Half Yearly Accounts Report

August 27, 2018 – Melbourne, Australia – Osprey Medical (ASX:OSP) today released its Appendix 4D half yearly accounts for the period ending 30 June 2018.

Key highlights

- **Strong unit sales and revenue growth achieved in the first half of 2018**
- **Revenue of $1.2M, up 69% over first half 2017, reflects 8 consecutive half-year periods of growth and exceeds $1m for the first time**
- **National Multi-Hospital System agreements secured with 3 leading US systems**
- **Peer-reviewed research publications from 2 hospitals showing Acute Kidney Injury (AKI) reduction with kidney care protocol featuring the DyeVert Plus**
- **Strengthened management team with appointment of Vice President for International Sales, Senior Director of National Accounts and three further sales management hires**

Mike McCormick, President and CEO of Osprey, said:
"*We are delighted with the progress we have made, and milestones achieved over the first half of 2018. We have recorded 15 consecutive quarters of unit sales growth, reflecting strong product-market fit and customer value proposition of our dye savings portfolio.*"

"The signing of 3 national multi-hospital system agreements represents a significant milestone of our growth strategy. We are excited about these agreements and look forward to their impact on future market opportunities in the US."

"The recent publication of hospitals' positive experience in reducing AKI through use of the DyeVert Plus system in the Cath Lab's Kidney Care protocol strengthens Osprey's commercial efforts. Pleasingly, we have also continued to strengthen our management team with key new leadership positions in international sales and GPOs to drive and support our continued rapid pace of growth."

Strong sales momentum fuels US commercialization of the DyeVert System

Strong sales for the first half of 2018 reflect clear product-market fit and strong organic customer growth:

- 69% growth in unit sales in first half 2018, compared to the previous corresponding period
- 43% growth in total hospitals purchasing DyeVert at the end of first half 2018, compared to the end of the first half 2017
- 15 consecutive quarters of growth in units sold and sampled since the first customer sale

Commercialization of our DyeVert Plus system accelerated in the first half driven by increased penetration of DyeVert in existing hospitals and adding new hospitals each month from our pipeline of hospitals in the sample-to-purchase phase.

The San Antonio, Atlanta and the North Carolina sales territories continued their profitable growth in the first half of 2018 and other territories are on track to reach similar performance levels.

Nationwide, the average selling price of the DyeVert System continued to remain stable at around US$350, reflecting the strong customer value proposition of Osprey's dye reduction technologies.

Three national agreements secured with leading US multi-hospital systems

During the half year, Osprey secured national agreements with three leading US multi-hospital systems for its DyeVert System. Securing multi-hospital system agreements has been a key component of the growth strategy for Osprey, and the complementary nature of the three agreements creates future market opportunities in the US. These agreements also support Osprey's clinical efforts to improve outcomes in Chronic Kidney Disease (CKD) patients and lowering hospital costs with its DyeVert Plus system.

These agreements will provide access to the DyeVert System in 250 additional hospitals across the United States, with hospitals in the 3 systems accounting for over 10% of all CKD patients in the US. Current sales territories cover +80% of the contracted hospitals and pricing of the DyeVert System is at our average selling price (US$350) with an additional administrative fee of 3-5% to the multi-hospital system.

These agreements allow associated member hospitals to purchase the DyeVert Plus system with less lead time than through Osprey's existing hospital focused channels. On average, securing an agreement with a multi-hospital system is expected to approximately halve the time taken by hospitals to trial Osprey's medical technologies from four to two months, prior to committing to purchase.

Hospitals reduce AKI with DyeVert Plus in their Kidney Care protocol

During the first half of 2018, two hospitals published their successful reductions of their AKI rate by more than 20% using Osprey's DyeVert Plus System as part of their Cath Lab's Kidney Care protocol. Houston Methodist Sugar Land Hospital (Houston, Texas) and St. Mary's Hospital (Huntington, West Virginia) have both engaged the DyeVert Plus System as a part of their kidney care campaign to reduce the rate of AKI at their hospitals. Sugar Land has reduced its CI-AKI rate by 22%, and St. Mary's by 25%.

The amount of dye used in angiographic imaging procedures increases the patient's risk for dye-related kidney damage known as AKI. Osprey's DyeVert™ Plus System reduces the amount of contrast dye delivered to the patient during heart imaging procedures while maintaining image quality and tracking real-time dye usage. These peer reviewed publications are powerful tools for our sales force to drive greater adoption of DyeVert Plus in the protection of patients from the harmful effects of x-ray dye.

Strengthened management team

To further support the growth of our business, Osprey has strengthened its management team over the half year. The Company welcomed a Vice President of International Sales and a Senior Director of

National Accounts to the team to drive global expansion and Osprey's national accounts strategy. The Company also increased its sales management team from two to five managers. These new positions reflect the appropriate scaling of our management team for our continued growth into the future.

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.

Restrictions on resale of securities in the United States

The securities to be offered have not been registered under the United States Securities Act of 1933, as amended (**U.S. Securities Act**), or any state securities laws, and until so registered, may not be offered or sold in the United States (**U.S.**) except pursuant to an exemption from the registration requirements of the US Securities Act and applicable state securities laws. The Placement was made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers of securities which are made outside the U.S. This means that the CDIs issued in the Placement are subject to restrictions under Regulation S. In order to comply with the requirements of Regulation S, investors may not re-sell any Placement CDIs (or underlying securities) into the U.S. to a U.S. person or for the account or benefit of a U.S. Person for a period of one year after the date of issue of the securities unless the re-sale of the securities is registered under the U.S. Securities Act or an exemption from registration is available. Accordingly, in order to enforce the above transfer restrictions whilst ensuring that holders can still trade their CDIs on ASX, the CDIs will bear a "FOR US" designation on ASX. As a result of the imposition of the "FOR US" designation, all shareholders of the Company will be restricted from selling their CDIs on ASX to U.S. persons. This announcement is not an offer to sell, nor a solicitation of an offer to buy any securities, nor shall there be any sale of
these securities in any state or jurisdiction in which the offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction or an applicable exemption therefrom.

Media	**Investors**	**Company**
Andrew Hamilton Mana Communications T: (613) 8866 1210 ah@manacommunications.com	Kyahn Williamson Buchan Consulting M: +61 401 018 828 kwilliamson@we-buchan.com	Doug Schoenberg VP of Marketing T: (952) 955 8230 dschoenberg@ospreymed.com