



Itamar Medical Reports Record Third Quarter 2018 Financial Results

Third Quarter 2018 Highlights:

- Achieved 14.7% increase in third-quarter revenue to a record \$6.1 million
- U.S. revenues increased 29% compared with third quarter 2017
- Gross profit remained strong at 74.3% of total revenues
- Cash basis (non IFRS) operating loss of \$0.3 million

CAESAREA, Israel, November 27, 2018 -- Itamar Medical (TASE: ITMR), a company that develops, manufactures, and markets non-invasive diagnostic medical devices for sleep apnea with a focus on the cardiology market, today reported financial results for the third quarter of 2018.

“We are pleased with the solid increase in third-quarter revenues, which reflects the growing recognition among U.S. cardiologists of the benefits that our WatchPAT technology enables for diagnosing sleep apnea at home,” said Gilad Glick, President and CEO of Itamar Medical. “We believe that continued positive WatchPAT product adoption trends among U.S. cardiologists, as well as our new sales model and recent favorable insurance reimbursement decision, will enable the Company to sustain its growth momentum.”

Third Quarter 2018 Financial Results

Revenues for the third quarter of 2018 totaled \$6.1 million, an increase of 14.7%, compared to \$5.3 million in the same quarter last year. Revenue growth was mainly due to a 29.3% increase in WatchPAT sales, due to the successful transition from a business model based on equipment sales to one based on the sale of WatchPAT tests, called Test as a Service (“TaaS”).

Gross profit increased by 12.5% to \$4.5 million in the third quarter of 2018, compared to \$4.0 million in the same quarter last year. Gross profit margin for the third quarter of 2018 was approximately 74.3% of total revenues.

Operating loss on a cash basis (non-IFRS) in the third quarter of 2018 decreased to \$0.3 million, compared to an operating loss of \$0.7 million in the same quarter last year. The improvement in the operating loss was primarily due to increased revenues, as well as a decrease in research and development and general and administrative expenses, which was partially offset by an increase in selling and marketing expenses that support the Company’s continued growth.

Nine Months 2018 Financial Results

Revenues in the first nine months of 2018 reached a record \$17.6 million, an increase of 19.9% over the same period in 2017. Gross profit for the first nine months of 2018 reached \$13.4 million, an increase of 20.2% compared to the same period last year. Gross profit margin in the first nine months of 2018 was 75.9% compared to 75.7% in the first nine months of 2017. Operating loss on a cash basis in the first nine months of 2018 decreased by 59% to \$1.3 million.

About Itamar Medical Ltd.

Itamar Medical Ltd. is a public company traded on the Tel Aviv Stock Exchange and has been operating since its inception in the research and development of non-invasive medical devices for diagnosis of respiratory disorders. In recent years, the Company has focused on leading the integration of sleep apnea management into the cardiac care pathway with its Total Sleep Solution. For additional information visit www.itamar-medical.com.

Forward Looking Statements

All statements other than historical facts included in the foregoing press release regarding the Company's business strategy are "forward-looking information", as this term is defined in the Israeli Securities Law, 1968. These statements are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements are not guarantees of future performance, and actual results may materially differ. The forward-looking information involves risks, uncertainties, and assumptions, including the risks discussed in the Company's filings with the Israel Securities Authority. The Company does not undertake to update any forward-looking information.

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