imricor

FY22 Investor Presentation

February 2023

IMRICOR MEDICAL SYSTEMS, INC (ASX:IMR)

WWW.IMRICOR.COM

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Key message

Imricor's mission is to establish a new standard of care for cardiac ablations with real-time iCMR guidance. **Cardiac ablation is a US$6bn[1] worldwide market**

Primary Drivers of Value

- Expand indications to complex procedures where iCMR adds the most value
  - Ventricular tachycardia (VT) and atrial fibrillation (AF)
- Expand geographies where real-time iCMR ablations are approved and available
  - US, ANZ, Middle East, Asia

Additional Drivers of Value

- Grow number of active iCMR sites
- Focus on new iCMR sites owned and controlled by cardiology
- Increase the number of procedures performed at each site
- Increased utilisation of MRI partners to drive the pipeline of iCMR labs

1. Estimated based on data from United States, Europe, ANZ

Key achievements in 2022

2022 Highlights

Sites

- 9 active sites across Europe
- Contracted 3 new sites across Europe
- Expanded company's geographical footprint into Croatia and Italy
- Renewed sales focus on sites owned be Cardiology department

Products

- Second generation ablation catheter submitted for approval in Europe
- Diagnostic Catheter Technical Review Complete
- First clinical evaluation of NorthStar 3D Mapping System

New Funding Secured

- Secured a US$1.5 million loan under the North Dakota Commerce Department's Innovation Technology Loan Fund program
- US$5 million convertible note deal
- A$2.92m placement completed in the September quarter

Partnerships

- Two agreements signed with Siemens
  - First agreement was an Access-I License Agreement
  - Second agreement was a Local Coil Agreement

Trials

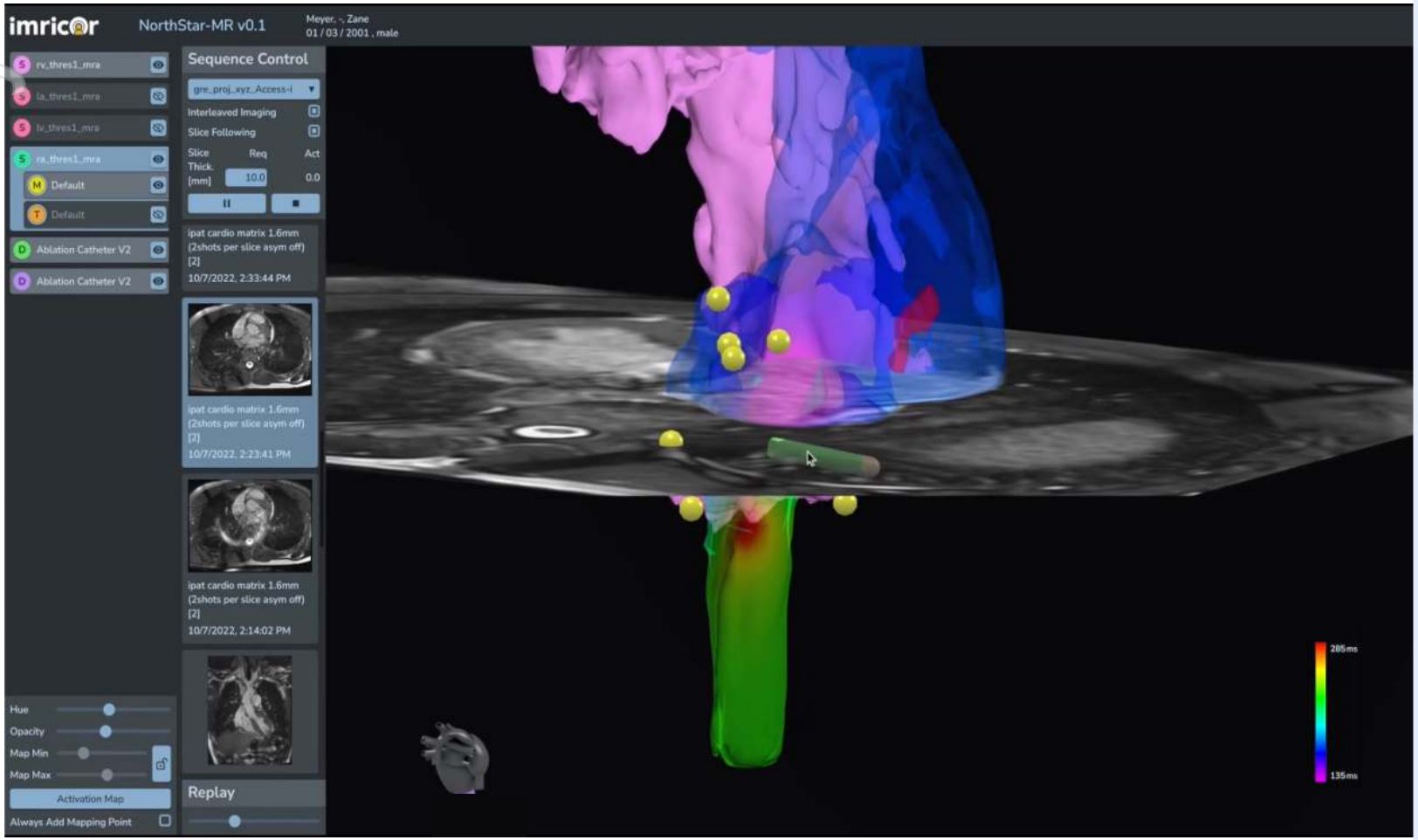
- Submitted for approval to commence VT ablation trial
- Trial named Vision-MR Ablation of VT or VISABL-VT
- Received first of two approvals from Leipzig Heart Centre Ethics Committee

Other

- US restriction on CHESS depository Interests removed
- Hosted virtual open house investor session
- Jonathon Gut promoted to CFO role

NorthStar 3D Mapping System

Taking control of our timeline and future



- System used successfully in human setting with **Siemens** MRI platform
- Planning to also apply NorthStar to other MRI platforms, such as **GE** and **Philips**
- Same 3D mapping system experience no matter what kind of MRI system you have
- Imricor no longer reliant on MRI manufacturers to
  - Commercialize their mapping systems
  - Rapidly develop and expand capabilities in coming years
- Ensuring NorthStar is an **electrophysiology product**, not just an imaging product

VT Trial foundations set in Europe

The Company has received the first of two required approvals to commence the “Vision-MR Ablation of VT” or VISABL-VT clinical trial

The next and final step required to commence the trial is to receive approval from the German Federal Institute for Drugs and Medical Devices (BfArM)

Under the new European Medical Device Regulations (EU-MDR) regime, BfArM will not begin a review of a clinical trial until they receive a positive approval from a local Ethics Committee, which VISABL-VT has successfully received.

The study calls for treating 64 patients and includes a 6-month follow-up for each patient, as is typical.

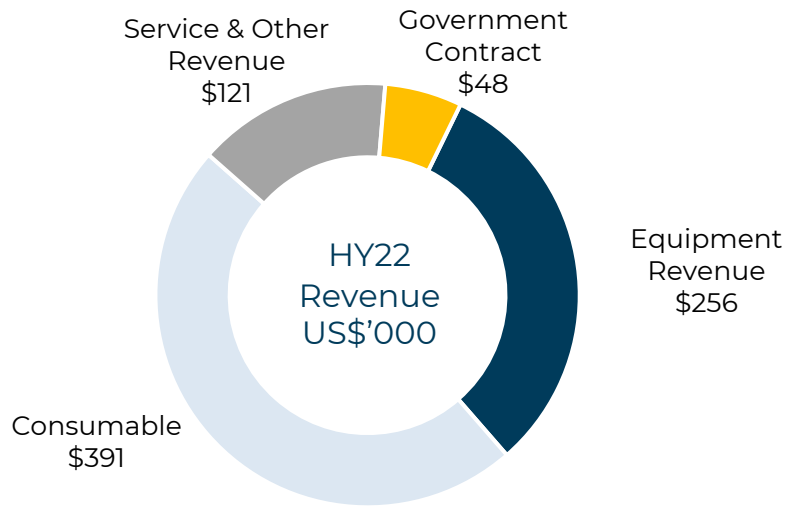
Financial Performance

Profit and loss

US$'000	FY22	FY21
Revenue	816	696
Costs and non-R&D expenses	(9,724)	(10,873)
R&D expenses	(7,640)	(9,394)
Other expenses	(22)	(96)
EBITDA	**(16,570)**	**(19,667)**
Depreciation & Amortization	(712)	(689)
EBIT	**(17,282)**	**(20,356)**
Finance costs	(70)	(92)
Foreign exchange loss	(18)	(43)
Fair value change	14	-
Employee retention credit (ERC)	-	758
Net loss after finance costs and before tax	**(17,356)**	**(19,733)**
Income tax benefit	-	-
Net loss after tax	**(17,356)**	**(19,733)**

Commentary

- Costs and non-R&D expenses decreased 11% primarily due to lower staffing costs ($652) and inventory reserves ($623).
- R&D expenses decreased 19% due to lower staffing costs ($764), prototype/testing spend ($1,291) and regulatory spending ($328), partially offset by higher consulting costs ($616).



Balance sheet

US$'000	Dec-22	Dec-21
Cash and cash equivalents	5,688	18,516
Accounts receivable	126	95
Inventory	2,277	2,583
Other current assets	1,593	1,505
Total current assets	**9,684**	**22,699**
PP&E, net	2,563	2,952
Accounts receivable-long term	229	201
Operating lease right of use assets	996	648
Other non-current assets	229	364
Total non-current assets	**4,017**	**4,165**
Total assets	**13,701**	**26,864**
Accounts payable	259	687
Accrued expenses	925	1,354
Current portion of contract liabilities	23	175
Current lease liabilities	360	519
Current financing obligation	508	-
Total current liabilities	**2,075**	**2,735**
Convertible note	2,183	-
Non-current lease liabilities	1,396	1,219
Deferred revenue (non-current)	493	509
Other long-term liabilities	44	-
Total non-current liabilities	**4,116**	**1,728**
Total liabilities	**6,191**	**4,463**
Share capital	97,471	95,005
Accumulated losses	(89,961)	(72,604)
Total equity	**7,510**	**22,401**

Commentary

- Cash decreased due to continued investments in Research & Development coupled with revenues which are not yet at a level to fund existing operations.
- Financing obligation represents remaining amount owed on premium financing that was obtained for D&O insurance policy.

Cashflow

US$'000	FY22	FY21
Net loss	**(17,356)**	**(19,733)**
Other non-cash adjustments	1,824	2,633
Change in other assets and liabilities	(978)	(389)
Operating cash flows	**(16,510)**	**(17,489)**
Investing cash flows	**(239)**	**(695)**
Proceeds from issuance of common stock (net)	2,023	12,168
Proceeds from issuance of convertible note (net)	2,277	-
Other financing activities	(357)	(582)
Financing cash flows	**3,943**	**11,586**
Net change in cash	(12,806)	(6,598)
Effect of foreign currency changes on cash	(22)	(26)
Cash at 31 December	**5,688**	**18,516**

Commentary

- Other non-cash adjustments were down vs. prior comparative period due to decreases in stock-related compensation expense.
- Cash burn related to other assets and liabilities was higher vs. the prior comparative period primarily due to decreases in accounts payable and accrued expenses.
- Proceeds from issuance of common stock:
  - 2022 proceeds includes $2 million related to the Company's September US placement
  - 2021 proceeds includes $12.1 million related to the Company's September placement and October Security Purchase Plan and proceeds from the exercise of options
- Proceeds from issuance of convertible note in the current period relate to the $2.3 million note issued in December 2022

Business Update and Outlook

FY2023 Update

- US Food and Drug Administration (FDA) has approved the Company's application for an Investigational Device Exception (IDE) to initiate a clinical trial in the United States.
    - The study will include sites in the US and Europe, with an enrolment cap of 50% of the total enrolment population coming from outside the US. The sample size is 91 patients, with an interim analysis after 76 patients have achieved the 7-day follow-up. Final follow-up is 3 months
- Executed a Memorandum of Understanding (MOU) with GE HealthCare - now collaborating with the world's three major MRI manufacturers to enable iCMR ablations across their systems
- Procedure volumes in the first month have already exceeded procedures completed in November and December
- Finalising distribution agreement for commercialisation of Imricor's products in the Middle East
- Over US$580k sale of research-only capital equipment for new cardiology-owned iCMR lab being built in the US
- In talks with potential licensee of Imricor's technology in China

Path to significant scale

Today

iCMR Atrial Flutter Ablations (AFL) in the EU

- Establishing installed base of iCMR labs
- Building experience with iCMR environment and workflows
- Growing exposure with physician publications and presentations at summits and congresses
- These sites are set up for next step

Growing with new Indications

iCMR Ventricular Tachycardia Ablations (VT) in the EU

- Key driver for adoption, with MRI adding significant value
- Higher ASP and higher reimbursement for VT ablations
- VISABL-VT clinical trial expected to begin in 2023, expected to catalyse market immediately

Expanding Geographies

FDA approval in US

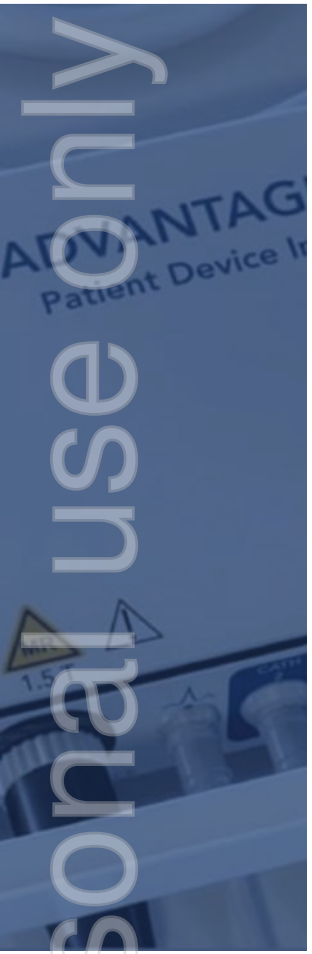
- Over 1100 sites
- Higher reimbursement compared to EU
- US revenue expected to be approximately 2x EU revenue
- IDE approval received
- VISABL-AFL clinical trial expected to begin in 2023

Addressing Entire Market

Atrial Fibrillation Ablations (Afib) worldwide

- Same consumable products used for VT
- Largest volume of procedures
- Access to full market potential of US$6bn

Our focus for the year ahead



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Commercialisation

- Activating sites
- Increasing procedure volumes across active sites
- Increased utilisation of MRI partners to drive the pipeline of iCMR labs
- Strong focus on labs owned by cardiologist department

2

VISABL-VT Trial (EU)

- Commence trial
- Expected to catalyse market as value of VT is demonstrated

3

VISABL-AFL Trial (US)

- Commence trial
- First major step into the significant US market for Imricor

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Transitioning cardiac ablation into a new kind of lab

Conventional x-ray EP lab

Everyone else

X-ray to iCMR

iCMR EP lab *(interventional cardiac magnetic resonance)*

Physicians, Patients, Hospitals

- Advantages of MRI imaging
- Same kinds of tools, same procedures
- No radiation for patient or physician
- No lead gowns for medical personnel
- MRI generates extra revenue for hospital

Imricor

- Imricor captures 100% of consumable device revenue
- No competition
- No other EP procedures can be performed in iCMR

Annual consumable device revenue per iCMR

Initially AFL: US$245k

Add VT: ~ US$500k

Add Afib: > US$1 m

1000+ ablation centers in EU
1100+ ablation centers in US

Problems solved through iCMR ablation procedures

	Visualisation	Procedure effectiveness	Cost	Procedure time	Safety
Existing Challenges	• X-ray imaging provides poor heart visualisation • 3D mapping and tracking tools assist but have limitations • Inability to determine creation of permanent lesions	• Inability to determine permanency of lesions can negatively impact single procedures success rates which vary from 38% to over 95% depending on the type of arrythmia	• Repeat procedures can result in higher overall medical costs • A US study over a 5-year period showed medical costs for patients who require repeat AF ablations is 294% higher	• Conventional 3D mapping systems require additional time associated with image creation and calibration • Average procedure time for a conventional AFL ablation reported at 88 minutes	• Patient and doctor exposed to radiation during x-ray guided ablations • Occupational injuries can arise from heavy lead protective garments worn by medical professionals
Imricor's Solution	• Soft tissue of the heart is clearly visible in real-time • Both 2D and 3D imaging available • Non-permanent lesions can be identified during the procedures and filled	• Reduced likelihood of a repeat procedure due to ability to determine permanency of lesions • Imricor's clinical trial delivered a 100% chronic success rate for AFL procedures	• Per-procedure cost comparable to the cost of a conventional x-ray guided procedure • Increased effectiveness, fewer procedures and lower overall treatment cost	• Physician inserts catheter and commences procedure immediately • Average procedure time for MRI-guided AFL ablations is 48 minutes • Faster procedure times could enable more procedures	• MRI generates no radiation and eliminates risk of radiation injury • Physicians do not need to wear heavy protective garments

Compelling Value Propositions

Imricor believes its products have the potential to successfully address unmet needs in the cardiac catheter ablation market and deliver value to stakeholders

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Patient

- ✓ Higher single procedure success rates achieved in clinical trials on AFL patients
- ✓ Single procedure success is expected to result in lower overall treatment costs per patient
- ✓ Faster average procedure times in clinical trials
- ✓ No radiation exposure

Doctor

- ✓ Improved visualisation of heart anatomy and lesion verification
- ✓ Faster procedures can allow for more cases per day
- ✓ No radiation exposure
- ✓ No lead garments to wear and therefore avoid potential occupational injuries

Payer

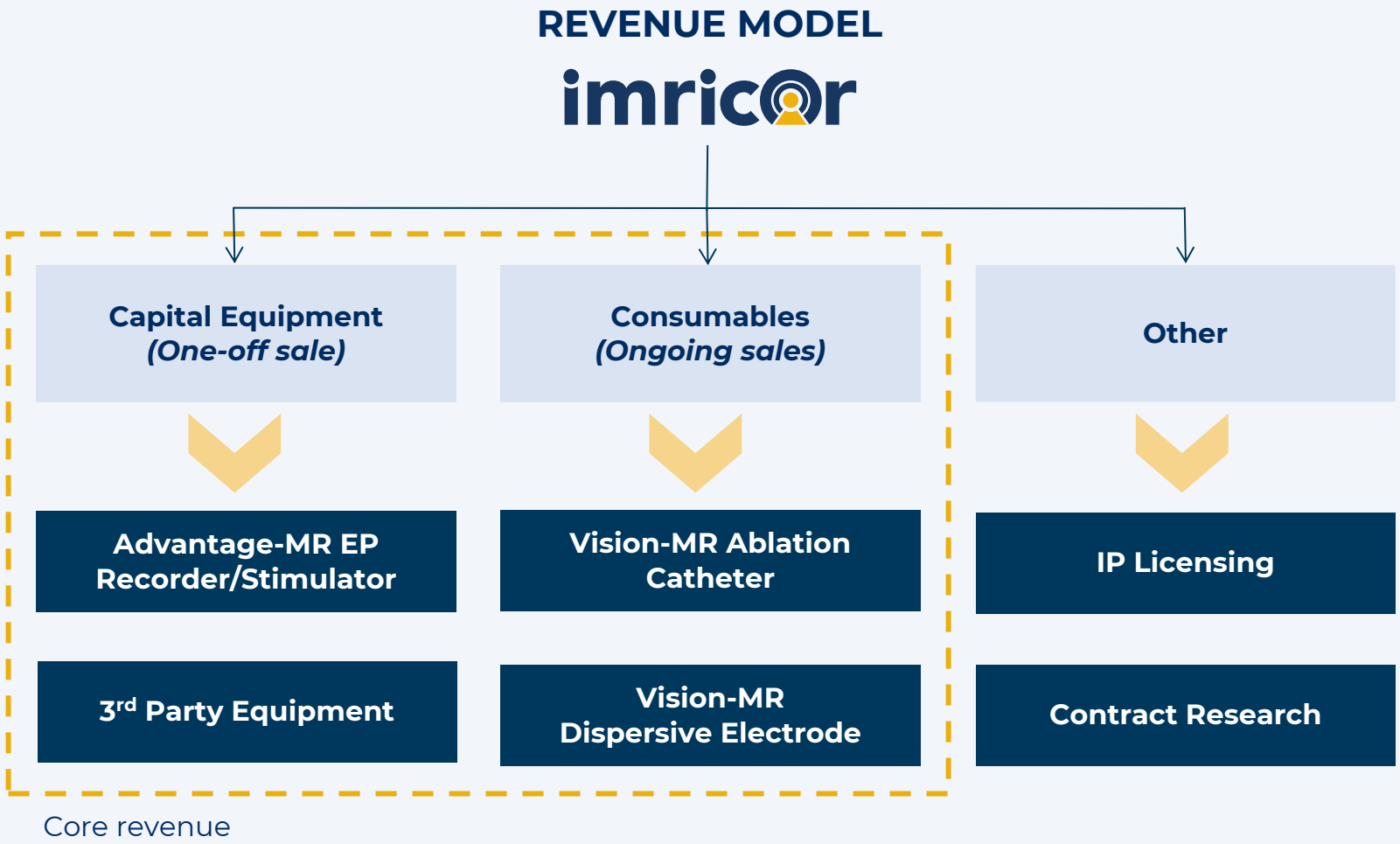
- ✓ Similar per-procedure costs
- ✓ Lower overall cost per patient expected to result from higher single procedure success rate
- ✓ Existing reimbursement codes in the EU

Hospital

- ✓ iCMR EP labs can be used for diagnostic imaging when not being used for interventions
- ✓ Shorter procedure times can lead to more procedure capacity
- ✓ Radiation eliminated for patients, physicians, and staff
- ✓ Similar cost per procedure; improved patient treatment

Imricor business model

Today Imricor primarily generates revenue from the sale of its capital equipment and consumable products

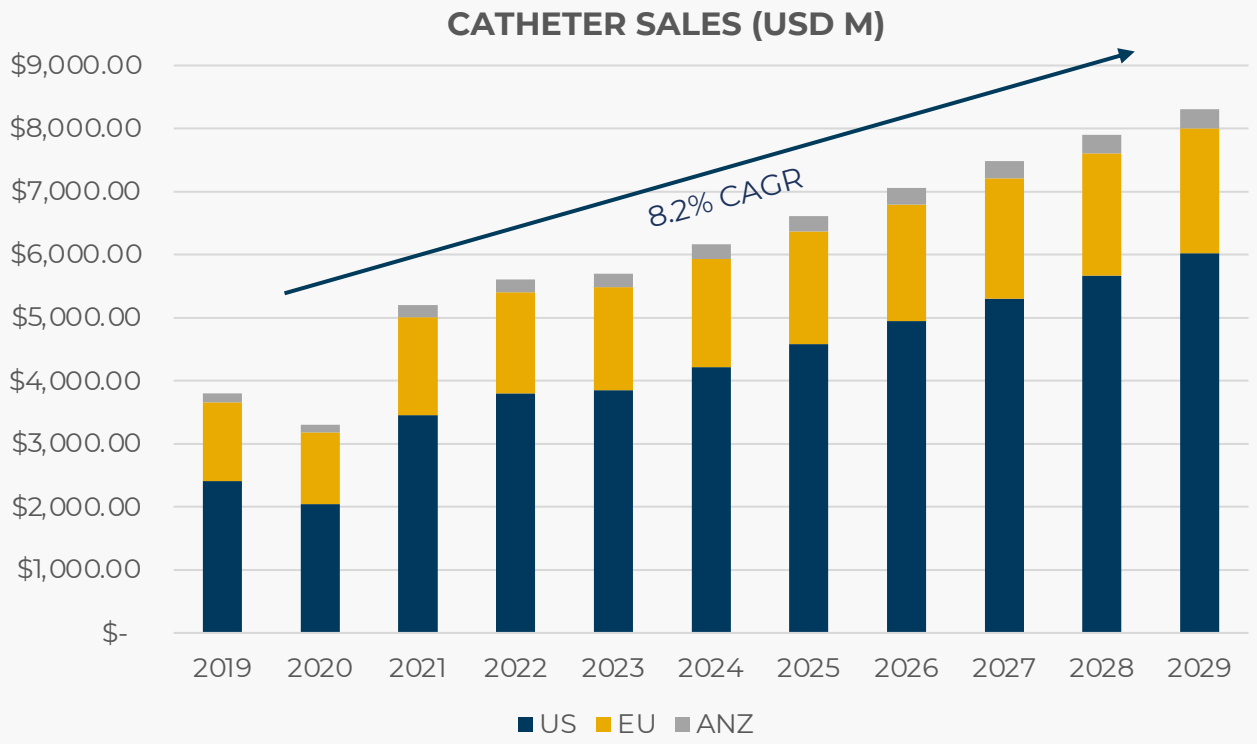


A strong and growing market in cardiac ablation

Drivers of Global Catheter Ablation Market

- Increased incidence of cardiac disease
- Shift towards minimally invasive procedures
- Cost effectiveness of catheter ablation as treatment option

Cardiac Ablation Disposables Market: US, EU, ANZ



A large global addressable market with high growth potential supported by favourable growth drivers

Sources: Millennium Research Group *Electrophysiology Mapping and Ablation Devices Europe 2021* July 2020
Millennium Research Group *Electrophysiology Mapping and Ablation Devices US 2021* June 2020
Decision Research Group, Targeted Research