



## **ReShape Lifesciences® Receives NIH Supplementary Grant with the University of Southern California's Center for Autonomic Nerve Recording and Stimulation Systems (CARSS) to Further Develop Next-Generation Electrodes for ReShape's Proprietary Diabetes Bloc-Stim Neuromodulation™ Technology**

November 11, 2024

### **Approximately \$241,000 Grant Will Be Utilized to Conduct Minimally Invasive Laparoscopic Surgical Electrode Implantation Techniques and Long Duration Safety and Blood Glucose Modulation Experiments for the CARSS Project**

IRVINE, Calif., Nov. 11, 2024 (GLOBE NEWSWIRE) -- [ReShape Lifesciences®](#) (Nasdaq: RSLS), the premier physician-led weight loss and metabolic health solutions company, today announced that the Company was awarded an approximately \$241,000 supplementary grant from the National Institutes of Health (NIH), with the University of Southern California's Center for Autonomic Nerve Recording and Stimulation Systems (CARSS), for the development of the next-generation electrodes for ReShape's Diabetes Bloc-Stim Neuromodulation™ (DBSN™) device. The DBSN™ utilizes its proprietary vagus nerve block (vBloc™) technology platform, combined with vagus nerve stimulation, for the treatment of Type 2 diabetes, a prominent disorder associated with obesity. The supplementary grant will be utilized to conduct minimally invasive laparoscopic surgical electrode implantation techniques as well as long duration safety and blood glucose modulation experiments in a porcine model of diabetes.

"ReShape's DBSN™ device effectively regulates vagal block and stimulation to the liver and pancreas, respectively, resulting in improved blood glucose management. This has been demonstrated through successful glycemic control in a Zucker rat model of Type 2 diabetes and an alloxan treated swine model of Type 2 diabetes, with the support of prior NIH grants," stated Jonathan Waataja, Ph.D. Director of Research at ReShape Lifesciences®. "This non-dilutive supplemental grant, awarded over the course of one year will fund studies to test the safety and efficacy of a the next-generation electrodes which can potentially double the nerve contact area to increase the effectiveness of delivering DBSN signals while reducing power consumption. We look forward to collaborating with CARSS to further the development of the novel DBSN™ device as a potential treatment for diabetes and hypoglycemia."

"This fourth grant from the NIH brings our total received awards to \$1.15 million, demonstrating the viability of our non-dilutive funding strategy and the NIH's keen interest in our novel DBSN™ technology and its potential in the global diabetes market," stated Paul F. Hickey, President and Chief Executive Officer of ReShape Lifesciences®. "With these funds, our team has successfully completed the pre-clinical development of the device, utilizing bioelectronics to regulate insulin production and manage blood glucose levels for the potential treatment of Type 2 diabetes and hypoglycemia. This innovative technology has demonstrated the ability to reduce the reliance on medications for diabetics in a personalized manner, aiming to lower treatment costs and complications associated with poorly controlled blood glucose and medication non-compliance. The effectiveness and potential of a DBSN™ device is reflected, not only by the substantial NIH funding, but also by the presentation of compelling preclinical evidence at various medical conferences. Backed by a strong intellectual property portfolio of 74 issued or pending patents related to vBloc, glucose control, AI and Bluetooth applications, we remain committed to furthering its development through similar NIH grants or potential strategic alliances."

#### **About Diabetes Bloc-Stim Neuromodulation™ Device**

The Diabetes Bloc-Stim Neuromodulation™ (DBSN™) system is a novel therapeutic concept that is implanted minimally invasively and delivers bio-electronic neuromodulation of vagus nerve branches that are innervating organs which regulate plasma glucose. The DBSN™ system stimulates vagus celiac fibers of the pancreas to release insulin during stimulation, while blocking the hepatic vagal branch, innervating the liver, to decrease glucose release and decrease insulin resistance following ligation. The DBSN™ system utilizes a proprietary, reversible and adjustable electrical blockade that we believe is key to the future of personalized medicine. We believe the DBSN™ system is superior to both standalone stimulation of the vagus nerve that has shown mixed results, and vagus nerve ligation that has undesirable effects.

#### **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® and Lap-Band® 2.0 Flex Systems provide minimally invasive, long-term treatment of obesity and are 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](http://www.reshapelifesciences.com).

As previously announced ReShape has entered into an asset purchase agreement with Biorad Medisys, Pvt. Ltd., pursuant to which ReShape has agreed to sell substantially all of its assets to Biorad (or an affiliate thereof), including ReShape's Lap-Band® System, Obalon® Gastric Balloon System and the DBSN™ system (but excluding cash). Therefore, at the closing of the transactions contemplated by the asset purchase agreement, the DBSN™ system will be owned by Biorad.

#### **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 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 statements about our continued development of the DBSN™ system and use of the NIH grant funds. 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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