a result, movements in foreign exchange rates may cause the Australian dollar price of Imricor's securities to fluctuate for reasons unrelated to Imricor's financial position or performance and may result in a discrepancy between Imricor's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars.

The costs and management time involved in complying with Delaware laws, Australian laws and future U.S. reporting requirements are likely to be significant

As a Delaware company with an ASX listing and a registration as a foreign company in Australia, Imricor will need to ensure it maintains compliance with Delaware law and relevant Australian laws and regulations, including the Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between Delaware law and Australian law and regulations, Imricor may need to make changes to its business operations, structure or policies to resolve such inconsistency. If Imricor is required to make such changes, this is likely to result in interruptions to its operations, additional demands on Key Managers and extra costs.

Imricor expects to become subject to the periodic reporting requirements of the U.S. Exchange Act at some stage in the future, which would require it to register the Shares with the U.S. Securities and Exchange Commission (**SEC**) under the U.S. Exchange Act. Imricor will become a reporting company if, among other things, Imricor has (i) assets of more than US$10 million and (ii) either 2,000 or more holders of record of any class of equity securities or 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. Registration under the U.S. Exchange Act will involve Imricor filing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K. In the absence of a waiver from the Listing Rules, these SEC periodic reports will be in addition to Imricor's periodic filings required by the Listing Rules. At the time Imricor becomes subject to the reporting requirements of the U.S. Exchange Act, Imricor will also become subject to the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which will impose additional governance and reporting obligations. The legal and accounting costs and management time that will be required to comply with these obligations are expected to be significant.

Provisions of Imricor's constituent documents and Delaware law could make an acquisition of Imricor more difficult

Certain provisions of Imricor's Certificate of Incorporation and Bylaws could discourage, delay or prevent a merger, acquisition, tender offer or other means of effecting a change of control of Imricor that Shareholders and CDI Holders may consider favourable, including transactions in which CDI Holders might otherwise receive a premium for their CDIs. Furthermore, these provisions could frustrate attempts by Shareholders and CDI Holders to replace or remove members of the Board or make other changes in management. These provisions could also limit the price that investors might be willing to pay in the future for the CDIs, thereby depressing the market price of the CDIs. There is also a risk that Shareholders and CDI Holders who wish to participate in these transactions or other actions may not have the opportunity to do so. A summary of these provisions in Imricor's Certificate of Incorporation and Bylaws is set out in Section 12.8.

In addition, Imricor is governed by the provisions of section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit certain interested Shareholders, in particular those owning 15% or more of the voting rights on Shares, from merging or engaging in various other business combinations with Imricor for a prescribed period. Section 203 is further described in the Takeovers section of the table in Section 12.8.

4. RISK FACTORS (CONT)

Imricor's Bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation

Imricor's Bylaws provide that unless Imricor consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain actions involving Imricor (refer to the description in the Forum selection section of the table in Section 12.8). Any person or entity purchasing or otherwise acquiring any interest in shares of Imricor's capital stock (including holders of CDIs) will be deemed to have notice of, and consented to, this forum selection provision. This provision in Imricor's Bylaws may have the effect of discouraging lawsuits against Imricor or its Directors and officers and may limit the ability of Shareholders and CDI Holders to obtain a favourable judicial forum for disputes with Imricor.

SECTION 5

FINANCIAL INFORMATION

5. FINANCIAL INFORMATION

5.1 INTRODUCTION

The financial information of Imricor contained in this section includes the following:

STATUTORY AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

- pro forma historical statements of operations for the years ended 31 December 2016 (**FY2016**), 31 December 2017 (**FY2017**) and 31 December 2018 (**FY2018**) together with a reconciliation to the audited historical statements of operations for the three years ended 31 December 2018;
- pro forma historical statements of free cash flows for FY2016, FY2017 and FY2018;
- audited historical balance sheet as at 31 December 2018; and
- pro forma historical balance sheet as at 31 December 2018,

(together, the **Historical Financial Information**).

STATUTORY AND PRO FORMA FORECAST FINANCIAL INFORMATION

- pro forma and statutory forecast statement of operations for the year ending 31 December 2019 (**FY2019**); and
- pro forma and statutory forecast statement of free cash flows for FY2019,

(together, the **Forecast Financial Information**).

The Historical Financial Information and the Forecast Financial Information together form the **Financial Information**.

ADDITIONAL INFORMATION

Also summarised in this section are:

- the basis of preparation and presentation of the Financial Information (Section 5.2);
- management discussion and analysis of the Financial Information (Section 5.19);
- key operating metrics of the Financial Information (Section 5.19);
- the Directors' best estimate assumptions underlying the Forecast Financial Information (Section 5.17); and
- key sensitivities in respect of the Forecast Financial Information (Section 5.21).

Unless stated otherwise, all amounts disclosed in this section are presented in U.S. dollars and are rounded to the nearest thousand dollars ($'000).

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information* by the Investigating Accountant, whose Independent Limited Assurance Report on the Financial Information is contained in Section 6. Investors should note the scope and limitations of that report. The information in this Section 5 should also be read in conjunction with the risk factors set out in Section 4 and other information contained in this prospectus.

5.2 BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The Financial Information included in this section has been prepared in accordance with the recognition and measurement principles prescribed by accounting principles generally accepted in the United States of America (**USGAAP**) which is different to Australian equivalents to International Financial Reporting Standards (**AIFRS**), the accounting principles generally accepted in Australia. A reconciliation of the main differences between USGAAP and AIFRS applicable to the Company which are relevant to potential investors are discussed in Section 5.22.

The significant accounting policies of the Company relevant to the Financial Information are set out in Section 13. The accounting policies of the Company have been consistently applied throughout the periods presented, with the exception set out in Section 5.5.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures, statements or comparative information required by Australian accounting standards applicable to financial reports prepared in accordance with the Corporations Act.

The Financial Information has been prepared for the purpose of the Offer.

5.3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared for inclusion in this Prospectus and has been derived from the audited historical financial statements of the Company based on USGAAP for FY2016, FY2017 and FY2018 (the **Historical Period**). The historical financial statements of the Company for the Historical Period were audited by Baker Tilly Virchow Krause, LLP. The audit opinion issued to the Directors for the Historical Period was unqualified but included an 'Emphasis of Matter' regarding the Company's ability to continue as a going concern. The FY2018 audit opinion included a further 'Emphasis of Matter' in relation to the adoption of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* on a modified retrospective basis (discussed further in Section 5.5). The Historical Financial Information presented in this Prospectus has been prepared on the basis the Company will continue as a going concern following the Offer and therefore no adjustments have been made to the Historical Financial Information on this basis.

The Historical Financial Information has been adjusted to be presented on a comparable basis to the Forecast Financial Information, and has been adjusted to include the impact of the following:

- the debt and equity structure following completion of the Combined Offers; and
- incremental costs of being a listed entity.

Section 5.8 sets out the pro forma adjustments made to the audited historical financial statements.

Investors should note that past financial results are not a guarantee of future financial performance.

5.4 BASIS OF PREPARATION OF THE FORECAST FINANCIAL INFORMATION

The pro forma forecast statement of operations and statement of free cash flows have been derived from the statutory forecast statement of operations and statutory forecast statement of free cash flows of the Company for FY2019 (the **Forecast Period**) after making the pro forma adjustments to reflect the Company's operations following completion of the Combined Offers as set out in this Section 5.

The pro forma forecast statement of operations, which is set out in Section 5.7, differs from the statutory forecast statement of operations because the pro forma forecast reflects the full year effect of the operating, debt and equity structure that will be in place upon completion of the Combined Offers. Refer to Section 5.8 for reconciliations between the statutory and pro forma Forecast Financial Information.

The Forecast Financial Information has been prepared by the Company based on an assessment of present economic and operating conditions and on a number of Directors' best estimate assumptions regarding future events and actions as set out in Section 5.17. The Directors believe the best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Presentation of the Directors' best estimate assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on Imricor's actual financial performance, cash flows or financial position.

Accordingly, neither the Company, the Directors, nor any other person can give investors any assurance that the outcomes discussed in relation to the Forecast Financial Information will arise. Investors are advised to review the Forecast Financial Information and the Directors' best estimate assumptions set out in Section 5.17 and Section 5.18, in conjunction with the sensitivity analysis set out in Section 5.21 and other information set out in this Prospectus.

The Company has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

5. FINANCIAL INFORMATION (CONT)

5.5 NEW AND REVISED ACCOUNTING STANDARDS

The Financial Accounting Standards Board (**FASB**) in the United States has recently issued revised standards in relation to revenue recognition, leases and financial instruments. Imricor has applied the revised revenue recognition standard across the Historical Period and Forecast Period (FY2018 and FY2019). The revised leases standard will become effective for the FY2019 reporting period. The Forecast Financial Information considers the effect of the new leases and financial instruments standards. Refer to Section 5.22 for consideration of how the revised accounting standards compare to AIFRS.

Effective 1 January 2018, the Company adopted Accounting Standards Codification, or ASC, Topic 606, *Revenue from Contracts with Customers* (**ASC 606**), using the modified retrospective method. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, and financial instruments. As a result of adopting the standard, the Company recognised an adjustment to reduce the accumulated deficit at 1 January 2018 by US$3.2 million mainly relating to accelerating revenue related to minimum royalties and licensing and development arrangements where the Company has fulfilled their performance obligations as of 31 December 2017.

Included in the Significant Accounting Policies (see Section 13) adopted by the Company is a discussion of each of the Company's key historical revenue streams and the changes in accounting as a result of the adoption of ASC 606 together with applicable reconciliations which have been included in Section 13.

5.6 EXPLANATION OF CERTAIN NON-USGAAP FINANCIAL MEASURES

Investors should also be aware that certain financial data included in this Section 5 is also "non USGAAP financial information". The Company believes that this non-USGAAP financial information provides useful information to potential Investors in measuring the financial performance and conditions of the Company. As non-USGAAP measures are not defined by recognised standard setting bodies, they do not have a prescribed meaning. Therefore, the way in which the Company calculates these measures may be different to the way other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-USGAAP financial information and ratios. In particular the following non-USGAAP financial data is included in the Forecast Financial Information:

- gross profit, which means the gross profit generated after costs of goods sold related to materials and labour;
- number of capital equipment sold, which means the number of Advantage-MR EP Recorder/Stimulator Systems expected to be installed in iCMR labs;
- number of iCMR labs, which means the number of Interventional Cardiac Magnetic Resonance Imaging labs which are expected to be fitted with the Advantage-MR EP Recorder/Stimulator System and in which MRI-guided ablation procedures will be performed;
- number of procedures, refers to the total number of procedures anticipated to be performed in the iCMR labs using Imricor's products;
- EBITDA, which means earnings before interest, taxation, depreciation and amortisation, and is expressed before and after research and development expenses;
- EBIT, which means earnings before interest and taxation; and
- Free cash flow, which means total operating and investing cash flows before depreciation, financing, tax and dividends.

5.7 PRO FORMA HISTORICAL AND FORECAST STATEMENTS OF OPERATIONS AND THE STATUTORY FORECAST STATEMENT OF OPERATIONS

The table below presents the pro forma historical statement of operations for FY2016, FY2017 and FY2018 and the pro forma and statutory forecast statement of operations for FY2019.

Table 5.7: Pro Forma Historical and Forecast Statement of Operations and Statutory Forecast Statement of Operations

	Historical Period			Forecast Period	
US$'000	FY2016 Pro forma	FY2017 Pro forma	FY2018 Pro forma	FY2019F Pro forma	FY2019F Statutory
Revenue	**523**	**434**	**1,002**	**6,905**	**6,905**
Cost of goods sold	(50)	–	–	(1,757)	(1,757)
Gross profit	**473**	**434**	**1,002**	**5,148**	**5,148**
Operating expenses	(2,472)	(2,570)	(3,163)	(3,767)	(3,170)
EBITDA (excluding R&D)	**(1,999)**	**(2,136)**	**(2,161)**	**1,381**	**1,978**
R&D expense	(2,842)	(3,676)	(3,476)	(4,045)	(4,045)
EBITDA after R&D expenses	**(4,841)**	**(5,812)**	**(5,637)**	**(2,664)**	**(2,067)**
Depreciation	(110)	(101)	(78)	(266)	(266)
EBIT	**(4,951)**	**(5,913)**	**(5,715)**	**(2,930)**	**(2,333)**
Finance income/(costs)	3	1	13	(262)	(973)
Other finance costs	–	–	–	-	(5,956)
Net loss after finance (costs)/income and before tax	**(4,948)**	**(5,912)**	**(5,702)**	**(3,192)**	**(9,262)**
Income tax benefit	–	–	–	-	-
Net loss after finance (costs)/income and after tax	**(4,948)**	**(5,912)**	**(5,702)**	**(3,192)**	**(9,262)**

5. FINANCIAL INFORMATION (CONT)

5.8 PRO FORMA ADJUSTMENTS TO THE STATUTORY STATEMENTS OF OPERATIONS

Set out below is a reconciliation between the statutory historical and forecast net loss after tax to the pro forma historical and forecast net loss after tax:

Table 5.8: Pro forma adjustments to the statutory historical and forecast statements of operations

		Historical Period			Forecast Period
US $'000	**Notes**	**FY2016**	**FY2017**	**FY2018**	**FY2019F**
Statutory net loss		**(4,085)**	**(5,144)**	**(5,448)**	**(9,262)**
Incremental listed company costs	1	(895)	(895)	(895)	(597)
Interest on Convertible Notes	2	32	127	697	564
Foreign exchange	2	-	-	(158)	(27)
Debt discounts relating to Convertible Notes	2	-	-	102	174
Convertible note down round expense	3	-	-	-	1,774
Beneficial conversion feature expense	3	-	-	-	4,182
Pro forma net loss		**(4,948)**	**(5,912)**	**(5,702)**	**(3,192)**

Notes:

1. Incremental costs required to be a publicly listed company in Australia including board, listing and annual ASX fees and other expenses. The forecast statement of operations assumes a listing in early September 2019. The pro forma adjustments in FY2019 relate to 8 months of listed company costs to reflect a full year;
2. Interest costs, foreign exchange gain and debt discounts to reflects the Company's ongoing capital structure with all convertible notes converted to equity on completion of the Combined Offers;
3. Expenses associated with down round protection and the beneficial conversion feature expense reflect the non cash expense to be recorded in the books of the Company during FY2019 as a result of the issue of Shares to promissory note holders. The down round expense reflects the issue of further Shares to promissory note holders whose notes converted in 2017. Under the relevant agreement, additional Shares would be issued to these note holders if the offer price fell below a certain point, which creates a financial expense. The beneficial conversion feature expense reflects discounts to the conversion price for holders of Convertible Notes when compared to the Offer Price. We have removed the impact of these as it is in relation to historical convertible notes issued which will not form part of the go forward capital structure.

As no retrospective impact is contemplated in the adoption of the new lease standard, no historical adjustment has been included in the pro forma adjustments above for this. As a modified retrospective approach has been adopted by the Company in the adoption of ASC 606 *Revenue from Contracts with Customers*, no historical adjustment has been included in the pro forma adjustments for FY2016 and FY2017. A full analysis of the impact of this standard has been included in Section 13.

5.9 DESCRIPTION OF KEY FINANCIAL TERMS

Set out below is a description of the key financial terms used in the presentation of the Financial Information

- ***Revenue*** — Historically, revenue has been generated through the licensing of Imricor's IP for use in implantable devices and performing contract research. Following completion of the Combined Offers, forecasted revenues will be predominantly generated from the sale of MRI-compatible products that Imricor has developed for use in cardiac catheter ablation procedures (comprising single use consumables and capital goods). Capital goods relate to sales of the Advantage-MR EP Recorder/Stimulator System. Consumables relate to sales of the Vision-MR Ablation Catheter, Vision-MR Dispersive Electrode and ablation and diagnostic cables for carrying out cardiac catheter ablation procedures. Refer to Section 3.3 for the product overview.
- ***Cost of goods sold*** — refers to the material cost, labour and overhead allocation included in the costs of capital equipment and consumables sold. Cost of goods sold in FY2016 relate to the one-off sale of a piece of research equipment. No cost of goods sold were incurred in FY2017 and FY2018 as revenues were generated only through the licensing of IP and performance of contract research.

- *Gross profit* — is revenue less cost of goods sold.
- *Operating expenses* — refers to general Company overheads including employee costs (including senior management), incremental listed company costs and occupancy costs and marketing expenses including travel and entertainment.
- *R&D expense* — relates to employee costs, testing, animal studies and prototypes used in research and development activities associated with new products.
- *Depreciation* — refers to the depreciation of manufacture and lab equipment, office furniture and office equipment.
- *Finance income/(costs)* — Minor interest income has been earned through the Historical Period. Forecasted finance costs relates to the interest expense on a capital lease for an MRI scanner (see Section 5.12 for further information).

5.10 SEGMENT INFORMATION

Under USGAAP, a segment is a distinguishable component of the Company that is engaged in providing products or services (**business segment**), which is subject to risks and rewards that are different from those of other segments.

The Directors' consider that the Company's business segments for segment reporting purposes under USGAAP and in particular *Accounting Standards Codification 280: "Segments Reporting"* to be in relation to the sale of MRI-compatible capital and consumable products and services, IP licensing and contract research and geography of revenue.

Table 5.10: Revenue segment summary

	Historical Period			Forecast Period
	FY2016	FY2017	FY2018	FY2019F
US $'000				
MRI-compatible cardiac catheter ablation products and services	–	–	–	4,974
IP licenses	372	379	811	1,250
Contract research	2	55	191	681
Other equipment revenue	149	–	–	–
Total Revenue	**523**	**434**	**1,002**	**6,905**

Table 5.11: Revenue by geographic segment summary

	Historical Period			Forecast Period
	FY2016	FY2017	FY2018	FY2019F
US $'000				
Europe	–	–	–	4,974
North America	523	434	1,002	1,931
Total Revenue	**523**	**434**	**1,002**	**6,905**

5.11 HISTORICAL AUDITED AND PRO FORMA BALANCE SHEET

The table below sets out the audited historical balance sheet of the Company as at 31 December 2018, the pro forma adjustments that have been made to the audited balance sheet (further described in Section 5.12) and the pro forma balance sheet as at 31 December 2018. 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).

The pro forma balance sheet is provided for illustrative purposes and is not represented as being necessarily indicative of the Company's view on its future financial position.

5. FINANCIAL INFORMATION (CONT)

Table 5.12: Historical Audited and Pro Forma Balance Sheet as at 31 December 2018

	Notes	Audited at 31 December 2018 US$'000	Minimum Allotment Pro forma US$'000	Minimum Allotment Pro forma A$'000	Maximum Allotment Pro forma US $'000	Maximum Allotment Pro forma A$'000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	5.13	1,588	11,790	17,308	12,436	18,256
Accounts receivable (current)		56	56	82	56	82
Inventory		374	374	549	374	549
Prepaid Offer costs[1]		184	–	–	–	–
Other current assets		67	67	99	67	99
TOTAL CURRENT ASSETS		**2,269**	**12,287**	**18,038**	**12,933**	**18,986**
NON CURRENT ASSETS						
Property and equipment		2,115	2,115	3,105	2,115	3,105
Accounts receivable (non current)		317	317	465	317	465
Other non current assets		528	692	1,016	692	1,016
TOTAL NON CURRENT ASSETS		**2,960**	**3,124**	**4,586**	**3,124**	**4,586**
TOTAL ASSETS		**5,229**	**15,411**	**22,624**	**16,057**	**23,572**
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable		274	142	209	142	209
Accrued expenses		150	150	220	150	220
Finance leasing obligations (current)		3	333	489	333	489
TOTAL CURRENT LIABILITIES		**427**	**625**	**918**	**625**	**918**
NON CURRENT LIABILITIES						
Convertible Notes		9,771	–	–	–	–
Accrued interest		506	–	–	–	–
Debt discount		(174)	–	–	–	–
Finance leasing obligations (non current)		–	1,370	2,011	1,370	2,011
Deferred revenue (non current)		593	593	870	593	870
TOTAL NON CURRENT LIABILITIES		**10,696**	**1,963**	**2,881**	**1,963**	**2,881**
TOTAL LIABILITIES		**11,123**	**2,588**	**3,799**	**2,588**	**3,799**
NET ASSETS		**(5,894)**	**12,823**	**18,825**	**13,469**	**19,773**
SHAREHOLDERS EQUITY /(DEFICIT)						
Common stock and additional paid in capital	5.14	21,238	46,649	68,481	47,295	69,428
Accumulated deficit	5.14	(27,132)	(33,826)	(49,656)	(33,826)	(49,655)
TOTAL SHAREHOLDERS EQUITY /(DEFICIT)		**(5,894)**	**12,823**	**18,825**	**13,469**	**19,773**
TOTAL SHAREHOLDERS EQUITY / (DEFICIT) AND LIABILITIES		**5,229**	**15,411**	**22,624**	**16,057**	**23,572**

Notes:

1. For the purposes of the Prospectus, prepaid Offer costs have been reclassified from other non current assets to current assets as the Offer is occurring less than 12 months from the balance sheet date. Under USGAAP this would be classified as a non current asset regardless of the timing of the offering it relates to. As such, the current and non current assets presented above as audited do not tie to that presented in the audited financial statements due to this re-classification. Total assets and net assets are not impacted.

5.12 PRO FORMA ADJUSTMENTS

The following transactions and events contemplated in this Prospectus which are to take place on or before completion of the Combined Offers, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 31 December 2018 and are set out below.

With the exception of the pro forma transactions noted below, no material transactions have occurred between 31 December 2018 and the date of this Prospectus which the Directors consider require disclosure.

PRO FORMA TRANSACTIONS

(1) A post balance sheet capital raise through the issue of 2,341,538 Shares for a total raise of US$0.2 million (A$0.25 million). 2,191,538 Shares were issued at a US$0.097 (A$0.134) per Share which represented the exercise price of Options converting to equity in January 2019. 150,000 Shares were issued (through the exercising of off balance sheet Warrants) at US$0.341 (A$0.471) per Share, some of which were issued in January 2019 with the remainder issued in March 2019;

(2) The completion of a pre-IPO capital raise through the issue of Convertible Notes for a total of US$1.7 million (A$2.5 million). US$0.8 million (A$1.2 million) of this was raised in February 2019 and US$0.9 million (A$1.34 million) was raised in April 2019;

(3) A cash receipt from CSC Leasing Company, Inc. (**CSC**) in relation to the capital lease of an MRI scanner (**CSC capital lease**). US$1.4 million (A$2.0 million) was received in April 2019 with US$0.3 million (A$0.5 million) held back by CSC as a security deposit;

(4) The accrual of finance costs in relation to Convertible Notes held until August 2019 of US$0.6 million (A$0.8 million);

(5) The recognition of a non cash expense (and resulting liability) of US$6.0 million (A$8.3 million) to be recorded in the books of the Company during FY2019 as a result of the issue of Shares to promissory note holders. This is inclusive of the down round protection expense of US$1.8 million and the beneficial conversion feature expense of US$4.2 million. The liability converts to equity with the conversion of the Convertible Notes (adjustment 6);

(6) The conversion of principal and interest outstanding on all Convertible Notes into 32,744,747 Shares. Included in this issue of Shares is 3,187,375 Shares issued as down round protection to note holders whose promissory notes converted in 2017 (such issue being triggered by the Note Conversion) (see Section 12.4 for further information). This will result in US$0.2 million (A$0.3 million) of finance costs recognised in relation to the writing off of the debt discount;

(7) The completion of the Combined Offers on a Minimum Allotment basis, raising approximately US$8.2 million (or A$12.0 million) and involving the issue of 14,457,831 CDIs and Shares) at US$0.57 (A$0.83) per CDI. Oversubscriptions will be accepted for up to a further US$0.7 million (A$1.0 million) resulting in the issue of up to a further 1,204,819 CDIs (the equivalent of the same number of Shares);

(8) Expenses associated with the Combined Offers (including advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses), charged against share capital. The total amounts to approximately US$1.5 million (A$2.2 million). US$52,000 (A$75,000) has been paid as at 31 December 2018 with US$0.1 million (A$0.2 million) recorded in accounts payable. Additional costs amounting to US$35,000 (A$52,000) will be incurred in relation to the oversubscription, should the Company raise the Maximum Allotment Amount. In addition to the cash costs of the Combined Offers are US$0.1 million (A$0.15 million) of Offer costs settled through the issue of an additional 180,722 of CDIs (equivalent to the same number of Shares); and

(9) Upon completion of the Combined Offers, half of the security deposit recognised in relation to the CSC capital lease for the MRI scanner will be received in cash. This will result in the receipt of a further US$0.2 million (A$0.2 million) in cash.

5. FINANCIAL INFORMATION (CONT)

5.13 PRO FORMA CASH AND CASH EQUIVALENTS

The table below sets out the audited cash and cash equivalents of the Company as at 31 December 2018, the pro forma adjustments that have been made to the audited cash and cash equivalents (further described in Section 5.12) and the Company's pro forma cash and cash equivalents as at 31 December 2018. The numbers in the 'Pro forma adjustment' column correspond to the numbering of the pro forma transactions set out in Section 5.12 above.

Imricor expects that it will have sufficient cash to fund its operational requirements and business objectives following the Combined Offers.

Table 5.13: Audited and pro forma cash and cash equivalents as at 31 December 2018

	Pro forma adjustment	Minimum Allotment Pro forma US$'000	Maximum Allotment Pro forma US$'000
Audited cash and cash equivalents at 31 December 2018		1,588	1,588
Pro forma transactions:			
Cash exercise of options and warrants	1	175	175
Convertible note raise	2	1,747	1,747
Proceeds from the finance leasing	3	1,371	1,371
Proceeds of the Combined Offers	7	8,174	8,855
Costs in relation to the Combined Offers paid in cash	8	(1,430)	(1,465)
Receipt of half of the security deposit in relation to the CSC capital lease which will occur upon completion of the Offer	9	165	165
Pro forma cash and cash equivalents		**11,790**	**12,436**

5.14 PRO FORMA CAPITAL STRUCTURE SUMMARY

The table below sets out the audited capital structure of the Company as at 31 December 2018, the pro forma adjustments that have been made to the audited capital structure (further described in Section 5.12) and the Company's pro forma capital structure as at 31 December 2018. The numbers in the 'Pro forma adjustment' column correspond to the numbering of the pro forma transactions set out in Section 5.12 above.

Table 5.14: Audited and pro forma capital structure as at 31 December 2018

	Pro forma adjustment	No. of shares	Equivalent no. of CDIs (1:1)	Common stock and additional paid in capital US $'000	Accumulated deficit US$'000	Net assets US $'000
Audited at 31 December 2018		42,002,813	42,002,813	21,238	(27,132)	(5,894)
Subsequent events						
Options exercised	1	2,191,538	2,191,538	124	–	124
Warrants exercised	1	150,000	150,000	51	–	51
Accrual of finance costs on Convertible Notes to Allotment Date	4	–	–	–	(564)	(564)
Convertible note down round and beneficial conversion expense	5	–	–	–	(5,956)	(5,956)
Conversion of Convertible Notes to share capital (including accrued interest and debt discount)	6	32,744,747	32,744,747	18,543	(174)	18,369
Pre Offer capital structure		**77,089,098**	**77,089,098**	**39,956**	**(33,826)**	**6,130**
Pro forma transactions in relation to the Combined Offers (Minimum Allotment)						
Offer	7	14,457,831	14,457,831	8,174	–	8,174
Offer costs	8	180,722	180,722	(1,481)	–	(1,481)
Total		**91,727,651**	**91,727,651**	**46,649**	**(33,826)**	**12,823**
Incremental pro forma transactions in relation to oversubscriptions						
Offer	7	1,204,819	1,204,819	681	–	681
Offer costs	8	–	–	(35)	–	(35)
Total		**92,932,470**	**92,932,470**	**47,295**	**(33,826)**	**13,469**

5. FINANCIAL INFORMATION (CONT)

5.15 PRO FORMA HISTORICAL AND FORECAST FREE CASH FLOWS AND THE STATUTORY FORECAST FREE CASH FLOWS

Set out in the table below is a summary of the Company's pro forma historical free cash flows statements for FY2016, FY2017 and FY2018, and the pro forma forecast and statutory forecast free cash flow statements for FY2019.

Table 5.15: Pro forma historical and forecast free cash flows and the statutory forecast free cash flows

	Historical Period			Forecast Period	
US$'000	FY2016 Pro forma	FY2017 Pro forma	FY2018 Pro forma	FY2019 Pro forma	FY2019F Statutory
CASH FLOWS FROM OPERATING ACTIVITIES					
EBITDA (after R&D)	**(4,841)**	**(5,812)**	**(5,637)**	**(2,664)**	**(2,067)**
Non cash movements	214	488	504	462	462
Change in working capital	35	(363)	33	(2,515)	(2,515)
Change in other assets and liabilities	676	462	(539)	309	309
Operating cash flows	**(3,916)**	**(5,225)**	**(5,639)**	**(4,408)**	**(3,811)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of PP&E	(46)	(23)	(147)	(371)	(371)
Investing cash flow	**(46)**	**(23)**	**(147)**	**(371)**	**(371)**
Net free cash flow before depreciation, financing, tax and dividends	**(3,962)**	**(5,248)**	**(5,786)**	**(4,779)**	**(4,182)**

Table 5.16: Pro Forma adjustments to the Statutory Historical Free Cash Flows and the Statutory Forecast Free Cash Flows

		Historical Period			Forecast Period
US$'000	Notes	FY2016	FY2017	FY2018	FY2019F
Statutory net free cash flows before depreciation financing, tax and dividends		**(3,067)**	**(4,353)**	**(4,891)**	**(4,182)**
Incremental listed company costs	1	(895)	(895)	(895)	(597)
Pro forma net free cash flows before depreciation financing, tax and dividends		**(3,962)**	**(5,248)**	**(5,786)**	**(4,779)**

Note:

1. Deduction of annual costs of US$0.89 million of incremental costs which will be incurred as a consequence of being a publicly listed company (e.g. Non-executive directors' fees, professional fees, public relations, travel etc.). The FY2019 forecast assumes the Company is a listed company from early September 2019 onwards therefore the statutory FY2019 forecast includes only 4 months of incremental listed company costs.

5.15.1 OPERATING CASH FLOWS

Imricor has historically operated at a deficit operating cash flow position as a result of expenses incurred in research and development activities to develop its MRI-compatible cardiac catheter ablation products while generating only minor revenues. Historically, there has been minimal movements in working capital due to the limited trading. Although an improvement in EBITDA is forecasted as a result of the commencement of sales of Imricor's catheter ablation products following the expected CE mark approval in Q3 2019, operating cash is still forecasted to be in deficit as a result of the required investment in working capital to build inventory to service forecasted revenues.

5.15.2 INVESTING CASH FLOWS

Investment in PP&E mostly comprises manufacturing and lab equipment for the development and production of the new catheter ablation products, together with the office equipment expected to be required as a result of an increased employee headcount.

5.16 MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA HISTORICAL AND PRO FORMA FORECAST FINANCIAL INFORMATION

Section 5.19 discusses details of key metrics relating to Imricor's historical and forecasted financial performance between FY2016 and FY2019.

5.17 DIRECTORS' BEST ESTIMATE ASSUMPTIONS UNDERLYING THE FORECAST FINANCIAL INFORMATION

The Forecast Financial Information is based on the Directors' best estimate assumptions, of which the main general and specific assumptions are summarised in Sections 5.18 and 5.19 below. These assumptions do not represent all factors that will affect the Company's forecasted financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. It should be read in conjunction with the basis of preparation of the Forecast Financial Information set out in Section 5.4, and the risk factors set out in Section 4.

5.18 GENERAL ASSUMPTIONS

In preparing the Forecast Financial Information, the following general Directors' best estimate assumptions have been adopted:

- no material change in the competitive operating environment in which the Company operates;
- no significant deviation from current market expectations in the geographies in which the Company operates and the economic conditions relevant to the Company;
- no material changes in any government legislation or regulation (including tax legislation), or government policy that has a material impact on financial performance or cash flows, financial position, accounting policies, or licensing requirements of the Company;
- no material changes in key personnel and the Company maintains its ability to recruit and retain the personnel required to support future growth;
- no material changes in applicable USGAAP or other mandatory professional reporting requirements which have a material effect on the Company's financial performance, financial position, accounting policies, financial reporting or disclosure during the Forecast Period;
- no material industry disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of the Company;
- no material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus;
- no material changes to the Company's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- no material disruptions to the continuity of operations of the Company nor other material changes in its business activities;
- no material amendment to or termination of any material agreement, contract or arrangement other than set out in, or contemplated by, this Prospectus;
- none of the risks listed in Section 4 eventuate, or if they do, none of them has a material adverse impact on the operations of the Company; and
- the proceeds of the Combined Offers are received in accordance with the timetable set out in the Key Dates section of this Prospectus.

5. FINANCIAL INFORMATION (CONT)

5.19 DISCUSSION OF KEY HISTORICAL AND FORECAST METRICS

As set out below, prior to FY2019, revenues were primarily generated from IP licensing activities. Following the expected receipt of CE mark approval in Q3 2019 and the proceeds of the Combined Offers, the Company forecasts that revenues will be primarily generated through sales of the Advantage-MR EP Recorder/Stimulator System, the Vision-MR Ablation Catheter, Vision-MR Dispersive Electrode and ablation and diagnostic cables for carrying out cardiac catheter ablation procedures.

Table 5.17: Key pro forma revenue metrics

	Historical Period			Forecast Period
	FY2016	FY2017	FY2018	FY2019F
Revenue (US$'000)				
MRI compatible cardiac catheter ablation products and services	–	–	–	4,974
IP licenses	372	379	811	1,250
Contract research	2	55	191	681
Other equipment revenue	149	–	–	–
Total revenue	**523**	**434**	**1,002**	**6,905**
Revenue growth %	n/a	(17)%	131%	589%
Number of capital equipment sold	–	–	–	12
Number of procedures performed	–	–	–	520
Number of iCMR labs opened	–	–	–	13

In respect of each of the 13 iCMR labs reflected in Table 5.17 above, at the date of the Prospectus, the Company has either entered into an agreement with the hospital or clinic where that iCMR lab is located setting out the terms and conditions for the sale of its products, or is in advanced discussions with the hospital or clinic in relation to the opening of an iCMR lab to which the Company expects to sell its products. The Company has planned a controlled roll out of its products to these iCMR labs in order to ensure the demand for consumables for cardiac catheter ablation procedures can be met. Below is a summary of the Company's iCMR lab roll out plan. All hospitals or clinics which have their names redacted are specific and identified as being in advanced stages of discussions with the Company in relation to the opening of an iCMR lab. These names have been redacted due to the commercially sensitive nature of the information.

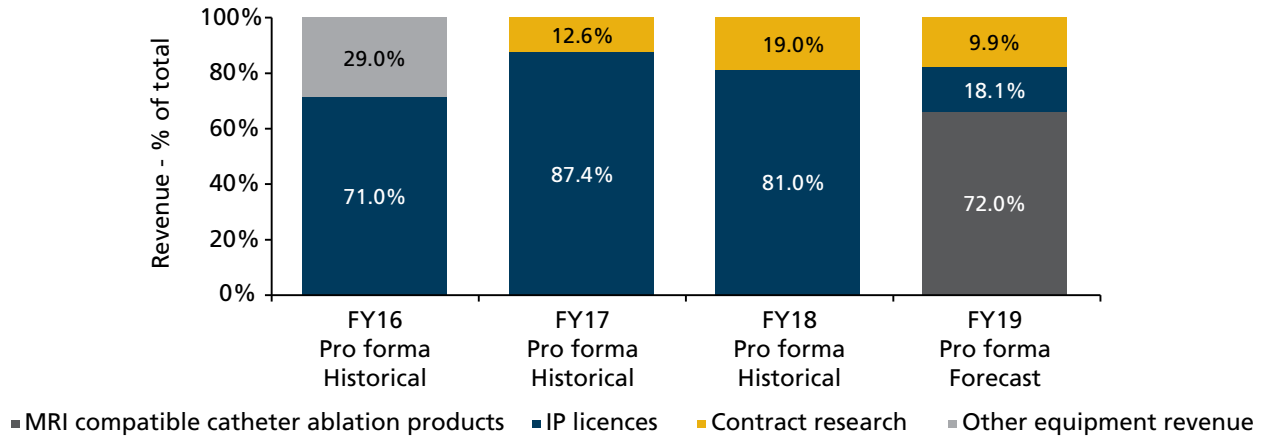
Table 5.18: FY2019 iCMR lab roll out plan summary

Clinic / Hospital	Country	Expected procedure start date	Negotiation status	FY2019 revenue (US $'000)
VUMC Amsterdam	Netherlands	Q3	Contract signed.	386
Dresden Heart Centre	Germany	Q3	Contract signed. Lab built.	230
Leipzig Heart Centre	Germany	Q3	Contract signed. Lab built.	561
Identified clinic	Germany	Q3	Fee quote provided.	797
Identified clinic	Germany	Q3	Fee quote provided. Lab built.	315
Identified clinic	Netherlands	Q3	Fee quote provided.	363
Haga Teaching Hospital	Netherlands	Q3	Contract signed.	542
Identified clinic	Germany	Q4	Fee quote provided.	264
Identified clinic	Netherlands	Q4	Fee quote provided.	336
Identified clinic	Germany	Q4	Advanced discussions. Lab built.	282
Identified clinic	Netherlands	Q4	Advanced discussions.	390
Identified clinic	Germany	Q4	Advanced discussions.	254
Identified clinic	Switzerland	Q4	Advanced discussions. Lab built.	254
Total				**4,974**

The following sets out a comparison of the pro forma Historical Financial Information for FY2016, FY2017 and FY2018 and the pro forma Forecast Financial Information for FY2019.

5.19.1 REVENUE

Figure 5.1: Annual revenue by type summary



5.19.2 REVENUE STREAMS

Historically, the Company has derived its revenue from licensing some of its IP for use in implantable devices as well as by performing contract research. The majority of the Company's forecasted revenues are expected to be generated from the sale of MRI compatible products it has developed for use in cardiac catheter ablation procedures. Imricor obtained CE mark approval for the Advantage-MR EP Recorder/Stimulator system in 2016 and is expecting CE mark approval for the Vision-MR Ablation Catheter (with an indication for treating type I atrial flutter) and the Vision-MR Dispersive Electrode in Q3 2019. As illustrated in Figure 5.1, the historical revenue profile is not indicative of the forecast revenue profile.

5. FINANCIAL INFORMATION (CONT)

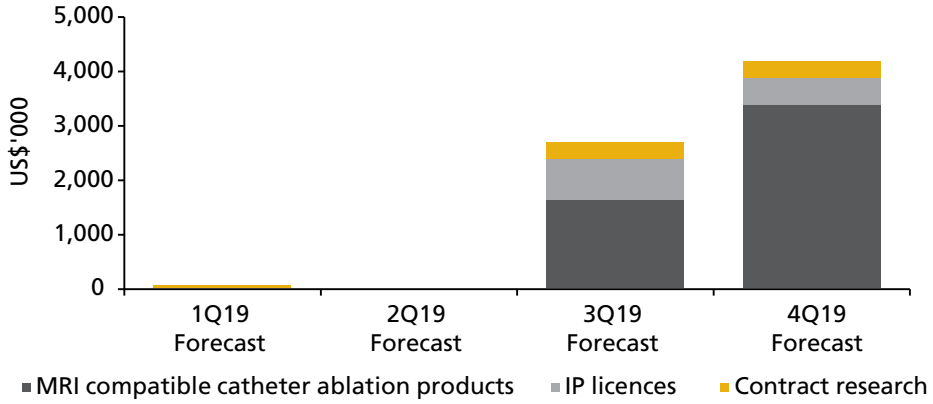
5.19.3 IP LICENSING AND CONTRACT RESEARCH REVENUE

Historical IP licensing revenues relate to agreements reached with third parties for the licensing of certain of Imricor's IP for use in implantable devices. These third parties pay for the right to make their products MRI compatible with the assistance of the Company's technology. Revenue has been recognised in accordance with the specific agreements based on certain milestones being reached. The forecasted IP licensing revenue is in accordance with the milestones expected to be met in FY2019 and recognised in accordance with USGAAP.

Contract research revenues represent the services provided to a third party to develop an MRI compatible injection catheter for treating arrhythmias using chemoablation. Contract research revenues is forecasted to increase given the completion of another phase of the project in accordance with the stipulated milestones in the agreement and US GAAP accounting standards.

As illustrated in Figure 5.2 below, licensing and contract research revenues are expected to represent an increasingly insignificant portion of the business as the Company focuses its efforts on the selling of capital equipment and consumables following the expected receipt of CE mark approval in Q3 2019.

Figure 5.2: FY2019 quarterly revenue by type summary

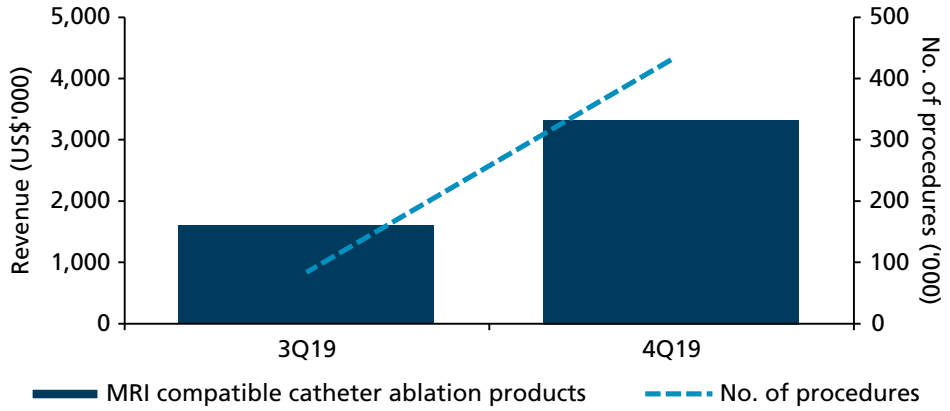


5.19.4 MRI-COMPATIBLE CAPITAL AND CONSUMABLES REVENUE

As reflected in Table 5.18, Imricor expects that 13 iCMR labs will be opened and will begin cardiac catheter ablation procedures using the Company's products in Q3 or Q4 of 2019. With the exception of Dresden Heart Centre (where the Advantage-MR EP Recorder/Stimulator System has been gifted), each of these labs will generate revenues for Imricor through the one-off sale of the Advantage-MR EP Recorder/Stimulator System to the clinic or hospital, with follow up revenues generated through the sale of single-use consumable products (Vision-MR Ablation Catheters and Vision-MR Dispersive Electrodes) which will be required for each procedure performed. A minor servicing revenue will also be recognised in FY2019 in relation to the sale of capital equipment. A total of 520 procedures are forecasted to be performed in these iCMR labs, which number will increase as further iCMR labs are opened. The forecasted number of procedures is based on the number of procedures expected to be performed by each hospital or clinic using Imricor's products. The forecast assumes a consistent sales price for each sale of the Advantage-MR EP Recorder/Stimulator System, for each sale of the Vision-MR Ablation Catheter and for each sale of the Vision-MR Dispersive Electrode.

The main drivers of the forecasted revenues are the opening of new iCMR labs, and the number of procedures performed within these labs using Imricor's consumables. The iCMR lab roll out plan contemplated in Table 5.18 has been designed to ensure that Imricor is able to meet the demand for products (hence the staggered approach to expected procedure start dates). The expected procedure start dates are based on the most recent discussions Imricor has had with physicians at each of the hospitals or clinics.

Figure 5.3: FY2019 MRI-compatible catheter ablation products and number of procedures summary

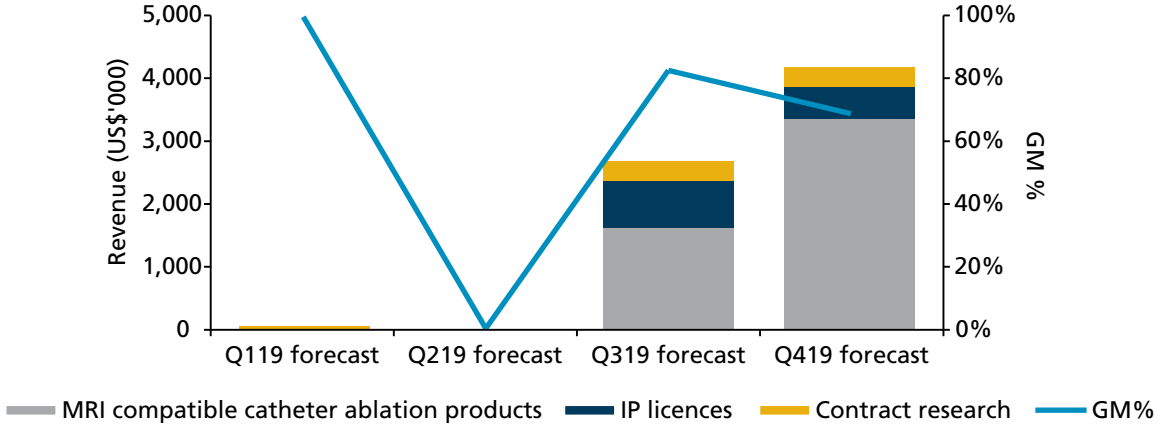


5.19.5 COSTS OF GOODS SOLD AND GROSS PROFIT

No costs of goods sold are recognised for contract research or licensing revenues given their nature. In FY2016, a small amount was recognised due to the sale of a piece of research equipment. FY2019 forecasted costs of goods sold primarily relate to the materials cost of the capital equipment and consumables, direct labor costs and manufacture overheads.

The Company's forecast gross profit margin % is expected to be 74.6% in FY2019 as a result of the sale of capital equipment and consumables.

Figure 5.4: Forecast revenue and gross profit margin (GM%) summary



5. FINANCIAL INFORMATION (CONT)

5.19.6 OPERATING EXPENSES AND R&D

Table 5.19: Historical and forecast operating expenses

	Historical Period			Forecast Period
US$'000	**FY2016 Pro forma**	**FY2017 Pro forma**	**FY2018 Pro forma**	**FY2019F Pro forma**
Employment costs	2,418	3,100	3,598	4,276
Testing and studies	47	119	122	204
Prototypes and materials	388	585	473	517
Listed company costs	895	895	895	895
Professional fees	203	178	203	360
Travel and entertainment	236	210	244	244
Occupancy	204	207	222	275
Insurance	23	25	27	78
Legal fees	226	263	165	230
Office costs	122	172	226	164
Regulatory	52	13	7	159
Marketing	201	220	303	134
Training	–	–	–	85
Other expenses	299	259	154	191
Total operating expenses (including R&D)	**5,314**	**6,246**	**6,639**	**7,812**
Fixed costs (% of total operating expenses)	74.1%	74.9%	77.4%	78.9%
Variable costs (% of total operating expenses)	25.9%	25.1%	22.6%	21.1%

The largest component of operating expenses relates to employee costs, which account for over 50% of the operating cost base. Imricor has invested throughout the later part of FY2018 and FY2019 in its own human resources to build the capability of assembly and manufacture, marketing and sales, research and development and administration, to support the commercialisation of the capital equipment and consumables and development of its additional pipeline products.

Testing and studies, prototypes and material and regulatory costs are R&D in nature. These costs are forecasted to increase due to the increasing number of products in the pipeline following the commercial launch of the Company's key products.

Travel and entertainment is forecasted to increase due to the costs expected to be incurred by the Director of Sales to visit each of the iCMR labs which are forecasted to open in FY2019. Other increases in the overhead cost base are a result of expected growth in the scale of the business once product sales commence.

5.20 FY2019 PRO FORMA PERFORMANCE

The table below summarises the Company's forecast pro forma financial performance for the first half of FY2019 (**1HY2019**), and for the second half of FY2019 (**2HY2019**).

Table 5.20: FY2019 forecast pro forma financial performance

	Pro forma		
US$'000	**Forecast 1HY2019**	**Forecast 2HY2019**	**FY2019F**
Revenue	**55**	**6,850**	**6,905**
Cost of goods sold	–	(1,757)	(1,757)
Gross profit	**55**	**5,093**	**5,148**
Operating expenses (including R&D)	(3,489)	(4,323)	(7,812)
EBITDA after R&D expenses	**(3,434)**	**770**	**(2,664)**

5.21 SENSITIVITY ANALYSIS

The Forecast Financial Information is based on a number of estimates and assumptions as described in Sections 5.18 and 5.19. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Directors and Imricor's management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the sensitivity of the FY2019 Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions and assumes a full year impact. In practice, changes in assumptions may offset each other or be additive, and it is likely that the Company's management would respond to any changes to seek to minimise the net effect on the Company's revenue, EBITDA and cash flow.

For the purposes of the analysis below, the effect of the changes in key assumptions is based on the FY2019 pro forma forecast operating EBITDA loss (after R&D) of US$2.7 million and revenues of US$6.9 million.

5. FINANCIAL INFORMATION (CONT)

Table 5.21: Sensitivity analysis on the pro forma forecast FY2019 revenue and EBITDA summary

Assumption	Pro forma EBITDA	FY2019 pro forma EBITDA impact US$'000	Adjusted pro forma EBITDA	Pro forma revenue	FY2019 pro forma revenue impact US$'000	Adjusted pro forma revenue
5% favourable movement in FY2019 USD:EUR FX rate	(2,664)	249	(2,415)	6,905	249	7,154
5% unfavourable movement in FY2019 USD:EUR FX rate	(2,664)	(249)	(2,913)	6,905	(249)	6,656
10% favourable movement in the number of procedures	(2,664)	150	(2,514)	6,905	278	7,183
10% unfavourable movement in the number of procedures	(2,664)	(150)	(2,814)	6,905	(278)	6,627
1 month delay in CE mark approval[1]	(2,664)	(250)	(2,914)	6,905	(461)	6,444
10% favourable movement in costs of sales	(2,664)	176	(2,488)			
10% unfavourable movement in costs of sales	(2,664)	(176)	(2,840)			
5% favourable movement in operating expenses	(2,664)	391	(2,273)			
5% unfavourable movement in operating expenses	(2,664)	(391)	(3,055)			

Notes:

1. A one month delay in CE mark approval removes the first month of consumable product sales whilst maintaining the opening of 13 iCMR labs.

5.22 RECONCILIATION BETWEEN USGAAP AND AIFRS

The Financial Information contained in this Prospectus has been prepared in accordance with USGAAP which is different to AIFRS, the accounting principles generally accepted in Australia. To the extent required by the Corporations Act (including section 601CK), and absent any relief, modification or waiver, the Company will provide financial information prepared under AIFRS. In such a circumstance, it is the present intention of Directors to continue reporting in US GAAP, and for any financial information required to be prepared under AIFRS to supplement the financial information prepared under US GAAP, in all circumstances in accordance with the Corporations Act.

As noted in Section 5.5, the Financial Accounting Standards Board has recently issued revised standards in relation to revenue recognition, leases and financial instruments. These changes will bring FASB's accounting standards in line with the revisions to the AIFRS standards, namely AASB 15 'Revenue from Contracts with Customers' and AASB 16 'Leases'. While variations still exist in relation to the accounting of the Convertible Notes, these are not considered relevant for potential investors (as discussed below).

The Directors have reviewed the differences between USGAAP and AIFRS applicable to the Company and also which are considered relevant to potential investors. Accordingly, although historically the recognition and measurement of the Convertible Notes would have been different under AIFRS compared to USGAAP, as these instruments all convert to Shares on Listing the Directors do not consider these differences relevant to potential investors under the Offer.

Therefore, the Directors have identified the following material differences relevant to potential investors under the Offer relating to the statutory statement of operations for the Historical Period and the Forecast Period.

5.22.1 RESEARCH AND DEVELOPMENT EXPENDITURE

The Company has incurred US$10.0 million of both internal and third party research and development expenditure from 1 January 2016 to 31 December 2018. Under USGAAP, these costs are expensed as incurred whilst under AIFRS, research costs are expensed and development costs may be capitalised provided that the recognition criteria based on achieving technical feasibility milestones are met and are then amortised over the expected useful life of the product. As such, for a determination of research and development expenditure to be capitalised, recognition criteria must be applied to the research and development expenditure attributable to the development of the products, being the Advantage-MR EP Recorder/ Stimulator System, Vision-MR Ablation Catheter and Vision-MR Dispersive Electrodes and ablation and diagnostic cables. Accordingly, if the Directors had historically reported in accordance with AIFRS at 31 December 2018, approximately US$5.7 million of development expenditure incurred and expensed could have been capitalised with approximately US$1.6 million of amortisation recorded in the same period. Therefore the net assets and pro forma net assets set out in Section 5.11 would be approximately US$4.1 million higher under AIFRS.

5.22.2 COSTS OF THE OFFER

Under USGAAP, costs incurred in issuing Shares and listing the Company on the ASX are classified as a reduction of equity (or as an asset until the Shares are issued). Under AIFRS, only those costs of the Offer directly attributable to additional issued Shares or CDIs under the Offer can be offset against equity. Expenses relating to listing the Company for the benefit of existing security holders are required to be expensed and costs relating to all security holders are split between equity and expenses based on the proportion of security holding (on a fully diluted basis) of new and existing security holders. Accordingly, if the Directors had prepared the pro forma balance sheet in Section 5.11 in accordance with AIFRS, approximately a further US$0.9 million of the estimated approximately US$1.6 million (at the Minimum Allotment) of Offer costs would be treated as an expense through the statement of operations rather than offset against stockholders equity. The same amount would be the difference at the Maximum Allotment.

Set out below is a reconciliation between the pro forma historical and forecast net loss after tax under USGAAP compared to statutory historical and forecast net loss after tax under AIFRS for the each of the relevant financial periods:

Table 5.22: Reconciliation of pro forma net loss (USGAAP vs AIFRS)

	Historical			Forecast
US$'000	**FY2016**	**FY2017**	**FY2018**	**FY2019F**
Pro forma net loss - USGAAP	**(4,948)**	**(5,912)**	**(5,702)**	**(3,192)**
Research and development capitalised (third party and internal)	1,509	2,302	1,889	2,034
Amortisation	(216)	(544)	(814)	(1,105)
Pro Forma net loss - AIFRS	**(3,655)**	**(4,154)**	**(4,627)**	**(2,263)**

5.23 FOREIGN CURRENCY POLICY

In FY2019, all MRI-compatible cardiac catheter ablation products and services revenues will be denominated in Euros, while all costs of production and operating expenses (including R&D) will be denominated in U.S. dollars. As such, there is foreign currency exposure prevalent in the FY2019 forecast. The potential impact of foreign currency movements has been included the sensitivity analysis in Section 5.21.

SECTION 6

INVESTIGATING ACCOUNTANTS REPORT

6. INVESTIGATING ACCOUNTANT'S REPORT

Board of Directors
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14 August 2019

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by Imricor Medical Systems Inc. ("Imricor" or the "Company") to prepare this report for inclusion in the replacement prospectus (the "Replacement Prospectus") to be issued by the Company on or about 14 August 2019 in respect of the initial public offering of CHESS Depository Interests in the Company (the "Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Replacement Prospectus.

Scope

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following financial information of the Company:

Pro Forma Historical Financial Information

- The pro forma historical statement of profit or loss and other comprehensive income for the years ended 31 December 2016 ("FY2016"), 31 December 2017 ("FY2017") and 31 December 2018 ("FY2018");
- The pro forma historical statement of cash flows for FY2016, FY2017 and FY2018;
- The historical statement of financial position as at 31 December 2018; and

6. INVESTIGATING ACCOUNTANT'S REPORT

(CONT)

- The pro forma statement of financial position as at 31 December 2018, which assumes completion of the transactions outlined in Section 5.12 of the Replacement Prospectus as though they had occurred on that date.

(collectively referred to as the " Pro Forma Historical Financial Information")

The Pro Forma Historical Financial Information has been prepared for inclusion in the Replacement Prospectus and has been derived from the audited financial statements of the Company for FY2016, FY2017 and FY2018. The financial statements for FY2016, FY2017 and FY2018 were audited by Baker Tilly Virchow Krause, LLP in accordance with Auditing Standards generally accepted in the United States of America. The audit opinion issued to the Directors' of the Company in respect of FY2016, FY2017 and FY2018 were unqualified but included an Emphasis of Matter regarding the Company's ability to continue as a going concern. The FY2018 audit opinion included a further emphasis of matter in relation to the adoption of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* on a modified retrospective basis.

As described in Section 5.2 of the Replacement Prospectus the stated basis of preparation is the recognition and measurement principles contained in Generally Accepted Accounting Principles in the United States of America ("USGAAP") and the Company's adopted accounting policies applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 5.8 and Section 5.12 of the Replacement Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, or cash flows.

The Pro Forma Historical Financial Information is presented in the Replacement Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Forecast Financial Information

- the Statutory forecast statement of operations and comprehensive loss for the year ending 31 December 2019;
- the statutory forecast statement of cash flows for the year ending 31 December 2019;

(together the **Statutory Forecast Financial Information**).

- the Pro forma forecast statement of operations and comprehensive loss for the year ending 31 December 2019;
- the Pro forma forecast statement of cash flows for the year ending 31 December 2019;

(together the **Pro forma Forecast Financial Information**).

(the Statutory Forecast Financial Information and the Pro forma Forecast Financial Information together form the **Forecast Financial Information**)

The Directors' best estimate assumptions underlying the Forecast Financial Information are described in Section 5.17 of the Replacement Prospectus. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles contained in USGAAP and the Company's adopted accounting policies.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the financial year ending 31 December 2019. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in Section 4 of the Replacement Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks and sensitivities set out in Table 5.21 of Section 5.21 of the Replacement Prospectus. The sensitivity analysis set out in Table 5.21 of Section 5.21 of the Replacement Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Pro Forma Historical Financial Information including the selection and determination of the pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Replacement Prospectus.

6. INVESTIGATING ACCOUNTANT'S REPORT

(CONT)

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information*".

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

Pro Forma Historical Financial Information

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Pro Forma Historical Financial Information from audited financial statements of the Company covering the years ended 31 December 2016, 31 December 2017, and 31 December 2018;
- consideration of the appropriateness of the pro forma adjustments described in Section 5.8 and 5.12 of the Replacement Prospectus;
- enquiry of the Directors, management and others in relation to the Pro Forma Historical Financial Information;
- analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Company and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Replacement Prospectus used in the preparation of the Pro Forma Historical Financial Information;

Forecast Financial Information

- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions used in the preparation of the Forecast Financial Information;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and

- consideration of the pro forma adjustments applied to the Statutory Forecast Financial Information in preparing the Pro Forma Forecast Financial Information.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Conclusion

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Section 5.8 and Section 5.12 of the Replacement Prospectus.

Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Statutory Forecast Financial Information do not provide reasonable grounds for the Statutory Forecast Financial Information;

ii. in all material respects, the Statutory Forecast Financial Information:

   a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 5.17 of the Replacement Prospectus;

   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles in conformity with USGAAP; and

iii. the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information do not provide reasonable grounds for the Pro Forma Forecast Financial Information;

ii. in all material respects, the Pro Forma Forecast Financial Information:

6. INVESTIGATING ACCOUNTANT'S REPORT

(CONT)

Grant Thornton
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a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 5.17 of the Replacement Prospectus;

b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles in conformity with USGAAP, applied to the Statutory Forecast Financial Information and the Pro Forma Adjustments as if those adjustments had occurred prior to 1 January 2019; and

iii. the Pro Forma Forecast Financial Information itself is unreasonable.

Restriction on Use

Without modifying our conclusion, we draw your attention to Section 5.2 of the Replacement Prospectus which describes the purpose of the Financial Information, being for inclusion in the Replacement Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Replacement Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Replacement Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Replacement Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully,
GRANT THORNTON CORPORATE FINANCE PTY LTD

Neil Cooke
Partner

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Sydney NSW 2000

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Appendix A (Financial Services Guide)

This Financial Services Guide is dated 14 August 2019.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987 and Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Imricor Medical Systems Inc ("Imricor" or the "Company") to provide general financial product advice in the form of an Independent Limited Assurance Report (the "Report") in relation to the offer of CHESS Depository Interests ("CDIs") of the Company (the "Offer"). This report is included in the replacement prospectus dated on or about 14 August 2019 (the "Replacement Prospectus"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

6. INVESTIGATING ACCOUNTANT'S REPORT

(CONT)

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of $310,000, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of Imricor in order to provide this report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Imricor (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Offer.

Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

SECTION 7

BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

7.1 BOARD OF DIRECTORS

The Board of Directors of the Company will comprise the following Directors:

Director	Summary
	**Steve Wedan** **President and Chief Executive Officer, and Chairman** **(Age: 51)** **Joined Board in May 2006** Mr Wedan co-founded the Company in 2006 and has served as CEO since that time. Mr Wedan is responsible for the overall management and strategic direction of the Company. Mr Wedan has over 29 years of experience in the medical device industry including design engineering of MRI and ultrasound systems for GE Healthcare, as well as Vice President and Chief Technology Officer for Applied Biometrics Inc. Immediately prior to co-founding Imricor, Mr Wedan founded and operated a technical consulting company, Wedan Technologies Inc., from 2000-2006. Mr Wedan is a member of various international standards committees in the fields of MRI safety and the compatibility of implanted and interventional products in MRI. Mr Wedan currently serves on the boards of Medical Device Research Forum and Water Rescue Innovations, Inc. Mr Wedan holds a Bachelor of Science in Electrical Engineering from Michigan Technological University (summa cum laude), and a Master of Science in Electrical Engineering from Marquette University.
	**Mark Tibbles** **Non-executive Director** **(Age: 52)** **Joined Board in September 2014** Mr Tibbles is an entrepreneur, business owner, company director and active venture investor in and advisor to technology, life science and medical device companies. Mr Tibbles is currently the Managing Director of Strategic Stage Ventures, LLC and an owner and managing member of STEM Fuse, LLC one of the largest providers of digital K-12 STEM curriculum in the U.S. Prior to his current roles, Mr Tibbles was an owner and member of Intuitive Technology Group until it was sold in 2017. Mr Tibbles was also President and founder of PRC Consulting, Inc., a company specialising in the management and implementation of IT projects for Fortune 1000 companies, from 1998 until 2013, when PRC was sold. Mr Tibbles currently serves as an independent director of OppSource, Inc. Mr Tibbles holds a Bachelor of Arts from Oral Roberts University.

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

Director	Summary
	**Doris Engibous** **Non-executive Director** **(Age: 64)** **Joined Board in April 2019** Ms Engibous has over 40 years of experience in the medical device industry. From 2004 to 2010, she served as President and CEO of Hemosphere Inc., an early commercialisation stage medical technology company, before it was acquired by CryoLife Inc. (NYSE: CRY). Prior to 2004, Ms Engibous held various roles with Nellcor (a business of Tyco Healthcare Group/Tyco International Ltd., now Covidien/Medtronic, NYSE: MDT) for 17 years, including serving as President from 2000 to 2003. From 2004 to 2018, Ms Engibous served as an independent non-executive director of Nasdaq-listed, Natus Medical Incorporated. Ms Engibous currently serves as a director of GI Supply, Inc., a family-owned medical technology company, a role she has held since 2014. She has also served as its Chair since 2016. Ms Engibous holds a Bachelor of Science in Chemical Engineering from the University of Michigan.
	**Peter McGregor** **Non-executive Director** **(Age: 53)** **Joined Board in May 2019** Mr McGregor has over 30 years' experience in senior finance and management roles, including having been a partner in the investment banking firm of Goldman Sachs JBWere and a managing director in the institutional banking & markets division of Commonwealth Bank of Australia. He is also a former Chief Financial Officer of the ASX50 transport company, Asciano Limited (ASX: AIO), and Chief Operating Officer of ASX listed Australian Infrastructure Fund Limited (ASX: AIX). Mr McGregor is an experienced company director, and currently serves as Chairman of Nutrano Produce Group Pty Ltd, and is a director of Pivotal Systems Corporation (ASX: PVS) and the Brisbane Lions Australian Football Club. Mr McGregor holds a Bachelor of Commerce from the University of Melbourne, is a member of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia.

Each Director has confirmed that he or she (as applicable) anticipates that they will have sufficient time to fulfil their responsibilities as a Non-executive Director or executive Director (and employee), as the case may be, of Imricor.

Each Non-executive Director has advised the Company that they hold current positions with other organisations (described above). However, no Director believes that any other commitment will interfere with their availability to perform their duties as a Director of Imricor.

7.1.1 INDEPENDENCE OF THE DIRECTORS

In considering the independence of the Directors, the Board has had regard to the factors relevant to assessing independence, as set out in the Fourth Edition of the ASX Corporate Governance Principles.

The Board considers that a Director is an independent Director where that director is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Company as a whole rather than in the interests of an individual security holder or other party. Based on this review, the Board has determined that:

- Steve Wedan is not considered to be an independent Director due to his executive role with the Company; and
- Mark Tibbles, Doris Engibous and Peter McGregor are considered to be independent Directors.

7.1.2 CLASSES OF DIRECTORS

Upon Listing, the Board will be divided into three classes of Directors with staggered three year terms. At each annual meeting of Shareholders commencing with the 2020 meeting, the Directors whose term then expires will be eligible for re-election to serve for a three year term (i.e. until the third annual meeting following their re-election).

The Directors will be divided into three classes as follows:

Director	Class	Expiration of term
Mark Tibbles	Class I	2020 annual meeting
Doris Engibous	Class II	2021 annual meeting
Steve Wedan and Peter McGregor	Class III	2022 annual meeting

7.2 KEY MANAGERS

Imricor's management team is as follows:

Director	Summary
	**Steve Wedan** **President and Chief Executive Officer, and Chairman** See Section 7.1
	**Lori Milbrandt** **Vice President of Finance and Chief Financial Officer** Ms Milbrandt has served as the Company's Chief Financial Officer since 2007, initially on a contract basis and since May 2018, as a full-time employee of Imricor. Ms Milbrandt has over 30 years of accounting, finance, and HR experience. Prior to transitioning to the role of CFO on a full-time basis, Ms Milbrandt was a contract CFO for several medical device companies. Ms Milbrandt has previously held management positions with companies including Microvena, ev3, and DiaSorin (FKA Incster) and spent the first seven years of her career with KPMG. Ms Milbrandt holds a Bachelor of Business Administration from the University of Wisconsin-Eau Claire and a Master of Business Administration (Finance) from the University of St. Thomas.

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

Director	Summary

Gregg Stenzel
Vice President of Operations

Mr Stenzel joined Imricor in 2007 and is responsible for operations and leading the development of initial manufacturing strategies, including personnel, facilities and outsourcing.

Mr Stenzel has over 20 years of medical device experience and brings a breadth of knowledge in new product development, supply chain management, quality/regulatory systems, and customer support.

Prior to joining the Company, Mr Stenzel was the Manager of Instrument Technical Operations at Beckman Coulter, Inc., a leading manufacturer of In Vitro Diagnostic Systems.

Mr Stenzel holds a Bachelor of Science in Electrical Engineering from the University of Wisconsin-Madison and a Master of Business Administration from the University of Minnesota-Carlson School of Business.

Dan Sunnarborg
Vice President of Engineering

Mr Sunnarborg joined Imricor in 2007 and is responsible for all hardware and software development activities at the Company, including platform development, system control, image processing, user interface, and outsource partnerships.

Mr Sunnarborg has more than 20 years of engineering experience in fields such as medical devices, telecommunications, defense, and consumer electronics. Mr Sunnarborg has also held various design software engineering positions and has led development groups for more than 15 years.

Mr Sunnarborg holds a Bachelor of Science in Engineering Physics from North Dakota State University and a Master of Science in Electrical Engineering from Marquette University.

Jennifer Weisz
Vice President of Regulatory and Quality

Ms Weisz joined Imricor in 2012 and commenced her current role in 2018. Ms Weisz is responsible for implementing and managing the Company's regulatory strategy and quality system.

Ms Weisz has over 19 years of experience in the medical device industry, including product development, clinical evidence development, quality system implementation, and regulatory strategy development and implementation.

Prior to joining the Company, Ms Weisz was a member of the Medtronic Global Clinical Operations Quality team.

Ms Weisz holds a Bachelor of Science in Electrical Engineering from North Dakota State University and a Master of Science in Technical Management from the University of St. Thomas.

Director	Summary

Tom Lloyd
Vice President of Clinical Research

Mr Lloyd commenced his current role at Imricor in 2012 and is responsible for leading preclinical and clinical studies, managing intellectual property, and developing new technologies.

Mr Lloyd began his career at the Company in 2007 as a radio-frequency engineer and is the lead inventor on many of the Company's patents.

Mr Lloyd has over 13 years of medical device design experience primarily focused on interactions between implanted devices and the electromagnetic fields associated with MRI.

Mr Lloyd holds a Bachelor and Master of Science in Electrical Engineering from Iowa State University.

Peter Gabrail
Director of Software

Mr Gabrail joined Imricor in 2008 and is responsible for software development, testing and validation. Mr Gabrail also manages the Company's IT requirements.

Mr Gabrail has over 25 years of experience in embedded software development and 8 years of medical device experience. He has consulted with and worked for companies including Siemens, Microsoft, Sony, Xerox, Rockwell Automation/Datamyte, Pass & Seymour/Legrand, Telia, and Smith-Corona.

Mr Gabrail holds a Bachelor of Technology in Computer Science from the Rochester Institute of Technology.

Greg Englehardt
Director of Sales

Mr Englehardt joined Imricor in 2018 and is responsible for developing and managing the Company's global sales strategies and performance.

Mr Englehardt has 18 years of experience working in the medical device industry with 16 years of sales leadership experience. Prior to joining the Company, Mr Englehardt served as Regional Business Director at Medtronic from 2011 to 2018. Before joining Medtronic, he worked at NeuroMetrix from 2004 until 2011, where he was promoted to multiple sales and leadership roles including Director of Global Business Development/ Sales and National Director of Sales.

Mr Englehardt also served as a combat medic in the U.S. army and holds a Bachelor of Science in Nursing from Louisiana State University.

Each Key Manager has confirmed that they anticipate that they will have sufficient time to fulfil their respective roles without constraint from other commitments.

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

7.3 DISCLOSURE

No Director or Key Manager has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant to the performance of their role with Imricor or which is relevant to an investor's decision as to whether to subscribe for CDIs under the Offer.

No Director or Key Manager has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

7.4 INTERESTS AND BENEFITS

7.4.1 OVERVIEW

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Combined Offers and Imricor. Other than as set out below or elsewhere in this Prospectus:

- no Director or proposed Director has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of Imricor or the Combined Offers; and
- none of the following persons:
  - a Director or proposed Director of Imricor;
  - each person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
  - a promoter of Imricor; or
  - an underwriter to any part of the Combined Offers or financial services licensee named in this Prospectus as a financial services licensee involved in the any part of the Combined Offers,

holds or held at any time during the last two years an interest in:

- the formation or promotion of Imricor;
- property acquired or proposed to be acquired by Imricor in connection with its formation or promotion, or the Combined Offers; or
- the Combined Offers,

or was at any time paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, for services provided by such person in connection with the formation or promotion of Imricor, or the Combined Offers.

7.4.2 EMPLOYMENT ARRANGEMENTS WITH CHIEF EXECUTIVE OFFICER

Mr. Wedan commenced his employment with the Company on 23 May 2006 as President and CEO of Imricor.

From Listing, Mr. Wedan will be entitled to a base annual salary of US$410,000 (subject to annual review) and will be eligible for an annual cash bonus of up to 45% of his base salary based on annual performance targets determined by the Board. Performance targets will be set as stretch goals, meaning that the maximum bonus will only be achieved through exceptional performance.

Certain other employee benefits are available to Mr. Wedan such as medical insurance, paid-time off and reimbursement of reasonable business expenses incurred in performing duties (e.g. travel expenses). Mr. Wedan may also participate in Imricor's 401(k) Plan – see Section 7.5.

Mr. Wedan has received Option grants under the Company's former stock option plans. Contingent upon allotment under of the Offer, Mr. Wedan will also receive a grant of Options under the 2019 Plan (Section 7.7.2 sets out the terms and conditions upon which the grants will be made). He will also have the opportunity to receive further grants of securities in the future under the 2019 Plan subject to Board approval and the Listing Rules. Details of Mr. Wedan's holding of Options is set out in Section 7.4.4.

Mr. Wedan may terminate his employment at any time on 30 days' written notice.

The Company may terminate Mr. Wedan's employment for cause (which includes breach by Mr. Wedan of any agreements with the Company) at any time. The Company may also terminate Mr. Wedan's employment without cause. Mr. Wedan is entitled to receive 12 months' severance if his employment is terminated without cause, provided that Mr. Wedan executes a general release with respect to the Company.

7.4.3 NON-EXECUTIVE DIRECTORS' FEES

Under the Bylaws, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director of Imricor. However, under the Listing Rules, the total amount paid to all Directors (excluding the salary of any executive Director) for their services must not exceed in aggregate in any financial year the amount fixed by Imricor in a general meeting. This amount has been fixed at US$400,000.

The fees to be paid by Imricor to its Non-executive Directors are US$60,000 per annum. In the case of the Australian Non-executive Director, this amount is inclusive of statutory superannuation.

In addition, each Chair of a Board committee will receive an annual fee of US$10,000 (inclusive of statutory superannuation, if applicable) for his/her services as Chair of that committee. Directors will not receive additional fees for being a member of a Board committee.

Contingent upon allotment under of the Offer, each of the Non-executive Directors will receive a grant of Options under the 2019 Plan (Section 7.7.2 sets out the terms and conditions upon which the grants will be made). The Non-executive Directors of the Company may receive future grants of securities under the 2019 Plan subject to Board approval and the Listing Rules.

Directors may be reimbursed for travel and other expenses incurred in attending to Imricor's affairs.

7.4.4 DIRECTORS' INTERESTS IN SHARES AND OTHER SECURITIES

The table below sets out the direct and indirect interests of the Directors in the securities of Imricor as at the date of this Prospectus, subject to the matters described under the heading "Pre-allotment figures" in the Important Information section at the beginning of this Prospectus. The figures also include the Options to be granted to the Directors upon completion of the Offer (see Section 7.7.2).

			Holding % (fully-diluted)[4]	
Director	**Shares[1]**	**Options**	**Minimum Allotment**	**Maximum Allotment**
Steve Wedan[2]	4,424,232	1,260,800	5.28%	5.22%
Mark Tibbles[3]	4,548,981	444,900	4.64%	4.59%
Doris Engibous	–	135,000	0.13%	0.12%
Peter McGregor	–	135,000	0.13%	0.12%

Notes:

1. Equivalent to the same number of CDIs.
2. Share figures for Steve Wedan are comprised of 2,518,219 Shares held by him personally, 1,427,373 Shares held jointly with his wife, Cherri Wedan, and 478,640 Shares held by Pensco Trust Company LLC on his behalf.
3. Includes 111,573 Shares that Mark Tibbles has committed to subscribe for under the U.S. Private Placement.
4. Fully-diluted figures calculated on the basis described under the heading "Pre- and post-allotment figures" in the Important Information section at the beginning of this Prospectus.

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

7.4.5 INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES, AND INSURANCE

As permitted under Delaware law, Imricor indemnifies certain officers and Directors and is permitted to indemnify employees for certain events or occurrences that happen by reason of their relationship with, or position held at, Imricor. The Company's Certificate of Incorporation and Bylaws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

Imricor has entered into indemnification agreements with its Directors and certain officers to this effect, including advancement of expenses incurred in legal proceedings to which the Director or officer was, or is threatened to be made, a party by reason of the fact that such Director or officer is or was a Director, officer, employee or agent of Imricor, provided that such Director or officer acted in good faith and in a manner that the Director or officer reasonably believed to be in, or not opposed to, the Company's best interests. At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

Imricor maintains insurance policies that indemnify the Company's Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

7.4.6 EMPLOYMENT ARRANGEMENTS WITH KEY MANAGERS

The table below sets out the base annual salary of the Key Managers from Listing.

Key Manager	Position	Annual salary (US$)
Lori Milbrandt	Vice President of Finance and Chief Financial Officer	$300,000
Gregg Stenzel	Vice President of Operations	$220,000
Dan Sunnarborg	Vice President of Engineering	$220,000
Jennifer Weisz	Vice President of Regulatory and Quality	$190,000
Tom Lloyd	Vice President of Clinical Research	$210,000
Peter Gabrail	Director of Software	$142,200
Greg Englehardt	Director of Sales	$175,000

In addition to the above annual salaries:

- each of the above Key Managers has received Option grants under the Company's stock option plans and will be eligible to receive annual Option grants from Listing with vesting subject to the achievement of a mixture of long-term performance milestones and time-based service;
- the CFO and each VP will be eligible to receive an annual cash bonus of up to 30% of their respective base salaries (if maximum performance is achieved), based on annual performance targets determined by the Board;
- the Director of Software will be eligible to receive an annual cash bonus of up to 15% of his base salary (if maximum performance is achieved), based on annual performance targets determined by the Board; and
- the Director of Sales is eligible to receive a cash bonus of up to US$18,750 per quarter, based on individual goals determined by the CEO.

Certain other benefits are also afforded to the above Key Managers including medical insurance, life and disability insurance, health savings and flexible spending accounts, and participation in the 401(k) Plan (see Section 7.5). Key Managers may also be reimbursed for reasonable business expenses incurred in attending to Imricor's affairs.

Ms. Milbrandt is entitled to receive six months' severance if her employment is terminated without cause.

OPTION GRANT CONTINGENT UPON OFFER

Following completion of the Offer, 200,000 Options will be issued to Ms. Milbrandt. The Options will vest over a four year period, with 25% vesting on the first anniversary of the grant date and the remainder vesting in equal monthly instalments over the following 36 months.

7.5 401(K) PLAN

The Company has in place a defined contribution retirement savings plan under section 401(k) of the U.S. Internal Revenue Code (**401(k) Plan**). The 401(k) Plan is open to all U.S. employees of Imricor (including the Key Managers) and allows participants to contribute their pre-tax income to the plan up to the maximum annual amounts allowed under the U.S. Internal Revenue Code. The Company intends to incorporate a 50% match of employee contributions made to the 401(k) Plan up to a maximum of 4% of the employee's annual income after Listing.

7.6 INTERESTS OF ADVISORS

The Company has engaged the following professional advisers in relation to the Combined Offers:

- Moelis Australia Advisory Pty Ltd has acted as Financial Advisor and Lead Manager and the underwriter (up to the Minimum Offer Proceeds) to the Offer, and will receive the fees under the Underwriting Agreement described in Section 9.10.1, plus a monthly retainer fee of A$20,000 (excluding GST) until completion of the Listing. Certain of these monthly retainer fees will be refundable against fees payable to the Lead Manager, as set out in Section 9.10.1.
- Johnson Winter & Slattery has acted as Australian legal adviser to the Company in connection with the Combined Offers. The Company has paid or agreed to pay A$650,000 (excluding GST and disbursements) for these services up to the date of this Prospectus, of which A$150,000 will be paid in the form of CDIs at the Offer Price (i.e. a total of 180,722 CDIs) issued on the Allotment Date.
- Fox Rothschild LLP has acted as U.S. legal adviser and IP attorney to the Company in connection with the Combined Offers and has prepared the report in Section 10 of this Prospectus. The Company has paid or agreed to pay US$250,000 (excluding disbursements) for these services up to the date of this Prospectus.
- Grant Thornton Corporate Finance Pty Ltd has acted as the investigating accountant on the Historical Financial Information and has prepared the Independent Limited Assurance Report in Section 6 of this Prospectus. The Company has paid or agreed to pay A$310,000 (excluding GST and disbursements) for these services up to the date of this Prospectus.

These amounts and other expenses of the Combined Offers will be paid out of the funds raised under the Combined Offers or cash otherwise available to Imricor.

7.7 INCENTIVE PLANS

7.7.1 2019 PLAN

The Company adopted its 2019 Equity Incentive Plan (**2019 Plan**) to provide for the issuance of incentive and non-qualified stock options to employees, directors and consultants for the purpose of encouraging key officers, directors, employees, and consultants of the Company to remain with the Company and devote their best efforts to the business of the Company. Under the 2019 Plan, stock options may be granted at exercise prices equal to not less than 100% of the fair market value of the Company's common stock at the time of grant. If incentive options are granted to persons owning more than 10% of the voting stock of the Company, the 2019 Plan provides that the exercise price will not be less than 110% of the fair market value of the Company's common stock at the time of grant.

Options granted under the 2019 Plan will have exercise and vesting terms as established by the Company's Board of Directors at the time of each such grant, but in no event will any option be exercisable for more than 10 years after the date of grant. Options granted will also be subject to time-based vesting ranging from immediate vesting to vesting in full 48-months after the date of grant. The expense to be recognised for Options issued under the 2019 Plan will not be finalised until such Options vest.

The Company has reserved 13,418,500 Shares for issuance under the 2019 Plan; provided, however, that such amount will include the number of Shares subject to Options that are issued under the 2016 Plan or the 2006 Plan. As of the date of this Prospectus, 7,184,233 Options have been issued and are outstanding, which includes 5,462,600 under the 2019 Plan, 229,300 under the 2016 Plan and 1,492,333 under the 2006 Plan. In addition, 3,774,400 Options have been exercised under all stock option plans. A further 770,000 Options will be issued following completion of the Offer under this Prospectus. Accordingly, after completion of the Offer, the available reserve under the 2019 Plan will be 1,689,867 Shares. On the first day of each of the Company's fiscal years beginning on 1 January 2020, the number of Shares available for issuance under the 2019 Plan will be increased by an amount equal to the lesser of (i) 5% of the aggregate number of Shares reserved under the 2019 Plan on the last day of the immediately preceding fiscal year, and (ii) such number of Shares determined by the Board.

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

7.7.2 OFFERS TO DIRECTORS UNDER THE 2019 PLAN

Grant date	Within 15 days after the commencement of trading of CDIs on the ASX, and in any event, within 12 months after Imricor is admitted to the Official List of the ASX.
Number	Steve Wedan – 200,000 Peter McGregor – 135,000 Doris Engibous – 135,000 Mark Tibbles – 100,000
Consideration for grant	Nil
Exercise price	The closing sale price of a CDI as of the immediately preceding trading day before the grant date, converted from Australian dollars to U.S. dollars using the prevailing exchange rate.
Vesting conditions	The Options will vest over a four year period, with 25% vesting on the first anniversary of the grant date and the remainder vesting in equal monthly instalments over the following 36 months.
Service condition	Must be an employee, Director or consultant.
Deadline for exercise of any Options that have vested	Vested Options are exercisable for three months after the Director's service (or in the case of Mr Wedan, his employment) is terminated for any reason other than for cause, death or disability of the Director, or in the case of Mr Wedan, retirement. If the termination of service is due to cause (includes fraud, dishonestly and certain criminal activities), then all Options are immediately terminated and forfeited. If the termination of service is due to death or disability of the Director or retirement, then the vested Options will remain exercisable for one year after the date of termination or retirement. Notwithstanding the foregoing, the term of each Option will be no more than 10 years from the date of grant.
Other key terms and conditions	The Board (or any subcommittee delegated by the Board with authority to administer the 2019 Plan) has discretion under the 2019 Plan to determine the treatment of the Options in the event of a change in control of the Company, including to provide that some or all of the Options are exercisable in full or part, or require the Options to be surrendered and cancelled for cash payment or shares in the succeeding entity, or a combination of cash and shares.
Other information required by Listing Rule 10.15	No loans will be provided to the Directors by the Company in relation to the exercise of the Options. All Directors are entitled to participate in the 2019 Plan. All Options currently held by the Directors have been granted under either the 2006 Plan, 2016 Plan or 2019 Plan. The details of the Directors' Option holdings are set out in Section 7.4.4.

7.7.3 FUTURE AWARDS

Options and other incentives will be an important component of any compensation arrangements with new personnel, as well as an ongoing incentive for the Company's existing staff (see Section 7.4.6 regarding the proposed grants to existing staff following Listing). Accordingly, the Company intends to issue new Options or other incentives following its admission to the ASX, including when new personnel are recruited. Any issuance of Options or other stock incentives to new or existing staff and contractors following the Company's admission to the ASX will be under the terms and conditions of the 2019 Plan and will be within the permitted share reserve. To the extent that the Listing Rules require Shareholder approval for an issuance under the 2019 Plan (e.g. for an issuance to a new Director), such approval will be sought before the issuance is agreed or made by the Company.

7.7.4 2016 PLAN

The 2016 Plan was adopted by the Board and approved by Shareholders in 2016. The purpose of the 2016 Plan is to attract and retain persons of ability to perform services for the Company through equity participation in the Company and to reward individuals who contribute to the Company's achievement of its economic objectives. The 2016 Plan is administered by the Board or a Board committee, if established.

The 2016 Plan is the predecessor to the 2019 Plan, with the Company ceasing to grant new awards under 2016 Plan in February 2019. Options previously granted under the 2016 Plan will continue to be governed by the terms of the 2016 Plan. As at the date of this Prospectus, there are 229,300 Options currently issued and outstanding under the 2016 Plan. Shares underlying Options granted under the 2016 Plan that expire or terminate without delivery of Shares, will be added to the number of Shares available for issuance under the 2019 Plan.

In the event of a reorganisation, merger, consolidation, recapitalisation, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture, extraordinary dividend or other change in the Company's capitalisation, the Board (or Board committee) may make appropriate adjustments to the Options in order to prevent dilution or enlargement of the rights of holders, the number and kind of securities or other property (including cash) subject to, and the exercise price of, outstanding Options.

All of the outstanding Options issued under the 2016 Plan become immediately exercisable in full if a change of control of the Company occurs and certain other conditions apply.

7.7.5 2006 PLAN

The 2006 Plan is the predecessor to the 2016 Plan. As at the date of this Prospectus, 1,492,333 Options remain outstanding under the 2006 Plan. These Options will continue to be governed by the terms of the 2006 Plan.

Shares underlying the Options that were granted under the 2006 Plan that subsequently expire or terminate without delivery of Shares, will be added to the number of Shares available for issuance under the 2019 Plan.

The 2006 Plan is on substantially the same terms as the 2016 Plan.

7.8 CORPORATE GOVERNANCE

This Section explains how the Board will manage Imricor's business.

The Board oversees the Company's business and is responsible for the overall corporate governance of Imricor. It monitors the operational, financial position and performance of Imricor and oversees its business strategy including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing Imricor, including by adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the business and which are designed to promote the responsible management and conduct of Imricor.

The main policies and practices adopted by the Company, which will take effect from Listing on the ASX, are summarised below. There are also important governance requirements set out in the Bylaws of the Company (see Section 12.8 for further details).

7.8.1 BOARD CHARTER

The functions and the responsibilities of the Board are set out in Imricor's Board Charter. The Board Charter establishes the functions reserved to the Board and those delegated to the Key Managers. Additionally, the Board Charter outlines certain characteristics of the Board including the ideal composition of the Board.

A copy of the Imricor Board Charter will be made available on its website at www.imricor.com/investors/corporate_governance.

7. BOARD, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE (CONT)

7.8.2 BOARD COMMITTEES

The Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities as set out below. The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Committee	Overview	Members
Audit and Risk	The Audit and Risk Committee will oversee Imricor's financial reporting process on behalf of the Board and will make recommendations to the Board on the appointment, compensation and retention of external auditors. The Audit and Risk Committee will also oversee the establishment, methodology and implementation of Imricor's risk management system and its resourcing.	Peter McGregor (chair) Doris Engibous Mark Tibbles
Nomination and Remuneration	The Nomination and Remuneration Committee will: • establish processes for the identification of suitable candidates for appointment to the Board; • establish processes for reviewing the performance of individual Directors, the Board as a whole, and Board committees; • determine the executive remuneration policy and the Non-executive Director remuneration policy; and • review all equity based incentive plans.	Mark Tibbles (chair) Doris Engibous Peter McGregor

Each of these committees has the responsibilities described in the committee charters which have been prepared having regard to the Listing Rules, the Corporations Act and the ASX Corporate Governance Principles and Recommendations.

7.8.3 POLICIES

The Board has approved the following policies to apply upon Imricor's Listing on the ASX, each of which has been prepared having regard to the Listing Rules, the Corporations Act and the ASX Corporate Governance Principles and Recommendations.

- ***Code of conduct*** – This policy sets out Imricor's key values and the standards of ethical behaviour that Imricor expects from its Directors, Key Managers and employees.
- ***Securities trading policy*** – This policy is sets out Imricor's internal controls and procedures in relation to dealings in Imricor securities by Directors, Key Managers and employees, and provides guidance on insider trading laws.
- ***Continuous disclosure policy*** – This policy sets out the procedures and measures designed to ensure the Company's compliance with its continuous disclosure requirements described in Section 7.10. This policy also sets out Imricor's practices for ensuring effective communication with its CDI Holders and Shareholders and to encourage securityholder participation at general meetings.
- ***Risk management policy*** – This policy is designed to assist Imricor to identify, assess, monitor and manage its risks, along with identifying material changes to its risk profile.
- ***Diversity policy*** – This policy aims to promote diversity amongst Imricor's employees.
- ***Whistleblower policy*** – This policy governs the receipt and treatment of complaints regarding illegal, unethical or otherwise improper conduct by the Company, or any of its employees.
- ***Anti-bribery and anti-corruption policy*** – This policy sets out the Company's commitment to doing business with integrity and avoiding corruption in any form.

The above policies will be made available on the Company's website at www.imricor.com/investors/corporate_governance.

7.9 ASX CORPORATE GOVERNANCE PRINCIPLES

Imricor is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released Corporate Governance Principles and Recommendations for ASX listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. A new edition of the Corporate Governance Principles and Recommendations was released in February 2019 (**Fourth Edition**) and the Company has chosen to adopt the Fourth Edition from Listing. The recommendations are not prescriptive, but are guidelines. However, under the Listing Rules, Imricor will be required to provide a corporate governance statement in or with its annual report disclosing the extent to which it has followed the recommendations in the reporting period. Where it has not followed a recommendation for any part of the reporting period, it must identify the recommendation that has not been followed and state the period during which it has not been followed, and give reasons for not following it and state what (if any) alternative corporate governance practices the Company adopted. The Board anticipates that it will follow all of the recommendations of the Fourth Edition, except as follows:

- The Company does not have written employment agreements with all of its senior executives (namely, Gregg Stenzel, Dan Sunnarborg, Jennifer Weisz, Tom Lloyd and Peter Gabrail) although each senior executive has signed confidentiality, inventions assignment and non-compete agreements in favour of Imricor. Accordingly, the Company will not fully comply with Recommendation 1.3. The Board considers there is sufficient certainty as to the terms of the senior executives' employment, notwithstanding that no written employment agreements are in place.
- Owing to the Company's stage of development and its small number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company will not comply with Recommendation 1.5 (diversity) in full.
- Steve Wedan, the Company's CEO, currently also serves as Chairman, meaning that the Company will not comply with Recommendation 2.5. The Board considers Mr. Wedan to be the most appropriate person to serve as Chairman at this stage given the size of the Board and the Company's stage of development.

7.10 CONTINUOUS DISCLOSURE

Once listed on the ASX, Imricor will be required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, it will be required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs. Imricor is committed to observing its disclosure obligations under the Listing Rules and the Corporations Act. Accordingly, as described above at Section 7.8.3, the Company has adopted a continuous disclosure policy to take effect from Listing on the ASX which establishes procedures which are aimed at ensuring that Directors and Key Managers are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

The Company's continuous disclosure announcements will be available on its website at www.imricor.com/investors/asx_announcements, in addition to the announcements section of the ASX's website.

SECTION 8

DETAILS OF THE OFFER

8. DETAILS OF THE OFFER

8.1 OVERVIEW OF THE OFFER

This Prospectus relates to an initial public offering by the Company of 13,373,494 New CDIs (equivalent to the same number of Shares) at an Offer Price of A$0.83 per CDI to raise gross proceeds of a minimum of A$11,100,000 (**Minimum Offer Proceeds**), with the ability to accept oversubscriptions for up to an additional 1,204,819 New CDIs to raise gross proceeds of up to A$12,100,000 (**Maximum Offer Proceeds**).

A summary of the rights attaching to the CDIs is set out in Section 12.7.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus and is underwritten by the Lead Manager up to A$11,100,000, being the Minimum Offer Proceeds.

8.2 STRUCTURE OF THE OFFER

The Offer will consist of:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and other authorised jurisdictions to apply for CDIs; and
- the Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their Broker.

8.3 U.S. PRIVATE PLACEMENT

Concurrently with the Offer, Imricor is conducting a private placement of Shares to certain accredited investors in the U.S. (**U.S. Private Placement**).

Participation in the U.S. Private Placement will be limited to the investors who have entered into binding agreements with Imricor to participate in the U.S. Private Placement. No CDIs or Shares are being issued to investors in the U.S. under the Offer and Imricor is not making an offer of its securities in the U.S.

The U.S. Private Placement will be at US$0.565396 per Share (being the equivalent price per Share as the Offer Price, converted to U.S. dollars at the prevailing A$:US$ exchange rate as published by the Reserve Bank of Australia two business days before the date of this Prospectus). Imricor will issue 1,084,337 Shares (equivalent to the same number of CDIs) under the U.S. Private Placement, in exchange for gross proceeds of approximately A$900,000 or approximately US$600,000.

Settlement of the U.S. Private Placement is a condition to the Lead Manager underwriting the Offer up to the Minimum Offer Proceeds.

The Offer and the U.S. Private Placement are together referred to in this Prospectus as the **Combined Offers**.

8. DETAILS OF THE OFFER (CONT)

8.4 PURPOSE OF THE OFFER AND SOURCES AND USES OF FUNDS

The Combined Offers are being conducted to:

- Fund the commercial launch of the Advantage-MR EP Recorder/Stimulator, Vision-MR Ablation Catheter and Vision-MR Dispersive Electrode in the European Union;
- Grow sales, marketing, and manufacturing capabilities to support commercialisation in the European Union;
- Progress regulatory approvals for the Australian and U.S. markets;
- Continue to develop the Company's line extensions (including the diagnostic catheter) and additional products; and
- Fund general working capital requirements.

Sources of proceeds $'000s		(A$)	(US$)
Offer	Minimum Offer Proceeds	11,100	7,561
	Maximum Offer Proceeds	12,100	8,242
U.S. Private Placement		900	613
Expected cash balance at date of Original Prospectus		891	607
Receipt of half of the CSC leasing security deposit		242	165
Total	Minimum	13,133	8,946
	Maximum	14,133	9,627

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

	Minimum of A$13.1 million[1]			Maximum of A$14.1 million[2]		
Use of proceeds $'000s	**(A$)**	**(US$)**	**% of funds**	**(A$)**	**(US$)**	**% of funds**
Sales and marketing	1,947	1,327	14.8%	2,165	1,475	15.3%
Clinical and regulatory	7,156	4,875	54.5%	7,954	5,418	56.3%
Costs of Combined Offers	1,707	1,163	13.0%	1,759	1,198	12.4%
Other working capital	2,323	1,581	17.7%	2,255	1,536	16.0%
Total	13,133	8,946	100.0%	14,133	9,627	100.0%

Notes:

1. Based on Minimum Offer Proceeds being received under the Offer (i.e. no oversubscriptions).
2. Based on Maximum Offer Proceeds being received under the Offer.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should be aware that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied. In addition, as the proceeds of the Offer will be received in Australian dollars and the expenditure will be in U.S. dollars, the actual amount of the proceeds used for each of the items above will depend on the AUD:USD exchange rate at the time that the funds are converted to U.S. dollars.

The Board is satisfied that, upon completion of the Combined Offers (even without proceeds from any oversubscriptions), the Company will have sufficient working capital to carry out its stated business objectives, including:

- Commercial launch of the Advantage-MR EP Recorder/Stimulator, Vision-MR Ablation Catheter and Vision-MR Dispersive Electrode in the European Union;
- Growing sales, marketing, and manufacturing capabilities to support commercialisation in the European Union; and
- Progressing regulatory approvals for the Australian and U.S. markets.

The Board currently expects that the Company's current cash reserves, the net proceeds of the Combined Offers (assuming the Minimum Offer Proceeds are raised under the Offer), plus expected operating cash flows will be sufficient to fund its objectives through to the end of 2021. Should the Company raise the Maximum Offer Proceeds under the Offer, the Board expects that the Company may also be able to accelerate the commercialisation of one or more pipeline products (see Section 3.3.2).

Future capital requirements will depend on a number of factors, including the amount of revenue growth that may be generated from the sales of Imricor's products in the European Union following the planned commercial launch. Imricor's long-term objective is to fund its operations out of the profits generated from its business, however, the Board will consider raising further capital where and when it is appropriate based on its future capital requirements or to accelerate growth.

8.5 CAPITAL AND OWNERSHIP STRUCTURE

8.5.1 CAPITAL STRUCTURE

The following table sets out the Company's indicative capital structure immediately prior to, and following allotment, under the Combined Offers.

	Pre-allotment	Post-allotment (Minimum Allotment)			Post-allotment (Maximum Allotment)		
	Number	Number	Undiluted %	Fully-diluted %	Number	Undiluted %	Fully-diluted %
Shares held by Existing Holders[1,2]	44,344,351	44,344,351	48.34%	41.19%	44,344,351	47.72%	40.73%
Indicative number of Shares/CDIs to be issued on conversion of principal and accrued interest under Convertible Notes[3,4]	29,557,372	29,557,372	32.22%	27.45%	29,557,372	31.81%	27.15%
Bonus issue of Shares as a result of existing down-round protections (see Section 12.4)	3,187,375	3,187,375	3.47%	2.96%	3,187,375	3.43%	2.93%
Shares/CDIs issued to investors under the Combined Offers[3]	N/A	14,457,831	15.76%	13.43%	15,662,650	16.85%	14.39%
Additional CDIs to be issued at Offer Price in lieu of advisory fees (see Section 7.6)[3]	N/A	180,722	0.20%	0.17%	180,722	0.19%	0.17%
Subtotal (Shares/CDIs)[3]	**77,089,098**	**91,727,651**	**100.00%**	**85.19%**	**92,932,470**	**100.00%**	**85.36%**
Options[5,6]	7,184,233	7,954,233		7.39%	7,954,233		7.31%
Warrants[6]	787,909	787,909		0.73%	787,909		0.72%
Subtotal (Options & Warrants)	**7,972,142**	**8,742,142**		**8.15%**	**8,742,142**		**8.06%**
Royalty Shares[7]	7,200,000	7,200,000		6.69%	7,200,000		6.61%
Total (fully-diluted)	**92,261,240**	**107,669,793**		**100.00%**	**108,874,612**		**100.00%**

Notes:

1. Does not include any Shares that may be acquired by Existing Holders under the Combined Offers, which are dealt with elsewhere in this table.
2. Does not include Shares to be issued as a result of the other matters listed in this table.
3. Number of CDIs and Shares is equivalent as a result of each CDI representing an interest in one Share.
4. Figures relating to the conversion of interest are based on the assumption that the Note Conversion will occur on 30 August 2019.
5. Post-Offer figures include the 770,000 Options to be issued following completion of the Offer under this Prospectus, as described in Sections 7.4.6 and 7.7.2.
6. Assumes no Options or Warrants are exercised or lapse before allotment.
7. Maximum possible figure. Refer to Section 9.3 for further information.

8. DETAILS OF THE OFFER (CONT)

The Company's free float (within the meaning of the Listing Rules) at the time of Listing will not be less than 20%.

Details of the securities that are expected to be subject to escrow arrangements are contained in Section 12.11.

8.5.2 OWNERSHIP STRUCTURE

The following table sets out the Company's ownership structure immediately prior to, and following allotment under, the Combined Offers. The percentage figures are expressed on an undiluted basis.

	Pre-allotment		Post-allotment		
Holder	**Securities**	**% of Shares**	**Securities**	**% of Shares (Minimum Allotment)**	**% of Shares (Maximum Allotment)**
Warren G. Herreid II & KAHR Foundation	9,787,020 Shares 273,972 Warrants	12.70%	10,494,488 Shares 273,972 Warrants	11.44%	11.29%
Siemens Medical Solutions USA, Inc.	8,761,342 Shares	11.37%	8,761,342 Shares	9.55%	9.43%
Mark Tibbles	4,437,408 Shares 344,900 Options	5.76%	4,548,981 Shares 444,900 Options	4.96%	4.89%
Steve Wedan	4,424,232 Shares 1,060,800 Options	5.74%	4,424,232 Shares 1,260,800 Options	4.82%	4.76%
Other Directors	N/A	N/A	270,000 Options	N/A	N/A
Other Key Managers	1,728,585 Shares 3,747,900 Options	2.24%	1,728,585 Shares 3,947,900 Options	1.88%	1.86%
Other Existing Holders	47,950,511 Shares 2,030,633 Options 513,937 Warrants	62.20%	47,950,511 Shares 2,030,633 Options 513,937 Warrants	52.27%	51.60%
Subtotal	**77,089,098 Shares** **7,184,233 Options** **787,909 Warrants**	**100.00%**	**77,908,139 Shares** **7,954,233 Options** **787,909 Warrants**	**84.93%**	**83.83%**
Shares/CDIs issued to investors under the Combined Offers	N/A	N/A	13,638,790 Shares (Minimum Allotment) 14,843,609 Shares (Maximum Allotment)	14.87%	15.97%
Additional CDIs to be issued at Offer Price in lieu of adviser fees (see Section 7.6)	N/A	N/A	180,722 Shares	0.20%	0.19%
Total	**77,089,098 Shares** **7,184,233 Options** **787,909 Warrants**	**100.00%**	**91,727,651 Shares (Minimum Allotment)** **92,932,470 Shares (Maximum Allotment)** **7,954,233 Options** **787,909 Warrants**	**100.00%**	**100.00%**

Notes:

1. The figures for Shares are equivalent to figures for CDIs (and where relevant, include or relate to Shares held as CDIs).
2. Pre-allotment figures are calculated on the basis described under the heading "Pre-allotment figures" in the Important Information section at the beginning of this Prospectus.
3. Post-allotment figures for Shares do not include any Shares or CDIs that the Existing Holders may subscribe for under the Combined Offers, other than 707,468 Shares that Warren G. Herreid II & KAHR Foundation have committed to subscribe for, and 111,573 Shares that Mark Tibbles has committed to subscribe for, under the U.S. Private Placement.
4. Post-allotment figures for Options include the 770,000 Options be issued following completion of the Offer under this Prospectus, as described in Sections 7.4.6 and 7.7.2.
5. The figures for "Other Directors" do not include securities held by Mark Tibbles and Steve Wedan, and the figures for "Other Key Managers" do not include securities held by Steve Wedan, as their securities are set out separately. The interests of Steve Wedan include indirect interests and interests held jointly with his wife, Cherri Wedan, as further described in Section 7.7.4.
6. Figures in this table do not take into account the issue of up to 7,200,000 Royalty Shares as described in Section 9.3, expected to occur on 12 April 2020.

8.6 TERMS AND CONDITIONS OF THE OFFER

Topic	Summary
What is the type of security being offered?	CHESS Depositary Interests (CDIs) over Shares of common stock in the Company. Each Share is equivalent to 1 CDI (1 CDI : 1 Share).
What are the rights and liabilities attached to the securities?	A description of the CDIs and the Shares, including the rights and liabilities attaching to them, is set out in Sections 12.7 and 12.8.
What is the Offer Price?	A$0.83 per CDI
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out on page 4. The timetable is indicative only and may change. All times are stated in AEST. The Company, in consultation with the Lead Manager, reserves the right to amend any and all of these dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before CDIs are issued by the Company). If the Offer is cancelled before the issue of CDIs, then all Application Monies will be refunded in full (without interest).
Is the Offer underwritten?	Yes, the Offer is underwritten by the Lead Manager up to the Minimum Offer Proceeds. The obligation of the Lead Manager to underwrite the Offer is subject to the investors under the U.S. Private Placement settling their funds with Imricor by the Settlement Date. Please see Section 9.10 for a summary of the Underwriting Agreement.
What is the minimum and maximum Application size under the Offer?	Applications under the Offer must be for a minimum of 2,410 CDIs (approximately A$2,000). There is no maximum number or value of CDIs that may be applied for under the Broker Firm Offer. The Lead Manager and the Company reserve the right to treat any Applications under the Broker Firm Offer that are from persons who they reasonably believe may be Institutional Investors, as bids in the Institutional Offer. The Lead Manager and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.

8. DETAILS OF THE OFFER (CONT)

Topic	Summary
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 2 September 2019.
When are the CDIs expected to commence trading?	It is expected that trading of the CDIs on the ASX will commence on or about 30 August 2019, initially on a deferred settlement basis. Normal settlement trading is expected to commence on or about 3 September 2019. It is the responsibility of each Applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial statement of holding do so at their own risk. The Company, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell CDIs before receiving their initial statement of holding, even if such person received confirmation of allocation from the Imricor Offer Information Line, a broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 12.11.
Are there any tax considerations?	Yes. Refer to Section 11.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to 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. All enquiries in relation to the Broker Firm Offer should be directed to your broker. If you are unclear in relation to any matter or are uncertain as to whether Imricor is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

8.7 ALLOCATION POLICY

The allocation of CDIs between the Institutional Offer and the Broker Firm Offer will be determined by the Lead Manager in consultation with the Company.

The allocation of CDIs under the Institutional Offer will be determined by the Lead Manager in consultation with the Company.

For Broker Firm Offer participants, the relevant broker will decide how it allocates CDIs among its retail clients, and it (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from it receive the relevant CDIs.

The Lead Manager and the Company have absolute discretion regarding the allocation of CDIs to Applicants under the Offer and the Lead Manager may reject or scale-back an Application. If you are not issued any CDIs, or you are issued fewer CDIs than the number that you applied and paid for as a result of a scale back, all or some of your Application Monies (as applicable) will be refunded to you (without interest) in accordance with the Corporations Act. Amounts of A$2.00 or less will be retained by the Company.

8.8 HOW TO APPLY UNDER THE OFFER

8.8.1 THE INSTITUTIONAL OFFER

The Lead Manager will separately advise the Institutional Investors of the application procedures for the Institutional Offer.

8.8.2 BROKER FIRM OFFER

WHO MAY APPLY?

The Broker Firm Offer is open to persons who have received an allocation from their broker and who are residents of Australia. If you have been offered an allocation by a broker having a firm allocation, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your broker to determine whether they may allocate CDIs to you under the Broker Firm Offer.

HOW TO APPLY

Investors who have received an allocation of CDIs in the Broker Firm Offer must follow instructions provided by their broker.

Those Applicants must complete the Application Form at the back of this Prospectus. By making an Application, you declare that you were given a copy of this Prospectus, together with an Application Form. Please contact your broker if you require further instructions.

Any Application Form for a Broker Firm Offer must be stamped by a broker so that the correct allocation of CDIs is received.

HOW TO PAY

Applicants under the Broker Firm Offer should make payments in accordance with the directions of the broker from whom you received an allocation.

TIMING FOR APPLICATIONS AND CONFIRMATION

Applicants under the Broker Firm Offer should send their completed Broker Firm Application Form and Application Monies to their broker by the Closing Date.

Please confirm with your broker the manner in which you should make your payment.

Imricor, the Lead Manager and the Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.

CLOSING DATE FOR RECEIPT OF APPLICATIONS

The Broker Firm Offer opens on 15 August 2019 and is expected to close on 26 August 2019. Imricor may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Your broker may also impose an earlier closing date.

Applicants applying for CDIs using a paper form under the Broker Firm Offer are encouraged to submit an Application Form and Application Monies to their broker as early as possible in advance of the Closing Date and to allow a sufficient period for mail processing time.

HOW TO OBTAIN A COPY OF THIS PROSPECTUS

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- You can download an electronic copy at www.imricor.com/ipo; or
- Request a copy from the Registry by calling the Imricor Offer Information Line on 1300 376 397 (within Australia) or +61 3 9415 4397 (outside Australia) between 8:30am and 5:00pm (AEST) Monday to Friday.

While you may obtain a copy of these documents as set out above, your Application will not be accepted under the Broker Firm Offer if it is not lodged through your broker.

8. DETAILS OF THE OFFER (CONT)

8.9 ABOUT THE CDIS

The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. Imricor is incorporated in the state of Delaware in the United States, which does not recognise the CHESS system of holding securities or electronic transfers of legal title to Shares. To enable companies such as Imricor to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying shares. CDIs are traded in a manner similar to shares of Australian companies listed on the ASX.

WHAT IS THE PRINCIPAL DIFFERENCE BETWEEN HOLDING CDIS AND HOLDING SHARES?

The principal difference between holding CDIs and holding the underlying Shares is that the CDI Holder will hold a beneficial interest in Shares, but not legal title. The legal title to the Shares will instead be held by a depositary, CHESS Depositary Nominees Pty Limited (**CDN**), which is a wholly-owned subsidiary of the ASX. CDN is an approved general participant of ASX Settlement.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No share certificates will be issued to CDI Holders. Shareholders cannot trade their Shares on the ASX without first converting their Shares into CDIs.

The Shares underlying the CDIs will be registered in the name of CDN and will be held on behalf of and for the benefit of the CDI Holder. CDIs will be CHESS-approved from the date of Official Quotation in accordance with the Listing Rules and the ASX Settlement Operating Rules. The Shares underlying the CDIs will rank equally with the other Shares on issue in Imricor. Investors should note that there are certain differences between Shares in Imricor and ordinary shares which are typically issued by Australian incorporated public companies. A summary of the key rights attaching to CDIs and Shares is set out in Sections 12.7 and 12.8.

Holders of CDIs can choose to have their CDIs converted to a direct holding of Shares as described in Section 12.7, however, if they do so they will no longer be able to trade on the ASX. Similarly, subject to any restrictions under applicable law, holders of Shares may choose to convert their Shares to CDIs to enable them to trade on the ASX, as described in Section 12.7.

8.10 FEES AND COSTS ASSOCIATED WITH THE OFFER

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Offer.

8.11 APPLICATION MONIES

All Application Monies will be held by the broker, Imricor's Registry or the Lead Manager, on trust in a separate account, until CDIs are issued to Successful Applicants.

Application Monies will be refunded in A$ to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. Amounts of A$2.00 or less will be retained by the Company. No interest will be paid on refunded amounts. Imricor will retain any interest earned on Application Monies.

8.12 TRADING ON THE ASX

Imricor has applied to the ASX for admission to the Official List of the ASX and for the CDIs to be granted Official Quotation by the ASX. Imricor is not currently seeking a listing of its Shares or any CDIs on any other stock exchange.

The admission of Imricor to the Official List of the ASX and Official Quotation of the CDIs is not to be taken in any way as an indication of the merits of Imricor or the CDIs offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus. Trading in CDIs, if quotation is granted, will commence as soon as practicable after the issue of holding statements to Successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the CDIs. Applicants who sell CDIs before they receive confirmation of their allotment may contravene the Listing Rules and do so at their own risk.

If permission for quotation of the CDIs is not granted within three months after the date of the Original Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to the ASX granting approval for Imricor to be admitted to the Official List of the ASX, Imricor will procure the issue of CDIs by CDN to Successful Applicants as soon as practicable after the Closing Date. Commencement of trading on

the ASX is expected to occur on 30 August 2019, initially on a deferred settlement basis. Holding statements confirming Applicants' allocations under the Offer are expected to be sent to Successful Applicants on or around 2 September 2019. Applicants under the Offer will be able to call Imricor's Offer Information Line on 1300 376 397 (within Australia) or +61 3 9415 4397 (outside Australia) between 8:30 am and 5:00 pm AEST, from Monday to Friday to confirm their allocation.

Trading of CDIs on the ASX is expected to commence on 3 September 2019 on a normal settlement basis.

If you sell CDIs before receiving an initial holding statement, you may contravene the Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker or Imricor's Offer Information Line.

8.13 CHESS AND ISSUER SPONSORED HOLDINGS

The Company will apply to participate in CHESS and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form.

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all Successful Applicants, the CDIs of a CDI Holder who is a participant in CHESS or a CDI Holder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other CDIs will be registered on the issuer sponsored subregister.

Following allotment under the Combined Offers, CDI Holders will be sent a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of a CDI Holder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. CDI Holders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

CDI Holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI Holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Registry may charge a fee for these additional issuer sponsored statements.

8.14 RESTRICTED SECURITIES

Subject to Imricor being admitted to the official list of the ASX, certain Shares on issue prior to the Combined Offers are likely to be classified by the ASX as restricted securities and will be required to be held in escrow. Refer to 'Escrow arrangements' in Section 12.11 for further information.

8.15 OVERSEAS JURISDICTIONS

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to permit a public offering of CDIs in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law. It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to their Application.

8.15.1 UNITED STATES RESIDENTS

The securities being offered pursuant to this Prospectus have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the U.S. Securities Act.

8.15.2 HONG KONG

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures

8. DETAILS OF THE OFFER (CONT)

Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

8.15.3 SINGAPORE

This Prospectus and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

If you are in Singapore, this Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) an 'accredited investor' (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

The contents of this Prospectus have not been reviewed by any regulatory authority in Singapore. This Prospectus may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this Prospectus or as to your legal rights and obligations in connection with the Offer, please obtain appropriate professional advice.

8.15.4 NEW ZEALAND

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The CDIs are not being offered or sold in New Zealand (or issued with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

8.16 DISCRETION REGARDING THE OFFER

Imricor may, in consultation with the Lead Manager, withdraw the Offer, or any part of it, at any time before the allotment of CDIs to Successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

Imricor also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer CDIs than applied or bid for.

If the Company amends the Closing Date, any such amendment will be announced through the ASX.

8.17 QUESTIONS OR FURTHER INFORMATION

If you have any queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

- call the Imricor Offer Information Line on 1300 376 397 (toll free within Australia) or +61 3 9415 4397 (outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday; or
- visit www.imricor.com/ipo to download an electronic copy of the Prospectus.

If you are unclear in relation to any matter or are uncertain as to whether Imricor is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

SECTION 9

MATERIAL CONTRACTS

9. MATERIAL CONTRACTS

9.1 INTRODUCTION

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and arrangements and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.2 LICENSE AGREEMENT WITH JOHNS HOPKINS UNIVERSITY

Imricor is a party to a license agreement with Johns Hopkins University (**Johns Hopkins**), under which Imricor has the right to use two patents issued to Johns Hopkins (**JH License**). The two patents are: (i) "System and Method for Magnetic Resonance Guided Electrophysiologic and Ablation Procedures" (Serial Number: 09/428,990, International PCT Application Number: PCT/US99/25858) (the **Ablation Patent**); and (ii) "ECG Amplifier and Cardiac Pacemaker for Use During Magnetic Resonance Imaging" (Patent Number 5,217,010) (the **Amplifier and Pacemaker Patent**).

The JH License is an exclusive license to Imricor for it to use the patent rights for any diagnostic or therapeutic method, process or device not using (i) an intravascular, intralumen, or intratissue miniature magnetic resonance coil detection probe in reference to the Ablation Patent and (ii) any MRI-guided temporary catheters if such catheter will not produce electrical stimuli without a separate generator in reference to the Amplifier and Pacemaker Patent. Imricor may sublicense under the JH License with Johns Hopkins' written consent. Additionally, the U.S. federal government may have rights in the patents and therefore have additional requirements, which include: (i) that Imricor must substantially manufacture products relating to the Ablation Patent and Amplifier and Pacemaker Patent within the United States, (ii) that Imricor must grant a sublicense to the U.S. government when health and safety require, and (iii) other additional government rights under the laws and regulations applicable to the grant/contract award under which the patents were made.

Imricor has paid, or must pay, the following to Johns Hopkins:

- a license fee of US$1,000;
- a minimum royalty of US$25,000 per year;
- a running royalty of 2% of net sales (defined as gross revenues and fees received by Imricor from the sale of Imricor's products relating to Ablation Patent and Amplifier and Pacemaker Patent, less trade discounts, refunds, returns and recalls, shipping costs and related taxes);
- 25% of all consideration received relating to sublicenses of the Ablation Patent and Amplifier and Pacemaker Patent; and
- out-of-pocket costs of Johns Hopkins relating to the Ablation Patent and Amplifier and Pacemaker Patent's patent maintenance.

As at the date of this Prospectus, Imricor has paid US$234,000 to Johns Hopkins pursuant to the JH License and has issued a total of 698,180 Shares to Johns Hopkins in lieu of fees. This JH License continues until the Ablation Patent and the Amplifier and Pacemaker Patent both expire, the last of which expires on 12 April 2020.

9.3 ROYALTY AND CONVERSION AGREEMENTS

Imricor is party to royalty agreements with each of Dr. Henry Halperin and Dr. Ronald Berger dated 23 February 2007 (**Royalty Agreements**). Under the Royalty Agreements, Imricor must pay a royalty to each of Dr. Halperin and Dr. Berger equal to 2% and 1% respectively, of the gross revenues and fees received by Imricor from the sale of Imricor's products relating to the JH License, less trade discounts, refunds, returns and recalls, shipping costs and related taxes. As at the date of this Prospectus, no royalties have been paid, or are payable to, Dr. Halperin and Dr. Berger under the Royalty Agreements, though Imricor expects to begin paying the royalties once sales of the Vision-MR Ablation Catheter commence in the European Union.

In conjunction with the Royalty Agreements, Imricor entered into supplemental agreements with each of Dr. Halperin and Dr. Berger in 2007 and 2009 regarding the conversion of royalties owed under the Royalty Agreements into a calculable number of Shares (**Conversion Agreements**). The conversion of the royalties into Shares occurs upon the first of:

- the parties agreeing to convert the royalties to Shares;
- the expiration of the Royalty Agreements, which expire when, amongst other events, the JH License terminates;
- the completion of an acquisition transaction involving Imricor; and
- Imricor's initial public offering pursuant to an effective registration statement under the U.S. Securities Act.

9. MATERIAL CONTRACTS (CONT)

Imricor does not currently expect the royalties to convert into Shares until 12 April 2020, being the date that the JH License is expected to expire. The maximum number of Shares that may be issued to Dr. Halperin is 4,800,000 and to Dr. Berger is 2,400,000 (**Royalty Shares**), though these numbers will decrease as royalties are paid by Imricor in cash.

Both Dr. Halperin and Dr. Berger have the option to require Imricor to provide a loan of US$100,000 (each), with a 1% plus The Wall Street Journal "prime" rate interest rate, to pay any taxes owed by them as a result of the conversion.

9.4 LICENSE AGREEMENT WITH KONINKLIJKE PHILIPS ELECTRONICS N.V.

Imricor and Koninklijke Philips Electronics N.V. (**Philips Electronics**) entered into a License and Joint Development Agreement on 27 January 2012, pursuant to which Philips Electronics granted a non-exclusive license to Imricor to use certain catheters, sheaths and related interventional devices in the field of cardiac electrophysiology, renal denervation applications and myocardial biopsy applications (**Philips License**).

Imricor pays Philips Electronics a percentage-based royalty on net cash revenues actually received by Imricor in respect of sales of the licensed patents by Imricor to third parties in a commercial, arm's length transaction, after deduction of normal discounts, and duties and sales taxes actually incurred by Imricor in respect of such sales. The royalty is reduced royalties paid by Imricor to third parties for intellectual property rights licensed to Imricor capped at a minimum threshold.

As at the date of this Prospectus, Imricor has paid US$293,374 to Philips Electronics pursuant to the Philips License. The Philips License terminates when the last to expire patent expires, or on 30 June 2023, which is extended by 5 years if Imricor has sold 40,000 catheter units or compensated Philips Electronics to cover lost royalties and another 5 years if Imricor sells 100,000 catheter units or compensated Philips Electronics to cover lost royalties.

9.5 JOINT DEVELOPMENT AGREEMENT WITH SIEMENS HEALTHCARE GMBH

Imricor and Siemens Healthcare GmbH entered into a Joint Development Agreement with an Effective Date of 1 September 2017, pursuant to which Imricor and Siemens Healthcare GmbH will collaborate to make Imricor's ablation system compatible with Siemens' MR scanner MAGNETOM Aera 1.5T and application software to support procedures in electrophysiology (the **Siemens Collaboration**). This agreement contains customary IP provisions.

9.6 JOINT DEVELOPMENT AGREEMENT WITH PHILIPS MEDICAL SYSTEMS NEDERLAND B.V.

Philips Medical Systems Nederland B.V. (**Philips Nederland**) and Imricor entered into a Joint Development Agreement effective as of 7 June 2019, pursuant to which Philips Nederland and Imricor will collaborate to make Imricor's ablation system compatible with Philips Nederland's Magnetic Resonance Imaging System and other applicable software, parts and computer systems to support electrophysiology procedures (the **Philips Collaboration**). This agreement contains customary IP provisions.

9.7 OUT-LICENSING OF INTELLECTUAL PROPERTY

As discussed in Section 3.7.1, Imricor currently licenses certain intellectual property rights via three different licensing arrangements with Sorin, Cyberonics and Nalu Medical.

Imricor considers its development and license agreement with Nalu Medical (**Nalu Agreement**) to be its key out-licensing arrangement at present. Under the Nalu Agreement, Imricor is developing MRI-compatible neurostimulation leads for use in Nalu Medical's implantable neurostimulator platform. The term of the Nalu Agreement currently expires on 31 December 2019 and all milestones are scheduled to be completed before that date.

Under the Nalu Agreement, Imricor has also granted to Nalu Medical a license in its background intellectual property to make implantable lead products in the field of neuropathic pain, disease of the bladder and urinary tract, and fecal incontinence and erectile dysfunction. This license survives termination or expiration.

9.8 U.S. NATIONAL INSTITUTES OF HEALTH

Imricor was awarded a contract with the U.S. National Institutes of Health (**NIH**) on 26 September 2017 to develop an endomyocardial injection needle chemoablation catheter that is safe for operation during MRI. There are three periods of work under the contact, and to date, Imricor has completed the first phase of work (**Base Period**) and commenced the second two phases (**Phase I** and **Phase II** respectively). During the Base Period, Imricor developed a prototype, which was tested in animals. Phase I involves the development and testing of a myocardial injection needle prototype. The final period, Phase II, involves mechanical and safety testing and regulatory development for the device to eventually be used in human investigation.

To date, Imricor has received remuneration under the contract totalling US$300,000, and will receive further remuneration of approximately US$2.1 million.

9.9 CONTRACTS IN RELATION TO THE SALE OF PRODUCTS

Imricor has entered into contracts in relation to the sale of its capital equipment and ongoing sales of disposables with Leipzig Heart Centre, HagaZeikenhuis (Haga Teaching Hospital), Herzzentrum Dresden GmbH Universitätsklinik (Dresden Heart Centre), and VU Medisch Centrum (VUMC). Each contract for sale attaches a standard form of terms and conditions applicable to the one-off sale of equipment and ongoing sales of disposables to the relevant counterparty. The terms and conditions set pricing for the products for a set period of time, but do not commit the counterparty to purchase the products, or contemplate the purchase by the counterparty of any minimum volume of the products.

9.10 UNDERWRITING AGREEMENT

The Offer is being managed by the Lead Manager and underwritten up to the Minimum Offer Proceeds pursuant to the Underwriting Agreement.

Imricor and the Lead Manager signed the Underwriting Agreement on 7 August 2019. Under the Underwriting Agreement, the Company appointed the Lead Manager to arrange and manage the Offer and to act as underwriter for the Offer up to the Minimum Offer Proceeds. The obligation of the Lead Manager to underwrite the Offer is subject to standard conditions, including settlement of the U.S. Private Placement. The following is a summary of the principal provisions of the Underwriting Agreement.

9.10.1 FEES

Subject to the Lead Manager satisfying its underwriting obligations under the Underwriting Agreement, the Company has agreed to pay the Lead Manager the following fees:

- out of the Minimum Offer Proceeds, an amount of $600,000 less 4% of any amounts raised from any of the Company's existing investors or the Company's directors, officers and employees, and less certain monthly retainer fees which are refundable in accordance with the mandate letter between the Company and the Lead Manager;
- out of any proceeds raised as a result of the issue of New CDIs as oversubscriptions under the Offer (**Oversubscription CDIs**), the following fees:
  - an advisory fee equal to 1.0% of the Offer proceeds applicable to the Oversubscription CDIs; and
  - a capital raising fee equal to 4.0% of the Offer proceeds applicable to the Oversubscription CDIs,
    - excluding any such Offer proceeds raised from any of the Company's existing investors or the Company's directors, officers and employees, and
    - less certain monthly retainer fees which are refundable in accordance with the mandate letter between the Company and the Lead Manager and which have not already been deducted from the fee payable out of the Minimum Offer Proceeds.

These fees will be paid to the Lead Manager on the Settlement Date. Imricor may also, in its sole discretion, determine to pay the Lead Manager an incentive fee of up to 0.5% of the Offer proceeds.

Imricor must pay, or reimburse the Lead Manager for, the reasonable costs of and incidental to the Offer, including the Lead Manager's legal fees capped at A$60,000 (excluding GST).

9. MATERIAL CONTRACTS (CONT)

9.10.2 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

Imricor gives various representations, warranties and undertakings to the Lead Manager, including that the Offer and the content and dissemination of documents issued or published on behalf of the Company in respect of the offer (**Offer Documents**) comply with all applicable laws.

Imricor has agreed that it will not, without the prior written consent of the Lead Manager, issue (or agree to issue) or indicate in any way that it may or will issue (or agree to issue), any shares or securities at any time after the date of the Underwriting Agreement and up to 120 days after the Allotment Date. This is subject to certain exceptions, such as any issue made pursuant to an employee incentive plan described in Section 7.7 of this Prospectus, or a proposed transaction which has been fully and fairly disclosed in this Prospectus.

9.10.3 INDEMNITY

Subject to certain exclusions relating to, among other things, gross negligence, fraud, recklessness or wilful misconduct by any indemnified party, Imricor agrees to indemnify and hold harmless the Lead Manager and its respective representatives (for example, its affiliates, officers, directors, employees) against all losses directly or indirectly suffered or incurred by them in connection with the Offer or the appointment of the Lead Manager pursuant to the Underwriting Agreement.

9.10.4 TERMINATION EVENTS

The Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to the Company if certain events occur at any time on or before 4.00pm on the Settlement Date, including the following:

- a misleading or deceptive statement or omission in the Prospectus;
- a new circumstance that arises after the Prospectus is lodged and is materially adverse from the point of view of any investor;
- the Company issues or, in the reasonable opinion of the Lead Manager, is required to issue a Supplementary Prospectus;
- a specified fall in the S&P/ASX 300 Index;
- any restriction deed (see Section 12.11) is withdrawn, varied, terminated, rescinded or breached;
- the Company or any of its directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Offer;
- approval is refused or not granted in relation to the Company's admission to the official list of ASX, or the quotation of its CDIs on the ASX, or for its CDIs to be traded through CHESS, or such approval is granted subject to conditions other than customary conditions or if granted is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- certain orders or actions by ASIC in relation to the Prospectus or the Offer;
- withdrawal of a consent given with respect to an Offer Document;
- notification of a deficiency in an Offer Document by a prescribed person;
- the Company does not provide the Lead Manager with a closing certificate as and when required by the Underwriting Agreement;
- the Company fails to lodge the Prospectus by the lodgement date specified in the 'Key Dates' section of this Prospectus;
- withdrawal of the Offer (or the U.S. Private Placement in circumstances where binding commitments have been received) by the Company;
- cleared funds have not been received in the Company's bank account by 11.30am on the Settlement Date from an investor who has entered into a binding commitment under the U.S. Private Placement;
- circumstances arise after lodgement of the Prospectus under section 724 of the Corporations Act that results in the Company either repaying money received from applicants under the Offer or offering an opportunity for applicants to be repaid their application monies;
- insolvency of the Company;
- a timetable delay of more than two business days (other than any delay agreed between the Company and the Lead Manager or a delay as a result of an extension of the exposure period by ASIC);

- the Company being prevented from allotting and issuing CDIs or Shares under the Offer or the U.S. Private Placement (as applicable) within the time required by the Prospectus, the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- alteration in the issued capital or disposal, or attempted disposal, of a substantial part of the business or property of the Company without consent;
- a regulatory body or government agency withdraws, revokes or amends any regulatory approvals required for the Company to comply with the Underwriting Agreement or carry out the transactions contemplated by the Offer Documents;
- any of the material contracts of the Company set out in Section 9 (**Material Contracts**) being terminated, withdrawn, rescinded, avoided or repudiated;
- a Director or proposed director of the Company named in the Offer Documents is charged with an indictable offence, any governmental agency charges or commences any court proceedings or public action against the Company or any of its Directors in their capacity as a director of the Company, or announces that it intends to take action, or any Director or any proposed director named in this Prospectus is disqualified from managing a corporation

In addition, if one of the following events occurs and the Lead Manager has reasonable grounds to believe that the event (a) has (or is likely to have) a materially adverse effect on the success, settlement or marketing of the Offer, on the ability of the Lead Manager to market or promote or settle the Offer, or on the likely price at which CDIs under the Offer will trade on ASX; or (b) will (or is likely to) give rise to a liability of the Lead Manager under any applicable law or result in the Lead Manager or its affiliates being involved in a contravention of any applicable law, then the Lead Manager may, at any time until on or before 5:00pm on the Settlement Date, terminate the Underwriting Agreement, without cost or liability, by notice to the Company:

- any statement or estimate in this Prospectus or an Offer Document related to a future matter is, in the reasonable opinion of the Lead Manager, no longer based on reasonable grounds or is unlikely to be met in the projected time;
- a change in the CEO, the CFO or the Board;
- an obligation under a Material Contract is, in the reasonable opinion of the Lead Manager, incapable of being performed, or all or part of a Material Contract is varied, breached, ceases to have effect, or is void, voidable, illegal, invalid, unenforceable (other than by reason of a party waiving its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn, or of limited force and affect;
- a misleading or deceptive statement or omission in an Offer Document (other than this Prospectus), public information, documents issued or published on behalf of the Company in respect of the U.S. Private Placement (**U.S. Offer Documents**), or information supplied to the Lead Manager in relation to the Company, the Offer or the U.S. Private Placement (including the due diligence report and verification materials);
- an event or occurrence, including any statute, order, rule, regulation, directive, request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company;
- a change (or proposed change) in law or policy;
- the Company breaches the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the ASIC Act (or any regulations under those acts), its Certificate of Incorporation or Bylaws, or the Listing Rules;
- any Offer Document, U.S. Offer Document, or any aspect of the Offer or U.S. Private Placement is not in compliance with any applicable law or regulation;
- any licence, permit, authorisation or consent held by the Company necessary to conduct its business is revoked, withdrawn, rescinded, breached, amended or terminated without the consent of the Lead Manager;
- other than as disclosed in the Prospectus, the Company creates or agrees to create an encumbrance or security interest over the whole or a substantial part of its business or property;
- a representation, warranty or undertaking or obligation given by the Company under the Underwriting Agreement is breached, becomes untrue, or is not performed, or the Company defaults on any of its obligations under the Underwriting Agreement;
- the Company varies its Certificate of Incorporation or Bylaws without the Lead Manager's prior written consent;

9. MATERIAL CONTRACTS (CONT)

- legal proceedings against the Company or a Director are commenced or threatened, or any regulatory body or government agency commences or threatens any enquiry or public action against the Company;
- a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;
- hostilities involving Australia, China, Hong Kong, New Zealand, Singapore, the United Kingdom, any Member State of the European Union or the United States commence or escalate, or a major terrorist act is perpetrated on any of those countries;
- disruption in the financial markets of certain jurisdictions, including a general moratorium on commercial banking activities, a disruption in commercial banking or security settlement or clearance services, an adverse effect on financial markets or foreign exchange rates, any development involving a prospective change in political, financial or economic conditions, or trading in all securities on certain major stock exchanges is suspended or limited in a material respect for a substantial part of a day.

In the event that the Lead Manager terminates the Underwriting Agreement, the Lead Manager will be immediately relieved of its obligations under the Underwriting Agreement.

SECTION 10

INTELLECTUAL PROPERTY REPORT

10. INTELLECTUAL PROPERTY REPORT

Fox Rothschild LLP
ATTORNEYS AT LAW

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July 31, 2019

VIA ELECTRONIC MAIL AND FEDEX

Board of Directors
Imricor Medical Systems, Inc.
400 Gateway Boulevard
Burnsville, MN 55337

Re: Imricor Medical Systems, Inc. Intellectual Property Portfolio

Dear Sirs:

This letter has been prepared by Fox Rothschild LLP ("Fox Rothschild") for inclusion in a Prospectus to be issued by Imricor Medical Systems, Inc. ("Imricor"). The information in this letter is being provided on information and belief, based on personal knowledge, firm records, and consultation with Imricor, unless otherwise indicated. The Schedule of Imricor Patent Properties (the "Schedule") is accurate as of July 31, 2019.

Background

Fox Rothschild is a national law firm delivering strategic and practical solutions for clients. Home to more than 900 attorneys in 27 offices coast to coast, Fox offers a team of accomplished professionals who have honed their legal skills in government and industry. Fox serves a wide range of clients, from *Fortune* 500 corporations to startups, family-owned businesses, educational institutions, nonprofit organizations and individuals.

Fox Rothschild's intellectual property attorneys include a team of more than 50 registered patent attorneys many of whom hold advanced degrees or have industry experience in a broad range of disciplines, including agricultural biology, biomedical engineering, biotechnology, chemistry

(organic, inorganic, biochemistry and specialty chemicals), electrical and computer engineering, energy and natural resources, materials science, mechanical engineering, medical devices, molecular biology, petrochemicals, plastics, semiconductors, small molecule pharmaceuticals, software engineering, telecommunications, veterinary medicine and combinations of the foregoing. Fox Rothschild is ranked among the top patent firms by IP Today and in Intellectual Asset Management's "Patent 1000: The World's Leading Patent Practitioners." Fox Rothschild intellectual property professionals utilize their breadth and depth of knowledge, in terms of experience both in academic and industrial setting, to help its clients achieve their business goals.

This report has been prepared by Barbara A. Wrigley, a Fox Rothschild partner, who has been practicing patent preparation, prosecution and portfolio development and management for more than twenty-five years. Ms. Wrigley is registered to practice before the U.S. Patent and Trademark Office and is admitted to the bar of the State of Minnesota. Fox Rothschild (and Oppenheimer Wolff & Donnelly prior to its merger with Fox Rothschild) has been advising Imricor with regard to its intellectual property portfolio and strategy since Imricor's inception in 2006 and has no financial interest in Imricor other than fees for our professional services.

This letter focuses on the intellectual property assets owned by Imricor (here, "Imricor's IP Portfolio"), and is intended to provide a general overview to aid in understanding the subject matter and scope of Imricor's IP Portfolio. No legal opinion or advice is intended or offered here. For more detailed information or advice, independent specialized counsel should be consulted. While Fox Rothschild handles prosecution of the U.S. patent applications in Imricor's IP Portfolio, the firm is not empowered to practice before the patent offices of jurisdictions outside of the United States. For patent applications outside of the United States, Fox Rothschild utilizes the services of established firms of non-U.S. patent attorneys. Fox Rothschild also manages and advises Imricor on the prosecution and acquisition of its trademarks.

We believe that Imricor may be able to garner patent protection for its product developments, in an aggressive and timely manner, by continuing its present procedures of working with outside patent counsel to develop its patent portfolio. Imricor's patent portfolio includes 18 issued U.S. patents, 40 corresponding granted foreign patents and 2 foreign patent applications that have been allowed. In addition, Imricor has 17 pending patent applications world-wide. It is our understanding that Imricor expects to continue to strengthen its patent portfolio through its pending applications, and patent applications that will be filed in the future for MR-enabled devices and methods.

10. INTELLECTUAL PROPERTY REPORT (CONT)

The scope of protection provided by Imricor's patents is determined by the scope of the claims of Imricor's patents, and the validity and enforceability of the patents cannot be guaranteed. Competitors may be able to compete with Imricor by designing around the claims of Imricor's patents, or by otherwise using products and techniques that are outside the scope of Imricor's patents. Additionally, Imricor may be prevented from practicing its technologies, including its patented technologies, due to the presence of third-party intellectual property. To date, Fox Rothschild is unaware of any third-party exerting any rights, or any other actions, against Imricor as to the use of its intellectual property.

Intellectual Property

A patent for an invention is a grant of a property right by a government to an inventor or his/her assigns. In the United States, by statute, any person who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvements thereof, may obtain a patent," subject to the conditions and requirements of the law. The right conferred by the patent grant is "the right to exclude others from making, using, or selling" the invention. The patent right granted is not the right to make, use, or sell a product that incorporates the patented technology, but rather the right to exclude others from making, using, or selling such a product. Similar patent rights are granted in other countries. The term of a patent is typically limited to 20 years from the earliest non-provisional priority date in any particular country. Patents may be granted for a machine, a manufacture, or a process or use or manufacture.

Trademarks are generally a word or logo that indicates the source of the identified goods or services. Registration enables the owner of the mark to utilize that mark in association with specific goods or services. Trademarks may last indefinitely, provided certain filings are made after registration and fees are paid at regular intervals. In the United States, renewal fees must be paid every ten years. Similar requirements exist in other countries.

All the patent applications and granted patents listed in the attached report are currently pending or in force, although some are subject to the payment of periodic annuity fees. Where a patent is listed in the Schedule as being granted, there can be no assurance that the patent is valid and enforceable. However, it should be noted in the United States, a patent granted by the U.S. Patent and Trademark Office is presumed to be valid in court proceedings. In addition, there can be no assurance that any of the pending patent applications listed in the Schedule will result in the issuance of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the application as originally filed. At the time of writing, Fox Rothschild is not aware of any disputes

with or challenges by third parties in relation to the validity of any of the claims of the granted patents.

Imricor's Technologies

Based on discussions with Imricor and our knowledge of Imricor's patent portfolio, Fox Rothschild understands that Imricor is involved in the development and commercialization of magnetic resonance (MR) enable devices for electrophysiology. Specifically, Imricor specializes in developing devices and systems that are compatible with magnetic resonance imaging (MRI). Its MR-enabled products are designed to provide doctors with the ability to perform interventional procedures, such as cardiac ablation for treating arrhythmias, while taking advantage of the soft tissue imaging of MRI.

Magnetic resonance imaging is the gold standard for imaging soft tissues such as the heart. Yet, most of today's interventional procedures are guided by x-ray imaging because very few medical devices are compatible with the MRI environment. Imricor has addressed the MRI compatibility problem with its patented MR-enabled technology, which enables Imricor to deliver devices that doctors need to perform interventional procedures under real-time MRI guidance. Procedures guided by real-time MRI deliver sophisticated soft tissue visualization throughout the procedure with the potential for better outcomes, faster and safer procedures, and more cost-effective treatments. Imricor's MR-enabled technology allows physicians to modify therapy protocol in real-time to address each patient's unique cardiac structure and substrate and provides intraprocedural lesion visualization. These features have the potential to reduce the rate of arrhythmia recurrence following ablation and provide safer and faster procedures in a radiation-free environment for both physician and patient.

In addition to developing its own proprietary technologies, Imricor pursues third-party intellectual property rights to practice concepts that complement its products. In that regard, Imricor has entered into a nonexclusive license for certain patents with Koninklijke Philips Electronics N.V. in the field of cardiac electrophysiology and an exclusive license with Johns Hopkins University for certain patents in the field of diagnostic and therapeutic methods, processes and devices excluding devices with an imaging coil.

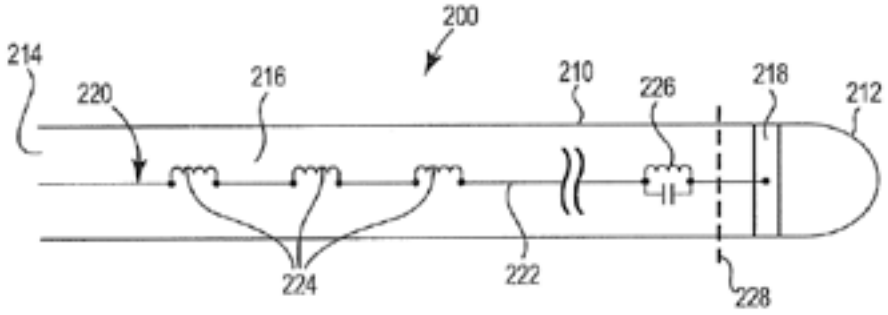
10. INTELLECTUAL PROPERTY REPORT (CONT)

Imrior also out-licenses certain aspects of its technology to Cyberonics, Inc. (acquired by LivaNova PLC); Sorin CRM S.A.S. (acquired by LivaNova PLC and subsequently sold to MicroPort Scientific); and Nalu Medical, Inc.

The Vision-MR™ Ablation Catheter

Imricor's patented product is the Vision-MR® Ablation Catheter. This product is an MR-enabled device designed to be used for cardiac ablation to treat arrhythmias.

U.S. Pat. Nos. 8,588,934; 8,731,687; 8,761,899; 8,761,900; 8,805,540; 8,831,743; and 8,855,788 cover different aspects of the Vision-MR® Ablation Catheter. The Vision-MR® Ablation Catheter includes a lead assembly having an elongate body with a proximal end and a distal end, the elongate body defining a lumen. The distal end is arranged and configured to contact cardiac tissue and the proximal end is operably coupled to electronic controls such as amplifiers for sensing cardiac activity, as well as a pacing circuit to stimulate cardiac tissue. The proximal end may also be connected to an RF ablation generator to ablate, for example, cardiac tissue. An electrode is located on the elongate body at the distal end and the electrical circuit or lead assembly is in communication with the electrode. The circuit is housed within the elongate body and includes an electrode wire that forms a plurality of non-resonant filters and one resonant LC filter. The resonant LC filter resolves the issue of insufficient attenuation by effectively blocking the RF induced current on the wire from exiting the wire through the electrode. The non-resonant filter(s) or inductors are positioned along the length of the elongate body that resolve(s) the issue of excessive heating of the resonant LC filter by attenuating the current induced on the wire before it reaches the resonant LC filter. The non-resonant filter(s) may also attenuate the RF current reflected from the resonant LC filter thereby resolving the issue of the strong reflected power from the resonant filter and the associated dielectric heating.



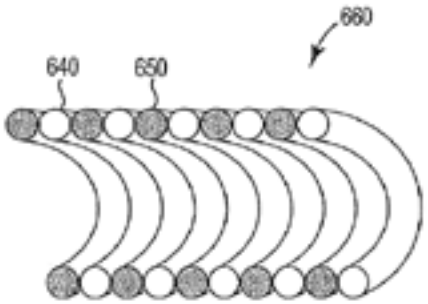
The lead assembly is constructed with three layers of coiled wire such that the capacitance between the layers and individual turns provide the ratio of inductance to capacitance required to satisfy the resonant condition and provide the maximum impedance at the resonant frequency. The ratio of turns from the inner layer to the outer layer are approximately 3:2:1. This ratio results in high structural integrity, manufacturability, and repeatability. For example, where the resonant frequency of the resonant LC filter is approximately 64 MHz to block the RF from a 1.5 Tesla MRI, the inner layer may include 30 turns, the middle layer may include 20 turns, and the outer layer may include 10 turns. In general, the exact number of turns is determined by the space available and the desired resonant frequency. The impedance, bandwidth and quality factor of the resonant LC filter can be adjusted by modifying the ratio of the capacitance to the inductance of the filter. This may be accomplished by changing the number of turns, the number of layers, the ratio of turns between layers, or all of these. For example, the ratio may vary in each case by one, two or three turns to obtain the desired characteristics of the filter.

The next generation of the Vision-MR® Catheter is currently under development and is covered by U.S. Pat. Nos. 8,588,938; 8,843,212; and 8,843,213. The next generation catheter has an electrode circuit that is co-radially wound as depicted below.

10. INTELLECTUAL PROPERTY REPORT (CONT)

Fox Rothschild LLP
ATTORNEYS AT LAW

Board of Directors
Imricor Medical Systems, Inc.
July 31, 2019
Page 7



Imricor's Intellectual Property Portfolio

Imricor files patent applications in the United States, either directly or as national-stage applications that claim priority to international applications filed under the Patent Cooperation Treaty. Imricor's issued U.S. patents and pending U.S. applications are listed in the attached Schedule A. Imricor also pursues protection of its intellectual property outside of the United States through the prosecution of national stage applications that claim priority to international applications under the PCT. These PCT applications typically share subject matter with related U.S. applications. National stage applications that claim priority to these PCT applications have been filed in specific jurisdictions, namely Europe, Japan, Australia, Canada, and the United States. Imricor's granted foreign patents and allowed applications are also listed in the attached Schedule A. Fox Rothschild pays maintenance, annuity, and application fees on behalf of Imricor when those fees are due if and when instructed by Imricor. As of the date of this letter, all required fees for the patents and applications listed in Schedule A have been paid and those patents and applications are in good standing.

In addition to protection of intellectual property rights through patents, Imricor pursues protection of its marks through trademark registration. Imricor asserts U.S. trademark rights to the mark VISION-MR, ADVANTAGE-MR and IMRICOR and other registered marks both foreign and U.S. A list of trademarks and the various jurisdictions in which they have been registered or are allowed is attached as Schedule B.

Fox Rothschild LLP
ATTORNEYS AT LAW

Board of Directors
Imricor Medical Systems, Inc.
July 31, 2019
Page 8

Imricor also pursues intellectual property protection in new product platforms that may leverage the company's business in the future. In addition to delivering MR-enabled cardiac ablation devices, Imricor is also applying its technology to an array of MR-guided interventional applications.

Very truly yours,

Barbara A. Wrigley
BAW/kw
Attachments

Schedule A – Patents and Patent Applications

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
USA GRANTED										
203776.03602	MRI COMPATIBLE ELECTRODE CIRCUIT	USA	12/743,954	05/20/2010	2011/0046707	02/24/2011	8,588,934	11/19/2013	11/15/2030	Granted
203776.03608	MRI COMPATIBLE CO-RADIALLY WOUND ELECTRODE CIRCUIT	USA	13/371,035	02/10/2012	2012/0143299	06/07/2012	8,588,938	11/19/2013	03/04/2030	Granted
203776.03609	METHOD OF CONSTRUCTING MRI COMPATIBLE ELECTRODE CIRCUIT	USA	13/372,158	02/13/2012	2012/0137513	06/07/2012	8,731,687	05/20/2014	03/04/2030	Granted
203776.03613	MRI COMPATIBLE CO-RADIALLY WOUND LEAD ASSEMBLY	USA	14/063,665	10/25/2013	20140088673	03/27/2014	8,843,213	09/23/2014	03/04/2030	Granted
203776.03614	MRI COMPATIBLE ELECTRODE CIRCUIT	USA	14/066,172	10/29/2013	20140058492	02/27/2014	8,855,788	10/07/2014	03/04/2030	Granted
203776.03615	MRI COMPATIBLE CO-RADIALLY WOUND LEAD ASSEMBLY	USA	14/063,566	10/25/2013	20140058491	02/27/2014	8,843,212	09/23/2014	03/04/2030	Granted
203776.03616	MRI COMPATIBLE ELECTRODE CIRCUIT	USA	14/066,218	10/29/2013	20140058493	02/27/2014	8,761,900	06/24/2014	03/04/2030	Granted

FOX NO USA GRANTED	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
203776.03705	MRI COMPATIBLE MEDICAL DEVICE TEMPERATURE MONITORING SYSTEM	USA	13/202691	08/22/2011	2011/0299565	12/08/2011	9,151,811	10/06/2015	11/27/2030	Granted
203776.03707	METHOD FOR MRI COMPATIBLE MEDICAL DEVICE TEMPERATURE MONITORING	USA	13/651007	10/12/2012	2013/0039384	02/14/2013	8,678,642	03/25/2014	03/04/2030	Granted
203776.03803	COMBINED FIELD LOCATION AND MRI TRACKING	USA	13/202,705	08/22/2011	2011/0306872	12/15/2011	9,271,664	03/01/2016	05/01/2033	Granted
203776.03805	COMBINED FIELD LOCATION AND MRI TRACKING	USA	13/651,891	10/15/2012	2013/0085378	04/04/2013	9,265,442	02/23/2016	04/15/2031	Granted
203776.04203	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	USA	14/106,177	12/13/2013	20140100445	04/10/2014	9,138,561	09/22/2015	12/13/2032	Granted
203776.04207	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	USA	14/705,617	05/06/2015	20150231365	08/20/2015	9,192,743	11/24/2015	12/13/2032	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
USA GRANTED										
203776.04216	MRI COMPATIBLE CONTROL HANDLE FOR STEERABLE SHEATH WITH AUDIBLE, TACTILE AND/OR VISUAL MEANS	USA	14/844,698	09/03/2015	2016-0058975	03/03/2016	9,757,538	09/12/2017	12/13/2032	Granted
203776.04220	STEERABLE SHEATH INCLUDING ELASTOMERIC MEMBER	USA	14/867,487	09/28/2015	2016-0058974	03/03/2016	9,821,143	11/21/2017	01/31/2033	Granted
203776.04501	MRI COMPATIBLE CONDUCTIVE WIRES	USA	13/833,962	03/15/2013	20130204335	08/08/2013	8,761,899	06/24/2014	03/04/2030	Granted
203776.04601	MRI COMPATIBLE CABLE	USA	13/833,533	03/15/2013	20130199839	08/08/2013	8,805,540	08/12/2014	03/04/2030	Granted
203776.04800	MRI COMPATIBLE ELECTRODE CIRCUIT	USA	13/836,287	03/15/2013	20130218246	08/22/2013	8,831,743	09/09/2014	03/04/2030	Granted

FOX NO USA PENDING	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
203776.03004	TRACKING SIGNALS FOR CATHETER	USA	15/556,890	09/08/2017	2018-0042515	02/15/2018				Published
203776.03503	SYSTEM AND METHOD FOR ENHANCED MAGNETIC RESONANCE IMAGING OF TISSUE	USA	15/558,055	09/13/2017	2018-0064342	03/08/2018				Published
203776.05003	MR COMPATIBLE PUNCTURE CATHETER	USA	15/567,514	10/18/2017	2018-0085027	03/29/2018				Published
203776.05202	MAGNETIC RESONANCE COMPATIBLE RF TRANSSEPTAL SYSTEM	USA	15/575,647	11/20/2017	2018-0070982	03/15/2018				Published
203776.05402	SLIDING DISTAL COMPONENT ASSEMBLY	USA	15/771,303	04/26/2018	2018-0311471	11/01/2018				Published
203776.06500	STEERABLE SHEATH DEFLECTION MECHANISM	USA	62/779,130	12/13/2018					12/13/2019	Pending
203776.06600	STEERABLE SHEATH DEFLECTION MECHANISM	USA	62/869,132	07/01/2019					07/01/2020	Pending

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.03603	MRI COMPATIBLE ELECTRODE CIRCUIT	AUSTRALIA	2010221228	03/04/2010			2010221228	08/15/2013	03/04/2030	Granted
203776.03612	MRI COMPATIBLE ELECTRODE CIRCUIT	AUSTRALIA	2013206743	03/04/2010			2013206743	02/12/2015	03/04/2030	Granted
203776.03618	MRI COMPATIBLE ELECTRODE CIRCUIT	AUSTRALIA	2014253481	03/04/2010			2014253481	06/09/2016	03/04/2030	Granted
203776.04209	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	AUSTRALIA	2013359395	12/11/2013		07/21/2016	2013359395	11/03/2016	12/11/2033	Granted
203776.04403	MR ACTIVE TRACKING SYSTEM	AUSTRALIA	2012352197	12/13/2012		05/07/2015	2012352197	08/20/2015	12/13/2032	Granted
203776.04802	MRI COMPATIBLE ELECTRODE CIRCUIT	AUSTRALIA	2014248852	03/12/2014			2014248852	07/06/2017	03/12/2034	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.03702	MRI COMPATIBLE MEDICAL DEVICE TEMPERATURE MONITORING SYSTEM AND METHOD	CANADA	2,754,124	03/04/2010	2754124	09/10/2010	2,754,124	12/08/2015	03/04/2030	Granted
203776.03708	MRI COMPATIBLE MEDICAL DEVICE TEMPERATURE MONITORING SYSTEM AND METHOD	CANADA	2,839,071	03/04/2010	2839071	09/10/2010	2,839,071	10/17/2017	03/04/2030	Granted
203776.03802	COMBINED FIELD LOCATION AND MRI TRACKING	CANADA	2,754,128	03/04/2010	2754128	09/10/2010	2,754,128	01/08/2019	03/04/2030	Granted
203776.04210	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	CANADA	2,894,763	12/11/2013	2894763	06/19/2014	2,894,763	09/19/2017	12/11/2033	Granted
203776.04404	MR ACTIVE TRACKING SYSTEM	CANADA	2,860,846	12/13/2012	2860846	06/20/2013	2,860,846	01/15/2019	12/13/2032	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.04803	MRI COMPATIBLE ELECTRODE CIRCUIT	CANADA	2,902,564	03/12/2014	2902564	10/09/2014	2,902,564	09/04/2018		Granted
203776.03605	MRI COMPATIBLE ELECTRODE CIRCUIT	CHINA (PEOPLE'S REPUBLIC)	201080010330.9	03/04/2010	CN102341037A	02/01/2012	ZL201008001033 0.9	11/26/2014	03/04/2030	Granted
203776.03611	MRI COMPATIBLE ELECTRODE CIRCUIT	CHINA (PEOPLE'S REPUBLIC)	201310392581.3	03/04/2010	CN103549952A	02/05/2014	ZL201310392581.3	08/17/2016	03/04/2030	Granted
203776.03617	LEAD ASSEMBLY	CHINA (PEOPLE'S REPUBLIC)	201410643489.4	03/04/2010	CN104491984A	04/08/2015	ZL201410643489.4	11/21/2017	03/04/2030	Granted
203776.04211	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	CHINA (PEOPLE'S REPUBLIC)	201380065624.5	12/11/2013	CN104883945A	09/02/2015	ZL201380065624.5	06/22/2018		Granted
203776.04405	MR ACTIVE TRACKING SYSTEM	CHINA (PEOPLE'S REPUBLIC)	201280061929.4	12/13/2012	105228520A	01/06/2016	ZL201280061929.4	03/01/2019	12/13/2032	Granted
203776.04804	MRI COMPATIBLE ELECTRODE CIRCUIT	CHINA (PEOPLE'S REPUBLIC)	201480016102.0	03/12/2014	CN105050655A	11/11/2015	ZL201480016102.0	12/15/2017	03/12/2034	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.04810	MRI COMPATIBLE ELECTRODE CIRCUIT	FINLAND	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04222	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	FRANCE	13862105.7	12/11/2013	2931111	10/21/2015	2931111	05/01/2019	12/11/2033	Granted
203776.04811	MRI COMPATIBLE ELECTRODE CIRCUIT	FRANCE	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04223	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	GERMANY	13862105.7	12/11/2013	2931111	10/21/2015	2931111	05/01/2019	12/11/2033	Granted
203776.04808	MRI COMPATIBLE ELECTRODE CIRCUIT	GERMANY	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04813	MRI COMPATIBLE ELECTRODE CIRCUIT	GREECE	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.04814	MRI COMPATIBLE ELECTRODE CIRCUIT	HUNGARY	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04815	MRI COMPATIBLE ELECTRODE CIRCUIT	IRELAND	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04816	MRI COMPATIBLE ELECTRODE CIRCUIT	ITALY	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.03606	MRI COMPATIBLE ELECTRODE CIRCUIT	KOREA, REPUBLIC OF	2011-7023243	03/04/2010		04/22/2014	10-1387841	04/15/2014	03/04/2030	Granted
203776.04212	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	KOREA, REPUBLIC OF	2015-7018472	12/11/2013			10-1737720	05/12/2017	12/11/2033	Granted
203776.04406	MR ACTIVE TRACKING SYSTEM	KOREA, REPUBLIC OF	10-2014-7019499	12/13/2012			10-1610567	04/01/2016	12/13/2032	Granted
203776.04805	MRI COMPATIBLE ELECTRODE CIRCUIT	KOREA, REPUBLIC OF	10-2015-7028792	03/12/2014			10-1825279	01/29/2018	03/12/2034	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.04224	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	NETHERLANDS	13862105.7	12/11/2013	2931111	10/21/2015	2931111	05/01/2019	12/11/2033	Granted
203776.04817	MRI COMPATIBLE ELECTRODE CIRCUIT	NETHERLANDS	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04818	MRI COMPATIBLE ELECTRODE CIRCUIT	NORWAY	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04819	MRI COMPATIBLE ELECTRODE CIRCUIT	POLAND	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04809	MRI COMPATIBLE ELECTRODE CIRCUIT	SPAIN	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04820	MRI COMPATIBLE ELECTRODE CIRCUIT	SWEDEN	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN GRANTED										
203776.04821	MRI COMPATIBLE ELECTRODE CIRCUIT	TURKEY	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted
203776.04225	MRI COMPATIBLE HANDLE AND STEERABLE SHEATH	UNITED KINGDOM	13862105.7	12/11/2013	2931111	10/21/2015	2931111	05/01/2019	12/11/2033	Granted
203776.04812	MRI COMPATIBLE ELECTRODE CIRCUIT	UNITED KINGDOM	14780387.8	03/12/2014	2983778	02/17/2016	2983778	01/16/2019	03/12/2034	Granted

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN ALLOWED										
203776.04221	MRI COMPATIBLE STEERABLE SHEATH	HONG KONG	15112917.8	12/31/2015	1211824A	06/03/2016				Allowed
203776.04807	MRI COMPATIBLE ELECTRODE CIRCUIT	HONG KONG	16105072.2	05/04/2016	1217096A	12/23/2016				Allowed

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN PENDING										
203776.03604	MRI COMPATIBLE ELECTRODE CIRCUIT	CANADA	2,754,045	03/04/2010	2754045	09/10/2010				Published
203776.04905	ACTIVELY TRACKED MEDICAL DEVICES	CHINA (PEOPLE'S REPUBLIC)	201480043244.6	01/29/2016	105431194A	03/23/2016				Published
203776.05205	MAGNETIC RESONANCE COMPATIBLE RF TRANSSEPTAL SYSTEM	CHINA (PEOPLE'S REPUBLIC)	201680035375.9	12/15/2017	CN107683118A	02/09/2018				Published

FOX NO	TITLE	COUNTRY	APPLICATION NO.	FILING DATE	PUBL. NO.	PUBL. DATE	PATENT NO.	PATENT DATE	EXPIRATION DATE	STATUS
FOREIGN PENDING										
203776.03504	SYSTEM AND METHOD FOR ENHANCED MAGNETIC RESONANCE IMAGING OF TISSUE	EUROPE	16765812.9	09/29/2017	3270778	01/24/2018				Published
203776.03607	MRI COMPATIBLE ELECTRODE CIRCUIT	EUROPE	10749339.7	03/04/2010	EP2403404	01/11/2012				Published
203776.03804	COMBINED FIELD LOCATION AND MRI TRACKING	EUROPE	10749336.3	03/04/2010	EP2403403	01/11/2012				Published
203776.04407	MR ACTIVE TRACKING SYSTEM	EUROPE	12857682.4	12/13/2012	EP2790577	10/22/2014				Published
203776.05403	SLIDING DISTAL COMPONENT ASSEMBLY	EUROPE	16860867.7	05/03/2018	3367916	09/05/2018				Published
203776.03610	MRI COMPATIBLE ELECTRODE WIRE	HONG KONG	12106749.7	03/04/2010	1165974	10/19/2012				Published
203776.04408	MR ACTIVE TRACKING SYSTEM	HONG KONG	15101286.4	12/13/2012	1200684A	08/14/2015				Published

Schedule B - Registered and Unregistered Trademarks and Trademark Applications

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
203776.02005	ADVANTAGE-MR	86434190	USA	10/24/2014		10/27/2015	5137999	02/07/2017	Registered	10 Int.	10 Int. Medical devices and instruments, namely, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifier for displaying anatomical features and mapping electrophysiological parameters onto such anatomical features

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
203776.02010	ADVANTAGE-MR	1,724,870	Canada	04/22/2015					Allowed		
203776.02011	ADVANTAGE-MR	A0049885	Australia	04/21/2015	1253836	07/23/2015	1704362	10/01/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping systems comprising primarily computer workstations and optional MR active tracking interface amplifier

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
203776.02011	ADVANTAGE-MR	A0049885	European Union (Community)	04/21/2015			1253836	08/18/2016	Registered	10 Int.	10 Int. Medical devices and instruments, namely, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifier for displaying anatomical features and mapping electrohysiological parameters onto such anatomical features

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
203776.02011	ADVANTAGE-MR	A0049885	Int'l Registration - Madrid Protocol Only	04/21/2015			1253836	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping systems comprising primarily computer workstations and optional MR active tracking interface amplifier
203776.02007	CLEAR INSIGHT. REAL SOLUTIONS.	86433149	USA	10/23/2014		10/27/2015	5137996	02/07/2017	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters,

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											displaying anatomical features and mapping electrohysiological parameters onto such anatomical features
203776.02006	IMRICOR	86433137	USA	10/23/2014		10/27/2015	5137995	02/07/2017	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrohysiological parameters onto such anatomical features
203776.02012	IMRICOR	1,724,869	Canada	04/22/2015					Allowed		
203776.02013	IMRICOR	A0049891	Australia	04/21/2015	1253843	07/23/2015	1704363	10/01/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrohysiological

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											parameters onto such anatomical features
203776.02013	IMRICOR	A0049891	China (People's Republic)	04/21/2015			1253843	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrohysiological parameters onto such anatomical features
203776.02013	IMRICOR	A0049891	European Union (Community)	04/21/2015		05/05/2016	1253843	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrohysiological parameters onto such anatomical features
203776.02013	IMRICOR	A0049891	Int'l Registration - Madrid Protocol Only	04/21/2015			1253843	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrophysiological

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											parameters onto such anatomical features
203776.02013	IMRICOR	A0049891	Japan	04/21/2015			1253843	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrophysiological parameters onto such anatomical features
203776.02013	IMRICOR	A0049891	Korea, Republic of	04/21/2015		06/13/2016	1253843	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrophysiological parameters onto such anatomical features
203776.02013	IMRICOR	A0049891	Switzerland	04/21/2015			1704363	10/01/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators; electrophysiology recording systems comprising primarily computer workstations, bedside combination amplifier and stimulator, power supplies, cables and filters, and optional MR active tracking interface amplifier, ECG amplifier and associated cables and filters; electrophysiology mapping equipment, namely, computer workstations and optional MR active tracking interface amplifiers for displaying anatomical features and mapping electrohysiological

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											parameters onto such anatomical features
203776.02004	VISION-MR	86434161	USA	10/24/2014		10/27/2015	5137998	02/07/2017	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers, biopsy needles, esophageal temperature sensors for use as thermometers for medical purposes, irrigation pumps used for irrigation of fluid through ablation catheters, radio frequency ablation generators
203776.02008	VISION-MR	1,724,871	Canada	04/22/2015					Allowed		
203776.02009	VISION-MR	A0049890	Australia	04/21/2015	1253174	07/23/2015	1702784	10/01/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires,

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											transseptal needles, introducers
203776.02009	VISION-MR	A0049890	China (People's Republic)	04/21/2015			1253174	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers
203776.02009	VISION-MR	A0049890	European Union (Community)	04/21/2015			1253174	08/18/2016	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers
203776.02009	VISION-MR	A0049890	Int'l Registration - Madrid Protocol Only	04/21/2015			1253174	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers
203776.02009	VISION-MR	A0049890	Japan	04/21/2015			1253174	11/26/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely,

FOX NO	TRADEMARK	APPLICATION NO.	COUNTRY	FILING DATE	PUBL. NO.	PUBL. DATE	REG. NO.	REG. DATE	STATUS	CLASSES	GOODS
											ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers
203776.02009	VISION-MR	A0049890	Korea, Republic of	04/21/2015	40-2016-0126511	12/01/2016	1253174	02/14/2017	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers
203776.02009	VISION-MR	A0049890	Switzerland	04/21/2015			1253174	04/21/2015	Registered	10 Int.	10 Int. Medical devices and instruments, namely, ablation catheters, diagnostic catheters, protective sheaths for catheters, guidewires, transseptal needles, introducers

SECTION 11

TAXATION

11. TAXATION

11.1 TAXATION

The taxation consequences of investing in CDIs (or the underlying Shares) will depend on your particular circumstances. It is your responsibility to satisfy yourself of the particular taxation treatment that applies to you by consulting your own professional tax advisers before investing in CDIs. Neither Imricor nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of the taxation consequences connected with an investment in CDIs.

11.2 AUSTRALIAN TAXATION

This Section provides a general statement of the Australian income tax, goods and services tax and stamp duty consequences for Australian tax resident investors that acquire and hold CDIs (or Shares) on capital account. It does not apply to CDI Holders who acquire their CDIs under an employee share scheme or that hold their CDIs as trading stock or otherwise on revenue account or that account for gains and losses from their CDIs under the Taxation of Financial Arrangements regime. This Section does not address the foreign tax consequences for any investor, or the Australian or foreign taxation consequences (if any) arising from the conversion of Convertible Notes into CDIs or shares (see Section 12.2).

The following summary is based on the relevant Australian taxation laws as at the date of this Prospectus, except where otherwise indicated. These laws, and their interpretation by the Courts, are subject to change from time to time.

11.2.1 RECEIPT OF DIVIDENDS ON CDIs

If a dividend is paid by Imricor, an Australian resident CDI Holder must include the dividend in his, her or its assessable income. As Imricor is not an Australian resident company, its dividends will be unfranked, even if it has been subject to tax on any Australian source income.

Where the dividend is subject to withholding tax in the U.S., the gross amount of the dividend is generally included in assessable income and an Australian resident CDI Holder may be entitled to a foreign income tax offset equal to:

- the U.S. tax withheld if the total foreign income tax paid or claimed by the holder in the applicable tax year is less than A$1,000) or,
- in any other case, the lesser of the U.S. tax or the notional Australian tax payable on the dividend.

However, the dividend will not be assessable (and no offset will apply) to a company (not acting as a trustee) that holds a 10% or greater participation interest in Imricor.

11.2.2 DISPOSAL OF CDIs

The disposal of CDIs will give rise to a CGT event for an Australian resident. The conversion of a CDI to a Share (or vice versa) should not give rise to a taxable disposal or gain on the basis that the absolute beneficial interest remains with the holder at all times and the holder is not entitled to receive any capital proceeds in respect of the conversion.

Unless any CGT roll-over relief applies, an Australian resident will make:

- a capital gain to the extent the capital proceeds from the disposal of the CDIs are greater than the cost base of the CDIs; or
- a capital loss to the extent the capital proceeds from the disposal of the CDIs are less than the reduced cost base of the CDIs.

The capital proceeds is the total of the money and the market value of any other property received or receivable for the disposal of the CDIs.

The cost base and reduced cost base of the CDIs for the purpose of working out a capital gain or loss on disposal will include the money paid to acquire the CDIs plus any incidental costs of acquisition and disposal (e.g. brokerage).

An Australian resident taxpayer must include any net capital gain (after taking account of capital losses) in his, her or its assessable income for the income year in which the CGT event occurs, subject to any CGT discount (see below). A net capital loss may generally be carried forward to offset capital gains made in a later income year, however a company will need to satisfy a continuity of ownership or business continuity test (which includes a same business test and a similar business test) in order to do so.

11. TAXATION (CONT)

No foreign resident capital gains withholding will apply if the disposal is effected on the ASX or through a crossing system. If the disposal is made off-market, no withholding will apply where the CDI Holder has provided the purchaser with a declaration that the CDI Holder is an Australian resident for tax purposes when the transaction is entered into.

11.2.3 CGT DISCOUNT

A CDI Holder that is an individual, the trustee of a trust or a complying superannuation entity may be entitled to the CGT discount on the disposal of CDIs that have been held for at least 12 months before the CGT event.

The CGT discount reduces the capital gain otherwise assessable (after taking account of any capital losses) by:

- 50% in the case of an individual or the trustee of a trust; or
- 33⅓% in the case of a complying superannuation entity.

The discount may be reduced for any part of the ownership period that the CDI Holder is a foreign or temporary resident.

No CGT discount applies to a company which holds CDIs. However, a company which holds a direct voting interest of 10% or more of Imricor may be entitled to reduce the capital gain to the extent Imricor's underlying assets are active foreign business assets.

11.2.4 GOODS AND SERVICES TAX CONSIDERATIONS

A CDI Holder should not be liable to pay GST on the acquisition or disposal of CDIs. However, GST may be payable on brokerage fees.

11.2.5 STAMP DUTY CONSIDERATIONS

A CDI Holder should not be liable to pay stamp duty as a consequence of the acquisition or disposal of CDIs.

11.3 U.S. TAXATION

The following summary describes the material U.S. federal income and estate tax considerations with respect to the ownership and disposition of CDIs and Shares that may be relevant to a non-U.S. Holder that acquires CDIs pursuant to the Offer.

11.3.1 U.S. TAXATION IMPLICATIONS

Under the Offer, Shareholders will receive CDIs (which can subsequently be converted to Shares).

The U.S. federal tax consequences for CDI Holders in respect of CDIs are generally the same as for shares. Accordingly, references to Shares in the Company should also be read in this Section 11 as a reference to CDIs in respect of the Company's Shares and references to Shareholders should be read as a reference to CDI Holders.

As taxation laws are complex, the following comments are intended as a general guide to the U.S. federal tax implications only. Shareholders should not rely on these comments as advice in relation to their own affairs but should consult their own tax adviser applicable to their own needs and circumstances. The comments are based on the law and understanding of the practice of the federal tax authorities in the U.S. at the date of this Prospectus. These laws and practices are subject to change periodically as is their interpretation by the courts.

11.3.2 CERTAIN MATERIAL U.S. FEDERAL AND ESTATE INCOME TAX CONSIDERATIONS TO NON-U.S. SHAREHOLDERS

The following is a summary of the material U.S. federal income and estate tax considerations with respect to the ownership and disposition of Shares that may be relevant to a non-U.S. Shareholder that acquires CDIs pursuant to the Offer.

This summary is based on current provisions of the Internal Revenue Code of 1986, as amended (**Code**), applicable U.S. Treasury regulations promulgated thereunder and the U.S. Internal Revenue Service (**IRS**) rulings and pronouncements and judicial decisions, all as in effect of the date of this Prospectus. These authorities may be changed (possibly on a retroactive basis) resulting in tax considerations different from those summarised below. The Company cannot assure potential investors that the IRS will not take a position contrary to the statements made in this summary or that any such contrary position taken by the IRS would not be sustained.

This summary applies to non-U.S. Shareholders that hold Shares in the Company as a 'capital asset' within the meaning of section 1221 of the Code (generally, property held for investment). As used in this summary, the term 'non-U.S. Shareholder' means a beneficial owner of Shares that is not a 'U.S. Shareholder'. A U.S. Shareholder means a beneficial owner of Shares who is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.; or
- a corporation including any entity treated as a corporation for U.S. federal income tax purposes created or organised in or under the laws of the U.S., any state within the United States, of the District of Columbia; or
- an estate, the income of which includes gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (1) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust, or (2) that has made a valid election to be treated as a U.S. person for such purposes.

This summary does not address the U.S. federal income tax rules applicable to any person who holds Shares through entities treated as partnerships for U.S. federal Income tax purposes or to such entities themselves. If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) owns Shares, the tax treatment of a partner in that partnership will generally depend upon the status of the partner and the activities of the partnership. A Shareholder that is a partnership or a holder of interests in a partnership should consult their tax adviser regarding the tax consequences of the purchase, ownership and disposition of Shares.

This summary does not consider:

- any state, local or non-U.S. tax consequences;
- any U.S. federal estate or gift tax consequences, except as specifically described below; or
- any U.S. federal tax considerations that may be relevant to a non-U.S. Shareholder in light of its particular circumstances or to non-U.S. Shareholders that may be subject to special treatment under U.S. federal tax laws, including without limitation, banks or other financial institutions, insurance companies, tax-exempt organisations, tax qualified retirement plans, certain trusts, hybrid entitles, controlled foreign corporations, passive foreign investment companies, certain former citizens or residents of the U.S., holders subject to U.S. federal alternative minimum tax, broker-dealers, dealers or traders in securities or currencies and Shareholders that hold Shares as part of a 'straddle', 'hedge' conversion transaction 'synthetic security' or other integrated investment.

Prospective investors are urged to consult their tax advisers regarding the application of the U.S. federal income and estate tax laws to their particular situation as well as any tax consequences arising under the U.S. federal estate and gift tax laws, or under law of any state, local, Non-U.S. or other taxing jurisdiction or any applicable treaties.

11.3.3 DIVIDENDS

In the event that the Company pays a dividend in respect of its Shares, those payments will constitute dividends for U.S. federal income tax purposes to the extent that the dividend is paid from the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles.

To the extent those distributions exceed the Company's current and accumulated earnings and profits, the distributions will constitute a return of capital and first reduce the non-U.S. Shareholder's adjusted tax basis, but not below zero, and will then be treated as gain from the sale of stock as described below.

A dividend paid to a non-U.S. Shareholder will generally be subject to withholding of U.S. federal income tax at a rate of 30%, or a lower rate under an applicable income tax treaty, unless the dividend is effectively connected with the conduct of a trade or business of the non-U.S. Shareholder within the U.S. (and, if an applicable income tax treaty applies and so requires, is attributable to a permanent establishment of the non-U.S. Shareholder within the U.S.). Non-U.S. Shareholders will be required to satisfy certain certification and disclosure requirements in order to claim a reduced rate of withholding pursuant to an applicable income tax treaty. Non-U.S. Shareholders should consult their tax advisers regarding their entitlement to benefits under a relevant income tax treaty. Special rules apply in the case of Shares held by certain non-U.S. Shareholders that are entities rather than individuals.

Dividends that are effectively connected with a non-U.S. Shareholder's conduct of a trade or business in the U.S. and, if an applicable income tax treaty applies and so requires, attributable to a permanent establishment in the U.S., will be taxed on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if the non-U.S. Shareholder were a resident of the U.S. In such cases, the Company will not have to withhold U.S. federal income tax if the

11. TAXATION (CONT)

non-U.S. Shareholder complies with applicable certification and disclosure requirements. A corporate holder under certain circumstances also may be subject to a 'branch profits tax' at a rate of 30% or a lower rate under an applicable income tax treaty, on a portion of its U.S. effectively connected earnings and profits for the taxable year.

To claim the benefit of a tax treaty or to claim exemption from withholding because the income is effectively connected with the conduct of a trade or business in the United States, a non-U.S. Shareholder must provide a properly executed IRS Form W-8BEN for individuals or W-8BEN-E for entities for treaty benefits or W-8ECI for effectively connected income, or such successor forms as the IRS may designate, prior to the payment of dividends. These forms must be periodically updated. A non-U.S. Shareholder may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund together with the required information with the IRS.

11.3.4 GAIN ON DISPOSITION OF SHARES

A non-U.S. Shareholder will generally not be subject to U.S. federal income tax, including by way of withholding, with respect to a gain realised on a sale or other disposition of Shares unless one of the following applies:

- the gain is effectively connected with the non-U.S. Shareholder's conduct of a trade or business in the U.S. and, if an applicable income tax treaty applies and so requires, is attributable to a permanent establishment maintained by the non-U.S. Shareholder in the U.S. In these cases, unless an applicable treaty provides otherwise, the non-U.S. Shareholder will generally be taxed on its net gain derived from the disposition at the regular graduated rates and in the manner applicable to U.S. persons and, if the non-U.S. Shareholder is a foreign corporation, the 'branch profits tax' described above may apply;
- the non-U.S. Shareholder is an individual present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met. In this case, the non-U.S. Shareholder will be subject to a 30% tax on the amount by which the gain derived from the sale or other disposition of Shares, and any other U.S.-sourced capital gains realised by the non-U.S. Shareholder in the same taxable year, exceed the U.S.-sourced capital losses realised by the non-U.S. Shareholder in that taxable year unless an applicable income tax treaty provides an exemption or a lower rate; or
- the Company is or has been a 'U.S. real property holding corporation' for U.S. federal income tax purposes at any time within the shorter of the five year period ending on the date of disposition or the period that the non-U.S. Shareholder held Shares. The Company does not believe that it has been, is, or will become, a U.S. real property holding corporation, although this depends upon the value of the Company's U.S. real property interests so there can be no assurance in this regard.
- the gain is subject to withholding under FATCA (see Section 11.3.7).

Generally, if the Company is, or were to become, a U.S. real property holding corporation at any time during the applicable period, a purchaser (whether U.S. or foreign) may be required to withhold 15% of the proceeds payable to a non-U.S. Shareholder from a disposition of the Company's Shares, and the non-U.S. Shareholder generally will be taxed on its net gain derived from the disposition at the graduated U.S. federal income tax rates applicable to U.S. persons. If, however, the Company's Shares are 'regularly traded on an established securities market' (within the meaning of Section 897(c)(3) of the Code), the Company's stock would not be treated as U.S. real property holding corporation with respect to a non-U.S. Shareholder that did not own (directly, indirectly or constructively) more than 5% of the Company's Shares during the applicable period. While the ASX is an established securities market, and the exception extends to CDIs, whether or not the interests in the Company meet the 'regularly traded' requirements will depend on the level of trading, ownership spread and certain other factors at the time of disposition.

11.3.5 U.S. FEDERAL ESTATE TAX

Shares owned or treated as owned by an individual who is not a citizen or resident of the U.S. (as specifically defined for U.S. federal estate tax purposes) at the time of death are considered U.S. situs assets includible in the individual's gross estate for U.S. federal estate tax purposes and therefore are subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Prospective investors are urged to consult their tax advisers regarding the U.S. federal estate tax considerations of acquiring, holding and disposing of Shares.

11.3.6 INFORMATION REPORTING AND BACKUP WITHHOLDING TAX

Dividends and proceeds from the sale or other disposition of the Company's Shares are potentially subject to information reporting and backup withholding. Under U.S. Treasury regulations, the Company must report annually to the IRS and to

each non-U.S. Shareholder the gross amount of distributions on the Company's Shares paid to such non-U.S. Shareholder and the tax withheld with respect to those distributions. These information reporting requirements apply even if withholding was not required because of an applicable tax treaty or an exception in the Code. Pursuant to an applicable tax treaty, that information may also be made available to the tax authorities in the country in which the non-U.S. Shareholder resides.

Backup withholding generally will not apply to payments of dividends made by the Company to a non-U.S. Shareholder if the holder has provided the required certification that it is not a U.S. person, or if other requirements are met. Dividends paid to a non-U.S. Shareholder who fails to certify status as a non-U.S. person in accordance with the applicable U.S. Treasury regulations generally will be subject to backup withholding at the applicable rate, which is currently 24%, subject to regulations creating a presumption in certain circumstances in the absence of documentation that a payee is a foreign person to which the 30% withholding tax is to be assessed. Dividends paid to non-U.S. Shareholders are subject to the 30% withholding tax described above under 'Dividends.' In general, backup withholding and information reporting will not apply to proceeds from the disposition of the Company's Shares paid to a non-U.S. Shareholder that has properly certified the person's status as a non-U.S. person. Payments of the proceeds from a disposition or a redemption effected outside the United States by a non-U.S. Shareholder, made by or through a foreign office of a non-U.S. broker, generally will not be subject to information reporting or backup withholding. However, information reporting, but not backup withholding, generally will apply to such a payment if the non-U.S. broker has specified types of connections with the U.S., unless the broker has documentary evidence in its records that the beneficial owner is a non-U.S. holder and specified conditions are met or an exemption is otherwise established. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the non-U.S. Shareholder's U.S. federal income tax liability if required information is furnished to the IRS. Non-U.S. Shareholders should consult their own tax advisors regarding application of backup withholding to them and the availability of, and procedure for obtaining an exemption from, backup withholding.

Non-U.S. Shareholders should consult with their tax advisers regarding the application of the information reporting and backup withholding rules to them.

11.3.7 SHAREHOLDERS MAY BE SUBJECT TO WITHHOLDING UNDER FATCA

The *Foreign Account Tax Compliance Act* (**FATCA**) added sections 1471-1474 to the Code, and requires that foreign financial institutions (**FFIs**) and certain other non-financial non-U.S. entities report on the non-U.S. assets held by their U.S. account holders or be subject to withholding on withholdable payments.

FATCA currently imposes a 30% withholding tax on dividends in respect of Shares but, under proposed regulations issued December 13, 2018 (on which taxpayers may generally rely), FATCA will no longer impose a 30% withholding tax on gross proceeds from the sale or other disposition of the Company's Shares paid to a FFI or to a non-U.S. non-financial entity. FATCA withholding on dividends will apply unless (i) the FFI undertakes certain diligence and reporting obligations, or (ii) the non-U.S. non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. In addition, if the payee is a FFI, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned non-U.S. entities, annually report certain information about such accounts and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements.

There can be no assurance that payments in respect of the Shares will not be subject to withholding. Accordingly, all prospective U.S. and non-U.S. Shareholders should consult their own tax advisers about the effect of FATCA on an investment in the Shares.

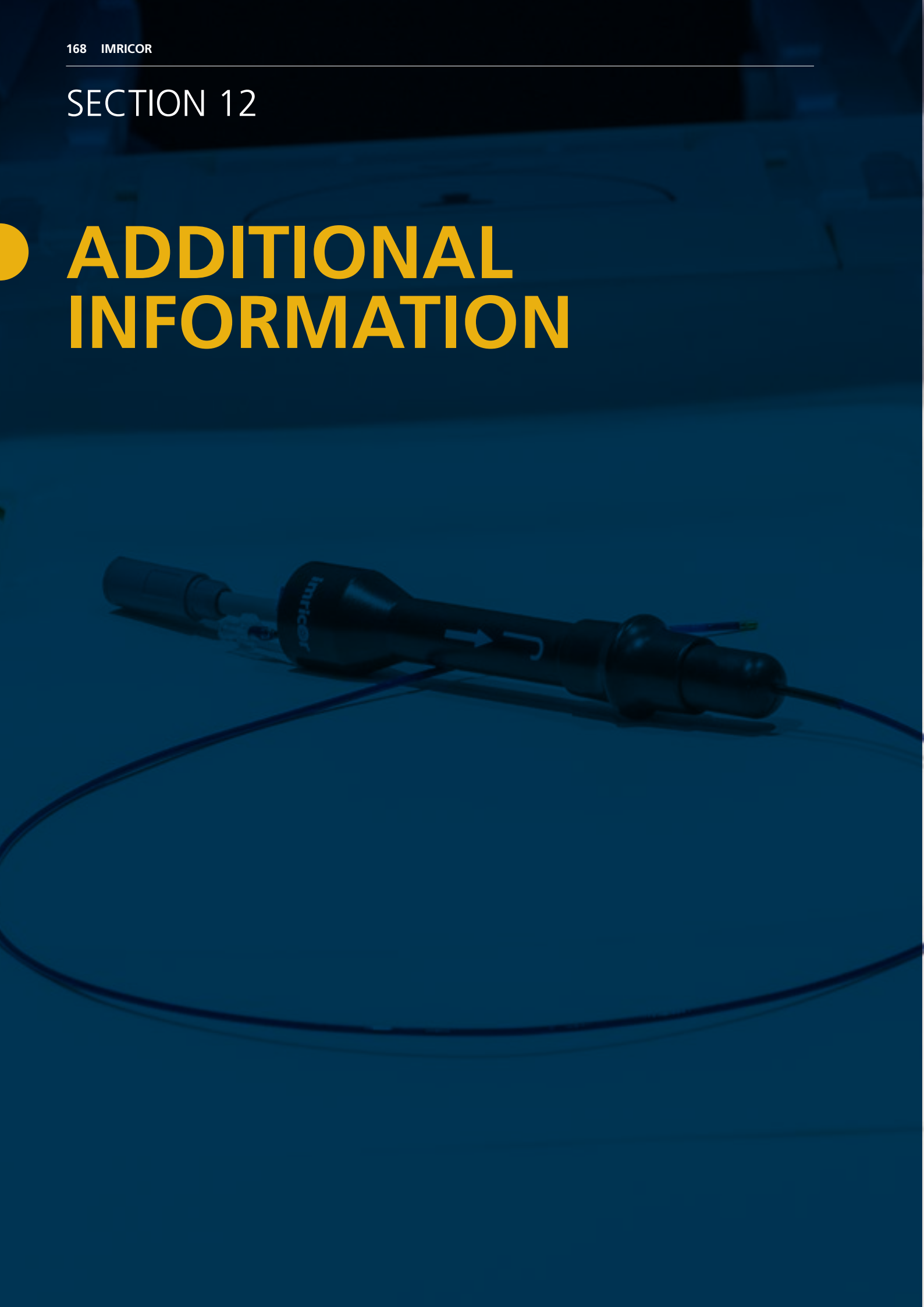
THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. YOU ARE URGED TO CONSULT YOUR TAX ADVISER TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, ESTATE, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS.

11.4 INTERACTION BETWEEN AUSTRALIAN AND U.S. TAX CONSEQUENCES

The receipt of dividends by an Australian tax resident CDI Holder and the disposal of CDIs by an Australian tax resident CDI Holder may, in some circumstances, give rise to both Australian and U.S. tax. Whether a tax credit is available in one jurisdiction to offset the tax paid in the other jurisdiction will depend upon the CDI Holder's particular circumstances.

SECTION 12

ADDITIONAL INFORMATION



12. ADDITIONAL INFORMATION

12.1 INCORPORATION AND REGISTRATION AS FOREIGN COMPANY

Imricor was incorporated on 22 May 2006 in Delaware, United States.

On 26 April 2019, Imricor was registered as a foreign company in Australia under the Corporations Act.

Kobe Li has been appointed as the local agent of Imricor pursuant to the Corporations Act. Kobe Li has also been engaged to act as the person responsible for communications with the ASX under Listing Rule 12.6 and has been appointed as Australian company secretary.

12.2 CONVERTIBLE NOTES

Between April 2018 and April 2019, the Company issued convertible promissory notes with an aggregate principal amount of approximately US$11.4 million (comprising principal of US$9.3 million and principal of A$3.1 million) (**Convertible Notes**). The Convertible Notes accrue interest at 8% per annum and are denominated in a mixture of Australian and U.S. dollars. Immediately before the allotment of the CDIs under the Offer:

- the principal and accrued interest on the Convertible Notes denominated in Australian dollars will convert into CDIs at a rate of A$0.6225 per CDI; and
- the principal and interest on the Convertible Notes denominated in U.S. dollars will convert into Shares at a rate of US$0.4240 per Share (collectively, the **Note Conversion**).

If the Allotment Date is 30 August 2019, then a total of 29,557,372 Shares (equivalent to the same number of CDIs) will be issued pursuant to the Note Conversion. If the Note Conversion occurs on a different date, the number of Shares (and the equivalent number of CDIs) will be different, reflecting the effect of the interest accruing on a daily basis.

12.3 SIEMENS MEDICAL SOLUTIONS USA, INC. REPURCHASE RIGHT

Siemens Medical Solutions USA, Inc. (**Siemens U.S.**) purchased a Convertible Note from Imricor as part of the financing described in Section 12.2, which will convert to Shares as part of the Note Conversion immediately before allotment under the Offer. In connection with this purchase, Imricor and Siemens U.S. agreed that Siemens U.S. has the right to cause Imricor to repurchase all of its securities in Imricor at any time for an aggregate consideration of US$1.00, regardless of the then-present aggregate value of the securities. If Siemens U.S. exercises its repurchase right whilst any of its Imricor securities are subject to ASX-imposed escrow restrictions, then the repurchase is delayed until completion of the applicable escrow period unless ASX consents to an earlier repurchase.

12.4 BONUS ISSUE

Certain investors of the Company, who agreed in 2017 to convert promissory notes outstanding by the Company into Shares, have down-round protections which will be triggered by the Note Conversion. Accordingly, on the Allotment Date, the Company will issue 3,187,375 additional Shares (equivalent to the same number of CDIs) for no consideration to these investors. Following this issue, the investors' down-round protections will be extinguished.

12. ADDITIONAL INFORMATION (CONT)

12.5 OPTIONS

The Company has the following Options on issue at the date of this Prospectus:

Expiry date	Exercise price per Share (US$)	Options
16 December 2019	$0.341	90,000
13 April 2020	$0.341	125,000
20 May 2020	$0.341	100,000
20 July 2020	$0.341	50,000
10 August 2020	$0.50	73,333
26 January 2021	$0.50	200,000
11 August 2021	$0.50	25,000
28 October 2021	$0.50	25,000
21 March 2022	$0.60	505,000
17 June 2023	$0.60	85,000
19 May 2024	$0.60	60,000
15 July 2025	$0.73	154,000
20 November 2027	$0.85	49,300
9 August 2028	$0.85	180,000
15 March 2029	$0.52	5,462,600
Total		**7,184,233**

Following completion of the Offer, 570,000 Options will be issued to Directors as described in Section 7.7.2 and 200,000 Options will be issued to Ms. Lori Milbrandt as described in Section 7.4.6.

The Options are subject to time-based vesting and have been issued under one of the 2006 Plan, 2016 Plan or 2019 Plan (see Section 7.7).

12.6 WARRANTS

The Company has the following Warrants on issue at the date of this Prospectus:

Expiry date	Exercise price per Share (US$)	Warrants
30 April 2020	$0.73	787,909

Each Warrant is exercisable at any time up until the expiry date.

12.7 CHESS DEPOSITARY INTERESTS

The relationship between Imricor, CDN and the CDI Holders is governed in part by the Listing Rules and the ASX Settlement Operating Rules in combination with Imricor's Bylaws. The Listing Rules and the ASX Settlement Operating Rules have the force of law under the Corporations Act.

Details of CDIs and the key difference between holding CDIs and holding the underlying Shares is detailed below:

Rights and specific features (including key differences) attaching to CDIs	
What is the nature of CDIs?	In order for the Shares to trade electronically on the ASX, Imricor intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the U.S. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, Imricor intends to issue depositary interests called CHESS Depositary Interests or CDIs. CDIs confer the beneficial ownership in foreign securities, such as the Shares, on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee, CDN. CDI Holders receive all direct economic and other benefits of the Shares.
Who is the depositary nominee and what do they do?	Imricor will appoint CDN, a subsidiary of the ASX, and an approved general participant of ASX Settlement to act as its Australian depositary. CDN will hold legal title to the Shares on behalf of CDI Holders. CDN will receive no fees for acting as the depositary for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued to CDN, which will in turn issue CDIs to the Applicant. CDN may not dispose of any of the Shares unless authorized by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by CDI Holders.
What registers will be maintained recording your interests?	On Listing, Imricor will operate three registers for the Shares and CDIs: In the U.S.: • an uncertificated principal register of Shares; In Australia: • an uncertificated issuer-sponsored sub-register of CDIs; and • an uncertificated CHESS sub-register of CDIs. The register of Shares will be the register of legal title. The Shares will be uncertificated unless a Shareholder requests a stock certificate from the Registry denoting the number of Shares owned. Imricor must ensure that at all times the total number of CDIs on the issuer sponsored sub-register of CDIs and CHESS sub-register of CDIs reconciles with the number of Shares registered in the name of CDN on the Share register. Imricor will make available for inspection the Share register and the CDI register as if those registers were registers of securities of an Australian listed public company.

12. ADDITIONAL INFORMATION (CONT)

How is local and international trading in CDIs effected?	CDI Holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.
What is the CDI: Share ratio?	One CDI will represent an interest in one Share. To obtain one Share, an investor will need to convert one CDI.
What will CDI Holders receive on acceptance of their Applications?	Each CDI Holder will receive a holding statement which sets out the number of CDIs held by the CDI Holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.
How do CDI Holders convert from a CDI holding to a direct holding of Shares?	A CDI Holder may either leave their holding in the form of CDIs (so that legal title remains in the name of CDN) or convert the CDIs to Shares and hold legal title in their own right. CDI Holders who wish to convert their ASX listed CDIs to Shares to be held on the U.S. principal register can do so by instructing Imricor's Registry either: • directly in the case of CDIs on the issuer sponsored sub-register operated by Imricor. CDI Holders will be provided with a form entitled "CDI Cancellation AU-US Register" for completion and return to Imricor's Registry; or • through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to Imricor's Registry. Imricor's Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new holding statement will be issued. This will cause the Shares to be registered in the name of the holder on the U.S. principal register and trading on the ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any market in the U.S. The Shares may bear restrictive legends on the register in accordance with U.S. law. Imricor's Registry will not charge a security holder or Imricor a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within three to five days, provided that the Registry is in receipt of a duly completed and valid form. However, no guarantee can be given about the time for this conversion to take place. If holders of the Shares wish to convert their holdings to CDIs, they can do so by contacting Imricor's Registry. Imricor's Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants). The underlying Shares will then be transferred to CDN and a holding statement for the CDIs will be issued to the CDI Holder. The CDI Holder will not be able to trade such CDIs on the ASX until this transfer process is completed. The contact details for the Registry are set out in the Corporate Directory.

What are the voting rights of a CDI Holder?	CDI Holders may attend and vote at Imricor's general meetings. Under the Listing Rules and the ASX Settlement Operating Rules, Imricor as an issuer of CDIs must allow CDI Holders to attend any meeting of the holders of Shares unless relevant U.S. law at the time of the meeting prevents CDI Holders from attending those meetings. In order to vote at such meetings, CDI Holders may: • instruct CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI Holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to Imricor's Registry prior to the meeting; or • inform Imricor that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or • convert their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI Holder wishes to sell their investment on the ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process. One of the above steps must be undertaken before CDI Holders can vote at Shareholder meetings. As each CDI represents one Share, a CDI Holder will be entitled to one vote for every one CDI they hold. CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI Holders by Imricor. Since CDN is the member of Imricor but the holders of CDIs are not members themselves as they merely hold a beneficial interest in the applicable shares, the holders of CDIs do not have any directly enforceable rights under Imricor's Certificate of Incorporation or Bylaws.
What dividend and other distribution entitlements do CDI Holders have?	Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other entitlements which attach to the underlying Shares. Given one CDI will represent an interest in one Share, dividends and other entitlements which attach to each Share will simply flow through to the corresponding CDI and hence to the CDI Holder. Whilst Imricor does not anticipate declaring any dividends in the foreseeable future, should it do so, Imricor will declare any dividends in US$. Imricor will pay any dividends in US$ or A$ depending on the country of residence of the CDI Holder. If a CDI Holder in Australia wishes to receive dividends in US$ they must complete an appropriate election form and return it to Imricor's Registry, no later than the close of business on the dividend record date. Holders of CDIs trading on the ASX will receive an equivalent amount in Australian currency based on the exchange rate on the record date.

12. ADDITIONAL INFORMATION (CONT)

What corporate action entitlement (such as rights issues and bonus issues) do CDI Holders have?	Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI Holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include the right to participate in rights issues, bonus issues and capital reductions. Imricor must administer all corporate actions (including bonus issues, rights issues, reconstructions and mergers) that result in the issue of additional or replacement Shares so that the benefits are generally distributed to CDI Holders on the same terms as Shareholders as though the CDI Holders are the holders of the relevant corresponding number of Shares.
What rights do CDI Holders have in the event of a takeover?	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In the event CDI Holders instruct it to do so, CDN must ensure that the offeror processes the takeover acceptance.
What notices and announcement will CDI Holders receive?	CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from Imricor.
What rights do CDI Holders have on liquidation or winding up?	In the event of Imricor's liquidation, dissolution or winding up, a CDI Holder will be entitled to the same economic benefit on their CDIs as Shareholders receive on the Shares they hold.
Will CDI Holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?	A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares. CDN will not receive any fees from investors for acting as the depositary for the CDIs.

12.8 CERTIFICATE OF INCORPORATION, BYLAWS AND RIGHTS ATTACHING TO SHARES

As Imricor is incorporated under the laws of Delaware in the U.S., rights attaching to the Shares will be governed by Delaware law, U.S. federal securities laws, Imricor's Certificate of Incorporation and its Bylaws. Once listed on the ASX, Imricor will also become subject to the Listing Rules.

The following is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only of the rights attaching to the Shares.

If you would like to read Imricor's Certificate of Incorporation or Bylaws, these documents will be made available free of charge upon written request to:

Attn: Lori Milbrandt
Imricor Medical Systems, Inc.
400 Gateway Boulevard
Burnsville, Minnesota, 55337
United States

You should consult with your own legal adviser if you require further information.

Rights of holders of Shares in Imricor	
Rights attaching to Shares	
Share capital	Following the completion of the Offer, the Company's authorised capital stock will consist of 500,000,000 shares in the Class A common stock of the Company (i.e. Shares), 35,000,000 shares in the Class B common stock and 25,000,000 shares of undesignated preferred stock. ***Preferred stock*** Following the completion of the Offer, the Board will have the authority, without further action by Shareholders, to issue shares of preferred stock in one or more series. The Board may designate the rights, preferences, privileges, qualifications and restrictions of the preferred stock. The issuance of preferred stock could have the effect of restricting dividends on Shares, diluting the voting power of Shares, impairing the liquidation rights of Shares, or delaying or preventing a change of control. Even the ability to issue preferred stock could delay or impede a change of control. Immediately after the closing of the Offer, no shares of preferred stock will be outstanding, and the Company currently has no plan to issue any shares of preferred stock. ***Class B common stock*** The Company has authorised an additional class of common stock designated as Class B common stock in order to fulfil the requirements of the Listing Rules so far as they apply to escrowed securities. In the event that holders of Shares, who are subject to the ASX-imposed escrow, breach the terms of their escrow agreement or the Listing Rules as they apply to escrowed securities, their Shares will be automatically converted into shares in Class B common stock until the earlier to occur of the expiration of the escrow period or the breach being rectified. The shares in Class B common stock are identical to and rank equally with the Shares except that they have no voting, dividend or distribution rights.
Purchase of own shares	Under Delaware law, the Directors may be able to cause Imricor to buy-back its outstanding shares out of funds legally available without needing to obtain Shareholder approval. A company generally is not permitted to buy back its shares if its liabilities exceed its assets. In addition, share buy-backs are subject to U.S. securities laws.
Acquisition/transfer of shares	Under Delaware law, shares are freely transferable, subject to applicable federal and state securities laws, unless a transfer restriction is imposed by a company's certificate of incorporation, bylaws or an agreement signed with the holder of the shares at issue. Accordingly, a company is obligated to register a transfer of shares unless such transfer would violate federal or state securities laws or a valid transfer restriction would be imposed as described above. Once listed on the ASX, the Directors must not in any way prevent, delay or interfere with the registration of a transfer of quoted securities in Imricor unless permitted by the Listing Rules or the ASX Settlement Operating Rules.
Dividends and distributions	Following the completion of the Offer, Imricor's Certificate of Incorporation will entitle holders of shares to receive rateably any dividends the Board declares out of funds legally available for that purpose subject to preferences that may be applicable to any shares of preferred stock on issue in the Company. Holders of Class B common stock will not be entitled to any dividends. Under Delaware law, the Directors may declare and pay dividends generally out of: • the surplus of the Company, which is defined to be the Company's net assets less capital; or • if no surplus exists, out of the net profits of the Company for the financial year in which the dividend is declared and/or the preceding financial year.

12. ADDITIONAL INFORMATION (CONT)

Variation of class rights	Under Delaware law, any amendment to Imricor's Certificate of Incorporation that would alter or change the special rights, powers or preferences of one or more classes or series of stock so as to affect them adversely must, in addition to any other vote required by law or under the Certificate of Incorporation, be approved by the adversely affected class or series by a majority of all votes entitled to be cast by the shareholders of that class or series. Except as otherwise provided in Imricor's Certificate of Incorporation, the issuance of shares of any series of common stock or preferred stock (assuming there were a sufficient number of authorised and unissued shares of such series) would not require a separate vote of any class or series of stock of Imricor. However, an amendment increasing the number of authorised shares of a class or series of stock must be approved by the holders of a majority of the votes entitled to be cast by the shareholders of that class or series, unless Imricor's Certificate of Incorporation provides that such vote is not necessary. Under Delaware law and Imricor's Certificate of Incorporation, amendments to Imricor's Bylaws can be made with Board or shareholder approval. The Board is authorised to amend Imricor's Bylaws at any time by a vote of the majority of the authorised number of Directors. In order for the shareholders to amend Imricor's Bylaws, the amendment must be approved by the holders of at least 66⅔% of the then-outstanding voting stock.
Capital raising	
Issue of Shares	See the description of Imricor's ability to issue Shares and preferred stock contained in item 'Share capital' above.
Listing Rules	Once listed on the ASX, Imricor will be subject to the annual limit on security issuances found in the Listing Rules in relation to issuances of equity securities.
Directors	
Directors' liability	Under Delaware law, a company may include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the company or its Shareholders for monetary damages for breach of fiduciary duty as a director. However, the provision may not eliminate liability for breach of the director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, unlawful payment of dividends, unlawful purchases or redemptions of the Company's stock, or any transaction from which the director derived an improper personal benefit. Imricor's Certificate of Incorporation provides that the liability of the Directors for monetary damages is eliminated.
Nomination of Directors	Under Imricor's Bylaws, for nominations for election to the Board to be properly brought before an annual meeting by a Shareholder, the Shareholder must deliver written notice, which contains the information required by Imricor's Bylaws, to the Secretary of Imricor, no later than 90 days nor earlier than 120 days prior to the first anniversary of the date on which Imricor first mailed its proxy materials for the preceding year's annual meeting. In the event that the date of the annual meeting is advanced or delayed by more than 30 days of the anniversary of the preceding year's annual meeting, notice by the Shareholder must be received no earlier than the close of business on the 120th day prior to such annual meeting and no later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which the public announcement of the date of such meeting is made. Under Delaware law and Imricor's Bylaws, there is plurality voting for the election of Directors at annual meetings, which does not apply under Australian law. In plurality voting, successful candidates are those that receive the highest number of votes at that meeting, irrespective of whether any such candidate has received a majority of the votes cast by Shareholders at the meeting, as is required in Australia. Under this mechanism, Shareholders are effectively not given the option to vote against the proposed resolution.

Casual vacancies	Subject to the rights of holders of any series of preferred shares then outstanding and unless as otherwise required by applicable law or determined by resolution by the Board, vacancies on the Board will be filled only by the affirmative vote of a majority of the Directors then in office, even though less than a quorum of the Board, and not by the Shareholders. Any Director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the Director for which the vacancy was created or occurred and until such Director's successor will have been elected and qualified. Imricor has been granted an in-principle waiver from Listing Rule 14.4 to permit this to occur.
Shareholder meetings	
Annual meeting	Under Delaware law, Imricor is required to have an annual meeting of Shareholders and, if more than 13 months have passed since the last annual meeting, a Shareholder or Director may petition the court for an order compelling the holding of the annual meeting.
Notice of Shareholder meetings	Under Imricor's Bylaws, notice of a meeting of Imricor's Shareholders must generally be given to Shareholders entitled to vote at the meeting not less than 10 days, and not more than 60 days, prior to the date of the meeting.
Calling meetings	Special meetings of Imricor's Shareholders may be called, for any purpose as is a proper matter for shareholder action under Delaware law, by (i) the chairperson of the Board, (ii) the CEO, or (iii) the Board pursuant to a resolution adopted by a majority of the total number of authorised Directors. There is no ability for Shareholders to call a special meeting.
Voting at meetings	At a meeting of Imricor, every holder of Shares present in person or by proxy is entitled to one vote for each Share held on the record date for the meeting on all matters submitted to a vote of Shareholders. Under Imricor's Bylaws, the presence at the meeting (in person or represented by proxy) of the holders of one-third of the outstanding shares of stock entitled to vote will constitute a quorum for the transaction of business. Except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of Shares present in person or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the shareholders. Directors will be elected by a plurality of the votes of the Shares (present in person, by remote communication or represented by proxy at the meeting) and entitled to vote on the election of Directors.
Transactions requiring Shareholder approval	The types of transactions that require Shareholder approval are governed by Delaware law and Imricor's Certificate of Incorporation and Bylaws. Generally speaking, the following types of transactions will require Shareholder approval by a majority of votes: • amending the Certificate of Incorporation; and • fundamental corporate changes such as a merger or acquisition, the sale of all or substantially all of Imricor's assets, or the dissolution of Imricor. Under Imricor's Certificate of Incorporation and Bylaws, the removal of Directors or the amendment of either the Bylaws or certain articles of the Certificate of Incorporation requires the affirmative vote of the holders of at least 66⅔% of the shares entitled to vote on such matters.

12. ADDITIONAL INFORMATION (CONT)

Relationship between the Company and its Shareholders	
Relief from oppression	Unlike the Corporations Act, there are no statutory provisions under Delaware law allowing a Shareholder to bring an action in cases of conduct which is either contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Shareholders in their capacity as Shareholder, or themselves in a capacity other than as a Shareholder. However, judicial remedies may be available to Shareholders in comparable circumstances.
Derivative actions	Under Delaware law, a Shareholder may bring a derivative action on behalf of the Company where those in control of the Company have failed to assert a claim belonging to the Company. A Shareholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff has been a Shareholder of the Company at the time of the act of which the plaintiff complains and a requirement that the plaintiff maintain his or her status as a Shareholder throughout the course of the litigation. A derivative plaintiff must also have made a demand on the Directors of Imricor to assert the corporate claim, unless such a demand would have been futile.
Forum selection	Imricor's Bylaws provide that unless Imricor consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any derivative action or proceeding brought on Imricor's behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of Imricor's directors, officers or other employees to Imricor or the Shareholders, (3) any action asserting a claim against Imricor arising pursuant to any provision of the Delaware General Corporation Law or Imricor's Certificate of Incorporation or Bylaws, or (4) any action asserting a claim against Imricor governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of Imricor's capital stock (including holders of CDIs) shall be deemed to have notice of and consented to this provision. The forum selection clause in Imricor's Bylaws may have the effect of discouraging lawsuits against Imricor or its directors and officers and may limit Shareholders' ability to obtain favourable judicial forum for disputes with Imricor.
Takeovers	
Takeovers	Imricor is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares, including provisions that relate to substantial holdings and takeovers. The acquisition of securities in Imricor is subject to Delaware law and applicable U.S. securities laws. The ASX usually requires a foreign entity admitted to the Official List of the ASX to undertake to give information to the ASX (for release to the market) about the ownership of its securities. The usual undertakings are to tell the market: • immediately the entity becomes aware of any person becoming a substantial holder within the meaning of section 671B of the Corporations Act, and to disclose any details of the substantial holding of which the entity is aware; and • of subsequent changes in the substantial holdings of which the entity becomes aware. As a Delaware company, Imricor is subject to section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware company from engaging in any business combinations with any shareholder who owns, or at any time in the last three years owned, 15% or more of the company's outstanding voting stock, referred to as an interested shareholder, for a period of three years following the date on which the shareholder became an interested shareholder, subject to certain exceptions.

	In addition, under Delaware law, the Board will have the ability to implement a broader range of takeover defence mechanisms than what is currently permitted under Australian takeovers legislation and policy. The availability of these mechanisms may be regarded as a potential disadvantage to the extent that they enable management to discourage or defeat a takeover bid which Shareholders would otherwise like to consider. However, such actions may also advantage Shareholders by providing protections against a takeover that is not in the short or long term interests of the company. Defensive mechanisms could include, amongst other things: (i) adoption of a Shareholders rights plan (or so-called 'poison pill') and (ii) issuance of stock (including preferred stock having disproportionate or blocking voting rights) to friendly hands. While the Board will have substantial discretion to implement such provisions, its exercise of that discretion must comply with its fiduciary duties of loyalty and care. Under Delaware case law, in any litigation by shareholders challenging the adoption of 'defensive' provisions such as those described above, the Board will have the initial burden of demonstrating that it had reasonable grounds for believing that a threat to corporate policy and effectiveness existed and that the action taken was reasonable in relation to the threat posed.
Winding up	
Winding up	Under Delaware law, the Board can decide whether it is advisable to dissolve the company, or sell any or all of its assets, and submit a resolution to approve dissolution or a sale of all or substantially all assets for Shareholder approval. A majority of the shares outstanding must approve such resolution for it to be adopted. Dissolution may also be authorised without Director action if all the Shareholders entitled to vote consent in writing and a certificate of dissolution is filed with the Secretary of State of Delaware. In the event of Imricor's liquidation or dissolution, holders of common stock are entitled to share in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of the outstanding preferred stock, if any. Holders of Imricor's common stock have no pre-emptive, subscription, redemption or conversion rights.
Other	
'Two strikes' rule	Unlike the Corporations Act, there is no requirement under Delaware law for the Company to hold a 'spill vote' of the Board if the Company's remuneration report receives a 25% (or greater) 'no' vote at two successive annual meetings. In the U.S., the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (U.S.) requires all 'reporting companies' to have an advisory shareholder vote on pay at least once every three years. Companies must report the results and say how they have responded to these when making decisions on pay the following year. Imricor will become a reporting company if, among other things, it has (i) assets of more than US$10 million and (ii) either 2,000 or more holders of record of any class of equity securities or 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. If Imricor qualifies as an 'emerging growth company' at the time it becomes a reporting company, then it will not be required to hold an advisory shareholder vote on pay until it is no longer an emerging growth company. Imricor will be an emerging growth company until the earliest of: (i) the end of the fiscal year in which its annual revenues exceed US$1 billion; (ii) the end of the fiscal year in which the fifth anniversary of its initial public offering pursuant to an effective registration statement under the U.S. Securities Act occurs; (iii) the date on which it has, during the previous three-year period, issued more than US$1 billion in non-convertible debt; or (iv) the date on which it qualifies as a 'large accelerated filer' as defined in Rule 12b-2 of Regulation 12B of the U.S. Exchange Act.

12. ADDITIONAL INFORMATION (CONT)

12.9 DIVIDEND POLICY

Imricor currently intends to invest all cash flow into the business in order to maximise its growth. Accordingly, no dividends will be payable for the foreseeable future following the Listing. The payment and amount of any potential future dividends declared by Imricor are subject to the discretion of the Directors and will depend upon, among other things, Imricor's earnings, financial position, tax position and capital requirements.

Whilst Imricor does not anticipate declaring any dividends in the foreseeable future, should it do so, Imricor will declare any dividends in US$. Imricor will pay any dividends in US$ or A$ depending on the country of residence of the CDI Holder. If a CDI Holder in Australia wishes to receive dividends in US$ they must complete an appropriate election form and return it to Imricor's Registry, no later than the close of business on the dividend record date. Holders of CDIs trading on the ASX will receive an equivalent amount in Australian currency based on the exchange rate on the record date.

12.10 LITIGATION

As far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Imricor is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of Imricor.

12.11 ESCROW ARRANGEMENTS

Imricor has a number of securities that certain Existing Holders will be restricted from dealing in. These restrictions are either imposed by the ASX or have been agreed to voluntarily.

In the case of ASX imposed restrictions, the ASX requires that certain persons such as related parties and promoters enter into restriction deeds under which they are restricted from dealing in a specified number of securities in Imricor held by them. The restriction deeds will be in the form required by the Listing Rules over the securities and for periods determined by the ASX and will restrict the ability of those persons to dispose of, create any security interest in or transfer effective ownership or control of the securities. The ASX also requires that similar restrictions be imposed on other Existing Holders in reliance upon a provision in Imricor's Bylaws, which will be advised to the Existing Holders by Imricor using a restriction notice under the Listing Rules.

A number of Existing Holders have also agreed to voluntary restrictions on some or all of the Shares they hold at Listing (other than Shares acquired under the U.S. Private Placement). The voluntary restrictions are on similar terms to the ASX restriction agreements.

The table below sets out the periods during which Existing Holders are expected to be restricted from dealing in their Shares, Options and Warrants (as applicable) pursuant to ASX restrictions and voluntary restrictions. Where an Existing Holder's securities are subject to the ASX mandatory escrow and voluntary escrow, those securities are counted in the table twice.

Escrowed party[1]	Type of escrow	End of escrow period	Indicative number of securities held in escrow[2]		
			Shares/CDIs[3]	Options	Warrants
Directors	ASX	24 months from Listing	4,973,440	1,405,700	N/A
	Voluntary	6 months from Listing	2,757,640	N/A	N/A
	Voluntary	12 months from Listing	1,679,768	N/A	N/A
	Voluntary	24 months from Listing	4,424,232	N/A	N/A
Other related parties and promoters	ASX	24 months from Listing	7,107,585	723,133	273,972
	Voluntary	6 months from Listing	3,145,194	N/A	N/A
	Voluntary	9 months from Listing	539,343	N/A	N/A
	Voluntary	12 months from Listing	8,658,810	N/A	N/A
	Voluntary	15 months from Listing	539,343	N/A	N/A
Key Managers (excluding the CEO)	ASX	Late January 2020	917,655	N/A	N/A
	ASX	12 months from Note Conversion	26,763	N/A	N/A
	Voluntary	24 months from Listing	1,728,585	N/A	N/A
Other investors	ASX	Late January/ early February 2020	153,284	N/A	N/A
	ASX	Early April 2020	421,382	N/A	N/A
	ASX	12 months from Note Conversion	3,452,565	N/A	N/A
	ASX	24 months from Listing	180,722	–	N/A
	Voluntary	6 months from Listing	23,224,596	N/A	N/A
	Voluntary	9 months from Listing	7,809,911	N/A	N/A
	Voluntary	12 months from Listing	1,696,555	N/A	N/A
	Voluntary	15 months from Listing	7,809,891	N/A	N/A

Notes:

1. Includes the party listed and entities controlled by them.
2. The figures stated are indicative only and, in the case of ASX-imposed escrow, are based on the 'in principle' confirmation regarding ASX escrow described in Section 12.18.
3. Number of CDIs and Shares is equivalent as a result of each CDI representing an interest in one Share. Figures for CDIs and Shares issued on conversion of interest on Convertible Notes are based on the assumption that Note Conversion will occur on 30 August 2019.

The Company expects that on Listing, approximately 66,715,218 Shares or CDIs will be subject to escrow arrangements, being approximately: 86% of all Shares and CDIs not issued under the Combined Offers, 73% of all Shares and CDIs following the Combined Offers (at the Minimum Allotment), and 72% of all Shares and CDIs following the Combined Offers (at the Maximum Allotment). These figures are subject to the qualifications in the footnotes to the above table.

Final details of the escrow arrangements will be announced to the ASX prior to the CDIs commencing trading on the ASX.

12. ADDITIONAL INFORMATION (CONT)

12.12 RESALE RESTRICTIONS, U.S. SECURITIES ACT AND REGULATION S

12.12.1 INTRODUCTION

The Offer is being made available to investors in reliance on the exemption from registration contained in Regulation S (relating to offshore offerings) of the U.S. Securities Act. Accordingly, the CDIs to be issued under the Offer have not been, and will not be, registered under the U.S. Securities Act or the laws of any state or other jurisdiction in the U.S.

As a result of relying on the Regulation S exemption, the CDIs which are issued under the offer will be 'restricted securities' under Rule 144 of the U.S. Securities Act. This means that you will not be permitted to sell the CDIs issued to you under the Offer into the U.S. or to a U.S. Person for a period of at least 12 months from the Allotment Date, unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption is available (including resales to QIBs pursuant to Rule 144A). Accordingly, the market for CDIs is likely to be limited to the ASX, and if the market outside of the U.S. does not develop or is illiquid, purchasers of CDIs will be unable to sell the CDIs into the market within the U.S. (other than QIBs) due to the restrictions on the transfer of CDIs.

Imricor has requested that all CDIs issued under the Offer bear a designation on the ASX to enforce these restrictions. This designation is intended to automatically prevent any CDIs from being sold on the ASX to U.S. Persons that are not QIBs. However, you will still be able to freely transfer your CDIs on the ASX to any person other than a U.S. Person, or to QIBs. The Company cannot provide any assurances as to when this designation will be lifted from the CDIs.

12.12.2 REGULATION S AND NO ACTION LETTER

An offer or sale of securities made in accordance with Regulations S will not be subject to U.S. registration requirements. The requirements of Regulation S, as modified by the 7 January 2000 No Action Letter issued by the SEC to provide technical relief from CHESS compliance, are as follows:

- Offshore transaction: No offers or sales of securities may be made to U.S. Persons;
- No directed selling efforts: Imricor or the Lead Manager must not engage in activities such as publishing or advertising in the U.S. which could have the effect of conditioning the market;
- Offering restrictions: The Lead Manager must agree in writing to a range of restrictions to ensure compliance with Regulation S;
- Distribution compliance period: Offers and sales may not be made to U.S. Persons or for the account or benefit of U.S. Persons for one year after the Offer; and
- Compliance with No Action Letter: Imricor and brokers must comply with obligations imposed under the No Action Letter, including:
  - restricting the ability for brokers to execute a transaction involving U.S. Persons;
  - including restrictive legends on any certificated Shares issued to Shareholders;
  - identify the Shares and CDIs as restricted securities;
  - sending confirmations to purchasers of Shares that their Shares are subject to Regulation S; and
  - restricting the ability to transfer Shares that are not in compliance with Regulation S.

12.12.3 APPLICANT REPRESENTATIONS REGARDING NON-U.S. STATUS

As required by Regulation S and the No Action Letter, each Applicant will be deemed to have represented and agreed as follows:

- The Applicant is not a U.S. Person and is not acting for the account or benefit of a U.S. Person.
- The Applicant understands and agrees that, if in the future it decides to resell, pledge or otherwise transfer any CDIs (or underlying Shares), it will do so only:
  - outside the U.S. in an offshore transaction in compliance with Rule 903 or Rule 904 under the U.S. Securities Act;
  - pursuant to an effective registration statement under the U.S. Securities Act; or
  - pursuant to an available exemption from the registration requirements of the U.S. Securities Act, and in each case in accordance with all applicable securities laws.
- The Applicant agrees not to engage in hedging transactions with regard to CDIs (or underlying Shares) unless in compliance with the U.S. Securities Act.
- The Applicant acknowledges that Imricor, the Lead Manager and others will rely upon the truth and accuracy of these acknowledgments, representations and agreements, and agree that if any such acknowledgments, representations or warranties deemed to have been made by virtue of its purchase of CDIs are no longer accurate, it must promptly notify Imricor and the Lead Manager.

12.12.4 PURCHASER REPRESENTATIONS OF CDIS IN THE SECONDARY MARKET

The No Action Letter requires that purchasers of CDIs in the secondary market make similar certifications and agreements to the ones that Applicants make in the Offer regarding their status as non-U.S. Persons.

12.12.5 REQUIREMENTS OF THE ASX AND CUSIP GLOBAL SERVICES

The No Action Letter requires that the ASX and entities like CUSIP Global Services take certain actions in order to comply with the provisions of the No Action Letter:

Whether in the Offer or in secondary trading, neither the Lead Manager nor any other ASX Participants may execute a transaction on the ASX in Regulation S securities if that broker knows that the purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person.

In connection with any purchase of CDIs, whether in the Offer or in secondary trading, the Lead Manager and any other ASX Participants must make all reasonable efforts to ascertain whether a purchaser is a U.S. Person or is acting for the account or benefit of a U.S. Person, and implement measures designed to assure reasonable compliance with this requirement.

The confirmation sent to each Applicant in the Offer and each purchaser of CDIs in the secondary market trading will include a notice that the CDIs are subject to the restrictions of Regulation S.

Any information provided by the Lead Manager to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and are subject to restrictions under Regulation S.

12. ADDITIONAL INFORMATION (CONT)

12.12.6 REQUIREMENTS OF IMRICOR

Imricor is also required to take the following actions:

- Imricor undertakes to provide notification of the Regulation S status of its CDIs in Shareholders communications such as annual reports, periodic interim reports, and notices of Shareholders meetings.
- During the distribution compliance period, Imricor undertakes that any information provided by Imricor to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and is subject to restrictions under Regulation S.

The Bylaws provide that Imricor will refuse to register any transfer of CDIs (or the underlying Shares) that would result in a contravention of or failure of any applicable law. This would include any transfer not made:

- in accordance with the provisions of Regulation S (Rule 901 through Rule 905, and preliminary notes);
- pursuant to registration under the U.S. Securities Act; or
- pursuant to an available exemption from registration.

12.12.7 LEGENDING REQUIREMENTS

Global securities, certificates into which global securities may be subdivided and any physical certificate representing the Shares into which CDIs have been converted prior to the end of the restriction period must bear certain restrictive legends required under Regulation S and certain other pertinent provisions of the U.S. Securities Act and the regulations promulgated under the U.S. Securities Act. No Shares bearing the required restrictive legend may be transferred by the Registry or other transfer agent without a favourable opinion or counsel or the assurance that the transfer complies fully with the U.S. Securities Act.

12.13 U.S. PERIODIC REPORTING REQUIREMENTS

Under applicable federal securities laws in the U.S., even if Imricor's securities are not traded on a U.S. securities exchange, Imricor may be required to:

- file a Form 10 with the SEC; and
- become subject to regulation under the U.S. Exchange Act, including filing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K.

Imricor will be required to do so when it meets the thresholds of having (i) assets of more than US$10 million and (ii) either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. Although the first threshold will be satisfied immediately following the Combined Offers, Imricor can give no assurance as to the time the second threshold will be satisfied, and therefore the time that it will be subject to the U.S. periodic reporting requirements set out above. Further, any ongoing U.S. reporting requirements may be subject to legislative change from time to time.

Imricor's U.S. periodic reporting requirements will be in addition to its periodic disclosure requirements under the Listing Rules, unless appropriate waivers can be obtained from the ASX.

12.14 RELATED PARTY INTERESTS

12.14.1 CURRENT AND PROPOSED TRANSACTIONS

Other than as set out below and elsewhere in this Prospectus (including the compensation arrangements with Directors described in Section 7.4), there are no existing agreements or arrangements and there are no currently proposed transactions in which Imricor was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

12.14.2 POLICY FOR APPROVAL OF RELATED PARTY TRANSACTIONS

The Audit and Risk Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which parties related to Imricor, including its executive officers, Directors and certain other persons whom the Board determines may be considered related parties of Imricor (for the purposes of Chapter 2E of the Corporations Act), have or will have a material direct or indirect interest.

Certain transactions with related parties will also be subject to Shareholder approval under the Listing Rules.

12.15 OFFER EXPENSES

The total estimated costs to the Company in connection with the Combined Offers, including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses are currently estimated to be approximately US$1.58 million or approximately A$2.3 million at the Minimum Allotment and US$1.61 million (A$2.4 million) at the Maximum Allotment.

12.16 CONSENTS

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to in the table below has not authorised or caused the issue of this Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to such party's name and any statement or report included in this Prospectus with the consent of that party as described below.

Name of entity	Named as	Reports or statements
Johnson Winter & Slattery	Australian legal advisor to the Company	Summary of the Australian tax implications in Sections 11.2 and 11.4
Grant Thornton Corporate Finance Pty Ltd	Australian investigating accountant to the Company	Independent Limited Assurance Report (Section 6)
Moelis Australia Advisory Pty Ltd	Financial advisor and Lead Manager of the Offer	–
Fox Rothschild LLP	U.S. legal advisor and patent attorney to the Company	Summary of the U.S. tax implications in Section 11.3 Intellectual Property Report (Section 10)
Baker Tilly Virchow Krause, LLP	U.S. auditor of the Company	–
Computershare Investor Services Pty Limited	Registry for Imricor	–
Johns Hopkins University	–	The references and descriptions to the agreements to which Johns Hopkins University is a party
Nalu Medical, Inc.	–	The references and descriptions to the agreements to which Nalu Medical, Inc. is a party

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the Registry.

Each of Siemens Healthcare GmbH and Philips Medical Systems Nederland B.V. has also consented to be named in the Prospectus in the form and context in which it is named and to statements relating to the Siemens Collaboration and the Philips Collaboration and Philips License respectively. Neither Siemens Healthcare GmbH nor Philips Medical Systems Nederland B.V., however, makes or purports to make, any statement in the Prospectus, nor is any statement in this Prospectus based on any statement by Siemens Healthcare GmbH or Philips Medical Systems Nederland B.V.

12. ADDITIONAL INFORMATION (CONT)

12.17 ASIC RELIEF

ASIC has made a declaration under subsection 741(1)(b) of the Corporations Act modifying subsections 707(3) and 707(4) so that the modified form of subsection 707(3) applies to sale offers, within 12 months of issue, of CDIs issued (including upon transmutation of Shares) to:

- certain investors in the Company under the U.S. Private Placement;
- holders of Convertible Notes on conversion of the Convertible Notes; or
- holders of certain Options and Warrants on the exercise of those Options and Warrants.

The effect of the declaration is that sale offers of such CDIs within 12 months after their issue will not need disclosure under Chapter 6D of the Corporations Act.

In addition, ASIC has indicated that it will make a declaration under subsection 741(1)(b) of the Corporations Act modifying subsections 707(3) and 707(4) so that the modified form of subsection 707(3) applies to sale offers of CDIs issued on exercise of the Options issued to the Directors and Ms. Milbrant following completion of the Offer.

12.18 ASX WAIVERS AND CONFIRMATIONS

ASX has given Imricor 'in principle' advice that it would be likely to provide the confirmations and waivers described below on receipt of Imricor's application for admission to the Official List of the ASX:

- a waiver from Listing Rules 6.16, 6.19, 6.21 and 6.22 to the extent necessary to permit Imricor to have Options on issue under the 2006 Plan and 2016 Plan which do not comply with those Listing Rules;
- a waiver from Listing Rules 6.16, 6.19, 6.21 and 6.22 to the extent necessary to permit Imricor to have 787,909 Warrants which do not comply with those Listing Rules;
- a waiver from Listing Rule 7.1 to the extent necessary to permit Imricor to issue the Royalty Shares;
- a waiver from Listing Rule 10.14 to the extent necessary to permit Imricor to grant Options to Directors following completion of the Offer as described in Section 7.7.2;
- a waiver from Listing Rule 10.18 to the extent necessary to permit Imricor upon a change of control and in the event that an Option holder's employment or service with the Company is involuntarily terminated within 12 months of the change of control, to accelerate the exercisability of the Options on issue under the 2006 Plan and the 2016 Plan held by officers of the Company;
- a waiver from Listing Rule 14.2.1 to the extent necessary to permit Imricor not to provide in the proxy form for meetings, an option for CDI Holders to vote against a resolution to elect a Director;
- a waiver from Listing Rule 14.4 to the extent necessary to permit Imricor to comply with the statutory requirements imposed under Delaware law and the Bylaws with respect to the appointment of a Director to fill a casual vacancy on the Board or as an additional Director;
- a confirmation that the terms and conditions of the Shares are appropriate and equitable for the purposes of Listing Rule 6.1;
- approval of the Class B Common Stock as an additional class of securities in accordance with Listing Rule 6.2;
- confirmation that Imricor may, for the purposes of Listing Rule 14.3, accept nominations for the election of Directors in accordance with the timetable set out in the Bylaws and the General Corporation law of the State of Delaware;
- a confirmation that Imricor may prepare its financial accounts in accordance with U.S. GAAP and only in U.S. dollars, and may have its financial accounts reviewed and audited in accordance with U.S. Auditing Standards; and
- certain determinations with respect to the mandatory ASX escrow requirements for certain Existing Holders.

12.19 ELECTRONIC PROSPECTUS

The use of electronic disclosure documents is permitted under Chapter 6D of the Corporations Act. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Registry and the Registry will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

Imricor reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

12.20 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

12.21 STATEMENT OF DIRECTORS

The Directors report that after due inquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of Imricor, other than as disclosed in this Prospectus.

Each Director has authorised and consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

SECTION 13

SIGNIFICANT ACCOUNTING POLICIES

13. SIGNIFICANT ACCOUNTING POLICIES

13.1 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by Imricor in the preparation and presentation of the pro forma Historical Financial Information included in the Prospectus.

The accounting policies have been consistently applied, unless otherwise stated.

The financial information has been prepared in accordance with accounting principles generally accepted in the United States of America, or USGAAP.

13.1.1 CASH

Cash consists of funds in depository accounts. The Company holds cash with high quality financial institutions and at times, such balances may be in excess of federal insurance limits.

13.1.2 ACCOUNTS RECEIVABLE

Accounts receivable are unsecured, are recorded at net realisable value, and do not bear interest except for a revenue transaction with a significant financing component. The Company makes judgments as to its ability to collect outstanding receivables based upon significant patterns of uncollectability, historical experience, and managements' evaluation of specific accounts and will provide an allowance for credit losses when collection becomes doubtful. The Company performs credit evaluations of its customers' financial condition on an as-needed basis. Payment is generally due 30 days from the invoice date and accounts past 30 days are individually analysed for collectability. When all collection efforts have been exhausted, the account is written off against the related allowance. To date the Company has not experienced any write-offs or significant deterioration of its accounts receivable aging, and therefore, no allowance for doubtful debt has been recorded to date.

Accounts receivable includes unbilled receivables of US$40,655 as of 31 December 2018 which represents the current portion of minimum royalties due to the Company during the year ended 31 December 2019. The long-term accounts receivable relates to minimum royalties due to the Company for years ending after 31 December 2019.

13.1.3 INVENTORY

Inventories are stated at lower of cost (using the first-in, first-out method) or net realisable value.

13.1.4 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Additions and improvements that extend the lives of assets are capitalised, while expenditures for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortisation of leasehold improvements is computed on a straight-line basis over the shorter of the estimated useful lives of the related assets or life of the lease.

The standard estimated useful lives of property and equipment are as follows:

- Office furniture and equipment - 5 years
- Lab and production equipment - 5 years
- Computer equipment - 3 years
- MRI scanner - 7 years
- Leasehold improvements - 7 years

The Company reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the impairment tests indicate that the carrying value of the asset, or asset group, is greater than the expected undiscounted cash flows to be generated by such asset or asset group, further analysis is performed to determine the fair value of the asset or asset group. To the extent the fair value of the asset or asset group is less than its carrying value, an impairment loss is recognised equal to the amount the fair value of the asset or asset group exceeds its carrying amount. The Company generally measures fair value by considering sale prices for similar assets or asset groups, or by discounting estimated future cash flows from such assets or asset groups using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of assets or asset groups, and accordingly, actual results could vary significantly from such estimates. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. To date, the Company has not recognised any impairment loss for property and equipment.

13. SIGNIFICANT ACCOUNTING POLICIES (CONT)

13.1.5 RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred.

13.1.6 PATENTS

Expenditures for patent costs are charged to operations as incurred.

13.1.7 CAPITAL LEASES

Capital leases are recorded as assets and liabilities at the lower of the present value of the minimum lease payments at the beginning of the lease term or the fair value of the leased property at the inception date.

13.1.8 FINANCIAL INSTRUMENTS

The carrying amounts for all financial instruments approximate fair value. The carrying amounts for cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. The fair value of long-term receivables and the convertible notes approximate carrying value and have been estimated based on discounted cash flows using interest rates being offered for similar instruments having the same or similar maturities and collateral requirements.

13.1.9 REVENUE RECOGNITION

The Company generates revenue principally from technology licenses, research and development services and government contracts. Consideration received for revenue arrangements with multiple components is allocated among the separate performance obligations based upon their relative estimated standalone selling price.

In determining the appropriate amount of revenue to be recognised as we fulfil our obligations under our agreements, we perform the following steps: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognise revenue when (or as) each performance obligation is satisfied.

The Company enters into collaboration agreements for research and development services that are within the scope of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, under which it licenses certain rights to its intellectual property to third parties. The terms of these arrangements typically include payment to the Company of one or more of the following: upfront non-refundable license fees; reimbursement of certain costs; development milestone payments; and royalties on net sales of licensed products. The amount of variable consideration is constrained until it is probable that the revenue is not at a significant risk of reversal in a future period. The contracts into which the Company enters generally do not include significant financing components.

As part of the accounting for these arrangements, the Company must use significant judgment to determine: (a) the transaction price under step (iii) above and (b) the timing of revenue recognition, including the appropriate measure of progress in step (v) above. The Company uses judgment to determine whether milestones or other variable consideration, except for royalties, should be included in the transaction price, as described further below. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognises revenue as or when the performance obligations under the contract are satisfied. If a milestone or other variable consideration relates specifically to the Company's efforts to satisfy a single performance obligation or to a specific outcome from satisfying the performance obligation, the Company generally allocates the milestone amount entirely to that performance obligation once it is probable that a significant revenue reversal would not occur.

Amounts received prior to revenue recognition are recorded as a contract liability. Amounts expected to be recognised as revenue within the 12 months following the balance sheet date are classified as current portion of contract liabilities in the accompanying balance sheets. Amounts not expected to be recognised as revenue within the 12 months following the balance sheet date are classified as contract liabilities, net of current portion.

13.1.10 LICENSES OF INTELLECTUAL PROPERTY

In assessing whether a right to use license is distinct from the other promises, the Company considers factors such as the research and development capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can benefit from a license for its intended purpose without the receipt of the remaining promise(s), whether the value of the license is dependent on the unsatisfied promise(s), whether there are other vendors that could provide the remaining promise(s), and whether it is separately identifiable from the remaining promise(s). For licenses that are combined with other promises, the Company uses judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognising revenue.

The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

13.1.11 MILESTONE PAYMENTS

At the inception of each arrangement that includes development milestone payments, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant reversal of cumulative revenue would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The Company evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether it is probable that a significant reversal of cumulative revenue would not occur. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

13.1.12 ROYALTIES

Minimum guaranteed royalties are recognised upon the execution of the relevant license agreement as these proceeds are not variable consideration. If it is determined that there is a significant financing component in the agreement, revenue is reduced for the amount that represents future interest income. For agreements that include sales-based royalties, including milestone payments based on a level of sales, and under which the license is deemed to be the predominant item to which the royalties relate, the Company recognises revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

13.1.13 STOCK-BASED COMPENSATION

The Company recognises compensation expense for all stock-based payment awards made to employees and non-employee directors and consultants in its statements of operations based on their fair values at the date of grant based on the Black-Scholes pricing model. Stock-based compensation expense is recognised on a straight-line basis over the vesting period for all awards, net of an estimated forfeiture rate, resulting in the recognition of compensation expense for only those shares expected to vest. Compensation expense is recognised for all awards over the vesting period to the extent the employees or directors meet the requisite service requirements, whether or not the award is ultimately exercised. Conversely, when an employee or director does not meet the requisite service requirements and forfeits the award prior to vesting, any compensation expense previously recognised for the award is reversed.

13. SIGNIFICANT ACCOUNTING POLICIES (CONT)

13.1.14 ESTIMATES

The preparation of financial information in conformity with USGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13.1.15 RECENT ACCOUNTING STANDARDS

During February 2016, the Financial Accounting Standards Board (**FASB**) issued Accounting Standards Update (**ASU**) No. 2016-02, *Leases*. ASU No. 2016-02 was issued to increase transparency and comparability among organisations by recognising all lease transactions (with terms in excess of 12 months) on the balance sheet as a lease liability and a right-of-use asset (as defined). ASU No. 2016-02 is effective for fiscal years beginning after 15 December 2018 (for public entities) or 15 December 2019 (for private entities), and interim periods within fiscal years beginning after 15 December 2018 (for public entities) or 15 December 2020 (for private entities), with earlier application permitted. The original guidance required application on a modified retrospective basis with the earliest period presented. In August 2018, the FASB issued ASU 2018-11, Targeted Improvements to ASC 842, which includes an option to not restate comparative periods in transition and elect to use the effective date of ASC 842, Leases, as the date of initial application of transition. Based on the effective date, this guidance will apply and the Company will adopt this ASU beginning on 1 January 2019 using the transition option provided under ASU 2018-11. The Company has performed a review of the requirements of the new guidance and has identified which of its leases will be within the scope of ASU 2016-02. The Company is working through an adoption plan which includes a review of lease contracts, applying the new standard to the lease contracts and comparing the results to our current accounting. As part of this, Imricor is assessing changes that might be necessary to processes, and internal controls to capture new data and address changes in financial reporting. Effective 1 January 2019, the Company will be revising its lease accounting policy disclosures to reflect the requirements of ASU 2016-02. The Company expects that the adoption of this guidance will result in a material increase in the assets and liabilities recorded on its balance sheets and additional qualitative and quantitative disclosures. The Company expects to use the effective date of this standard as the date of initial application, with no retrospective adjustments to prior comparative periods. This revised standard has been implemented in the Forecast Financial Information presented in this Prospectus.

13.1.16 REVENUE RECOGNITION

Effective 1 January 2018, the Company adopted ASC, 606, *Revenue from Contracts with Customers*, using the modified retrospective method. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, and financial instruments.

13.1.17 IMPACT OF ADOPTION

As a result of adopting the standard, the Company recognised an adjustment to reduce the accumulated deficit by US$3,214,372 mainly related to accelerating revenue related to minimum royalties and license and development arrangements where the Company has fulfilled their performance obligations as of 31 December 2017.

13.1.18 ROYALTIES AND LICENSE FEES

On 1 June 2012, the Company licensed certain intellectual property to a customer in exchange for an upfront non-refundable license fee and milestone payments, which could total up to US$6,000,000. All these milestone payments, including the non-refundable license fee, were collected on or before October 2015. In addition, the agreement provides for a royalty of 3% of product sales, subject to a minimum of US$50,000 per year.

The Company determined that the promises pursuant to the agreement were not distinct from one another, as the license has limited value without the remaining obligations. All obligations were fulfilled on or before October 2015. Prior to the adoption of ASC 606, a portion of the initial upfront payment was included in contract liabilities (formerly deferred revenue) and was being recognised as revenue over the life of the license. The adoption of ASC 606 resulted in the elimination of the remaining balance of US$1,333,333 in contract liabilities, as the performance obligation has been fulfilled.

In addition, the adoption of ASC 606 resulted in the recognition of the portion of remaining minimum royalty payments to be received, less the portion which represents future interest income. The amount expected to be received within 12 months is included in accounts receivable and the amounts expected to be received in future periods beyond 12 months are included

in accounts receivable-long term. Any royalties received in the future which are more than the minimum guaranteed royalty will be recognised when they are earned. Based on revenue recognition requirements applicable under ASC 605, the Company recognised US$50,000 of royalty revenue for the year ended 31 December 2017.

On 27 November 2013, the Company licensed certain intellectual property to a customer in exchange for an upfront non-refundable license fee and milestone payments, which can total up to US$7,000,000. The Company collected US$6,000,000 of these milestone payments, including the non-refundable license fee, on or before October 2016.

The Company determined there were three distinct performance obligations pursuant to the agreement, each related to a separate product development program. The first milestone was completed in October 2014. The second milestone has effectively been cancelled. The Company currently has no intention to engage in the development program relating to the second milestone and there is no contractual obligation to do so. The customer paid the third milestone payment, in advance of final completion of the obligation, as the customer put the project on hold and did not want to lose their exclusive rights to the intellectual property.

Prior to the adoption of ASC 606, a portion of the initial upfront payment was included in contract liabilities (formerly deferred revenue) and was being recognised as revenue over the life of the license. The adoption of ASC 606 resulted in an allocation of the upfront payment to the first and third milestones on a relative standalone value basis. No allocation of the upfront payment was made to the second milestone, given the Company's position that this development program has been effectively cancelled. The Company has estimated that 72% of the third milestone was completed prior to 1 January 2018. As a result of the adoption of ASC 606, the remaining contract liability associated with the first milestone and 72% of the contract liability associated with the third milestone was eliminated. US$373,333, which represents 28% of the third milestone as well as the relative portion of the upfront payment, is included in long-term contract liabilities as of 31 December 2018. The customer sold the portion of the business which held this license in May 2018. The license has been assigned to the purchaser. The project is still on hold with no plans to work on final development during the next 12 months, and therefore, the contract liability is included in long-term liabilities.

In November 2017, the Company licensed certain intellectual property to a customer in exchange for an upfront non-refundable license fee and milestone payments, which can total up to US$2,250,000. The non-refundable license fee of US$500,000 was collected in November 2017 and two milestone payments totalling US$500,000 were collected during the year ended 31 December 2018.

The Company determined that the promises pursuant to the agreement were not distinct from one another, as the license has limited value without the remaining obligations.

Prior to the adoption of ASC 606, a portion of the initial upfront payment was included in contract liabilities and was being recognised as revenue over the life of the license. The adoption of ASC 606 resulted in a change in recognition of the upfront payment from over the life of the license to over the period of expected performance. As of 31 December 2018, the Company determined that it would not be able to fulfil the remaining two milestones in the timeframe outlined in the agreement. The Company has amended the agreement to change the dates for completion of the remaining milestones. However, as of 31 December 2018, the Company had completed all of its performance obligations related to the milestone's probability of completion. Consequently, the Company recognised the remaining upfront non-refundable license fee of US$461,538 during the year ended 31 December 2018. In addition, during the year ended 31 December 2018, the Company recognised US$350,000 related to the achievement of the first two milestones which was recognised over time as the performance obligation was fulfilled, subject to constraint.

The Company recognised US$7,353 in license fees during the year ended 31 December 2017 related to a portion of the upfront non-refundable license fee which was being recognised over the life of the license.

13.1.19 GOVERNMENT CONTRACT REVENUE

The Company was awarded a contract with the U.S. National Institutes of Health on 26 September 2017 for up to US$2,402,951 to develop an MRI-compatible injection catheter for treating arrhythmias using chemoablation. The Company recognises revenue for this contract over time using the "as invoiced" practical expedient. There was no change in the pattern of revenue recognition under ASC 606 for this contract. The Company recognises US$190,911 and US$54,546 as revenue during the years ended 31 December 2018 and 2017, respectively.

13. SIGNIFICANT ACCOUNTING POLICIES (CONT)

13.1.20 CONTRACT LIABILITY

Amounts received prior to satisfying the above revenue recognition criteria are recorded as contract liabilities in the accompanying balance sheets, with the contract liabilities to be recognised beyond one year being classified as non-current contract liabilities. As of 31 December 2018, and 2017, the Company had contract liabilities of US$592,853 and US$3,719,695, respectively.

The following table sets forth information related to the contract liabilities as of 31 December 2018:

	Contract liabilities (US$)
31 December 2017	**3,719,695**
Decrease as a result of cumulative catch-up arising from the adoption of ASC 606	(2,815,303)
Decrease from revenue recognised for completion of performance obligations that was included in contract liabilities at the beginning of the period	(311,539)
31 December 2018	**592,853**

The decrease in contract liabilities during the year ending 31 December 2018 was a result of the Company continuing development on certain applications using the Company's licensed technology.

The cumulative effect of the changes made to our balance sheet as of 1 January 2018 for the adoption of ASC 606 were as follows:

	Balance as of 31 December 2017 (US$)	Adjustment (US$)	Balance as of 1 January 2018 (US$)
CURRENT ASSETS			
Accounts receivable	–	41,874	41,874
Total current assets	2,175,757	41,874	2,217,631
ACCOUNTS RECEIVABLE-LONG TERM	–	357,195	357,195
TOTAL ASSETS	**2,345,391**	**399,069**	**2,744,460**
CURRENT LIABILITIES			
Current portion of contract liabilities	465,759	(154,220)	311,539
Total current liabilities	834,324	(154,220)	680,014
LONG-TERM LIABILITIES			
Contract liabilities, net current portion	3,253,936	(2,661,083)	592,853
Total liabilities	6,453,452	(2,815,303)	3,638,149
STOCKHOLDERS' DEFICIT			
Accumulated deficit	(24,897,618)	3,214,372	(21,683,246)
Total stockholders' deficit	(4,108,061)	3,214,372	(893,689)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**2,345,391**	**399,069**	**2,744,460**

The following table summarises the impact of the adoption of ASC 606 on the Company's balance sheet as of 31 December 2018:

	As reported (US$)	Adjustment (US$)	Balances without adoption of ASC 606 (US$)
CURRENT ASSETS			
Accounts receivable	55,856	(40,655)	15,201
Total current assets	2,085,925	(40,655)	2,045,270
ACCOUNTS RECEIVABLE-LONG TERM	**316,540**	**(316,540)**	**–**
TOTAL ASSETS	**5,228,942**	**(357,195)**	**4,871,747**
CURRENT LIABILITIES			
Current portion of contract liabilities	–	465,759	465,759
Total current liabilities	427,344	465,759	893,103
LONG-TERM DEBT			
Contract liabilities, net current portion	592,853	2,295,324	2,888,177
Total liabilities	11,122,953	2,761,083	13,884,036
STOCKHOLDERS' DEFICIT			
Accumulated deficit	(27,131,728)	(3,118,278)	(30,250,006)
Total stockholders' deficit	(5,894,011)	(3,118,278)	(9,012,289)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**5,228,942**	**(357,195)**	**4,871,747**

The following table summarises the impact of the adoption of ASC 606 on the Company's statement of operations for the year ended December 31, 2018:

	As reported	Adjustment	Balances without adoption of ASC 606
REVENUES			
Royalties and license fees	811,538	104,221	915,759
Total revenue	1,002,449	104,221	1,106,670
Loss from operations	**(4,817,238)**	**104,221**	**(4,713,017)**
OTHER INCOME (EXPENSE)			
Interest income	13,009	(8,126)	4,883
Total other income (Expense)	(631,244)	(8,126)	(639,370)
Net loss	**(5,448,482)**	**96,095**	**(5,352,387)**
Basic and diluted loss per common share	(0.13)		(0.13)

13. SIGNIFICANT ACCOUNTING POLICIES (CONT)

The following table summarises the impact of the adoption of ASC 606 on the Company's statement of cash flows for the year ended 31 December 2018:

	As Reported (US$)	Adjustment (US$)	Balances without adoption of ASC 606 (US$)
Net loss	(5,448,482)	96,095	(5,352,387)
Change in assets and liabilities			
Account receivable	26,673	(41,874)	(15,201)
Contract liabilities	(311,539)	(54,221)	(365,760)

SECTION 14

GLOSSARIES

14. GLOSSARIES

TECHNICAL GLOSSARY

3D mapping and tracking tools	Tools (e.g. hardware and software) which can provide a three dimensional representation (i.e. shell) of a patient's heart, and can use a tracked catheter to take electrical measurements inside the heart which can be represented as a colour map on top of the heart shell (see Sections 2.5 and 2.7.3 for further details)
ablation / cardiac ablation / catheter ablation / cardiac catheter ablation	A procedure performed in an EP lab by an electrophysiologist in which the electrophysiologist intentionally creates a scar or permanently destroys (also referred to as creating lesions or ablating) the tissue that triggers or supports an arrhythmia
ablation therapy (lesion) verification / lesion verification	The use of MR imaging to view the quality of an ablation burn in order to verify that it will result in a permanent (and not temporary) lesion, as described in Section 2.7.2
Active MR Tracking	A technique for tracking a catheter within a patient undergoing MRI using sensors that are embedded in the device, as described in Section 2.7.3
Advantage-MR EP Recorder Stimulator System	One of Imricor's key products, as described in Section 3.3.1
AF	Atrial fibrillation
AFL	Atrial flutter
antiarrhythmic drugs	Drugs which can be used to treat certain arrhythmias by changing the electrical properties of the cardiac tissue, as discussed in Section 2.4.2
arrhythmia	An abnormal heart rhythm
ARTG	The Australian Register of Therapeutic Goods, a computer database of all medicines and medical devices which can be lawfully supplied in Australia, administered by the TGA
atria	The two upper chambers of the heart which receive blood from the veins and forces it by muscular contraction into a ventricle
atrioventricular node or AV node	A mass of specialised conductive tissue in the heart, which transmits electrical impulses between the upper and lower chambers to initiate contraction of the ventricles which pump blood out to the body
bradycardia	An abnormally slow heartbeat
CAGR	Compound annual growth rate
cardiac	Relating to the heart
cardioversion (synchronised defibrillation)	A procedure that aims to restore a normal heart rhythm in people with certain types of arrhythmias by delivering electrical energy and momentarily shocking the heart in order to interrupt the chaotic rhythm
CE mark	The "CE" symbol (an abbreviation of the phrase 'Conformité Européene'), which a manufacturer affixes to a product to indicate that it meets all the legal requirements for CE marking and can be sold within the European Union

CE mark approval	The regulatory approval required to place the CE marking on a product and sell it within the European Union
chemoablation	The ablation of cells by delivering a caustic agent to the ablation site
diagnostic catheter	A catheter that can sense electrical signals flowing through the heart and provide cardiac stimulation, but is not used for ablation
dispersive electrode	A pad that is placed on the patient's body and used to remove or disperse electric currents safely during an ablation procedure
eddy current	A closed loop electrical current induced in a conductor by a varying magnetic field which can create challenges and risks to patient safety if induced in an MRI environment
electroanatomical mapping	The use of a tracked catheter to measure electrical information within a patient's heart, and the representation of that electrical information as a colour map over 3D representations/images of the patient's heart (see Figures 2.2 and 2.4)
electrode-tipped wires / electrode wires	Wires that connect electrodes on the catheter tip to an electrical connector on the catheter handle and are used to create an electrical connection between the catheter electrodes and external medical equipment
electrophysiologist	A medical practitioner with a specialisation in the treatment of arrhythmias
electrophysiology or EP	The study of the electrical activity of the heart
electrophysiology (EP) lab	A laboratory, or room, which has the necessary equipment and facilities to enable electrophysiologists to conduct medical procedures related to electrophysiology
external defibrillation	The use of a medical device known as an external defibrillator which uses an electrical current to shock the heart back into its correct rhythm
FDA	The U.S. Food and Drug Administration
fibrillation	A quivering or irregular heartbeat (arrhythmia) that can lead to blood clots, stroke, heart failure, and other heart-related complications
first-line therapy	Also known as 'primary therapy' or 'primary treatment'
Gy (Gray)	A unit of measure of radiation dose expressed in terms of absorbed energy per unit mass of tissue
hypertension	An elevated or high blood pressure
iCMR lab	Interventional Cardiac Magnetic Resonance Imaging lab, being a lab that is fitted with MRI equipment for use in cardiac diagnostic and interventional procedures, and in which ablation procedures using the Vision-MR Ablation Catheter can be performed
inter-atrial septum	The partition between the left and right atria of the heart
lesion verification	See definition for 'ablation therapy (lesion) verification' above
local ethics committee approval	Ethical approval from the applicable governing body in the respective institution responsible for each iCMR site

14. GLOSSARIES (CONT)

MDD	European Medical Devices Directive (93/42/EEC)
MRI	Magnetic Resonance Imaging; a medical imaging technique used in radiology to form pictures of the anatomy and the physiological processes of the body
Passive MR Tracking	A technique for visualising and tracking a catheter within a patient where the intrinsic material characteristics of the catheter allow it to be seen in the MR image, as described in Section 2.7.1
radiofrequency or RF ablation	An ablation procedure that uses heat to burn tissue (as opposed to, for example, cryoblation, which freezes tissue)
resting heart rate	The number of times a person's heart beats per minute while the person is at complete rest
secondary arrhythmia	An arrhythmia other than the primary arrhythmia for which a patient is being treated that develops or is observed during an ablation procedure to treat the primary arrhythmia
sinus node	Also known as the 'pacemaker' of the heart, the sinus node is a cluster of cells situated in the upper right atrium, where electrical impulses are generated to initiate a heartbeat
steerable sheath	A sheath in which the distal most portion of the sheath can be mechanically deflected by translating or rotating a mechanism on the sheath handle
SVT	Supraventricular tachycardia as described in Section 2.2
tachycardia	An abnormally fast heartbeat
TGA	The Therapeutic Goods Administration, Australia's regulatory agency for medical drugs and devices
transeptal needle	A needle used to puncture the wall of tissue that separates the right and left atria of the heart (known as the 'interatrial septum')
vagal manoeuvres	An action used to slow down the heart rate by stimulating the vagus nerve, (one of two nerves extending through the neck to the upper part of the abdomen)
ventricles	The lower two chambers of the heart which receive blood from the atria and pump it out to the rest of the body
ventricular	Of, or relating to, or of the nature of a ventricle
Vision-MR Ablation Catheter	One of Imricor's key products, as described in Section 3.3.1
Vision-MR Dispersive Electrode	One of Imricor's key products, as described in Section 3.3.1
VF	Ventricular fibrillation
VT	Ventricular tachycardia

GENERAL GLOSSARY

2006 Plan	The 2006 Stock Option Plan described in Section 7.7.5
2016 Plan	The 2016 Stock Option Plan described in Section 7.7.4
2019 Plan	The 2019 Equity Incentive Plan described in Section 7.7.1
A$, $ or Australian dollar	The lawful currency of Australia
Abbott	Abbott Laboratories (NYSE: ABT), an American healthcare company
AIFRS	Australian equivalents to International Financial Reporting Standards
AEST	Australian Eastern Standard Time
Allotment Date	The date on which CDIs are allotted under the Offer, currently expected to be 30 August 2019
Applicant	A person who submits a valid Application
Application	An application to subscribe for CDIs under this Prospectus which is made on an Application Form and accompanied by the relevant Application Monies
Application Form	An application form attached to or accompanying this Prospectus (including any online Application Form)
Application Monies	The aggregate amount of money payable by an Applicant for CDIs applied for under the Offer
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires
ASX Corporate Governance Principles and Recommendations	The *Corporate Governance Principles And Recommendations* of the ASX Corporate Governance Council
ASX Participant	A 'Participant' within the meaning of the ASX Settlement Operating Rules
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement
Biosense Webster / Johnson & Johnson	Biosense Webster, Inc., a company headquartered in the United States that is owned by Johnson & Johnson (NYSE: JNJ)
Board or Board of Directors	The board of Directors of Imricor
Boston Scientific	Boston Scientific Corporation (NYSE: BSX), a company headquartered in the United States
Broker Firm Offer	The invitation to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker to acquire CDIs under this Prospectus

14. GLOSSARIES (CONT)

Bylaws	The Company's restated bylaws which will be adopted by Imricor with effect from the Allotment Date
CDI or CHESS Depositary Interest	A unit of beneficial ownership of Shares, the rights of which are summarised in Section 12.7
CDI Holder	A holder of CDIs
CDN	CHESS Depositary Nominees Pty Limited (ACN 071 346 506 and Australian Financial Services Licence Number: 254514)
CEO	Chief Executive Officer
Certificate of Incorporation	The Company's restated certificate of incorporation which will be adopted with effect on the Allotment Date
CFO	Chief Financial Officer
CGT	Capital Gains Tax
Chairman	The Chairman of the Board
CHESS	Clearing House Electronic Subregister System
Closing Date	The date on which the Offer closes, currently expected to be 5:00pm (AEST) on 26 August 2019
Code	*Internal Revenue Code* of 1986 (U.S.)
Combined Offers	The Offer and the U.S. Private Placement
Convertible Note	Convertible promissory notes issued by Imricor and described in Section 12.2
Corporations Act	*Corporations Act 2001* (Cth)
CUSIP Global Services	The body that administers the CUSIP and CUSIP International Numbering Systems for identifying investment instruments
Delaware General Corporation Law	Chapter 1 of Title 8 of the Delaware Code, which governs corporations incorporated in the U.S. State of Delaware
Director	A director of Imricor
Eligible U.S. Fund Manager	A dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States acting for a discretionary account or similar account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S
EU	European Union
Existing Holder	A person holding Shares or other securities in Imricor immediately prior to completion of the Combined Offers
Exposure Period	The period between the date of the Original Prospectus and seven days after that date, or such later date (not exceeding 14 days after the date of the Original Prospectus) as ASIC may require

FASB	The Financial Accounting Standards Board in the United States
FATCA	*Foreign Account Tax Compliance Act* of 2010 (U.S.), as amended to date
Financial Information	Has the meaning given in Section 5.1
Fourth Edition	The 4th edition of the ASX Corporate Governance Principles and Recommendations released in February 2019
FOR	Foreign ownership restriction
Forecast Financial Information	Has the meaning given in Section 5.1
Forecast Period	FY2019
FY2016, FY2017 and FY2018	The years ended 31 December 2016, 31 December 2017 and 31 December 2018, respectively
GST	Goods and Services Tax
Historical Audited and Pro Forma Balance Sheet	The Company's Historical Audited and Pro Forma Balance Sheet, as set out in Table 5.12 (Section 5.11)
Historical Financial Information	Has the meaning given in Section 5.1
Historical Period	FY2016, FY2017 and FY2018
Imricor or Company	Imricor Medical Systems, Inc., a company incorporated in the State of Delaware in the U.S. and registered in Australia as a foreign company (ARBN 633 106 019)
Independent Limited Assurance Report	The report set out in Section 6
Indicative Exchange Rate	A$1.00 = US$0.6812, being the exchange rate relied upon when preparing this Prospectus
Institutional Investors	An investor to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which Imricor is willing to comply with), including in Australia, persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act
Institutional Offer	The invitation to certain Institutional Investors in Australia, New Zealand, Singapore and Hong Kong to acquire CDIs under this Prospectus
Intellectual Property Report	The report set out in Section 10
IRS	The U.S. Internal Revenue Service
Key Managers	The CEO and senior management team of Imricor

14. GLOSSARIES (CONT)

Koninklijke Philips N.V.	The healthcare division of Koninklijke Philips N.V., an electronics company headquartered in Amsterdam, the Netherlands, or its affiliates (as applicable)
Lead Manager	Moelis Australia Advisory Pty Ltd (ABN 72 142 008 446)
Listing	Acceptance on the Official List
Listing Rules	The official listing rules of the ASX, as amended from time to time
Medtronic	Medtronic plc (NYSE: MDT), a company headquartered in the United States
Maximum Allotment	The maximum number of Shares (including Shares held as CDIs) to be allotted under the Combined Offers, being 15,662,650
Maximum Offer Proceeds	Gross proceeds of approximately A$12.1 million (approximately US$8.2 million) under the Offer, assuming maximum proceeds from oversubscriptions are received
Minimum Allotment	The minimum number of Shares (including Shares held as CDIs) to be allotted under the Combined Offers, being 14,457,831
Minimum Offer Proceeds	Gross proceeds of approximately A$11.1 million (approximately US$7.56 million) under the Offer, assuming no proceeds from oversubscriptions are received
New CDIs	CDIs offered for subscription by the Company over newly issued Shares under the Prospectus
No Action Letter	The no action letter from the SEC dated 7 January 2000 to provide technical relief from CHESS compliance
Non-executive Director	A Director who is not a Key Manager
Note Conversion	The conversion of the Convertible Notes into CDIs or Shares, as described in Section 12.2
Offer	The Broker Firm Offer and the Institutional Offer
Offer Period	The period from the Opening Date to the Closing Date (inclusive)
Offer Price	A$0.83 per CDI (equivalent to A$0.83 per Share), being the amount payable in respect of each CDI under this Prospectus
Official List	The official list of entities that the ASX has admitted and not removed from listing on the ASX
Official Quotation	The official quotation of the CDIs by the ASX
Opening Date	The date on which the Offer opens, currently expected to be 9.00am (AEST) on 15 August 2019
Original Prospectus	The prospectus dated 7 August 2019 and lodged with ASIC on that date, which this Prospectus replaces.
Original Prospectus Date	The date on which the Original Prospectus was lodged with ASIC, being 7 August 2019
Option	An option to acquire Shares (in this Prospectus, references to a particular number of Options are references to Options to acquire that number of Shares)

Pro Forma Historical and Forecast Statement of Operations	The Company's Pro Forma Historical and Forecast Statement of Operations, as set out in Table 5.7 (Section 5.7)
Prospectus	This document, dated 14 August 2019 for the issue of at least 13,373,494 CDIs, with the ability to issue an additional 1,204,819 New CDIs by way of oversubscriptions, including both hard copy and electronic versions, and any supplementary or replacement document
Q1, Q2, Q3 or Q4	The first, second, third or fourth quarter (as applicable) of a calendar year
QIB	Qualified Institutional Buyer, as defined in Rule 144A of the U.S. Securities Act.
R&D	Research and development
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other person that Imricor appoints to maintain the register of CDIs, and in relation to Shares, includes any of its related bodies corporate responsible for the maintenance of the Share register
Regulation S	Regulation S promulgated under the U.S. Securities Act
Retail Investor	An investor who is not an Institutional Investor
Royalty Shares	The maximum of 7,200,000 Shares that may be issued to two individuals in connection with certain Royalty Agreements entered into in 2007, described in Section 9.7
SEC	The U.S. Securities and Exchange Commission
Settlement Date	The date of settlement of the CDIs the subject of the Offer occurring under the Underwriting Agreement
SFA	*Securities and Futures Act*, Chapter 289 of Singapore
SFO	*Securities and Futures Ordinance* (Cap. 571) of the Laws of Hong Kong
Share	A fully paid share of the Class A common stock in the capital of Imricor with a par value of US$0.0001 per share, the terms of which are set out in the Certificate of Incorporation
Shareholder	A holder of Shares
Siemens Healthcare GmbH	Siemens Healthcare GmbH, a medical technology company headquartered in Munich, Germany
Sophisticated Investors	Investors who are persons in Australia who are 'sophisticated investors' or 'professional investors' under sections 708(8) and 708(11) of the Corporations Act
Successful Applicant	An applicant who is allotted CDIs under the Offer
Underwriting Agreement	The underwriting agreement dated 7 August 2019 between Imricor and the Lead Manager under which the Lead Manager has agreed to underwrite the Offer up to the Minimum Offer Proceeds
U.S. or United States	The United States of America, its territories and provinces, any state of the United States of America and the District of Columbia

14. GLOSSARIES (CONT)

US$ or U.S. dollar	The lawful currency of the U.S.
U.S. Exchange Act	*U.S. Securities Exchange Act* of 1934 (as amended to date and the rules and regulations promulgated thereunder)
USGAAP	Accounting principles generally accepted in the United States of America
U.S. Person	Has the meaning given to it in Rule 902(k) under Regulation S
U.S. Private Placement	The private placement of Shares to certain accredited investors in the U.S. pursuant to Regulation D of the U.S. Securities Act, described in Section 8.3
U.S. Securities Act	*U.S. Securities Act* of 1933 (as amended to date and the rules and regulations promulgated thereunder)
VP	Vice President
Warrant	A warrant to acquire Shares (in this Prospectus, references to a particular number of Warrants are references to Warrants to acquire that number of Shares)

APPLICATION FORM

Imricor Medical Systems, Inc.

ARBN 633 106 019

Need assistance?

Phone

(within Australia) 1300 376 397
(outside Australia) +61 3 9415 4397
Monday to Friday 8.30am to 5.00pm (AEST)

Please return your completed form to your broker

Broker Firm Offer Application Form

Broker Firm Offer closes 5.00pm (AEST) on Monday, 26 August 2019

Broker Firm Offer applicants must contact their broker for information on how to submit this Broker Firm Offer Application Form and Application Monies.
This Application Form relates to the Offer by Imricor Medical Systems, Inc. (the "Company") of CHESS Depositary Interests ("CDIs") in the Company, made under the prospectus ("Prospectus") lodged with the Australian Securities and Investments Commission on 7 August 2019 (or any supplementary or replacement propsectus).
This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial or other professional adviser. You should read the entire Prospectus carefully before completing this Application Form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus. Capitalised terms have the meaning given to them in the Prospectus.
By applying under the Broker Firm Offer, you make the acknowledgments, declarations, representations and warranties set out in the Prospectus.

STEP 1 CDIs applied for

Enter the number of CDIs you wish to apply for. The Application must be for a minimum value of A$2,000.30 (being at least 2,410 CDIs). Enter the amount of the Application Monies. To calculate this amount, multiply the number of CDIs applied for by the Offer Price which is A$0.83.

STEP 2 Applicant name(s) and postal address

Enter the full name you wish to appear on the confirmation statement. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS. Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to the Company's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 3 CHESS holdings only

The Company will apply to ASX for CDIs to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX. In CHESS, the Company will operate an electronic CHESS subregister of shareholdings and an electronic issuer sponsored subregister of shareholdings.
Together, the two subregisters will make up the Company's principal register of CDIs. The Company will not be issuing certificates to applicants in respect of CDIs allotted.
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold CDIs allotted to you under this Application on the CHESS subregister, enter your CHESS HIN.
Otherwise, leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ("SRN") will be allocated to you.
Please note that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any CDIs issued will be held on the issuer sponsored subregister.

STEP 4 Application payment

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not return this Application Form or Application Monies to the Registry.
Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian bank, must be crossed 'Not Negotiable' and must be made payable in accordance with the directions of the Broker from whom the Applicant received a firm allocation.

Please Note

There is no maximum value of CDIs that may be applied for under the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.
The Broker Firm Offer is expected to close at 5.00 pm (AEST) on Monday, 26 August 2019. The Company and the Lead Manager may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your broker for instructions.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS), as registry for Imricor Medical Systems, Inc. for the purpose of maintaining registers of securities and facilitating payments and other corporate actions and communications. Your personal information may be disclosed to related bodies corporate of CIS, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Imricor Medical Systems, Inc. in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this Application Form or e-mail privacy@computershare.com.au.

Broker Firm Offer Application Form

STEP 1 **Enter the number of CDIs you wish to apply for**

I/we apply for: | Price per CDI **A$0.83** | Application payment **A$** .

STEP 2 **Applicant names(s) and postal address**

Individual / joint applications - refer to naming standards for correct form of registrable title(s)

Title or company name | Given name(s) | Surname

Joint applicant 2 or account designation

Joint applicant 3 or account designation

Postal address

Unit | Street number | Street name or PO box

Street name or PO box (continued)

City/Suburb/Town | State | Postcode

Contact details

( )

Contact name

STEP 3 **CHESS Holdings Only - supply your Holder Identification Number** X

STEP 4 **Cheque(s) must be crossed 'Not Negotiable' and made payable in accordance with the directions of your Broker**

Drawer | Cheque number | BSB number | Account number | Amount of payment A$ .00

Acceptance of the Offer

By returning this Application Form with your Application Monies:
- you declare that this Application is completed and lodged according to the Prospectus and the declarations/statements on this Application Form and in the Prospectus;
- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations, contained in the Prospectus and this Application Form;
- you declare that all details and statements made are complete and accurate;
- you declare that each applicant, if a natural person, is at least 18 years old;
- you declare that you are located in Australia, not acting for the account or benefit of any person in the United States;
- you represent and warrant that the law of any other place does not prohibit you from being given the Prospectus and any supplementary or replacement prospectus or making an Application on this Application Form;
- you provide authorisation to be registered as the holder of CDI issued to you and agree to be bound by and comply with the By laws, Certificate of Incorporation and the Prospectus;
- you apply for the number of CDIs set out on or determined in accordance with this Application Form and agree to be issued or transferred such number of CDIs, a lesser number or none;
- you acknowledge that the information contained in the Prospectus (or any supplementary or replacement prospectus) is not investment advice or a recommendation that CDIs are suitable for you, given your investment objectives, financial situation or particular needs and that the investment performance of CDIs is not guaranteed by the Company;
- your Application to acquire CDIs is irrevocable and may not be varied or withdrawn except as allowed by law;
- you acknowledge that an Application may be rejected without giving any reason, including where this Application Form is not properly completed or where a cheque submitted with this Application Form is dishonoured or for the wrong amount and you authorise the Company to complete or correct this Application Form; and
- you acknowledge that if you are not issued any CDIs or you are issued fewer CDIs than the number that you applied and paid for as a result of a scale back, all or some of your Application Monies (as applicable) will be refunded to you (without interest) in accordance with the Corporations Act. Amounts of $A2.00 or less will be retained by the Company.

Correct forms of registrable titles

Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation or completed as described in the correct forms of registrable title(s) below.

Type of investor	Correct form of registration	Incorrect form of registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L; ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr William Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr William Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

CORPORATE DIRECTORY

Board Members

Steve Wedan (Chief Executive Officer)

Mark Tibbles (Non-executive Director)

Doris Engibous (Non-executive Director)

Peter McGregor (Non-executive Director)

U.S. Office and Headquarters

Imricor Medical Systems, Inc.

400 Gateway Boulevard
Burnsville, Minnesota, 55337
United States

Telephone: +1 952 818 8400

www.imricor.com

Local Agent and Australian Company Secretary

Kobe Li

Registered Address in Australia

c/- Case Governance Pty Ltd

Level 13, 41 Exhibition Street,
Melbourne VIC 3000 Australia

Australian Legal Advisor

Johnson Winter & Slattery

Level 25, 20 Bond Street
Sydney NSW 2000 Australia

Telephone: +61 2 8274 9555

www.jws.com.au

Management Team

Steve Wedan (Chief Executive Officer)

Lori Milbrandt (Chief Financial Officer)

Gregg Stenzel (Vice President of Operations)

Dan Sunnarborg (Vice President of Engineering)

Jennifer Weisz (Vice President of Regulatory and Quality)

Tom Lloyd (Vice President of Clinical Research)

Peter Gabrail (Director of Software)

Greg Englehardt (Director of Sales)

U.S. Legal Advisor and Patent Attorney

Fox Rothschild LLP

Campbell Mithun Tower,
Suite 2000 222 South Ninth St.
Minneapolis, Minnesota, 55402-3338
United States

Telephone: +1 612 607 7000

www.foxrothschild.com

U.S. Auditor

Baker Tilly Virchow Krause, LLP

225 S. 6th St., Ste 2300
Minneapolis, Minnesota, 55402-466
United States

Telephone: +1 612 876 4500

www.bakertilly.com

CDI Registry

Computershare Investor Services Pty Limited

GPO Box 2975
Melbourne, Victoria 3001
Australia

Telephone: 1300 850 505
(within Australia) or
+61 3 9415 4000 (outside Australia)

www.computershare.com

Share Registry

Computershare Trust Company, N.A.

250 Royall Street
Canton, Massachusetts 02021
United States of America

www.computershare.com

Financial Advisor and Lead Manager

Moelis Australia Advisory Pty Ltd

Level 27, Governor Phillip Tower
One Farrer Place
Sydney NSW 2000 Australia

Telephone: +61 2 8288 5555

www.moelisaustralia.com

Australian Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd

Level 17, 383 Kent Street
Sydney NSW 2000 Australia

Telephone: +61 2 8297 2400

www.grantthornton.com.au

Imricor Offer Information Line

1300 376 397 (within Australia) or
+61 3 9415 4397 (outside Australia)
between 8:30am and 5:00pm (AEST)
Monday to Friday

Offer Website

www.imricor.com/ipo

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