

## Appendix 4D

### 1. Company details

Name of entity:	Dimerix Limited
ABN:	18 001 285 230
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

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### 2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	7240%	to	130,582
Loss from ordinary activities after tax attributable to the owners of Dimerix Limited	up	32%	to	(4,268,751)
Loss for the half-year attributable to the owners of Dimerix Limited	up	32%	to	(4,268,751)

#### *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 \$4,268,751 (31 December 2019: \$3,244,574).

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### 3. Net tangible assets

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	<u>0.017</u>	<u>0.019</u>

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### 4. Control gained over entities

Not applicable.

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### 5. Loss of control over entities

Not applicable.

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## Appendix 4D

### 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.

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### 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 auditors 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 for the half-year ended 31 December 2020 is attached.

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## Appendix 4D

### 12. Signed

Signed Hamish George

Date: 22 February 2021

Hamish George  
Company Secretary



# Dimerix

**Dimerix Limited and controlled entity**

**ABN 18 001 285 230**



**Financial Report for the half-year ended - 31 December 2020**

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

Automatic Registry Services  
Suite 1a, Level 1  
7 Ventnor Avenue  
West Perth, Western Australia, 6005

Auditor

Stantons International  
Level 2, 1 Walker Avenue  
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](http://www.dimerix.com)

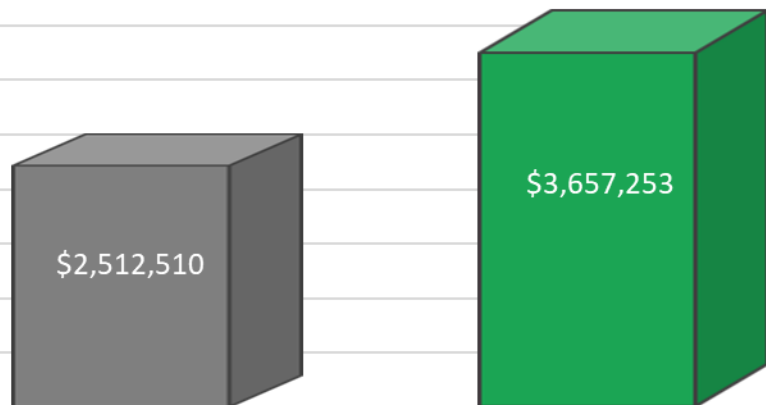
Postal Address:

425 Smith Street  
Fitzroy  
Victoria, 3065

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Cash Reserves  
at December 2020  
\$4.9 million



December 2019

December 2020

Research and development expenses



December 2019

December 2020

Corporate administration expenses

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 entities it controlled at the end of, or during, the half-year ended 31 December 2020.

## Directors

The following persons were directors of the Company during the whole of the financial half-year 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 2020 after providing for income tax amounted to \$4,268,751 (31 December 2019: \$3,244,574).

The half-year ended 31 December 2020 operating results are attributed to the following:

- Research and development expenditure of \$3,657,253 (31 December 2019: \$2,512,510); and
- Corporate and administration expenses of \$717,861 (31 December 2019: \$611,504).

## Review of operations

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

Dimerix concluded two Phase 2 clinical trials during the period. DMX-200 for FSGS Phase 2a top line results were announced on 29th July 2020 and DMX-200 for Diabetic Kidney Disease Phase 2 top line results were announced on 14th September 2020.

In addition to preparing for the next stages of development in FSGS and Diabetic Kidney Disease and supporting the inclusion of DMX-200 in the REMAP-CAP study in COVID-19 patients, Dimerix added a further opportunity to the development pipeline, DMX-200 for respiratory complications associated with COVID-19.

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 need 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.

### **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 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 DMX-200 Phase 2a trial that was completed in 2017, Dimerix entered into two Phase 2 clinical trials: the first in Diabetic Kidney Disease; and the second in Focal Segmental Glomerulosclerosis. Both of these studies reported during the period.

The Phase 2a FSGS trial investigated the effects of DMX-200 in patients with FSGS and demonstrated a very good safety profile and promising efficacy (as evidenced by the reduction of protein in the urine). Dimerix is currently planning for the proposed Phase 3 pivotal program in FSGS.

The Phase 2 diabetic kidney disease trial investigated the effects of DMX-200 in patients with diabetic kidney disease looking at the change in 24hr albumin creatinine ratio (ACR). The study also demonstrated a very good safety profile and promising efficacy (as evidenced by the reduction of protein in the urine), and the next study is currently being assessed.

### **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, 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. Moreover, dialysis requires regular visits, totalling over 12 hours per week to the medical facility - 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 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 at least 210,000 people globally. The disease progresses rapidly and results in kidney failure, requiring dialysis or kidney transplant, with FSGS reoccurring in 30-40% of patients who receive a kidney transplant. There are few available treatment options for FSGS. This is reflected by the acquisitive interest by the pharmaceutical industry in new clinical programs focused in this area with multiple transaction valued at greater than \$200 million having been completed in recent years.

DMX-200 for FSGS has been granted Orphan Drug Designation by both the FDA and EMEA. Orphan drug designation qualifies Dimerix for 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.

### *Diabetic Kidney Disease*

There were 23 million diagnosed diabetics in the US in 2017, and the incidence of diabetes is estimated to grow by 54% by the year 2040. 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. The market size of Acute Respiratory Distress Syndrome (ARDS) in the seven major markets was US\$917.81 million in 2017. This has grown significantly because of the 2020 pandemic. The death rate associated with ARDS is high, with overall mortality between 30 and 40%. 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. 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 acute respiratory distress syndrome (ARDS) and one in an earlier stage of respiratory complications, prior to the onset of ARDS.

DMX-200 aims to reduce damage from inflammatory cells by blocking their signalling and limiting subsequent onset of fibrosis. Based on the known effects in the lung of COVID-19, DMX-200 may also benefit ARDS patients with COVID-19 by reducing the inflammatory response in the lungs and thus reducing inflammation and subsequent fibrosis. Specifically, there are multiple publications recently reporting a SARS-CoV-2 (the virus causing COVID-19) induced elevation of MCP-1, the pro-inflammatory ligand acting on CCR2, and the target of DMX-200.

### **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-8R $\beta$ ) reduces neutrophil movement and subsequently reduces mucus production and inflammation in COPD.

The DMX-700 drug candidate has been shown to block IL-8R $\beta$  (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. 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. In 2016, the Global Burden of Disease Study reported a prevalence of 251 million cases of COPD globally, and it was estimated that 3.17 million deaths were caused by the disease in 2015, which equates to 5% of all deaths globally in that year (WHO Factsheet – Chronic Obstructive Pulmonary Disease). 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.

### **Research and Development Refund**

During the half year, the Company received a Research and Development (R&D) Tax Incentive refund of \$2,338,254 for the 2019/20 financial year.

### **Cash position**

The Group ended the half year with \$4,875,564 cash and cash equivalents as at 31 December 2020.

### **Significant changes in the state of affairs**

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

### **Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group'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

A handwritten signature in black ink, appearing to read "James Williams", written over a horizontal line.

James Williams  
Chairman

22 February 2021  
Perth, Western Australia

22 February 2021

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 2020, 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 sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**



**Martin Michalik**  
Director

## **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 and its controlled entity, which comprises the consolidated statement of financial position as at 31 December 2020, 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, 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 the Dimerix Limited's financial position as at 31 December 2020 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 Company 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 Company on 22 February 2021.

#### *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.

*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 Company's financial position as at 31 December 2020 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**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
22 February 2021

## 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 as at 31 December 2020 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

22 February 2021  
Perth, Western Australia



## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
<b>Revenue</b>			
Revenue		1,182	1,779
Other Income	4	129,400	-
<b>Expenses</b>			
Research and development expenses		(3,657,253)	(2,512,510)
Corporate administration expenses		(717,861)	(611,504)
Share-based payment expenses		(24,219)	(122,339)
<b>Loss before income tax expense</b>		<b>(4,268,751)</b>	<b>(3,244,574)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Dimerix Limited</b>		<b>(4,268,751)</b>	<b>(3,244,574)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Dimerix Limited</b>		<b>(4,268,751)</b>	<b>(3,244,574)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	5	(2.158)	(2.007)

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 2020

	Note	31 Dec 2020 \$	30 Jun 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,875,564	7,785,706
Trade, other receivables and prepayments	6	122,196	2,571,720
Right-of-use asset	7	12,141	30,353
<b>Total current assets</b>		<b>5,009,901</b>	<b>10,387,779</b>
<b>Non-current assets</b>			
Property, plant and equipment		2,299	1,232
<b>Total non-current assets</b>		<b>2,299</b>	<b>1,232</b>
<b>Total assets</b>		<b>5,012,200</b>	<b>10,389,011</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,400,249	1,505,457
Borrowings		-	1,063,015
Lease liabilities	7	13,356	31,317
Provisions		61,363	29,958
<b>Total current liabilities</b>		<b>1,474,968</b>	<b>2,629,747</b>
<b>Total liabilities</b>		<b>1,474,968</b>	<b>2,629,747</b>
<b>Net assets</b>		<b>3,537,232</b>	<b>7,759,264</b>
<b>Equity</b>			
Issued capital	8	28,366,614	28,344,114
Reserves	9	875,202	850,983
Accumulated losses		(25,704,584)	(21,435,833)
<b>Total equity</b>		<b>3,537,232</b>	<b>7,759,264</b>

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 2020

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2019</b>	<b>20,474,930</b>	<b>669,627</b>	<b>(16,941,680)</b>	<b>4,202,877</b>
Loss after income tax expense for the half-year	-	-	(3,244,574)	(3,244,574)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>-</b>	<b>(3,244,574)</b>	<b>(3,244,574)</b>
Issue of ordinary shares	2,500,000	-	-	2,500,000
Share issue costs	(178,939)	-	-	(178,939)
Recognition of share-based payments	-	151,885	-	151,885
<b>Balance at 31 December 2019</b>	<b>22,795,991</b>	<b>821,512</b>	<b>(20,186,254)</b>	<b>3,431,249</b>

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

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 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
<b>Cash flows from operating activities</b>			
Receipt of Research and Development tax refund		2,338,254	1,180,758
Other income		116,717	-
Payments to suppliers and employees		(4,299,056)	(3,268,729)
Interest received		1,182	1,779
Net cash used in operating activities		(1,842,903)	(2,086,192)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(6,050)	-
Proceeds from disposal of non-current assets		13,951	-
Net cash from investing activities		7,901	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	8	22,500	2,440,600
Repayment of borrowings		(1,072,759)	-
Repayment of lease liability		(18,480)	-
Payments for share issue costs		-	(90,000)
Net cash (used in)/from financing activities		(1,068,739)	2,350,600
Net (decrease)/increase in cash and cash equivalents		(2,903,741)	264,408
Cash and cash equivalents at the beginning of the financial half-year		7,785,706	3,563,286
Effects of exchange rate changes on cash and cash equivalents		(6,401)	19,462
Cash and cash equivalents at the end of the financial half-year		4,875,564	3,847,156

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

# Condensed notes to the consolidated financial statements for the half year ended 31 December 2020

## 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 2020 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 2020 the Board considers that the Group has only operated in one Segment.

## 4. Other Income

	31 Dec 2020	31 Dec 2019
	\$	\$
Government incentives	116,717	-
Other income	12,683	-
	<u>129,400</u>	<u>-</u>

## 5. Loss per share

	Cents	Cents
Basic and diluted loss per share	(2.158)	(2.007)

	31 Dec 2020 \$	31 Dec 2019 \$
Loss after income tax attributable to the owners of Dimerix Limited	(4,268,751)	(3,244,574)

	31 Dec 2020	31 Dec 2019
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	197,793,455	161,655,871

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 2020 \$	30 Jun 2020 \$
<i>Current assets</i>		
Other receivables	67,556	2,464,081
Prepayments	54,640	107,639
	<u>122,196</u>	<u>2,571,720</u>

The other receivables at the 30 June 2020 reporting date included Research and Development tax incentive of \$2,338,254. This was received in October 2020. At the reporting date, none of the receivables are past due or impaired.

## 7. Right-of-use asset and lease liability

### 7.1 Right-of-use assets

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current assets</i>		
Land and buildings - on initial recognition	42,494	42,494
Less: Accumulated depreciation	(30,353)	(12,141)
<b>Carrying value at end of period</b>	<u>12,141</u>	<u>30,353</u>

### 7.2 Lease liability

	31 Dec 2020 \$	30 Jun 2020 \$
<i>Current liability</i>		
Property lease liability	<u>13,356</u>	<u>31,317</u>

## 7. Right-of-use asset and lease liability (continued)

	31 Dec 2020 \$	31 Dec 2019 \$
Depreciation - right-of-use asset	18,212	12,141
Interest expense - lease liability	519	583
Other leases classified as short-term or low value asset	-	39,287
Lease payments during the year	18,480	11,759

### 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 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 \$42,494.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 14 months for the lease in place at 31 December 2020. Depreciation expense of \$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 \$519 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

## 8. Issued capital

	31 Dec 2020 \$	30 Jun 2020 \$
Ordinary shares - fully paid	28,366,614	28,344,114

	31 Dec 2020 No.	30 Jun 2020 No.	31 Dec 2020 \$	30 Jun 2020 \$
Balance at beginning of the reporting period	197,749,297	158,799,437	28,344,114	20,474,930
Issue of ordinary shares	125,000	38,949,860	22,500	8,340,129
Capital raising costs	-	-	-	(470,945)
<b>Balance at end of period</b>	<b>197,874,297</b>	<b>197,749,297</b>	<b>28,366,614</b>	<b>28,344,114</b>

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.

## 9. Reserves

	31 Dec 2020 \$	30 Jun 2020 \$
Share-based payments reserve	875,202	850,983

### *Share based payment reserve*

#### *Employee options*

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.

There were no options issued to employees during the half-year ended 31 December 2020. The total share-based payment expense amortised for the half-year ended 31 December 2020 was \$24,217.

#### *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. Options cannot be offered to a director or an associate except where approval is given by shareholders at a general meeting. There were no options issued to Advisors for the half-year ended 31 December 2020.

The total share based payment expense for options granted to Advisors amortised for the half year ended 31 December 2020 was nil.

## 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 2020. All other arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2020 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**

On 05 February 2021 the Group received \$529,113 (GST inc.) in funding from the Australian Government's Medical Research Future Fund (MRFF) through the Biomedical Translation Bridge (BTB) program. The funding was received upon completion of grant milestones.

Other than the above, no matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### **14. Government Assistance**

The Company entered into a research project agreement with University of Western Australia (UWA) in October 2019. The project will utilise expertise at the Harry Perkins Institute of Medical Research and UWA and will fund further research on molecular pharmacology profiling. The project is partially funded via a matched contribution totalling \$50,000 from the Commonwealth Government under the Innovations Connections Grant Scheme. The Government funding is provided directly to the UWA via a separate funding agreement.