

22 April 2021

Strong quarter for Osprey with continued growth in units and revenue

Minnesota, United States and Melbourne, Australia – 22 April 2021 - Osprey Medical Inc. (ASX:OSP) (**Osprey or the Company**) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 31 March 2021 (**1Q 2021 or the Quarter**).

Key Highlights

- **Group:** COVID recovery continues with worldwide units sold up 14% and revenue up 21% on previous quarter
- **US:** Lean expansion with 7 Independent Sales Agency Agreements (ISAs) signed this quarter. Osprey now has 8 ISAs providing access to 26 new states, with first sales via an ISA received
- **ANZ:** First orders received under the ANZ Regional Health Care Group distribution agreement
- **EMEA:** Repeat orders received from GE Healthcare following first order in the previous quarter (4Q 2020)
- **Cash balance:** Business remains well capitalised with a cash balance of US\$13.6m/A\$17.7m¹ on 31 March 2021

Osprey Medical CEO, Mr Mike McCormick commented:

“This quarter, we have maintained the positive momentum from the previous quarter as we continue to rebound from COVID, achieving double digit growth in units sold and revenues. In the US, we pressed forward with our lean expansion strategy and successfully added 7 new ISAs in regions outside of our direct salesforce. We also received our first order from an ISA and we expect this to ramp up in the coming months, as we finalise onboarding and training the ISAs, which now comprises 8 ISAs covering 26 new states. Most pleasingly, we made significant progress with our distributors in EMEA and ANZ, with GE Healthcare continuing to order units following their first order in the previous quarter, as well as our first ever order by our ANZ distributor, Regional Health Care Group. These sales, from outside of the US is a strong step towards Osprey’s global commercialisation strategy.”

Recovery during COVID progressing strongly with growth from 4Q 2020 continuing through this quarter

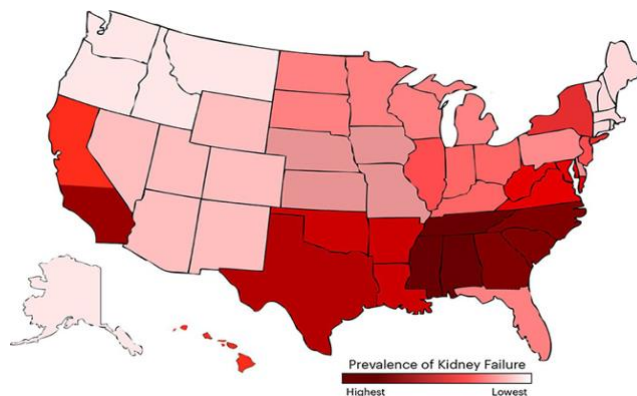
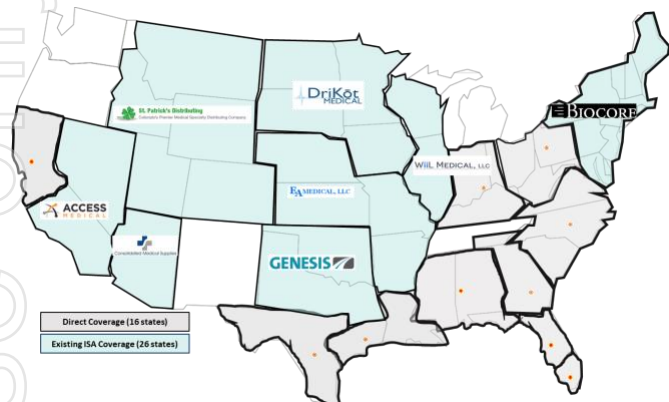
In 1Q 2021, Osprey continued its rebound from COVID, with ~1,900 units sold worldwide (up 14% on the previous quarter) and net revenue of ~US\$586k (up 21% on the previous quarter). In the US, Osprey sold ~1,450 units which represents a 6% increase compared to the previous quarter. Outside US (**OUS**), Osprey pleasingly sold ~450 units via its distributor agreements in EMEA and ANZ. Considering the ongoing disruptions to elective heart procedures due to COVID, growth in unit sales and revenue in both US and OUS, is impressive.

The positive momentum is also seen with respect to cashflows, where Osprey reported receipts from customers of \$501k this Quarter, an increase of \$20k from 4Q 2020 and an increase of \$216k from 3Q 2020. In terms of outflows, Osprey reported operating cash outflows of US\$4.0m and net cash used in operations of US\$3.5m. The increase of 33% in operating cash outflows and 39% in net cash used in operations compared to the previous quarter is largely driven by some staff returning to full-time working hours to drive future growth as well as yearly one-off costs, which are typically incurred in first quarter each year. Therefore, on a prior corresponding period (pcp) basis, it is pleasing to see a 43% reduction in operating cash outflows and a 35% reduction in net cash used in operations.

¹ Assumes an A\$:US\$0.77 exchange rate

Osprey accelerates US ISA expansion and achieves first orders through an ISA

Osprey has continued its lean and cost-effective expansion in US with multiple additional Independent Sales Agency (ISA) agreements signed. Osprey currently has a total of 8 ISA agreements in place, covering 26 states in the US which Osprey did not previously have access to. Combined with the 16 states currently serviced by Osprey's direct salesforce, the Company now has an active presence in 42 US states. Osprey's sales representation now covers the majority of the US including the areas with strong prevalence of Chronic Kidney Disease as indicated in the images below.



In addition, Osprey received its first order from an ISA, through the Company's first ISA, BioCore Inc. (see announcement on 26 November 2020). In the near-term, Osprey expects to achieve further sales through the 8 ISAs once onboarding and training has been completed.

The addition of new ISAs is consistent with Osprey's broader vision to increase geographic coverage while maintaining a lean business model. Under the agreement, Osprey will ship to and invoice hospitals in the ISAs' area and pay commissions to the ISA based on total revenues. Osprey is in active discussions with a number of ISA firms and hopes to continue to expand its geographic coverage across the US.

Further orders in EMEA and first order received in ANZ

OUS, Osprey pleasingly sold ~450 units via its distributor agreements in EMEA and ANZ. These sales from OUS is a significant milestone as it is the first time, since both agreements were signed last year, where OUS sales have provided a material contribution to group revenues and units sold.

Notably, Osprey received another order from GE Healthcare this Quarter following their first order in the previous quarter. Under the agreement, GE Healthcare will exclusively distribute Osprey's product portfolio in Europe, Russia, Middle East, Africa, Central Asia and Turkey. Osprey looks forward to building its partnership with GE Healthcare to support the sale of its DyeVert™ product offering to customers across the EMEA region.

In Australia and New Zealand, Osprey is pleased to report that the first orders under the Regional Health Care Group (RHCG) distribution agreement have been received this quarter. These orders mark a significant milestone as it represents the first commercial use of the DyeVert technology in the region where the technology was developed.

Financial update

As of 31 March 2021, Osprey had a cash balance of US\$13.6m/A\$17.7m¹. As flagged previously, going forward, the Company will continue to demonstrate appropriate fiscal restraint such that it can continue its current activities during these uncertain times.

As part of last year's capital raising, 1.1bn unquoted options were issued at an option exercise price of 1.4c and with an expiry date of 15 February 2021. In total, the exercise of all Options issued under the prospectus resulted in A\$14.9m being raised by the Company before costs, of which A\$13.2m was raised in the most recent issue of CDIs. Furthermore,

Osprey received a second loan under the US Paycheck Protection Program (PPP) of \$US1.1m. The Company expects a significant portion of this loan to be forgiven, with the remaining amount subject to a 1% interest rate. These proceeds will go towards funding the ongoing commercial growth of Osprey.

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 Thursday, 22 April 2021 at 9:00am Australian Eastern Standard Time (7:00am Hong Kong/Singapore, 6:00pm Wednesday, 21 April 2021 Minneapolis, MN).

To pre-register, please follow this link: <https://s1.c-conf.com/DiamondPass/10013514-kg08s6.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: 10013514

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

– ENDS –

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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 CHES 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

152 854 923

Quarter ended ("current quarter")

March 31, 2021

Consolidated statement of cash flows

	Current quarter \$'000 USD	Year to date (3 months) \$'000 USD
1. Cash flows from operating activities		
1.1 Receipts from customers	501	501
1.2 Payments for		
(a) research and development	(562)	(562)
(b) product manufacturing and operating costs	(247)	(247)
(c) advertising and marketing	(301)	(301)
(d) leased assets	-	-
(e) staff costs	(2,552)	(2,552)
(f) administration and corporate costs	(425)	(425)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	54	54
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	(3,532)	(3,532)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(7)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date (3 months) \$'000 USD
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(7)	(7)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,282	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)	(16)
3.5	Proceeds from borrowings *	1,081	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	11,347

* Paycheck Protection Program ('PPP') a US Government Covid-19 relief program providing loans to US-based small businesses.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,787	5,787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,532)	(3,532)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date (3 months) \$'000 USD
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,347	11,347
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,595	13,595

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	13,595	5,787
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)	13,595	5,787

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	264
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>		

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)	(3,532)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,595
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	10,063
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.0
<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.

Date: 22 April 2021

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.