31 January 2022

Osprey demonstrates resilience through OUS sales

Minnesota, United States and Melbourne, Australia – 31 January 2022- Osprey Medical Inc. (ASX:OSP) (**Osprey** or **the Company**) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 31 December 2021 (**4Q 2021** or **the Quarter**).

Key Highlights

- Achieved total unit sales of 6,685 for the 2021 year, representing growth of ~27% from previous year
- Resilient 4Q 2021 performance delivering 1,385 unit sales and net revenue of US$378k, despite significant surge in COVID Omicron cases which has disrupted hospital access in key markets
- Strategic alliance with GE Healthcare (GE) led to a ~22% increase in units sold Outside the US (OUS) this quarter compared to the prior corresponding period (PCP)
- Osprey's DyeVert™ technology featured in several prominent events with industry experts and opinion leaders, further increasing awareness of the technology
- Closing cash balance of US$5.4m (A$7.4m[1]) on 31 December 2021

Osprey Medical CEO, Mr Mike McCormick commented:

"During the final quarter of 2021, most of our key target markets experienced an alarming resurgence of COVID cases due to the Omicron variant. While hospitals must prioritise treatment of COVID patients, Osprey's sales figures have remained resilient and were bolstered by consistent OUS sales. Driven by our strategic distribution agreement with GE, OUS sales have grown substantially and continue to materially contribute to group revenues.

Our alliance with GE has also increased exposure of Osprey's product portfolio within the European market through participation in medical conferences and clinical studies. These events are important to validate our technology and increase awareness among new European customers. We look forward to exploring new ways of expanding our fruitful alliance with GE in 2022."

Resilient performance despite resurgence of Omicron variant in key markets

In 4Q 2021, Osprey sold 1,385 units worldwide while achieving a net revenue of US$378k (down ~22% to PCP). During the quarter, Osprey sold 1,014 units in the US (down ~7% to the previous quarter) and 371 units in OUS markets (up ~22% to PCP). This resilient performance was achieved despite hospitals in key US and European markets being overwhelmed by the surge of COVID Omicron cases, which adversely impacted hospital access.

While it is disappointing to see another COVID variant further interrupt hospital access, successful execution of the Company's global expansion strategy has led to greater sales stability as OUS sales continue to grow. Driven largely by the strategic partnership with GE, OUS unit sales in 2021 grew to 1,871 units (~477% increase to 2020) which contributed to total unit sales of 6,685 in 2021 (~27% increase to 2020).

First sales in Canada were achieved during the quarter, after gaining approval for the Medical Device License. Osprey will continue expanding distribution and sales in Canada through an exclusive distribution agreement with GE and look forward to the Canadian market making a material contribution to Osprey's revenue in the near to medium term.

Continued exposure in international markets through GE alliance

During the quarter, Osprey's products were featured in the prominent Italian Society of Interventional Cardiology scientific meeting through its strategic partner (GE) booth at the event. During the event, GE's booth featured the DyeVert™ System used for preventing Contrast-Induced Acute Kidney Injury (AKI) and alongside this, DyeVert™ was also featured in a scientific session focused on how to manage patients suffering from STEMI (heart attack) and CKD (kidney disease). Additionally, DyeVert™ technology was highlighted in the Complex Higher-Risk and Indicated Patients congress in Italy. Continued exposure of Osprey's technology at key medical events in Europe is promising, due to GE's significant presence in this region and the potential to generate greater sales in other markets.

In addition, GE also sponsored a special report that was published by Global Business Media outlining steps to reduce AKI including the DyeVert™ System, as well as a webinar titled *'Acute Kidney Injury (AKI) in complex high risk interventional catheter lab procedures*.

Further clinical validation expected

Osprey expects further clinical validation in 2022 through a physician sponsored study – Renal Insufficiency following Contrast Media Administration Trial IV (REMEDIAL-IV). The trial's focus is on Acute Coronary Syndrome (heart attack) patients and the limited options for reducing CI-AKI due to the emergency nature of the procedure. The study is designed as a randomised control trial with 500 patients with the primary outcome measured being whether the use of the DyeVert™ system will help reduce CI-AKI in heart attack patients.

Financial update

As of 31 December 2021, Osprey had a cash balance of US$5.4m (A$7.4m[1]). Reflective of the current environment, Osprey continues to monitor its operational expenditure with a view to minimise costs through the implementation of a lean management strategy. Realising organisational efficiencies and reducing Osprey's cost base enables strategic investment in new product development and growth opportunities. 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 Monday, 31 January 2022 at 9:00am Australian Eastern Daylight Time (6:00am Hong Kong / Singapore, 4:00pm Sunday, 30 January 2022 Minneapolis, MN).

To pre-register, please follow this link: **https://s1.c-conf.com/diamondpass/10019175-am54h1.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: 10019175

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

[1] Assumes an A$:US$0.73 exchange rate

– ENDS –

Contact details:

Osprey Medical
Doug Schoenberg
VP of Marketing
T: +1 (952) 955 8230
dschoenberg@ospreymed.com

Investors
Prash Jitendran
Vesparum Capital
T: +61 3 8582 4800
ospreymed@vesparum.com

Media Relations
Ciara Byrne
Mana Communications
T: +61 41 3519 430
cbyrne@manacommunications.com

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 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.

Appendix 4C

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

Name of entity	
Osprey Medical, Inc.	
ABN	**Quarter ended ("current quarter")**
152 854 923	December 31, 2021

Consolidated statement of cash flows		**Current quarter $'000 USD**	**Year to date (12 months) $'000 USD**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	446	1,966
1.2	Payments for		
	research and development	(425)	(1,898)
	product manufacturing and operating costs	(170)	(773)
	advertising and marketing	(380)	(1,376)
	leased assets	-	-
	staff costs	(1,855)	(8,255)
	administration and corporate costs	(342)	(1,494)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	51	206
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**	**(2,675)**	**(11,624)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	(49)	(124)
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $'000 USD**	**Year to date (12 months) $'000 USD**
2.2	Proceeds from disposal of:		
	(b) 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**	**(49)**	**(124)**

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	8,110	5,787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,675)	(11,624)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(49)	(124)

Consolidated statement of cash flows		**Current quarter $'000 USD**	**Year to date (12 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**	**5,386**	**5,386**

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	5,386	8,110
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)**	**5,386**	**8,110**

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	

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

Payments represent remuneration paid to executive and non-executive directors.

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $'000 USD**	**Amount drawn at quarter end $'000 USD**
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)	(2,675)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,386
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,386
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**2**

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.

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:

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.

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.

31 January 2022

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.