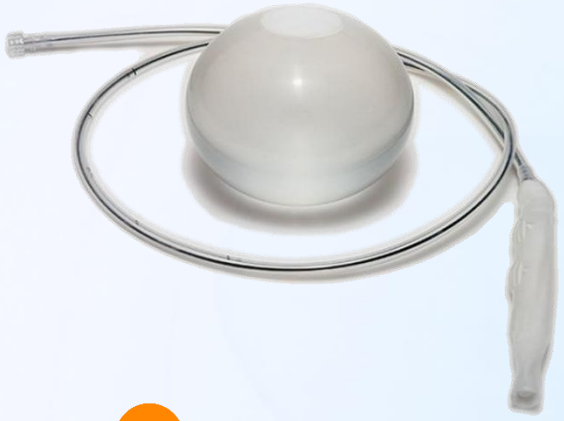
Transforming Therapeutic Endoscopy



Orbera®
managed weight loss system

X-Tack™
Endoscopic HeliX Tacking System

OverStitch™
Endoscopic Suturing System

apollo endosurgery

March 2021

Forward Looking Statements and 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 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: the advancement of Apollo products; development of new products and enhancements to Apollo's existing products and technologies and obtaining regulatory approvals; market acceptance of Apollo's products; the execution of our gross margin improvement projects; the ability to collect future payments from ReShape; the availability of cash for Apollo's future operations; Apollo's ability to maintain regulatory approval for its products and to obtain regulatory approval for new products and Apollo's ability to support the adoption of its products and broaden its product portfolio 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, 2020. 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.

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 Overstitch clearance does not include procedure-specific indications for use. Although 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.

Apollo Endosurgery: Transforming Therapeutic Endoscopy

- **Endoscopic technologies that can improve the lives of millions of patients**
  - **Overstitch™ Endoscopic Suturing System**: Closure during primarily upper GI and bariatric procedures
  - **X-Tack™ Endoscopic HeliX Tacking System**: Closure during primarily lower GI Procedures *New*
  - **Orbera® Managed Weight Loss System**: Interventional weight loss
- **Potential to develop ESG into a market leading weight loss procedure***
- **Orbera for NASH – New FDA Breakthrough Device Designation*** *New*
- **Global presence in more than 75 countries worldwide**
- **Strengthening our P&L and balance sheet through gross margin improvement and spending discipline**

* *See product regulatory advisory on page 2*

Q4 2020 Highlights

Continued Demand Recovery

- Q4 Revenue $12.9 million vs. $12.0 million in Q4 2019
- 15% U.S. Endoscopy product sales growth vs. Q4 2019

X-Tack Regulatory Clearance & Limited Launch

- Completed limited launch program in Q1 2021
- Physicians reported outstanding product performance with a satisfaction rating of 4.7 out of 5!
- Next phase of commercial launch underway

Continued Financial Execution

- Q4 Gross margin increased to 56%, from 49% in Q4 2019
- Q4 net operating loss declined 53% to $3.2 million, from $6.9 million Q4 2019
- Operations used $2.8 million of cash in Q4 2020, a 58% decline from $6.7 million in Q4 2019
- Cash at December 31, 2020 was $37.2 million

Apollo Endosurgery: Growth Priorities

	Priority	Opportunity	Milestones
	**1. Create a new standard of care for closure of lower GI defects**	>20 million colonoscopies per year in the US	X-Tack Launch in 2021
	**2. Develop ESG into a market-leading weight-loss procedure**	>350,000 bariatric procedures per year	MERIT Publication: 1H 2021
	**3. Enhance IGB value proposition in clinical applications**	~10 million adults in US with NASH & BMI of 30-40	FDA Breakthrough Device Designation in Q1 2021
	**4. Drive Margin Improvement**	Improve GM & maintain spending discipline	Mid-60's gross margin by 2023

See Product Regulatory Advisory, slide 2

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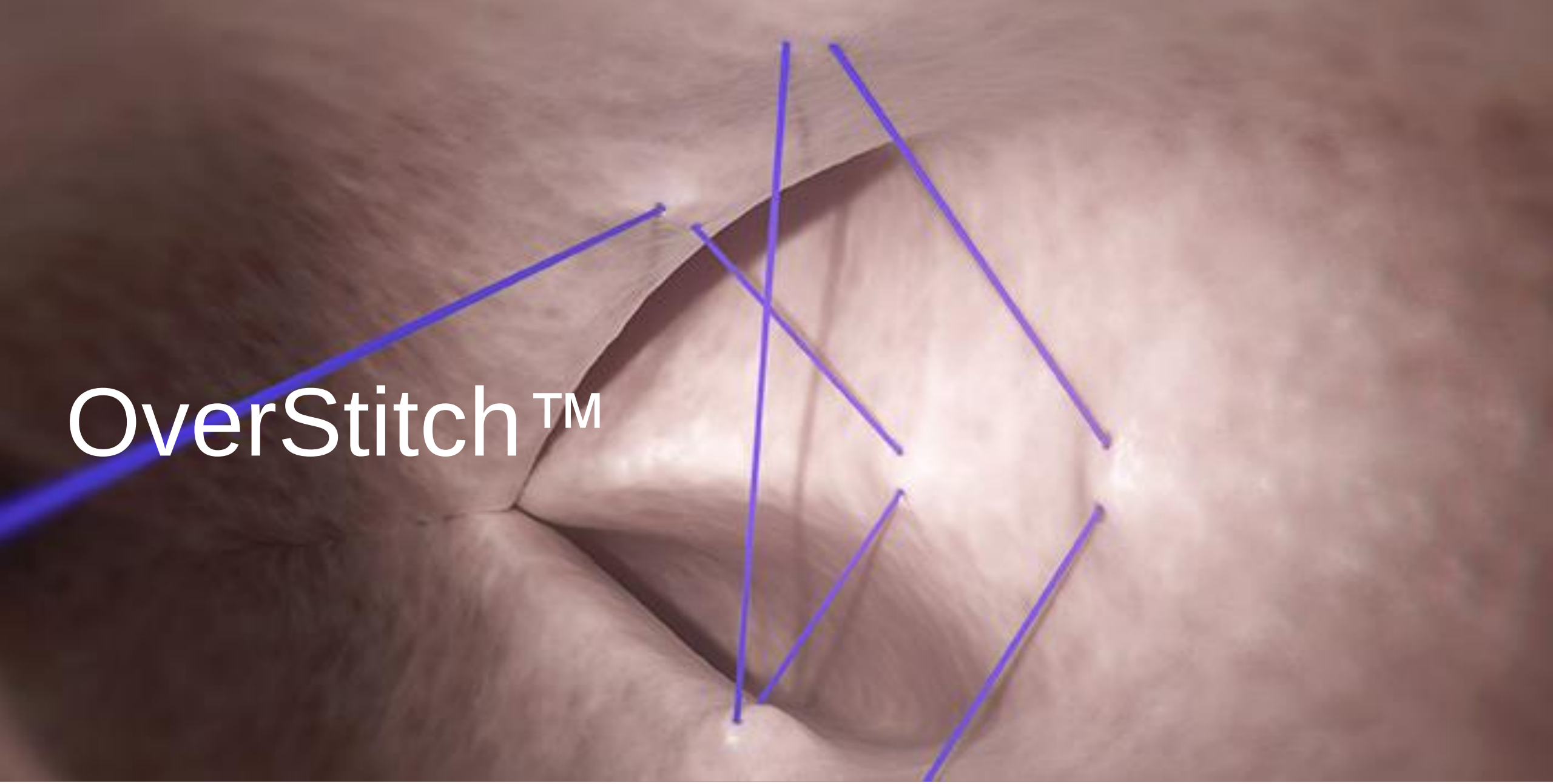

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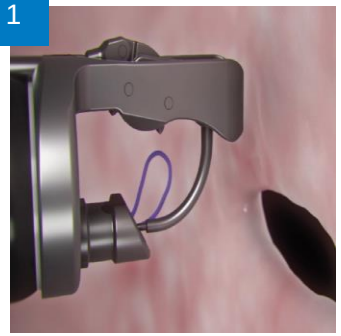
OverStitch™ – How It Works

58 OVERSTITCH PATENTS GRANTED, 28 PENDING

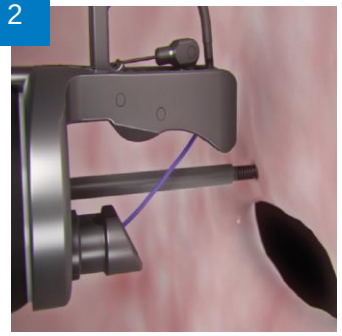
- Enables physicians to perform new and innovative endolumenal procedures
- OverStitch has broad current and future applications – upper and lower GI tract

1



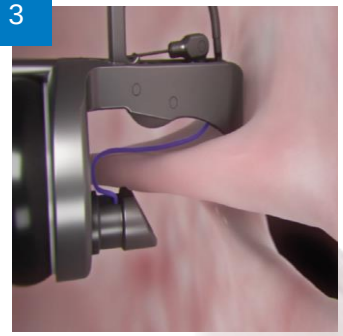
Load needle with suture

2



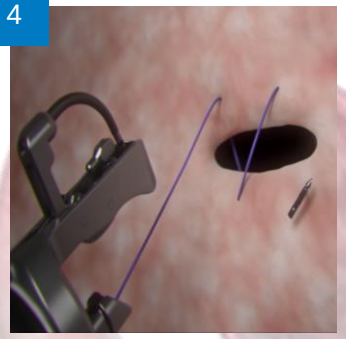
Grab tissue with helix

3



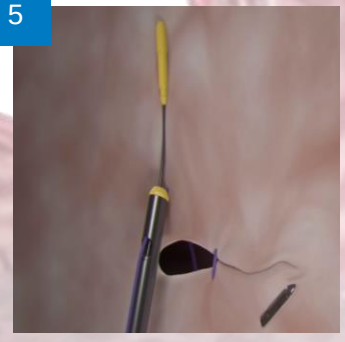
Pull tissue into device - pass needle and suture through tissue

4



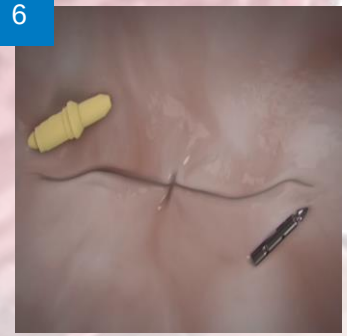
Repeat as needed. Drop needle

5



Pull suture to approximate tissue

6



Deploy cinch to complete suturing

Key intellectual property beyond 2030.

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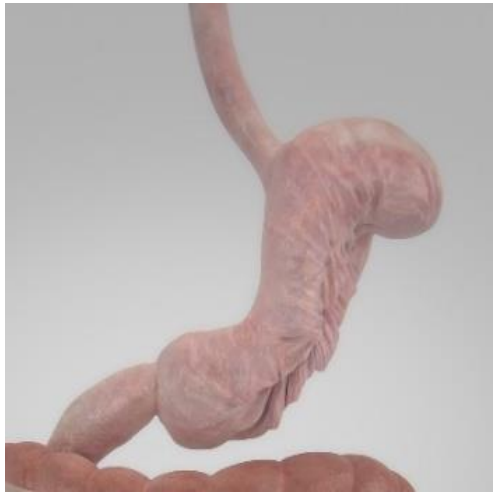
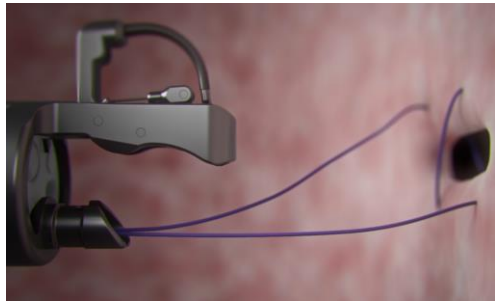
OverStitch™: Large Addressable Markets for Endolumenal Surgery





Bariatrics

$4.8B GLOBAL ADDRESSABLE MARKET

Upper GI

$150M … AND GROWING GLOBAL ADDRESSABLE MARKET

IN MARKET

- Primary (ESG)
- Revisions

- Stent Fixation
- ESD or EMR site closure
- POEM
- Fistula, perforation and other GI tract tissue closure
- Reflux (in development)

See Product Regulatory Advisory, slide 2

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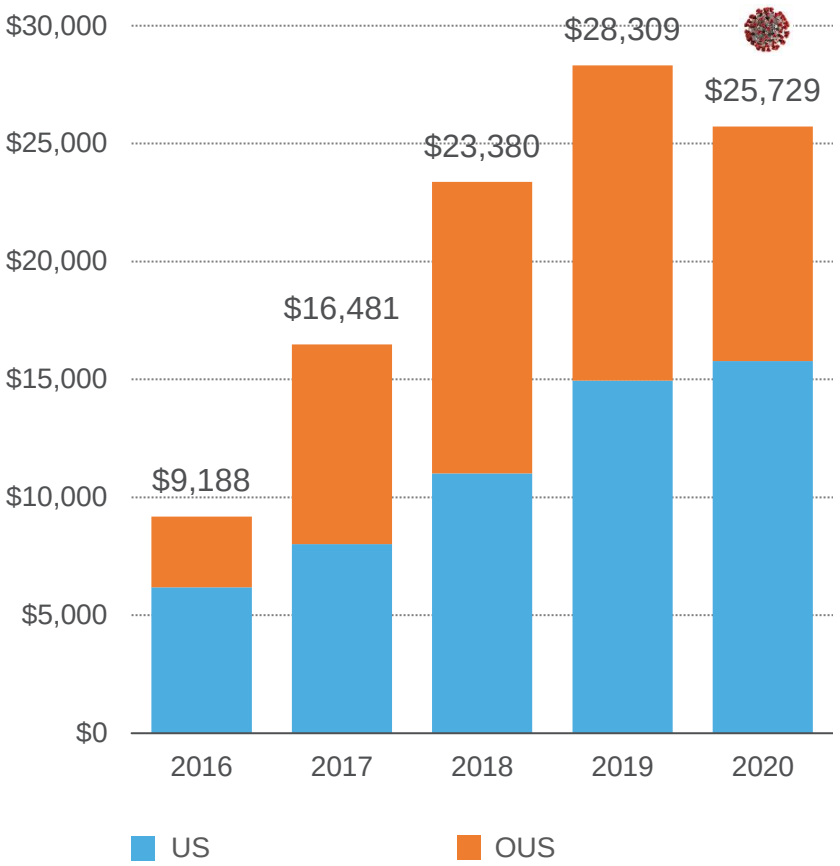
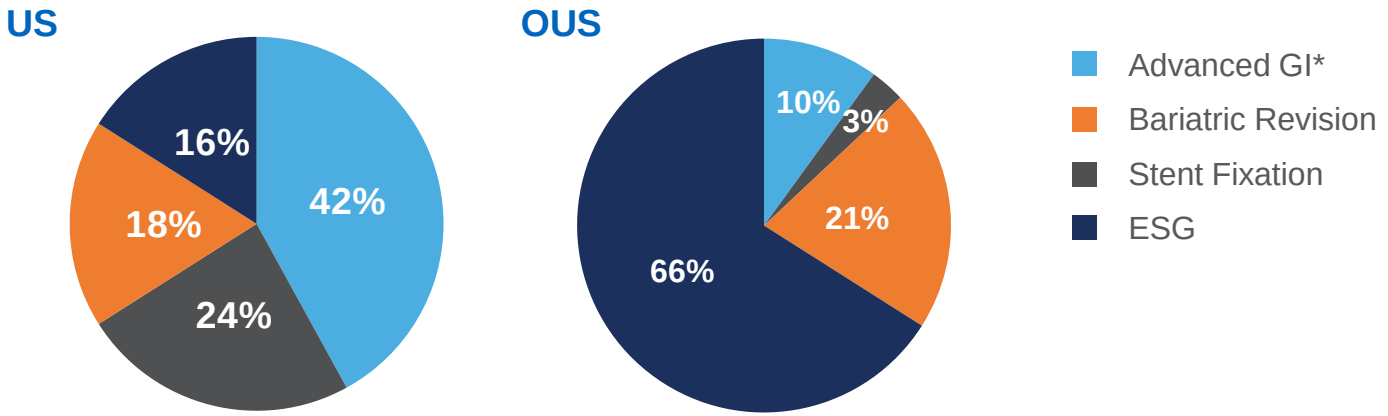
OverStitch™ Revenue and Procedure Mix

REVENUE $000s
29.4% CAGR 2016-2020



PROCEDURE MIX



GROWTH DRIVERS

- Product innovation that removes capital equipment barriers
- Effective medical education for new and advancing users
- Support procedure and clinical data development

See Product Regulatory Advisory, slide 2. Procedure mix reflects year-end 2019 results.
* Advanced GI includes: ESD, EMR, POEM, and other defect closure

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The Endoscopic Sleeve Gastroplasty (ESG) Procedure

ESG is intended to be a minimally invasive, endoscopic weight loss procedure utilizing an endoscopic suturing system to reduce stomach volume

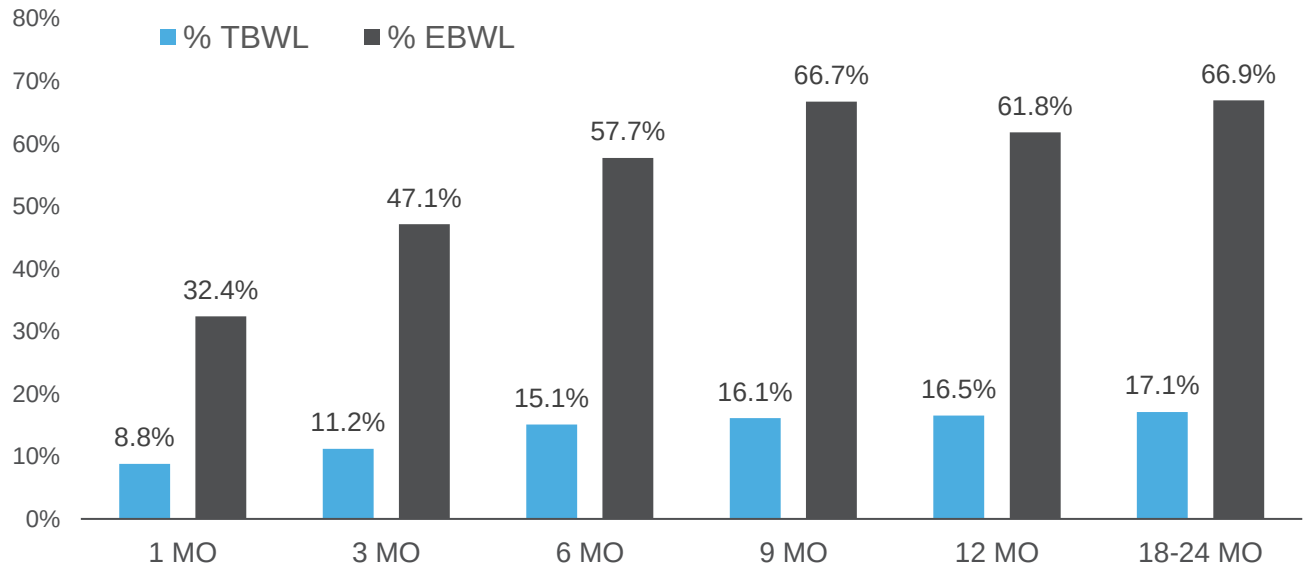
Potential Advantages of ESG*

Clinically significant weight loss
61.8% EBWL at 12 Months in a pooled analysis of 1,772 subjects

Excellent safety profile
0.82% complication rate in a Q3 2020 publication involving 1,828 subjects[2]

Convenience
Short procedure and recovery time

POOLED %WL REPORTED OVER TIME[1]
8 ESG STUDIES, 1,772 PATIENTS



(1) Hedjoudje et al. (2019)
(2) Teixeira et al (2020)
*See Product Regulatory Advisory, slide 2

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MERIT Study: Clinical, Regulatory and Reimbursement Support

Multi-center randomized control IDE study of ESG procedure's effectiveness and safety

- **200** patients, **9** sites
  - ≥ 50 with hypertension
  - ≥ 50 diabetics
- **Primary Outcomes**
  - Effectiveness: ≥ 25% EWL at 12 months
  - Safety: < 5% SAE
- **Status:**
  - All procedures done
  - 12-month follow-up visits complete
- **Next:**
  - Report results on Primary Outcomes

Planned activities if the Merit Study meets its primary endpoint

- Publication by MERIT investigators in 2021
- FDA submission to support ESG labeling for Overstitch™
- Reimbursement activities
  - Comprehensive efforts to support coding, coverage, and payment in the US
  - Similar efforts in key markets globally

(1) Hedjoudje et al. (2019)
(2) Teixeira et al (2020)
See Product Regulatory Advisory, slide 2

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X-Tack™

Endoscopic HeliX Tacking System

The Next Evolution in defect closure

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X-Tack™ expands Apollo's franchise in endoscopic fixation

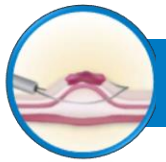
510(k) for X-Tack cleared December 2020; limited launch completed Q1 2021

X-Tack

- Designed to address defects created during resection or dissection procedures in the colon
- Compatible with colonoscopes, in addition to gastroscopes
- Readily available, delivered through-the-scope
- Provides multiple points of fixation to address challenging defects

$1.7B Lower GI US Market Opportunity

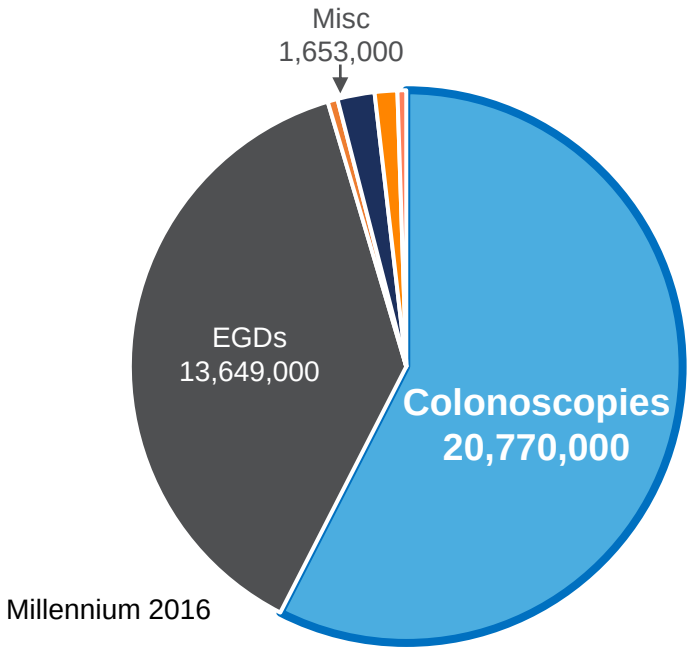
- Large addressable market
- Target users are existing GI customers
- Expected to improve overall corporate gross margin profile



EMR Closure

ESD Closure

Perforation Closure



Average number of polyps per colonoscopy[1]	2.3
Rate of polyps >2 cm[1]	6%
Percentage of polyps that are benign[2]	84%

2.5 million polyps >2 cm

1. Am J Gastroenterol 2020;115:774–782. https://doi.org/10.14309/ajg.0000000000000585
2. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2875919/

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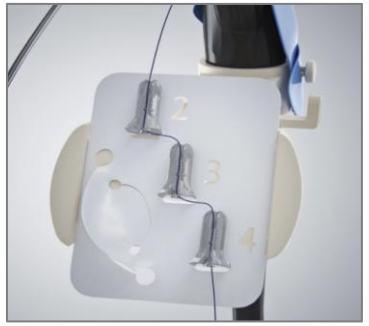
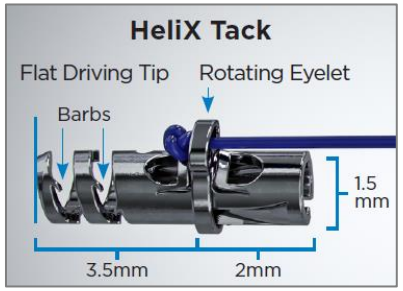
X-Tack™ Endoscopic HeliX Tacking System

Key Design Features

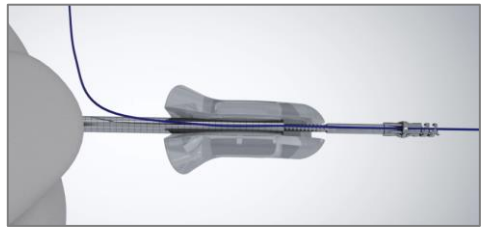
Ergonomic Handle
- Easy and intuitive Handle
- “Persian Drill” designed to translate linear motion into rotation using the Finger Slider.



Scope Mount
- Secures HeliX Tacks to scope
- Easy access during re-loading process.



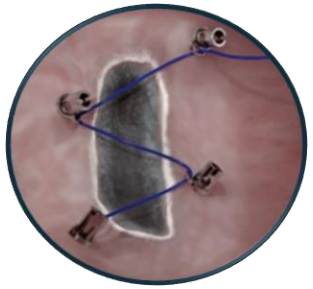
HeliX Tack
- Ideal length for both gastric and colonic applications.
- Flat tip helps protect extralumenal tissue.



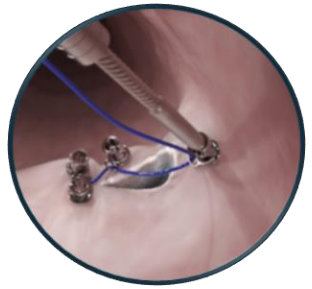
Re-loadable HeliX Tack
- First HeliX Tack is pre-loaded
- Three additional reloadable HeliX Tacks to quickly add up to four points of fixation

X-Tack Benefits

Enhanced fixation



Spanning large or irregular defects



Precise placement and confirmation prior to locking in place

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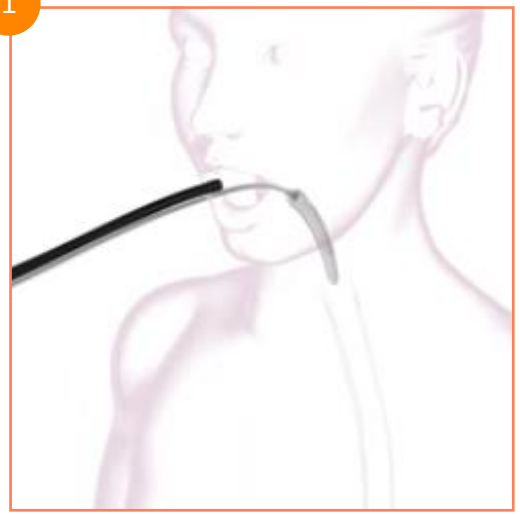
Orbera®

Orbera®: the #1 Gastric Balloon Worldwide

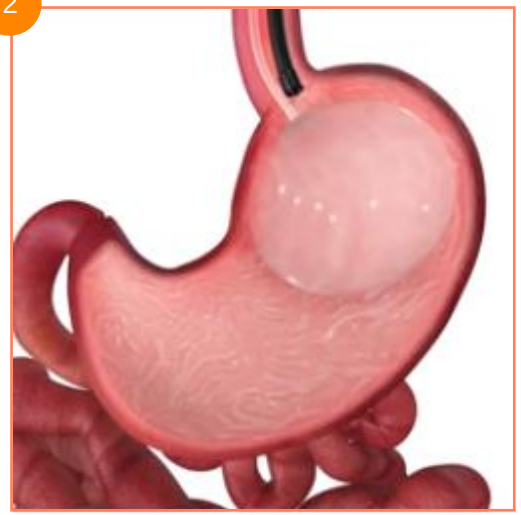
- CE marked in 1997, FDA approved in August 2015
- Only balloon currently meeting ASGE's threshold standards[1] for safety and efficacy
- More than 230 peer reviewed publications reporting weight loss results consistently >10% TBW
- All FDA post approval study obligations complete

1



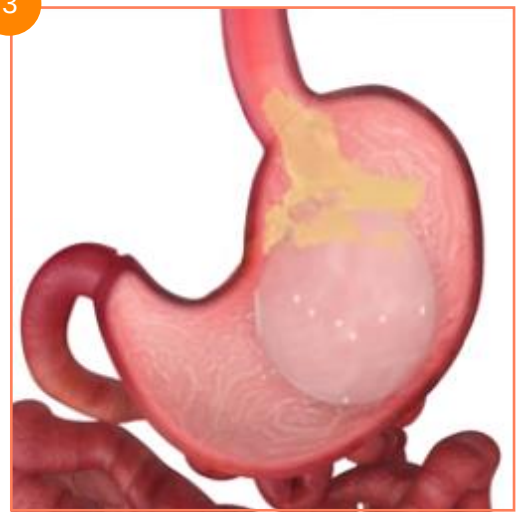
INSERTED THROUGH MOUTH

2



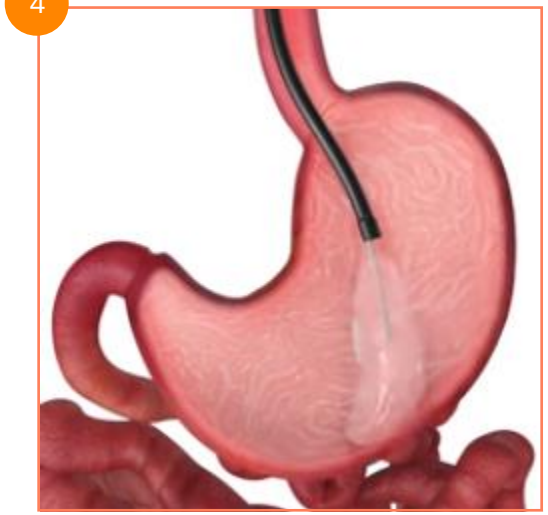
INFLATED WITH SALINE

3



ENCOURAGES PORTION CONTROL AND DELAYS GASTRIC EMPTYING

4



DEFLATED AND REMOVED AFTER 6 OR 12 MONTHS DEPENDING ON THE COUNTRY LABEL

1. ASGE Bariatric Endoscopy Task Force and ASGE Technology Committee. Journal of Gastrointestinal Endoscopy. 2015 Sep; Epub 2015 Jul 29.

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Enhance IGB value proposition in clinical applications

Current Market: Aesthetic Weight Loss

- 228,000 U.S. bariatric procedures [(1)] and 1.8 million U.S. cosmetic surgical procedures annually[(2)]
- Sites of service include: plastic surgery centers, bariatric clinics and endo-bariatric (GI) clinics

Market Development: Clinical Indications

Non-cirrhotic NASH	Bridge to Surgery	Bridge to Transplant
~10M Patients in the US with BMI of 30-40; 35% with fibrosis levels 2 or 3	1.1M joint replacements per year; ~30% of adults are BMI 30-40	120,000 in US awaiting transplant; ~40% have BMI > 30
Orbera has received an FDA Breakthrough Device Designation for the treatment of NASH	Peri-operative weight loss decreases operating time, complication rates and recovery/rehab time	Peri-operative weight loss decreases operating complications and risks

(1) ASMBS bariatric procedure data published June 2018
(2) American Society of Plastics Surgeons: 2018 National Plastic Surgery Statistics
* See Product Regulatory Advisory, Slide 2

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Orbera: FDA Breakthrough Designation for NASH

The FDA's Breakthrough Device Program is intended to generate more timely access to breakthrough technologies

NASH - Non-alcoholic steatohepatitis

- A severe form of fatty liver disease, can progress to cirrhosis and liver failure
- Increased risk of morbidity and mortality from liver-related causes
- NASH is one of the top three conditions leading to liver transplant

Large Patient Population, Unmet Clinical Need

- Specifically indicated for treating patients with BMI between 30-40 kg/m2 with noncirrhotic nonalcoholic steatohepatitis (NASH) with liver fibrosis
- Estimated ~10 million adult US NASH population with BMI of 30-40 kg/m2
- No FDA approved treatments

Based on initial clinical results, Orbera has the potential to improve NASH

- 7-10% TBWL is essential for meaningful improvement in NASH
- Mayo pilot study demonstrated improve histologic characteristics, resolution of liver inflammation, fat leaving the liver, regression of fibrosis over time

Breakthrough Device Designation Eligibility(1)

Frist Criterion: The device provides for more effective treatment or diagnosis of life-threatening or irreversibly debilitating human disease or conditions.

Second Criterion: The device also meets at least one of the following:

- Represents Breakthrough Technology
- No Approved or Cleared Alternatives Exist
- Offers Significant Advantages over Existing Approved or Cleared Alternatives
- Device Availability is in the Best Interest of Patients

Medicare Coverage of Innovative Technology (MCIT)(2)

- MCIT pathway creates national Medicare coverage for breakthrough devices
- Four years of Medicare coverage
- Applies *following* market authorization for the indication for use

(1) https://www.fda.gov/medical-devices/how-study-and-market-your-device/breakthrough-devices-program
(2) https://www.cms.gov/newsroom/fact-sheets/medicare-coverage-innovative-technology-cms-3372-f

See Product Regulatory Advisory, slide 2

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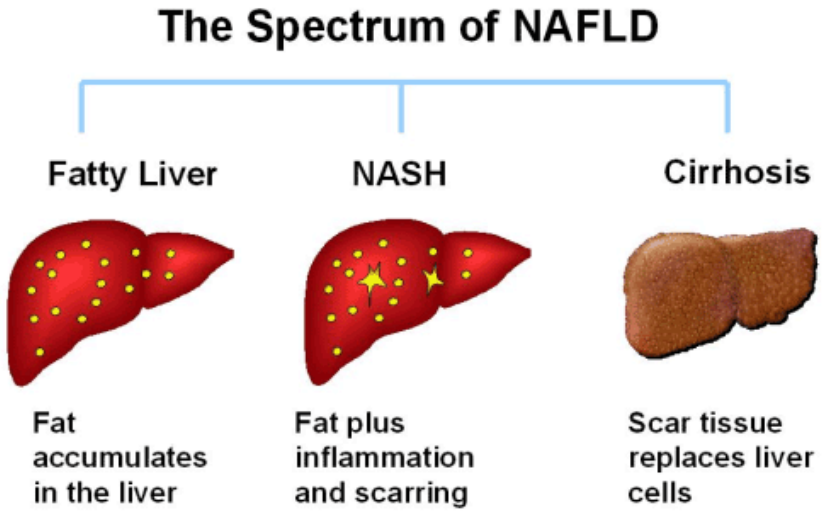
Publication in CGH: NASH Regression After Orbera Therapy

Single-center, open-label prospective study to evaluate the effects of Orbera placement on metabolic and histologic features of NASH.

Published NASH Results:

- Both NASH resolution rates and fibrosis regression surpassed those seen with investigated NASH pharmacotherapies
- **65%** of patients achieved resolution of NASH (NAFLD Activity Score ≤1)
- **80%** of patients had a **≥2** point improvement in NAFLD activity score
- **15%** improved fibrosis (scarring) by **1.17** stages
- **50%** of patients reached endpoint guidelines issued by the FDA for NASH resolution and fibrosis improvement.



Bazerbachi F, Vargas EJ, Rizk M, Masselli DB, Mounajjed T, Venkatesh SK, Watt KD, Port JD, Basu R, Acosta A, Hanouneh I, Gara N, Shah M, Mundi M, Clark M, Grothe K, Storm AC, Levy MJ, Abu Dayyeh BK; Clin Gastroenterol Hepatol 2020 Apr 30

See Product Regulatory Advisory, slide 2

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Gross Margin Improvement Programs

2023 GOAL	STATUS
• Targeting mid-60s total gross margin by 2023 • Driven by combination of sales growth and cost reduction projects	• Implementation resumed in 4Q 2020 • 2 projects scheduled to complete in 2Q 2021 to reduce Sx material costs and improve margins as Sx volumes grow

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Apollo Endosurgery: Transforming Therapeutic Endoscopy

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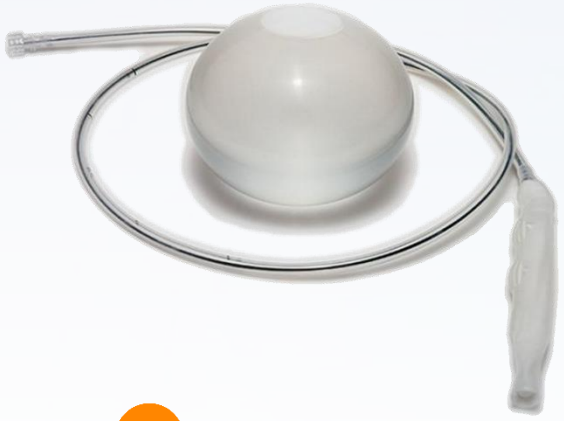
- **Strengthening our P&L and balance sheet through gross margin improvement and spending discipline**

* *See product regulatory advisory on page 2*

Transforming Therapeutic Endoscopy



Orbera®
managed weight loss system

X-Tack™
Endoscopic HeliX Tacking System

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Selected Financial Results

In 000s except percentages	FY 2020	4Q 2020	3Q 2020	2Q 2020	1Q 2020	FY 2019	4Q 2019	3Q 2019	2Q 2019	1Q 2019	FY 2018
Revenue	$42,048	$12,860	$12,826	$5,644	$10,718	$50,713	$11,989	$11,259	$14,254	$13,211	$60,854
Gross Margin	52.9%	55.9%	54.5%	43.0%	52.6%	50.6%	48.7%	48.3%	50.3%	54.8%	54.5%
Endoscopy Revenue	*$40,513*	*$12,230*	$12,536	*$5,389*	*$10,358*	*$45,149*	*$11,755*	*$10,381*	*$12,193*	*$10,820*	*$41,119*
Endoscopy Gross Margin	*53.1%*	*54.3%*	54.0%	*50.7%*	*51.9%*	*49.5%*	*48.6%*	*48.4%*	*50.1%*	*50.7%*	*44.2%*
Sales and marketing	$17,355	$4,582	$4,178	$2,265	$6,330	$28,730	$6,735	$6,495	$7,803	$7,697	$32,831
General and administrative	$11,062	$3,192	$2,374	$2,157	$3,339	$13,588	$3,369	$3,159	$3,343	$3,717	$13,436
Research and development	$7,670	$2,186	$1,522	$1,815	$2,147	$10,384	$2,139	$2,128	$2,689	$3,428	$12,176
Amortization of intangible assets	$1,949	$477	$486	$490	$496	$2,095	$504	$510	$528	$553	$7,074
Total operating expenses	$38,036	$10,437	$8,560	$6,727	$12,312	$49,188	$12,747	$12,292	$14,363	$9,786[1]	$73,287[2]
Loss from operations	($15,794)	($3,247)	($1,574)	($4,298)	($6,675)	($23,513)	($6,912)	($6,859)	($7,197)	($2,545)	($40,093)
Net Loss	($22,611)	($3,505)	($2,597)	($6,253)	($10,256)	($27,432)	($7,196)	($8,658)	($8,774)	($2,804)	($45,787)
Net Loss per Share	($0.99)	($0.14)	($0.11)	($0.30)	($0.49)	($1.27)	($0.34)	($0.40)	($0.40)	($0.13)	($2.31)
Shares used in computing Net Loss per Share (000s)	22,756	25,609	23,111	21,153	21,117	21,542	20,946	21,401	21,927	21,907	19,790

1. First quarter 2019 operating expense includes settlement gain of $5,609 from Allergan Inc.
2. FY 2018 operating expense includes $7,770 loss on divestiture of the Surgical product line in December 2018.

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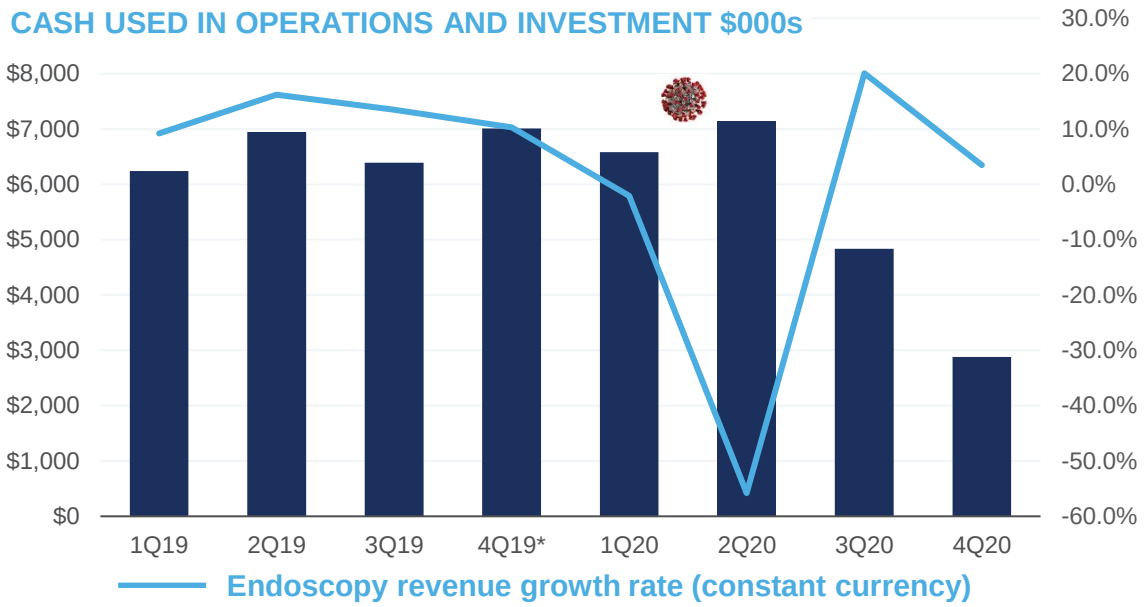
Balance Sheet and Cash Used in Operations

SELECT BALANCE SHEET DATA $000s	December 31, 2020
Cash, Cash Equivalents and Restricted Cash	$37,200
Accounts Receivable	8,218
Inventory, net	10,306
Total Assets	$77,437
Accounts Payable	$3,675
Long-term Debt	37,192
Convertible Debt	19,387
Total Liabilities	$70,686
Stockholders' Equity	$6,751
Liabilities and Stockholders' Equity	$77,437



* 4Q19 and 4Q20 exclude the effect of a $2.0 million installment cash payment received in each of those quarters respectively for the sale of the Surgical product line

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Capitalization Table (NASDAQ: APEN)

EQUIVALENT TO COMMON SHARES OUTSTANDING[1]	December 31, 2020
Basic Shares Outstanding	25,819,329
Pre-funded Warrants	16,412,964
Equivalent to Common Shares Outstanding[1]	42,232,293
Closing APEN share price on February 24, 2021	$4.75
Pro Forma Market Cap	$200.6 million

Equity Offering – July 2020

- Raised $25 million gross proceeds via 2,480,000 common shares plus pre-funded warrants to purchase up to 17,520,000 common shares

DEBT CAPITALIZATION (in $000s)	December 31, 2020
Long-term Debt	37,192
Convertible Debt	19,387

Term Loan – Matures September 2024

- Senior secured
- Interest at LIBOR plus 7.5%, interest only through March 2022

Convertible Debt – Matures August 2026

- Interest at 6%, payable in stock, Conversion price of $3.25 (or 6,313,471 common shares)

PPP Loan – Received April 2020

- $2.8 million loan, Interest at 1.0%

1. Equivalent Common Stock Outstanding is a non-GAAP item.