ASX Announcement

IMRICOR 4Q FY21 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

26 January 2022 – Minneapolis, United States – Imricor Medical Systems, Inc. (**Company** or **Imricor**) (**ASX:IMR**) the global leader in realtime iCMR cardiac ablation products, today releases its Appendix 4C Quarterly Cash Flow Report for the period ending 31 December 2021 and provides an update on its operational performance.

Highlights

- Imricor signed four new purchase agreements across Europe, bringing the total number of sites to fourteen. The four new sites are:
  - Semmelweis University Heart and Vascular Centre in Budapest, establishing its first site in Hungary
  - German Heart Centre Berlin in Berlin, Germany
  - Charité Medical University Virchow-Klinikum Campus in Berlin, Germany
  - Henry Dunant Hospital Centre in Athens, establishing its first site in Greece
- Filed an application for an Investigational Device Exemption (IDE) from the US Food and Drug Administration (FDA)
- Completed a strategic investment in MiRTLE Medical, LLC (MiRTLE), maker of an MRI-compatible 12-lead ECG system
- As at 31 December 2021, Imricor maintained a cash balance of approximately **US$18.516 million**

Expanding sites and geographies in line with strategy

During the quarter, Imricor signed four new purchase agreements across Europe, expanding Imricor's total sites to fourteen at year end. Two of the new sites signed are in new markets for Imricor.

Imricor's Chair and CEO, Steve Wedan, said: "We are very pleased to have added four new sites to our network, and to have expanded into Hungary and Greece. We are working to bring these new sites online and look forward to supporting each of them as they commence procedures in 2022."

Site expansion across Europe is a key strategic goal for Imricor, as it establishes an installed base for the sale of Imricor's disposable products.

Recommencement of procedures

During the quarter, procedures were performed at four sites: Dresden Heart Centre, Leipzig Heart Centre, Maastricht University Medical Centre, and the Cardiovascular Institute of South Paris.

Strategic Investment in MiRTLE Medical

In the last quarter, Imricor completed a strategic investment (Investment) in MiRTLE Medical, LLC (MiRTLE), maker of an MRI-compatible 12-lead ECG system.

Under the terms of the Investment, which closed on 26 November 2021 (US time), Imricor acquired approximately two per cent of the equity in MiRTLE, along with three ECG systems, for US$200,000. The cash purchase price was funded from the Company's existing cash reserves.

Imricor first partnered with MiRTLE in October 2017 with the establishment of a Joint Development Agreement to work on interfacing MiRTLE's 12-lead ECG system with Imricor's Advantage-MR EP Recorder/Stimulator in the MRI environment. On 28 September 2021, Imricor announced the expansion of its relationship with MiRTLE through the establishment of the Sales Distribution Agreement, under the terms of which Imricor is a non-exclusive distributor of MiRTLE's 12-lead ECG system.

In May of 2021 MiRTLE received CE mark certification for their 12-lead ECG system, which allows the system to be sold in European countries that accept CE mark certification.

Executing this strategic investment with MiRTLE further de-risks Imricor's strategic plan to deliver iCMR-based ventricular tachycardia and other ablation procedures for which 12-lead ECG capabilities are important.

Expanding indications

Preclinical studies to support a ventricular tachycardia ablation (VT) clinical trial in Europe were not completed in in the last quarter but are expected to commence in Q1 2022 with no impact on the overall VT clinical trial timing. The VT clinical trial is expected to commence in 2022.

Appendix 4C Cashflow for 4Q FY21

During the quarter ended 31 December 2021 (Q4 2021) net cash outflows from operating activities were US$3.972 million. Receipts from customers during the period were US$0.341 million comprising the sale and rental of capital equipment (US$0.193 million), consumable product sales (US$0.122 million) and the sale of service agreements (US$0.026 million). Revenue and associated cash receipts in Q4 2021 continued to be impacted by the COVID-19 pandemic.

Payments made in relation to operating costs of US$4.313 million were down compared to the prior quarter of US$5.017 million primarily due to lower cash outflows for raw material purchases and corporate insurance premiums.

Net cash outflows from investing activities were US$0.247 million during Q4 2021, including the cash payment of US$0.200 million for the strategic investment in MiRTLE. Net cash inflows from financing activities were US$0.536 million in the period, largely comprising proceeds from the security purchase plan completed in October 2021.

At 31 December 2021, Imricor maintained a cash balance of US$18.516 million.

Payments made to related parties as described in Item 6.1 on the Appendix 4C were for directors' fees.

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 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 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	31 December 2021

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (12 months) $USD'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	341	1,079
1.2	Payments for		
	(a) research and development	(926)	(3,558)
	(b) product manufacturing and operating costs	(64)	(1,343)
	(c) advertising and marketing	(252)	(955)
	(d) leased assets	-	-
	(e) staff costs	(2,263)	(9,427)
	(f) administration and corporate costs	(770)	(3,132)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	17
1.5	Interest and other costs of finance paid	(38)	(178)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(3,972)**	**(17,497)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(141)	(565)
	(d) investments	(70)	(70)
	(e) intellectual property	(36)	(90)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (12 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**	**(247)**	**(725)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	734	12,797
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	92
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(62)	(753)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(136)	(512)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**536**	**11,624**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	22,202	25,140
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,972)	(17,497)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(247)	(725)

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (12 months) $USD'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	536	11,624
4.5	Effect of movement in exchange rates on cash held	(3)	(26)
4.6	**Cash and cash equivalents at end of period**	**18,516**	**18,516**

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	18,516	22,202
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)**	**18,516**	**22,202**

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	78
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)	(3,972)
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,516
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,516
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.7

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 January 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.