For Immediate Release

DIMERIX QUARTERLY ACTIVITIES REPORT

Quarter highlights

- Last patient completed dosing in FSGS Phase 2 clinical study in June 2020, with data expected by end July 2020
- DMX-200 selected for inclusion in the WHO endorsed REMAP-CAP global study protocol for Acute Respiratory Distress Syndrome (ARDS) caused by COVID-19
- $5.8 million placement to Institutions as well as new and existing sophisticated investors completed in June 2020
- Dimerix received $1.02 million in prepayment of R&D tax incentive claim in April 2020
- Cash position of $7.8 million at 30 June 2020 ($2.47 million at 31 March 2020)

MELBOURNE, Australia, 14 July 2020: Dimerix Limited (ASX: DXB) ("Dimerix" or the "Company"), a clinical-stage biopharmaceutical company, today announced its Appendix 4C and Quarterly Activities Report for the period ended 30 June 2020. Despite COVID-19 global pandemic, the Company has gained material traction and momentum across all of its target activities through the quarter, executing in line with the strategic plan. The Company continues to consistently demonstrate its ability to plan, develop, execute and deliver on its strategic goals.

Dimerix ended the quarter with cash of $7.8 million ($2.47 million at 31 March 2020), with net operating cash outflows for the period of $1.2 million ($1.39 million in the prior quarter) and total net operating cash outflows for the 2020 financial year of $4.73 million. The increase in cash for the period was a result of a successful $5.8 million capital raise, which was strongly supported by Institutions, as well as new and existing sophisticated and professional investors. Additionally, Dimerix entered into a non-dilutive funding agreement with Radium Capital, providing $1.02 million in prepayment of the Company's R&D tax incentive claim.

Operating cash outflows for the period comprised predominately of R&D expenditure for Phase 2 studies, including manufacturing and clinical costs. Whilst increasing R&D spend significantly versus previous year, overheads were reduced and the Company finished the year under budget. Cost management remains a key priority for the business, with the cost base being carefully managed to ensure delivery of a sustainable business beyond the current milestones.

Dimerix HQ
425 Smith St, Fitzroy 3065
Victoria, Australia
T. 1300 813 321
E. investor@dimerix.com

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C incorporates directors' fees, salaries and superannuation.

Dimerix has multiple assets in commercially attractive and growing markets that have a high unmet need, and with no current marketed competition, and with a potential fast pathway to market. Dimerix has two Phase 2 clinical studies underway: DMX-200 for FSGS (top line data expected before the end of July 2020); and DMX-200 for Diabetic Kidney Disease (last patient scheduled to receive last dose in July 2020), DMX-700 for chronic obstructive pulmonary disease (COPD), and DMX-200 in Acute Respiratory Distress Syndrome (ARDS) in patients with COVID-19.

For further information, please visit our website at www.dimerix.com or contact:

Dr Nina Webster, Dimerix Limited
Chief Executive Officer & Managing Director
Tel: +61 1300 813 321
E: investor@dimerix.com

Rudi Michelson
Monsoon Communications
Tel: +61 3 9620 3333
Mob: +61 (0)411 402 737
E: rudi@monsoon.com.au

Authorised for lodgement by the Board of the Company

—END—

About Dimerix
Dimerix (ASX: DXB) is a clinical-stage biopharmaceutical company developing innovative new therapies in areas with unmet medical needs for global markets. In addition to this announcement, Dimerix is currently developing its proprietary product DMX-200 for Diabetic Kidney Disease, Focal Segmental Glomerulosclerosis (FSGS) and Acute Respiratory Distress Syndrome (ARDS). DMX-200 was identified using Dimerix' proprietary assay, Receptor Heteromer Investigation Technology (Receptor-HIT), which is a scalable and globally applicable technology platform enabling the understanding of receptor interactions to rapidly screen and identify new drug opportunities. Receptor-HIT is licensed non-exclusively to Excellerate Bioscience, a UK-based pharmacological assay service provider with a worldwide reputation for excellence in the field of molecular and cellular pharmacology.

About DMX-200
DMX-200 is the adjunct therapy of a chemokine receptor (CCR2) antagonist administered to patients already receiving irbesartan, an angiotensin II type I (AT1) receptor blocker and the standard of care treatment for hypertension and kidney disease. DMX-200 is protected by Dimerix' granted patents in various territories until 2032. In 2017, Dimerix completed its first Phase 2a study in patients with a range of chronic kidney diseases. No significant adverse safety events were reported, and all study endpoints were achieved. In a subsequent sub-group analysis,

significant clinical efficacy signals were seen in the diabetic group. DMX-200 administered to patients already taking stable irbesartan reduced proteinuria levels by a further 36%. This reduction in proteinuria is highly correlated with improved renal function and delay in kidney failure and dialysis. The compelling results from this study prompted the decision to initiate two different clinical studies in 2018: one for patients with Diabetic Kidney Disease; and the second for patients with another form of kidney disease, Focal Segmental Glomerulosclerosis (FSGS).

FSGS is a serious and rare disease that attacks the kidney's filtering units (glomeruli) causing serious scarring which leads to permanent kidney damage and kidney failure and for which there is a recognised medical need for a new or improved treatment. FSGS affects both children and adults.

DMX-200 for FSGS has been granted Orphan Drug Designation by the FDA and EMA. Orphan Drug Designation is granted to support the development of products for rare diseases and qualifies Dimerix for various development incentives including: seven years (FDA) and ten years (EMA) of market exclusivity if regulatory approval is received, exemption from certain application fees, and an abbreviated regulatory pathway to approval.

DMX-200 is also under investigation as a potential treatment for acute respiratory distress syndrome (ARDS) in patients with COVID-19.

About DMX-700

COPD is a progressive and life-threatening lung disease. The primary cause of COPD is exposure to tobacco smoke (either active smoking or secondary smoke), however it is also caused by exposure to indoor and outdoor air pollution, occupational dusts and fumes and long-term asthma. COPD is the fourth-leading cause of death in the world and although treatments exist to improve the symptoms of COPD, there is currently no way to slow progression of the condition or cure it. Moreover, among the top five causes of death globally, this disease is the only one with increasing mortality rates. The global COPD treatment market was valued at US$14 billion in 2017 and is projected to increase at a compound annual growth rate of 4.9% to 2026.

Initial studies have been completed, and Dimerix has completed a key step in securing ownership over what it believes is an important new drug discovery by lodging a provisional patent application for DMX-700. Over the next 12 months Dimerix will conduct further proof of concept studies to perform the value-added verification in support of a robust product development pathway and patent position.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
DIMERIX LIMITED	
ABN	**Quarter ended ("current quarter")**
18 001 285 230	30/06/2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(993)	(4,813)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(66)	(311)
	(f) administration and corporate costs	(272)	(875)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	83	1,264
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,247)**	**(4,731)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,840	8,340
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(292)	(442)
3.5	Proceeds from borrowings	1,024	1,024
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(1)	(1)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**6,571**	**8,921**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,472	3,563
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,247)	(4,731)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,571	8,921
4.5	Effect of movement in exchange rates on cash held	(10)	33
4.6	**Cash and cash equivalents at end of period**	**7,786**	**7,786**

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 $A'000	Previous quarter $A'000
5.1	Bank balances	5,544	30
5.2	Call deposits	2,242	2,442
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**7,786**	**2,472**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	114
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount at 6.1 includes Director fees and salaries (including superannuation).

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,024	1,024
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The loan facility is with Innovation Structured Finance Co., LLC serviced via Radium Capital and is an advance on 80% of the Company's R&D Tax Incentive (RDTI) for the for the period 1 July 2019 – 29 February 2020. The interest rate for the loan facility is 15% per annum. Repayment is timed to coincide with receipt of Dimerix's 2020FY RDTI refund. The facility has been in place since 03 April 2020, an initial advance under the facility of $1,024,128 has been received (total amount borrowed: $1,024,128).

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,247)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	7,786
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	7,786
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**6.2**

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 14 July 2020

Authorised by: Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.