

NASDAQ: RSLS

# Company Presentation

*January 2018*



# Safe Harbor Statement and Risk Factors

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by the use of words such as expect,” “plan,” “anticipate,” “could,” “may,” “intend,” “will,” “continue,” “future,” other words of similar meaning and the use of future dates. Forward-looking statements in this presentation include statements about the company’s total addressable market and annual procedures; competitive companies, technologies and procedures; the company’s ability to implement its business model and strategic plan, including its commercialization and reimbursement strategies; expansion of the company’s sales team; and implementation and completion of clinical trials.

These forward-looking statements are based on the current expectations of our management and involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others: risks related to our acquisitions of ReShape Medical, Inc. and BarioSurg, Inc., including unexpected costs or liabilities, and the ability to recognize the benefits of the acquisitions; our limited history of operations; our losses since inception and for the foreseeable future; our limited commercial sales experience with our products for the treatment of obesity in the United States or in any foreign market other than Australia and the European Community; the competitive industry in which we operate; our ability to maintain compliance with the Nasdaq continued listing requirements; our ability to sell ReShape vBloc or the ReShape Balloon and commercialize our ReShape Vest; our dependence on third parties to initiate and perform our clinical trials; the need to obtain initial or additional regulatory approvals for any of our products; physician adoption of our products; our ability to obtain third party coding, coverage or payment levels; ongoing regulatory compliance; our dependence on third party manufacturers and suppliers; the successful development of our sales and marketing capabilities; our ability to raise additional capital when needed; international commercialization and operation; our ability to attract and retain management and other personnel and to manage our growth effectively; potential product liability claims; the cost and management time of operating a public company; potential healthcare fraud and abuse claims; healthcare legislative reform; and our ability to obtain and maintain intellectual property protection for our technology and products.

These and additional risks and uncertainties are described more fully in the Company's filings with the Securities and Exchange Commission, particularly those factors identified as "risk factors" in Exhibit 99.3 of our current report on Form 8-K filed January 31, 2018. We are providing this information as of the date of this presentation and do not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.



## A medical technology company serving the growing obesity epidemic

Addressing  
**\$1.5 billion/year**  
surgical device market<sup>1</sup>



Safe, minimally invasive,  
anatomy preserving  
solutions with durable  
outcomes



Providing a comprehensive  
toolbox of solutions for  
obesity continuum of care

1. Global Bariatric Surgery Devices Market Analysis and Trends, Industry Forecast to 2025, Accuray Research

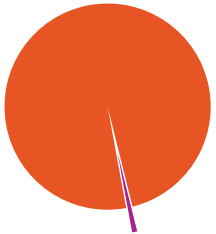
# Obesity: Epidemic, Costly and Underserved



- **1 in 3 adults** in the U.S. are obese<sup>1</sup>
- **600 million people** are overweight and obese worldwide<sup>2</sup>
- **9% CAGR expected through 2025** for the global bariatric surgery device market<sup>3</sup>



- U.S. healthcare costs of more than \$149 billion/year for obesity<sup>1</sup>
- Indirect costs estimated as high as \$6.4 billion<sup>1</sup>
- Healthcare costs for severely or morbidly obese adults are 81% higher than for healthy weight adults<sup>4</sup>



**Bariatric Surgery  
Penetration  
1%**

- **Only 1% of obese patients who qualify have surgery<sup>5</sup>**
- Huge opportunity for effective, patient-friendly surgical solutions

Gastric bypass and sleeve surgery, the current standard of care, are invasive, anatomy changing, and lifestyle altering.

<sup>1</sup>The State of Obesity: *Better Policies for a Healthier America*, 2016.

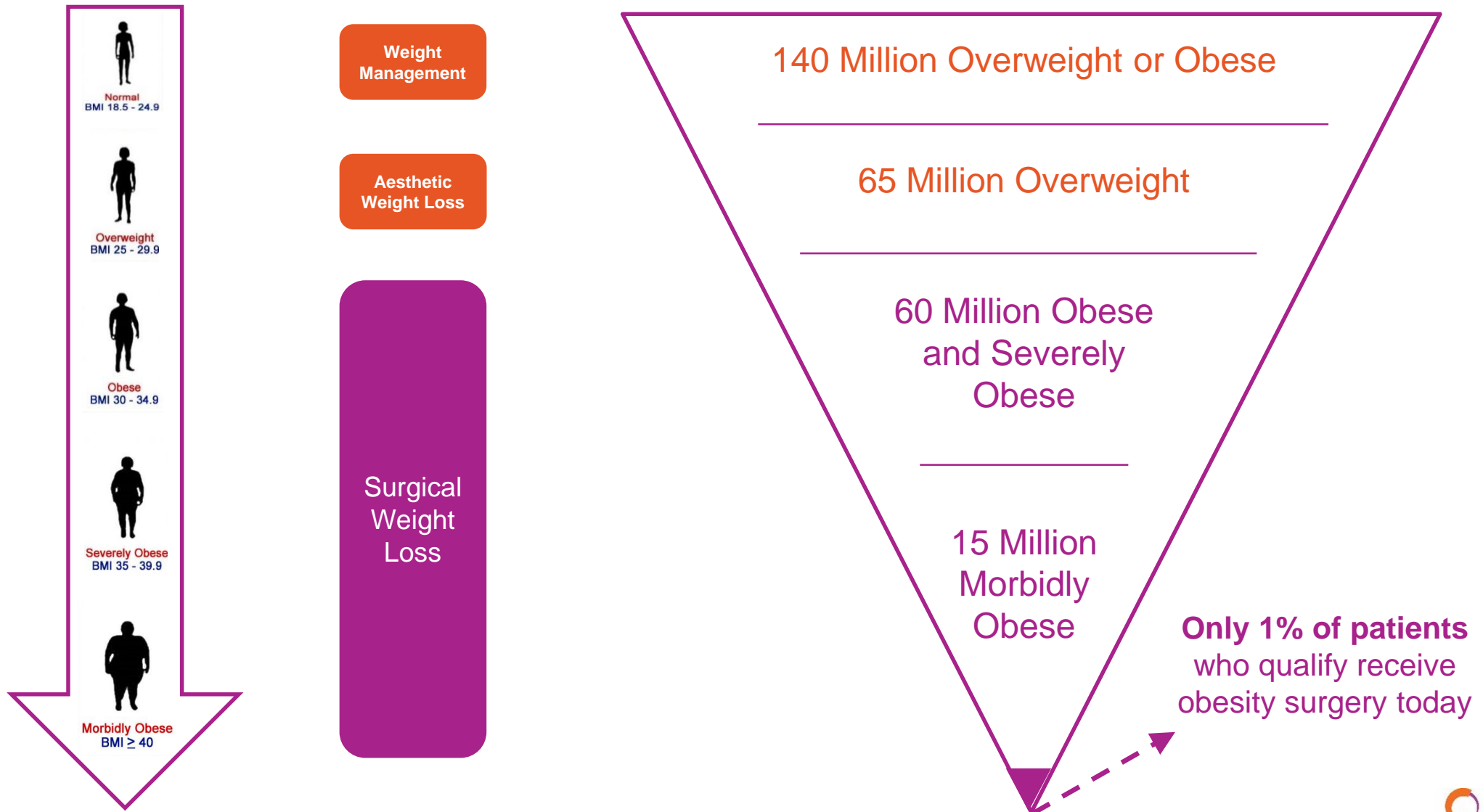
<sup>2</sup>McKinsey Global Institute, *Overcoming Obesity: An Initial Economic Analysis*, pg. 1, November 2014.

<sup>3</sup>Accuray Research, *Bariatric Surgery Devices Market Report*. 2017.

<sup>4</sup>Anterburn DE, Maciejewski ML, Tsevat J. *Impact of Morbid Obesity on Medical Expenditures in Adults*. 2005.

<sup>5</sup>American Society for Metabolic and Bariatric Surgery. 2014.

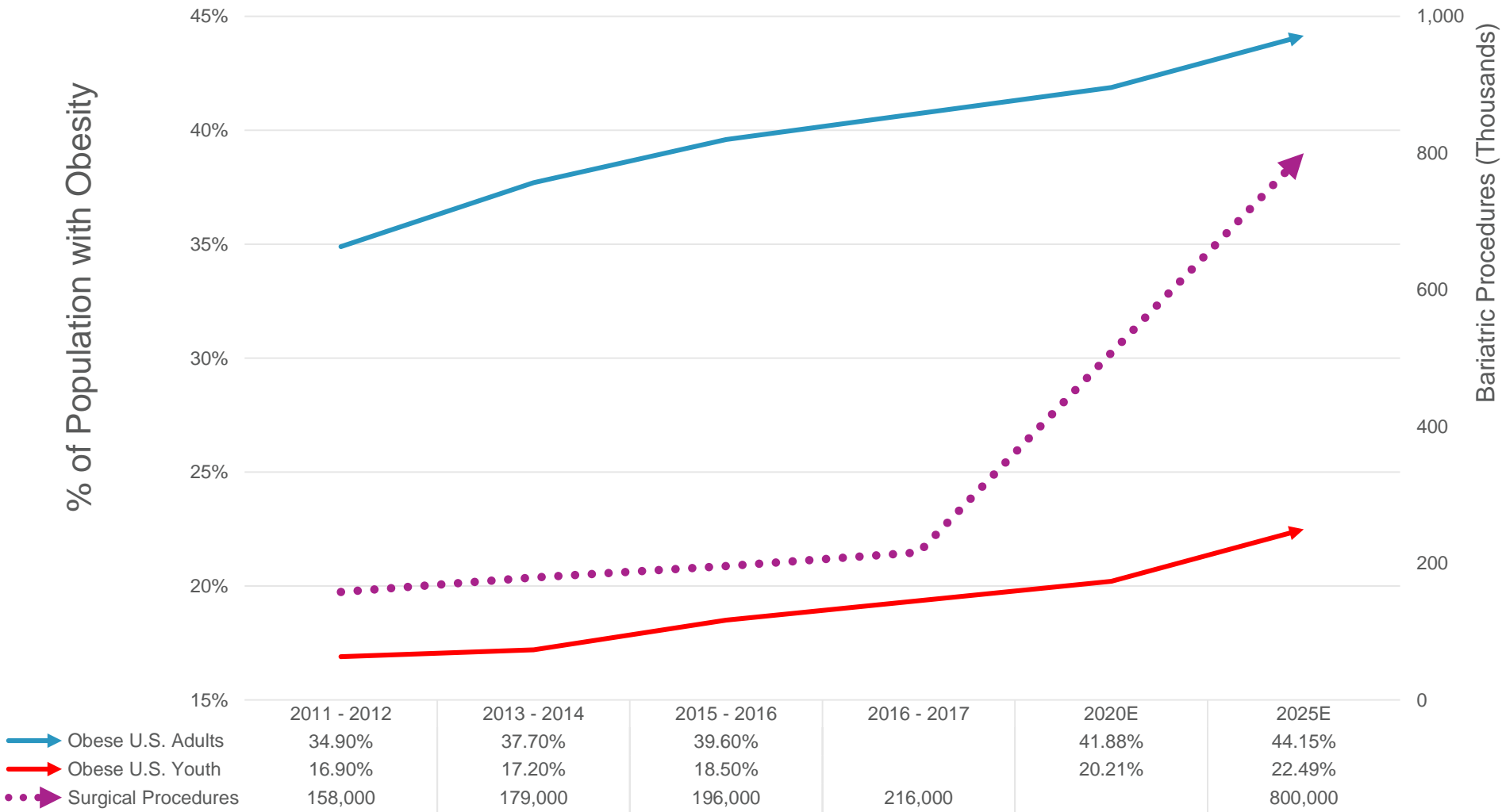
# Today's Obesity Continuum (U.S. Populations\*)



\*Source: NIH

# Growth of U.S. Obesity and Bariatric Procedures

(2011 – 2025E)



## 2015 – 2025 Growth Drivers

More interventions  
with new procedures

*Anatomy-friendly  
Out-patient*

Improved coverage  
by payers

*Therapies proven  
to address comorbidities*

*Data supporting  
health economic savings*

*Cost efficiencies  
vs. drugs*

[https://www.cdc.gov/nchs/data/databriefs/db288\\_table.pdf](https://www.cdc.gov/nchs/data/databriefs/db288_table.pdf)  
<https://asmbs.org/resources/estimate-of-bariatric-surgery-numbers>  
Global Bariatric Surgery Devices Market Analysis and Trends, Industry Forecast to 2025, Accuray Research  
Canaccord Genuity Equity Research 2014

# ReShape: Minimally Invasive Offerings for the Full Continuum of Care



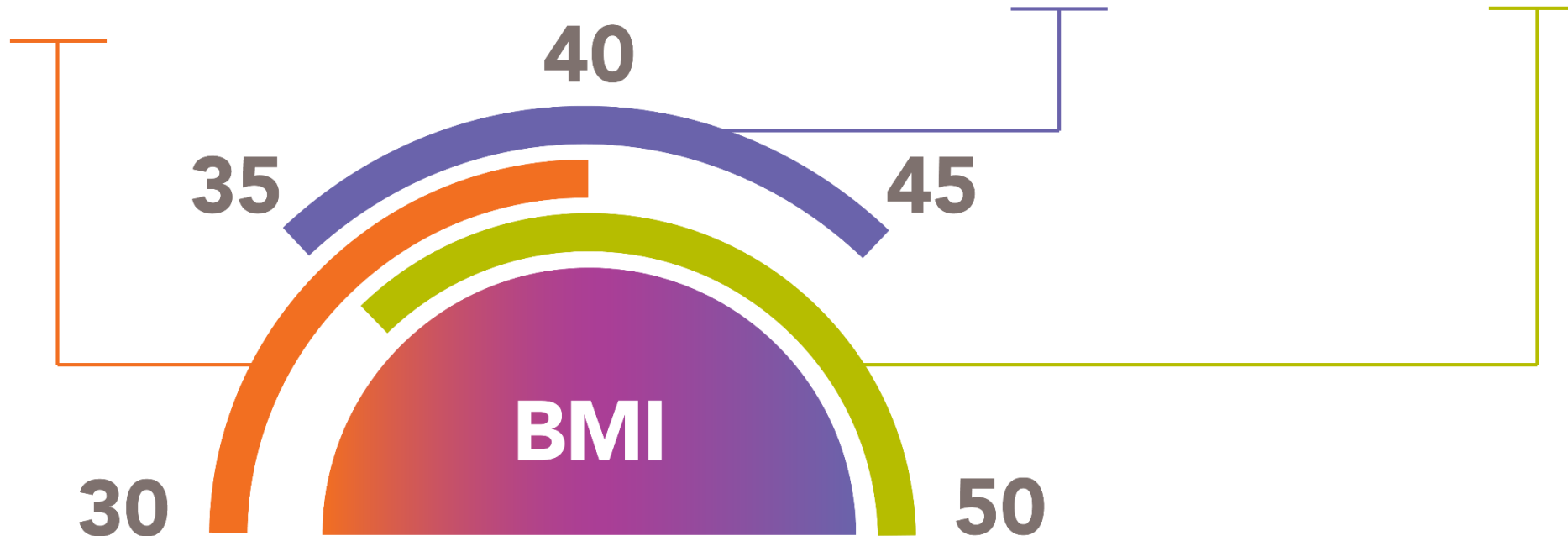
- Takes up room in the stomach so there is less space for food



- Vagal nerve stimulation blocks hunger signals



- Restriction creates feelings of fullness



\*ReShape Vest is for investigational use only and not approved for use.

# ReShape Products Meet Patient Requirements

Current surgical options do not satisfy patient needs;  
**ReShape** products **will drive market penetration**

## MINIMALLY INVASIVE



ReShape products do **not change anatomy** and are **removable** or **reversible**

## LIFESTYLE ENHANCING



ReShape products help patients lose weight and live a more comfortable life, while also **reducing co-morbidities** associated with excess weight

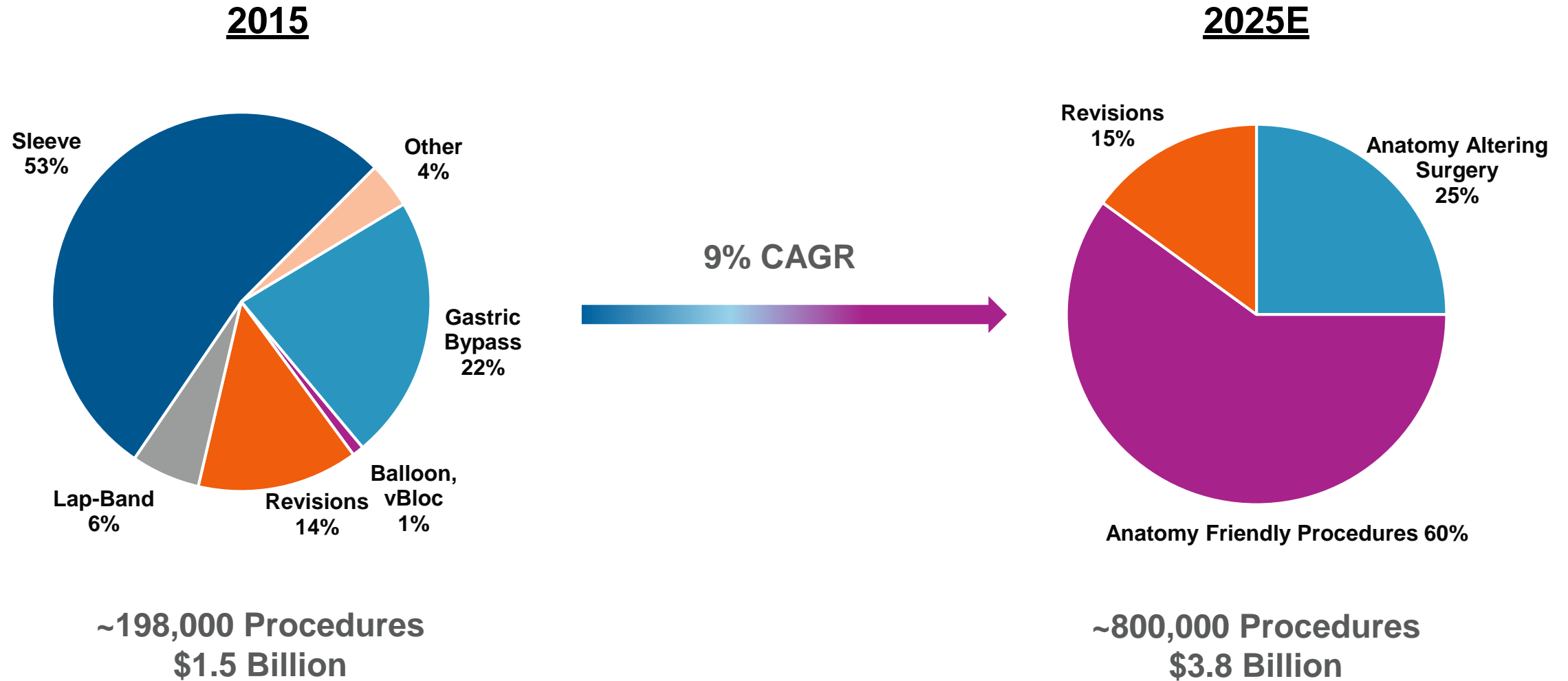
## DURABLE WEIGHT LOSS



ReShape offers **sustainable solutions** that help patients achieve long term success



# U.S. Obesity Procedure Mix (2015 – 2025E)\*



\*Global Bariatric Surgery Devices Market Analysis and Trends, Industry Forecast to 2025, Accuray Research;  
Canaccord Genuity Equity Research 2014

# ReShape Intragastirc Dual Balloon Technology



ReShape  
Balloon™



- Acquired in October 2017
- FDA approved
- Endoscopic procedure through the mouth
- Not anatomy altering

**30 – 40**

Patient BMI Range\*

Six Month Balloon Implant  
fills volume in stomach to  
make patient feel full

**>4,000**

Patients Implanted

**10.5%**

Total Weight Loss (6 months)\*\*

**200+**

Physicians Implanting

**60%**

*Maintained or continued to lose  
weight (1 year)*

\* The ReShape Dual Balloon is approved for patients with a BMI of 30-40 with one or more health-related comorbidities.

\*\* Shawn Garber, Spencer Holover, John Angstadt, Eric Sommer, Nikilesh Sekhar, Jeffrey Chiao, "Intragastirc Balloon: 342 Patients Treated at a Multicenter Bariatric Practice"

Patients demonstrated **improvements in outcomes and comorbidities**

## PATIENT RESULTS AT 48 MONTHS



HbA1c (%) reduction of 0.2 points



Systolic blood pressure decreased 6.6 mm Hg



Diastolic blood pressure decreased 4.4 mm Hg



Waist circumference reduced by 2.2"



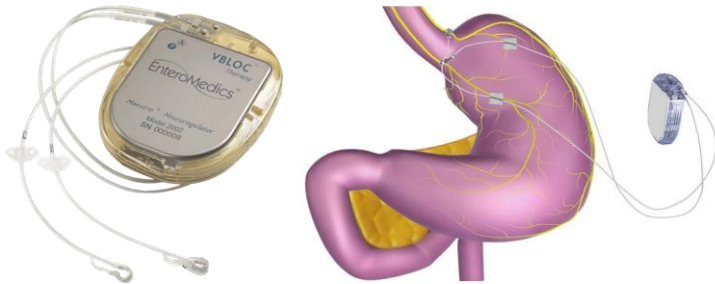
Decrease in LDL of 4.6 units

Improvements in  
co-morbidities yield  
significant savings  
to the health care  
system

# vBloc® Bioelectronic Neuroblocking Technology

BMI  
35-45

ReShape  
vBloc™



- Implanted subcutaneously
- Reversible or removable
- Not anatomy altering
- FDA Approved

35 - 45

Patient BMI Range\*

Intermittently blocks  
signals of hunger on the  
vagus nerve

>700

Patients Implanted

4.3"

Waist Reduction at 1 Year\*\*

16

Centers Implanting

25%

EWL at 1 Year\*\*

\* vBloc Therapy is approved for use in patients with a BMI of 35 – 40 along with one related comorbid condition and for use in patients with a BMI of 40 – 45.

\*\* Shikora, Scott, et al. "Vagal Blocking Improves Glycemic Control and Elevated Blood Pressure in Obese Subjects with Type 2 Diabetes Mellitus." *Journal of Obesity*, (2013) Article ID 245683. DOI: 10.1155/2013/245683.

vBloc Therapy patients achieved **meaningful and sustainable weight loss** and experienced a **reduction in comorbidities** and improvements in overall cardiovascular health

## CLINICAL STUDY PATIENTS AT 1 YEAR



HbA1c (%) reduction of 1.0 point  
• Highly competitive with leading diabetes drugs



Systolic blood pressure reduced by 12 mmHg  
in patients with elevated BP



Reduction in LDL “bad” cholesterol of  
6.2 mg/dL

## CLINICAL STUDY PATIENTS AT 2 YEARS



7.9% total body weight



50% remittance of pre-diabetes



50% remittance of metabolic syndrome

Reductions in  
co-morbidities yield  
significant savings to  
the health care  
system

# Strategy to Collect Outcomes Data for Reimbursement

## Study

## Design

## Status

**Kaiser Permanente  
Diabetes Study**

3 year, 60 patients  
Demonstrate vBloc advantage  
vs meds for diabetes

Study protocol completed  
Enrollment initiation Q1 2018



**vBloc Now**  
*Patient Registry*

Real world outcomes  
for reimbursement  
125 patients  
w/ comorbidity data

Initiated June 2017  
66 patients enrolled

**vBloc ReNEW**  
*Post Approval Study*

5 years, 15 sites, 200 patients  
Safety and efficacy

4 Sites activated  
1 Enrolled with 4 scheduled



**Balloon**  
*Post Approval Study*

48 weeks, 15 sites, 250  
patients Safety and efficacy

15 active sites  
124 subjects enrolled

# Sales Strategy for vBloc and *ReShape*

Provide A Compelling,  
Differentiated Offering

Only company to offer a complete  
toolbox of minimally invasive,  
patient-friendly devices  
for bariatric surgery

Equip Practices For  
Success

Field-based marketing personnel  
partner with practices to drive  
ReShape Balloon and ReShape  
vBloc patient acquisition and  
integration

Reach & Convert  
Motivated & Qualified  
Consumers

Agreement with VA enables  
national ReShape vBloc  
coverage for veterans  
  
CarePlus coverage of ReShape  
Balloon sets precedent for  
corporate coverage policies

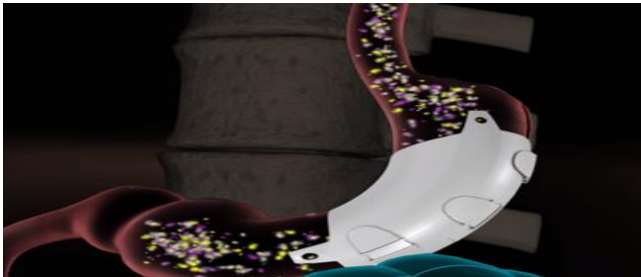
The ReShape sales team is comprised of 13 direct reps, growing to 16 in 2018

All team members rep all products

Three dedicated teams focus on VA, International and U.S./non-VA

# ReShape Vest

BMI  
35-50



- Acquired May 2017
- Not anatomy altering
- Intended for morbidly obese needing rapid weight loss
- Currently investigational use

**>40**

Patient BMI Range

Wraps around stomach to restrict amount of food eaten; emulates conventional weight loss surgery

**85.5%**

Excess Weight Loss (1 Year)\*

**15"**

Waist Reduction\*\*

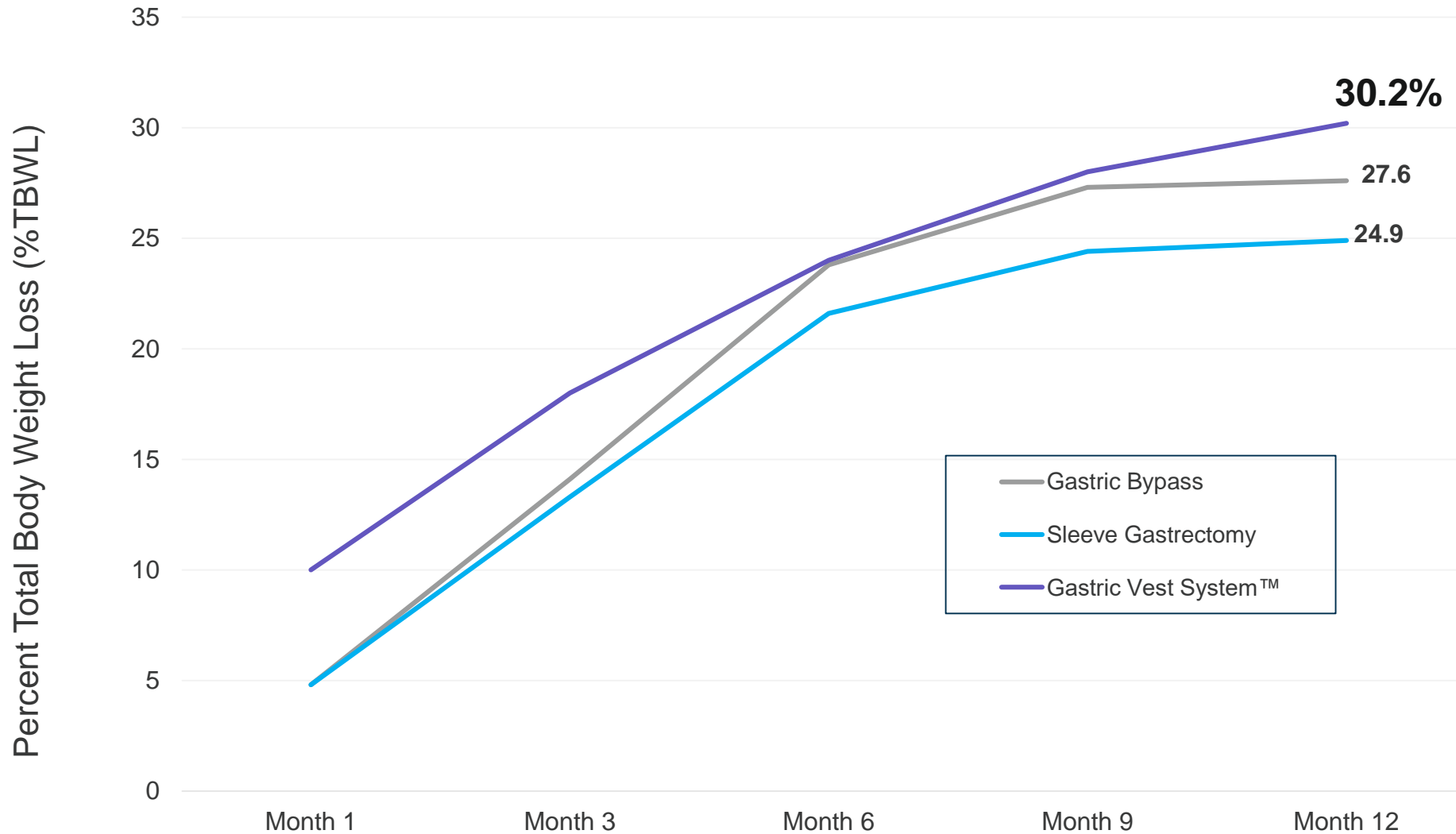
CE Mark Study  
1H / 2018

IDE Planned  
2H / 2018

\* Juan López-Corvalá MD, Fernando Guzmán-Cordero MD, Cleysa Hermosillo-Valdez MD, Janine Rosales-Landgrave MD, "Gastric Vest System: Initial Results of a Novel Restrictive Bariatric Procedure"



# Gastric Vest System Pilot Study Outcomes



## Efficacious

*Pilot study patients achieved gold standard of weight loss at 12 months*

## Minimally Invasive

*Vest is laparoscopic and a removable, anatomy friendly procedure*

## Transformative Technology

*No other device has TBWL near the standard of bariatric surgery*

12. Schauer et al. N.E.J.M. 366: 1567, 2012.

\* Juan López-Corvalá MD, Fernando Guzmán-Cordero MD, Cleysa Hermosillo-Valdez MD, Janine Rosales-Landgrave MD, "Gastric Vest System: Initial Results of a Novel Restrictive Bariatric Procedure"

Patients in the Gastric Vest pilot study demonstrated **significant improvements in comorbidities**

## PILOT STUDY PATIENTS AT 1 YEAR



HbA1c (%) reduction of 2.1 points



Systolic blood pressure decreased 13 mmHg



Waist circumference reduced by 15"



Increase in HDL “good cholesterol” of 29 mg/dL

Improvements in  
co-morbidities yield  
significant savings  
to the health care  
system

# Gastric Vest Clinical and Regulatory Path



	FY 2018		FY 2019		FY 2020		FY 2021	
	1H	2H	1H	2H	1H	2H	1H	2H
CE Mark Trial Initiation		★						
PMA Trial Initiation		★						
CE Mark Approval					★			
PMA Approval							★	

## CE Mark trial

- Non, randomized trial enrolling 65 patients
- 12 month primary endpoint (weight loss and safety)
- 24 month long-term follow-up

## US Pivotal Trial (Proposed)

- Non-randomized trial enrolling up to 250 patients
- 12 month primary endpoint (weight loss and safety)
- 24-36 month long-term follow-up

Both studies will include metrics requested by payers  
(e.g. safety, efficacy, health economics, co-morbidity reductions)

# Intellectual Property



## Bioelectronic Medicine Utilizing Vagus Nerve

- Broad coverage for neuroregulation of vagus nerve/ bioelectronic systems and methods related to neuroblocking, neuromodulation, and neurostimulation technology
- Coverage of vagus nerve applications including obesity, bulimia, pancreatitis, heart rate regulation, glucose regulation
- 45 granted U.S. patents, additional pending
- 45 granted foreign patents in Australia, Europe, China and Japan, additional pending



## IntraGastric Balloon

- Robust coverage for multi-balloon gastric implants and methods for its placement and retrieval.
- Coverage related to methods of manufacturing and additional therapy applications.
- 35 patents granted in the US, Europe, Canada, and Japan. Additional pending.



## Gastric Vest

- Intellectual property for gastric restriction device to treat obesity
- 4 granted U.S. patents
- 4 granted foreign patents in China, Israel, Canada and Australia

# Strategic Partnership for Neuroregulators and the Vagus Nerve

## Collaboration Agreement (for pre-clinical research)

- Funded co-development of new modified ReShape Lifesciences' products
- Future opportunities (continued IP + technology platform co-development)
- Intellectual property licensing
- ReShape Lifesciences will receive payments for its development work and supply under this agreement

# ReShape Lifesciences Milestones and Objectives

1

## Drive Revenue and Clinical Outcomes

- Unified sales organization addressing entire market
- Focused on market expansion
- Co-morbidity and clinical support

2

## Reimbursement

- Balloon / vBloc commercial coverage
- Commercial data through clinical use
- Publish real-world outcomes and co-morbidity data

3

## Grow Pipeline

- Complete CE Mark trial for Gastric Vest
- Complete US PMA trial for Gastric Vest
- Continue to advance next generation technologies

# Management Team

## **DAN W. GLADNEY – CHIEF EXECUTIVE OFFICER**

- Health care executive with over 25 years of experience leading a variety of medical device companies
- Lanx, Heart Leaflet Technologies, ACIST Medical, Compex Technologies; Norwest Equity Partners

## **SCOTT P. YOUNGSTROM – CHIEF FINANCIAL OFFICER**

- Financial executive focused on creating shareholder value with 25 years of strategic financial and operational experience in a variety of medical device companies
- Galil Medical, Anulex, Enpath Medical, Compex Technologies

## **RAJ NIHALANI, MD – CHIEF TECHNOLOGY OFFICER AND BUSINESS DEVELOPMENT**

- Medical device executive and physician entrepreneur with 20 + years of experience in small and large medtech companies
- Founder and CEO of BarioSurg; Onciomed, Medtronic, Endologix, Acufocus, Rox Medical, Mdnook

## **DEBORAH SCHMALZ – VICE PRESIDENT, CLINICAL AND REGULATORY**

- Over 25 years of executive leadership experience in medical device regulatory affairs, clinical research, compliance and reimbursement
- Medpace, Veniti, Entellus Medical, Vascular Solutions, Empi

## **BOB HAGGERTY – VICE PRESIDENT, SALES**

- Proven background in creating distribution, launching new technologies, and developing long-term relationships with customers
- Ceterix Orthopaedics, Coviden/GI Solutions, BARRX Medical, Gyrus/ ACMI, Boston Scientific

## **AMY SCOTT – VICE PRESIDENT, MARKETING**

- Over 20 years of marketing and commercialization experience with medical technologies
- Edwards Lifesciences, WaveTec Vision Systems, DJO Global

## **SHARON WHALEN – VICE PRESIDENT, REIMBURSEMENT**

- Leader in medical device and managed care. Evidence development, health technology reviews, new product reimbursement, and advocacy expertise.
- Acelyt, Edwards Lifesciences, World Heart, Endocare, PacticCare.



**ReShape Lifesciences Inc. (NASDAQ:RSLS)**

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# APPENDIX

# Market Product Positioning

	Alter Anatomy?	Diet Restrictions	Procedure Type	Safety Risks	Weight Loss %EWL	Procedure Cost
By-Pass	Yes	Severe	Laparoscopic	Potential for serious complications	65-80%	~\$24,000
Sleeve	Yes	Severe	Laparoscopic	Potential for serious complications	50-65%	~\$19,000
<b>Gastric Vest</b>	Restrict	None	Laparoscopic	Low	+85%	~\$8,000- \$11,000
Band	Restrict	None	Laparoscopic	Erosion, Infection, Leakage	30-50%	~15,000
<b>vBloc</b>	No	None	Laparoscopic	Low	25% (durable)	~\$20,000
<b>Balloon</b>	No	None	Endoscopic	Low- erosion, obstruction	25-35% (temporary)	~\$8,000
Aspire	No	None	Endoscopic	Infection, leakage	30-35%	~\$10,000

ReShape  
Vest™

ReShape  
vBloc™

ReShape  
Balloon™