

4 August 2017

Osprey Medical announces successful over-subscribed placement and fully underwritten entitlement offer

Highlights

- Over-subscribed Placement with commitments received from sophisticated and professional investors to raise approximately A\$22.2 million at an issue price of A\$0.40 per CDI
- Fully underwritten, non-renounceable Entitlement Offer to be offered at the same price to raise approximately A\$10.3 million
- Proceeds to be used primarily to expand US sales force and initiate a pilot European sales programme
- Post raise Osprey will be in a strengthened financial position with a pro-forma cash balance of US\$39.1 million (A\$48.9 million at FX rate of \$0.80)

Minnesota, United States and Melbourne, Australia – Osprey Medical Inc. (ASX:OSP) (Osprey or Company) today announces that it has received commitments from sophisticated and professional investors to subscribe for 55,464,076 CHES Depository Interests (**CDIs**) (representing 27,732,038 million new fully paid shares of Common Stock) at A\$0.40 per CDI to raise approximately A\$22.2 million (**Placement**). The Placement was over-subscribed.

Osprey is also undertaking a fully underwritten, non-renounceable entitlement offer of approximately 25,785,924 new CDIs (representing approximately 12,892,962 new fully paid shares of Common Stock) at the same price to raise approximately A\$10.3 million (**Entitlement Offer**).

The funds raised from the Placement and Entitlement Offer will be primarily used by the Company for:

- expanding US sales force to increase coverage of the US with focus on geographies with a high share of AKI;
- initiating a pilot European sales programme in Germany;
- ongoing support for post approval market trials and physician sponsored trials for scientific presentation and publications;
- continuing research and development of the product portfolio; and
- costs of the offer.

Mike McCormick, President and CEO of Osprey, commented “We are delighted with the oversubscribed Placement, and the introduction of several new shareholders. It reflects a strong

endorsement from the investment community for our commercialisation strategy and it places Osprey in a strengthened financial position to fulfil its mission to make heart imaging and treatment procedures safer for patients with poor kidney function.”

Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited acted as the joint lead managers to the Placement and Entitlement Offer. Evans and Partners Pty Ltd acted as co-lead manager. Vesparum Capital is acting in an independent capital markets advisory role for Osprey.

The CDIs under the Placement and Entitlement Offer will be issued on the same terms as, and will rank equally with, the existing CDIs of Osprey.

Placement details

The Placement will be completed in one tranche consisting of 55,464,076 CDIs (representing 27,732,038 shares of Common Stock) to be issued within Osprey’s 15% placement capacity under ASX Listing Rule 7.1 and its 10% placement capacity under ASX Listing Rule 7.1A. Accordingly, stockholder approval of the Placement is not required.

The investors under the Placement are sophisticated and professional investors and include certain existing securityholders of Osprey. Osprey’s largest CDI holder, Brandon Capital Partners (including funds that Brandon Capital Partners Pty Ltd and BCP3 Pty Ltd manage), has subscribed for its pro-rata allocation of 13,002,674 CDIs (approximately A\$5.2 million). Settlement of the Placement is expected to occur on Thursday, 10 August 2017.

Entitlement Offer details

The Entitlement Offer will be made to all CDI holders in Australia, New Zealand, Hong Kong and Singapore (**Eligible Holders**) who are registered as holders of the Company’s CDIs as at 7.00pm (Melbourne time) on 9 August 2017 (**Record Date**). CDI holders with a registered address outside Australia, New Zealand, Hong Kong or Singapore are considered ineligible securityholders and cannot participate in the Entitlement Offer.

Under the Entitlement Offer, Eligible Holders will have the opportunity to subscribe for one new CDI for every 10 CDIs in the Company of which they are the registered holder at 7.00pm (Melbourne time) on the Record Date at an issue price of \$0.40 per CDI. The Entitlement Offer will be non-renounceable.

The Issue Price represents:

- an 8.0% discount to Osprey’s closing CDI price on 1 August 2017, the trading day immediately prior to Osprey entering into a trading halt in connection with the Placement and Entitlement Offer; and
- a 14.8% discount to the 10 trading day VWAP of Osprey’s CDIs ending on 1 August 2017.

The Entitlement Offer will incorporate a top-up facility under which Eligible Holders can apply to take up new CDIs in excess of their pro rata entitlement (**Top Up Facility**). Applications under the Top Up Facility will be considered to the extent there is a shortfall under the Entitlement Offer and

will be subject to the terms set out in the Offer Booklet to be issued in connection with the Entitlement Offer.

Underwriting and sub-underwriting arrangements

The Entitlement Offer is fully underwritten.

Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited are underwriting the Entitlement Offer. Brandon Capital Partners has committed to take up a minimum of its pro rata entitlement under the Entitlement Offer and to fully sub-underwrite the remainder of the Entitlement Offer.

If Eligible Holders do not take up their pro rata entitlements under the Entitlement Offer, the shortfall will be allocated:

- first, to Eligible Holders who apply to take up additional new CDIs in accordance with the terms of the Top Up Facility; and
- next, to the underwriters and sub-underwriter.

Further details regarding the underwriting and sub-underwriting arrangements are set out in the Offer Booklet to be issued in connection with the Entitlement Offer.

Authorised share capital

In connection with the Entitlement Offer, Osprey intends to amend and restate its Certificate of Incorporation to increase its authorised share capital before the closing date of the Entitlement Offer.

Enquiries

Eligible Holders will be sent further details about the Entitlement Offer in an Offer Booklet. Eligible Holders should read the Offer Booklet carefully before making any investment decision regarding the Entitlement Offer.

Eligible Holders who have questions relating to the Entitlement Offer should call the Entitlement Offer information line on 1300 420 406 from 8.30am to 5.00pm (Melbourne time) on business days during the offer period.

Key dates for the Entitlement Offer

Event	Date
Announcement of Placement and Entitlement Offer	4 August 2017
Ex-date for Entitlement Offer	8 August 2017
Record Date to determine entitlement to participate in the	7.00pm on 9 August 2017

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Osprey Medical Inc. (ARBN 152 854 923) is a foreign company incorporated in Delaware, USA,
whose stockholders have limited liability.
www.ospreymed.com

Entitlement Offer	
Dispatch Offer Booklet and personalised entitlement and acceptance forms to Eligible Holders	14 August 2017
Entitlement Offer opens	9.00am on 14 August 2017
Entitlement Offer closes	5.00pm on 25 August 2017
Shortfall announced to ASX	30 August 2017
Issue of CDIs under Entitlement Offer	4 September 2017
New CDIs under Entitlement Offer commence trading on ASX on a normal basis	5 September 2017
Dispatch of holding statements	6 September 2017

Dates and times above are indicative only and subject to change. All dates and times are references to Melbourne time.

Osprey, with the consent of the underwriters, reserves the right to amend any or all of these dates and times, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, Osprey reserves the right to extend the closing date of the Entitlement Offer, to accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date may have a consequential impact on the date that new CDIs are issued. Applicants are encouraged to submit their acceptance forms as soon as possible after the Entitlement Offer opens.

Osprey also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time prior to the issue of the new CDIs. In that event, application monies (without interest) would be returned to applicants.

About Osprey

Osprey Medical is focused on protecting patients from the harmful effects of X-ray dye (contrast) used during commonly performed angiographic imaging procedures. The Company's core technologies originated from research conducted by Dr David Kaye at Melbourne's Baker IDI Heart and Diabetes Institute. Its proprietary dye reduction and monitoring technologies are designed to help physicians minimize dye usage. The Company's DyeVert™ System is a next-generation product that reduces contrast while maintaining image quality in a self-adjusting easy-to-use design. Osprey Medical's Board and Management are comprised of experienced and successful personnel with established track records covering medical device development, regulatory approvals, sales and marketing, and mergers-acquisitions. Osprey Medical's advisory board comprises world-recognised experts in heart and kidney diseases.

Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on 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, including without limitation our expectations with respect to our ability to

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commercialize our products including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialize new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position.

Management believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Osprey 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. Osprey may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

Restrictions on resale of securities in the United States

The securities to be offered have not been registered under the United States Securities Act of 1933, as amended (**U.S. Securities Act**), or any state securities laws, and until so registered, may not be offered or sold in the United States (**U.S.**) except pursuant to an exemption from the registration requirements of the US Securities Act and applicable state securities laws.

The Placement was made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers of securities which are made outside the U.S. This means that the CDIs issued in the Placement are subject to restrictions under Regulation S.

In order to comply with the requirements of Regulation S, investors may not re-sell any Placement CDIs (or underlying securities) into the U.S. to a U.S. person or for the account or benefit of a U.S. Person for a period of one year after the date of issue of the securities unless the re-sale of the securities is registered under the U.S. Securities Act or an exemption from registration is available.

Accordingly, in order to enforce the above transfer restrictions whilst ensuring that holders can still trade their CDIs on ASX, the CDIs will bear a "FOR US" designation on ASX. As a result of the imposition of the "FOR US" designation, all shareholders of the Company will be restricted from selling their CDIs on ASX to U.S. persons.

This announcement is not an offer to sell, nor a solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which the offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction or an applicable exemption therefrom.

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