



Boston, United States
Sydney, Australia
15 July 2020 AEST

Further Delisting Update

BOSTON and SYDNEY — 15 July 2020 — GI Dynamics® Inc. (ASX:GID) (the “Company”), a medical device company that is developing EndoBarrier® for patients with type 2 diabetes and obesity, provides the following update regarding the removal of the Company from the Official List of the Australian Securities Exchange (“ASX”) (“Official List”).

Delisting from the Official List of ASX

Further to the Company’s announcements on 11 May 2020, 27 May 2020, 22 June 2020 and 1 July 2020, the Company confirms the following:

1. The Company’s securities will be suspended from trading on the Official List effective from market close on Tuesday, 21 July 2020 AEST, and there will therefore be no further trading of the Company’s securities on the ASX after 4pm AEST on this date (“Trading Suspension Date”); and
2. The Company will be removed from the Official List on the morning of Wednesday, 22 July 2020 AEST (“Delisting Date”).

Trading your CDIs and Conversion of CDIs into Shares of Common Stock Post Delisting

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The Company is not in a position to operate a share buy-back or similar facility in connection with the Company’s removal from the Official List.

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Stockholders who wish to sell their CHESS Depositary Interests (CDIs) on the ASX will therefore need to do so before 4pm on the Trading Suspension Date.

If CDI holders do not sell their CDIs prior to 4pm on the Trading Suspension Date, their CDIs will be converted into shares of common stock of the Company at a ratio of one



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share of common stock per 50 CDIs held by the CDI holder in accordance with the process detailed below. Holders of shares of common stock will then only be able to sell their shares to a willing buyer in accordance with the Company's bylaws and the laws of Delaware.

The process of converting the Company's CDIs into the Company's common stock will involve the following two steps:

1. On the morning of Thursday 23 July 2020, ASX Settlement Pty Ltd will revoke approval of the Company's CDIs whereby all holdings of CDIs on the CHESS subregister will be converted to the Company's Issuer Sponsored subregister.
2. The subsequent conversion of CDIs from the Company's Issuer Sponsored subregister into shares of common stock of the Company will occur automatically when the depositary nominee (being CHESS Depositary Nominees Pty Ltd), who is the holder of the shares of common stock underlying the Company's CDIs,) terminates the underlying deed of trust which governs this relationship. The termination of trust is expected to occur within five business days after the Delisting Date. If you require your CDIs to be converted into shares of common stock on an urgent basis please contact the Company Secretary.

After the CDIs have been converted into shares of common stock, Link Market Services will provide each current CDI holder with a new holding statement. The holding statement will set out the number of shares of common stock that the relevant CDI holder will hold as a result of the conversion of their CDIs into shares of common stock pursuant to the abovementioned process.

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Due to the Company's CDI:common stock ratio being 50:1, each block of 50 CDIs will be converted into 1 share of common stock. As first announced in the Company's May 2020 proxy statement, if the conversion of a CDI holding into shares of common stock would result in the CDI holder having an entitlement to a fraction of a share (due to the holder's CDI holding not being exactly divisible by 50), the Company intends to round



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down that fractional entitlement to the nearest whole number and pay an amount in cash to the CDI holder that is equal to the number of CDIs to which that fractional entitlement relates multiplied by the CDI price (which will be calculated on the basis of the VWAP over the five trading days immediately prior to the Delisting Date (“Conversion Price”) (“Fractional Payment”). For example, if a CDI holder holds 530 CDIs, that holder’s CDI holding will be converted into 10 shares of common stock and the holder will also receive a Fractional Payment amount in cash equal to 30 multiplied by the Conversion Price (due to the fact that 30 CDIs does not equate to a whole share of common stock).

Where the obligation to pay a Fractional Payment arises, all payments will be made by Link Market Services on behalf of the Company to the relevant holders of a fractional entitlement in AUD. If you have a nominated bank account with Link Market Services then the Fractional Payment will be credited to the relevant nominated account (please note for foreign bank accounts that the funds may be converted to the relevant local currency using the relevant holder’s bank conversion rates). Where a bank account has not been nominated, Link Market Services will provide the relevant holder of a fractional entitlement with a cheque for the Fractional Payment in AUD.

If anyone has any questions on the delisting or conversion process, they are encouraged to contact the Company Secretary promptly. CDI holders are also encouraged to ensure their contact information and bank details with Link Market Services is up to date.

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This announcement is being made in accordance with Rule 135c of the Securities Act of 1933, as amended, and is not intended to and does not constitute an offer to sell nor a solicitation for an offer to purchase any securities of the Company.

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



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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 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 the Company's ability to continue to operate as a going concern; 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, including the successful closing of the currently contemplated financing and a delisting from the ASX; the Company's ability to conduct the planned pivotal trial of EndoBarrier in the United States (STEP-1); 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

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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; 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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