

30 October 2018

Capital raising of up to A\$20.5m to accelerate GPO-focused growth strategy

Key highlights

- A\$10.0m private placement to Allan Gray at an issue price of A\$0.155 per CDI
- 1 for 5 non-renounceable entitlement offer to be offered to eligible holders at the same issue price to raise a maximum of approximately A\$10.5m
- Brandon Capital Partners (26.9% shareholder) intends, subject to relevant internal approvals, to take up its pro-rata entitlement under the Entitlement Offer
- Top-up facility to be offered under which eligible holders can apply to take up new CDIs in excess of their pro rata entitlement
- Proceeds to be used primarily to accelerate Osprey's GPO-focused growth strategy following recent major contract wins and notification of the Breakthrough Technology Award received from Premier Inc., one of the largest GPOs in the US

Placement

Minnesota, United States and Melbourne, Australia – Osprey Medical Inc. (ASX:OSP) (Osprey or Company) today announces that it has entered into an agreement with Allan Gray, a leading investment management firm, to subscribe for approximately 64.5m CHESS Depository Interests (CDIs) in the Company (representing approximately 32.3m shares of common stock) at A\$0.155 per CDI (**Issue Price**) to raise A\$10.0m (before costs and expenses) (**Placement**).

The Placement will fall within Osprey's existing capacity under ASX Listing Rules 7.1 (50,926,230 CDIs) and 7.1A (13,589,900 CDIs) and does not require stockholder approval.

The funds raised from the Placement and the Entitlement Offer (described below) will be primarily used by the Company for the following purposes:

- to expand the US sales team and resources to accelerate the GPO-focused growth strategy, with a focus on geographies with a high proportion of member hospitals (particularly Premier hospitals);
- ongoing support for post-approval market trials, registry studies and physician sponsored trials for specific presentations and publications;
- to accelerate pilot sales programmes in Western Europe – Italy, Germany and the UK; and
- continued research and development of the product portfolio.

Entitlement Offer

In addition to the Placement, the Company is offering existing holders of CDIs 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 Friday, 2 November 2018 (**Record Date**) the opportunity to participate in a pro rata non-renounceable entitlement offer (**Entitlement Offer**). 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 1 new CDI for every 5 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 A\$0.155 per CDI, to raise a maximum of approximately A\$10.5m (before costs and expenses).

The Issue Price represents a:

- 11.4% discount to Osprey's closing CDI price on 26 October 2018 (the last trading day prior to this announcement); and
- 23.4% discount to the 15-day VWAP of Osprey's CDIs ending on 26 October 2018.

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.

The Entitlement Offer will not be underwritten. However, Osprey's largest holder of CDIs, Brandon Capital Partners, intends, subject to relevant internal approvals, to take up its pro rata entitlement under the Entitlement Offer and may apply under the Top Up Facility to take up to that number of additional CDIs that would mean Brandon Capital Partners would maintain its percentage ownership at 26.9%, being its holding immediately prior to the Placement and Entitlement Offer.

Vesparum Capital is acting in an independent capital markets advisory role for Osprey with respect to the Placement and the Entitlement Offer.

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.

Timetable

Indicative Timetable	
Entitlement Offer "Ex" Date	Thursday, 1 November 2018
Entitlement Offer Record Date	7:00pm, Friday, 2 November 2018
Allotment of CDIs under the Placement	Tuesday, 6 November 2018
Entitlement Offer opens	9:00am, Wednesday, 7 November 2018
Entitlement Offer closes	5:00pm, Friday, 16 November 2018
Entitlement Offer shortfall notification to ASX	Wednesday, 21 November 2018
Issue of CDIs under Entitlement Offer	Friday, 23 November 2018
CDIs under Entitlement Offer commence trading on ASX on a normal basis	Monday, 26 November 2018
Dispatch of holding statements	Monday, 26 November 2018

Note: The timetable above is indicative only and may be varied subject to the ASX Listing Rules. All times are references to Melbourne time.

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.

For further information regarding the Entitlement Offer, please call the Entitlement Offer Information Line on 1300 420 406 (within Australia) or +61 1300 420 406 (outside Australia) between 8.30am and 5.00pm (Melbourne time) on Business Days during the offer period for the Entitlement Offer.

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 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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