IMRICOR Q2 FY22 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS:

- Signed an agreement with Siemens enabling the ability to deploy Imricor's upcoming 3D mapping system across all newer Siemens MRI scanners, and allowing the participation of Siemens in upcoming ventricular tachycardia (VT) trials
- Second generation ablation catheter submitted for approval in Europe, designed to support current ablations as well as future indications including VT
- Completed preclinical work to support a submission for approval to initiate a VT clinical trial in Europe
- Pandemic effects waning as momentum gathers in the recommencement of procedures
- Consumable product revenues of US$136,000 in Q2 2022 were up 94% compared to Q2 2021 and 46% compared to Q1 2022
- As of 30 June 2022, Imricor had cash of approximately US$9.1 million
- An investor webinar will be held to discuss the June 2022 quarterly results. Please find the details below

27 July 2022 – Minneapolis, MN United States – **Imricor Medical Systems, Inc.** (**Company** or **Imricor**) (**ASX:IMR**), the global leader in real-time iCMR cardiac ablation products, today releases its Appendix 4C Quarterly Cash Flow Report for the period ended 30 June 2022 and provides an update on its operational performance.

Siemens Agreements

During the quarter the Company executed two agreements with Siemens to enable its 3D mapping system. The first agreement is an Access-i License Agreement which provides Imricor the ability to interface Imricor's new 3D mapping system to Siemens MRI scanners via the Access-i software interface available on newer Siemens scanners, including the Aera, Altea, and Sola systems. Access-i is a CE mark certified software product available today from Siemens. The second agreement is a Local Coil Agreement which allows Imricor catheters to be recognised across newer Siemens MRI scanners, including the Aera, Altea, and Sola systems. Both agreements have an initial term ending 31 December 2026 and shall be automatically extended by periods of 12 months thereafter, unless terminated by either party.

Ventricular Tachycardia (VT) Update

The Company has completed its preclinical work to support a submission for approval to initiate a VT clinical trial in Europe. The purpose of preclinical studies is to demonstrate the safe use and expected functionality of all the devices needed to perform a VT ablation procedure. These devices include Imricor's Advantage-MR EP Recorder/Stimulator, Vision-MR Ablation Catheter (second generation), Vision-MR Diagnostic Catheter, Vision-MR Dispersive Electrode, NavTracMR Transseptal Puncture Kit (including a steerable sheath, transseptal needle, and

actively tracked dilator), as well as third-party devices such as the Osypka HAT500 Ablation Generator, MiRTLE Medical's 12-lead ECG, and MIPM's prototype defibrillator.

Second Generation Ablation Catheter

The second-generation Vision-MR Ablation Catheter was submitted for the initial indication of treating Type 1 atrial flutter (AFL), relying on the previous clinical trial results of the first-generation catheter. The Company is expecting a 12-month review cycle for the new catheter. While it is under regulatory review, it will be used in the VT clinical trial, such that once the clinical trial is completed, data can be submitted for further review to expand the catheter's indications to VT.

The second-generation Vision-MR Ablation Catheter is expected to replace the first-generation Vision-MR Ablation Catheter upon approval.

Sales Update/Consumable Product Revenue/Outlook

With the addition of a new European Sales Director based in Germany, the sales team has been primarily focused in the quarter on getting contracted sites operational. This has resulted in an increase in consumable device revenues of 46% compared to last quarter and the largest number of consumable device unit sales of any single quarter. More importantly, progress will continue in the third quarter as additional sites begin performing procedures and existing sites increase their procedure volume.

Lingering headwinds associated with COVID-19 are in the areas of hospital staffing and physician referral patterns, both of which continue to normalise to pre-pandemic levels.

As the process of growing procedure volumes continues into the third quarter, the sales team will additionally emphasise the contracting of new sites that are in the current pipeline, as well as growing the pipeline.

Capital management strategy

During the quarter, executive management and the board of directors have continued to focus on strategies to limit spending, extend the Company's runway, and bring in additional working capital.

Spending reduction measures have been focused on controlling growth and limiting activities to those things that contribute to two key strategic areas: increased sales in Europe and execution of the European ventricular tachycardia clinical trial. Approximately US$10 million have been eliminated from the previously planned combined 2022-2023 budget by removing the increased spending associated with lower priority projects.

Additionally, the Company is exploring several options for additional working capital, such as economic incentive programs from regional government agencies, pursuing additional sales opportunities beyond Europe, and OEM licensing of certain accessory devices for use in conventional x-ray guided procedures.

Imricor background and strategy

Imricor is leading the new field of *real-time iCMR cardiac ablations* – that is, cardiac ablations guided by real-time magnetic resonance imaging (MRI), rather than by conventional x-ray fluoroscopy. iCMR (*interventional cardiac magnetic resonance*) is the term used to describe such interventional procedures performed in conjunction with MRI. The goal is to provide faster, safer, and more effective treatments of cardiac arrhythmias compared to conventional means.

Imricor is the only company in the world that provides MRI-compatible consumable devices, such as single-use ablation catheters, required to perform cardiac ablations in an iCMR lab.

Benefits of real-time iCMR cardiac ablations are derived from the superior imaging capabilities of MRI compared to x-ray, especially when it comes to imaging the heart and vascular structures which are largely invisible to x-rays. Real-time iCMR also reduces repeated exposure to dangerous x-ray radiation.

Imricor's strategy to grow the field of real-time iCMR cardiac ablations worldwide is built on two actions: to increase the number of iCMR sites across the world and to increase the number of procedures doctors can perform at each iCMR site using Imricor's consumable products.

Key drivers to growing the number of iCMR sites include:

- Existing iCMR sites commencing procedures and presenting/publishing on their experiences
- Growing the Company's footprint across different countries and regions, enabling access for those seeking care and creating competitive pressures between hospitals
- Showing progress toward performing complex ablation procedures, such as ventricular tachycardia (VT) ablations, which increases the utility and demand for iCMR ablations
- Engaging with new physicians to educate them on the benefits of iCMR ablations
- Working with MRI manufacturers to help drive adoption
- Expanding regulatory approval beyond Europe, including the US and ANZ.

Key drivers to increasing the number of iCMR ablation procedures doctors can perform include:

- Development of additional consumable products required for new procedures such as VT ablations
- Partnering with 3rd parties to deliver auxiliary equipment needed for new procedures
- Demonstrating clinical effectiveness through clinical trials
- Receiving regulatory approval to market devices for the new indications

As of today, the Company's additional consumables are in final testing before regulatory submission, and the Company has partnered with all 3rd parties required to deliver the needed auxiliary equipment for VT ablations. Further, the Company made significant progress toward initiating a VT clinical trial, as evidenced by the completion of the preclinical work mentioned previously. This, in turn, progresses the Company's overall regulatory approval process.

Imricor's Chair and CEO, Steve Wedan, commented: "We delivered progress across all fronts of the business, and we passed some important milestones in the quarter. We also turned

the corner into a post-pandemic environment, and we continue to see any lingering effects of COVID-19 diminishing. With the addition of our new European Director of Sales, our sales team is re-focused and re-energised, delivering meaningful growth in the quarter and positioning us for further accelerated growth in the coming quarters."

Appendix 4C Cashflow for 2Q FY22

During the quarter ended 30 June 2022 (Q2 2022), Imricor reported net cash outflows from operating activities of US$4.197 million. Receipts from customers during the period were US$0.251 million comprising the sale and rental of capital equipment (US$0.056) and consumable product sales (US$0.195 million).

Payments made in relation to operating costs of US$4.448 million were down compared to the prior quarter of US$5.024 million primarily due to the payment of 2021 corporate bonuses in the prior period.

Net cash outflows from investing activities were US$0.057 million during Q2 2022. Net cash outflows from financing activities were nil in the period.

At 30 June 2022, Imricor maintained a cash balance of US$9.107 million. Payments made to related parties as described in Item 6.1 on the Appendix 4C were for directors' fees.

Investor Webinar

An investor webinar will be held to discuss the June 2022 quarterly results. Please find the details below:

Presenting: Executive Chair, President and CEO, Steve Wedan and CFO, Jonathon Gut.

Time: 9:00am AEST on Thursday, 28 July 2022

To register for the session and for more information on the conference click here:

https://us02web.zoom.us/webinar/register/WN_mbCMmIwVSfKfEH6BoNMYTA

Investors can submit questions prior to the webinar to simon@nwrcommunications.com.au or do so via the Q&A functions on Zoom.

ENDS

Authorised for release by Steve Wedan, Executive Chair, President, and CEO.

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About Imricor

Imricor Medical Systems, Inc. (ASX:IMR) is a leading developer of innovative MRI-compatible medical devices which can be used to carry out real-time iCMR cardiac ablation procedures. Headquartered in the US, Imricor seeks to make a meaningful impact on patients, healthcare professionals, and healthcare facilities around the world by increasing the success rates and bringing down the overall costs of cardiac ablation procedures.

Imricor's Products

Imricor is a pioneer and leader in developing MRI-compatible products for cardiac catheter ablation procedures, and believes it is the first company in the world to bring commercially viable and safe MRI-compatible products to the cardiac catheter ablation market.

The Vision-MR Ablation Catheter is the Company's prime product offering, 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. The Vision-MR Ablation Catheter has been approved in the European Union with an indication for treating type 1 atrial flutter. Imricor intends to seek approval for expanded indications in the future. 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.

The Company has also obtained approval within the EU for the sale of the Advantage-MR EP Recorder/Stimulator System and its consumable product, the Vision-MR Dispersive Electrode.

Imricor sells its capital and consumable products 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 an interventional lab that is fitted with MRI equipment for use in cardiac diagnostic and interventional procedures. The installation of iCMR labs is driven primarily by MRI equipment vendors working collaboratively with Imricor. Vendors such as Koninklijke Philips N.V. and Siemens Healthcare GmbH help to target certain sites and support the design and construction of iCMR labs for those sites.

Foreign Ownership Restrictions

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

Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These include, without limitation, EU commercial market acceptance and EU. sales of our product as well as our expectations with respect to our ability to develop and commercialise new products. Management believes that these forward-looking statements are reasonable when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Imricor does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Imricor may not actually achieve the plans, projections or expectations disclosed in forward-looking statements. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Imricor Medical Systems, Inc.	
ABN	**Quarter ended ("current quarter")**
633 106 019	30 June 2022

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (6 months) $USD'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	251	354
1.2	Payments for		
	(a) research and development	(800)	(1,731)
	(b) product manufacturing and operating costs	(383)	(684)
	(c) advertising and marketing	(348)	(496)
	(d) leased assets	-	-
	(e) staff costs	(2,200)	(5,083)
	(f) administration and corporate costs	(722)	(1,453)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(19)	(49)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	23	23
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,197)**	**(9,118)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(53)	(85)
	(d) investments	-	-
	(e) intellectual property	(4)	(48)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (6 months) $USD'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(57)**	**(133)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	31
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(32)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(100)	(244)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	100	100
3.10	**Net cash from / (used in) financing activities**	**-**	**(145)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	13,369	18,516
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,197)	(9,118)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(57)	(133)

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (6 months) $USD'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(145)
4.5	Effect of movement in exchange rates on cash held	(8)	(13)
4.6	**Cash and cash equivalents at end of period**	**9,107**	**9,107**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $USD'000	Previous quarter $USD'000
5.1	Bank balances	9,107	13,369
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**9,107**	**13,369**

6.	Payments to related parties of the entity and their associates	Current quarter $USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Payments listed in 6.1 represent board fees

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $USD'000**	**Amount drawn at quarter end $USD'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$USD'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,197)
8.2	Cash and cash equivalents at quarter end (item 4.6)	9,107
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	9,107
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.2

Note: if the entity has reported positive net operating cash flows in item 1.9 answer item 8.5 as 'N/A". Otherwise, a figure for the estimated quarters of funding must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 about must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2022

Authorised by: the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.