Dimerix Limited and controlled entity
Appendix 4D
Half-year report

1. Company details

Name of entity:	Dimerix Limited
ABN:	18 001 285 230
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	12%	to	145,843
Loss from ordinary activities after tax attributable to the owners of Dimerix Limited	up	51%	to	(6,466,900)
Loss for the half-year attributable to the owners of Dimerix Limited	up	51%	to	(6,466,900)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $6,466,900 (31 December 2020: $4,268,751).

3. Net tangible assets

	Reporting period $	Previous period $
Net tangible assets per ordinary security	0.057	0.017

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

Dimerix Limited and controlled entity
Appendix 4D
Half-year report

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditor and the review report is attached as part of the Financial Report for the half-year ended.

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11. Attachments

Details of attachments (if any):

The Financial Report for the half-year ended of Dimerix Limited is attached.

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12. Signed

Signed _____ Date: 24 February 2022

James Williams
Chairman

Dimerix

Dimerix Limited and controlled entity

ABN 18 001 285 230

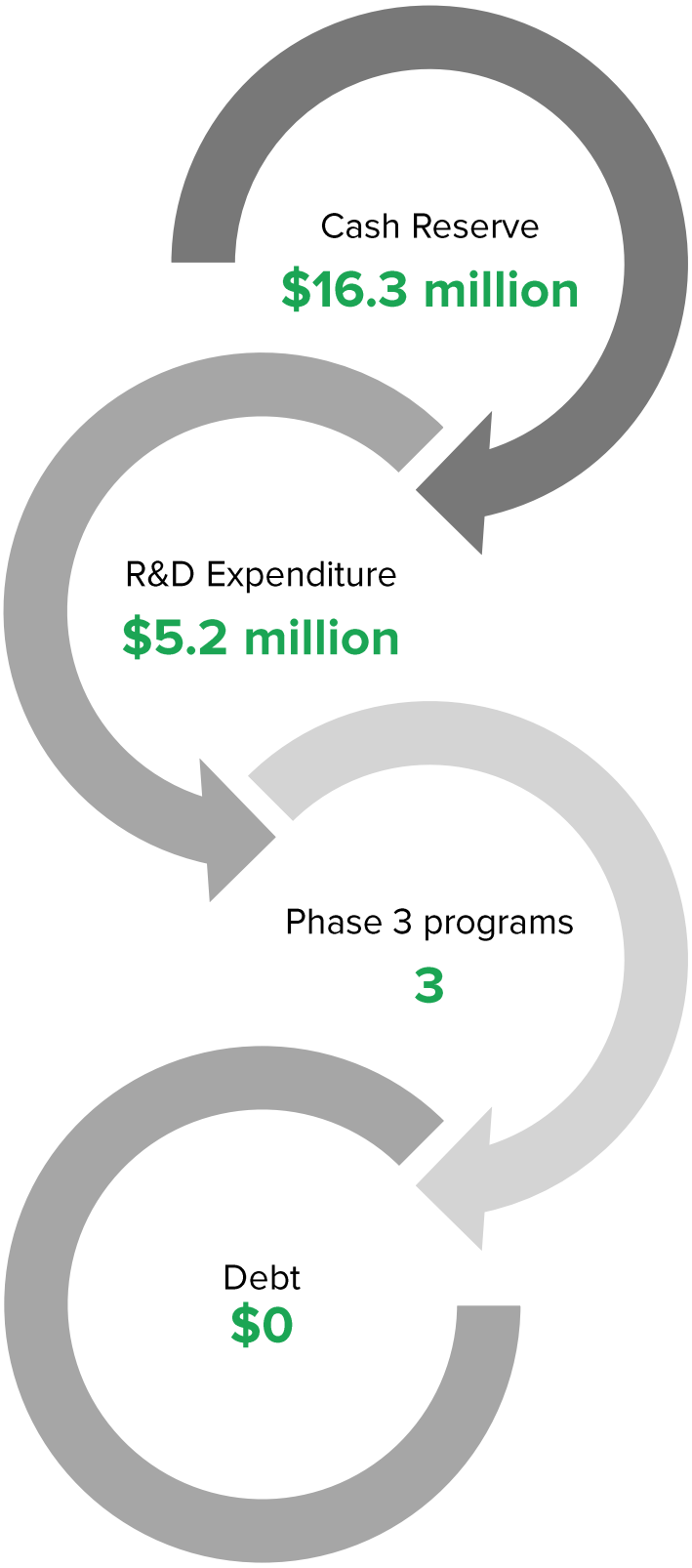
Financial Report for the half-year ended - 31 December 2021

Corporate directory

Directors	Dr James Howard Williams - Non-Executive Chairman Dr Sonia Maria Poli - Non-Executive Director Mr Hugh Alsop - Non-Executive Director Dr Nina Webster - CEO and Managing Director
Company secretary	Mr Hamish George
Registered office	425 Smith Street Fitzroy Victoria, 3065 Tel: 1300 813 321
Share register	Automic Registry Services Level 5 191 St Georges Terrace Perth, Western Australia, 6000
Auditor	Stantons Level 2, 40 Kings Park Road West Perth, Western Australia, 6005
Stock exchange listing	Dimerix Limited shares are listed on the Australian Securities Exchange (ASX code: DXB)
Website	www.dimerix.com
Postal Address:	425 Smith Street Fitzroy Victoria, 3065

Contents

Financial Outcomes



Directors' report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Dimerix Limited (referred to hereafter as the 'Company') and the entity it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors
The following persons were directors of the Company during the whole of the financial half-year ended 31 December 2021 and up to the date of this report, unless otherwise stated:

Dr James Williams
Dr Nina Webster
Dr Sonia Poli
Mr Hugh Alsop

Operating Results
The loss for the Group for the half-year ended 31 December 2021 after providing for income tax amounted to $6,466,900 (31 December 2020: $4,268,751).

The half-year ended 31 December 2021 operating results are attributed to the following:

- Research and development expenditure of $5,241,129 (31 December 2020: $3,657,253); and
- Corporate and administration expenses of $1,266,903 (31 December 2020: $717,861).

Review of operations

During the period, the Group continued to focus on the development of Dimerix' DMX-200 drug candidate in both renal and respiratory indications: Focal Segmental Glomerulosclerosis (FSGS); and respiratory complications associated with COVID-19; as well as the next steps for Diabetic Kidney Disease and the development of Dimerix' DMX-700 pre-clinical asset in Chronic Obstructive Pulmonary Disease (COPD).

Dimerix progressed with three clinical trials during the period: FSGS Phase 3 study; COVID-19 pneumonia feasibility/Phase 3 study and respiratory complications associated with COVID-19 feasibility/Phase 3 study. FSGS first ethics approval was announced on 21st October 2021; REMAP-CAP COVID-19 pneumonia study completed is first Data Safety Monitoring Board (DSMB) review and recommended the study continue; and CLARITY 2.0 COVID-19 study dosed patients in India and expanded into Australia.

In addition to progressing the Phase 3 studies, Dimerix continued to plan for the next development stage in Diabetic Kidney Disease and enter into pre-clinical studies with DMX-700 for COPD.

The pipeline assets are all based on compelling scientific rationale and/or existing clinical data and are all in commercially attractive, growing markets, with little or no current competition, and which will not only diversify the risk of product failure but also diversify the sources of future revenue streams.

Overview of Group Strategy

Our goal is to develop patient-friendly products that treat unmet medical needs in important therapeutic areas. We pursue new product concepts and provide strong scientific know-how in the development of products from early-stage development through to commercialisation. Our products will target multiple global territories, with the initial focus predominantly on the United States market.

Dimerix strives to develop products to help patients with unmet medical needs and our investment in research and development includes the use of state-of-the-art technology and collaborating effectively with our partners to help those patients most in need.

Dimerix is adopting a diversified investment approach, targeting a range of specialty innovative new chemical entities (NCE's) along with re-purposed candidates which provides a balanced approach and reduced risk when compared with development of NCE's alone.

We do this by:
Developing and applying our proprietary Receptor-HIT technology across a broad range of therapeutic classes, using existing drugs and new chemical entities.

- Establishing early-stage collaborative agreements with innovator pharmaceutical companies and institutes to enable rapid candidate evaluation and commercialisation of the technology.
- Evaluating how use of the Dimerix Receptor-HIT platform might provide enhanced clinical benefit in the management of diseases.
- Evaluating other opportunities through mergers, licensing and acquisitions that build the Dimerix pipeline.
- Developing strong proprietary positions through patents to maintain and extend competitive advantages for existing & new drugs.
- Creating a diversified portfolio of marketed products to generate future income streams.
- Building a solid product pipeline that has an attractive projected internal rate of return, with a collectively lower risk profile and faster pathway to approval.

ESG Statement
Dimerix is committed to integrating Environmental, Social and Governance (ESG) considerations across the development cycle of its programs, processes and decision making. The Dimerix commitment to improve its ESG performance demonstrate a strong, well-informed management attitude and a values-led culture that is both alert and responsive to the challenges and opportunities of doing business responsibly and sustainably.

The DMX-200 Program

DMX-200 is a compound called repagermanium (an alternative crystal packing of propagermanium that is identical in solution) that inhibits the cellular inflammation receptor known as C–C chemokine receptor type 2, or CCR2. It is administered as a capsule twice daily to patients already on standard of care treatment (angiotensin receptor blocker or ARB). DMX-200 has never been approved by regulators in the USA, Europe or Australian. As such, DMX-200 is considered a New Chemical Entity (NCE) in these jurisdictions. The related compound known as propagermanium, at a different dose and formulation, has been approved by the Japanese regulatory agency for use in a different condition, providing DMX-200 with a known safety profile which can therefore reduce development times and costs.

Following the two DMX-200 Phase 2 renal studies that were successfully completed in 2020, Dimerix commenced a pivotal Phase 3 clinical study for DMX-200 in FSGS in 2021. In parallel, DMX-200 is being investigated in two different feasibility/Phase 3 studies in patients with COVID-19.

DMX-200 Market Background

Renal
Without adequate management, the progressive nature of kidney disease inevitably results in poor prognosis for patients. It most often results in total kidney failure and a poor quality of life. When the kidneys fail, it means they have stopped working well enough for the patient to survive without dialysis or a kidney transplant. A kidney transplant costs in the region of $260,000 per patient,[1] with ongoing and expensive anti-rejection drugs also costing thousands of dollars per year, and dialysis costs in the region of $100,000 per patient per year.[1] Moreover, dialysis requires regular visits, totalling over 12 hours per week to the medical facility[2] - a huge burden on both the patient and the healthcare system. DMX-200 has the potential to increase the life of the kidney, reducing the burden for both the patient and the healthcare system.

Focal Segmental Glomerulosclerosis
FSGS is a rare disease that attacks the kidney's filtering units, where blood is cleaned (called the 'glomeruli'), causing irreversible scarring. This leads to permanent kidney damage and eventual end-stage failure of the organ, requiring dialysis or transplantation. For those diagnosed with FSGS the prognosis is not good. The average time from a diagnosis of FSGS to the onset of complete kidney failure is only five years and it affects both adults and children as young as two years old.[3] For those who are fortunate enough to receive a kidney transplant, approximately 40% will get re-occurring FSGS in the transplanted kidney.[4] At this time, there are no drugs specifically approved for FSGS anywhere in the world, so the treatment options and prognosis are poor.

1 *Pockros B et al (2021), Dialysis and Total Health Care Costs in the United States and Worldwide, Journal of the American Society of Nephrology, 32 (9) 2137-2139*
2 *Kidney Health Australia (2022); Haemodialysis: https://kidney.org.au/uploads/resources/haemodialysis-photosheet.pdf*
3 *Guruswamy Sangameswaran KD, Baradhi KM. (2021), Focal Segmental Glomerulosclerosis: https://www.ncbi.nlm.nih.gov/books/NBK532272/*
4 *DelveInsight Market Research Report (2020); Focal Segmental Glomerulosclerosis (FSGS)- Market Insight, Epidemiology and Market Forecast -2030*

FSGS is a billion-dollar plus market: the number of people with FSGS in the US alone is just over 80,000, and worldwide about 210,000.[5] The illness has a global compound annual growth rate of 8%, with over 5,400 new cases diagnosed in the US alone each year.[5] Because there is no effective treatment, Dimerix has received Orphan Drug Designation for DMX-200 in both the US and Europe for FSGS. This is a special status granted to a drug to treat a rare disease or condition; the designation means that DMX-200 can potentially be fast-tracked, and receive tax and other concessions to help it get to market.

Diabetic Kidney Disease

There were 23 million diagnosed diabetics in the US in 2017,[6] and the incidence of diabetes is estimated to grow by 54% by the year 2040.[7] It is estimated that approximately 40% of all diabetics suffer from kidney disease leading to kidney failure and dialysis. There is no cure for diabetic kidney disease, and current treatment options are ineffective as the kidneys deteriorate towards failure. The current treatment options include medications to reduce high blood pressure or glucose content in the blood, dialysis or kidney transplant. The progressive nature of kidney disease inevitably results in poor outlook for patients, as it most often results in total kidney failure and a poor quality of life.

Respiratory Complications associated with COVID-19

Patients hospitalised with COVID-19 typically have acute lung dysfunction due to the human immune response to the virus. However, while the long-term effects on the lung from COVID-19 remain largely unknown, it is widely accepted that COVID-19 will result in acute injury in the same way as previous coronavirus infections such as SARS and MERS. As such, it is likely to result in chronic lung fibrosis in many patients, leading to poor quality of life, high ongoing hospitalisation requirements and ultimately a poor prognosis.

Globally, and prior to COVID-19, ARDS affected more than 3 million people a year in 2019 accounting for 10-15% of intensive care unit admissions, and approximately 200,000 patients each year in the United States.[8] The global ARDS market is expected to grow at 10.1% (CAGR) between 2022 and 2029 and is expected to reach over US$18 billion by 2029.[9] Increasing prevalence and incidence of acute lung injury, wide range of risk factors for ARDS and acceleration in patient pool of COVID-19 with ARDS acts as driver for the ARDS market. The death rate associated with ARDS is high, with overall mortality between 30 and 40%.[8] The estimated average costs of treatment in an ICU unit with artificial ventilation total approximately US$100,000 per patient, with the average length of stay in ICU as a result of ARDS being 25 days, and the average length of hospitalisation being approximately 47 days.[10] However, there are also significant costs associated with additional post-discharge treatment.

There is no known prevention of ARDS currently available, nor is there any known cure. Because there is no direct cure for ARDS the treatment is focused on supporting the patient while the lung heals. The goals of this supportive care are to keep enough oxygen in the blood to prevent further damage to the body and to treat whatever caused ARDS in the first place.

Dimerix's clinical drug candidate, DMX-200, was selected by investigators for inclusion in two studies for patients with respiratory complications associated with COVID-19, one in COVID-19 with moderate to severe pneumonia and one in an earlier stage of respiratory complications, prior to the onset of pneumonia.

DMX-200 aims to reduce damage from inflammatory cells by blocking their signalling and limiting subsequent onset of fibrosis.

The company's approach is based on a clear scientific rationale, is unique and potentially complementary to others being investigated globally, and importantly if effective in this study, would likely be effective against any strain as well as potentially other pneumonias with a common mechanism of action.[11]

Antiviral medications are typically effective at preventing damage caused by a virus when administered within 3-5 days of infection (when many are asymptomatic), as the treatment aims to minimise viral replication.[12] In contrast, DMX-200 does not rely on early inhibition of viral replication but aims to prevent the damaging immune response and lung flooding regardless of vaccination or antiviral treatment. As such, DMX-200 may be beneficial for patients with a wide range of respiratory diseases in addition to the various COVID-19 variants.[11]

5 *NephCure Kidney International (2020); Focal Segmental Glomerulosclerosis, online https://nephcure.org/livingwithkidneydisease/understanding-glomerular-disease/understanding-fsgs/*

6 *US National Diabetes Statistics Report, 2017. [ONLINE] Available at https://www.cdc.gov/diabetes/pdfs/data/statistics/national-diabetes-statistics-report.pdf*

7 *Diabetic Kidney Disease: Challenges, Progress, and Possibilities, American Journal of Nephrology, 2017;*

8 *REMAP-CAP background: https://www.remapcap.org/background*

9 *DataBridge Market Research 2022, https://www.databridgemarketresearch.com/reports/global-acute-respiratory-distress-syndrome-ards-market*

10 *Bice, T et al, (2013) Cost and Healthcare Utilization in ARDS – Different from Other Critical Illness?, Semin Respir Crit Care Med. 2013; 34(4): 529–536.*

11 *Based on Szabo, et al., 2020; Merad, et al., 2020; Xiong, et al, 2020; Wu, et al., 2021; Chen, et al., 2009; Yong, et al., 2016*

12 *Brown L et al (2021) Early antiviral treatment in outpatients with COVID-19 (FLARE): a structured summary of a study protocol for a randomised controlled trial: DOI: 10.1186/s13063-021-05139-2*

Directors' report

The DMX-700 Program

IL-8 is produced by epithelial cells, airway smooth muscle cells and endothelial cells, and, in many chronic inflammatory diseases including Chronic Obstructive Pulmonary Disease (COPD), is expressed at elevated levels leading to abnormal recruitment of neutrophils that cause damage to the lung tissue. Prior studies have shown that inhibiting signalling of Interleukin 8 receptor beta (IL-8Rβ) reduces neutrophil movement and subsequently reduces mucus production and inflammation in COPD.

The DMX-700 drug candidate has been shown to block IL-8Rβ (also known as CXCR2) and angiotensin II receptor type 1 (AT1R) that have been independently implicated in the pathophysiology of COPD. Novel findings on molecular pharmacology profiling, using a number of techniques including using Receptor-HIT, has demonstrated that the DMX-700 drug candidate abolished receptor signalling involved in neutrophil recruitment.

The DMX-700 development plan continues to progress towards the clinical phase, with in vivo assessment in an appropriate COPD model to confirm in vitro observations in relevant pre-clinical models of the disease. The components of DMX-700 have a known safety profile in human studies, meaning an accelerated clinical development path can be pursued once in vivo efficacy is demonstrated.

DMX-700 Market Background

COPD is a progressive and life-threatening lung disease. The most common cause of COPD is exposure to tobacco smoke (either active smoking or secondary smoke) however, COPD is also caused by exposure to indoor and outdoor air pollution, occupational dusts and fumes and long-term asthma.[13] COPD is the fourth-leading cause of death in the world[13] 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.[13] In 2016, the Global Burden of Disease Study reported a prevalence of 251 million cases of COPD globally, and it was estimated that 3.23 million deaths were caused by the disease in 2019, which equates to 6% of all deaths globally in that year.[14] 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.[15]

Cash position

The Group ended the half year with $16,267,353 cash and cash equivalents as at 31 December 2021.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

James Williams
Chairman

24 February 2022
Perth, Western Australia

13 *Aernout van Haarst A., McGarvey L., Paglialunga S., 2019 "Review of Drug Development Guidance to Treat Chronic Obstructive Pulmonary Disease: US and EU Perspectives"; in Clinical Pharmacology & Therapeutics, Vol.0 July 2019 (https://ascpt.onlinelibrary.wiley.com/doi/full/10.1002/cpt.1540)*

14 *WHO Fact Sheet Chronic Obstructive Pulmonary Disease (2021) https://www.who.int/news-room/fact-sheets/detail/chronic-obstructive-pulmonary-disease-(copd)*

15 *COPD Market; Technavio market research report at https://www.businesswire.com/news/home/20190206005309/en/*

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24 February 2022

Board of Directors
Dimerix Limited
425 Smith Street
Fitzroy, Victoria 3065

Dear Directors

RE: DIMERIX LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Dimerix Limited.

As the Audit Director for the review of the financial statements of Dimerix Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director

Stantons

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DIMERIX LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dimerix Limited (the "Company") and its controlled entity (together, the "Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Dimerix Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Dimerix Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Consolidated Entity on 24 February 2022.

Responsibility of the Directors for the Financial Report

The directors of Dimerix Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Stantons

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
24 February 2022

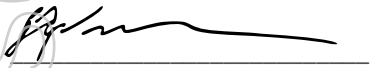
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act* 2001.

On behalf of the directors



James Williams
Chairman

24 February 2022
Perth, Western Australia

Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
Revenue			
Revenue		420	1,182
Other income	4	145,423	129,400
Expenses			
Research and development expenses		(5,241,129)	(3,657,253)
Corporate administration expenses		(1,266,903)	(717,861)
Share-based payment expenses		(104,711)	(24,219)
Loss before income tax expense		**(6,466,900)**	**(4,268,751)**
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Dimerix Limited		**(6,466,900)**	**(4,268,751)**
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Dimerix Limited		**(6,466,900)**	**(4,268,751)**
		Cents	**Cents**
Basic and diluted earnings per share	5	(2.413)	(2.158)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position
As at 31 December 2021

	Note	31 Dec 2021 $	30 Jun 2021 $
Assets			
Current assets			
Cash and cash equivalents		16,267,353	5,250,094
Trade, other receivables and prepayments	6	4,245,071	4,126,365
Right-of-use asset	7	19,465	42,823
Total current assets		**20,531,889**	**9,419,282**
Non-current assets			
Property, plant and equipment		5,698	1,422
Total non-current assets		**5,698**	**1,422**
Total assets		**20,537,587**	**9,420,704**
Liabilities			
Current liabilities			
Trade and other payables		2,008,926	2,793,858
Borrowings		-	5,050,000
Lease liabilities	7	19,834	43,093
Provisions		87,649	65,254
Total current liabilities		**2,116,409**	**7,952,205**
Total liabilities		**2,116,409**	**7,952,205**
Net assets		**18,421,178**	**1,468,499**
Equity			
Issued capital	8	50,895,134	28,389,114
Reserves	9	1,800,511	886,952
Accumulated losses		(34,274,467)	(27,807,567)
Total equity		**18,421,178**	**1,468,499**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity
For the half-year ended 31 December 2021

	Issued capital $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2020	**28,344,114**	**850,983**	**(21,435,833)**	**7,759,264**
Loss after income tax expense for the half-year	-	-	(4,268,751)	(4,268,751)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	**(4,268,751)**	**(4,268,751)**
Issue of ordinary shares	22,500	-	-	22,500
Recognition of share-based payments	-	24,219	-	24,219
Balance at 31 December 2020	**28,366,614**	**875,202**	**(25,704,584)**	**3,537,232**

	Issued capital $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2021	**28,389,114**	**886,952**	**(27,807,567)**	**1,468,499**
Loss after income tax expense for the half-year	-	-	(6,466,900)	(6,466,900)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	**(6,466,900)**	**(6,466,900)**
Issue of ordinary shares	24,554,874	-	-	24,554,874
Share issue costs	(2,048,854)	-	-	(2,048,854)
Recognition of share-based payments	-	913,559	-	913,559
Balance at 31 December 2021	**50,895,134**	**1,800,511**	**(34,274,467)**	**18,421,178**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows
For the half-year ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
Cash flows from operating activities			
Receipt of Research and Development tax refund		-	2,338,254
Other income		159,965	116,717
Payments to suppliers and employees		(6,904,735)	(4,299,056)
Interest received		420	1,182
Net cash used in operating activities		(6,744,350)	(1,842,903)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,099)	(6,050)
Proceeds from disposal of non-current assets		-	13,951
Net cash (used in)/ provided by investing activities		(5,099)	7,901
Cash flows from financing activities			
Proceeds from issue of shares	8	20,499,874	22,500
Proceeds from exercise of options		180,000	-
Payment for share issue costs		(1,240,006)	-
Payment of other finance costs		(741)	-
Repayment of borrowings and interest on borrowings		(1,700,000)	(1,072,759)
Repayment of lease liability		(23,250)	(18,480)
Net cash provided by/(used in) financing activities		17,715,877	(1,068,739)
Net increase/(decrease) in cash and cash equivalents		10,966,428	(2,903,741)
Cash and cash equivalents at the beginning of the financial half-year		5,250,094	7,785,706
Effects of exchange rate changes on cash and cash equivalents		50,831	(6,401)
Cash and cash equivalents at the end of the financial half-year		16,267,353	4,875,564

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Condensed notes to the consolidated financial statements
31 December 2021

1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Basis of preparation
The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Critical accounting judgements, estimates and assumptions

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

3. Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

AASB 8 “Operating Segments’” states that similar operating segments can be aggregated to form one reportable segment.

From the period beginning 1 July 2021 the Board considers that the Group has only operated in one Segment.

4. Other income

	31 Dec 2021 $	31 Dec 2020 $
Government incentives	145,423	116,717
Other income	-	12,683
	145,423	129,400

5. Loss per share

	Cents	Cents
Basic and diluted loss per share	(2.413)	(2.158)

	31 Dec 2021 $	31 Dec 2020 $
Loss after income tax attributable to the owners of Dimerix Limited	(6,466,900)	(4,268,751)

	31 Dec 2021	31 Dec 2020
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	268,037,891	197,793,455

There is no dilution of shares due to options therefore options are not included in the calculation of diluted loss per share.

6. Trade, other receivables and prepayments

	31 Dec 2021 $	30 Jun 2021 $
Current assets		
Other receivables	3,818,718	4,007,815
Prepayments	426,353	118,550
	4,245,071	4,126,365

The other receivables at 31 December 2021 and 30 June 2021 reporting dates include a Research and Development tax incentive of $3,695,562. During the financial period, the R&D tax incentive has been subjected to a routine ATO review and the amount has not been received as at the date of this report. At the reporting date, none of the receivables are past due or impaired.

The prepayments at 31 December 2021 includes the amount of $302,083 in relation to the public and investor relations services to be provided by S3 Consortium Pty Ltd ('S3') that was paid through the issuance of 1,875,000 shares (Note 8). The agreement is for a period of 24 months with effect from August 2021.

7. Right-of-use asset

7.1 Right-of-use assets

	31 Dec 2021 $	30 Jun 2021 $
Current assets		
Land and buildings - on initial recognition	47,689	47,689
Less: Accumulated depreciation	(28,224)	(4,866)
Carrying value at end of period	19,465	42,823

7.2 Lease liability

7. Right-of-use asset (continued)

	31 Dec 2021 $	30 Jun 2021 $
Current liability		
Property lease liability	19,834	43,093

	31 Dec 2021 $	31 Dec 2020 $
Depreciation - right-of-use asset	23,358	18,212
Interest expense - lease liability	741	519
Lease payments during the period	23,250	18,480

Option to extend or terminate
The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Property leases
The above right-of-use asset (ROU) and lease liability relate to the office lease entered into by the Group. The lease has been accounted for in accordance with AASB 16 adopted by the Group on 1 July 2019 under the modified retrospective approach.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease. The lease liability and ROU asset at initial recognition is $47,689.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 6 months for the lease in place at 31 December 2021. Depreciation expense of $23,358 (31 December 2020: $18,212) was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 5.03%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of $741 (31 December 2020: $519) was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

8. Issued capital

	31 Dec 2021 $	30 Jun 2021 $
Ordinary shares - fully paid	50,895,134	28,389,114

	31 Dec 2021 No.	30 Jun 2021 No.	31 Dec 2021 $	30 Jun 2021 $
Balance at beginning of the reporting period	197,999,297	197,749,297	28,389,114	28,344,114
Issue of ordinary shares	102,499,369	250,000	20,499,874	45,000
Exercise of options	1,000,000	-	180,000	-
Capital raising costs	-	-	(2,048,854)	-
Shares issued for settlement of loan (a)	17,500,000	-	3,500,000	-
Shares issued in lieu of services (b)	1,875,000	-	375,000	-
Balance at end of period	**320,873,666**	**197,999,297**	**50,895,134**	**28,389,114**

8. Issued capital (continued)

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

(a) In the prior year, the Group entered into an unsecured loan agreement with major shareholder, Mr Peter Meurs. Interest accrued at the compound rate of 1% per month. $3,500,000 of shares issued to the major shareholder as part of the two-tranche placement were used to repay the Group's loan with that shareholder. The remaining loan was re-paid in cash.

(b) During the period 1,875,000 ordinary shares were issued to S3 Consortium Pty Ltd ('S3') for providing public and investor relations services. Under the services agreement, the Company agreed to pay S3 $375,000 (excluding GST) for the provision of services over a term of 2 years ('Fees'). The Company agreed to pay the Fees via the issue of 1,875,000 Shares at a deemed issue price of $0.20.

The total share-based payment recognised as a corporate administration expense for the period ended 31 December 2021 was $72,917 (31 December 2020: $nil) and $302,083 has been recognised as part of prepayments (see Note 6).

9. Reserves

Share-based payments reserve

	31 Dec 2021 $	30 Jun 2021 $
Share-based payments reserve	1,800,511	886,952

Share-based payments reserve

	31 Dec 2021 $	30 Jun 2021 $
Balance at beginning of year	886,952	850,983
Arising on share-based payments*	913,559	35,969
Balance at end of year	1,800,511	886,952

9. Reserves (continued)

*The total share-based payment recognised as a cost of raising capital and deducted from equity for the period ended 31 December 2021 was $808,848 (31 December 2020: $nil).

Options issued to Employees
Options may be issued to employees in accordance with the Company's existing ESOP. Options cannot be offered to a director or an associate except where approval is given by shareholders at a general meeting.

Each option issued converts into one ordinary share of Dimerix Limited on exercise. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the period, 1,000,000 options were granted to employees in accordance with the Company's ESOP. The options were issued in two equal tranches comprising 500,000 options each with an exercise price of $0.40 per share. The options expire 03 December 2025 and are subject to vesting conditions. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of the unlisted options:

Voaltility	72%
Risk-free interest rate (%)	0.87%
Expected life of options (years)	4.00
Exercise price ($)	0.400
Underlying security price at grant date	0.240
Expiry date	3 December 2025
Value per option	0.100

The deemed fair value of options granted to employees at grant date is $99,888. The share-based payment expense recognised as a corporate administration expense for the period ended 31 December 2021 was $10,329.

Options issued to Directors
Options may be issued to Directors or an associate where shareholder approval has been given at a general meeting.

Each option issued converts into one ordinary share of Dimerix Limited on exercise. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the period 599,140 options were granted to directors with an exercise price of $0.40 per share, expiring 30 July 2024. The vesting date of the options is the issue date. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of the unlisted options:

Volatility (%)	84%
Risk-free interest rate (%)	0.22%
Expected life of options (years)	2.82
Exercise price ($)	0.400
Underlying security price at grant date	0.330
Expiry date	30 July 2024
Value per performance right	0.158

9. Reserves (continued)

The deemed fair value of options granted to directors at grant date is $94,382. This amount was recognised as a corporate administration expense for the period ended 31 December 2021 as these options vested immediately.

Options issued to Advisors
Options may be issued to external consultants or non-related parties without shareholders' approval, where the annual 15% capacity pursuant to ASX Listing Rule 7.1 has not been exceeded.

Each option issued converts into one ordinary share of Dimerix Limited on exercise. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the period 8,500,000 options were issued to Canaccord Genuity for their services in connection with the placement announced on 16 August 2021. Under the placement mandate, 8,500,000 unlisted options were issued on 05 October 2021 at an exercise price of 40 cents per share, expiring on 30 July 2024. The vesting date of the options is the issue date. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the model used for valuation of the unlisted options:

	Placement options
Volatility	72%
Risk-free interest rate (%)	0.29%
Expected life of options (years)	2.84
Exercise price ($)	0.400
Underlying security price at grant date	0.270
Expiry date	30 July 2024
Value per option	0.095

The deemed fair value of options granted to advisors at grant date is $808,848. These options vested immediately and were recognised as a cost of raising capital.

10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

11. Key management personnel disclosures

Remuneration arrangements of key management personnel are disclosed in the annual financial report at 30 June 2021. All other arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2021 annual financial report.

Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

12. Commitments and contingencies

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.