

ASX / Media Release

73% Increase in DyeVert First Quarter Unit Sales

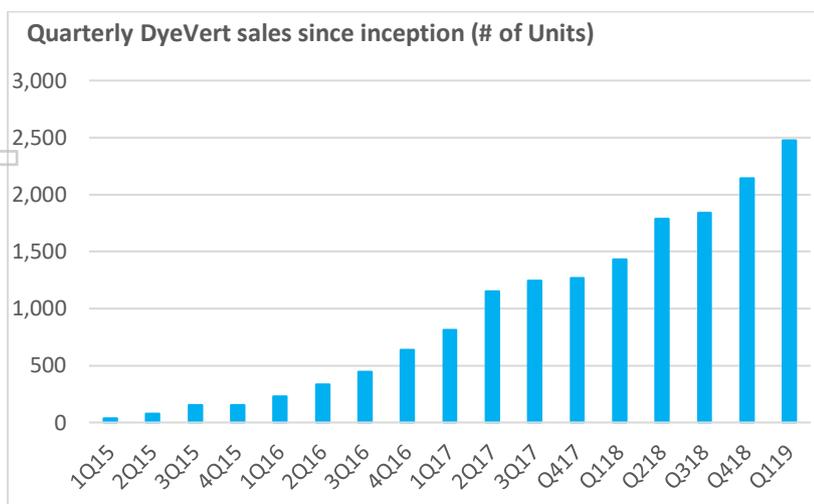
16 April 2019 – Melbourne, Australia and Minnesota, United States – Osprey Medical (ASX: OSP) today released its Appendix 4C – Quarterly Cash Flow Report for the period ending 31 March, 2019.

Key highlights

- **Continued strong unit sales growth in 1Q 2019 with DyeVert™ unit sales of 2,478, up 73% over the prior corresponding period (pcp)**
- **Total unit sales, including DyeTect and syringes of 2,634 units up 73% over the pcp**
- **Quarterly revenue of US\$826k, up 56% over pcp, with 98% of 1Q 2019 revenue from existing accounts and 2% from new accounts**
- **Quarterly cash receipts of US\$854k, up 70% over pcp**
- **Closing cash balance of US\$20.1m / A\$28.3m as at 31 March 2019**

Continued unit sales growth and financial performance

Osprey reported its 18th consecutive quarter of unit growth for its dye saving technologies. In 1Q 2019, the DyeVert™ product range comprising DyeVert, DyeVert Plus and DyeVert Plus EZ unit sales grew to 2,478 units, which was up 73% over the prior corresponding period (pcp) and up 16% over 4Q 2018. The DyeVert Plus EZ system, which was launched in the US in November 2018 continues to show strong acceptance by the clinical community, with approximately 59% of Osprey’s DyeVert unit sales now attributable to this simple yet innovative product improvement.



Worldwide quarterly sales revenue grew to US\$826k in 1Q 2019, up 56% over the pcp. Total revenues 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 Group Purchasing Organisation (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\$355.

During the quarter, Osprey recorded cash receipts of US\$854k, up 70% over the pcp. Net cash used in operating activities of US\$5.1m increased 15% versus the pcp and 33% versus 4Q 2018, reflecting the payment of staff bonuses for the 2018 financial year during the quarter and increased product manufacturing required to meet expected future demand. This temporary increase in net operating cash outflow, relative to the December quarter, is expected to improve in subsequent quarters as revenues continue to increase and operating expenditure growth moderates.

Osprey has a strong balance sheet with no debt and cash of US\$20.1m / A\$28.3m as at 31 March 2019.

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 23% over the pcp (140 hospitals 1Q 2019 vs. 114 hospitals 1Q 2018). At the end of 1Q 2019, Osprey had 20 hospitals in the sample-to-purchase pipeline, down 56% on the pcp although on a sequential basis increased 18% on the 4Q 2018, reflecting Osprey's focus on penetrating deeper within existing accounts, especially those accounts associated with a contracted GPO. The number of field sales representatives (sales reps + clinical specialists) was 26, down from 27 at the 4Q 2018. The effectiveness of Osprey's sales force in generating sales from accounts continued to improve during the period with the average unit sales per field sales representative increasing 66% on the pcp to 101 units. The Company expects to grow its field sales representation during 2019.

Osprey continues to focus on its strategy of driving sales through contractual relationships with US multi-hospital systems referred to as GPOs. In December 2018, Osprey announced that it had signed a GPO contract with Premier, one of the largest hospital groups in the US, giving Osprey access to Premier's network of 4,000 hospitals. Osprey currently has four GPO contracts in place representing 50% US market coverage of addressable chronic kidney disease (CKD) patients undergoing a coronary angiogram.

During the quarter, unit sales directly attributable to newly established GPO accounts was 1,374 units, up 158% on the pcp and represents 62% of Osprey's US unit sales mix versus 40% in the pcp. The Company anticipates continued growth from new and existing hospital accounts associated with a GPO contract throughout 2019 and beyond.

Osprey's discussions with additional GPOs is progressing well. Accordingly, Osprey maintains its view that additional GPO contracts will be signed during FY 2019, to further expand coverage for DyeVert across the US.

– ENDS –

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 Monday 15 April 2019 US Minneapolis, MN).

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	855 881 1339

Conference Identification: 842198

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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 (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™ Plus 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 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.

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