

ASX / Media Release

36% Increase in DyeVert Unit Sales

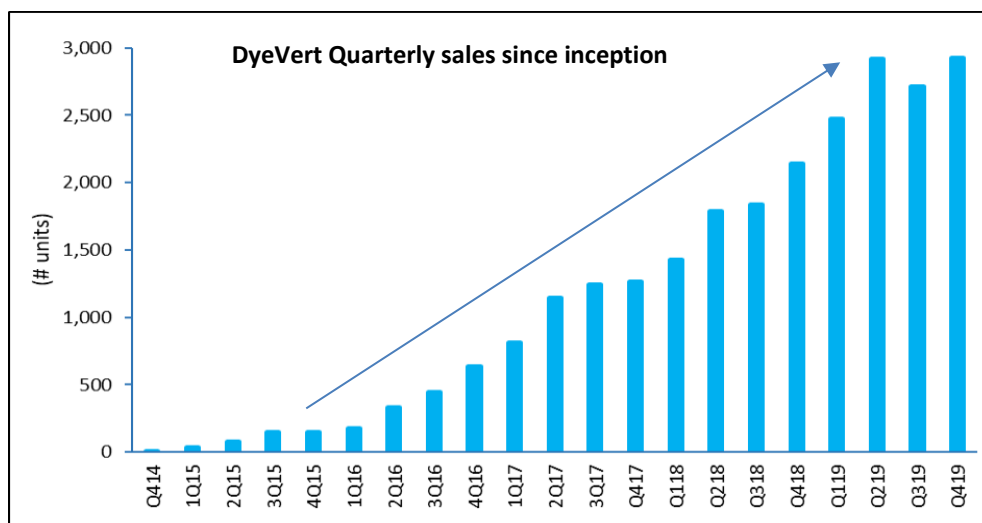
31 January, 2020 - Melbourne, Australia and Minnesota, United States – Osprey Medical (ASX: OSP) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 31 December, 2019.

Key Highlights

- 4Q 2019 worldwide DyeVert unit sales up 36% over the pcp
- 4Q 2019 worldwide gross revenue of up 35% over the pcp
- 4Q 2019 net cash used in operating activities up 3% to 3Q 2019
- Closing cash balance of US\$8.3m / A\$12.2.m¹ as at 31 December 2019
- Advanced discussions with a party interested in OUS distribution of DyeVert

Unit sales and financial performance

In 4Q 2019, the DyeVert™ product range comprising DyeVert, DyeVert Plus and DyeVert Plus EZ unit sales grew to 2,925 units, which was up 36% over the prior corresponding period (pcp). For the full year 2019 DyeVert sales of 11,038 were up 53% compared to 7,201 in 2018.

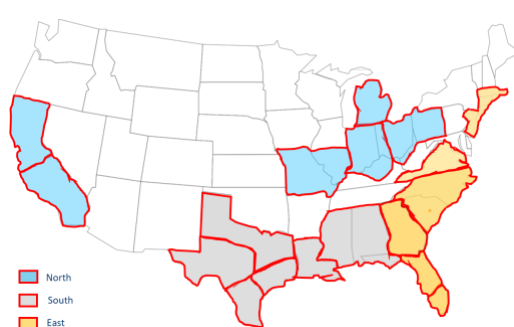


GPO hospitals continue to be a focus for the Company with 4Q GPO revenue up 41% compared to pcp. In 2019 DyeVert unit sales to GPO hospitals increasing 113% compared to 2018. Revenue in GPO hospitals grew 104% in 2019 compared to 2018. GPO’s also became a larger part of Osprey’s total business in 2019 representing 62% of total revenues compared to 45% of total revenue in 2018. The average selling price of DyeVert in GPO hospitals was stable at \$350 throughout 2019, in line with the GPO contract pricing.

Osprey had 18 selling geographies in 4Q 2019 with 25 field personnel (sales reps + clinical specialists). The sales group was down by 8% (2 people) in 4Q 2019 compared to 4Q 2018. The average unit sold per field person was up 44% on the pcp to 124 units reflecting an increasing contribution from the sales organization to the Company goals of profitability.

¹ AUD/USD = 0.676

In the second half of 2019 the Company experienced some staff issues in its US East Area, resulting in the removal of the manager and two customer facing sales representatives resulting in overall poor sales performance for the area relative to the rest of the US for the year. The Company has appointed new sales representation and management for this area and expects growth during FY 2020 to materialise.



**DyeVert Growth
2019 vs 2018**

South Area	118%
North West Area	80%
Eastern Area	(38%)

Unaudited worldwide quarterly sales revenue grew to US\$955k in 4Q 2019, up 34% over the pcp. In CY2019 worldwide revenues grew to \$3.67m up 46% over 2018. Total revenues reflect the payment of administrative fees to the GPOs of up to 5% of the company’s relevant revenue.

Osprey recorded cash receipts of \$948k during the quarter, up 45% over the pcp. In 4Q 2019 net cash used in operating activities of \$4.0m was 3% higher than 3Q 2019. In CY2019 net cash used in operating activities was \$16.9m up 1% to 2018 with revenues increasing 48% over the same period. Osprey ended the quarter with cash of US\$8.3m (A\$12.2m) and no debt.

Hospital metrics and new GPO contracts

The total number of hospitals that have purchased the DyeVert system continued to grow during the quarter, up 17% over the pcp (159 hospitals 4Q 2019 vs. 136 hospitals 4Q 2018). For the period CY2019 Osprey added 23 new customers and has a strong pipeline of future customers, with 24 hospitals in the evaluation-to-purchase stage (up 41% on the pcp) at the end of 4Q 2019.

As indicated in the Company’s fourth quarter update released to the market on 20 December, Osprey executed an additional signed agreement with a Group Purchasing Organization (GPO) based in Florida. The new agreement allows members at their discretion, to take advantage of pricing and terms to purchase the DyeVert System. The agreed price is not materially different from other GPO contracts at US\$350 and the term is three years. Florida is the second largest state behind Texas for chronic kidney disease (CKD) in the United States. The new contract is expected to generate sales commencing in Q1 2020.

Osprey added an additional national contract in January 2020 for hospitals in the US Department of Defense (DOD). This new agreement allows Government owned hospitals at their discretion, to take advantage of pricing and terms to purchase the DyeVert System. The agreed price is US\$350 to each Government owned hospital with no contract (GPO) fees and the term is five years. This new contract is a particularly good opportunity for Osprey as we currently have limited existing sales in these hospitals and the new contract is expected to generate sales commencing in Q1 2020.

Osprey now has six GPO contracts in place, representing 50%+ of addressable chronic kidney disease (CKD) patients undergoing a coronary angiogram and therefore at risk of a Contrast-Induced AKI (CI-AKI) event.

European expansion

Osprey currently has distribution sales model in Italy and the UK. In 2019 we were pleased with the success of our pilot sales and we continued to learn valuable lessons about the keys to market adoption in these countries.

As indicated in the Company's fourth quarter update released to the market on 20 December, Osprey is evaluating potential commercial partnerships for DyeVert outside of the United States. During the quarter Osprey received an inbound inquiry for exclusive distribution rights for countries outside the United States. The Company is in advanced discussions with this interested party and will update the market as these discussions mature.

Conference Call Details

Osprey Medical is hosting an investor conference call today at 1:00pm Australian Eastern Daylight Time (10:00am Hong Kong/Singapore, 8:00pm Thursday, 30 January 2020 USA Minneapolis, MN).

Call details:

Australia Toll Free	1800 908 299
Alternate Australia Toll Free	1800 455 963
Australia Local Number	+612 9007 8048
Hong Kong	800 968 273
Singapore	800 101 2702
United States	1 855 624 0077

Conference ID: 10003494

This release dated 31 January has been authorised for lodgement to ASX by Mike McCormick, CEO of Osprey Medical and lodged by Brendan Case, Company Secretary.

– ENDS –

Contact details:

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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 (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-recognized 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")

December 31, 2019

Consolidated statement of cash flows	Current quarter Q4 \$'000 USD	Year to date 12 Months \$'000 USD
1. Cash flows from operating activities		
1.1 Receipts from customers	948	3,701
1.2 Payments for		
(a) research and development	(517)	(1,979)
(b) product manufacturing and operating costs	(214)	(1,172)
(c) advertising and marketing	(789)	(3,118)
(d) leased assets	-	-
(e) staff costs	(3,147)	(13,160)
(f) administration and corporate costs	(347)	(1,391)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	253
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)	-	-
1.9 Net cash from / (used in) operating activities	(4,032)	(16,866)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(109)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter Q4 \$'000 USD	Year to date 12 Months \$'000 USD
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(5)	(109)

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	12,314	25,252
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,032)	(16,866)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5)	(109)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter Q4 \$'000 USD	Year to date 12 Months \$'000 USD
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	8,277	8,277

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$'000 USD	Previous quarter \$'000 USD
5.1	Bank balances	8,277	12,314
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,277	12,314

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. Financing facilities available <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.		

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9. Estimated cash outflows for next quarter	\$'000 USD
9.1 Research and development	(475)
9.2 Product manufacturing and operating costs	(225)
9.3 Advertising and marketing	(800)
9.4 Leased assets	-
9.5 Staff costs	(3,850)
9.6 Administration and corporate costs	(350)
9.7 Other – Mold for product	(250)
9.8 Total estimated cash outflows	(5,950)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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: 31 January 2020



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.