Vapotherm to Expand Production Capacity in Advance of Potential Increase in Demand for High-Flow Nasal Cannula Systems for Treating COVID-19 Respiratory Distress

•Increased capacity anticipated to scale capital production by up to 20X above pre-COVID-19 pandemic levels

•At maximum capacity, increased production could create up to 350 manufacturing jobs in New Hampshire

•Move comes as public health authorities and governments worldwide identify high flow nasal cannula systems as first-line therapy for COVID-19 respiratory distress

EXETER, N.H.--(BUSINESS WIRE)-- Vapotherm, Inc. (NYSE: VAPO), a global medical technology company focused on the development and commercialization of its proprietary Hi-VNI® Technology products that are used to treat patients suffering from respiratory distress, today announced a major expansion in its capital equipment manufacturing capabilities. This expansion is expected to enable the company to increase production of its Precision Flow® systems by up to 20X above pre-COVID-19 pandemic levels. At maximum capacity, Vapotherm's manufacturing increase would create up to an additional 350 manufacturing jobs at its New Hampshire facility. This scaling up is in response to a potential increase in demand for the company's Precision Flow Hi-VNI® system in the event of additional waves of COVID-19. The Precision Flow Hi-VNI system is an advanced high-flow nasal cannula (HFNC) system using high velocity to treat the respiratory distress experienced by COVID-19 patients.

"The COVID-19 pandemic has greatly accelerated a process we were already seeing of respiratory experts recognizing the benefits of our Precision Flow Hi-VNI system for treating patients with all types of respiratory distress," commented Joe Army, CEO of Vapotherm. "As hospitals and governments across the United States and around the world prepare for potential future waves of COVID-19 patients and subsequent pandemics involving respiratory disease, we are expanding our manufacturing capabilities to be in a position to meet the needs of hospitals and patients for our therapy. The expansion also provides us with optionality and flexibility when thinking about our ability to bring new products to market faster."

Since the outbreak of the COVID-19 pandemic, a growing number of public health authorities and medical specialty societies in the United States and around the world have expressed support for the use of HFNC as a first line therapy for treating the respiratory distress experienced by hospitalized COVID-19 patients over early intubation and mechanical ventilation. For example, the Center for Disease Control (CDC), the National Institutes of Health (NIH), the Society of Critical Care Medicine (SCCM), and the American College of Emergency Physicians (ACEP) recommended HFNC over early invasive mechanical ventilation when possible. Additionally, SCCM further suggests HFNC is preferable to non-invasive positive pressure ventilation (NiPPV) in the management of COVID-19 respiratory distress.

The Company is also seeing expressions of interest from domestic and foreign governments, including a $9.9 million blanket purchase agreement (BPA) from the Department of Defense (DoD) that was awarded on May 22, 2020 to support the acquisition of Precision Flow units by the country's 51 DoD hospitals. Vapotherm is the only HFNC company eligible under this BPA. DoD hospitals have the option to seek funding, and if approved, place orders against the BPA's $9.9 million cap to acquire Precision Flow devices for up to one year from the date of issuance.

Michael McQueen, M.D., Vice President of Medical Affairs at Vapotherm, commented, "The U.S. medical community did a phenomenal job of quickly recognizing the limitations and possible issues of early intubation and mechanical ventilation in the management of COVID-19 patients. Along with working tirelessly on the front lines, they were continually communicating, sharing information, and adapting real time to changing management paradigms. One of the most visible examples of that has been the complete U-turn from the initial management recommendations of avoiding HFNC and proceeding with early intubation, to the current standards suggesting the opposite – avoid intubation and mechanical ventilation if possible, and utilize HFNC aggressively

early in the course of treatment.”

Vapotherm invented HFNC and now sells an advanced form of HFNC that provides high flow at a high velocity, rapidly flushing the dead space in the limited time between breaths when respiratory rates are elevated. The Precision Flow Hi-VNI system also offers a number of additional benefits relative to other conventional HFNC systems, including:

- COVID-19 respiratory distress is characterized in particular by patients needing more oxygen. Vapotherm’s Precision Flow Hi-VNI system provides more precise control over the amount of oxygen being delivered to patients than conventional HFNC systems, as the Vapotherm Precision Flow Hi-VNI allows flow rates and oxygen concentrations to be titrated independent of each other. This is vital in treatment of the respiratory distress experienced by COVID-19 patients as published data on critical care patients has suggested that the delivery of either too much or too little oxygen can lead to increased mortality rates.
- Vapotherm’s Precision Flow Hi-VNI system, which is clinically proven to treat both Type 1 (hypoxic) and Type II (hypercapnic) respiratory distress, is the only HFNC product listed under the United States Food and Drug Administration’s QAV product code, which was included by the FDA at the outset of the COVID-19 pandemic on a list of devices used to provide ventilation and ventilatory support to patients with respiratory failure or respiratory insufficiency during the COVID-19 public health emergency.
- Vapotherm’s proprietary Precision Flow Hi-VNI system provides optimal humidification of the delivered oxygen. This humidification is important to maintain the integrity and mucous-clearance capacity of the patient’s airways.
- The Vapotherm Precision Flow Hi-VNI system allows for rapid disinfection between patients - less than five minutes, while other conventional HFNC systems may take up to an hour.
- Vapotherm’s Precision Flow Hi-VNI system uses a disposable patient circuit to deliver the humidified oxygen to the patient, with a new circuit being used for each patient, an important characteristic when treating respiratory distress from an infectious cause.

Vapotherm, Inc. (NYSE: VAPO) is a publicly traded developer and manufacturer of advanced respiratory technology based in Exeter, New Hampshire, USA. The company develops innovative, comfortable, non-invasive technologies for respiratory support of patients with chronic or acute breathing disorders. Over 2.2 million patients have been treated with Vapotherm Hi-VNI Technology. For more information, visit www.vapotherm.com.

Hi-VNI® Technology is mask-free noninvasive ventilation for spontaneously breathing patients and a front-line tool for relieving respiratory distress—including hypercapnia, hypoxemia, and dyspnea. It allows for the fast, safe treatment of undifferentiated respiratory distress with one user-friendly tool. Hi-VNI Technology’s mask-free interface delivers optimally conditioned breathing gases, making it comfortable for patients and reducing the risks and care complexities associated with mask therapies. While being treated, patients can talk, eat, drink and take oral medication.

Website Information Vapotherm routinely posts important information for investors on the Investor Relations section of its website, http://investors.vapotherm.com/. Vapotherm intends to use this website as a means of disclosing material, non-public information and for complying with Vapotherm’s disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of Vapotherm’s website, in addition to following Vapotherm’s press releases, Securities and Exchange Commission filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, Vapotherm’s website is not incorporated by reference into, and is not a part of, this document.

Legal Notice Regarding Forward-Looking Statements

This press release contains forward-looking statements, including statements about our ability to increase production of Precision Flow® systems by up to 20X above pre-COVID-19 pandemic levels, the creation of up to an additional 350 manufacturing jobs and the potential increase in demand for Precision Flow Hi-VNI systems in the event of additional waves of COVID-19. In some cases, you can identify forward-looking statements by terms such as ‘‘expect,’’ “guide” or “typically” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include, but are not limited to, the following: Vapotherm has incurred losses in the past and may be unable to achieve or sustain profitability in the future, Vapotherm may need to raise additional capital to fund its existing commercial operations, develop and commercialize new products, and expand its operations, Vapotherm’s dependence on sales generated from its Precision Flow systems, competition from multi-national corporations who have significantly greater resources than Vapotherm and are more established in the respiratory market, the ability for Precision Flow systems to gain increased market acceptance, its inexperience directly marketing and selling its products, the potential loss of one or more suppliers, Vapotherm’s susceptibility to seasonal fluctuations, Vapotherm’s failure to comply with

applicable United States and foreign regulatory requirements, the failure to obtain FDA or other regulatory authorization to market and sell future products or its inability to secure and maintain patent or other intellectual property protection for its products, the impact of the COVID-19 pandemic on its business, including its supply chain, and the other risks and uncertainties included under the heading “Risk Factors” in Vapotherm’s Annual Report on Form 10-K for the fiscal year ended December, 31, 2019, as filed with the Securities and Exchange Commission on March 4, 2020 and Vapotherm’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on May 5, 2020 and in any subsequent filings with the Securities and Exchange Commission. The forward-looking statements contained in this press release reflect Vapotherm’s views as of the date hereof, and Vapotherm does not assume and specifically disclaims any obligation to update any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

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