

ASX Announcement

IMRICOR TO RAISE US\$5 MILLION THROUGH A CONVERTIBLE NOTE ISSUE TO SUPPORT ITS CLINICAL AND REGULATORY DEVELOPMENT

18 December 2022 – Minneapolis, United States (19 December 2022 – Melbourne, Australia) – Imricor Medical Systems, Inc. (**Company** or **Imricor**) (**ASX:IMR**) is pleased to announce that it has now entered into a Securities Purchase Agreement with K.A.H.R. Foundation and its affiliates (**Noteholders**) for the issue of unsecured, unquoted convertible notes (**Convertible Notes**) to be issued in two tranches to raise a maximum aggregate amount of US\$5 million (**Convertible Note Issue**) (as contemplated in its announcement of 12 December 2022). The first tranche of the Convertible Note Issue will complete on 23 December 2022 (US time) and the second tranche of the Convertible Note Issue is subject to the approval of Imricor's stockholders pursuant to Listing Rule 7.1.

The funds raised will be used to support Imricor's clinical and regulatory development including the Ventricular Tachycardia (**VT**) clinical trial and continued geographical expansion in addition to sales and marketing spend and other working capital requirements.

The key terms of the Convertible Notes are as follows:

Principal Amount:	A maximum aggregate purchase price of US\$5 million, to be advanced in two tranches: <ul style="list-style-type: none"> US\$2,325,000.00 for the first tranche; and US\$2,675,000.00 for the second tranche
Coupon Rate:	10% per annum, compounded annually
Maturity Date:	4 years
Conversion:	At a Noteholder's option, at any time from the date that is 36 months after closing and up to the Maturity Date, a Noteholder can require Imricor to convert some or all of the outstanding principal on the Convertible Note and the accrued and unpaid interest.
Limit on ownership	The Noteholder can only convert the Convertible Notes if, on conversion, it does not result in the Noteholder holding more than 10% of Imricor's CHESS Depositary Interests (CDIs) on issue at the time of conversion (Ownership Threshold). If the Ownership Threshold is reached Imricor must repay that portion of the principal and accrued interest (to the extent applicable) in excess of the Ownership Threshold in cash. The Noteholder may change the Ownership Threshold at any time by notice to Imricor, including reducing it to 0%.
Conversion Price:	The principal conversion price is US\$0.2691 being an amount equal to 105% of the 10-day VWAP for the 10-day trading period ending on 16 December 2022. The Interest conversion price is US\$0.2563 being an amount equal to 100% of the 10-day VWAP for the 10-day trading period ending on 16 December 2022.
Warrants (options) granted:	Noteholders shall receive five-year warrants to purchase Imricor's CDIs as follows: <ul style="list-style-type: none"> warrants to purchase 907,141 CDIs under the first tranche; and

¹Based on AUD/USD exchange rate of [0.67]
140923362.2

	<ul style="list-style-type: none"> warrants to purchase 1,043,699 CDIs under the second tranche. <p>The exercise price for the warrants will be US\$0.2563 being an amount equal to the 10-day VWAP for the 10-day trading period ending on 16 December 2022.</p> <p>The warrants may be exercised, in whole or part, during the five year exercise period by the Noteholder serving a notice on Imricor.</p>
Covenants and events of default	<p>There are certain limited covenants but no revenue covenants or other covenants that are outside the control of Imricor.</p> <p>There are also customary events of default.</p>

The first tranche of Convertible Notes and warrants are expected be issued on 23 December 2022 (US time) (using Imricor's available placement capacity under Listing Rule 7.1). The second tranche of the Convertible Note Issue (comprising both Convertible Notes and Warrants) will be subject to stockholder approval at a special meeting expected to be held in late January 2023.

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

ENDS

Further Information

Investors:

Steve Wedan
Executive Chair, President and CEO
Email: steve.wedan@imricor.com

Media:

Simon Hinsley
Executive Director, NWR
Email: simon@nwrcommunications.com.au
Mobile: +61 401 909 653

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 MRI-guided cardiac catheter 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 catheter 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 expects to sell 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

¹Based on AUD/USD exchange rate of [0.67]
140923362.2



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.

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.

¹Based on AUD/USD exchange rate of [0.67]
140923362.2