

20 October 2021

Strategic distribution agreements lead to record sales in Europe

Minnesota, United States and Melbourne, Australia – 20 October 2021 - Osprey Medical Inc. (ASX:OSP) (**Osprey** or **the Company**) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 30 September 2021 (**3Q 2021** or **the Quarter**).

Key Highlights

- Strong growth with worldwide net revenue of \$508k increased 34% and unit sales of 1,773 increased 50% on prior corresponding period
- Strategic alliance with GE Healthcare led to an 80% increase in European sales to the previous quarter (2Q 2021)
- Appointment of Martin Emerson to the Board as Non-Executive Director, bringing over 35 years of healthcare experience
- Closing cash balance of US\$8.1m/A\$11.3m¹ on 30 September 2021

Osprey Medical CEO, Mr Mike McCormick commented:

“It has been a milestone quarter for Osprey with impressive increases in worldwide revenues and units sold. In Europe we had our strongest Quarter ever through our strategic distribution agreement with GE Healthcare. Building on our European success, it is exciting to announce that the Osprey DyeVert™ portfolio has received MDL approval from Health Canada this Quarter. Osprey has signed an exclusive distribution agreement with GE Healthcare Canada for commercialisation of the DyeVert System.

GE now represent a sizable portion of the business’s sales capacity and we are looking forward to exploring new ways to strengthen our partnership. We are continuously exploring ways to complement our existing agreements with further platform development and product innovation, to ultimately improve clinical outcomes by reducing CI-AKI rates in high-risk patients.

Additionally, in the Quarter we are pleased to have welcomed Martin Emerson to the Osprey Board during the Quarter and are excited to leverage his extensive healthcare experience to strengthen our global expansion strategy.”

Strong growth in the Quarter with record sales in Europe through GE Healthcare

In 3Q 2021, Osprey sold ~1,773 units worldwide while achieving a net revenue of ~US\$508k (up 34% to the prior corresponding period). Record unit sales were achieved OUS with ~681 units sold via

distributor agreements with GE Healthcare in Europe and Regional Healthcare Group in ANZ, representing an 87% increase over the previous quarter and contributing ~38% of all sales. In the US, DyeVert unit sales showed resilience during the quarter despite slowed cardiac cath lab procedure volumes due to increased COVID-19 delta variant rates in hospitals, with ~1,067 units sold during the Quarter (down 4% to the prior corresponding period).

Ongoing success through GE distribution agreement and expansion into Canada

As part of Osprey's global expansion and commercialisation strategy, the Company entered into distributor agreements with GE Healthcare (Europe, Middle East and Africa) and the Regional Health Care Group (ANZ) for the exclusive right to distribute Osprey's product portfolio in their respective regions. Despite early interruptions due to COVID-19, the agreement with GE Healthcare has started to build significant momentum which is expected to accelerate further with the resumption of marketing efforts in Europe led by GE and focused on AKI reduction, promoting DyeVert™ technology as part of the solution.

Additionally, Osprey recently received Medical Device License (MDL) approval from Health Canada for the DyeVert™ Plus EZ and DyeVert™ Power XT Systems (announced 20-July-21). Following on from the approval, Osprey signed an exclusive 4-year distribution agreement with GE Healthcare Canada for the commercialisation of the DyeVert™ systems in the country. Entering new markets through distribution agreements is part of Osprey's global expansion and commercialisation strategy, which the Company continues to execute on to drive higher revenues and deliver shareholder value.

The willingness for GE to engage in additional promotional activities and distribute Osprey's products in new markets validates the clinical and commercial effectiveness of the Company's technology and speaks to a strengthened relationship with the multinational conglomerate. A close working relationship with GE may also be beneficial in terms of product development opportunities as their expertise could be leveraged to inform an optimised European customer requirements and clinical and regulatory strategy.

Corporate update

Osprey is pleased to announce the appointment of Martin Emerson to the Board of Directors during the quarter. Martin brings over 35 years of healthcare experience, including a position as the President and CEO of Galil Medical where he helped grow the company from a valuation of under \$10m in 2009 to over \$100m in 2016. Martin's wealth of experience and track record of success is a welcome addition to Osprey.

Additionally, Osprey completed a stock consolidation during the quarter (announced 20-Aug-21) whereby the total number of shares on issue (and CDIs) was proportionately decreased by a 100 to 1 ratio. The Company believes that the share consolidation will reduce volatility and establish a CDI price that is more aligned with its peers in both Australia and the US. Additionally, the consolidation is thought to increase the appeal of Osprey stock to certain institutional investors whose mandates may restrict them from investing in companies with a share prices below certain levels.

Financial update

As of 30 September 2021, Osprey had a cash balance of US\$8.1m/A\$11.3m¹.

As part of the US Government's COVID-19 response, Osprey received a second loan under the US Paycheck Protection Program (PPP) of \$US1.1m earlier in the year (announced 23-Feb-21). The Company is pleased to confirm that the full balance of the loan has been forgiven.

Payments made to related parties as described in item 6.1 of the Appendix 4C were for executive director remuneration.

Conference call details

Investors are invited to join a conference call hosted by CEO Mike McCormick and CFO, Nancy Ness on Wednesday, 20 October 2021 at 9:00am Australian Eastern Standard Time (6:00am Hong Kong/Singapore, 5:00pm Tuesday, 19 October 2021 Minneapolis, MN).

To pre-register, please follow this link: <https://s1.c-conf.com/diamondpass/10017256-3malt6.html>

Call details:

Australia Toll Free	1800 455 963
Australia Local	+61 7 3145 4005
Hong Kong	800 968 273
Singapore	800 101 2702
United States	1 855 624 0077

Conference ID: 10017256

This release has been authorised for lodgement to ASX by Mike McCormick, CEO of Osprey Medical.

¹ Assumes an A\$:US\$0.72 exchange rate

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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. Forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the Company's control (including but not limited to the COVID-19 pandemic), subject to change without notice and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct.

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. Given the current uncertainties regarding the impact of the COVID-19 on the trading conditions impacting the Company, the financial markets and the health services world-wide, investors are cautioned not to place undue reliance on the current trading outlook.

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 CHES Depository 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Osprey Medical, Inc.

ABN

152 854 923

Quarter ended ("current quarter")

September 30, 2021

Consolidated statement of cash flows	Current quarter \$'000 USD	Year to date (9 months) \$'000 USD
1. Cash flows from operating activities		
1.1 Receipts from customers	416	1,520
1.2 Payments for		
research and development	(496)	(1,473)
product manufacturing and operating costs	(182)	(603)
advertising and marketing	(430)	(996)
leased assets	-	-
staff costs	(1,905)	(6,400)
administration and corporate costs	(368)	(1,152)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	51	155
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,914)	(8,949)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
businesses	-	-
property, plant and equipment	(25)	(75)
investments	-	-
intellectual property	-	-
other non-current assets	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date (9 months) \$'000 USD
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	-	-
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(25)	(75)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	10,282
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(16)
3.5	Proceeds from borrowings	-	1,081
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	11,347
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,049	5,787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,914)	(8,949)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(75)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date (9 months) \$'000 USD
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,347
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,110	8,110

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$'000 USD	Previous quarter \$'000 USD
5.1	Bank balances	8,110	11,049
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,110	11,049

6.	Payments to related parties of the entity and their associates	Current quarter \$'000 USD
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments</p> <p><i>Payments represent remuneration paid to executive and non-executive directors.</i></p>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$'000 USD	Amount drawn at quarter end \$'000 USD
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$'000 USD
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,914)
8.2 Cash and cash equivalents at quarter end (item 4.6)	8,110
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	8,110
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.0
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

20 – 10- 2021

Date:

Authorised by: The Osprey Disclosure Committee, a committee of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.