

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): June 29, 2020

GI DYNAMICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-55195

(Commission File Number)

84-1621425

(IRS Employer
Identification No.)

320 Congress Street
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: None.

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 1.01 Entry into a Material Definitive Agreement.

Amendment to Senior Secured Convertible Promissory Note and Related Note Purchase Agreement

Effective as of June 29, 2020, GI Dynamics, Inc. (the “Company”) entered into a Tenth Amendment to the Senior Secured Convertible Promissory Note (the “Note Amendment”), by and between the Company, as borrower, and Crystal Amber Fund Limited, as holder (“Crystal Amber”), pursuant to which the Company and Crystal Amber amended the Senior Secured Convertible Promissory Note issued by the Company to Crystal Amber on June 15, 2017 and amended on December 31, 2018, March 29, 2019, April 30, 2019, June 30, 2019, August 21, 2019, March 31, 2020, May 1, 2020, May 15, 2020 and June 15, 2020, in the aggregate principal amount of US\$5,000,000 (as so amended, the “Note”) by extending the maturity date (and associated final conversion date) of the Note from June 29, 2020 to July 31, 2020.

In addition, effective as of June 29, 2020, the Company entered into a Tenth Amendment to the Note Purchase Agreement (the “NPA Amendment”) by and between the Company and Crystal Amber, which NPA Amendment amended the Note Purchase Agreement, dated as of June 15, 2017, as amended on December 31, 2018, March 29, 2019, April 30, 2019, June 30, 2019, August 21, 2019, March 31, 2020, May 1, 2020, May 15, 2020 and June 15, 2020, by and between the Company and Crystal Amber to provide for the amendment of the Note in the form of the Note Amendment.

The foregoing description of the Note Amendment and the NPA Amendment does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to the Note Amendment and the NPA Amendment, each of which will be included as an exhibit to the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ending June 30, 2020.

Item 8.01 Other Events.

On June 29, 2020 (June 30, 2020 Australian Eastern Standard Time), the Company issued a press release announcing the Note Amendment.

A copy of the press release is attached hereto as Exhibit 99.1. In accordance with Rule 135c of the Securities Act of 1933, as amended (the “Securities Act”), a copy of the press release is being filed as Exhibit 99.1 to this Current Report on Form 8-K. Accordingly, this notice 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.

The securities discussed in the press release have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

Forward-Looking Statements

This Current Report on Form 8-K and the press release attached as Exhibit 99.1 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 Current Report on Form 8-K and the press release, as applicable. 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 a significant financing agreement, a delisting from the ASX, and 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 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 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 Note that is now due on July 31, 2020 and its ability to restructure the terms of the Note with Crystal Amber if the Company is unable to raise sufficient funds to enable it to fully repay such convertible note when due; 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of GI Dynamics, Inc. dated June 30, 2020 (Australian Eastern Standard Time)

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.

Dated: June 29, 2020

GI DYNAMICS, INC.

/s/ Charles Carter

Charles Carter

Chief Financial Officer



Boston, United States
Sydney, Australia
1 July 2020 AEST

**Chief Financial Officer /
Secretary**

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Further Extension of Maturity Date of June 2017 Note and Financing Update

BOSTON and SYDNEY — 1 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 extension of the maturity date of the Senior Secured Convertible Promissory Note issued to Crystal Amber Fund Limited (“Crystal Amber”), a Related Party for Australian Securities Exchange (“ASX”) purposes, on 15 June 2017 (“June 2017 Note”) and associated matters.

Ongoing funding

Crystal Amber has informed the Company that direct negotiations which they had been having with the Potential Investors referred to in the Notice of Special Meeting and Proxy Statement announced on 27 May 2020 regarding a potential joint financing of the Company have now ceased.

Crystal Amber has, however, informed the Company that, notwithstanding this development, it still has an ongoing interest in potentially participating in a financing of the Company, either as a standalone investor or together with other investors. The details of such a potential financing are still under discussion and no agreement has yet been reached and an agreement may never be reached. If a financing can be agreed with Crystal Amber or any other parties, the relevant details will be released to the market via an ASX announcement and United States Securities and Exchange Commission (“SEC”) announcement on Form 8-K.

There is no guarantee, however, that the Company will be able to secure any form of debt or equity funding, and as a result may be required to cease business operations and be wound up.



Boston, United States
Sydney, Australia
1 July 2020 AEST

**Chief Financial Officer /
Secretary**

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Further Extension of 2017 Note

In addition to the above, Crystal Amber has agreed to extend the maturity date of the June 2017 Note from 29 June 2020 to 31 July 2020. This further extension follows the recent extensions announced by the Company on 17 June 2020 and 15 May 2020.

Delisting from the Official List of ASX

As also announced by the Company on 22 June 2020, the Company obtained the necessary shareholder votes to approve the Board of Directors' recommendation to request ASX to remove the Company from the Official List of ASX ("Delisted"). Having sought in-principle advice from ASX regarding the conditions ASX would require to be met in order for the Company to be Delisted and having fulfilled such requirements, the Company will cease trading on ASX as of 22 July 2020 and ASX will subsequently remove the Company from the Official List.

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 of ASX. Stockholders that wish to sell their CDIs on ASX will therefore need to do so before the time at which the Company's CDIs are suspended from trading on the Official List, being 21 July 2020 (AEST) (the "Trading Suspension Date").

If CDI holders do not sell their CDIs prior to the Trading Suspension Date, their CDIs will need to be converted to shares of common stock in the Company. Further details on this process will be provided in the lead up to the Delisting Date (being 22 July 2020 (AEST)).

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.

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.



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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 contemplated financing discussed in this announcement and a delisting from the ASX, and 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 events; the Company's ability to enroll patients in accordance with I-STEP; the Company's ability to secure a CE Mark; 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 now due on 31 July 2020 and its ability to restructure the terms of such convertible note with Crystal Amber if the Company is unable to raise sufficient funds to enable it to fully repay such convertible note when due; 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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