

ENDOLOGIX INC /DE/

FORM 8-K (Current report filing)

Filed 05/02/18 for the Period Ending 05/02/18

Address	2 MUSICK IRVINE, CA, 92618
Telephone	9495957200
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Symbol	ELGX
SIC Code	3841 - Surgical and Medical Instruments and Apparatus
Industry	Medical Equipment, Supplies & Distribution
Sector	Healthcare
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 2, 2018

ENDOLOGIX, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-28440

(Commission File Number)

68-0328265

(I.R.S. Employer Identification No.)

2 Musick, Irvine, CA

(Address of principal executive offices)

92618

(Zip Code)

Registrant's telephone number, including area code: (949) 595-7200

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2018, Endologix, Inc. (the “Company”) issued a press release to report its preliminary unaudited financial results for the first quarter ended March 31, 2018. The press release is furnished herewith as Exhibit 99.1.

The press release attached as Exhibit 99.1 is being furnished herewith and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Transition of John McDermott as Chief Executive Officer

The Company previously reported that John McDermott would step down from his role as Chief Executive Officer of the Company no later than June 30, 2018, pursuant to a Severance Agreement and General Release, dated February 21, 2018. In connection with the Company’s appointment of a new Chief Executive Officer (as discussed below), Mr. McDermott has stepped down as Chief Executive Officer, effective as of May 2, 2018. Mr. McDermott will continue to serve as a non-executive employee through June 30, 2018 and will provide consulting services to the Company following his transition.

Appointment of John Onopchenko as Chief Executive Officer

On May 2, 2018, the Company announced that John Onopchenko has been appointed by the Board of Directors of the Company (the “Board”) to serve as the Company’s Chief Executive Officer, effective as of the same date.

Mr. Onopchenko, age 59, first joined the Company in October 2017 as its Chief Operating Officer. Mr. Onopchenko has 30 years of executive leadership experience in the medical device industry. Prior to joining the Company, He served as Executive Vice President for Acutus Medical, Inc., a privately-held medical device company, from September 2016 to October 2017, where he was responsible for program management/product development, quality, marketing and sales. Prior to joining Acutus Medical, Mr. Onopchenko served as Senior Vice President and Head of Therapy Strategy for Koninklijke Philips Electronics NV, or Philips, a publicly-traded technology company from March 2015 to September 2016. Prior to joining Philips, he served as Executive Vice President, from April 2013 to November 2014, and Chief Operating Officer, from November 2014 to March 2015, of Volcano Corporation, a publicly-traded medical device company, where he was responsible for its peripheral and Axsun business units, regulatory affairs, quality assurance, program management, product development, clinical affairs, and business development. Prior to his employment with Volcano, he served on Volcano’s board of directors for 11 years. Mr. Onopchenko held senior positions at Johnson & Johnson, a publicly-held medical device company, including serving as lead of medical device investments with Johnson & Johnson Development Corporation, and as Vice President of Worldwide Operations and Marketing for Advanced Sterilization Products, a Johnson & Johnson company, from 1996 to 2006. He also served as founder and managing director of Synergy Life Sciences Partners, LLC, an early-stage medical device venture capital fund. Mr. Onopchenko holds an M.B.A. from the University of Chicago, Graduate School of Business and a B.S. from Ursinus College.

In connection with Mr. Onopchenko’s appointment as Chief Executive Officer, upon the Compensation Committee’s recommendation, the Board has approved, and the Company and Mr. Onopchenko have entered into, an Employment Agreement (the “Employment Agreement”). Pursuant to the Employment Agreement, Mr. Onopchenko will receive, among other things: (i) an annual base salary of \$600,000, (ii) a one-time cash sign-on

bonus of \$666,667, (iii) an annual cash bonus pursuant to any cash bonus plan approved by the Compensation Committee or the Board for senior executive officers, with a target bonus opportunity in an amount equal to 100% of his base salary (iv) time-based incentive stock options with a grant date fair market value of \$450,000, (v) time-based restricted stock units with a grant date fair market value of \$450,000, (vi) reimbursement for reasonable relocation expenses (vii) a housing allowance in the amount \$4,000 per month until the earlier of (a) 36 months from November 1, 2017, and (b) his purchase of a permanent residence in the Orange County, California area, and (viii) all customary and usual benefits available to senior executive officers under the Company's benefit plans.

There are no arrangements or understandings between Mr. Onopchenko and any other person pursuant to which he was selected to serve as Chief Executive Officer. There are no family relationships between Mr. Onopchenko and any director, executive officer or person nominated or chosen by the Company to become a director or executive officer. Except for his existing employment relationship with the Company and the compensation arrangements arising in connection therewith, there are no relationships involving Mr. Onopchenko that are required to be reported pursuant to SEC regulations.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Employment Agreement, a copy of which will be filed as an exhibit to the Company's next periodic report filed with the Securities and Exchange Commission.

Issuance of Press Release

On May 2, 2018, the Company issued a press release announcing the appointment of Mr. Onopchenko. A copy of the press release is attached hereto as Exhibit 99.2.

The press release attached as Exhibit 99.2 is being furnished herewith and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release Regarding First Quarter Financial Results, dated May 2, 2018.
99.2	Press Release Regarding Appointment of John Onopchenko as Chief Executive Officer, dated May 2, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENDOLOGIX, INC.

Date: May 2, 2018

/s/ Vaseem Mahboob

Vaseem Mahboob

Chief Financial Officer

(Principal Financial and Accounting Officer)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Press Release Regarding First Quarter Financial Results, dated May 2, 2018.
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99.2	Press Release Regarding Appointment of John Onopchenko as Chief Executive Officer, dated May 2, 2018.
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**INVESTOR CONTACT:**

Endologix, Inc.

Vaseem Mahboob, CFO

(949) 595-7200

Endologix Reports First Quarter 2018 Financial Results

IRVINE, Calif., May 2, 2018 - Endologix, Inc. (NASDAQ: ELGX), a developer and marketer of innovative treatments for aortic disorders, today announced financial results for the first quarter ended March 31, 2018.

“Our top-line performance during the first quarter reflects slightly better-than-expected growth in our OUS business driven by solid AFX growth in both the European and CAPLA markets. In the U.S. market, a decline in our AFX business was partially offset by continued growth in our Ovation business,” commented Vaseem Mahboob, Endologix’s Chief Financial Officer. “On the product development and clinical side, we successfully completed enrollment of the first patient in our EVAS2 IDE clinical study of the Nellix[®] EndoVascular Aneurysm Sealing (EVAS) System. Additionally, we announced positive results from our global ENCORE analysis with polymer endovascular aneurysm repair (EVAR) using our Ovation Abdominal Stent Graft Systems. These accomplishments reinforce Endologix’s value proposition and our commitment to delivering the best products to physicians and patients around the globe.”

Financial Results

Global revenue in the first quarter of 2018 was \$42.3 million , a 0.8% decrease from \$42.6 million in the first quarter of 2017. U.S. revenue in the first quarter of 2018 was \$29.4 million , a 4.9% decrease from U.S. revenue of \$30.9 million in the first quarter of 2017. International revenue was \$12.9 million , a 10.1% increase from International revenue of \$11.7 million in the first quarter of 2017. On a constant currency basis, first quarter 2018 International revenue increased 3.3% over the first quarter of 2017.

Gross profit was \$28.3 million in the first quarter of 2018, which represents a gross margin of 67.0% . This compares to a gross profit of \$28.6 million , or a gross margin of 67.2% , in the first quarter of 2017.

Total operating expenses decreased 6.6% to \$41.4 million in the first quarter of 2018, compared to \$44.3 million in the first quarter of 2017 due to effective cost management.

Net loss for the first quarter of 2018 was \$19.8 million , or \$(0.24) per share, compared to a net loss of \$21.3 million , or \$(0.26) per share, a year ago. Adjusted Net Loss (non-GAAP, defined below) totaled \$12.9 million , compared to an Adjusted Net Loss of \$15.3 million for the first quarter of 2017. Adjusted EBITDA (non-GAAP, defined below) totaled a loss of \$7.8 million for the first quarter of 2018, compared to Adjusted EBITDA of a loss of \$9.8 million for the first quarter of 2017.

Total cash, cash equivalents, and restricted cash were \$50.1 million as of March 31, 2018 .

Financial Guidance

Endologix reaffirms its previously issued annual guidance and continues to anticipate 2018 revenue in the range of \$170 million to \$180 million, representing a decrease of 1% to 6% compared to 2017. The Company continues to anticipate 2018 GAAP loss per share in the range of \$(0.89) to \$(0.95).

Conference Call Information

Endologix's management will host a conference call today at 4:30 p.m. ET (1:30 p.m. PT) to discuss its first quarter 2018 results.

To participate in the conference call, dial 877-407-9716 (domestic) or 201-493-6779 (international).

This conference call will also be webcast and can be accessed from the "Investors" section of the Company's website at www.endologix.com. The webcast replay of the call will be available at the same site approximately one hour after the end of the call.

A recording of the call will also be available from 7:30 p.m. ET (4:30 p.m. PT) on Wednesday, May 2, 2018, until 11:59 p.m. ET (8:59 p.m. PT) on Wednesday, May 9, 2018. To hear this recording, dial 844-512-2921 (domestic) or 412-317-6671 (international) and enter the passcode 13678418 .

About Endologix, Inc.

Endologix, Inc. develops and manufactures minimally invasive treatments for aortic disorders. The Company's focus is endovascular stent grafts for the treatment of abdominal aortic aneurysms (AAA). AAA is a weakening of the wall of the aorta, the largest artery in the body, resulting in a balloon-like enlargement. Once an AAA develops, it continues to enlarge and, if left untreated, becomes increasingly susceptible to rupture. The overall patient mortality rate for ruptured AAA is approximately 80%,

making it a leading cause of death in the U.S. For more information, visit www.endologix.com.

The Nellix[®] EndoVascular Aneurysm Sealing System has obtained CE Mark in the EU and is only approved as an investigational device in the United States. The Ovation Alto[®] System is only approved as an investigational device and is not currently approved in any market.

Cautions Regarding Forward-Looking Statements

Except for historical information contained herein, this press release 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 “anticipate,” “expect,” “could,” “may,” “will,” “believe,” “estimate,” “forecast,” “goal,” “project,” “continue,” “outlook,” “guidance,” “future,” other words of similar meaning and the use of future dates. Forward-looking statements used in this press release relate to Endologix’s strategy and value proposition, its ability to continue to deliver quality products to physicians and patients, and its 2018 financial guidance, the accuracy of which are necessarily subject to risks and uncertainties that may cause Endologix’s actual results to differ materially and adversely from the statements contained herein. Some of the potential risks and uncertainties that could cause actual results to differ materially and adversely from anticipated results include, continued market acceptance, endorsement and use of Endologix’s products, the success of clinical trials relating to Endologix’s products, product research and development efforts, uncertainty in the process of obtaining regulatory approval for Endologix’s products, Endologix’s ability to protect its intellectual property rights and proprietary technologies, and other economic, business, competitive and regulatory factors. The forward-looking statements contained in this press release speak only as of the date of this press release. Endologix undertakes no obligation to update any forward-looking statements contained in this press release to reflect new information, events or circumstances after the date they are made, or to reflect the occurrence of unanticipated events. Please refer to Endologix’s filings with the Securities and Exchange Commission including its Annual Report on Form 10-K for the year ended December 31, 2017, and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 for more detailed information regarding these risks and uncertainties and other factors that may cause actual results to differ materially from those expressed or implied.

Discussion of Non-GAAP Financial Measures

Endologix’s management believes that the non-GAAP measures of (1) “Adjusted Net Income (Loss)” and (2) “Adjusted EBITDA” enhance an investor’s overall understanding of Endologix’s financial and operating performance and its future prospects by (i) being more reflective of core operating performance and (ii) being more comparable with financial results over various periods. Endologix’s management uses these financial measures for strategic decision making, forecasting future financial results, and evaluating current period financial and operating performance. The presentation of non-GAAP financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in

accordance with GAAP.

"GAAP" is generally accepted accounting principles in the United States.

Adjusted Net Income (Loss) Definition:

(1) "Adjusted Net Income (Loss)" is a non-GAAP measure defined by Endologix as net income (loss) under GAAP, excluding: (i) the fair value adjustment to the Nellix[®] acquisition contingent consideration; (ii) interest expense; (iii) foreign currency (gains) or losses; (iv) legal settlement costs; (v) contract termination and business acquisition expenses; (vi) business development expenses, including licensing costs related to research and development activities; (vii) restructuring and other transition costs; (viii) fair value adjustment of derivative liabilities; (ix) inventory step-up amortization; and (x) loss on extinguishment of debt.

In the three months ended March 31, 2018, this GAAP adjustment to net loss specifically represents: (i) the fair value adjustment to Nellix contingent consideration liability; (ii) interest expense; (iii) foreign currency (gains) or losses; (iv) restructuring and other transition costs; and (v) loss on extinguishment of debt.

In the three months ended March 31, 2017, this GAAP adjustment to net loss specifically represents: (i) the fair value adjustment to Nellix contingent consideration liability; (ii) interest expense; (iii) foreign currency (gains) or losses; and (iv) restructuring and other transition costs.

In future periods, Adjusted Net Income (Loss) will continue to exclude: (i) the fair value adjustments to the Nellix contingent consideration liability; (ii) interest expense; (iii) foreign currency (gains) or losses; (iv) legal settlement costs; (v) contract termination and business acquisition expenses; (vi) business development expenses; (vii) restructuring and other transition costs; (viii) fair value adjustment of derivative liabilities; (ix) inventory step-up amortization; (x) loss on extinguishment of debt; and (xi) other non-recurring expenses or income, as described by Endologix.

Adjusted EBITDA Definition:

(2) "Adjusted EBITDA" is a non-GAAP measure defined by Endologix as "Adjusted Net Income (Loss)" excluding income tax (benefit) expense, depreciation and amortization expense, and stock-based compensation expense.

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ENDOLOGIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited
(In thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2018	2017
Revenue		
U.S.	\$ 29,375	\$ 30,889
International	12,909	11,723
Total Revenue	42,284	42,612
Cost of goods sold	13,958	13,970
Gross profit	\$ 28,326	\$ 28,642
Operating expenses:		
Research and development	5,499	5,530
Clinical and regulatory affairs	3,571	3,835
Marketing and sales	21,725	25,900
General and administrative	10,369	8,873
Restructuring costs	233	166
Total operating expenses	41,397	44,304
Loss from operations	(13,071)	(15,662)
Other income (expense)	(5,441)	(4,298)
Change in fair value of contingent consideration related to acquisition	1,100	(1,200)
Loss on debt extinguishment	(2,270)	—
Total other income (expense)	(6,611)	(5,498)
Net loss before income tax expense	\$ (19,682)	\$ (21,160)
Income tax expense	(85)	(154)
Net loss	\$ (19,767)	\$ (21,314)
Other comprehensive income (loss) foreign currency translation	(127)	356
Comprehensive loss	\$ (19,894)	\$ (20,958)
Basic and diluted net loss per share	\$ (0.24)	\$ (0.26)
Shares used in computing basic and diluted net loss per share	83,706	82,928

Non-GAAP Reconciliations:

	Three Months Ended	
	March 31,	
	2018	2017
Net Loss to Adjusted Net Loss:		
Net loss	\$ (19,767)	\$ (21,314)
Fair value adjustment to Nellix contingent consideration liability	(1,100)	1,200
Interest expense	5,807	4,295
Foreign currency (gain) loss	(325)	4
Restructuring and other transition costs	233	547
Loss on extinguishment of debt	2,270	—
(1) Adjusted Net Loss	\$ (12,882)	\$ (15,268)
Adjusted Net Loss to Adjusted EBITDA:		
Adjusted Net Loss	\$ (12,882)	\$ (15,268)
Income tax expense	85	154
Depreciation and amortization	1,992	2,313
Stock-based compensation expense	3,021	2,954
(2) Adjusted EBITDA	\$ (7,784)	\$ (9,847)

ENDOLOGIX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(In thousands)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,020	\$ 57,991
Restricted cash	2,067	2,608
Accounts receivable, net allowance for doubtful accounts of \$634 and \$470, respectively.	29,241	32,294
Other receivables	437	418
Inventories	45,809	45,153
Prepaid expenses and other current assets	3,120	4,670
Total current assets	128,694	143,134
Property and equipment, net	18,598	19,212
Goodwill	120,977	120,927
Intangibles, net	79,380	80,403
Deposits and other assets	1,694	1,371
Total assets	\$ 349,343	\$ 365,047
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 13,005	\$ 12,351
Accrued payroll	14,519	15,054
Accrued expenses and other current liabilities	15,571	16,002
Current portion of debt	17,474	17,202
Revolving line of credit	—	21
Total current liabilities	60,569	60,630
Deferred income taxes	201	201
Deferred rent	7,742	7,724
Other liabilities	3,150	3,877
Contingently issuable common stock	8,200	9,300
Debt	210,587	208,253
Total liabilities	290,449	289,985
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; 5,000,000 shares authorized. No shares issued and outstanding.	—	—
Common stock, \$0.001 par value; 135,000,000 shares authorized. 84,209,056 and 83,855,824 shares issued, respectively. 83,996,817 and 83,643,585 shares outstanding, respectively.	84	84
Treasury stock, at cost, 212,239 shares.	(2,942)	(2,942)
Additional paid-in capital	598,312	594,586
Accumulated deficit	(539,768)	(520,001)
Accumulated other comprehensive income	3,208	3,335
Total stockholders' equity	58,894	75,062
Total liabilities and stockholders' equity	\$ 349,343	\$ 365,047

**INVESTOR CONTACT:**

Endologix, Inc.

Vaseem Mahboob, CFO

(949) 595-7200

Endologix Appoints John Onopchenko as Chief Executive Officer

IRVINE, Calif., May 2, 2018 - Endologix, Inc. (Nasdaq: ELGX), a developer and marketer of innovative treatments for aortic disorders, today announced that it has appointed John Onopchenko as the Company's Chief Executive Officer, effective immediately.

Dan Lemaitre, Chairman of the Board of Directors of Endologix, Inc., commented, "We are very pleased to welcome John as our Chief Executive Officer. Over the course of the past seven months in the COO role, John has shown the Board first hand that he is an exceptional operator with significant manufacturing, clinical, and regulatory experience. His proven skills in scaling and improving productivity in global commercial organizations at Johnson & Johnson and GE Medical and as a medical device venture capitalist give us confidence in his ability to lead Endologix on an exciting path forward. Separately, on behalf of the Board of Directors, I would like to thank John McDermott for his invaluable contributions to Endologix and for making this transition as smooth as possible."

John Onopchenko, Chief Executive Officer of Endologix, Inc., said, "I am honored to be named Chief Executive Officer of Endologix. Since joining the Company as COO, I have been deeply involved in the operations of the organization, and I'm excited about the bright future that Endologix has ahead of it. I am looking forward to further advancing the Company's innovative portfolio, enhancing its credibility and reputation with our physicians and customers, and building a culture of accountability, with the ultimate goal of delivering value to our stakeholders around the globe."

Mr. Onopchenko, who brings to Endologix almost thirty years of executive leadership experience in medical devices, has served as the Company's Chief Operating Officer since October 2017. Before joining Endologix, Mr. Onopchenko was Executive Vice President for Acutus Medical, where he was responsible for program management/product development, quality, marketing, and sales. Prior to that, he served on the Board of Directors of Volcano Corporation ("Volcano") and later became the company's Executive Vice President / Chief Operating Officer. While at Volcano, he was responsible for its peripheral business unit, regulatory affairs, quality assurance, program management/product development, clinical affairs, business development, and the Axsun business unit. Following Volcano's acquisition by Philips, John was retained as Senior Vice President and Head of Therapy Strategy. Before joining Volcano, Mr. Onopchenko spent approximately 10 years at Johnson & Johnson, where he led medical device investments with Johnson & Johnson Development Corporation and was responsible for worldwide operations for Advanced Sterilization Products.

Mr. Onopchenko earned his MBA from the University of Chicago and a Bachelor of Science from Ursinus College in Collegeville, Pennsylvania.

About Endologix, Inc.

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Cautions Regarding Forward-Looking Statements

Except for historical information contained herein, this press release 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 “anticipate,” “expect,” “could,” “may,” “will,” “believe,” “estimate,” “forecast,” “goal,” “project,” “continue,” “outlook,” “guidance,” “future,” other words of similar meaning and the use of future dates. Forward-looking statements used in this press release include, but are not limited to, statements regarding the anticipated commencement (and commensurate benefits) of Mr. Onopchenko’s employment with Endologix, and statements regarding Endologix’s prospects, the accuracy of which are necessarily subject to risks and uncertainties that may cause Endologix’s actual results to differ materially and adversely from the statements contained herein. Some of the potential risks and uncertainties that could cause actual results to differ materially and adversely from anticipated results include continued market acceptance, hiring, integration and retention of the Endologix’s executive management team, endorsement and use of Endologix’s products (including market acceptance and adoption of the Nellix EVAS System with its refined IFU), risks associated with the manufacturing of Endologix’s products, the success of clinical trials relating to Endologix’s products (including the clinical results of the EVAS2 study), product research and development efforts, risks involved in the manufacture of Endologix’s products, uncertainty in the process of obtaining and maintaining U.S. FDA and other regulatory approvals for Endologix’s products, Endologix’s ability to access equity and debt capital on acceptable terms, Endologix’s ability to enter into or maintain existing financing arrangements on acceptable terms, risks associated with international operations, including currency exchange rate fluctuations, Endologix’s ability to protect its intellectual property rights and proprietary technologies, and other economic, business, competitive and regulatory factors. Undue reliance should not be placed upon the forward-looking statements contained in this press release, which speak only as of the date of this press release. Endologix undertakes no obligation to update any forward-looking statements contained in this press release to reflect new information, events or circumstances after the date they are made, or to reflect the occurrence of unanticipated events. Please refer to Endologix’s filings with the Securities and Exchange Commission including its Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form 10-Q, for more detailed information regarding these risks and uncertainties and other factors that may cause actual results to differ materially from those expressed or implied.

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