

## Quarterly Cash Flow Report

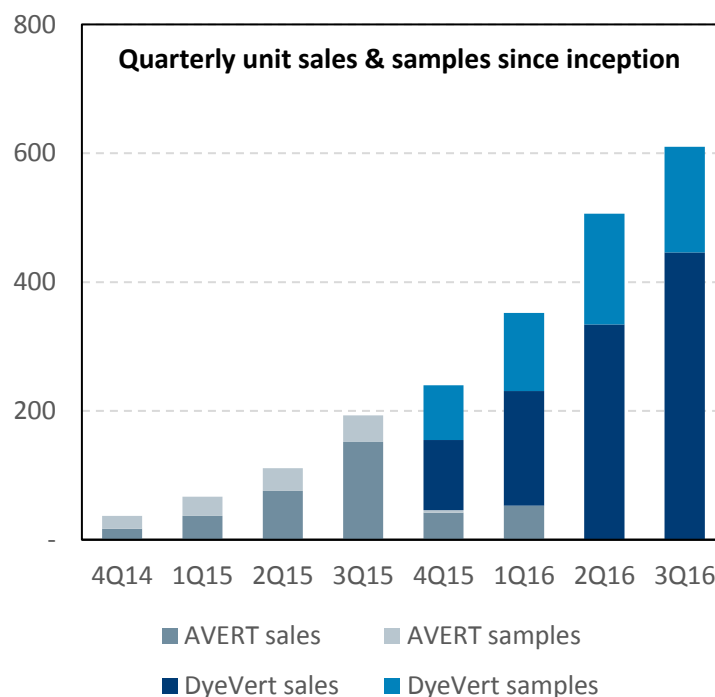
**October 14, 2016 – Melbourne, Australia and Minnesota, United States** – Osprey Medical (ASX:OSP) today released its Appendix 4C – Quarterly Cashflow Report for the period ending 30 September 2016.

### Key financial details

- Strong unit sales growth of 34% for the DyeVert System in Q3 2016, as compared to Q2 2016; 239% growth in the quarter compared to the previous year's corresponding quarter.
- The number of hospitals ordering increased by 33% in Q3 2016, as compared to Q2 2016, and the pipeline of new hospitals at the evaluation stage is strong.
- Original sales territory in San Antonio, Texas continued profitable growth in Q3 2016 with other territories following a similar sales trajectory.
- Over 70% of San Antonio hospitals have now approved and purchased Osprey's products, which demonstrates the clear potential for market adoption in other sales territories.
- Cash receipts from customers increased in Q3 2016 to US\$123k.
- Cash at 30 September 2016 was US\$24.4m (A\$31.8m at AUD/USD exchange rate of \$0.76).

### Clear sales momentum

Osprey reported its eighth consecutive quarter of growth for its dye saving technologies. DyeVert unit sales grew by 34% in Q3 2016, as compared to Q2 2016. This represents unit sales growth of 239% for the quarter compared to the previous year's corresponding quarter. Cash receipts from customers increased to US\$123k in Q3 2016.

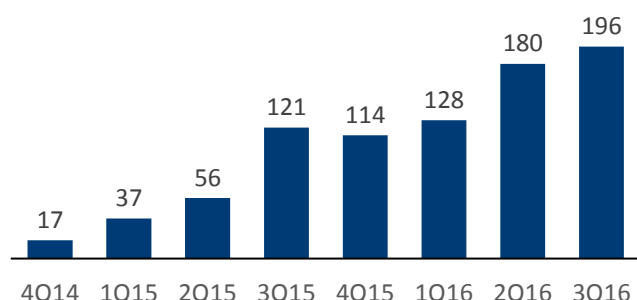


Customers purchasing the DyeVert System expanded to 39 hospitals in Q3, up 33% over 2Q 2016. Additionally, 40 hospitals are in the evaluation-to-purchase cycle reflecting a strong pipeline of future DyeVert customers. Notably, Q3 marked the first full year of sales for DyeVert with more than 1,000 units sold, which compares to approximately 280 for AVERT, reflecting strong take-up of the DyeVert System and a shortened customer acquisition time.

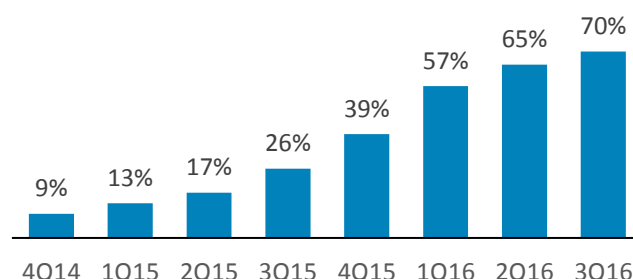
## San Antonio sales territory

Osprey piloted its commercialization efforts in San Antonio, Texas, as a blueprint for US sales force expansion. The sales history over eight consecutive quarters (Q4 2014 to Q3 2016) provides the greatest insight into physician adoption of Osprey's dye savings products. Sales growth of the DyeVert System has accelerated in San Antonio with eight new hospitals purchasing the product since it was launched in December 2015 with 70% of hospitals (16 of 23) now using the device. Additionally, three hospitals in the Rio Grande Valley, within the geography of this sales area, are in the evaluation-to-purchase cycle reflecting a strong pipeline of future customers.

**Quarterly unit sales in San Antonio<sup>1</sup>**



**% of hospitals in San Antonio using Osprey's products<sup>2</sup>**



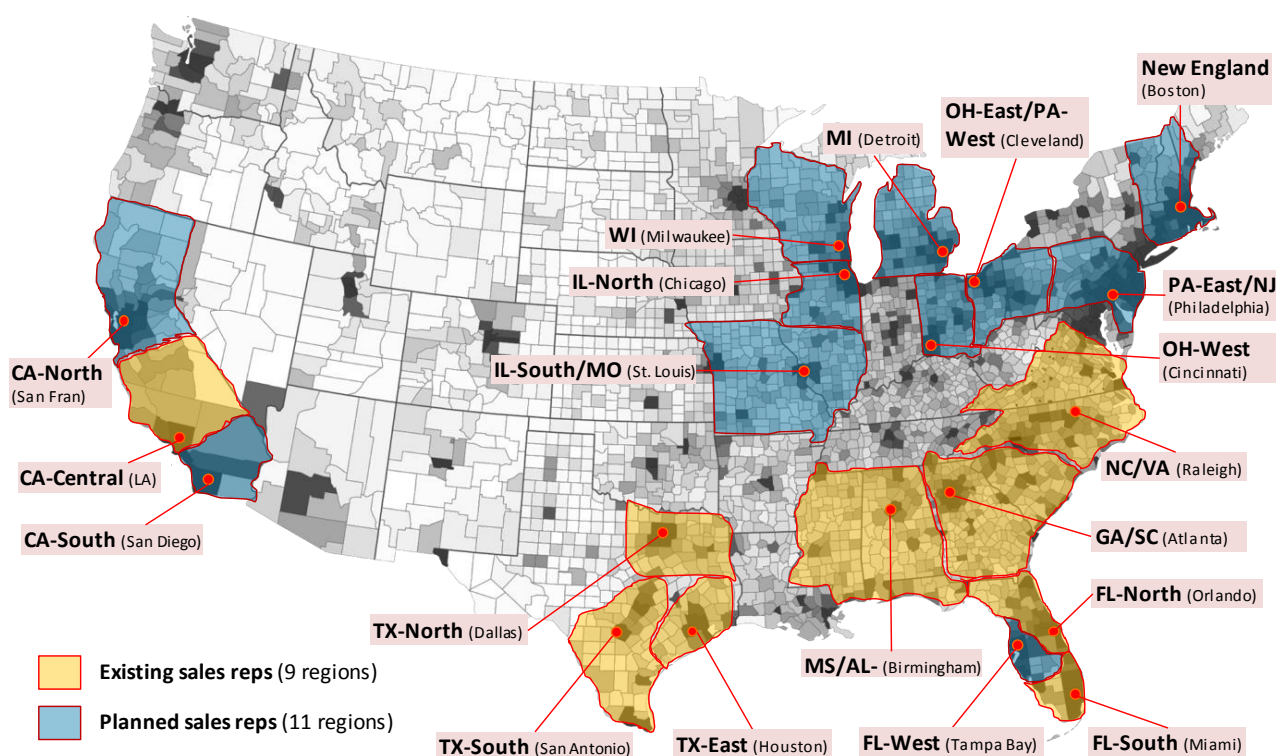
Notes:

1. Quarterly unit sales fell in 4Q15 following the introduction of the DyeVert System, as hospitals sampled the new product
2. This chart reflects the percentage of the 23 hospitals in San Antonio that have approved and purchased Osprey's products

The continued growth in hospital penetration in San Antonio demonstrates the clear potential for strong market adoption in other sales territories.

## Sales force expansion

Following an oversubscribed capital raising to existing and new investors raising A\$29M, Osprey started aggressively scaling up its US sales force. In Q3 Osprey had nine existing sales territories, with two new hires starting in October and nine additional sales reps and territories planned by the end of CY 2016. Osprey intends to hire new reps where there is a high incidence of chronic kidney disease. Planned new territories are indicated on the map below in blue).



Mike McCormick, Osprey President said: “We are pleased with the continued momentum resulting from our expanded sales efforts and clinician support for our products. With more than 4500 procedures using our dye saving devices, and key opinion leading scientific publication and presentations, awareness of the need and value of our products are growing rapidly.”

## **Osprey Medical is hosting an investor conference call on Monday 17<sup>th</sup> October at 11.00am Australian Eastern Daylight Savings Time.**

### **Call details:**

Australia Toll Free	1 800 558 698
Alternate Australia Toll Free	1 800 809 971
Australia Local Number	+612 9007 3187
Hong Kong	800 966 806
Singapore	800 101 2785
United States	1855 8811 339

### **Conference Identification: 655796**

### **Contact details:**

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### **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.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Osprey Medical, Inc.

**ABN**

152 854 923

**Quarter ended ("current quarter")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter Q3 \$'000 USD</b>	<b>Year to date 9 Months \$'000 USD</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	123	304
1.2 Payments for		
(a) research and development	(476)	(2,417)
(b) product manufacturing and operating costs	(45)	(319)
(c) advertising and marketing	(176)	(869)
(d) leased assets	-	-
(e) staff costs	(1,502)	(4,115)
(f) administration and corporate costs	(192)	(632)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	12
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,266)</b>	<b>(8,036)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(102)	(310)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter Q3 \$'000 USD</b>	<b>Year to date 9 Months \$'000 USD</b>
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(102)</b>	<b>(310)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	21,897	21,897
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(888)	(888)
3.5	Proceeds from borrowings	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>21,009</b>	<b>21,009</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,807	11,785
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,266)	(8,036)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(102)	(310)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	21,009	21,009

Consolidated statement of cash flows		Current quarter Q3 \$'000 USD	Year to date 9 Months \$'000 USD
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	24,448	24,448

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	24,448	5,807
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)	24,448	5,807

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$'000 USD
167
-

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

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$'000 USD
-
-

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$'000 USD</b>	<b>Amount drawn at quarter end \$'000 USD</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$'000 USD</b>
9.1 Research and development	(400)
9.2 Product manufacturing and operating costs	(100)
9.3 Advertising and marketing	(250)
9.4 Leased assets	-
9.5 Staff costs	(1,700)
9.6 Administration and corporate costs	(200)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(2,650)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	n/a	n/a
10.2 Place of incorporation or registration	n/a	n/a
10.3 Consideration for acquisition or disposal	n/a	n/a
10.4 Total net assets	n/a	n/a
10.5 Nature of business	n/a	n/a

### 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.



Sign here: .....  
Company Secretary

Date: 14 October 2016

Print name: Brendan Case

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
5. Accounting Standards. ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.