ASX / Media Release

64% Increase in DyeVert Second Quarter Unit Sales

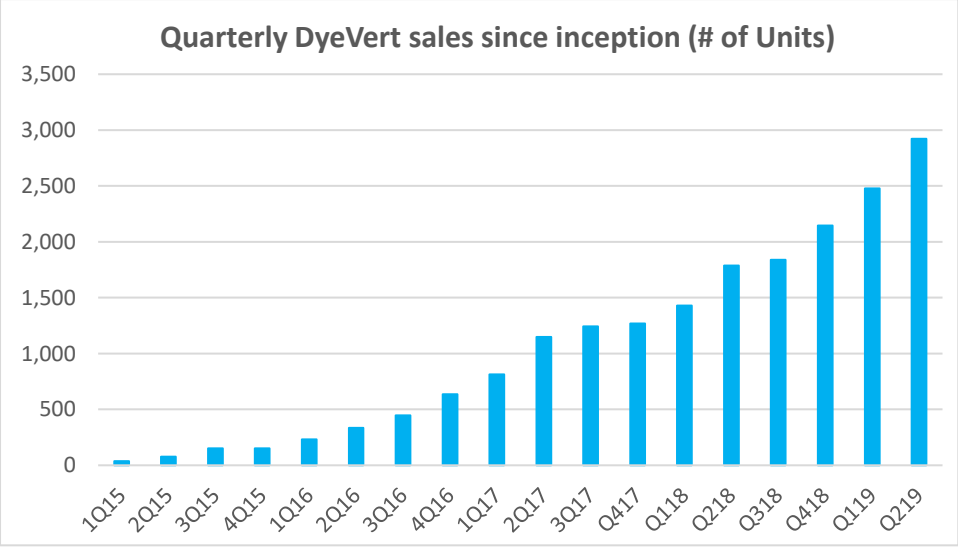
15 July, 2019 - Minnesota, United States and Melbourne, Australia – Osprey Medical (ASX: OSP) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 30 June, 2019.

Key Highlights

- **Continued strong unit sales growth in 2Q 2019 with DyeVert™ unit sales of 2,922, up 64% over the prior corresponding period (pcp), with quarter on quarter growth accelerating to 18%**
- **GPO-based unit sales growth of 162% versus pcp to 1,741 units; 67% of US DyeVert sales mix (39% in pcp)**
- **Total unit sales, including DyeTect and syringes of 3,188 units up 63% over the pcp**
- **Quarterly revenue hits US$1.0m for the first time, up 56% over pcp**
- **Net operating cash burn down 25% to US$3.8 million versus 1Q 2019**
- **Closing cash balance of US$16.3m / A$23.3m[1] as at 30 June 2019**

Continued unit sales growth and financial performance

Osprey reported its 19th consecutive quarter of unit growth for its dye saving technologies. In 2Q 2019, the DyeVert™ product range comprising DyeVert, DyeVert Plus and DyeVert Plus EZ unit sales grew to 2,922 units, which was up 64% over the prior corresponding period (pcp) and showed an acceleration in growth over 1Q 2019, up 18%. The DyeVert Plus EZ system continues to show strong acceptance by the clinical community, with approximately 77% of Osprey's DyeVert unit sales now Plus EZ (59% in 1Q 2019).



[1] AUD/USD = 0.70

Osprey continues to focus on its strategy of driving sales through contractual relationships with US multi-hospital systems referred to as Group Purchasing Organisations or GPOs. Additionally, the Company has directed a stronger sales focus on volume penetration within existing ordering accounts. Accordingly, 93% of 2Q 2019 revenue was from existing accounts and 7% from new accounts.

Unaudited worldwide gross quarterly sales revenue grew to US$1.0m in 2Q 2019, up 56% over the pcp. Net total revenues of US$994k reflect the payment of administrative fees to the GPOs of up to 5% of the company's relevant revenue. Unit sales growth outpaced revenue growth during the quarter reflecting the cycling effect of a lower percentage of GPO-based sales in the pcp, and mix effects attributable to DyeTect/Syringe sales. During the quarter, the average selling price (excluding administrative fees to GPOs) of the DyeVert system in the US remained stable at US$354.

During the quarter, Osprey recorded cash receipts of US$990k, up 65% over the pcp. Cash outflows from operating expenditures increased 1% versus the pcp and were down 19% versus 1Q 2019, Net cash used in operating activities of US$3.8m decreased 25% versus 1Q 2019 and 10% versus the pcp. The Company expects cash burn to continue to moderate as territories become more established and GPO traction continues to grow.

Osprey has a strong balance sheet with no debt and cash of US$16.3m / A$23.3m as at 30 June 2019.

Focus on sales growth and lowering quarterly cash burn

The number of field sales representatives (sales reps + clinical specialists) was 26, up 13% versus the pcp and unchanged from 1Q 2019. The average tenure of our field sales team continues to grow and as a result the effectiveness in generating sales is increasing, with the average unit sales per field sales representative increasing 44% on the pcp to 123 units. The Company expects its field sales representation to grow modestly during the remainder of 2019 and will continue to improve the ratio of sales revenue to net cash used in operating activities.

Hospital footprint and sales momentum from GPOs

The total number of hospitals who have purchased the DyeVert system continued to grow during the quarter, up 19% over the pcp (147 hospitals 2Q 2019 vs. 124 hospitals 2Q 2018). At the end of 2Q 2019, Osprey had 26 hospitals in the evaluation-to-purchase stage reflecting a strong pipeline of future customers.

Osprey has observed an increase in hospital-level interest in DyeVert following Premier's Burden of Illness Study data, and Osprey's collaboration with Premier to offer members of its QUEST® quality improvement collaborative hospital-level burden of illness reports on Acute Kidney Injury (AKI).

Osprey currently has four GPO contracts in place representing 50% US market coverage of addressable chronic kidney disease (CKD) patients undergoing a coronary angiogram and therefore at risk of a Contrast-Induced AKI (CI-AKI).

During the quarter, unit sales directly attributable to newly established GPO accounts was 1,741 units, up 162% on the pcp and represents 67% of Osprey's US unit sales mix versus 39% in the pcp. The Company anticipates growth to continue from new and existing hospital accounts associated with a GPO contract throughout the remainder of 2019 and beyond.

Conference Call Details

Osprey Medical is hosting an investor conference call today at 9:00am Australian Eastern Standard Time (7:00am Hong Kong/Singapore, 6:00pm Sunday 14 July 2019 USA Minneapolis, MN).

Call details:

Australia Toll Free	1 800 558 698
Alternate Australia Toll Free	1 800 809 971
Australia Local Number	02 9007 3187
Hong Kong	800 966 806
Singapore	800 101 2785
United States	1 855 881 1339

Conference Identification: 10001052

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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. 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.