For Immediate Release

ASX/Media Release

Dimerix receives $420,000 research and development tax refund

MELBOURE, Australia; 21 March 2017: Dimerix Limited (ASX: DXB), a clinical stage biotechnology company committed to discovering and developing new therapeutic treatments identified using its proprietary screening assay, today confirms receipt of $421,549 under the Federal Government Research and Development Tax Incentive Program.

The R&D tax refund relates to eligible FY16 expenditure across Dimerix's Receptor-HIT platform technology development program which is evaluating new therapeutic treatments targeting G-Protein Coupled Receptors (GPCRs) which play a major role in pharmacology due to their significant function in cell communication.

More than 30 per cent of the drugs available in the global market target GPCRs and most drugs under clinical and preclinical studies target the receptor.

Dimerix Chief Executive Officer Kathy Harrison said, "The R&D tax incentive is an important program for the Australian biotechnology sector and provides a significant incentive for Dimerix to conduct R&D in Australia and advance a diversified portfolio of new therapies based on our highly promising Australian drug developed technology. The incentive has helped Dimerix facilitate a number of valuable new programs."

Dimerix's lead clinical program, DMX 200, is in Phase II clinical trials for chronic kidney disease and has been granted Orphan Drug Designation status in the US for a medical condition called Focal Segmental Glomerulosclerosis (FSGS). The condition is a leading cause of kidney failure in adults. Preliminary data has indicated improved clinical outcomes with chronic kidney disease by significantly reducing proteinuria in animal models.

The innovative treatment combines two existing drugs, a chemokine receptor blocker (propagermanium), used under prescription in Japan for treatment of hepatitis and available in other markets as a dietary supplement, and an angiotensin receptor blocker (irbesartan), used for the treatment of hypertension.

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Dimerix Bioscience Pty Ltd

Dimerix Limited's wholly owned subsidiary Dimerix Bioscience Pty Ltd is a clinical-stage pharmaceutical company committed to discovering and developing new therapeutic models identified using its proprietary assay, termed Receptor-Heteromer Investigation Technology (Receptor-HIT). This assay enables the identification of pairs of receptors that function in a joint manner (interact) when ligands, small molecule drugs, peptides or antibodies, bind to them. The Receptor-HIT technology was used to identify DMX-200 in an internal drug development program, initially for the treatment of a subset of patients with chronic kidney disease. In addition to its own therapeutic programs, the company also earns revenue by providing this technology to global pharmaceutical companies. For more information see www.dimerix.com

DMX 200

DMX-200 is being developed as an adjunct therapy, adding propagermanuim to a stable dose of irbesartan. Irbesartan is an off-patent angiotensin II type I receptor blocker indicated for the treatment of hypertension and nephropathy in Type II diabetic patients. Propagermanium (PPG) is a chemokine receptor (CCR2) blocker, which has been used for the treatment of Hepatitis B in Japan and is available in the USA for its anti-inflammatory properties. DMX-200 has been shown to improve the outcome of chronic kidney disease by reducing proteinuria by more than 50 per cent in animal models [(1)].

The DMX-200 Phase II Trial

The trial is a single arm, open label study in adult patients with chronic kidney disease (with proteinuria). The primary end points are the incidence and severity of adverse events and the clinically significant changes in the safety profile of participants. The secondary end points are obtained from statistical analysis of biomarker data at each time point including change from baseline, and the proportion of responders defined as those participants achieving normalisation of proteinuria (proteinuria within normal limits) or those participants achieving a 50 per cent reduction in proteinuria.

The trial has two parts. Part A is a dose escalation trial recruiting up to 30 patients and completed enrolment at the end of November 2016. All patients recruited to the trial will be on stable irbesartan therapy, and will be treated with propagermanium dosed orally three times per day. Each patient will commence on 30mg PPG/day and the dose increased each 28 days to a maximum of 240mg/day, or until proteinuria is absent or reduced to a level the clinician considers acceptable. The Company expects to complete Part A in mid 2017.

Part B is an expansion study, in which up to 30 patients will be given the optimal dose identified from Part A.

Chronic Kidney Disease

Chronic kidney disease can result from diabetes, high blood pressure and diseases that cause inflammation specifically in the kidneys. Proteinuria is the most common manifestation of the disease. As the disease progresses it can lead to end-stage renal disease (ESRD) where the kidneys fail. The only treatment for ESRD is a kidney transplant or regular blood-cleansing treatments called dialysis. More than 26 million people suffer from the disease in the United States.

[(1)] Functional interaction between angiotensin II receptor type 1 and chemokine (C-C motif) receptor 2 with implications for chronic kidney disease. Ayoub MA, Zhang Y, Kelly RS, See HB, Johnstone EK, McCall EA, Williams JH, Kelly DJ, Pfleger KD. PLoS One. 2015 Mar 25;10(3):e0119803. doi: 10.1371/journal.pone.0119803.