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EnteroMedics Announces New Employee Inducement Option Grants

ST. PAUL, Minn., Oct. 12, 2017 /PRNewswire/ -- EnteroMedics Inc. (NASDAQ:ETRM), a developer of minimally invasive medical devices to treat obesity, metabolic diseases and other gastrointestinal disorders, today announced that the Compensation Committee of the Board of Directors of EnteroMedics granted stock options covering an aggregate of 1,255,000 shares of EnteroMedics common stock to 51 persons newly employed by EnteroMedics as a result of the ReShape Medical, Inc. acquisition and a stock option covering 240,000 shares of EnteroMedics common stock to Deborah Schmalz, EnteroMedics' newly hired Vice President of Clinical, Regulatory Affairs and Compliance.

The stock options were granted effective as of October 6, 2017, have a 10-year term, per share exercise price equal to the closing price of EnteroMedics common stock on October 6, 2017, and vest with respect to one-fourth of the underlying shares on the one-year anniversary of the grant date and monthly thereafter over the subsequent three years, subject to the recipient's continued service.

These inducement options were granted under the EnteroMedics Inc. 2017 Employment Inducement Incentive Award Plan, which is a non-stockholder approved plan, approved by the Board of Directors to facilitate the granting of equity awards as an inducement material to new employees joining EnteroMedics. These awards were granted without stockholder approval in accordance with NASDAQ Listing Rule 5635(c)(4) and are subject to the terms of the plan and the award agreements entered into with each recipient. NASDAQ Listing Rule 5635(c)(4) requires a public announcement of inducement equity awards.

About EnteroMedics Inc.

EnteroMedics is a medical device company focused on the development and commercialization of technology to treat obesity and metabolic diseases. vBloc® Neurometabolic Therapy, delivered by an FDA-approved pacemaker-like device called the vBloc® System, is designed to help patients feel full and eat less by intermittently blocking hunger signals on the vagus nerve. EnteroMedics acquired the Gastric Vest System™ through its acquisition of BarioSurg, Inc. in May 2017 and acquired the ReShape Dual Weight Loss Balloon® through its acquisition of ReShape Medical, Inc. in October 2017.



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