

29 July 2021

Osprey continues to deliver positive results through strategic distribution agreements

Minnesota, United States and Melbourne, Australia – 29 July 2021 - Osprey Medical Inc. (ASX:OSP) (**Osprey or the Company**) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 30 June 2021 (**2Q 2021 or the Quarter**).

Key Highlights

- Worldwide net revenues increased 54% as compared to prior corresponding period
- Operating cost reduction program leads to a 29% reduction in cash used in operating activities to the previous quarter (1Q 2021)
- Pipeline remains resilient under GE Healthcare distribution agreement with 22% of all units sold worldwide from GE
- Repeat orders from Independent Sales Agency Agreements (ISAs) grew this Quarter, representing ~5% of total US unit sales volume
- Appointment of Steven Brandt as Non-Executive Director to the Board, bringing over 35 years of healthcare experience
- Business remains well capitalised with a cash balance of US\$11.1m/A\$14.8m¹ on 30 June 2021

Osprey Medical CEO, Mr Mike McCormick commented:

“Overall, it was a positive quarter for Osprey with increasing revenue receipts from customers and declining operating cash outflows for operating expenses as compared to 1Q 2021. We are pleased to have welcomed Steven Brandt to the Osprey Board during the quarter and are excited to leverage his extensive healthcare experience to strengthen our global expansion and commercialisation strategy. In the US, it was pleasing to see our lean expansion strategy translate directly into increased sales from our ISA partners. Compared to the US, COVID-19 recovery in EMEA and ANZ has been slower with lower vaccination rates, despite this we are delighted to see significant continued demand from GE Healthcare which speaks to the value of our product and is a strong step towards achieving our global commercialisation goals.”

Unit sales and financial performance with operating cost reduction

In 2Q 2021, Osprey sold ~1,630 units worldwide while achieving a net revenue of ~US\$488k (up 54% to the prior corresponding period). In the US, Osprey sold ~1,266 units and outside US (**OUS**), Osprey sold ~364 units representing 22% of total sales via its distributor agreement with GE Healthcare in EMEA. COVID-19 continued to disrupt the Company's operations worldwide, particularly in regions outside the US. Increasing vaccination rates across the US and EMEA should result in stronger and more consistent sales metrics moving forward.

Positive momentum is seen with respect to cashflows, where Osprey reported receipts from customers of US\$603k this Quarter, an increase of 20% (US\$102k increase) from 1Q 2021. In terms of outflows, Osprey reported operating cash outflows of US\$3.1m down 23% from prior quarter and net cash used in operations of US\$2.5m down 29% from prior quarter.

Resilient demand from GE despite lingering COVID-19 interruptions

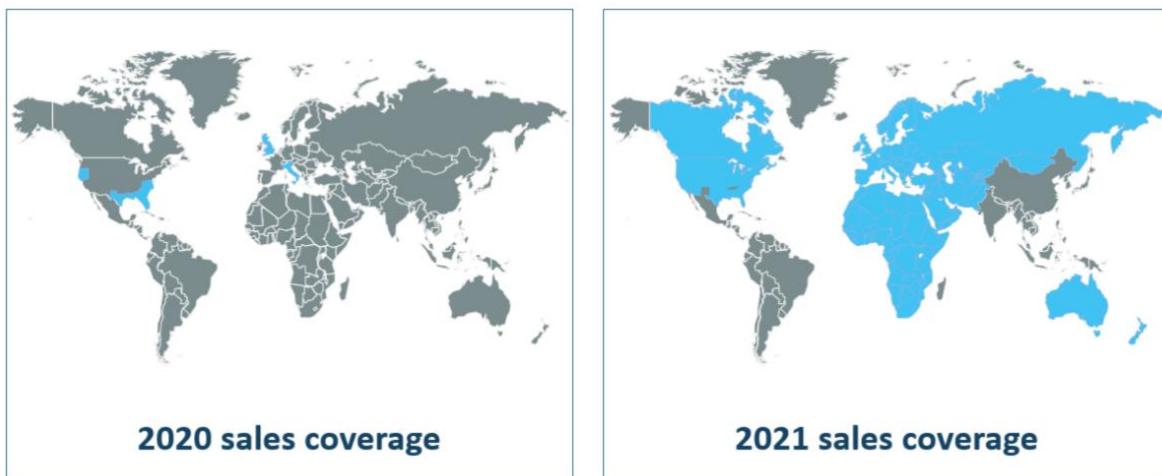
Sales outside the United States showed continued resilience with ~364 units sold through GE Healthcare this quarter, maintaining the momentum of the previous quarters. Sales volumes continue to be affected by a slower rebound

from COVID-19 as countries struggle to vaccinate their populations. Nevertheless, it is pleasingly to see that GE Healthcare continues to lead the distribution of Osprey's DyeVert™ product across EMEA. The agreement stipulates that GE has exclusive distribution rights for Osprey's product portfolio throughout the EMEA region and Osprey looks forward to the continued success of the agreement and to building a strong and fruitful partnership with the multinational conglomerate.

US expansion strategy yields results with continued ISA sales

Osprey's lean and cost-efficient expansion in the US continues to deliver results with repeat sales achieved through ISAs during the quarter, representing ~5% of DyeVert US unit sales in the Quarter. Since the Company's first ISA, BioCore Inc. (see announcement on 26 November 2020), a total of 8 ISA agreements have been signed which cover 26 states in the US. When combined with the 16 states currently serviced by Osprey's direct salesforce, the Company has distribution channels in 42 US states.

It is pleasing to see continued sales through ISA agreements as well as Osprey's international distribution agreements which validates Company's global expansion strategy of increasing coverage while maintaining a lean business model as indicated in the images below.



Significant cost-efficient global expansion in 2021

New director appointed to strengthen global expansion

Osprey is pleased to announce the appointment of Steven Brandt to the Board of Directors during the quarter. Steven brings over 35 years of healthcare experience, including 10 years as acting Vice President for Thoratec Corporation where he oversaw a rapid expansion of global revenues from \$104m to \$500m. Steven's wealth of experience is a welcome addition to Osprey.

Well capitalised to support future growth objectives

As of 30 June 2021, Osprey had a cash balance of US\$11.1m/A\$14.8m¹. As flagged previously, going forward, the Company will continue to demonstrate appropriate fiscal restraint such that it can continue its current activities during these uncertain times.

Payments made to related parties as described in item 6.1 of the Appendix 4C were for executive director remuneration.

Conference call details

Investors are invited to join a conference call hosted by CEO Mike McCormick and CFO, Nancy Ness on Thursday, 29 July 2021 at 9:00am Australian Eastern Standard Time (7:00am Hong Kong/Singapore, 6:00pm Wednesday, 29 July 2021 Minneapolis, MN).

To pre-register, please follow this link: <https://s1.c-conf.com/diamondpass/10015234-js7bf6.html>

Call details:

Australia Toll Free	1800 455 963
Australia Local	+61 7 3145 4005
Hong Kong	800 968 273
Singapore	800 101 2702
United States	1 855 624 0077

Conference ID: 10013514

This release has been authorised for lodgement to ASX by Mike McCormick, CEO of Osprey Medical.

¹ Assumes an A\$:US\$0.75 exchange rate

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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. Forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the Company's control (including but not limited to the COVID-19 pandemic), subject to change without notice and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct.

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. Given the current uncertainties regarding the impact of the COVID-19 on the trading conditions impacting the Company, the financial markets and the health services world-wide, investors are cautioned not to place undue reliance on the current trading outlook.

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 CHESS 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 cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
Osprey Medical, Inc.		

ABN	Quarter ended ("current quarter")
152 854 923	June 30, 2021

Consolidated statement of cash flows	Current quarter \$'000 USD	Year to date (6 months) \$'000 USD
1. Cash flows from operating activities		
1.1 Receipts from customers	603	1,104
1.2 Payments for		
(a) research and development	(415)	(977)
(b) product manufacturing and operating costs	(174)	(421)
(c) advertising and marketing	(265)	(566)
(d) leased assets	-	-
(e) staff costs	(1,943)	(4,495)
(f) administration and corporate costs	(359)	(784)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	50	104
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	(2,503)	(6,035)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(43)	(50)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date (6 months) \$'000 USD
2.2	Proceeds from disposal of:		
(a)	entities	-	-
(b)	businesses	-	-
(c)	property, plant and equipment	-	-
(d)	investments	-	-
(e)	intellectual property	-	-
(f)	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	(43)	(50)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	10,282
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(16)
3.5	Proceeds from borrowings	-	1,081
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	-	11,347
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,595	5,787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,503)	(6,035)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(43)	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,347

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date (6 months) \$'000 USD
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,049	11,049
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	11,049	13,595
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)	11,049	13,595
6. Payments to related parties of the entity and their associates		Current quarter \$'000 USD	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	142	
6.2	Aggregate amount of payments to related parties and their associates included in item 2		
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments			
<i>Payments represent remuneration paid to executive and non-executive directors.</i>			

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities		Total facility amount at quarter end \$'000 USD	Amount drawn at quarter end \$'000 USD
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
8. Estimated cash available for future operating activities		\$'000 USD	
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,503)	
8.2	Cash and cash equivalents at quarter end (item 4.6)	11,049	
8.3	Unused finance facilities available at quarter end (item 7.5)	-	
8.4	Total available funding (item 8.2 + item 8.3)	8,546	
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)		4.0
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:		
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		
	Answer:		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?		
	Answer:		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?		
	Answer:		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>			

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.

Date: 29 July 2021

Authorised by: The Osprey Disclosure Committee, a committee of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.