



## **Itamar Medical Reports Second Quarter 2018 Financial Results**

### **Second Quarter 2018 Highlights:**

- Achieved 20% increase in revenue to a record \$6 million
- Recurring revenue represents 67% of revenue in North America
- Maintained gross profit of 76% of total revenue
- Cash basis (non IFRS) operating loss of \$0.4 million
- Board of Directors approved level II American Depositary Receipt

CAESAREA, Israel, August 13, 2018 -- Itamar Medical Ltd. (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 second quarter of 2018.

“Itamar Medical continues to demonstrate double-digit growth and we are pleased that cardiologists increasingly recognize the value that testing for sleep apnea followed by effective therapy can provide to their patients,” said Gilad Glick, Itamar Medical President and CEO. “The growing recognition of the importance of sleep apnea testing, coupled with our transition to a diagnostics sales model that does not require hospitals to make capital investments, positions Itamar Medical as a market leader. We believe that our investment in technology such as SleepPath and our focus on the cardiology market will allow us to continue capturing a growing share of the U.S. home sleep test market.”

### **Second Quarter 2018 Financial Results**

Revenues for the second quarter of 2018 were \$6.1 million, an increase of 20%, compared to \$5.1 million in the same quarter last year. The increase was primarily the result of a 21% increase in sales of WatchPAT, the Company’s flagship product.

WatchPAT revenue in the U.S. grew by 24% to a record \$4.2 million in the second quarter of 2018, compared with \$3.4 million in the same quarter last year. The company recently renewed its agreement with a network of more than 340 hospitals and clinics serving 19 million patients in the U.S.

Increased revenue from recurring sales of WatchPAT tests in North America, which accounted for 67% of total revenue in the first half of 2018, was the result of the transition from a business model based on equipment sales to one based on the sale of

WatchPAT tests, called Test as a Service (“TaaS”) by the company. Under the Total Sleep Solution (TSS) sales model, Itamar Medical also sells a package of WatchPAT logistics services known as WatchPAT Direct. Clinicians, especially cardiologists who are not sleep medicine specialists, value the TSS package as it helps to ensure that patients are moving efficiently through the care continuum and are being both diagnosed and adhere to their sleep apnea therapy. The TSS model is expected to become an increasingly important and more predictable revenue stream for the Company.

Gross profit increased by 21% to \$4.6 million in the second quarter of 2018 from \$3.8 million in the same period last year, primarily the result of cost savings achieved through streamlining the production process. These cost savings resulted in a 76% gross profit margin for the second quarter of 2018.

Operating loss on a cash basis (non-IFRS) in the second quarter of 2018 decreased by 58% to \$0.4 million, compared to an operating loss of \$1.1 million in the same quarter last year. This decrease was largely due to increasing sales while maintaining spending levels. Over the past two years, the Company’s operating loss on a cash basis decreased from \$2.2 million in the first quarter of 2016 to \$0.4 million this quarter.

As previously announced, Itamar Medical’s Board of Directors approved a registration statement filed with the SEC to list shares on the NASDAQ stock exchange through a level II (ADR) program. Completion of this filing is subject to approval by the SEC and NASDAQ.

### **About Itamar Medical Ltd.**

Itamar Medical is engaged in the research, development and commercialization of non-invasive medical devices for the diagnosis of respiratory disorders with a focus on the cardiology market. The Company's flagship product, WatchPAT™, is an FDA-cleared home-use device for diagnosing sleep apnea. The company also markets EndoPAT™, an FDA-cleared device to test endothelial dysfunction and evaluate the risk of heart disease and other cardiovascular diseases. Itamar Medical is a public company traded on the Tel Aviv Stock Exchange and is based in Caesarea, Israel. For additional information visit [www.itamar-medical.com](http://www.itamar-medical.com).

### **Forward Looking Statements**

This press release contains “forward-looking statements” as defined in the Securities Law, 5728-1968. Forward looking information is uncertain information regarding the future, which is based on existing information or assessments in the Company and includes intentions or assessments of the Company, as at the date of publishing this press release or that is not solely dependent on the Company. It is possible that all or some of this information, will not materialize (at all) or will materialize in a different manner, among other things, because of changes in the Company's strategy, regulatory changes in the target market, competition and competitors in the target market, the degree of acceptance and the rate of penetrating WatchPAT by the medical community in the

United States, delay in obtaining or failure to obtain FDA clearance for the new WatchPAT version and/or changes in the Company's financial situation and its business.

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