Boston, United States
Sydney, Australia
15 May 2020 AEST

GID Receives Loan under US Paycheck Protection Program

BOSTON and SYDNEY — 15 May 2020 — GI Dynamics® Inc. (ASX:GID) ("Company"), a medical device company that is developing EndoBarrier® for patients with type 2 diabetes and obesity, is pleased to announce that it has received confirmation of the grant of a loan from TD Bank, N.A. in the principal amount of $195,147, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which was enacted on March 27, 2020 in response to the COVID-19 pandemic (the "Loan").

The Loan, which is in the form of a Promissory Note dated May 1, 2020 that has been issued to the Company by TD Bank, N.A. and matures on May 1, 2022 (the "Note").

Subject to certain other conditions as outlined below, the Promissory Note:

(a) bears interest at a rate of 1.00% per annum, payable monthly commencing on December 1, 2020; and

(b) may be prepaid by the Company at any time prior to the maturity date without payment of any pre-payment penalty.

Funds from the Loan may only be used by the Company to retain workers and maintain payroll or make mortgage payments, lease payments and utility payments. Under the terms of the PPP, the Company may apply for loan forgiveness after seven weeks from the issuance of the loan. Portions of the amount owed up to the entire amount owed, may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company currently intends to use the entire Loan amount for such expenses. Accordingly, if the Company is successful in demonstrating that is has used the funds for qualifying expenses then it will not be required to repay the Loan. To the extent it does not use the Loan for qualifying expenses then it will be required to repay that relevant portion of the Loan in accordance with the terms above.

Chief Financial Officer / Secretary
United States:
Charles Carter
+1 (781) 357-3263
ccarter@gidynamics.com

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

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This announcement has been authorized for release by Charles Carter, chief financial officer and company secretary of GI Dynamics.

About GI Dynamics

GI Dynamics®, Inc. (ASX:GID) is the developer of EndoBarrier®, the first endoscopically-delivered medical device for the treatment of type 2 diabetes and the reduction of 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 the Company website at www.gidynamics.com.

Forward-Looking Statements

This announcement may contain forward-looking statements. These statements are based on management's current estimates and expectations of future events as of the date of the press release. 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 the ability of the Company, its critical vendors, and key regulatory agencies to resume operational capabilities subsequent to the removal of COVID-19 pandemic restrictions; the Company's ability to continue to operate as a going concern; the Company's ability to raise sufficient additional funds to continue operations and to conduct the planned pivotal trial of EndoBarrier in the United States (STEP-1); the Company's ability to maintain compliance with its obligations under its existing convertible note and warrant agreements executed with Crystal Amber, including its obligations to make payment on the convertible note that is due on 15 May 2020 and its ability to restructure the terms

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of the convertible note with Crystal Amber that is due on 15 May 2020 if the Company is unable to raise sufficient funds to enable it to fully repay such convertible note when due; the Company's ability to execute STEP-1 under the FDA's Investigational Device Exemption; the Company's 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; the Company's ability to enroll patients in accordance with I-STEP; the Company's ability to secure a CE Mark; the Company's obtaining and maintaining regulatory approvals required to market and sell the Company's 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 the Company's products; product pricing; timing of product launches; future financial results; and other factors, including those described in the Company's filings with the SEC.

Given these uncertainties, one should not place undue reliance on these forward-looking statements. The Company does 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 it is required to do so by law.

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