

April 8, 2022

Dear Nuwellis Stockholders,

2021 was a year like no other! The continuing pandemic forced hospitals to limit access, cancel elective procedures and reallocate resources to treat COVID-19 patients. This affected our ability to promote, educate, and train healthcare providers to treat patients suffering from fluid overload using the Aquadex SmartFlow® system. However, our business model and fundamentals remain unchanged, and we remain optimistic about the value we can bring to our customers, investors and the patients we serve.

We weathered the storm well by focusing on things we could control and continued advancing the three pillars of our growth strategy—reimbursement and clinical, sales productivity, and product development. In addition to securing improved reimbursement for ultrafiltration therapy through a Category III CPT code, we recently initiated a pivotal clinical trial called REVERSE-HF to evaluate the clinical outcomes and economic value of the Aquadex® ultrafiltration therapy in comparison to intravenous diuretics for the treatment of fluid overload in patients with worsening heart failure. We also initiated a pediatric registry that has enrolled over 80 patients, resulting in clinical research that has been presented at prestigious medical conferences.

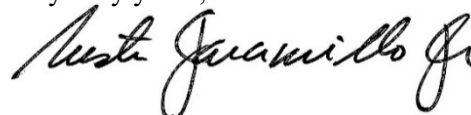
We strengthened our sales organization by hiring and promoting experienced sales management and account managers. Because of the limited hospital access mentioned above, we modified our sales approach to increase utilization in those accounts already using the Aquadex system. This shift is already paying dividends through increased sales of circuits, our highest gross margin product.

In collaboration with our development partner Koronis Biomedical Technologies Corporation, the National Institute of Health awarded a \$1.7 million grant to support our development of a pediatric continuous renal replacement therapy device. Development of this product began in earnest during the fourth quarter, and we have already achieved key development milestones.

The next two years will be very exciting. Between the clinical introduction of the dedicated pediatric device; the acceleration of patient enrollment in REVERSE-HF and release of additional clinical publications; and the initiation of a marketing strategy to increase the use of Aquadex in the ambulatory setting, we have exciting work ahead of us.

I am proud of the organization and what it has accomplished. Our employees continue to demonstrate resilience, passion, and tenacity to carry on Nuwellis' mission that will enable them to continue to deliver strong performance in the years ahead. In 2021, together with our customers, we treated and transformed the lives of approximately 5,000 people suffering from diuretic-refractory fluid overload. We have set up a ten-year goal to treat 100,000 people per year, and I strongly believe we will get there. Thank you for your continued support and encouragement as we work to expand the availability and use of this important medical technology.

Very truly yours,



Nestor Jaramillo, Jr.
President and Chief Executive Officer