Half Yearly Accounts Report

August 21, 2017 – Minnesota, United States and Melbourne, Australia – Osprey Medical (ASX:OSP) today released its Appendix 4D half yearly accounts for the period ending 30 June 2017.

Key highlights

- Strong unit sales for the first half of 2017 up 247% over first half 2016, reflecting clear product-market fit and increasingly strong organic customer growth
- Successful oversubscribed private placement and fully-underwritten entitlement offer raising approximately A$32.5 million
- DyeTect, Osprey's new addition to its R&D portfolio, had its first human use, effectively increasing Osprey's addressable market by 40% to US$1.8 billion
- Latest research published in leading peer-reviewed publication, the Journal of the American Medical Association, supports greater adoption of DyeVert and DyeVert Plus

Mike McCormick, President and CEO of Osprey, said:
"*We are delighted with the progress we have made in achieving our goals for the first half of CY2017. The oversubscribed placement reflects a strong endorsement from the investment community for our commercialization strategy and places Osprey in a strengthened financial position to fulfil its mission to make heart imaging and treatment procedures safer for patients with poor kidney function*."

Strong sales momentum fuels US commercialization of the DyeVert System

Strong sales for the first half of 2017 reflect clear product-market fit and strong customer growth

- 247% growth in unit sales in first half 2017, compared to first half 2016
- 213% growth in total hospitals purchasing DyeVert in first half 2017, compared to first half 2016
- Eleven consecutive quarters of growth in units sold and sampled since the first customer sale

Profitable sales territories in San Antonio, Texas and Atlanta, Georgia continue to experience rapid growth, with sales up 116% and 378% respectively in the first half of 2017 compared to the previous corresponding period. Rapidly scaling US sales force with 18 sales territories by mid-year 2017 and eight additional representatives planned by the end of CY2017.

Successful oversubscribed placement and fully underwritten entitlement offer

In August, Osprey announced an oversubscribed private placement to sophisticated and institutional investors and a fully underwritten entitlement offer, to raise approximately A$32.5 million at an issue price of A$0.40 per CDI. Proceeds will be used primarily to expand US sales force and initiate a pilot European sales programme.

The issue price of A$0.40 represents an 8.0% discount to Osprey's closing CDI price on 1 August 2017 (the trading day immediately prior to Osprey's entry into trading halt) and a 14.8% discount to the 10 day VWAP of Osprey's CDIs ending on 1 August 2017. CDIs issued under the placement and the entitlement offer will be issued on the same terms as, and will rank equally with, Osprey's existing CDIs.

Capitalizing on US regulation to improve Osprey's marketing

Initiated in 2016, Osprey's "Be Kind to Kidneys Campaign" (BKK) leverages the shift in hospital/physician payments based on procedure volume to improving quality, and takes advantage of American College of Cardiology and American Heart Association dye savings guidelines.

BKK has provided Osprey and its customers the opportunity to collaborate on issues surrounding AKI reduction, expanding awareness around clinical society guidelines, and protecting high-risk patients. BKK has become an effective educational tool that Osprey has successfully expanded, and successfully incorporated into all its prospective marketing material in 2017.

Driving market awareness through conferences and journal articles

Osprey continues to demonstrate its commitment to working with key opinion leading physicians to direct podium presentations and peer reviewed journal articles on the performance of the DyeVert and DyeVert Plus Systems. In the first half of 2017, Osprey presented at six physician scientific conferences, including:

- Society of Cardiovascular Angiography and Imaging Conference (SCAI)
- American College of Cardiology (ACC)
- National Cardiovascular Data Registry (NCDR)

Positive data highly supportive of Osprey's products was also recently published in JAMA, the most widely circulated medical journal globally. JAMA's recent publication analysed data from the National Cardiovascular Data Registry (NCDR) database and concluded that dye reduction was necessary to minimise AKI. Osprey's DyeVert and DyeVert Plus are the only devices with an FDA cleared claim for dye reduction without compromised image quality.

DyeTect expands Osprey's addressable market to US$1.8 billion

Osprey's newest product, DyeTect is a valuable addition to its R&D portfolio:

- Allows for real-time monitoring
- Keeps physicians informed when limits (based on kidney function) are reached
- Accurately reports total dye dose delivered to the patient

When added to the DyeVert Plus product offering, DyeTect increases Osprey's total addressable market opportunity to US$1.8 billion. DyeTect will be positioned for non-chronic kidney disease (CKD) patients and Osprey will continue to sell DyeVert Plus for use in patients with pre-existing poor kidney function.

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 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.

About Osprey

Osprey Medical is focused on protecting patients from the harmful effects of X-ray dye (contrast) used during commonly performed angiographic imaging procedures. The Company's core technologies originated from research conducted by Dr David Kaye at Melbourne's Baker IDI Heart and Diabetes Institute. Its proprietary dye reduction and monitoring technologies are designed to help physicians minimize dye usage. The Company's DyeVert™ System is a next-generation product that reduces contrast while maintaining image quality in a self-adjusting easy-to-use design. 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 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.

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