

3 April 2020

Osprey Medical Announces Capital Raising and Trading Update

Minnesota, United States and Melbourne, Australia – 3 April 2020 – Osprey Medical Inc. (ASX:OSP) (**Osprey** or **the Company**) today announces a 3 for 1 renounceable entitlement offer (**Entitlement Offer**) at an issue price of A\$0.012 per CHES Depository Interest (**CDI**) to raise up to A\$15.5m.

- 3 for 1 Entitlement Offer to raise up to A\$15.5m, with certain funds managed by Brandon Capital Partners and BCP3 Pty Ltd (**Brandon**) partially underwriting the shortfall resulting from the Entitlement Offer
- CDIs issued under the Entitlement Offer will have 1 for 1 options attached, with an exercise price of A\$0.014 and expiring on 15 February 2021
- Currently in advanced discussions with GE Healthcare to commercialise Osprey's products in key countries outside of the US

Mike McCormick, President and CEO of Osprey, commented: "We are very pleased with the result given the challenging conditions and worldwide impact of COVID-19. It is a strong vote of confidence from the investment community and our key CDI holders in Osprey's business and strategy. We are excited to be in advanced discussions with GE Healthcare for exclusive distribution rights in Europe and we continue to ramp up commercialisation initiatives in the US."

Entitlement Offer

The Company is offering existing holders of CDIs with a registered address in Australia, New Zealand, Hong Kong or Singapore as at the record date (see below) (**Eligible Holders**) the opportunity to participate in a pro-rata renounceable entitlement offer on a three (3) for one (1) basis, with one (1) free option for every one (1) new CDI issued under the Entitlement Offer. The options will be exercisable at A\$0.014 and expire on 15 February 2021. The Entitlement Offer will raise up to approximately A\$15.5m (before costs and expenses).

The issue price under the Entitlement Offer is A\$0.012 per CDI. The issue price represents a 20% discount to Osprey's closing CDI price on 31 March 2020, the trading day immediately prior to Osprey entering into a trading halt in connection with the Entitlement Offer.

Osprey will issue up to 1,295,392,110 CDIs (representing 647,696,055 shares of Common Stock) under the Entitlement Offer. The CDIs under the Entitlement Offer will be issued on the same terms as, and will rank equally with, the existing CDIs of Osprey.

The Entitlement Offer will incorporate a top-up facility under which Eligible Holders can apply to take up new CDIs (and free attaching New Options) 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 prospectus dated 3 April 2020 issued in connection with the Entitlement Offer (**Prospectus**).

Osprey's largest shareholder, Brandon, has committed to take up its entitlement up to a value of A\$3,196,744 under the Entitlement Offer and certain funds it manages are partially underwriting the shortfall of the Entitlement Offer, up to a value of A\$4,453,692.

The record date for the Entitlement Offer is 7pm (Melbourne time), Wednesday, 8 April 2020. The Prospectus, together with a personalised entitlement and acceptance form, will be sent to Eligible Holders after the record date.

Osprey has amended and restated its Certificate of Incorporation to increase the Company's authorised share capital in conjunction with the Entitlement Offer. Please refer to the separate announcement.

GE Healthcare Arrangements

Osprey has entered into a non-binding term sheet with GE Healthcare Limited (**GE Healthcare**) pursuant to which GE Healthcare and Osprey have agreed to negotiate in good faith toward the execution of a four year exclusive distribution agreement to enable GE Healthcare to commercialise Osprey's product portfolio in Europe, Russia, Middle East, Africa, Central Asia and Turkey. A formal and definitive distribution agreement is currently anticipated to be entered into during the second quarter of 2020. Further details on the term sheet is set out in the Prospectus.

Market update

Osprey is actively monitoring, assessing and implementing mitigation strategies to minimise the potential impact of COVID-19 on business continuity and optimise the several key aspects relating to Osprey's products that support the continued use of DyeVert. However, Osprey acknowledges that COVID-19 may have a material impact on Osprey's business in the near term, due to the decreased demand (with elective procedures being delayed or cancelled) and restrictions (restricted access to hospitals) in place on healthcare systems.

Use of funds

Funds raised from the Entitlement Offer will primarily be used for:

- continued commercial expansion in the United States;
- support of GE Healthcare's commercial efforts in Europe, Russia, Middle East, Africa, Central Asia and Turkey;
- support for generating ongoing clinical evidence and the multi-hospital DyeMinish registry; and
- ongoing product portfolio development.

Indicative timetable

Indicative Timetable ⁽¹⁾⁽²⁾	
Announcement of Entitlement Offer; Prospectus lodged with ASIC and ASX	Friday, 3 April 2020
"Ex" Date	Tuesday, 7 April 2020
Rights trading commences	Tuesday, 7 April 2020
Record Date	7pm, Wednesday 8 April 2020
Entitlement Offer opens (Dispatch of Prospectus, Entitlement and Acceptance Form to Eligible Holders)	9am, Wednesday, 15 April 2020
Rights trading ends	Friday, 17 April 2020
Entitlement Offer closes	5pm, Friday, 24 April 2020
Allotment of new CDIs and new options	Friday, 1 May 2020
Normal trading commences	Monday, 4 May 2020

(1) The timetable above is indicative only and subject to change

(2) All times and dates are in AEDT / AEST

This announcement has been approved by the President & Chief Executive Officer, Mike McCormick.

– ENDS –

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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-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.