IMRICOR Q3 FY22 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS:

- Submitted for approval to commence a real-time iCMR-guided ventricular tachycardia (VT) ablation clinical trial in Europe
- Completed development of initial NorthStar-MR 3D Mapping System prototype
- Commenced procedures at multiple sites
- Successfully raised A$2.92 million from US investors via an oversubscribed placement
- Consumable product revenues of US$115,000 in Q3 2022 were down 15% compared to Q2 2022 and 2% compared to Q3 2021 on a reported basis; adjusted for currency fluctuations sales were down 14% and up 12%, respectively
- As at 30 September 2022, Imricor had cash of approximately US$6.9 million
- An investor webinar will be held to discuss the September 2022 quarterly results. Please find the details below

26 October 2022 – Minneapolis, MN United States (**27 October 2022** – Melbourne, Australia) – **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 September 2022 and provides an update on its operational performance.

Imricor's Chair and CEO, Steve Wedan, commented: "It is an exciting time, as we are fast-approaching VT ablations, and as we deploy our initial prototype NorthStar-MR 3D mapping system to Siemens sites for validation. VT is where we plan to make our biggest clinical impact so far and moving forward with our own 3D mapping system gives us the control needed to move at our speed, rather than being held back by the slow development cycles of others. With our NorthStar-MR 3D mapping system, we can ensure that we are providing physicians with exactly what they need, and we can continue to update and improve the mapping system well into the future as we evolve this new field of real-time iCMR ablations.

"We also learned some lessons in the sales field this quarter, and we swiftly took action to correct what was not working well. In the short term, we are promoting more regular procedures to help clinical teams build the muscle memory required to gain efficiency. Looking longer term, as we transform the field of electrophysiology (EP), we need to focus on bringing MRI to EP, rather than trying to bring EP into the MRI. The distinction is important. Sites that utilise time on an existing diagnostic MRI system are not achieving maximum throughput, despite everyone's best intentions. Moving forward, we will work with new sites to properly plan and budget for new iCMR EP labs that are controlled by cardiology, similar to all other EP labs.

"Under the new leadership of our European Sales Director, Thomas Worgul, who has now been given full control and responsibility for European sales, we are implementing an updated sales strategy to emphasize controlled, predictable, and sustainable growth."

Ventricular Tachycardia (VT) Update – VISABL-VT Study

During the quarter, Imricor submitted for approval to commence a real-time iCMR-guided ventricular tachycardia (VT) clinical study in Europe. The study, named **Vis**ion-MR **Abl**ation of **VT** or VISABL-VT, is a prospective, single-arm, multi-centre interventional investigation of the safety and efficacy of radiofrequency (RF) ablation of ventricular tachycardia associated with ischemic cardiomyopathy performed with the Vision-MR Ablation Catheter 2.0 in the iCMR environment. The study calls for treating 64 patients and includes a 6-month follow-up for each patient, as is typical.

The Principal Investigator site will be the Leipzig Heart Centre. Accordingly, a review by University of Leipzig Ethics Committee will happen first, followed by a review by the German Competent Authority. Upon approval by both regulating bodies, the trial will commence. Additional submissions will follow as new sites are added to the study.

Operations Update

The initial prototype of Imricor's NorthStar-MR 3D Mapping System was completed during the quarter and is now ready for deployment on Siemens systems for customer feedback and product validation. Crucially, this means the Company is longer reliant on MRI manufacturers to develop and commercialise their own systems. The NorthStar-MR 3D Mapping System has been designed so the user has the same experience no matter what type of MRI system they are using. Imricor plans to have agreements signed with GE Healthcare and Philips as well, such that NorthStar-MR can be deployed on these additional MRI platforms.

Sales Update/Consumable Product Revenue/Outlook

Procedures commenced at multiple sites during the quarter, including the Amsterdam University Medical Centre, Henry Dunant Hospital (Athens), and Policlinico Casilino (Rome). Consumable device revenues were down 15% compared to last quarter on a reported basis, or down 14% excluding the impact of foreign currency fluctuations (operational basis). This decrease is generally attributable to an extended European summer holiday season that peaked in August as well as lingering headwinds in the area of hospital staffing. Compared to the third quarter of 2021, sales were down 2% on a reported basis and up 12% on an operational basis.

Nine sites were operational and able to perform procedures at the end of September. As we move through the fourth quarter, the sales team will continue emphasising the benefits of performing procedures at consistent intervals, working to complete installations for customers currently under contract and finalizing contracts with new sites.

Capital management strategy

During the quarter, the Company maintained the spending reduction measures developed earlier in the year while remaining 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.

Additionally, in September, the Company successfully raised A$2.92 million from US investors via an oversubscribed placement of 7,755,391 shares of Class A common stock. This placement was completed without the assistance of a broker and the A$0.38 per share issue price represented a 27% premium compared to the 5-day volume weighted average price leading to the completion of the raise on September 13. The placement investors agreed to the application of a holding lock to their new shares for 12 months to ensure compliance with US securities laws, after which the shares may be converted to CDIs.

The Company is continuing to explore several options for additional working capital, such as economic incentive programs from regional agencies, pursuing additional sales opportunities beyond Europe, and pursuing other financing options.

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

The Company's VISABL-VT clinical study is an example of Imricor executing on many of these key drivers.

Appendix 4C Cashflow for 3Q FY22

During the quarter ended 30 September 2022 (Q3 2022), Imricor reported net cash outflows from operating activities of US$4.745 million. Receipts from customers during the period were US$0.246 million comprising contract receipts (US$0.041 million), the sale and rental of capital equipment (US$0.056) and consumable product sales (US$0.149 million).

Payments made in relation to operating costs of US$4.991 million were up compared to the prior quarter of US$4.448 million primarily due to the payment of annual corporate insurance premiums during the period. The Company financed US$0.839 million of these premiums through an arrangement that will be repaid in equal instalments over a ten-month period which commenced in September. Adjusted for this financing item, payments made in relation to operating costs were US$4.152 million which represents a decrease of approximately US$0.296 million, or 7%, compared the prior quarter.

Net cash outflows from investing activities were US$0.121 million during the period.

Net cash inflows from financing activities were US$2.716 in the period, largely comprising net proceeds from the US private placement completed in September 2022 as well as the proceeds from the aforementioned premium financing arrangement.

At 30 September 2022, Imricor maintained a cash balance of US$6.940 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 September 2022 quarterly results. Please find the details below:

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

Time: 9:00am AEDT on Thursday, 27 October 2022 / 5:00pm CDT on Wednesday, 26 October

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

https://us02web.zoom.us/webinar/register/WN_tzSDBmp9TOW5myMrH_49sA

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.

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 September 2022

Consolidated statement of cash flows		**Current quarter $USD'000**	**Year to date (9 months) $USD'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	246	600
1.2	Payments for		
	(a) research and development	(687)	(2,418)
	(b) product manufacturing and operating costs	(459)	(1,143)
	(c) advertising and marketing	(146)	(642)
	(d) leased assets	-	-
	(e) staff costs	(2,136)	(7,219)
	(f) administration and corporate costs	(1,562)	(3,015)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	10
1.5	Interest and other costs of finance paid	(10)	(59)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	23
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(4,745)**	**(13,863)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(117)	(202)
	(d) investments	-	-
	(e) intellectual property	(5)	(53)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (9 months) $USD'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	1
	(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**	**(121)**	**(254)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,016	2,016
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	(7)	(39)
3.5	Proceeds from borrowings	839	839
3.6	Repayment of borrowings	(132)	(376)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	100
3.10	**Net cash from / (used in) financing activities**	**2,716**	**2,571**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,107	18,516
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,745)	(13,863)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(121)	(254)

Consolidated statement of cash flows		Current quarter $USD'000	Year to date (9 months) $USD'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,716	2,571
4.5	Effect of movement in exchange rates on cash held	(17)	(30)
4.6	**Cash and cash equivalents at end of period**	**6,940**	**6,940**

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	6,940	9,107
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)**	**6,940**	**9,107**

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)	(4,745)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,940
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,940
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.5

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: Yes. While Imricor expects net operating cash outflows will decrease from the current quarter, any decrease in net operating cash outflows compared to the quarter ended June 30 would be reliant upon future increases in receipts from customers.

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: Yes. As announced on September 13, Imricor completed a private placement with certain US investors and is taking steps to raise further capital to fund its operations. These steps include pursuing economic incentive programs from regional agencies and other capital raising initiatives.

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: Yes, Imricor expects to continue its operations and to meet its business objectives on the basis of its capital raising plans summarised in 8.6.2.

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 October 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.