



June 5, 2018

ReShape Lifesciences Announces New Patent Grant Expanding its Bioelectronic and Neuromodulation Portfolio

SAN CLEMENTE, Calif., June 5, 2018 /PRNewswire/ -- ReShape Lifesciences Inc. (NASDAQ:RSL), a developer of minimally invasive medical devices to treat obesity and metabolic diseases, announced today that the United States Patent and Trademark Office (USPTO) has granted a method and device patent to the Company that expands the ReShape Lifesciences™ neuromodulation intellectual property portfolio. The U.S. patent number 9,668,778, which is titled "Neural Modulation Devices and Methods," is directed to a combination of blocking and stimulating the vagus and celiac nerve branches using specific bioelectronic parameters to treat gastrointestinal disorders, including obesity, diabetes, and various combinations thereof.

ReShape Lifesciences recently presented results that utilized this intellectual property in a diabetic rat study that looked at the effect of multi-site electrical neuromodulation via the vagus nerve. The study involved the simultaneous nerve pacing and neuro-blocking of two branches of the vagus nerve, innervating the pancreas and the liver, respectively, followed by continuous measurement of plasma glucose. Results showed that glycemic control was significantly increased following an elevated glucose challenge in the ReShape Lifesciences neuromodulation rats compared to those in the control group.

"We believe that the combination of bioelectronics and neuromodulation will play a very important role in the future of disease management," said Dan Gladney, Chief Executive Officer and Chairman of the Board of ReShape Lifesciences. "As pioneers of the ReShape vBloc™, these newly-issued patents will enable us to expand our proprietary technology to simultaneously neuromodulate organs innervated by the vagus nerve and its branches, enabling life-changing interventions such as the modulation of blood glucose levels for patients with type 2 diabetes."

According to Centers for Disease Control and Prevention (CDC), 30.3 million Americans, or 9.4 percent of the U.S. population, have diabetes, with type 2 diabetes accounting for 90% to 95% of all diabetes cases. The American Diabetic Association reports that the total estimated cost of diagnosed diabetes in 2017 was \$327 billion, including \$237 billion in direct medical costs and \$90 billion in reduced productivity.

About ReShape Lifesciences Inc.

ReShape Lifesciences™ is a medical device company focused on technologies to treat obesity and metabolic diseases. The FDA-approved ReShape Balloon™ System involves a non-surgical weight loss procedure that uses advanced balloon technology designed to take up room in the stomach to help people with a 30-40 kg/m² Body Mass Index (BMI) and at least one co-morbidity lose weight. ReShape vBloc™ Therapy, delivered by an FDA-approved pacemaker-like device called the ReShape vBloc System, is designed to help patients with a 40-45 kg/m², or a 35-39.9 kg/m² BMI and at least one co-morbidity feel full and eat less by intermittently blocking hunger signals on the vagus nerve. The ReShape Vest™ System is an investigational, minimally invasive, laparoscopically implanted medical device that wraps around the stomach, emulating the gastric volume reduction effect of conventional weight-loss surgery, and is intended to enable rapid weight loss in obese and morbidly obese patients without permanently changing patient anatomy.

Forward-Looking Safe Harbor Statement:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release include statements about our belief that the combination of bioelectronics and neuromodulation will play a very important role in the future of disease management and that these newly-issued patents will enable us to expand our proprietary technology to simultaneously neuromodulate organs innervated by the vagus nerve and its branches, enabling life-changing interventions such as the modulation of blood glucose levels for patients with type 2 diabetes. 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. 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 and uncertainties related to our acquisitions of

ReShape Medical, Inc. and BarioSurg, Inc.; risks related to the U.S. Food and Drug Administration's announcement to alert health care providers of unanticipated deaths involving the ReShape Balloon; our proposed ReShape Vest product may not be successfully developed and commercialized; our ability to continue as a going concern if we are unsuccessful in our pursuit of various funding options; our limited history of operations; our losses since inception and for the foreseeable future; our limited commercial sales experience; the competitive industry in which we operate; our ability to maintain compliance with the Nasdaq continued listing requirements; our dependence on third parties to initiate and perform our clinical trials; the need to obtain regulatory approval for our ReShape Vest and any modifications to our vBloc system or ReShape Balloon; 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 our annual report on Form 10-K filed April 2, 2018. We are providing this information as of the date of this press release 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.



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