Forward Looking Statements

This presentation contains forward-looking statements, including, but not limited to, statements related to Apollo Endosurgery’s strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, expected impact, timing and potential benefits from recent and future transactions, expectations regarding development programs and timing of regulatory and commercial events and other statements that are not historical facts. These forward-looking statements are based on Apollo Endosurgery’s current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of risks and uncertainties, which include, without limitation, whether Apollo Endosurgery is able to successfully execute its commercial and product development strategies and other long-term financial metrics; the ability to grow sales and revenues from existing product offerings; the fact that past financial or operating results are not a guarantee of future results; competition; regulatory obligations and oversight, including potential changes in healthcare laws and regulations and other factors detailed from time to time in the reports Apollo files with the Securities and Exchange Commission, or SEC, including its Form 10-K for the year ended December 31, 2016 and its Form 10-Q for the three months ended September 30, 2017. 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.
Apollo Endosurgery Overview

Market share leader in less invasive devices that treat obesity

Large target market of more than 600 million obese people worldwide, ~70 million in the U.S.

Scaled commercial infrastructure supporting approximately $65 million in 2016 revenue

- Direct sales teams in the U.S., Brazil, Canada, Australia, and key countries in Europe
- Products approved for sale in 80+ countries

Significant growth opportunity in endo-bariatrics

- ORBERA® World’s #1 Intra-Gastric Balloon System
- OverStitch™ Endoscopic Suturing System
Bariatrics: Large Global Market Opportunity

- Enormous obesity market with significant unmet need – no appealing solution to the problem

**600M Obese Adults Worldwide**

**56M U.S. Adults with BMI of 30-40**

**12.7M U.S. Adults with BMI of 40+**

**< 200K U.S. Bariatric Procedures**

**20+ Obesity Comorbidities**

- Heart Disease
- Type 2 Diabetes
- Hypertension
- Obstructive Sleep Apnea
- High Blood Pressure
- Liver Disease
- Infertility
- Cancer

Up to **2x** the cost of providing equivalent healthcare to a person with BMI of 40 vs. person with BMI < 30

Less than **2% U.S. Market Penetration**

Sources:
Centers for Disease Control
American Society for Metabolic and Bariatric Surgery, July 2016
### Apollo’s Minimally Invasive Obesity Solutions

<table>
<thead>
<tr>
<th>Surgical</th>
<th>Endo-Bariatrics</th>
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</thead>
<tbody>
<tr>
<td>- Long FDA history (15+ years)</td>
<td>- Global market leader</td>
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<tr>
<td>- Only low BMI surgical option</td>
<td>- Over 20 years market experience</td>
</tr>
<tr>
<td>- 400+ peer-reviewed publications</td>
<td>- Distributed 277,000 worldwide through Q1 2017</td>
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<tr>
<td>- Long-term implant &gt; 5 years</td>
<td>- 230+ peer-reviewed publications</td>
</tr>
<tr>
<td>- PMA</td>
<td>- PMA</td>
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</table>

**Surgical**
- lap-band
- Orbera
- OverStitch

**Endo-Bariatrics**
- First endoscopic full thickness suturing device
- Wide range of applications:
  - Bariatric revisions
  - Primary bariatrics
  - GI defects
  - Stent fixation
Our Growth Strategy: Focused on Endo-Bariatrics

- Mature product
- Dedicated and highly effective user base
- High margin contribution that supports growth initiatives
- Addressing patient demand for minimally invasive procedures
- Large potential U.S. market at early stage of development
- Supported by medical education and patient education investments
- 3Q 2017 highlights:
  - 27% year-over-year sales growth (excluding U.S. ORBERA starter kit sales)
  - Momentum of Endo-Bariatrics sales overtook the maturation and decline of Surgical sales

Bariatric Surgeon

Gastroenterologist

Surgical
43% of 3Q17 Sales

Endo-Bariatrics
57% of 3Q17 Sales
Apollo Endosurgery Revenue Development

- 3Q 2017 inflection point:
  - Total Revenue increased by close to 5%
  - Endo-Bariatric product revenue exceeds Surgical
OverStitch

- World’s first and only suturing device that enables full-thickness suturing with a flexible endoscope
- Enables physicians to perform endolumenal procedures that could not previously be done without surgery
- OverStitch has broad current and future applications – upper and lower GI tract

![Primary Bariatric (ESG)](image)

![Bariatric Revisions](image)

![GI Closures](image)

2017 Procedure Mix Estimate

- ESG 30%
- Bariatric Revisions 32%
- Advanced GI 25%
- Stent Fixation 13%
ESG uses suturing to reduce the volume of the stomach, similar to surgical sleeve gastrectomy, but without invasiveness of surgery and removal of the gastric remnant.

Recent data released in April 2017 demonstrated durable and significant weight loss at 24 months with low adverse events.

| ESG Clinical Data |
| ------------------ |------------------|------------------|
| **Multicenter Study** | **Single Center Study** |
| %TBWL at 24 months | 18.6% | 20.9% |
| Serious Adverse Events | 2% - most associated with reducing the fundus* | 1.1% compared to > 18% from surgical bariatric procedures |
| Other | %TBWL was statistically consistent between the three centers (using three different techniques and patient population) | ESG reduced markers of hypertension (SBP: 129.02 -> 122.23 mmHg), diabetes (HbA1c: 6.1 -> 5.5 %), hyperlipidemia (LDL: 121.62 -> 124.27 mg/dL and TG: 131.84 -> 92.36 mg/dL), and steatohepatitis (ALT: 32.28 -> 20.68 mg/dL) |

* Reducing the fundus is no longer part of the standard technique


(2) Reem Z. Sharaiha, Nikhil A. Kumta, Monica Saumoy, Amit P. Desai, Alex M. Sarkisian, Andrea Benevenuto, Amy Tyberg, Rekha Kumar, Leon Igel, Elizabeth C. Verna, Robert Schwartz, Christina Frissora, Alpana Shukla, Louis J. Aronne, and Micheal Kahaleh, Clinical Gastroenterology and Hepatology 2017
Establishing OverStitch Clinical Data to Support Reimbursement

**MERIT-Trial**

**Endoscopic Sleeve Gastrectomy**

- Prospective, randomized, multi-center trial for the ESG procedure
- Investigator-led study, administered by the Mayo Clinic
- Primary endpoints:
  - \(\geq 25\%\) average excess weight loss (EWL) at 12 months and
  - \(\geq 15\%\) more EWL than control group or
  - \(\geq 15\%\) more EWL in cross-over group
- Safety endpoint: \(<5\%\) serious adverse events rate

**AGA Endoscopic Suturing Procedures Registry**

- Registry Funding Agreement with the AGA Center for GI Innovation and Technology
- Registry will capture real-world safety and efficacy results in three arms
  - Failed bariatric surgery revisions
  - Fixation of esophageal stents
  - Other flexible endoscopic suturing procedures
New Product Developments: OverStitch Sx

**OverStitch Sx – 510(k) cleared**

- OverStitch Sx is a single-channel scope compatible version of OverStitch
  - Removes barrier of endoscopic capital equipment
  - Enhanced visualization
  - Greater maneuverability

- Commercial launch expected in 1H 2018
ORBERA Intragastric Balloon System

- The ORBERA Balloon is the #1 gastric balloon in the world

1. Inserted through the mouth
2. Inflated with saline
3. Encourages portion control and delays gastric emptying
4. Deflated and removed

Device encourages portion control and delays gastric emptying

Comprehensive diet and exercise program to encourage weight loss and maintain a healthy lifestyle long-term

0-Months 6-Months 12-Months
Global Review of 40,000+ Intragastric Balloons

- Confirmed strong efficacy and safety profile and experience of Intragastric Balloons, especially Orbera

- Based on 41,886 balloon procedures, of which 78.2% were ORBERA

- 18.4% average total body weight loss

- 2.5% adverse event rate after adaptation period, and ORBERA had the lowest rate at 2.0%

- < 0.03% mortality rate, with < 0.01% considered device or procedure related
ORBERA – Worldwide Market Share Leader

- 887 U.S. physicians trained for use of ORBERA at end of Q3 2017

% Total Body Weight Loss at 6 Months (1)

- ORBERA (OUS Meta-analysis) 13.20%
- ORBERA (U.S. Pivotal) 10.20%
- Obalon (U.S. Pivotal) 6.86%
- ReShape (U.S. Pivotal) 6.80%
- Diet & Exercise Only (ORBERA U.S. Pivotal) 3.30%

(1) Sources: FDA.gov for ORBERA U.S. Pivotal Study; ASGE Bariatric Endoscopy Task Force systematic review and meta-analysis assessing the ASGE PIVI thresholds for adopting endoscopic bariatric therapies. Gastrointest Endosc. 2015 Sep;82(3):425-38.e5. for OUS Meta-analysis Note: The data shown is based upon the respective pivotal study data results and not a head to head comparison. Source: FDA.gov for respective U.S. Pivotal studies of ORBERA, Obalon and ReShape balloon products.
While the FDA letter impacted 3Q 2017 ORBERA results, we continue to believe the impact will be transient and are confident in ORBERA’s safety and efficacy.

Since ORBERA’s U.S. approval in August 2015 to today, the incident rate of reported patient mortalities remains < 0.01%, lower than other interventional treatment options.

**Incident Rate of Reported Mortality**

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORBERA</td>
<td>0.01%</td>
</tr>
<tr>
<td>Colonoscopy</td>
<td>0.03%</td>
</tr>
<tr>
<td>Laparoscopic Gastric Banding</td>
<td>0.08%</td>
</tr>
<tr>
<td>Laparoscopic Sleeve Gastrectomy</td>
<td>0.20%</td>
</tr>
<tr>
<td>Gastric Bypass</td>
<td>0.34%</td>
</tr>
</tbody>
</table>


(2) Through Q1 2017

ORBERA – Case Study

- Intragastric balloon for management of morbid obesity for a patient requiring heart transplantation

Initial BMI = 41.7 kg/m²

Body mass index (BMI) (solid line) and fasting serum glucose (dashed line) over 18 months including 6 months before intragastric balloon (IGB) implantation, 6 months of therapy (gray area), and 6 months after balloon retrieval. LVAD, left ventricular assist device; OHT, orthotopic heart transplantation.

Key Points:
1. 45-year-old male with familial dilated cardiomyopathy developed end-stage heart failure (HF)
2. After placement of Orbera IGB, BMI decreased 8.4 kg/m² from 41.7 kg/m² to 33.3 kg/m² over 6 months
3. Successful heart transplant was performed 2 weeks after Orbera IGB removal
New Product Developments: ORBERA365™

- CE marked in Q3 2017
  - European market introduction commenced in Q4 2017
  - Other OUS direct market regulatory clearance efforts underway

- ORBERA365: Expands clinical benefit of industry-leading intragastric balloon
  - Increases ORBERA’s patient indwell time from 6 months to 12 months
  - Doubles amount of time that can be dedicated to behavior modification
Lap-Band – a Durable Value Proposition

HIGH-MARGIN PRODUCT
The Lap-Band is a solid, high-margin product that helps sustain and fund the endo-bariatric product distribution network

PROVEN LONG-TERM WEIGHT LOSS
20-year outcomes data: 8,263 patients treated with 48% excess weight loss

CLINICALLY SIGNIFICANT IMPACT
Resolution or improvement in comorbid conditions can have a significant impact on quality of life

SAFE
Over 800,000 implanted worldwide with lower complication rates and severity compared to alternative surgical procedures

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Lap-Band U.S. Stabilization Progress

- Revenue mix is moving to more stable segments of dedicated centers and accessory sales
- Apollo’s Lap-Band remains a core product for approximately 80 U.S. bariatric surgeons

Decline Rate vs PY

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>3Q 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline Rate</td>
<td>-32%</td>
<td>-38%</td>
<td>-17%</td>
</tr>
</tbody>
</table>

3Q 2017 Sales Mix

- Surges on Lap-Band Locator: 47%
- Accessory Sales: 33%
- Infrequent Lap-Band Surgeons: 20%
Gross Margin Improvement Program

1. **Helix**: Transfer complete July 2017
2. **Suture**: Source alternate supplier by mid 2018
3. **Cinch**: Transfer planned Q4 2018
4. **Sx**: Multiple improvements through 2019
5. **ORBERA**: Various components through 2019
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