



Business Update

CHAS MCKHANN, PRESIDENT & CEO

September, 2022

Forward Looking Statements & Regulatory Advisory

Forward Looking Statements: Certain statements in this presentation are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. In addition, there is uncertainty about the spread of the COVID-19 virus and the impact it may have on the Company's operations, the Company's financial outlook for future periods, the demand for the Company's products, the Company's liquidity position, global supply chains and economic activity in general. Important factors that could cause actual results to differ materially include: reports of adverse events related to our products, outcomes of clinical studies related to our products, development of competitive medical products by competitors, regulatory approvals and extensive regulatory oversight by the FDA or other regulatory authorities, unfavorable media coverage related to our products or related procedures, coverage and reimbursement decisions by private or government payors, Apollo's ability to support the adoption of its products and broaden its product portfolio; the potential size of Apollo's addressable markets; the execution of our gross margin improvement projects; global supply chain constraints; the effect of inflationary and/or recessionary pressure; foreign currency fluctuations; and the availability of cash for Apollo's future operations as well as other factors detailed in Apollo's periodic reports filed with the Securities and Exchange Commission, or SEC, including its Form 10-K for the year ended December 31, 2021 and Form 10-Q for the three months ended June 30, 2022. Copies of reports filed with the SEC are posted on Apollo's website and are available from Apollo without charge. These forward-looking statements are not guarantees of future performance and speak only as of the date hereof, and, except as required by law, Apollo disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

Non-GAAP Financial Measures: To supplement the Company's financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), the Company reports certain non-GAAP financial measures, including non-GAAP operating expenses, which exclude stock-based compensation. These supplemental measures of our performance are not required by, and are not determined in accordance with GAAP. The Company believes that these non-GAAP financial measures provide investors with an additional tool for evaluating the Company's core performance, which management uses in its own evaluation of continuing operating performance, and a baseline for assessing the future earnings potential of the Company. The Company's non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in the Company's industry, as other companies in the industry may calculate non-GAAP financial results differently. Non-GAAP financial results should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

Product Regulatory Advisory: This presentation is intended for the investment and financial community and not for the promotion of Apollo products or related procedures. The X-Tack is cleared for approximation of soft tissue in minimally invasive gastroenterology procedures (e.g. closure and healing of ESD/EMR sites, and closing of fistula, perforation or leaks). The Apollo IntraGastric Balloon products are approved in the US as a weight loss aid for adults suffering from obesity, with a body mass index (BMI) ≥ 30 and ≤ 40 kg/m², who have tried other weight loss programs, such as following supervised diet, exercise, and behavior modification programs, but who were unable to lose weight and keep it off. In addition, the Apollo IntraGastric balloon has received a Breakthrough Device Designation from the U.S. Food and Drug Administration for use in treating patients with a BMI between 30-40 kg/m² with noncirrhotic nonalcoholic steatohepatitis (NASH) with liver fibrosis. Outside of the US the indications for Apollo IntraGastric Balloon products vary based on product version and local regulatory clearance. The Overstitch is cleared for the endoscopic placement of sutures and the approximation of soft tissue in the GI tract. The Apollo ESG and Apollo ESG Sx Systems are authorized in the US to be used by trained gastroenterologists or surgeons to facilitate weight loss in adults with obesity with Body Mass Index (BMI) between 30 and 50 kg/m² who have not been able to lose weight or maintain weight loss through more conservative measures. The Apollo REVISE and Apollo REVISE Sx Systems are authorized in the US to be used by trained gastroenterologists or surgeons that perform bariatric procedures to facilitate weight loss in adult patients with obesity with BMI between 30-50kg/m² by enabling transoral outlet reduction (TORe) as a revision to a previous bariatric procedure. Apollo has and continues to obtain clinical data on additional uses for its products, the safety and effectiveness of these uses has not been specifically cleared or approved for commercial purposes by the U.S. Food and Drug Administration.

Less-Invasive Portfolio Treats Unmet Needs

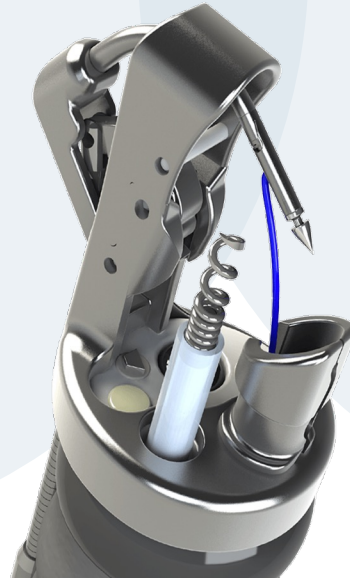
ADVANCED GI

- ESD or EMR site closure
- POEM
- Stent fixation
- Fistula, perforation, other GI tissue closure
- Colonoscopy defect closure
- Reflux (in development)

X-Tack[®]
endoscopic helix tacking system



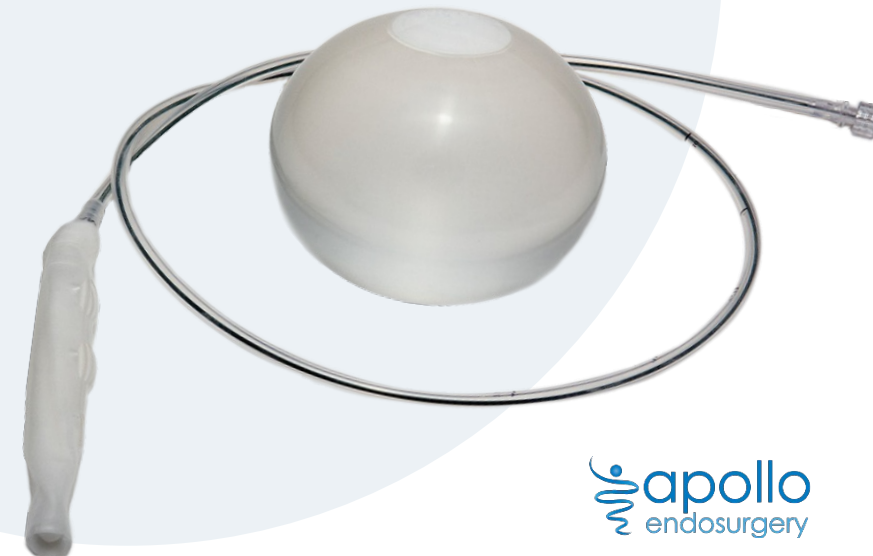
OverStitch[®]
endoscopic suturing system



ENDOBIARIATRIC

- Intra-gastric balloon
- Endoscopic revisions of prior bariatric surgery (e.g., gastric bypass)
- Endoscopic sleeve gastropasty (ESG) (De Novo 510K filed Q3 2021)

Orbera[®]
managed weight loss system





large, expanding market opportunities

Global presence with 3 products across multiple indications

revitalized organization

Experienced & expanded leadership team building world-class foundation to accelerate growth

transforming growth trajectory

by prioritizing **key initiatives**:

energize

Invest to build a foundation for growth

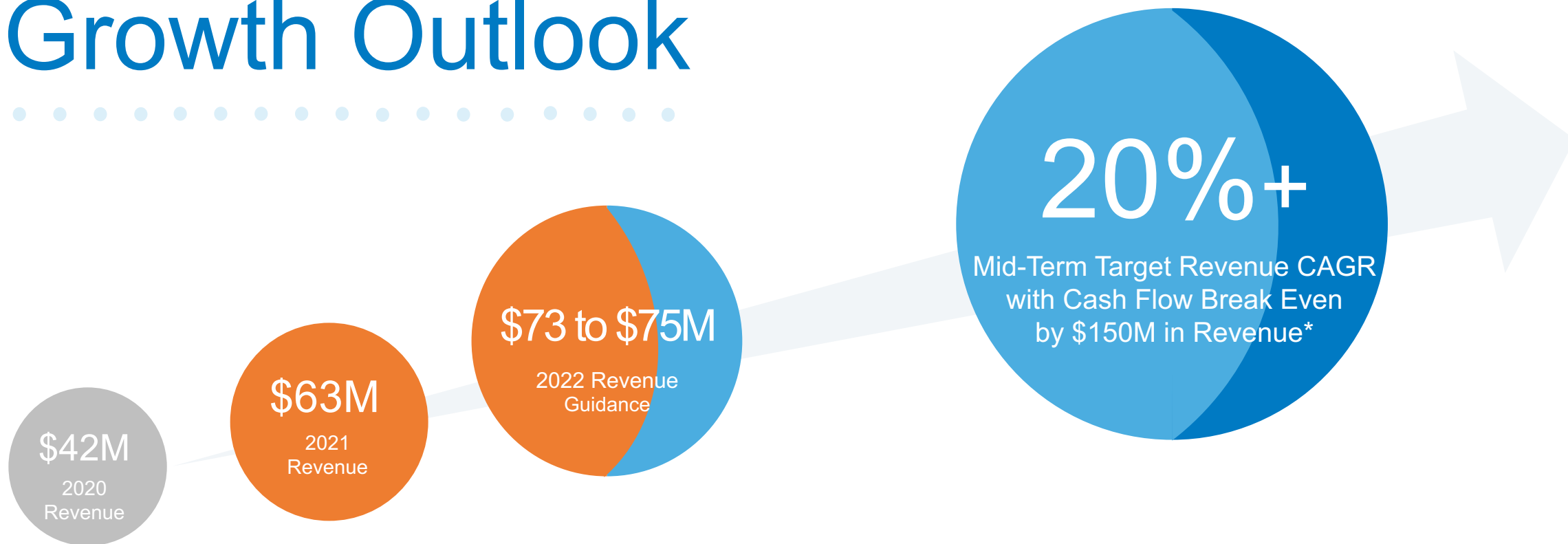
accelerate

Leverage new clinical indications & applications

lead

Become the standard of care

Growth Outlook



Invest to build a foundation for growth

Leverage new clinical indications and applications

Become the standard of care

Motivated, Experienced Leadership Team



Chas McKhann

PRESIDENT & CEO

25 years of experience in med-device CEO & CCO roles with track record of developing effective growth strategies that deliver results



Jeff Black

CFO

30 years of experience in corporate strategy, finance & ops with publicly-traded companies in med device and life sciences



Christopher Gostout, M.D.

CMO

33 years of experience in Gastroenterology & Hepatology, including Dept of Surgery at Mayo Clinic



John Molesphini

EXECUTIVE VP, OPS

40 years of global operational experience in manufacturing, quality, engineering & product development



Kirk Ellis

VP, SALES



Steve Bosrock

VP, MARKETING & MEDICAL ED



David Hooper

VP, QUALITY & REGULATORY



Tiffanie Gilbreth

VP, CLINICAL & MEDICAL AFFAIRS



Mike Gutteridge

VP, INTERNATIONAL SALES & MARKETING



Keely Scamperle

VP, REIMBURSEMENT & MARKET ACCESS



2022 Priorities

Initiatives to accelerate growth
across products & geographies



Expand Core GI Defect Closure & Fixation

continuing to drive OverStitch[®] adoption
& X-Tack[®] penetration; OUS expansion

Leverage Orbera[®] Resurgence

creating sustainable growth
in endobariatric practices

Prepare for Apollo ESG[™] & Apollo Revise[™]

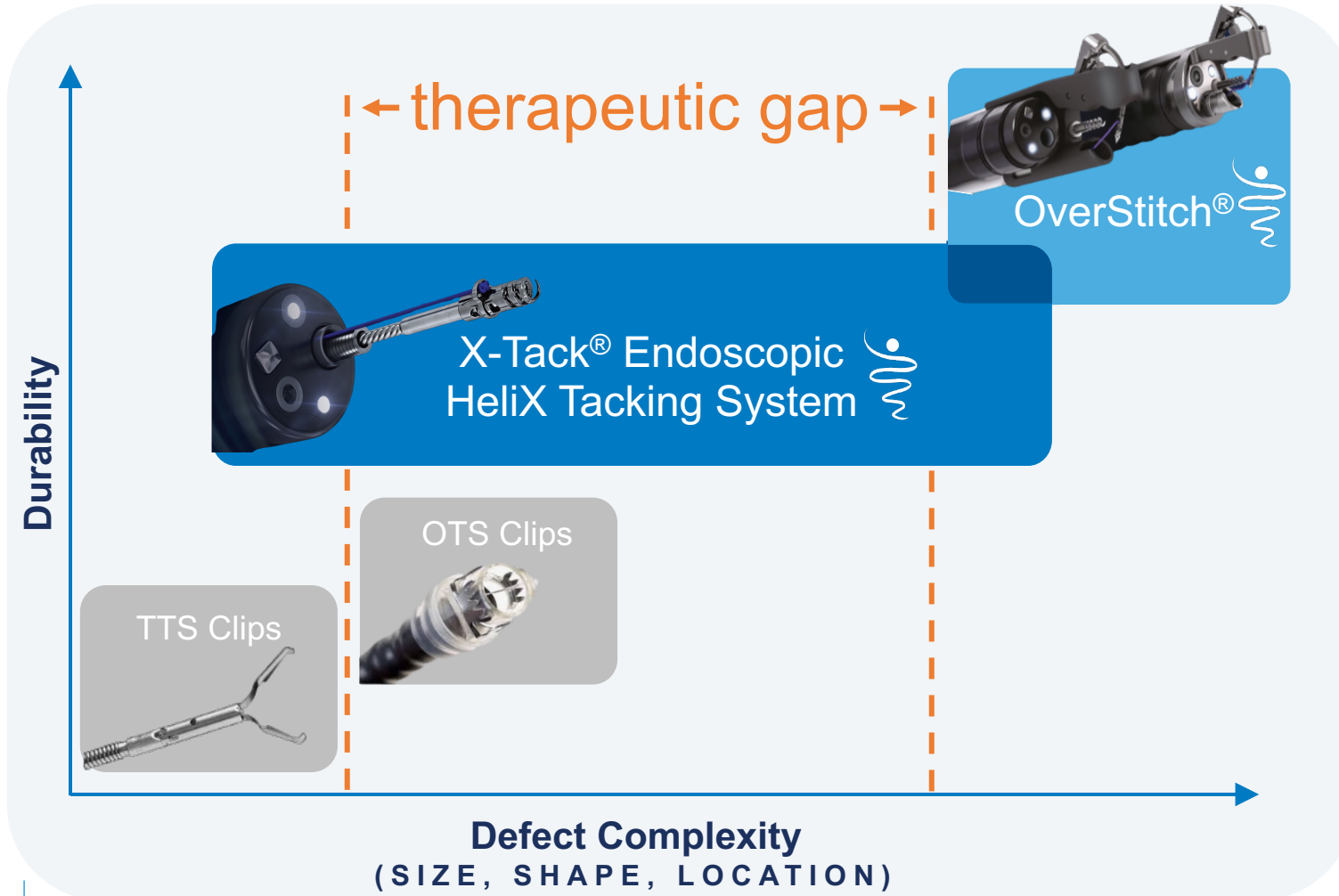
laying groundwork for successful
commercial releases

Advance the Organization

investing to create a world-
class foundation for growth

Expand Core GI Defect Closure & Fixation

X-Tack[®] addresses a therapeutic gap



- Refining targeting in leading, high-volume centers
- Advancing sales training
- Increasing body of supportive clinical evidence
- Expanding peer-to-peer education
- Preparing for broad OUS launch



Expand Core GI Defect Closure & Fixation

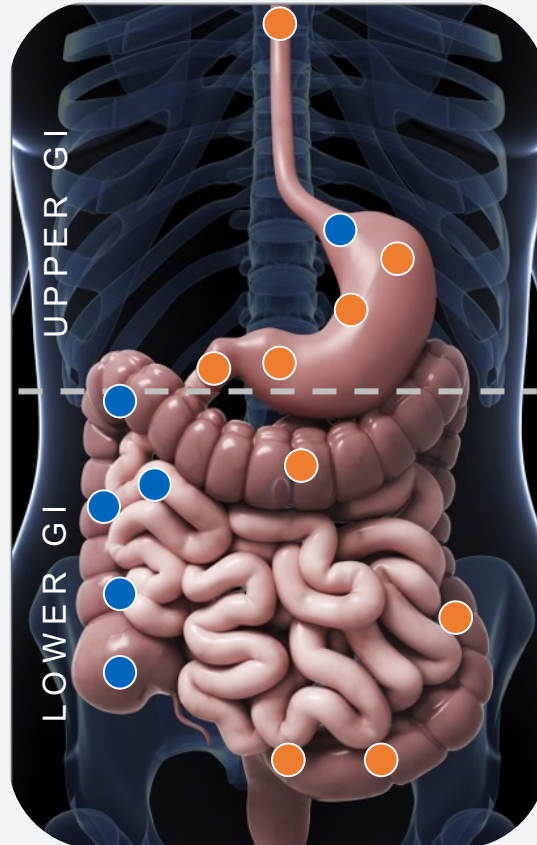
X-Tack® extends opportunity into larger market for lower GI applications



OverStitch®
Endoscopic Suturing
System



X-Tack®
Endoscopic HeliX
Tacking System



● Difficult anatomy now addressable with X-Tack®

● Anatomy accessible with OverStitch® and X-Tack®

X-Tack® has been used successfully in:

- Endoscopic Mucosal Resections (EMR)
- Endoscopic Sub-mucosal Dissections (ESD)
- Fistulas
- Perforations
- Peroral Endoscopic Myotomies (POEM)
- Ulcers
- Post-polypectomy repairs
- Full Thickness Resections
- Mucosal Tears



Endobariatrics: Apollo ESG™, Apollo REVISE™ and Orbera

Years of Effort Have Culminated in Validation: New Authorizations + Top-Tier Publication



The FDA authorized for marketing the Apollo ESG & Revise Systems, the **first FDA-authorized systems for endoscopic sleeve gastroplasty**, a minimally invasive procedure **to facilitate weight loss**. It is intended for adults with obesity (BMI 30-50 kg/m²) who have not been able to lose weight or maintain weight loss through more conservative measures such as diet and exercise.

THE LANCET

Endoscopic sleeve gastroplasty for treatment of class 1 and 2 obesity (MERIT): a prospective, multicentre, randomised trial

Barham K Abu Dayyeh, Fateh Bazerbachi, Eric J Vargas, Reem Z Sharaiha, Christopher C Thompson, Bradley C Thaemert, Andre F Teixeira, Christopher G Chapman, Vivek Kumbhari, Michael B Ujiki, Jeanette Ahrens, Courtney Day, the MERIT Study Group, Manoel Galvao Neto, Natan Zundel, Erik B Wilson

Implications of all the available evidence

The MERIT study proves that ESG is scalable and can be offered in outpatient endoscopy practices by surgeons or gastroenterologists, with an excellent safety profile, without mortality, and with predictable conservatively managed adverse events.

ESG is the **ONLY** procedure that delivers on all fronts:

>10K
patients in
published
studies



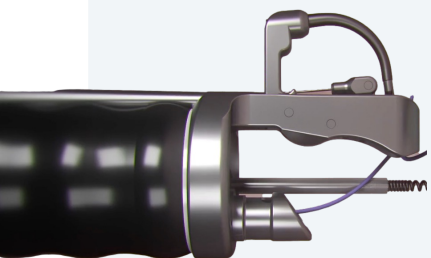
- **FDA authorization** for both primary (Apollo ESG™) AND bariatric revision (Apollo REVISE™) procedures
- **level 1 evidence** MERIT Study¹ published in THE LANCET
- **endoscopic approach** same day, no incisions, fast recovery
- **effectiveness** 49% EWL in MERIT¹; 15-20% TBWL in global published experience^{2,3}
- **safety** 2% rate of serious adverse events (Clavien-Dindo grade 3 or more)
- **durability** 2 years in MERIT¹; up to 5 years in published literature²

FDA Authorization of Apollo ESG™

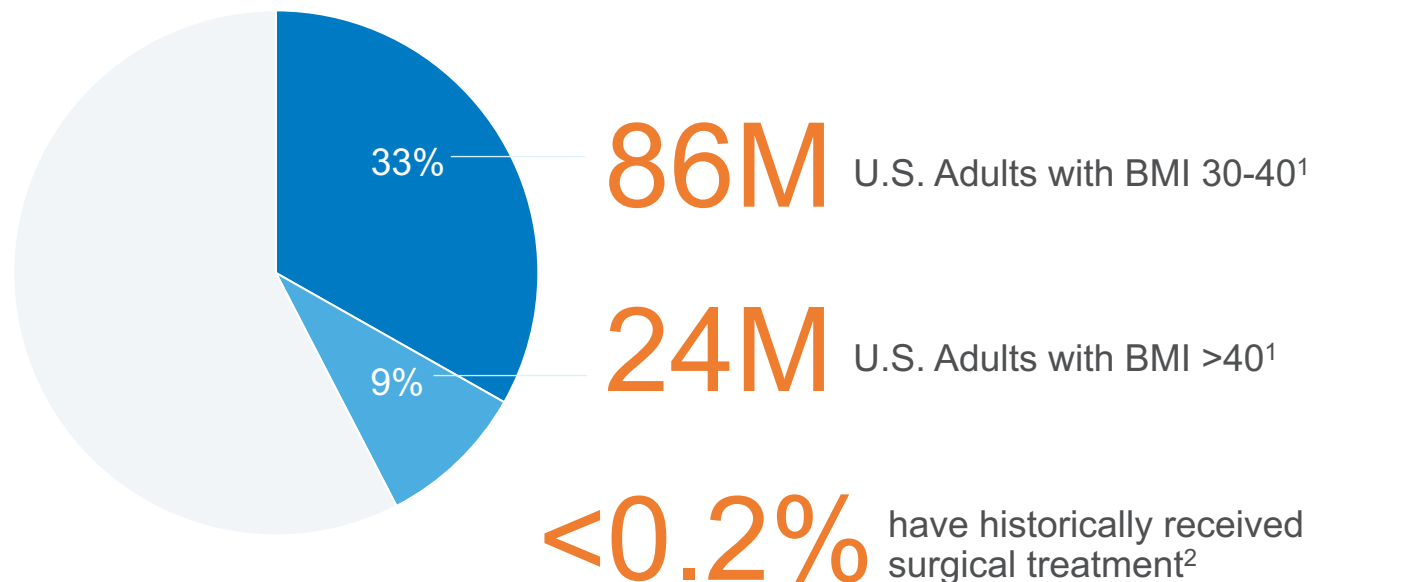
Door has opened to address a **significant unmet need less invasively**

WHAT IS ESG?

Endoscopic Sleeve Gastroplasty is intended to be a minimally invasive weight loss procedure. ESG utilizes OverStitch™ and a camera, which are passed down the esophagus to the stomach. There, permanent sutures are placed to reduce stomach volume.



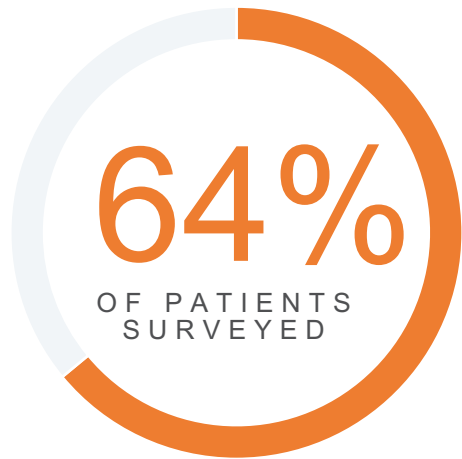
U.S. ADDRESSABLE MARKET



58% of patients we surveyed haven't considered surgical treatment due to concerns about side effects & complications of surgery³

Patients Excited About Less Invasive Treatment

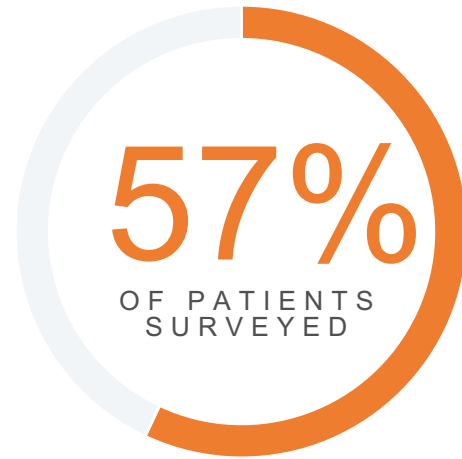
Extending the addressable opportunity beyond the market for surgical treatment



Very interested
(34%) or
interested in ESG

DRIVERS

- 46% no surgical cuts
- 44% significant weight loss
- 43% long lasting loss



**Likely to see a
doctor** to learn
more about ESG

**DUE TO LEVEL OF
SURGICAL INTERVENTION:**

2x Greater preference
for ESG over LSG

4x Greater preference for
ESG over gastric bypass

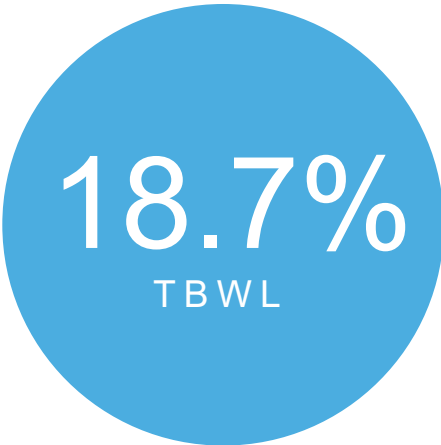
“ I'm ecstatic
after reading about it!
I would love to
know more!

“ I like the
idea of this. The
non-surgical
part is very
appealing.

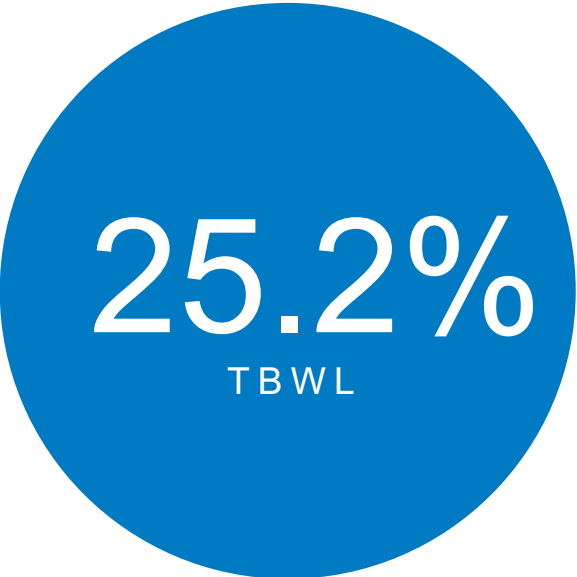
Recent Publication: Potential for Combination Therapy*

Combination of ESG + GLP-1 weight loss drugs may impact treatment paradigm

ESG



ESG + SEMAGLUTIDE¹



AUTHOR'S "KEY POINTS"

- Endoscopic bariatric therapies have not achieved bariatric surgery outcomes on their own
- ESG and semaglutide (ESG-S) approached bariatric surgery weight loss outcomes at 12 months
- Combination therapy may be a less-invasive alternative to bariatric surgery for managing obesity and its complications



Cornell University



angioskope



1. 58 participants undergoing ESG in a small, randomized study were assigned to take semaglutide at a maximum dose of 1.5 mg/week or placebo, starting from within 1 month of the procedure. From around 6 months, weight loss in the semaglutide group began to outstrip that of the placebo group. Outcomes shown were for TBWL at 12 months. | 2. McDermid, E. Semaglutide boosts weight loss of minimally invasive gastric procedure. Medicine Matters diabetes. 5-19-21 . * See regulatory advisory statement on slide 2.

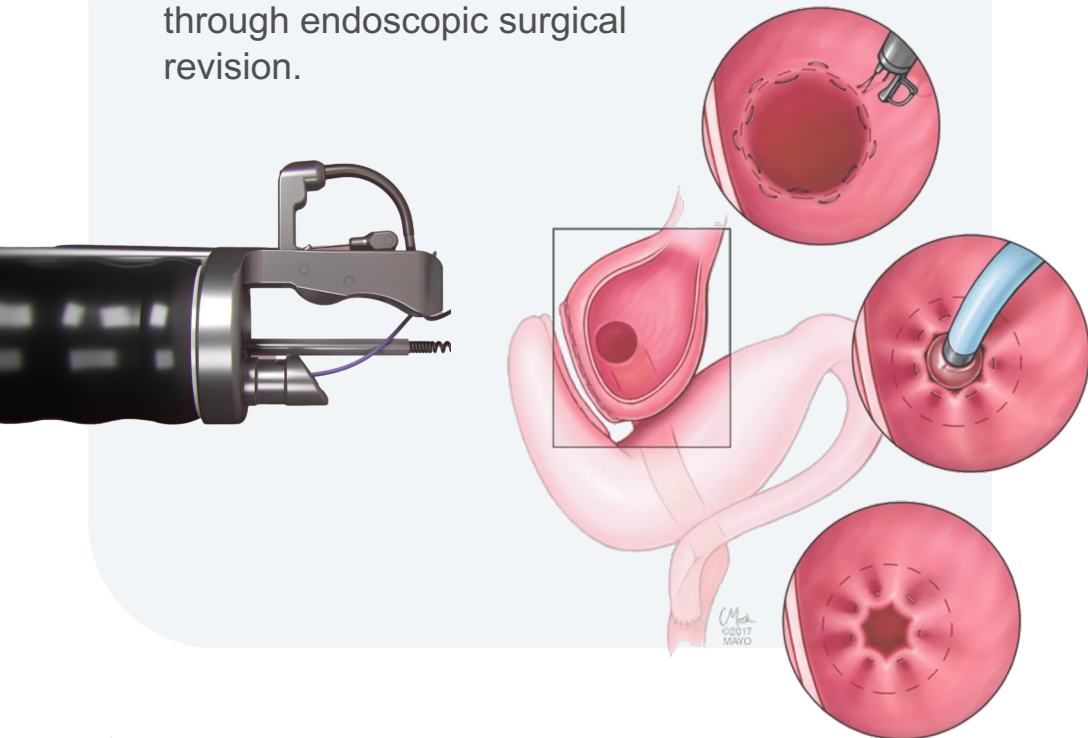


FDA Authorization of Apollo Revise™

Equipping physicians with an efficacious, less invasive solution for revision surgery

WHAT IS REVISION SURGERY?

Anatomically-driven weight regain following gastric bypass surgery can be corrected through endoscopic surgical revision.



REVISION CANDIDATES

1.4M U.S. adults received a gastric bypass or gastric sleeve procedure between 2011 and 2019¹

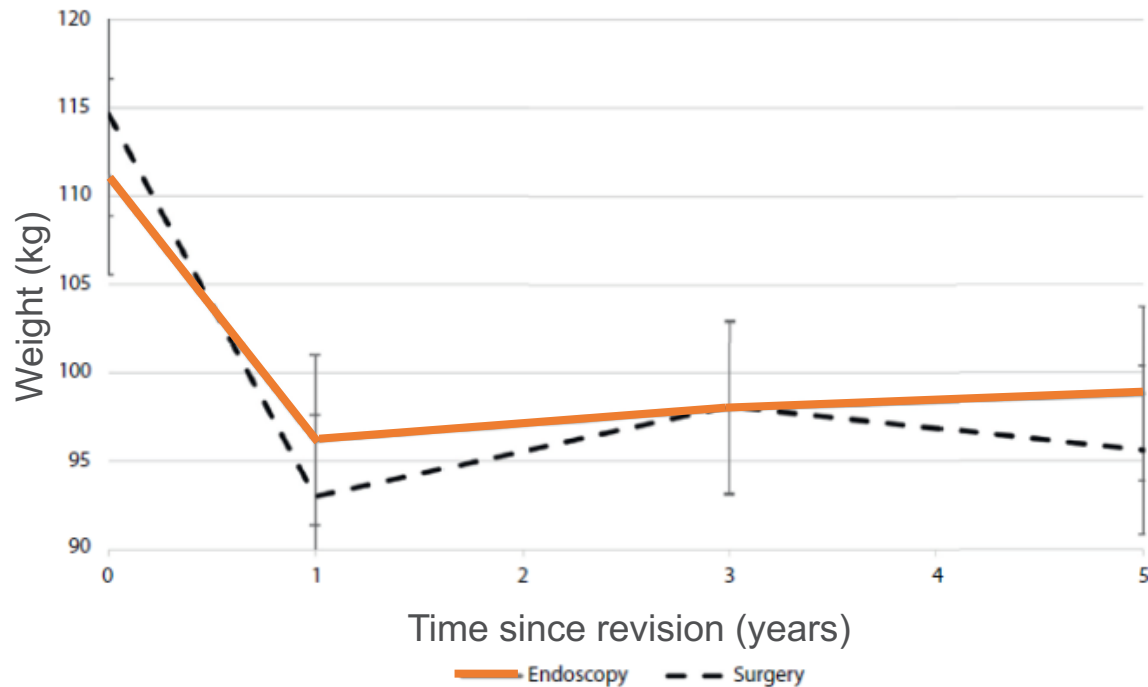
~28% of adult bariatric surgery patients undergo revision surgery²

fastest growing segment of bariatric surgery market³

5-Yr Study: Endoscopic v. Surgical Revisions

Peer-reviewed Brigham & Women's study demonstrated **equivalent efficacy & improved safety profile**

WEIGHT OVER 5-YEAR FOLLOW-UP

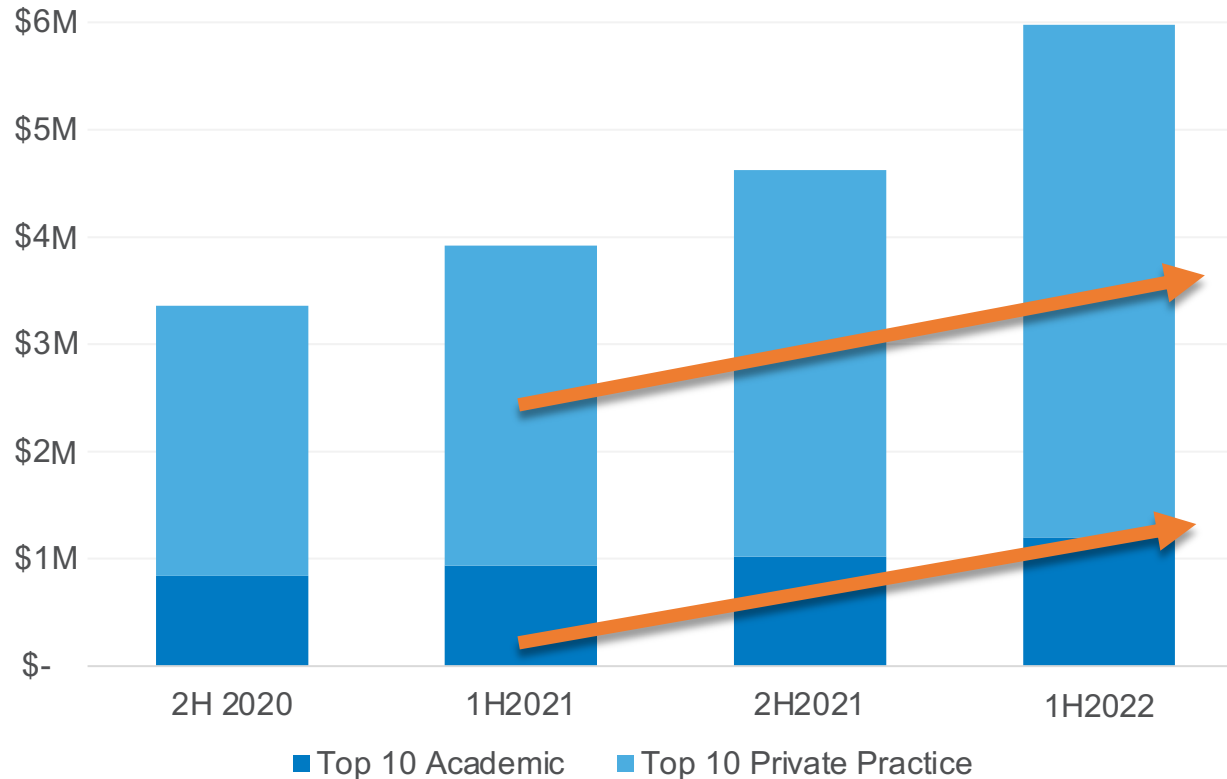


	ENDO	SURGICAL	p
Efficacy at 5 years	11.5% TBWL	13.1% TBWL	0.67
Adverse events	6.5%	29.0%	0.04
Safety profile	0% SAE rate	19.4% SAE rate	0.024

Market Adoption Already Underway

Early adopters have embraced endobariatrics in both academic and private practice settings

TOP 20 U.S. ENDOBARIATRIC ACCOUNTS



>50%

of 1H'22 U.S. revenue driven by endobariatric weight loss*

60%

Growth of revenue contribution from top 10 private accounts 1H'21 to 1H'22

28%

Growth of revenue contribution from top 10 academic accounts 1H'21 to 1H'22*

BATASH
ENDOSCOPIC WEIGHT LOSS CENTER

TAKE CONTROL OF YOUR LONG-TERM WEIGHT LOSS NOW

WORKING ON that summer body?

Our **ESG** procedure can surely help!

Nonsurgical. Quick. Effective.

LOSE UP TO 20% OF YOUR ORIGINAL BODY WEIGHT

WHY IS ESG the ideal weight loss procedure?

- ✓ ESG is performed endoscopically through the mouth.
- ✓ It takes 60 minutes and seals the stomach from the inside to reduce its size.
- ✓ Up to 20% of total body weight is lost.
- ✓ 2 to 3 days of home recovery then you resume your normal routine.

www.the-silhouette-clinic.com

Am I a candidate for ESG?

BWH BRIGHAM AND WOMEN'S HOSPITAL

Your doctor can work with you to determine if ESG is right for you. To qualify for ESG, you need a body mass index (BMI) of at least 30. Healthcare professionals use BMI to determine your health risk for weight-related diseases. It's based on a formula that considers your current weight and height. While it's not a perfect method, BMI can be a useful health indicator for many people. To find out your BMI, you can use our [BMI calculator](#).

How can I improve my health before ESG and prepare for the procedure? You can meet with your doctor to ask any questions you may have about ESG. You also can work with our dietitians and nutritionists before and after the procedure to adopt a healthy lifestyle.

Endoscopic Procedures - Center for Weight Management and Wellness | Brigham and Women's H... [Share](#)

Departments & Centers > Medical Departments & Centers

Bariatric Center in Florida

MAYO CLINIC

Request an Appointment

Request an appointment

Overview

An individualized program that works for your needs

Tests & procedures

A-Z Conditions treated

Weill Cornell Medicine

Metabolic Bariatric Surgery: Surgical Treatment of Obesity >

About the Program | Our Services | Success Stories | Our Care Team | Patient Resources | Contact

Request an appointment

Overview

An individualized program that works for your needs

Tests & procedures

A-Z Conditions treated

ch on [YouTube](#)

awareness is growing

Reference image sources in appendix

trueyou weight loss

How Does ESG Help You Lose Weight?

- Smaller stomach capacity (70-80%)**
- Slower stomach emptying (by 82%) leading to increased fullness**
- Decreased hunger (due to reduced ghrelin levels)**

YOU BEGIN THE JOURNEY OF A LIFESTYLE CHANGE

ULTIMATE BARIATRICS

[YouTube](#)

WVU Medicine

HEALTH REPORT

Bariatric Endoscopy

[YouTube](#)

IBI

ENDOSCOPIC SLEEVE GASTROPLASTY

Patient Journey to Weight Loss

Foundation for Successful Commercialization

Marketing & Medical Education

Patient market research
Branding & messaging
DTP co-marketing (starting with Orbera®)
Public relations
Major conferences (DDW, ASMBS, IFSO, ACG)
Peer to peer education programs

Reimbursement & Market Access

Dedicated & growing R&MA team
Patient access support
Engaging key GI and Surgical societies
Coding/coverage/payment strategy
Health economics/value proposition

PRODUCT LAUNCH

Training

Apollo courses and Mobile Learning Center
Society-sponsored training (e.g., ASGE, ASMBS)
Physician proctoring
Virtual training resources

Sales Team Readiness

Learnings from “Wave 1” accounts
Dedicated Regional Endobariatric Manager roles
Comprehensive account support
Sales process and training



Focusing Team for Sharp Execution

Expanding footprint of REM (Regional Endobariatric Mgmt) team




**MARKET
DEVELOPMENT
MANAGERS (MDM)**

- Product education, training & procedural expertise across all product lines
- Case coverage



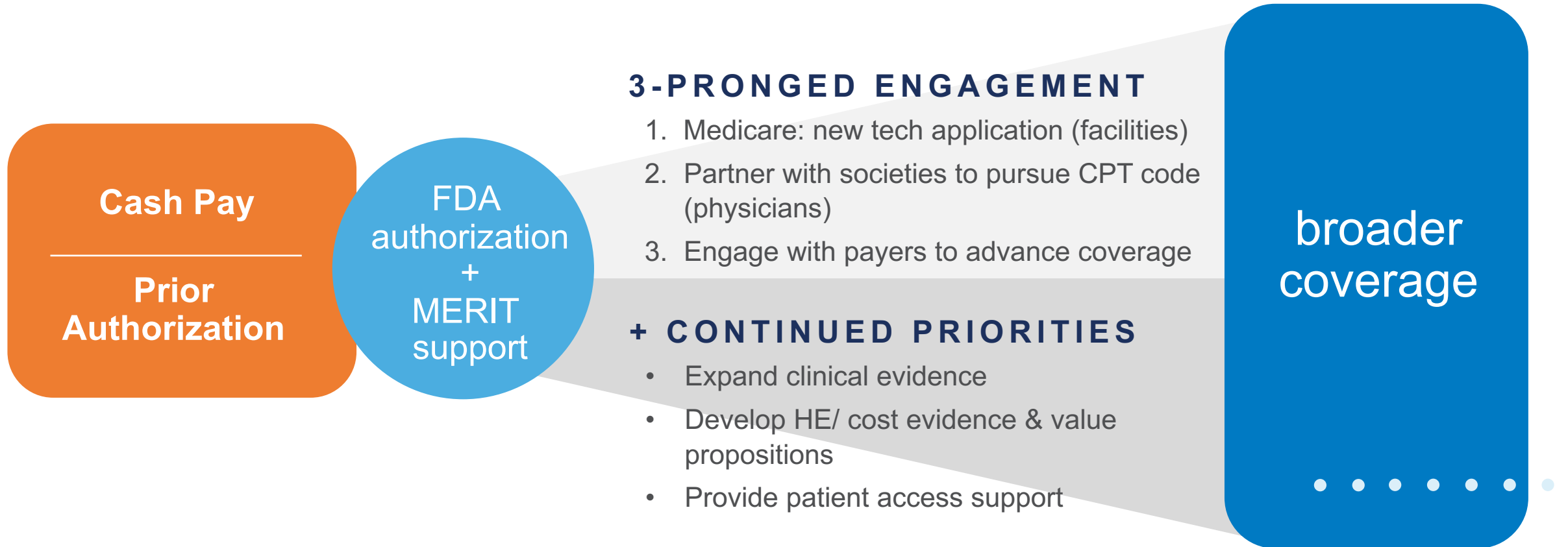
**REGIONAL
ENDOBIARIATRIC
MANAGERS (REM)**

- Endobariatric customer relationships focus + new account identification & development
- Patient support

- 
- Expanding US Sales team toward ~40 by year end
 - Increasing productivity among 65% of talent added since 2021
 - Propagating service culture
 - Enhancing Sales Training
 - Improving analytics with CRM
 - Expanding marketing and physician training capabilities

Engaging Providers to Improve Access to Care

Well-informed strategy to achieve broader, evidence-supported reimbursement over time



Endobariatric Solutions Beget a Win-Win

Patients and providers benefit from best-in-class weight loss options

PATIENTS

Better, customizable weight loss treatment options (Orbera, ESG or Revisions)



PHYSICIANS & PRACTICES

Differentiated patient care with positive outcomes & support to grow practices

Can integrate into existing bariatric surgery practice or standalone endobariatric practice



# cases/ week	\$ Annual practice revenue
2	\$1.0M
5	\$2.5M
10	\$5.0M
15	\$7.5M
20	\$10.0M

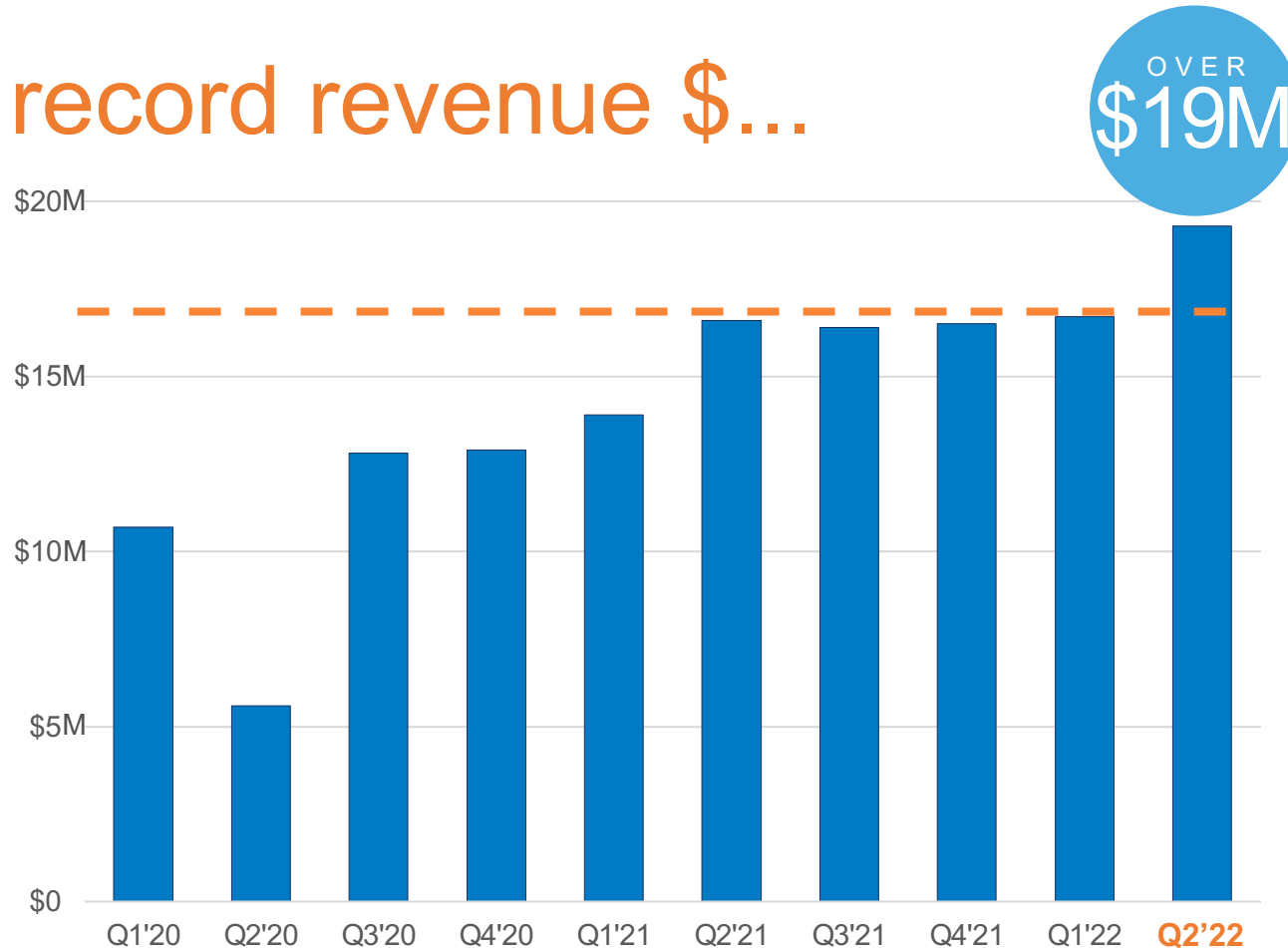
Illustrative practice – level opportunity for practice that offers ESG, revisions & Orbera and utilizes cash pay model



Financials

Record Q2 Revenue + Future Growth Catalysts Secured

record revenue \$...



... AHEAD of recent
growth catalysts



FDA authorizations

Apollo ESG™ and Apollo Revise™
authorized & ready for commercialization



top-tier publication

MERIT study published in THE LANCET

Q2'22 Metrics Demonstrate Strong Execution

CONSTANT CURRENCY

20%

Total revenue growth YoY

Expanded adoption across all product lines drove 18% sequential growth in constant currency

27%

ESS revenue growth YoY

Robust demand for OverStitch® and X-Tack® across range of patient indications

9%

IGB revenue growth YoY

Elective procedure recovery + AGA clinical practice guidelines + increased marketing focus building excitement for Orbera®

GAAP

16%

Total revenue growth YoY

US growth of 18%; int'l growth of 15% with 700bps of Fx impact; global revenue sequential growth of 16%

23%

ESS revenue growth YoY

Strong US growth of 22% and int'l growth of 24% with 900bps of Fx impact

6%

IGB revenue growth YoY

Solid US growth of 7%; OUS growth of 5% with 500bps of Fx impact

Revenue

CONSTANT CURRENCY

	Q2 2021			Q2 2022			YoY		
	US	OUS	TOTAL	US	OUS	TOTAL	US	OUS	TOTAL
ESS	\$6.9M	\$3.8M	\$10.6M	\$8.4M	\$5.1M	\$13.5M	22%	35%	27%
IGB	\$2.1M	\$3.7M	\$5.7M	\$2.2M	\$4.0M	\$6.3M	7%	10%	9%
Other	\$0.2M	--	\$0.2M	\$0.2M	--	\$0.2M	(20%)	--	(19%)
TOTAL	\$9.2M	\$7.4M	\$16.6M	\$10.8M	\$9.1M	\$19.9M	18%	23%	20%

- Investments continue to drive portfolio-wide strength and generated **record revenue quarter** led by 27% ESS growth
- **16% sequential growth in X-Tack** + clinical validation at DDW
- **Fx (primarily Euro*) a material headwind**, costing ~700bps of OUS growth or \$0.6M
- **53% growth** in top 10 direct accounts

GAAP

	Q2 2021			Q2 2022			YoY		
	US	OUS	TOTAL	US	OUS	TOTAL	US	OUS	TOTAL
ESS	\$6.9M	\$3.8M	\$10.6M	\$8.4M	\$4.7M	\$13.0M	22%	24%	23%
IGB	\$2.1M	\$3.7M	\$5.7M	\$2.2M	\$3.8M	\$6.1M	7%	5%	6%
Other	\$0.2M	--	\$0.2M	\$0.2M	--	\$0.2M	(20%)	--	(19%)
TOTAL	\$9.2M	\$7.4M	\$16.6M	\$10.8M	\$8.5M	\$19.3M	18%	15%	16%

FY'22 Revenue Guidance

Continued strong momentum despite material Fx headwinds

\$73M - \$75M

YOY GROWTH
16-19%

Impact of new FDA marketing authorization for Apollo ESG™ & Apollo Revise™ will build gradually

UP TO
\$3M

FX HEADWIND
INCLUDED

Euro exchange rate down
~11% since beginning
of 2022¹

20 - 24%

YOY CONSTANT
CURRENCY GROWTH

In line with target
revenue CAGR

Gross Margin

	Q2 2021	Q2 2022	YoY
Gross Margin \$	\$9.1M	\$11.0M	20%
Gross Margin %	54.9%	56.8%	+190bps
Gross Margin % (constant currency)		58.1%	+320bps

- YoY GM% increase attributed to product mix, cost improvements & improved overhead absorption on higher revenue base
- Q2'22 GAAP GM pressured by Fx - continued headwinds anticipated in 2H

TODAY 3-5 YEAR OUTLOOK

mid-50%s

- Early product ramp
- Manufacturing scale-up
- Managing supply chain complexities

mid-60%s

- Expected expansion driven by:
- Sales growth
 - Product mix
 - Overhead absorption efficiencies
 - Cost reduction projects for OverStitch®

Non-GAAP Operating Expenses

Prudently investing to facilitate growth initiatives

	Q2 2021	% of Revenue	Q2 2022	% of Revenue
S&M	\$5.8M	35%	\$8.7M	45%
R&D	\$2.4M	14%	\$2.7M	14%
G&A	\$3.2M	19%	\$4.1M	21%
Total	\$11.4M	69%	\$15.5M	80%

- S&M investments driving adoption, increasing penetration, expanding footprint and preparing for commercialization of Apollo ESG™ and Apollo Revise™
- Strengthening capabilities in R&D, clinical, regulatory, and reimbursement + investing to drive GM improvement and supply chain reliability
- Thoughtfully assessing investments outside of core growth initiatives



Cash Use & Financing Highlights

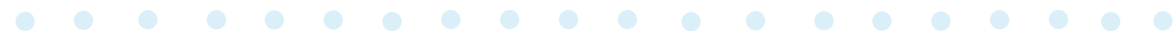
Multi-year runway with line of sight to cash flow break-even

\$140M cash and committed cash
at June 30, 2022

\$75M+ in cash and cash equivalents

Up to **\$40M** in committed debt capital to fund operating needs*

Up to **\$25M** in committed debt capital for M&A opportunities*



~\$125M expected cash & committed cash
at December 31, 2022

>\$60M in cash & cash equivalents

~\$30M cash use FY'22

CASH USE ¹	Q1 2022	Q2 2022
Operating	\$ 5.3M	\$ 4.6M
Working Capital	\$ 2.9M	\$ 1.3M
Capex	\$ 0.5M	\$ 0.4M
Debt Service	\$ 0.4M	\$ 0.7M
TOTAL	\$ 9.1M	\$ 7.0M

~\$2M sequential decline in cash use

Our Business at Scale

Balance sheet + committed capital to achieve cash flow break-even

Illustrative Model¹

“Base Case” Target Metrics	\$100M	\$150M	\$200M
Revenue	\$100M	\$150M	\$200M
Gross margin %	~60%	~65%	~65%
Non-GAAP Opex % ²	~75%	~65%	~60%
Adjusted EBITDA %	—	+	+
Free-Cash Flow	—	Break even	+

investment decisions that may accelerate growth beyond ‘base-case’

Clinical

R&D

Strategic/
M&A

Add'l
patient
marketing

1. These figures represent targeted achievement levels based on various revenue levels. Achievement of these illustrative targets depends on a variety of factors, some of which may not be within the Company's control and cannot be anticipated at this time. The Company may decide to prioritize achievement of other metrics in the future. You should not rely on this model or illustrative targets as predictions of future results.

2. Non-GAAP operating expenses exclude non-cash stock-based compensation and intangible amortization.



Thank You!

UPCOMING I.R. ACTIVITY

Lake Street Big Ideas Conference – September 14 (New York)
Stifel Healthcare Conference 2022 – November 15-16 (New York)
Stephens Annual Investment Conference – November 15 – 17 (Nashville)
Craig Hallum Alpha Select Conference – November 17 (New York)
2022 Piper Sandler Healthcare Conference - November 29 – December 1 (New York)



Appendix

Appendix: Selected Financial Results

In \$MM except %s	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
Revenue	\$50.7	\$10.7	\$5.6	\$12.8	\$12.9	\$42.0	\$13.9	\$16.6	\$16.4	\$16.2	\$63.0	\$16.7	\$19.3
Gross Margin	50.6%	52.6%	43.0%	54.5%	55.9%	52.9%	54.2%	54.9%	56.4%	56.3%	55.5%	56.3%	56.8%
S&M	\$28.7	\$6.3	\$2.3	\$4.2	\$4.6	\$17.4	\$4.8	\$6.0	\$6.1	\$7.4	\$24.3	\$8.2	\$9.1
G&A	\$13.6	\$3.3	\$2.2	\$2.4	\$3.2	\$11.1	\$4.1	\$5.3	\$4.6	\$4.5	\$18.4	\$5.2	\$5.0
R&D	\$10.4	\$2.1	\$1.8	\$1.5	\$2.2	\$7.7	\$1.9	\$2.6	\$2.6	\$2.5	\$9.5	\$2.7	\$2.9
Amortization	\$2.1	\$0.5	\$0.5	\$0.5	\$0.5	\$1.9	\$0.5	\$0.5	\$0.5	\$0.5	\$1.9	\$0.5	\$0.5
Total operating expenses	\$49.2¹	\$12.3	\$6.7	\$8.6	\$10.4	\$38.0	\$11.3	\$14.4	\$13.7	\$14.8	\$54.2	\$16.6	\$17.5
Loss from operations	(\$23.5)	(\$6.7)	(\$4.3)	(\$1.6)	(\$3.2)	(\$15.8)	(\$3.8)	(\$5.2)	(\$4.5)	(\$5.7)	(\$19.2)	(\$7.2)	(\$6.6)
Net Loss	(\$27.4)	(\$10.3)	(\$6.3)	(\$2.6)	(\$3.5)	(\$22.6)	(\$4.6)	(\$3.0) ²	(\$6.7)	(\$10.4)	(\$24.7)	(\$8.2)	(\$10.4)
Adjusted EBITDA	(\$23.2)	(\$5.3)	(\$2.9)	(\$0.3)	(\$1.7)	(\$10.2)	(\$2.0)	(\$1.9)	(\$2.5)	(\$3.5)	(\$9.9)	(\$5.0)	(\$4.3)
Net Loss per Share	(\$1.27)	(\$0.49)	(\$0.30)	(\$0.11)	(\$0.14)	(\$0.99)	(\$0.17)	(\$0.11)	(\$0.23)	(\$0.27)	(\$0.82)	(\$0.21)	(\$0.26)
Shares used in Net Loss per Share	21.5	21.1	21.2	23.1	25.6	22.8	26.3	27.3	29.0	38.3	30.2	39.7	40.4

Non-GAAP Reconciliation

Operating Expenses

In \$M	Q2 2021	Q2 2022
S&M	\$6.0	\$9.1
Less: Stock-Based Comp in S&M	\$0.2	\$0.4
Non-GAAP R&D	\$5.8	\$8.7
R&D	\$2.6	\$2.9
Less: Stock-Based Comp in R&D	\$0.2	\$0.3
Non-GAAP S&M	\$2.4	\$2.7
G&A	\$5.3	\$5.0
Less: Stock-Based Comp in G&A	\$2.1	\$1.0
Non-GAAP G&A	\$3.2	\$4.1

Capitalization

\$310M Market cap +
pre-funded warrants¹

Share Price (as of 08/01/2022)	\$5.77
Average Daily Volume	354,000
52-Week Range	\$3.49 / \$10.39
Market Capitalization	\$234 million
+ Pre-Funded Warrants ¹	\$310 million

\$289M Enterprise value +
pre-funded warrants¹

Long-Term Debt ² (as of 06/30/2022)	\$35 million
Convertible Debt ³ (as of 06/30/2022)	\$20 million
Cash (as of 06/30/2022)	\$76 million
Enterprise Value ¹	\$213 million
+ Pre-Funded Warrants ¹	\$289 million



Image Sources – Slide 25



1. <https://batashmedical.com/blog/is-endoscopic-sleeve-gastroplasty-permanent/>
2. <https://thesilhouetteclinic.com>
3. <https://www.brighamandwomens.org/cwmw/endoscopic-sleeve-gastroplasty>
4. <https://www.mayoclinic.org/departments-centers/bariatric-center-florida/sections/overview/ovc-20523458>
5. <https://weillcornell.org/bariatrics>
6. <https://trueyouweightloss.com/blog/qa-endoscopic-sleeve-gastroplasty-esg/>
7. <https://ultimatebariatrics.com/procedures/endoscopic-sleeve-gastroplasty>
8. <https://wvumedicine.org/ruby-memorial-hospital/services/wvu-specialty-clinics/digestive-diseases/endoscopic-weight-loss/>
9. <https://www.ibihealthcare.com/advanced-weight-loss-center-2/endoscopic-sleeve-gastroplasty-esg/>