OSPREY™ MEDICAL

INVESTOR NEWSLETTER

16TH EDITION, JULY 2017

MESSAGE FROM THE PRESIDENT AND CEO

MIKE McCORMICK

Dear Shareholders,

The past quarter was an exceptionally busy period for the Osprey team, and I am delighted to report on the many significant milestones we achieved.

- We achieved **quarter-on-quarter unit sales growth of 42%**
- DyeTect™ System, our new product targeted for patients without chronic kidney disease, was used clinically for the first time in June and will effectively **increase our addressable market by 40% to US$1.8 billion**
- We appointed **Sandra Lesenfants**, a highly regarded Medtronic executive, to our Board of Directors

Our sales activity continued to gain momentum as we accelerated US commercialization of the DyeVert™ and DyeVert™ Plus Systems, and we posted our eleventh consecutive quarter of growth – a remarkable achievement and a testament to the dedication of our entire team and the demand for our products.

Osprey's sales personnel balance their sales priorities between increasing penetration of existing customers and opening new customer accounts. Their commercial efforts are summarized in our three-key sales metrics, which track current performance and momentum for future sales:

1. **Quarterly unit sales growth –** achieved 42% growth in 2Q 2017 vs 1Q 2017
2. **Total hospitals purchasing DyeVert/ DyeVert Plus –** up 36% in 2Q 2017
3. **Pipeline of hospitals in the evaluation-to-purchase process –** over 46 hospitals at the end of Q2 had evaluated DyeVert or DyeVert Plus and were in the hospital approval process

An important factor helping drive adoption of DyeVert and DyeVert Plus is the emphasis on improved outcomes for patients and lower costs for hospitals. The National Cardiovascular Data Registry (NCDR) has data from over 1,500 US hospitals contributing outcomes data from over

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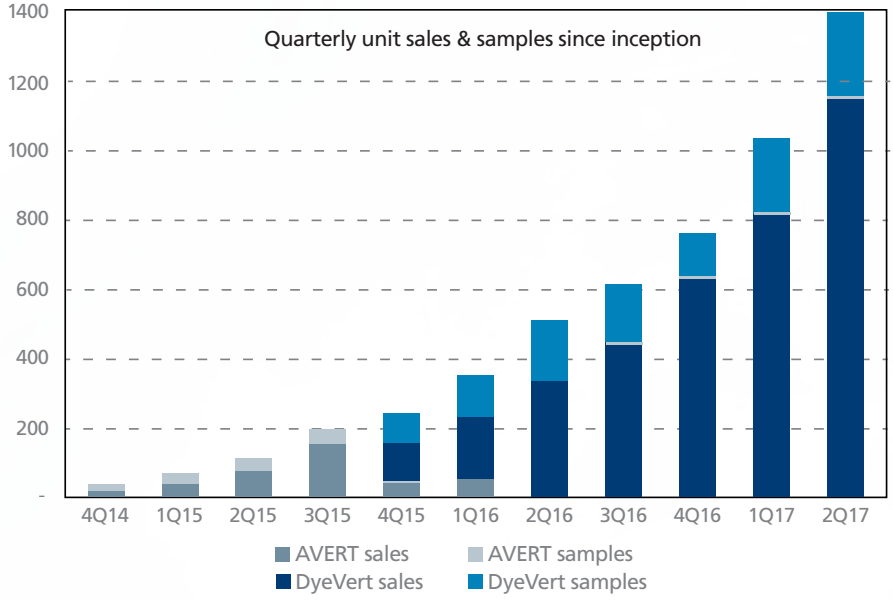
Sales Momentum Fuels 11th Consecutive Quarter of Sales Growth

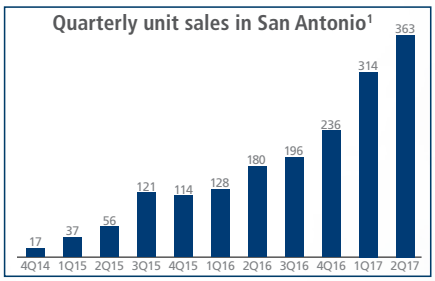


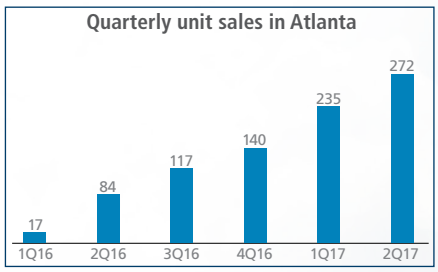
The second quarter of 2017 was the eleventh consecutive quarter of growth for Osprey's dye saving products. There has been rapid uptake of the DyeVert and DyeVert Plus System as indicated by unit sales of 1149 units in 2Q 2017, an acceleration in quarter-on-quarter growth to 42%. Compared with the same period last year, this represents growth of 244%.

As an indication of future market adoption, the number of hospitals ordering DyeVert/DyeVert Plus increased by 36% in 2Q 2017 compared to 1Q 2017, and the pipeline of new evaluation stage hospitals continues to expand, and now stands at 46 hospitals across our sales territories.

Our balanced sales approach remains focused on executing our two-step sales approach. The first focuses on moving new hospitals through the sample-to-purchase process. The second focuses on driving increased penetration in existing hospitals. We are pleased with the rapid growth of our DyeVert and DyeVert Plus business and the positive response from physicians and hospitals.

San Antonio, Texas, and Atlanta, Georgia, continue to be our model territories for the expansion of the US sales force. The profitable growth we are achieving in each territory demonstrates the strong adoption of Osprey's technologies amongst physicians. 70% of hospitals (16 of 23) in San Antonio and 55% (12 of 22) in Atlanta are now using our products, and unit sales to existing hospitals continue to increase as we further expand our base of physician users in each hospital. The rate of sales adoption in Atlanta has been significantly faster than San Antonio, with Atlanta achieving profitability after just one year compared to nearly two years for San Antonio. This was a direct result of our sales team leveraging the sales blueprint we developed as we grew in San Antonio. Other territories are following similar growth rates and are benefiting from the early experience of both San Antonio and Atlanta.





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). A recent publication in the Journal of the American Medical Association Cardiology analyzed data from the NCDR database and found dye reduction was necessary to minimize Acute Kidney Injury (AKI). The author, Dr. Amit Amin, commented in the conclusion of his paper:

"AKI rates vary greatly among physicians, who also vary markedly in their use of contrast and do not use substantially less contrast in patients with higher risk for AKI. These findings suggest an important opportunity to reduce AKI by reducing the variation in contrast volumes across physicians and lowering its use in higher-risk patients."

Osprey has the only technology with an FDA cleared claim for dye volume reduction without affecting image quality. The DyeVert and DyeVert Plus have been shown to reduce contrast on average over 40%.

Recently we announced the first US cases with the FDA cleared DyeTect Automated Contrast Monitoring System. This new product was developed in response to DyeVert Plus customer requests for the real-time dye threshold monitoring and accurate accounting of total dye dose for all dye-based procedures. The DyeTect leverages the DyeVert Plus wireless "smart syringe" and reusable LCD monitor to actively track dye administration during heart procedures.

Our lead product will continue to be the DyeVert Plus system, which offers the benefits of 40% average dye reduction, dye monitoring and accurate dye accounting. Our sales efforts with DyeTect will be focused on DyeVert Plus customers who understand the benefits of dye threshold monitoring and accurate accounting of total dye dose. Distinct market segments exist for DyeTect versus DyeVert Plus based on the patient benefits of each system. DyeVert Plus and DyeTect target different patient populations with strong differentiation of dye minimization that is needed for chronic kidney disease patients. DyeTect is targeted for patients without chronic kidney disease, as it does not provide a physical means for dye reduction. For patients with chronic kidney disease, the DyeVert Plus is needed because it reduces the amount of dye that is recommended for patients with compromised kidneys.

The addressable market for DyeTect is 3.5M procedures per year in the US and Western Europe. The list price for the consumable components of the DyeTect System is expected to be US$149 per procedure, making the addressable market for DyeTect worth approximately US$526 million per year.

In June, we announced the addition of Sandra Lesenfants as a Non-Executive Director to the Osprey Medical Board of Directors. Mrs. Lesenfants is currently a senior executive at Medtronic and offers Osprey deep and relevant experience at this important time of growth for the Company. She has commercial strategy experience and global business management skills from the vascular businesses at Medtronic, Covidien, EV3, and Siemens Healthcare.

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

First Human Use of DyeTect™

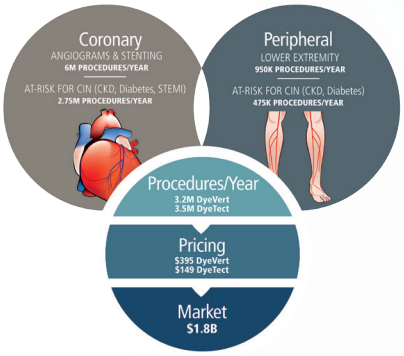
Early in July, Osprey announced the first patient use of the DyeTect™ Automated Contrast Monitoring System. These cases were performed at the University of Michigan and the University of Texas Health in San Antonio. This new product leverages contrast monitoring technology from the DyeVert™ Plus System. This automated contrast monitoring technology originated from existing Osprey customers' demand for stand-alone real-time contrast monitoring for all dye based procedures. The product consists of a Bluetooth-enabled module and smart-syringe that wirelessly communicates with an LCD monitor.

Current cardiology performance measures address the need for dye management and accurate dye dose reporting for all heart procedures using contrast dye for fluoroscopic X-ray imaging. DyeTect allows for real-time monitoring and keeps physicians informed when limits (based on kidney function) are reached and accurately reports total dye dose delivered to the patient.

DyeTect is CE marked and FDA cleared for marketing in the European Union and the United States, respectively. The company validated its new stand-alone contrast monitoring technology through initial market testing with Dr. Hitinder Gurm at the University of Michigan Hospital. Dr. Gurm commented,

"The monitoring of contrast dose is a valuable feature; you know exactly where you are at each point during an intervention. Incorporating this into our routine workflow will help raise awareness of total dye administered, which in turn will modify our practice and eventually result in better patient outcomes."

Osprey will position the DyeTect System for non-chronic kidney disease (CKD) patients and will continue to sell the DyeVert Plus for use in patients with pre-existing poor kidney function. The DyeTect System increases Osprey's total addressable market opportunity by 3.5M procedures. With anticipated pricing of $149 per unit, the incremental market opportunity for DyeTect is $526M per year in the US and Western Europe. When added to the DyeVert Plus product offering, the total addressable market opportunity for Osprey is $1.8B.



US and Western Europe Market Opportunity

DyeTect™ Automated Contrast Monitoring

Full US commercial release of DyeTect is anticipated by the end of this year, following the completion of injection-molded manufacturing of components. A limited release is currently underway with key opinion leading physicians throughout the United States. ■

Be Kind to Kidneys Campaign

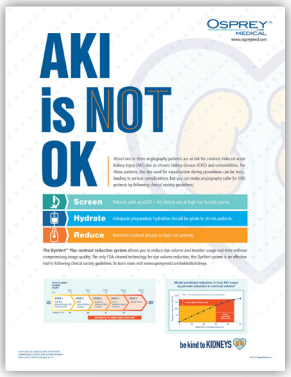
Initiated in 2016, the Be Kind to Kidneys Program (BKK) has provided Osprey Medical and our customers the opportunity to collaborate on issues surrounding AKI reduction, expanding awareness around clinical society guidelines, and targeting high-risk patients. The Be Kind to Kidneys Program has become an effective educational tool that we have been expanding in 2017. We recently launched our new BKK logo and taglines and are incorporating these into all marketing materials moving forward.

In the coming months, the BKK program will be focused on three key areas:

- **Expanding kidney care awareness and implementing DyeVert Plus effectively throughout our expanding customer base**
- **Sharing kidney care knowledge and identification of patients at risk for AKI events**
- **Enhancing educational opportunities both locally and nationally**

Additionally, Osprey has initiated an advertising campaign targeted at interventional cardiologists, nurses, and technicians working in the cardiac cath lab. We are advertising in various digital and print journals with the goal of increasing awareness around the issue of AKI in the cath lab and clinical society guidelines. ■

be kind to KIDNEYS



Medtronic's Sandra Lesenfants Joins Osprey Board

In June, Osprey announced the appointment of Sandra Lesenfants to the Osprey Board as a Non-Executive Director. Mrs. Lesenfants also currently serves as the Vice President & General Manager of the endoVenous Franchise in the Medtronic Cardiac and Vascular Group. She is responsible for leading the development and global marketing of meaningful innovations and solutions to address chronic venous insufficiency, deep venous disease, and embolization.

Mrs. Lesenfants has led key integrations, including the acquisition of Sapheon and its VenaSeal closure system, the integration of endoVenous Franchise from Covidien's Vascular Therapy business into Medtronic, and the integration of the embolization sales team from Medtronic's Neurovascular division into endoVenous. Sandra has commercial strategy experience and global business management skills from her experience at Medtronic, Covidien, EV3, and Siemens Healthcare.

Mrs. Lesenfants' deep and relevant experience will provide Osprey with invaluable guidance and input as the Company continues to expand its market launch of DyeVert Plus. ■

2017 Scientific Conference Participation

Osprey Medical has continued its commitment to supporting key scientific conferences related to Interventional Cardiology, Cardio-Renal syndrome, and Patient outcomes management. These activities focus us and our customers on the issues of AKI, defining the high-risk patient population, and the important steps that need to be taken to improving kidney care in the cath lab. These meetings also give us the opportunity to meet one on one with key customers including physicians, nurses, and cardiovascular technicians.

To date, Osprey has exhibited at six scientific conferences. Nationally, we have had a presence at key conferences, including the Society of Cardiovascular Angiography and Imaging Conference (SCAI), the American College of Cardiology (ACC), and the National Cardiovascular Data Registry (NCDR). Along with exhibiting and demonstrating the DyeVert Plus System at each of these meetings, Osprey also sponsored separate educational sessions at ACC and SCAI. These sessions, titled Managing the Risk of Contrast Induced AKI – Society Guidelines, Recommendations, and Treatment Options, included presentations by expert cardiologists including Dr. Anand Prasad, Dr. Hitinder Gurm, Dr. Gautam Kumar, and Dr. Roxana Mehran.

Osprey Medical was a prominent sponsor at regional and local scientific meetings, including the Cardio-Renal conference hosted by Dr. Prasad in San Antonio, the Emory Practical Intervention Course (EPIC) in Atlanta, and the Complex Cardiovascular Catheter Therapeutic Conference (C3) in Orlando. These meetings allowed us to support key customers in important territories and expand our market penetration through educating the broader physician groups and creating awareness for the DyeVert Plus System. ■

Osprey in the News

Biotech Daily

* OSPREY LAUNCHES DYETECT FOR NON-KIDNEY-FAILURE PATIENTS

THE AUSTRALIAN

FOR THE INFORMED AUSTRALIAN

Australian innovators taking on the world

Osprey Medical

This is an ASX-listed medical device business that is based on technology developed at the Baker IDI Institute in Melbourne. The company is now based in Minnetonka, Minnesota, to sell more into the United States.

The device helps surgeons monitor and control the amount of dye injected in heart patients during an operation. The dye is toxic for many people.

Redbubble CEO and founder Martin Hosking

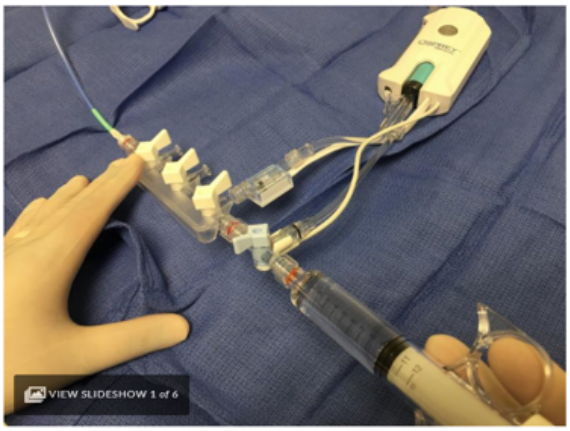
The company is now selling to 45 US hospitals and seeing 20 per cent quarter-on-quarter growth. The devices are disposable and sell for $US350 each.

TEXAS PUBLIC RADIO

CUTTING DOWN ON DYE: SAFER HEART PROCEDURES FOR KIDNEY PATIENTS

Steven Tshappatt, 33, prepares for a heart procedure at University Hospital. Dr. Anand Prasad (right) is an interventional cardiologist.

CREDIT WENDY RIGBY / TEXAS PUBLIC RADIO



The Dye-Vert Plus uses bluetooth technology embedded in the syringe to track precisely how much dye is being used during heart procedures.

WENDY RIGBY / TEXAS PUBLIC RADIO

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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