

# Vapotherm Increases Fiscal Year 2021 Revenue Outlook and Announces Expansion of Production Capacity

EXETER, N.H.--(BUSINESS WIRE)-- Vapotherm, Inc. (NYSE: VAPO) ("Vapotherm" or the "Company"), today updated its fiscal year 2021 revenue expectations and announced it will expand its disposables production capacity. The expansion of disposables production capacity will include the addition of assembly lines in Mexico which will increase capacity by 75% without adding material fixed costs and prepare the Company for the possibility that COVID-19 becomes a permanent part of the respiratory landscape like flu and RSV. This expansion will diversify the Company's manufacturing base and is an element of its gross margin improvement plan.

"COVID-19 has accelerated the adoption of our technology, and our installed base has continued to grow since the start of the pandemic. In addition, respiratory experts are increasingly recognizing the benefits of our high velocity therapy® for treating patients with all types of respiratory distress," commented Joe Army, CEO of Vapotherm. "As hospitals and clinicians prepare for potential COVID-19 variants, flu, RSV and subsequent pandemics involving respiratory disease, we are expanding our disposables manufacturing capabilities to be in a position to meet the needs of hospitals and patients. The expansion will diversify our supply chain, increase our manufacturing flexibility and enable us to bring new products to market faster."

## Fiscal Year 2021 Outlook

For fiscal year 2021, the Company now expects revenue of at least \$102 million, which reflects an increase of \$17 million over the low end of our previously announced revenue guidance of \$85 million to \$91 million.

For fiscal year 2021, the Company continues to expect its full year gross margins to be in the range of 46%-48% and now expects operating expenses be at least \$102 million. The Company plans to provide additional information during its next earnings release and conference call.

"The impact of the Delta variant on U.S. hospitalization rates has materially accelerated since we last updated our fiscal year 2021 revenue expectations on August 9, 2021. We have seen higher capital and disposable demand in the U.S.," said Mr. Army "Based on previous COVID-19 surges, we expect this U.S. demand to continue through the third quarter. We are monitoring other potential COVID-19 variants in our markets around the world and the U.S. flu and RSV seasons, both of which have started earlier than we've seen historically. I'd like to thank all healthcare professionals for their efforts, and our teammates and partners for supporting them during this latest surge."

## About Vapotherm

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. Vapotherm is focused on the development and commercialization of its proprietary Vapotherm high velocity therapy products which are used to treat patients of all ages suffering from respiratory distress. Over 3.0 million patients have been treated with the use of Vapotherm high velocity therapy systems. For more information, visit [www.vapotherm.com](http://www.vapotherm.com).

Vapotherm high velocity therapy is mask-free noninvasive ventilatory support and is 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 tool. The Precision Flow system'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 ("SEC") 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 Vapotherm's ability to increase disposables production capacity, diversify its supply chain and improve gross margins, its expected revenue, gross margin and operating expenses for the fiscal year 2021, its capacity to develop new products, and its expectations regarding COVID-19, COVID-19 variants, flu and RSV. In some cases, you can identify forward-looking statements by terms such as "expect," "continue," "will," or "typically," or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words, or the use of future dates. 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: failure to successfully expand its production capabilities, diversify its supply chain or improve gross margins, failure to accurately predict the spread of COVID-19 (and its variants) flu, RSV and similar respiratory illnesses, 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 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 U.S. Food and Drug Administration or other regulatory authorization to market and sell future products or its inability to secure, maintain or enforce 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, 2020, as filed with the Securities and Exchange Commission on February 24, 2021, Vapotherm's Quarterly Report on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021, as filed with the Securities and Exchange Commission on May 5, 2021 and August 9, 2021 respectively, 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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