

Quarterly Cash Flow Report

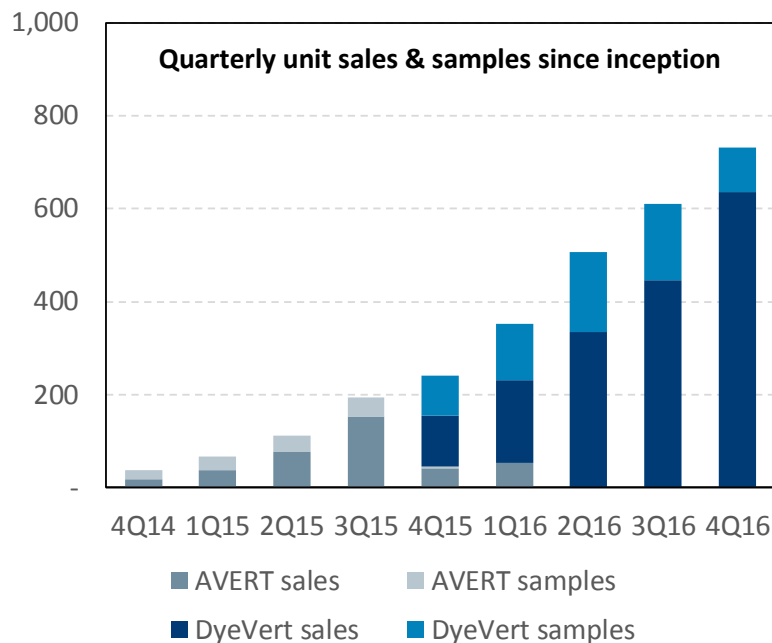
January 30, 2017 – Melbourne, Australia and Minnesota, United States – Osprey Medical (ASX:OSP) today released its Appendix 4C – Quarterly Cashflow Report for the period ending 31 December 2016.

Key financial details

- Continued strong sales momentum with quarter-on-quarter unit sales growth of 43% for the DyeVert System in Q4 2016 (321% vs Q4 2015)
- The number of hospitals ordering DyeVert increased by 22% in Q4 2016 vs Q3 2016, and the pipeline of new hospitals at the evaluation stage remains strong
- Osprey’s pilot sales territory for DyeVert in San Antonio, Texas continued profitable growth in Q4 2016 and other territories continue to follow a similar sales trajectory
- Cash receipts from customers increased in Q4 2016 to US\$206k, up 67% on Q3 2016
- Cash at 31 December 2016 was US\$21.8m (A\$27.3m at AUD/USD exchange rate of \$0.75)
- Full-year results release expected to be published on Feb 27th, 2017

Clear sales momentum

Osprey reported its ninth consecutive quarter of growth for its dye saving technologies. DyeVert unit sales grew by 43% to 636 units in Q4 2016, as compared to Q3 2016 at 446 units. Compared with Q4 2015, this is growth of > 321%.



Customers purchasing the DyeVert System expanded to 45 hospitals in Q4 2016, up 22% over Q3 2016. Additionally, 40 hospitals are in the evaluation-to-purchase cycle reflecting a strong pipeline of future DyeVert customers. Notably, the growth of new customers and strong pipeline of evaluating customers demonstrates the rapid Physician adoption of the DyeVert System.

Pleasingly, the average selling price of the DyeVert System was stable throughout all of FY2016 at \$350, reflecting the strong customer value proposition of the DyeVert System.

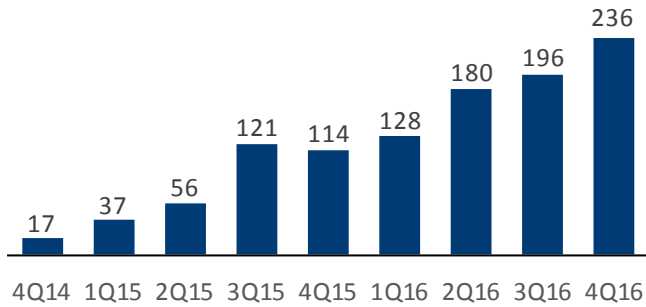
Cash receipts from customers increased to US\$206k in Q4 2016, notably this was 40% of full year FY2016 total cash receipts from customers. This highlights the rapid uptake of the DyeVert System.

On a full-year basis, sales reached US\$585k compared with US\$173k in 2015.

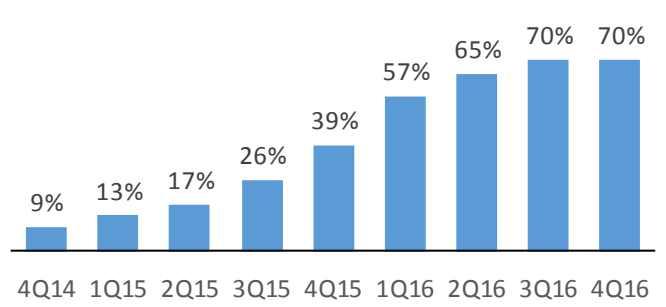
San Antonio sales territory

Osprey piloted its commercialization efforts in San Antonio, Texas, as a blueprint for US sales force expansion. The sales history over nine consecutive quarters (Q4 2014 to Q4 2016) provides the greatest insight into physician adoption of Osprey’s dye savings products. Notably, 70% of hospitals (16 of 23) now use the device, and unit sales to existing hospitals increased in Q4 by 21% reflecting further expansion of physician users in each hospital.

Quarterly unit sales in San Antonio¹



% of hospitals in San Antonio using Osprey’s products²



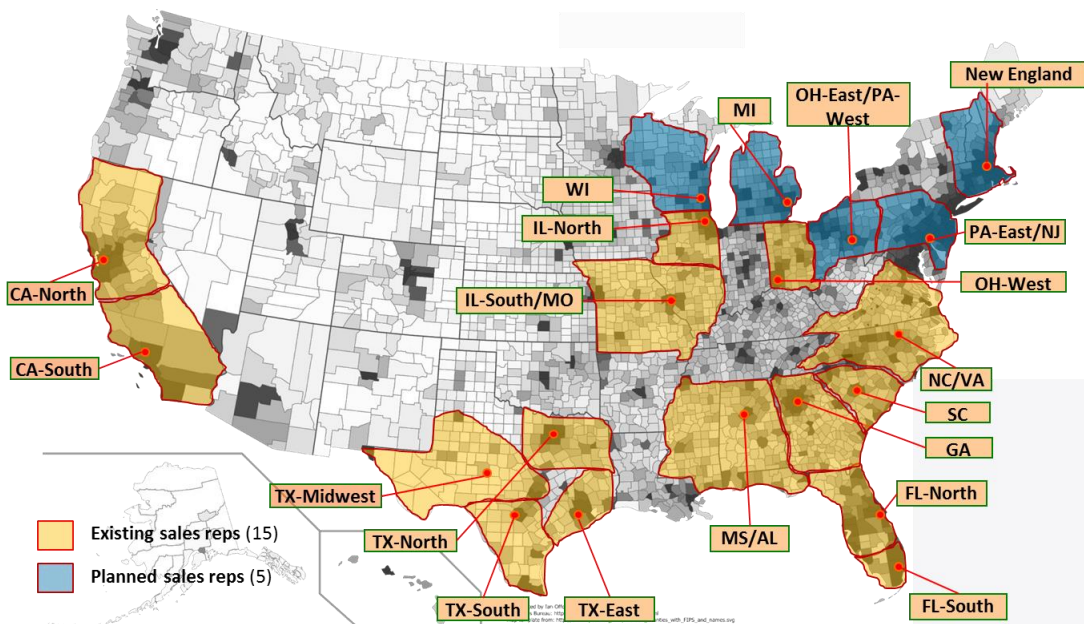
Notes:

1. Quarterly unit sales fell in Q4 2015 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

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

Sales force expansion

In Q4 2016, Osprey increased its sales force by 60% to 15 sales reps as compared to 9 sales reps in Q3 2016. Osprey intends to hire new reps where there is a high incidence of chronic kidney disease. Planned new territories to be hired in Q1 2017 are indicated on the map below in blue, which will bring the sales force to 20 people.



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 4,300 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.”

Full-year results release expected to be published on Feb 27th, 2017

Osprey Medical is hosting an investor conference call on Tuesday 31th January at 11.00am Australian Eastern Daylight Savings Time.

Call details:

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Conference Identification: 720157

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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.