



Boston, United States
Sydney, Australia
9 December 2019 AEDT

Note Funding Update & US Filings

BOSTON and SYDNEY — 9 December 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, confirms that further to its announcement of 6 December 2019, it has filed the **attached** Form 8-K and a proxy supplement with the US Securities and Exchange Commission relating to the extension of the funding date under a convertible note issued to Crystal Amber Fund Limited on 22 August 2019. The documents confirm that funding will occur by January 15, 2020 (but the funding could also potentially occur earlier).

The Company confirms that all details of the recently announced special meeting remain the same as previously announced, i.e. the special meeting will be held on Monday December 16, 2019, at 5:00 p.m., United States Eastern Standard Time (EST) (which is Tuesday December 17, 2019, at 9:00 a.m., Australian Eastern Daylight Time (AEDT)).

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

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



Boston, United States
Sydney, Australia
9 December 2019 AEDT

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



Boston, United States
Sydney, Australia
9 December 2019 AEDT

forward-looking statements, whether as a result of new information or future events or otherwise, unless we are required to do so by law.

Investor Relations

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



Boston, United States
Sydney, Australia
9 December 2019 AEDT

ATTACHMENT 1- 8K

Investor Relations

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

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 5, 2019

GI DYNAMICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	000-55195	84-1621425
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

**320 Congress Street
Floor 3
Boston, MA 02210**
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (781) 357-3300

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value US\$0.01	GID.ASX	Australia Securities Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 8.01 Other Events.

GI Dynamics, Inc. (the “Company”) provided written notice to Crystal Amber Fund Limited (“Crystal Amber”) requesting the full draw amount of \$4,596,893 (the “Advance”) under that certain senior unsecured convertible promissory note issued on August 21, 2019 (the “August 2019 Note”) to be funded on December 6, 2019.

On December 5, 2019, after further discussion with Crystal Amber, in accordance with Section 1(d) of the August 2019 Note, the Company agreed to allow Crystal Amber to elect to structure the timing and amount of each funding tranche for the Advance at its sole discretion, provided that the full amount of the Advance of \$4,596,893 be received on or before January 15, 2020. Subject to stockholder approval, Crystal Amber will be issued a warrant to purchase up to 229,844,650 CHESS Depositary Interests (“CDIs”) (or the corresponding number of shares of common stock) at an exercise price per CDI equal to US\$0.02, subject to adjustment (the “August 2019 Warrant”). The number of CDIs available for purchase under the August 2019 Warrant will be proportional to the principal balance outstanding under the August 2019 Note.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GI DYNAMICS, INC.

Date: December 6, 2019

By: /s/ Charles R. Carter
Charles R. Carter
Chief Financial Officer



Boston, United States
Sydney, Australia
9 December 2019 AEDT

ATTACHMENT 2- PROXY SUPPLEMENT

Investor Relations

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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. 1)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☒ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

GI DYNAMICS, INC.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

GI DYNAMICS, INC.
320 Congress Street, Floor 3
Boston, MA 02110

SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON DECEMBER 17, 2019 (AEDT)

DECEMBER 16, 2019 (EST)

December 6, 2019

These Definitive Additional Materials amend and supplement the Definitive Proxy Statement, dated December 2, 2019 (the “Definitive Proxy Statement”), initially mailed to stockholders on or about December 2, 2019, by GI Dynamics, Inc., a Delaware corporation (“GI Dynamics” or the “Company”), for a Special Meeting of Stockholders (the “Special Meeting”) of the Company to be held on December 16, 2019, at 5:00 p.m., United States Eastern Standard Time (“EST”), which is December 17, 2019, at 9:00 a.m., Australian Eastern Daylight Time (“AEDT”), at the corporate offices of GI Dynamics, 320 Congress Street, Floor 3, Boston, MA 02210. The Definitive Proxy Statement describes the business which the Company will conduct at the Special Meeting and provides information about the Company that stockholders should consider when they vote their shares of common stock.

If any stockholders have not already submitted a proxy for use at the Special Meeting, they are urged to do so promptly. No action in connection with this supplement is required by any stockholder who has previously delivered a proxy and who does not wish to revoke or change that proxy.

The information contained herein speaks only as of December 6, 2019 unless the information specifically indicates that another date applies.

SUPPLEMENTAL DISCLOSURES TO DEFINITIVE PROXY STATEMENT

This supplemental information should be read in conjunction with the Definitive Proxy Statement, which should be read in its entirety. Defined terms used but not defined herein have the meanings set forth in the Definitive Proxy Statement.

As previously disclosed in Proposals 6 and 7, the Company provided written notice to Crystal Amber Fund Limited (“Crystal Amber”) requesting the full draw amount of \$4,596,893 (the “Advance”) under the August 2019 Note to be funded on December 6, 2019.

Subsequent to such notice, on December 5, 2019, after further discussion with Crystal Amber, in accordance with Section 1(d) of the August 2019 Note, the Company agreed to allow Crystal Amber to elect to structure the timing and amount of each funding tranche for the Advance at its sole discretion, provided that the full amount of the Advance of \$4,596,893 be received on or before January 15, 2020. Subject to stockholder approval of Proposals 6 and 7, Crystal Amber will be issued a warrant to purchase up to 229,844,650 CDIs (or the corresponding number of shares of common stock) at an exercise price per CDI equal to US\$0.02, subject to adjustment (the “August 2019 Warrant”). The number of CDIs available for purchase under the August 2019 Warrant will be proportional to the principal balance outstanding under the August 2019 Note. As set forth above, the Company will receive the full amount of the Advance no later than January 15, 2020.
