



ReShape Lifesciences® Provides Update on 2024 Cost Reduction Plan and Reorganization to Prioritize Commercialization of Lap-Band® 2.0 FLEX

March 4, 2024

2024 Operating Expenses Expected to Decrease by 55.4% Compared to 2023

Company Reaffirms Commitment to Profitability

High Priority Search for Synergistic M&A Partner Continues

IRVINE, Calif., March 04, 2024 (GLOBE NEWSWIRE) -- **ReShape Lifesciences® (Nasdaq: RSLS)**, the premier physician-led weight loss and metabolic health solutions company, today announced a 2024 cost reduction plan and reorganization to prioritize the commercialization of the company's next generation, enhanced Lap-Band® 2.0 FLEX. Full implementation of the plan is expected to result in lower operating expenses of approximately \$7.9 million in 2024 compared to \$17.7 million in 2023, a 55.4% reduction, excluding one-time costs.

"ReShape remains committed to delivering shareholder value and, ultimately, profitability. Our continued focus on restructuring is intended to ensure the long-term sustainability and scalability of the Company," stated Paul F. Hickey, President and Chief Executive Officer of ReShape Lifesciences. "As we considered the impact of GLP-1 prescriptions for weight loss treatment, which has put pressure on the bariatric industry, it was necessary to take a hard look at our operations and make significant cost reductions including a further reduction in staff, leading to a projected 55.4% decrease in operating expenses for 2024, compared to last year. This reorganization and decrease in expenses will allow us to focus on and optimize the commercialization of our physician-led redesigned Lap-Band® 2.0 FLEX, designed to improve the patient experience, which is currently in the early launch stage.

"At the same time, we continue our high priority search for synergistic M&A opportunities and, as previously reported, have engaged Maxim Group LLC, on an exclusive basis, to assist in this process. Finding the right partner will be key to the long-term success of ReShape Lifesciences. We look forward to providing further updates during our year end 2024 earnings call, later this month," concluded Mr. Hickey.

About ReShape Lifesciences®

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® System 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 investigational Diabetes Bloc-Stim Neuromodulation™ (DBSN™) system utilizes a proprietary vagus nerve block and stimulation technology platform for the treatment of Type 2 diabetes and metabolic disorders. The Obalon® balloon technology is a non-surgical, swallowable, gas-filled intra-gastric balloon that is designed to provide long-lasting weight loss. For more information, please visit www.reshapelifesciences.com.

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, including the risks and uncertainties associated with the evaluation, pursuit and engagement in any particular transaction. 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. Forward-looking statements in this press release include the statements regarding the company's expected 2024 operating expenses. 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 Form 10-K and 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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Source: ReShape Lifesciences Inc