



VAPOTHERM

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VAPOTHERM SECURES \$20.5 MILLION IN NEW EQUITY FINANCING

Stevensville, Md. – August 14, 2008 – Vapotherm, the global leader in developing High Flow Therapy products for the respiratory industry, announced today that it has secured \$20.5 million in new equity financing.

The financing was led by GE Asset Management (on behalf of the General Electric Pension Trust), with participation by Cross Creek Capital (a Wasatch Advisors company) and Integral Capital Partners; all three are new investors in Vapotherm. Existing investors of Vapotherm, QuestMark Partners and Kaiser Permanente Ventures, also participated in the round.

“We are extremely pleased to have the support of our new and existing investors. The caliber of the investor syndicate is recognition of the progress made by the Company’s management and employees, and indicative of the significant opportunity ahead for a wide range of products based on the Company’s platform technology,” noted Vapotherm’s President & CEO, Robert Storey.

Vapotherm products are currently used in neonatal, pediatric and adult applications in hundreds of hospital locations throughout the US and in more than 20 countries worldwide.

The financing will support the Company's growth plans including new product development, sales expansion and the launch of Vapotherm's newest acute care device, **Precision Flow™**, which recently earned 510(k) clearance from the Food and Drug Administration.

"We are very glad to be involved with Vapotherm, not only at this critical milestone with the US launch of **Precision Flow™**, but as the Company continues its leadership role in High Flow Therapy and develops additional respiratory devices for large and unmet clinical needs," said David Stewart, Managing Director (Private Equity) of GE Asset Management.

Brian Stansky, Managing Director of Integral Capital Partners, stated, "We are excited about the broad application potential for Vapotherm's High Flow Therapy system to create multiple franchises in the treatment of respiratory conditions, sleep apnea, and drug delivery."

"We believe their long term growth prospects are very promising, and we look forward to the introduction of additional breakthrough products in their pipeline," added Karey Barker, Managing Director of Cross Creek Capital, a private equity affiliate of Wasatch Advisors.

Vapotherm, Inc. is a privately held manufacturer of respiratory care devices for hospitals and home care use based in Stevensville, Maryland. The Company is dedicated to the development of innovative, noninvasive technologies for respiratory therapy, especially for the treatment of chronic lung and acute breathing disorders. For more information, please visit www.vtherm.com.

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About GE Asset Management

A wholly-owned subsidiary of General Electric Company, GE Asset Management Incorporated (GEAM) is a global asset manager with \$156 billion in assets under management (as of 6/30/08). GEAM and its predecessor organizations have been managing investments for GE's U.S. employee pension and benefits plans for 80 years. In 1988, GEAM began offering investment management products and services to investors outside GE, and today counts corporate and public plan sponsors, foundations, endowments, Taft-Hartley plans, and insurance companies around the world as clients. Investment offerings cover all major asset classes, including U.S. and international equities, fixed income and alternative assets.

About Integral Capital Partners

Integral Capital Partners operates a family of partnerships that invests in expansion-stage private and growth-stage public companies in the information and life sciences industries. For more information, please visit www.icp.com.

About Wasatch Advisors® and Cross Creek Capital®

Wasatch Advisors is the investment adviser to Wasatch Funds®, a family of no-load mutual funds, as well as separately managed institutional and individual portfolios. Wasatch Advisors' private equity affiliate, Cross Creek Capital, is a venture capital fund focused on later stage investments. For more information, please visit www.wasatchadvisors.com and www.crosscreekventures.com.

About QuestMark Partners

QuestMark Partners is a Baltimore-based venture capital firm focused on expansion-stage growth companies in emerging markets. QuestMark's areas of focus include growth sectors such as software, medical devices, and internet-based businesses, as well as enterprises in broader technology, health care and consumer areas. Founded in 1998, QuestMark has over \$750 million under management. For more information, please visit www.questmarkpartners.com.

About Kaiser Permanente Ventures

Kaiser Permanente Ventures, the corporate venture capital arm of Kaiser Permanente, makes investments in medical devices, healthcare services and information technology companies. Kaiser Permanente Ventures is dedicated to partnering with entrepreneurial companies to build innovative and enduring businesses that advance the quality and affordability of health care. For additional information, please visit www.kpventures.com.