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ReShape Lifesciences Announces Agreement with Academy Medical to Provide ReShape Balloon and ReShape vBloc to Department of Defense Facilities

SAN CLEMENTE, Calif., March 7, 2018 /PRNewswire/ -- ReShape Lifesciences Inc. (NASDAQ:RSLS), a developer of minimally invasive medical devices to treat obesity and metabolic diseases, today announced an exclusive federal government business channel sales agreement with Academy Medical, LLC to sell its ReShape Balloon™ and ReShape vBloc™ products to U.S. Department of Defense (DoD) medical facilities.

Through this agreement, the ReShape Balloon and ReShape vBloc are both now approved products for sale into DoD medical facilities. This new agreement adds increased distribution by Academy Medical of ReShape vBloc, which has been distributed through Academy Medical to VA facilities since May 2016. Academy Medical is a certified Service-Disabled Veteran-Owned Small Business specializing in the distribution of medical products to VA and DoD hospitals and community-based outpatient clinics.

"We are so excited and proud of this contract, which expands our exclusive distribution for ReShape vBloc and establishes our ReShape Balloon as the exclusive intragastric balloon distributed by Academy Medical. The agreement represents industry validation of our technologies and is yet another step down the path of providing access to our ReShape Lifesciences™ products for the obesity continuum of care," said Dan Gladney, ReShape Lifesciences President and Chief Executive Officer. "We now are able to offer both our ReShape Balloon and ReShape vBloc to the over 400 DoD medical facilities that purchase through the Academy Medical network and to help the patients in those facilities to overcome obesity."

The ReShape Balloon uses advanced interconnected balloon technology designed to take up room in the stomach to help people with a 30-40 kg/m^2 Body Mass Index (BMI), and at least one co-morbidity, feel full and lose weight.

ReShape vBloc is a pacemaker-like device that is designed to help patients eat less and lose weight by intermittently blocking hunger signals on the vagus nerve. The ReShape vBloc is FDA approved for patients with a BMI of 40-45 kg/m^2, or 35-39.9 kg/m^2 with a minimum of one related comorbid condition.

The DoD medical facilities include 55 Military Hospitals, 373 Military Medical Clinics and 9.4 million active military beneficiaries throughout the United States.

About Academy Medical, LLC

Academy Medical, LLC is a certified Service-Disabled Veteran-Owned Small Business specializing in providing innovative medical products including orthopedic implants, allograft tissue, wound care products and more. Having established a purchasing relationship with over 130 government facilities worldwide, Academy Medical's expansive network delivers value through solutions that provide direct access to the multi-billion dollar federal medical marketplace. For more information, please visit www.academymedical.net.

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 Body 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 35-45 Body Mass Index (BMI) 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. 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 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 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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