

ASX / Media Release

**48% Increase in DyeVert Third Quarter Unit Sales**

29 October 2019 - Minnesota, United States and Melbourne, Australia – Osprey Medical (ASX: OSP) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 30 September, 2019.

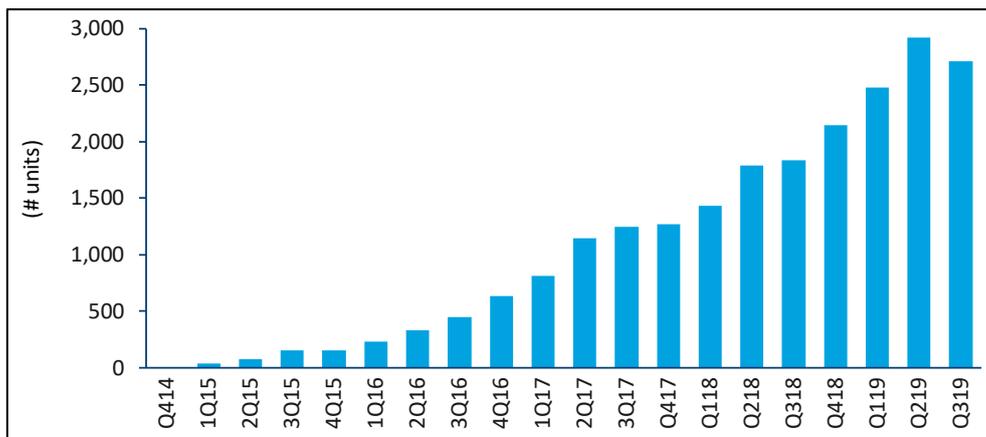
**Key Highlights**

- Continued unit sales growth in 3Q 2019 with DyeVert™ unit sales of 2,713, up 48% over the prior corresponding period (pcp)
- GPO-based unit sales driving growth, up 173% versus pcp to 2,083 units; 83% of total US unit sales (45% in pcp)
- Total unit sales, including DyeTect and syringes of 2,911 units up 51% over the pcp
- Quarterly revenue of US\$0.9m, up 46% over the pcp
- Net operating cash burn was down 8% to US\$3.9 million versus the pcp with operating expenses flat over pcp
- Closing cash balance of US\$12.3m / A\$18.2m<sup>1</sup> as at 30 September 2019

**Unit sales and financial performance**

In 3Q 2019, the DyeVert™ product range comprising DyeVert, DyeVert Plus and DyeVert Plus EZ unit sales grew to 2,713 units, which was up 48% over the prior corresponding period (pcp). On a quarterly basis, Osprey experienced a small decline in unit volumes of 7% worldwide, reflecting seasonal demand effects and a transient impact to orders from a single GPO account. Unaudited worldwide quarterly sales revenue grew to US\$0.9m in 3Q 2019, up 46% over the pcp. Total revenues reflect the payment of administrative fees to the GPOs of up to 5% of the company’s relevant revenue.

**DyeVert Quarterly sales since inception**



The Company continues to focus on volume penetration within existing ordering accounts. In 3Q 2019, 94% of revenue was from existing accounts and 6% from new accounts.

<sup>1</sup> AUD/USD = 0.675

In-line with previous quarters, unit sales growth continued to outpace revenue growth during the quarter, reflecting the effect of a lower percentage of GPO-based sales in the pcp and mix effects attributable to DyeTect/Syringe sales. During 3Q 2019, the average selling price (excluding administrative fees to GPOs) of the DyeVert system in the US remained stable at US\$352.

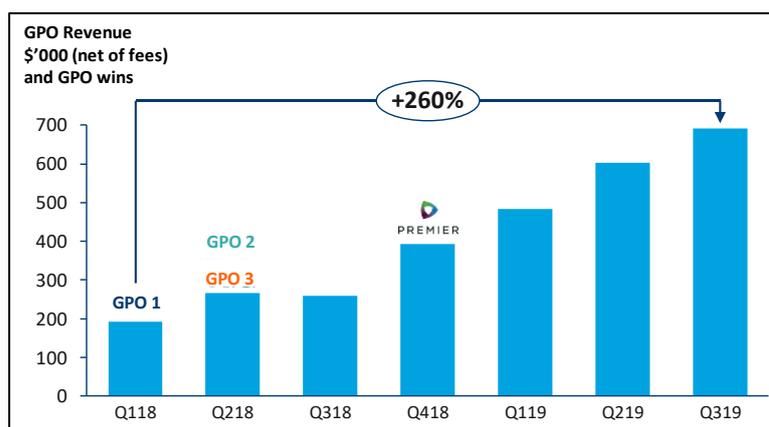
Osprey recorded cash receipts of US\$909k during the quarter, up 33% over the pcp. Net cash used in operating activities was US\$3.9m decreased 8% versus the pcp. Osprey ended the quarter with cash of US\$12.3 million (A\$18.2million) and no debt.

The number of field sales representatives (sales reps + clinical specialists) was 26, down 7% versus the pcp and unchanged from 2Q 2019. The average unit sales per field sales representative increasing 62% on the pcp to 112 units and the average order size grew 36% to 12.4 units versus the pcp. The Company expects its field sales representation to grow modestly during the remainder of 2019.

### Hospital metrics and GPO performance

The total number of hospitals that have purchased the DyeVert system continued to grow during the quarter, up 18% over the pcp (154 hospitals 3Q 2019 vs. 131 hospitals 3Q 2018). Osprey also has a strong pipeline of future customers, with 28 hospitals in the evaluation-to-purchase stage (up 22% on the pcp) at the end of 3Q 2019.

Osprey currently has four GPO contracts in place and this represents 50% of US market coverage of addressable chronic kidney disease (CKD) patients undergoing a coronary angiogram and therefore at risk of a Contrast-Induced AKI (CI-AKI) events.



During the quarter, unit sales directly attributable to established GPO accounts was 2,083 units, up 173% on the pcp. In the period one GPO had a cost reduction initiative related to new medical devices whereby they inquired of member hospitals to report on the clinical utility of the new devices. DyeVert is a new medical device and hospitals responded to the inquiry with reports of the clinical benefit of the DyeVert system. This caused a temporary slowdown in ordering at some hospitals, but no hospitals were lost. Ordering behaviours normalised in the latter part of the quarter and the Company anticipates growth from new and existing hospital accounts associated with GPO contract hospitals throughout the remainder of 2019 and beyond.

### European Update and Distribution

We continue to make progress in the UK and Italy with our pilot programs.

Osprey has submitted the DyeVert System to the National Institute for Health and Care Excellence (NICE) for use in at risk patients undergoing a coronary angiogram. NICE's role is to provide guidance to the National Health Service (NHS) and Hospitals on the adoption of safe, clinically cost-effective medical technologies for the benefits of its patients. Osprey estimates that AKI costs the UK hospital system approximately £1 billion annually, or about one per cent of the NHS yearly budget.

Osprey currently has distribution sales model in Italy and continues to explore additional distribution sales channels across Europe that will drive future unit volumes and revenues. Osprey will update investors as commercial developments are executed.

## Conference Call Details

**Osprey Medical is hosting an investor conference call today at 9:00am Australian Eastern Daylight Time (6:00am Hong Kong/Singapore, 5:00pm Monday 28 October 2019 USA Minneapolis, MN). The dial-in details and conference ID can be found below:**

### 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: 10002409**

– ENDS –

### Contact details:

#### Media

Kyahnn Williamson  
WE Buchan  
M: (61) 401 018 828  
[kwilliamson@we-buchan.com](mailto:kwilliamson@we-buchan.com)

#### Investors

Dr Thomas Duthy  
Investor Relations  
M: (61) 402 493 727  
[tduthy@ospreymed.com](mailto:tduthy@ospreymed.com)

#### Company

Doug Schoenberg  
VP of Marketing  
T: (952) 955 8230  
[dschoenberg@ospreymed.com](mailto:dschoenberg@ospreymed.com)

## 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 (CI-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™ 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 Depositary 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.

**ARBN**

152 854 923

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

September 30, 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter Q3 \$'000 USD</b>	<b>Year to date 9 Months \$'000 USD</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	909	2,753
1.2 Payments for		
(a) research and development	(449)	(1,462)
(b) product manufacturing and operating costs	(221)	(958)
(c) advertising and marketing	(760)	(2,329)
(d) leased assets	-	-
(e) staff costs	(3,130)	(10,013)
(f) administration and corporate costs	(344)	(1,044)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	60	219
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>(3,935)</b>	<b>(12,834)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(26)	(104)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter Q3 \$'000 USD</b>	<b>Year to date 9 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>(26)</b>	<b>(104)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	-	-
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>-</b>	<b>-</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	16,275	25,252
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,935)	(12,834)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(26)	(104)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter Q3 \$'000 USD</b>	<b>Year to date 9 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>12,314</b>	<b>12,314</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	12,314	16,275
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>12,314</b>	<b>16,275</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**

202

-

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	(525)
9.2 Product manufacturing and operating costs	(200)
9.3 Advertising and marketing	(775)
9.4 Leased assets	-
9.5 Staff costs	(3,200)
9.6 Administration and corporate costs	(300)
9.7 Other	-
<b>9.8 Total estimated cash outflows</b>	<b>(5,000)</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:

Date: 29 October 2019

  
Company Secretary

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.