



ReShape Lifesciences Reports Preliminary Unaudited Second Quarter 2021 Financial Results and Provides Business Update

August 5, 2021

SAN CLEMENTE, CA / ACCESSWIRE / August 5, 2021 / ReShape Lifesciences Inc. (NASDAQ:RSL), a leading developer and distributor of minimally invasive medical devices to treat obesity and metabolic diseases, today reported its preliminary unaudited financial and operational results for the three months ended June 30, 2021.

For the three months ended June 30, 2021, the Company reported revenues of \$3.5 million, as compared to revenues of \$1.7 million in the three months ended June 30, 2020, representing a 107% increase. The \$1.8 million increase was primarily due to increased revenues in the US. Additionally, our revenues grew 10% sequentially from the 1st Quarter 2021 representing increases in both US and OUS revenues. The Company reported gross profit of \$2.1 million in the second quarter of 2021, representing a gross margin of 61%, compared to \$0.8 million in the three months ending on June 30, 2020, with a gross margin of 49%. The higher gross margin is attributed to increased sales volume, as revenue increased 107%, and we achieved lower overhead department and period expenses.

As of June 30, 2021, the Company's cash and cash equivalents totaled \$40.2 million.

Recent Highlights and Accomplishments

- Successfully completed merger with Obalon Therapeutics positioning ReShape as major leader in weight loss market
- Listed on Nasdaq Capital Market under ticker RSL
- Transition of Lap-Band manufacturing from previous owners to US-based manufacturer under our operational oversight
- Completed funding round raising gross proceeds of \$46 million; eliminated debt overhang; removed any and all liens against our assets and now leveraging stronger balance sheet
- Introduced ReShape Marketplace™; digital health solution adding to proprietary ecosystem of weight loss products
- Witnessed an increase in Lap-Band procedures among practices.

Bart Bandy, President and Chief Executive Officer of ReShape Lifesciences, commented, "The second quarter was an exceptional one for the Company. In this period, we completed our highly anticipated merger with Obalon Therapeutics, increased visibility in the financial markets by listing on the Nasdaq and bolstered our diverse product portfolio with the launch of our online wellness hub, ReShape MarketPlace. In addition, we restructured our balance sheet closing a \$46 million funding round which has now enabled our team to focus on further growth initiatives within the weight loss industry."

Mr. Bandy continued, "Additionally, we proactively addressed operational efficiency concerns by shifting the manufacturing of the Lap-Band to a US-based firm. We believe this series of positive events clearly indicate a path of positive transformation for ReShape."

As a result of the merger process with Obalon, the preliminary unaudited results included in this press release are prior to the completion of review procedures by the Company's independent registered public accounting firm and are subject to adjustment. The Company intends to release its complete second quarter 2021 financial and operational results including the previously scheduled webinar by the SEC filing deadline, August 16, 2021.

About ReShape Lifesciences, Inc.

ReShape Lifesciences™ is America's premier weight loss and metabolic health-solutions company, offering an integrated portfolio of proven products and services that manage and treat obesity and metabolic disease. The FDA-approved Lap-Band® Program provides minimally invasive, long-term treatment of obesity and is an alternative to more invasive surgical stapling procedures such as the gastric bypass or sleeve gastrectomy. The ReShape Vest™ System is an investigational (outside the U.S.) minimally invasive, laparoscopically implanted medical device that wraps around the stomach, emulating the gastric volume reduction effect of conventional weight-loss surgery. It helps enable rapid weight loss in obese and morbidly obese patients without permanently changing patient anatomy. reshapecare™ is a virtual weight-management program that supports lifestyle changes for all weight-loss patients led by board certified health coaches to help them keep the weight off over time. The recently launched ReShape Marketplace™ is an online collection of quality wellness products curated for all consumers to help them achieve their health goals.

Forward-Looking Safe Harbor Statement:

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those discussed due to known and unknown risks, uncertainties, and other factors. These and additional risks and uncertainties are described more fully in the company's filings with the Securities and Exchange Commission, including those factors identified as "risk factors" in our most recent Annual Report on subsequent Quarterly Reports on Form 10-Q. 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, except as required by law.

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