

## Quarterly Cash Flow Report

**29 January 2019 – Melbourne, Australia and Minnesota, United States** – Osprey Medical (ASX: OSP) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending December 31, 2018.

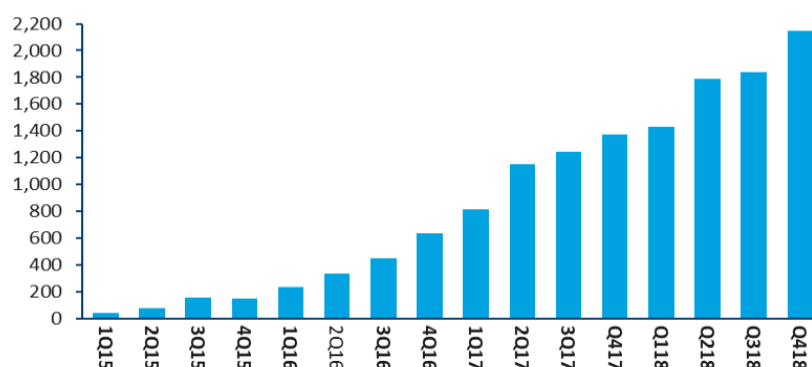
### Key highlights

- Continued unit sales growth in 4Q 2018 with DyeVert unit sales of 2,145 units, up 56% over the prior corresponding period (pcp)
- Solid full year unaudited DyeVert unit sales of 7,201, up 57% over pcp
- Quarterly revenue of US\$714k, up 45% over pcp
- Full year unaudited revenue of US\$2.5m, up 54% over pcp
- Quarterly cash receipts of US\$654k, up 37% over pcp
- Successful A\$14.3m capital raising to accelerate Osprey’s GPO-focused growth strategy
- Strong balance sheet with cash of US\$25.3m / A\$36.1m at 31 December 2018

### Continued unit sales growth and financial performance

Osprey reported its 17<sup>th</sup> consecutive quarter of unit growth for its dye saving technologies. In 4Q 2018, DyeVert and DyeVert Plus unit sales grew to 2,145 units, which was up 51% over the prior corresponding period (pcp) and up 17% over 3Q 2018. Hospitals who have purchased the DyeVert system continued to grow, up 40% over the pcp (137 hospitals 4Q 2018 vs. 98 hospitals 4Q 2017).

**Quarterly DyeVert sales since inception (# units)**



Sales growth for the period benefited from the launch of the DyeVert EZ, which offers a simplified priming process which is proving popular with customers, and the implementation of the Group Purchasing Organisation (GPO) contracts signed during previous quarters.

During the quarter, the average selling price (excluding administrative fees to GPOs) of the DyeVert system in the US continued to remain stable at ~US\$354, reflecting the strong customer value proposition of Osprey’s dye reduction technologies.

Quarterly sales revenue grew to US\$714k in 4Q 2018, up 45% over the pcp. Total revenues reflect the payment of administrative fees to the GPOs of up to 5% of the company's relevant revenue and are also inclusive of Osprey's pilot commercial effort in Italy, which is providing valuable information to the company on the keys to commercial success in Europe. EU units sold to Osprey's distributor partner are at a transfer price that is approximately 50% of US selling price.

During the quarter, Osprey received cash receipts of US\$654k, up 37% over the pcp.

### **Update on GPO growth strategy**

Osprey continues to focus on its strategy of driving sales through contractual relationships with US multi-hospital systems referred to as GPOs.

In December 2018, Osprey announced that it had signed a GPO contract with Premier, one of the largest hospital groups in the US, giving Osprey access to Premier's network of 4,000 hospitals. The new agreement with Premier allows its members (which includes U.S. hospitals and other healthcare providers), at its discretion, to take advantage of pricing and terms pre-negotiated with Premier to purchase DyeVert Plus.

Osprey expects to secure new GPO contracts in FY 2019, to further expand coverage. The Company remains focused on continuing to build the requisite evidence of improved patient outcomes and lower hospital costs, which are important metrics for all GPOs nationwide.

### **Successful A\$14.3m capital raising to accelerate growth**

During the quarter, Osprey successfully raised A\$14.3m from existing and new institutional investors at an issue price of A\$0.155, comprising:

- A\$10.0m private placement to leading investment management firm, Allan Gray; and
- A\$4.3m through a non-renounceable entitlement offer to eligible shareholders, which closed on 23 November 2018

The funds raised strengthen Osprey's balance sheet and allows the Company to accelerate its GPO-focused growth strategy.

Osprey has a strong balance sheet with cash of US\$25.3m / A\$36.1m at 31 December 2018.

### **Conference Call Details**

**Osprey Medical is hosting an investor conference call on Tuesday 29 January 2019 at 9.00am Australian Eastern Daylight Time (6.00am Hong Kong/Singapore, 4.00pm Monday 28 January 2019 US Minneapolis, MN).**

#### **Call details:**

Australia Toll Free	1 800 558 698
Alternate Australia Toll Free	1 800 809 971
Australia Local Number	+612 9007 3187
Hong Kong	800 966 806
Singapore	800 101 2785
United States	855 881 1339

**Conference Identification: 224103**

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## About Osprey Medical (ASX: OSP)

Osprey Medical's vision is to make heart imaging procedures safer for patients with poor kidney function. The amount of dye (contrast) used during angiographic imaging procedures increases the patient's risk for dye-related kidney damage known as Contrast Induced Acute Kidney Injury (AKI). The Company's core technologies originated from research conducted by Dr David Kaye at Melbourne's Baker Institute. Its proprietary dye reduction and monitoring technologies are designed to help physicians minimize dye usage and monitor the dose of dye real time throughout the procedure. The Company's DyeVert™ Plus System reduces contrast while maintaining image quality in a self-adjusting easy-to-use design that monitors dye usage. 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.

## Foreign Ownership Restriction

Osprey's CHES Depository 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 or sales 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. The holders of Osprey's CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. Hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Osprey Medical, Inc.

**ABN**

152 854 923

**Quarter ended ("current quarter")**

December 31, 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter Q4 \$'000 USD</b>	<b>Year to date 12 Months \$'000 USD</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	654	2,440
1.2 Payments for		
(a) research and development	(475)	(2,340)
(b) product manufacturing and operating costs	(209)	(986)
(c) advertising and marketing	(649)	(3,039)
(d) leased assets	-	-
(e) staff costs	(2,915)	(11,808)
(f) administration and corporate costs	(311)	(1,372)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	80	344
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,825)</b>	<b>(16,761)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(175)	(309)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter Q4 \$'000 USD</b>	<b>Year to date 12 Months \$'000 USD</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(175)</b>	<b>(309)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	10,323	10,323
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(136)	(136)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>10,187</b>	<b>10,187</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	19,065	32,135
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,825)	(16,761)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(175)	(309)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	10,187	10,187

<b>Consolidated statement of cash flows</b>		<b>Current quarter Q4 \$'000 USD</b>	<b>Year to date 12 Months \$'000 USD</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>25,252</b>	<b>25,252</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$'000 USD</b>	<b>Previous quarter \$'000 USD</b>
5.1	Bank balances	25,252	19,065
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,252</b>	<b>19,065</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$'000 USD**

195

-

Payments represent remuneration paid to executive and non-executive directors.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$'000 USD**

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$'000 USD	Amount drawn at quarter end \$'000 USD
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$'000 USD
9.1 Research and development	(500)
9.2 Product manufacturing and operating costs	(200)
9.3 Advertising and marketing	(700)
9.4 Leased assets	-
9.5 Staff costs	(2,900)
9.6 Administration and corporate costs	(300)
9.7 Other	-
<b>9.8 Total estimated cash outflows</b>	<b>(4,600)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	n/a	n/a
10.2 Place of incorporation or registration	n/a	n/a
10.3 Consideration for acquisition or disposal	n/a	n/a
10.4 Total net assets	n/a	n/a
10.5 Nature of business	n/a	n/a

### 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.

Sign here:

  
Company Secretary

Date: 29 January 2019

Print name: Brendan Case

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
5. Accounting Standards. ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.