OSPREY™ MEDICAL

15TH EDITION, MARCH 2017

INVESTOR NEWSLETTER

MESSAGE FROM THE PRESIDENT AND CEO

MIKE McCORMICK

Dear Shareholders,

Activity in the fourth quarter of 2016 continued to gather pace as we accelerate US commercialization of the DyeVert System. We saw strong sales growth, and we increased our sales coverage in the US with eight additional sales reps hired in the quarter.

Commercialization of our DyeVert System continued to show positive momentum in Q4 2016 as we posted our ninth consecutive quarter of growth. The strength of our commercial efforts is reflected in three key sales metrics:

1. **Quarterly unit sales growth –** 43% unit sales growth in Q4 2016, as compared to Q3 2016
2. **New hospitals purchasing DyeVert –** 23% increase Q4 2016, as compared to Q3 2016
3. **Strong pipeline of hospitals in the evaluation-to-purchase process –** over 40 hospitals at the end of Q4 had evaluated DyeVert and were in the hospital approval process

We were pleased with the rapid growth of our DyeVert business and the positive response from physicians and hospitals.

Osprey's sales process can be broken down into two primary stages; sample-to-purchase and driving increased penetration in purchasing hospitals. With 60% of Osprey's sales force hired after September 2016 we have several reps in the sample-to-purchase stage. Our new reps are reporting that customers are receptive to lowering dye volume in poor kidney patients with 90% of physicians approached progressing to evaluate the DyeVert System. These Physicians also support its purchase with the hospital Value Assessment Committee

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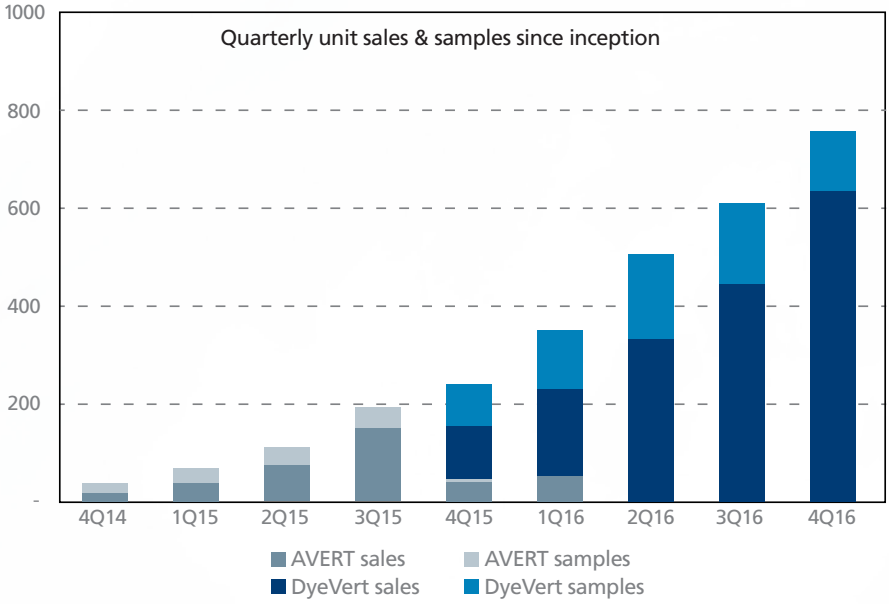
Sales Momentum Fuels Record Growth



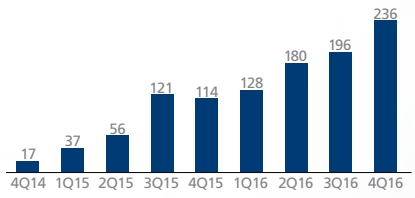
Ending 2016 was a ninth consecutive quarter of growth for Osprey's dye saving products. There has been rapid uptake of the DyeVert System as indicated by unit sales growth of 43% to 636 units in Q4 2016, as compared to Q3 2016 at 446 units, and also a growth of >321% when compared to Q4 2015.

As an indication of market adoption, the number of hospitals ordering DyeVert increased by 22% in Q4 2016 as compared to Q3 2016, and the pipeline of new evaluation stage hospitals continues to expand.

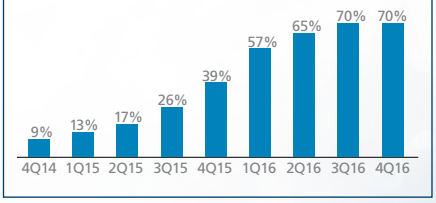
San Antonio, Texas, where Osprey first piloted commercialization efforts, continues to be a successful model for the expansion of the US sales force.

A ninth consecutive quarter sales history (Q4 2014 to Q4 2016) shows strong physician adoption of Osprey's technologies. 70% of hospitals (16 of 23) are now using our products, and unit sales to existing hospitals increased 21% in Q4. This reflects further expansion of physician users in each hospital. ■

Quarterly unit sales in San Antonio[1]



% of hospitals in San Antonio using Osprey's Products[2]



(an independent review group for new technologies). The process from sample to purchase averages 3-4 months, at which point our sales reps focus on expanding the product reach to all physicians and ensure all patients with poor kidney function are covered with the DyeVert System.

An important factor helping drive adoption of DyeVert is the emphasis on improved outcomes for patients and lower costs. The National Cardiovascular Data Registry (NCDR) has data from over 2,000 US hospitals contributing outcomes data from over two million patients. This database allows hospitals to compare their outcomes to the US national average, with a key measure being Contrast Induced Acute Kidney Injury (CI-AKI). This focus on reducing CI-AKI has helped drive demand for our DyeVert System as it is the only FDA cleared product proven to reduce dye without affecting image quality.

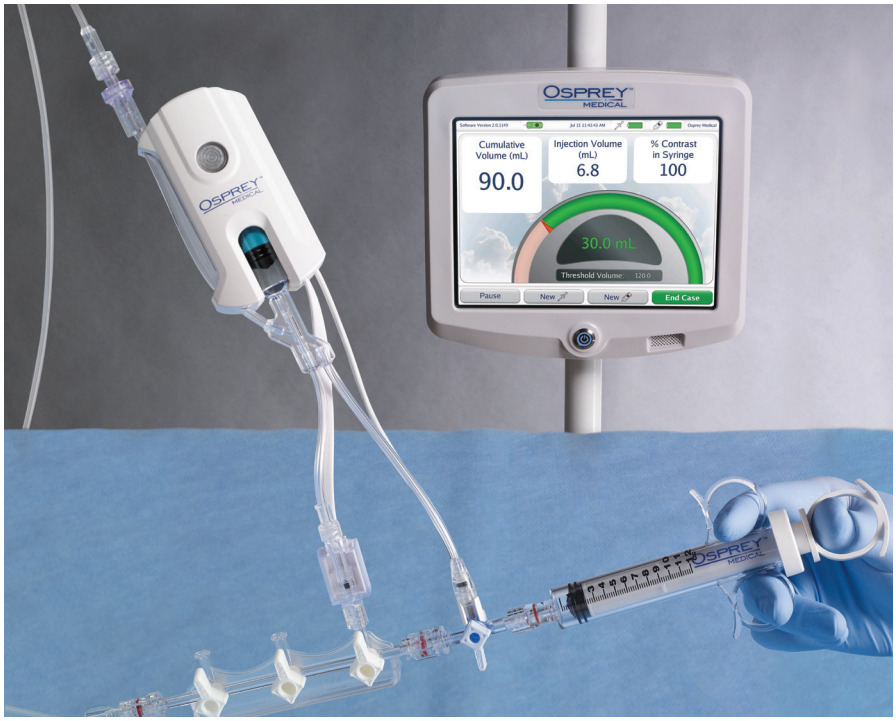
We continue to see strong sales momentum into the 1st quarter of 2017. We have a record number of evaluations underway and many new hospitals where we are focused on driving increased adoption. This Quarter we were also pleased to announce FDA approval (refer to ASX announcement lodged today) of DyeVert PLUS, the system which integrates the current DyeVert contrast reduction technology with enhanced patient management and monitoring capabilities. DyeVert PLUS supports national medical guidelines that call for physicians to measure patient-specific dye thresholds and monitor dye use throughout the procedure. DyeVert PLUS will be immediately launched in the US.

We are pleased to continue to report such rapid progress. I would like to thank the employees of Osprey for their passionate pursuit of technologies to protect patients from dye and to you, our investors, for your continued support. ■

Mike McCormick

Mike McCormick,
Osprey Medical President & CEO

DyeVert PLUS Receives FDA Clearance



DyeVert™ PLUS
Contrast Reduction System

Osprey has received US FDA 510(k) clearance for its advanced DyeVert™ PLUS Contrast Reduction System, a platform that augments Osprey's DyeVert technology with the ability to actively manage dye dose during coronary interventions. European CE Mark was received in 2016 enabling the company to obtain strong user feedback with multiple key physicians in Germany and Italy. As expected, dye reduction exceeded 40 percent in patients in those countries.

The DyeVert PLUS allows for the DyeVert to wireless interface with a disposable "smart syringe" and a reusable LCD monitor. The system offers substantial benefits and complies with new industry guidelines:

- Monitors contrast dose levels to be used based on a patient's kidney function;
- Provides real-time tracking of contrast injected during a procedure which allows physician ability to better manage a patient; and
- Delivers an accurate method of recording dosage given to the patient.

Given the US healthcare system's increased scrutiny of patient outcomes, the DyeVert PLUS platform is well situated to address industry needs and thus the company anticipates strong adoption. ■

Location	Total Cases	Number of Physicians	Dye Savings
Lűbeck, Germany	18	5	45.6 %
Naples, Italy	20	7	42.3 %
Total	**38**	**12**	**43.9%**

New Sales Hires Ensure Rapid Ramp

Sales force expansion in territories where population densities and prevalence of Chronic Kidney Disease is continuing and is a key component of our growth strategy. Recent hires have spanned from the west to east coast, to include the Midwest.

Our sales rep hiring process incorporates substantial vetting and qualification to ensure top-quality professionals that have a track-record of producing rapid results. Selection criteria is based on three primary aspects:

- **Demonstrated career record of sales success**
- **Strong Cath Lab experience**
- **Current established relationships with key customers**

Our reps have diverse and complementary skills as sales managers and reps, and backgrounds from hospital settings such as nurse and cardiovascular technologists.

This experience is augmented with a deep onboarding, product education and training process to ensure rapid acclimation in the sales process. ■


Mary V. – Pittsburgh


Dan G. - Detroit


Tim G. - Chicago


Tina J. - Georgia


Ben F. - San Francisco


Ted R. – Wisconsin


Henna G. -Ohio


Steve R.- Los Angeles


Sam R. – Texas


Ed T. – St. Louis

NCDR Quality Metrics Impacting Health Care Provider Payment Levels

Quality metrics provide a critical benchmark for assessing effective patient care and increasingly are being used to establish payment levels for physicians and hospitals in the United States. The NCDR (National Cardiovascular Data Registry) was created by the ACC (American College of Cardiology) with the purpose of improving cardiovascular care through the use and application of clinical outcomes data.

The CathPCI was the first registry launched and has become a gold standard in capturing and reporting outcomes data on heart catheterization procedures (pictures for diagnosis) and heart PCI procedures (balloon or stent treatments). The CathPCI registry had captured data on more than 17.6 million heart catheterization and PCI procedures in the US with more than 90% of heart hospitals contributing data.

Osprey Medical's focus on improving outcomes in poor kidney patients by reducing dye complications and lowering hospital costs aligns directly with the NCDR's efforts to provide quantitative metrics that impact clinical decision making and improve patient care. The CathPCI Registry collects in hospital risk adjusted Acute Kidney Injury (dye related complication) as well as pre-and-post procedure data indicating kidney injury. This data is utilized to measure adherence to clinical guidelines, guide practice patterns, and identify areas for improvement.

Osprey Medical has been collaborating with hospitals and physicians through our Be Kind to Kidneys campaign to reduce contrast in at risk patients and implement a kidney care protocol to improve patient outcomes, adhere more closely to specific ACC/AHA guidelines, and lower costs within their hospital. ■

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FORWARD LOOKING STATEMENTS

This document contains certain forward-looking statements, relating to Osprey Medical's business, which can be identified by the use of forward-looking terminology such as "promising," "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property.

DyeVert™ Systems Regulatory Status:

- Europe – CE Mark obtained
- Australia – TGA approval obtained
- United States – 510(k) cleared

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