



Appendix 4C: Quarter Ended 30 September 2019

Boston, United States
Sydney, Australia
30 October 2019 AEDT

BOSTON and SYDNEY – 30 October 2019 – GI Dynamics® Inc. (**ASX:GID**), a medical device company that is developing EndoBarrier® for patients with type 2 diabetes and obesity, today released its Appendix 4C — Quarterly Cash Flow Report for the quarter ending 30 September 2019.

Key Financial Information

Appendix 4C, which has been prepared in U.S. dollars under U.S. GAAP, is attached and the results disclosed in Appendix 4C are unaudited. The Company plans to file its Quarterly Report on Form 10-Q with the U.S. Securities and Exchange Commission and the Australian Securities Exchange on or before 14 November 2019. Form 10-Q will provide financial statements for the quarterly period ended 30 September 2019, along with management's discussion and analysis of financial condition and results of operations.

As of 30 September 2019, the Company had cash and cash equivalents of \$1.4 million compared to \$2.4 million on 30 June 2019. The change in the cash and cash equivalents balance for the quarter is primarily comprised of \$3 million of net cash used in operating activities offset by net cash from financing activities of \$2 million.

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. EndoBarrier is subject to an Investigational Device Exemption by the FDA in the United States and is entering concurrent pivotal trials in the United States and India. Founded in 2003, GI Dynamics is headquartered in Boston, Massachusetts. For more information please visit www.gidynamics.com.

Investor Relations

United States:
Janell Shields
+1 (781) 357-3280
investor@gidynamics.com

Forward-Looking Statements



Boston, United States
Sydney, Australia
30 October 2019 AEDT

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 obtain stockholder approval of the conversion feature of the August 2019 Note and issuance of the August 2019 Warrant, 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 enroll patients in accordance with I-STEP; our ability to secure a CE Mark; our ability to maintain compliance with our obligations under our existing convertible note and warrant agreements executed with Crystal Amber, including our obligations to make payment on the Note that is due on 31 March 2020 and our ability to restructure the terms of the Note with Crystal Amber that is due on 31 March 2020 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 factors, including those described in our filings with the U.S. Securities and Exchange Commission.

Investor Relations

United States:
Janell Shields
+1 (781) 357-3280
investor@gidynamics.com

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.

Boston, United States
Sydney, Australia
30 October 2019 AEDT

###

Investor Relations

United States:
Janell Shields
+1 (781) 357-3280
investor@gidynamics.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

GI Dynamics, Inc.

ABN

151 239 388

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows		Current quarter	Year to date
		\$'000 USD	\$'000 USD
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for:		
	(a) research and development	(934)	(1,828)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	(22)
	(d) leased assets	-	-
	(e) staff costs	(825)	(2,108)
	(f) administration and corporate costs	(851)	(2,899)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	32
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(402)	(1,471)
1.9	Net cash from / (used in) operating activities	(3,012)	(8,293)
2.	Cash flows from investing activities		
2.1	Payment to acquire:		
	(a) property, plant and equipment	(6)	(11)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter	Year to date
		\$'000 USD	0 \$'000 USD
2.2	(d) intellectual property	-	-
	(e) other non-current assets	-	-
	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(6)	(11)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	4,000
3.3	Proceeds from exercise of share options	2,000	2,000
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(87)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,000	5,913
4.	Net increase (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,427	3,806
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,012)	(8,293)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(11)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,000	5,913

Consolidated statement of cash flows		Current quarter \$'000 USD	Year to date 0 \$'000 USD
4.5	Effect of movement in exchange rates on cash held	(6)	(12)
4.6	Cash and cash equivalents at end of quarter	1,403	1,403

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$'000 USD	Previous Quarter \$'000 USD
5.1	Bank balances	1,403	2,423
5.2	Call deposits	-	4
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at the end of quarter (should equal item 4.6 above)	1,403	2,427

6. Payments to directors of the entity and their associates

**Current quarter
\$'000 USD**

6.1 Aggregate amount of payments to these parties included in item 1.2

131

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director payments made in Q3 2019 were for Q1 and Q2 2019

7. Payments to related entities of the entity and their associates

**Current quarter
\$'000 USD**

7.1 Aggregate amount of payments to these parties included in item 1.2

189

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1

Expenses incurred at wholly-owned subsidiaries of GI Dynamics.

8. Financing facilities available <i>Add notes as necessary for an understanding of the current position</i>	Total facility amount at quarter end \$'000 USD	Amount drawn at quarter end \$'000 USD
8.1 Loan facilities		
8.2 Credit standby agreements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$'000 USD
9.1 Research and development	1,604
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	723
9.6 Administration and corporate costs	1,008
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	3,335

10. Acquisitions and disposals of business entities (items 2.1 (b) and 2.2 (b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: **30 October 2019**

(Chief Financial Officer and Secretary)

Print name: Charles R. Carter

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.