Boston, United States
Sydney, Australia
18 June 2019 AEST

GI Dynamics 2019 Annual Meeting of Stockholders Further Update

BOSTON and SYDNEY — 18 June 2019 — GI Dynamics® Inc. (ASX:GID) (Company or GI Dynamics), a medical device company that is developing EndoBarrier® for patients with type 2 diabetes and obesity, is pleased to provide the following update regarding the GI Dynamics 2019 Annual Meeting of Stockholders (Annual Meeting).

Details of Annual Meeting

Further to the Company's announcement released on 4 June 2019, the Company confirms that an amended preliminary Proxy Statement and notice of the Annual Meeting has today been filed with the U.S. Securities and Exchange Commission for review. Subject to completion of the review period, a final Proxy Statement and notice of Annual Meeting will be announced and subsequently mailed to all stockholders.

At this stage, the Annual Meeting is still expected to be held by the end of June 2019. The Company will provide stockholders with further details as soon as the actual date of the Annual Meeting has been determined.

Amendments to the Proxy Statement

The Company has decided to remove a number of the proposals that were included in the initial draft preliminary Proxy Statement and notice of Annual Meeting including the proposed issue of options to the Board, a proposed amendment to the Company's by-laws and the delisting proposal. Further details of the removal of the delisting proposal are set out below.

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Update on Delisting Proposal

It was announced on 4 June 2019 that the Company was intending to include in the Company's Proxy Statement and notice of Annual Meeting a proposal seeking stockholder approval for the potential delisting of the Company from the Official List of the Australian Securities Exchange (ASX) should the Board subsequently resolve to seek a delisting (Delisting Proposal).

The Delisting Proposal has not been included in the amended Proxy Statement and notice of Annual Meeting. The Board is still considering the merits of a delisting. Should the Board elect to seek stockholder approval of a Delisting Proposal in the future at a special meeting of stockholders, the relevant proxy statement and notice of special meeting will set out additional information regarding the proposed delisting including the Company's plans following a delisting (if it were to occur) and the advantages and disadvantages of a delisting, together with other relevant considerations.

It is very important to continue to note that the Board has not yet formed a final view as to whether the Company should proceed with a delisting and it has only sought in-principle advice from the ASX in order to provide it and stockholders with guidance as to whether, and on what terms, the ASX would agree to the Company being delisted.
In addition, even if stockholders were to approve a Delisting Proposal at a special meeting, the Board only intends to lodge a delisting application with the ASX for its final approval if, after further detailed consideration, it believes that the Company should seek a delisting.

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About GI Dynamics

GI Dynamics®, Inc. (ASX:GID) is the developer of EndoBarrier®, the first endoscopically-delivered device therapy for the treatment of type 2 diabetes and obesity. EndoBarrier is not approved for sale and is limited by federal law to investigational use only. Founded

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in 2003, GI Dynamics is headquartered in Boston, Massachusetts. For more information please visit www.gidynamics.com.

Forward-Looking Statements

This announcement may contain forward-looking statements. These statements are based on GI Dynamics management's current estimates and expectations of future events as of the date of this announcement. Furthermore, the estimates are subject to several risks and uncertainties that could cause actual results to differ materially and adversely from those indicated in or implied by such forward-looking statements.

These risks and uncertainties include, but are not limited to, risks associated with our ability to continue to operate as a going concern; our ability to raise sufficient additional funds to continue operations and to conduct the planned pivotal trial of EndoBarrier in the United States (STEP-1); our ability to execute STEP-1 under FDA's Investigational Device Exemption; our ability to enlist clinical trial sites and enroll patients in accordance with STEP-1; the risk that the FDA stops STEP-1 early as a result of the occurrence of certain safety events or does not approve an expansion of STEP-1; our ability to maintain compliance with our obligations under our existing convertible note and warrant agreements executed with Crystal Amber Fund Limited, including our obligations to make payment on the relevant note that is due on 1 July 2019; our ability to restructure the terms of the convertible note with Crystal Amber Fund Limited that is due on 1 July 2019 if we are unable to raise sufficient funds to enable us to fully repay such note when due; obtaining and maintaining regulatory approvals required to market and sell our products; the possibility that future clinical trials will not be successful or confirm earlier results; the timing and costs of clinical trials; the timing of regulatory submissions; the timing, receipt and maintenance of regulatory approvals; the timing and amount of other expenses; the timing and extent of third-party reimbursement; intellectual-property risk; risks related to excess inventory; risks related to assumptions regarding the size of the available market; the benefits of our products; product pricing; timing of product launches; future financial results; and other

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factors, including those described in our filings with the U.S. Securities and Exchange Commission.

Given these uncertainties, one should not place undue reliance on these forward-looking statements. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or otherwise, unless we are required to do so by law.

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