For Immediate Release

DIMERIX 4C QUARTERLY CASH FLOW COMMENTARY AND STATEMENT

Quarter highlights

- Cash position of $3.85 million at 31 December 2019, up from $1.99 million in previous quarter
- R&D Tax Incentive of $1.18 million received in October 2019
- DMX-700 for Chronic Obstructive Pulmonary Disease pre-clinical studies initiated
- Dimerix Awarded Second Innovation Connections Grant
- Dimerix held pre-IND meeting on DMX-200 with FDA
- $2.5 million placement to new and existing sophisticated investors completed in December 2019
- Annual General Meeting held in Melbourne in November with all resolutions passed
- Net operating cash flow for the December quarter was -$479,000

MELBOURNE, Australia, 21 January 2020: Dimerix Limited (ASX: DXB), a clinical-stage biopharmaceutical company, today announced its Appendix 4C-Quarterly Cashflow. The Company has gained material traction and momentum across all of its target activities through the quarter, executing in line with the strategic plan. 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 ended the quarter with cash of $3.85 million, in line with the projected budget spend.

Dimerix has two Phase 2 studies currently underway: DMX-200 for FSGS; and DMX-200 for Diabetic Kidney Disease, and an asset in pre-clinical development: DMX-700 for COPD.

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

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Authorised for lodgement by:
Dr Nina Webster
CEO & Managing Director

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About Dimerix

Dimerix (ASX: DXB) is a clinical-stage biopharmaceutical company developing innovative new therapies in areas with unmet medical needs for global markets. Dimerix is currently developing its proprietary product DMX-200 for both Diabetic Kidney Disease and Focal Segmental Glomerulosclerosis (FSGS). 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 kidney disease. DMX-200 has 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 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.

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 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.

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Appendix 4C

+Rule 4.7B

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

DIMERIX LIMITED

ABN	**Quarter ended ("current quarter")**
18 001 285 230	**31/12/2019**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.0	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(1,377)	(2,618)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(70)	(179)
	(f) administration and corporate costs	(214)	(472)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,181	1,181
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(479)**	**(2,086)**

2.0	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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**	**-**	**-**

3.0	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	2,500	2,500
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(150)	(150)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**2,350**	**2,350**

4.0	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,985	3,563
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(479)	(2,086)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,350	2,350
4.5	Effect of movement in exchange rates on cash held	(9)	20
4.6	**Cash and cash equivalents at end of quarter**	**3,847**	**3,847**

	Reconciliation of cash and cash equivalents	**Current quarter**	**Previous quarter**
5.0	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**$A'000**	**$A'000**
5.1	Bank balances	18	26
5.2	Call deposits	3,829	1,959
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)**	**3,847**	**1,985**

6.0	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	116
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments represent director's fees.

7.0	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.0	**Financing** facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

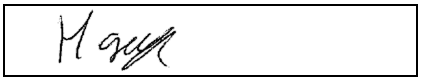
9.0	Estimated cash outflows for next quarter	$A'000
9.1	Research and development	(1,526)
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(210)
9.6	Administration and corporate costs	(147)
9.7	Other (provide details if material)	-
9.9	**Total estimated cash outflows**	**(1,883)**

10.0	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

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.

Sign here: 

Company secretary

Date: 21 January 2020

Print name: Hamish George

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2 If this quarterly 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 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.