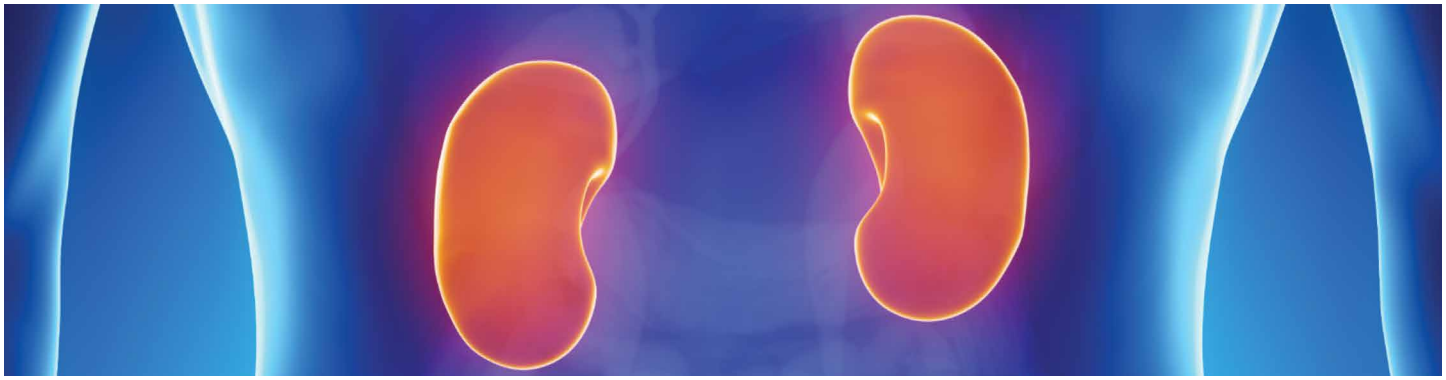
www.dimerix.com
April 2017

Shareholder Update

Dimerix



Did you know Dimerix is at the forefront of developing innovative new medicines for patients with chronic kidney disease?

Receptor-HIT is our proprietary platform technology developed at the Harry Perkins Institute of Medical Research. This cell-based assay allows us to identify interactions between groups of signalling receptors that are difficult to study using other systems. Receptor-HIT allows us to investigate the unique pharmacology of individual receptor molecules that occur as a function of their interactions – a key to understanding the safety and efficacy of new drugs. Leading pharmaceutical companies have used Receptor-HIT to identify interactions between their drugs and signalling receptors, and we have also used the technology to identify our own candidates for the treatment of inflammatory diseases affecting millions of patients.

Receptor HIT allows us to create new treatments

Dimerix has used its Receptor HIT technology to identify a new treatment that may transform the lives of patients with Chronic Kidney Disease (CKD). Kidney disease is a major global health problem, affecting over 10% of the population. There are multiple causes for the disease and often the cause is unknown. It is a pressing unmet medical need that can lead to kidney failure, cardiovascular disease and premature death. Proteinuria, or excess protein in the urine, is the most common manifestation of the disease, and is indicative of decreased renal functioning.

Current treatments can include a complex cocktail of drugs which are not specifically registered for this use (they are used 'off label'), including immunosuppressants and steroids. These therapies have significant toxicity profiles that may be dose limiting, and efficacy can be as low as 25%[1]. In addition to these serious side effects, some patients can become non-responsive. The Nephcure Kidney International patient advocacy group provide useful patient and carer stories.

From these patient and carer stories, it is very clear that much needs to be done to improve outcomes for people with CKD. Not only are the current treatments ineffective, CKD has significant impacts on the life of patients, even when the disease is being 'managed', and has far reaching effects on their ability to work, and on their family. Ultimately, if the disease is not controlled, the patients end up with end stage renal disease, leaving kidney transplant or ongoing dialysis as the only options.

In October 2016, Dimerix announced a positive analysis of the interim clinical data of our lead candidate drug DMX-200, from part A of our phase 2 study in patients with CKD. So why were these results positive and what exactly do they mean?

Safety

CKD patients don't need any more toxic drugs. Our interim analysis reported an excellent safety and tolerability profile. Irbesartan has been widely used to manage blood pressure and cardiovascular risks for decades, and propagermanium has also been used safely for decades in Japan in patients with chronic Hepatitis B, so this promising safety profile is not surprising. Bearing in mind how toxic some of the alternates are, the motivation for patients/physicians to try a safe therapy without these toxic side effects is very high.

'Prednisone sucks'

Click here to see video

"I probably had hundreds upon hundreds of relapses from age two until age 24 to the point where I was unresponsive to Prednisone. I then had a Cytoxan/Prednisone combination and have been in remission for 23 years. Please stay positive, learn as much about your Kidneys as possible – information will help you beat this. Every case is different but a positive strong attitude, healthy diet, and exercise (when you're not tired) will help you. Live your life and don't let the disease control you." **Dennis, Adult Patient**

News Summary

Below are the links to our most recent announcements. Please take time to read them if you haven't had the time to already.

- NDF Analyst Report
- Corporate Presentation
- Half Yearly Report and Accounts
- Change of Director's Interest Notice

1_Click here for reference.

Keep patients improving on standard of care drug regime

US drug developer Retrophin has recently reported results of their Phase 2 clinical trial in focal segmental glomerularsclerosis (FSGS – the indication Dimerix is also initially targeting).

Does this mean Dimerix can't win the race? Remembering that CKD patients are chronically ill with complex related medical conditions – the key to the Dimerix treatment is to keep them on the standard of care blood pressure medication irbesartan. The Retrophin drug (sparsentan) does not do that and as such, whilst it may achieve a positive effect on kidney function, it risks potentially detrimental consequences relating to uncontrolled blood pressure.

DMX-200 tackles CKD by adding a safe anti-inflammatory drug, propagermanium, to the standard of care treatment irbesartan. This means that physicians do not need to remove their patients from a well-known and safe blood pressure controlling drug to get the additional proteinuria benefit of DMX-200. Ultimately, if physicians get the choice, we think they will opt for safety first.

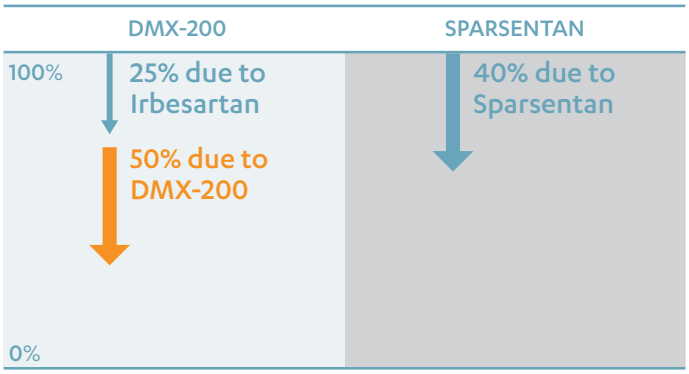
Reduction in proteinuria and responders – how does Dimerix Compare?

Reduction of proteinuria is a key component in fighting the decline towards end stage renal disease. There are numerous ways to report this, and Dimerix has chosen to report a 'responder' as a participant who showed a reduction of proteinuria by **50% or more on top of standard of care**. In comparison, Retrophin has chosen to report what they term 'modified partial remission'; a reduction of proteinuria by **40% from baseline down to a level of 1.5g/g (protein creatinine ratio). However, they have removed patients from the standard of care to achieve this.** Irbesartan has been shown to **reduce proteinuria by an average of 25%.**

- Dimerix identified 27% responders in the interim analysis (who were already stable on irbesartan at the start of the trial),
- Retrophin have identified 28% of their patients as responders at the end of the trial (after removing the patients from irbesartan)*.

So right now, DMX-200 looks as good at the Retrophin molecule, with potentially fewer safety risks.

Responders schematic



*As presented at Kidney Week 2016 in Chicago IL, on the 19th November 2016 in the Late Breaking Clinical Trials Oral session.

DMX-200 – accelerating the path forward and expanding into Europe

Dimerix is using unique properties of its Receptor HIT drug discovery platform to bring innovative new medicines to a point where they can benefit patients, and deliver financial return to shareholders, in the most cost and time effective manner.

- DMX-200 Phase 2 Part A study is nearing completion, with full trial outcomes due to be released in **July 2017 as planned**.
- New **commercial formulation** is progressing well, this formulation will help patients manage their medication, by removing the inconvenient middle of the day dose, and will be manufactured as a commercial tablet format in a GMP facility.
- As previously announced – one of the outcomes of our meeting with the FDA last year was that our part B can be considered by the FDA as a registration trial precursor to the single pivitol phase 3. In order to accelerate the progress towards part B, we will conduct the human PK comparison study under the Australian CTN system. We plan to submit for ethics approval shortly, with the aim of commencing this study before the end of H1 2017. This avoids the need to file an IND this year, a costly and time consuming process, but still retains our ability to engage directly with the FDA team we met last year to confirm our Part B design.
- We have partnered **with NephCure Kidney International** patient advocacy group to engage a team of top level nephrologists and the leadership of NephCure Accelerating Cures Institute (NACI) in discussions and advice for Part B of our Phase 2 study. This meeting will be held in Baltimore on Saturday the 3rd June 2017, to ensure our trial design is right on track to meet patients needs.
- We are also seeking to expand the regulatory reach of our program to include Europe, and are currently engaging with European based nephrologists, and preparing to meet with European based regulatory agencies.
- With these elements in hand, we plan to have final Phase 2 Part B design using the commercial formulation, with ethics approval and site start up ready for **Q4 2017 as planned**.

Milestone watch

Here are the key developments to watch out for over the next 12 – 18 months. Achievement of each of these milestones will be important for the progress of our company as we seek to realise the full commercial potential of our Receptor HIT technology.

- Completion of the commercial formulation of propagermanium
- Ethics approval for the human PK study (comparing extended release to immediate release)
- Data from the Phase 2a study
- Data from the human PK study
- Ethics approval and initial patient recruitment for the first Part B sites
- Research agreements and collaborations related to the Receptor-HIT platform
- Data from our other pre-clinical programmes from Receptor-HIT

Welcome: Robert Shepherd joins the team as Head of Drug Development

Robert is a professional drug developer with a passion for great research, and experience in managing and leading multidisciplinary development teams. Before Dimerix, he was Senior Development Manager at Medicines Development for Global Health, a small organisation focused on using best practice to efficiently develop drugs for orphan and neglected indications.

In this role, he also supported biotechnology and academic groups in their research and drug development in a wide variety of clinical indications. Dr Shepherd holds a BS in Genetics (Honours), PhD in molecular biology and immunology, and a graduate certificate in science commercialisation from Monash University, Australia.

Robert has joined Dimerix as Head of Drug Development to provide operational management of the expanding development program for DMX-200, and drive the early development of new pipeline projects.

"It's thrilling to see the success Dimerix has already had with the clinical development of DMX-200, particularly given the desperate need for safe and effective treatments for chronic kidney disease. I'm also excited to see the huge range of applications the Receptor-HIT platform has to offer Dimerix in bringing new clinic-ready compounds into the pipeline, as well as partnership opportunities for other organisations de-risking their lead development programs!"

We welcome Robert and know he will make a great contribution to our efforts at Dimerix. Connect with Robert on LinkedIn.

Connect on LinkedIn

New equity research report

NDF Research has recently updated is outlook on Dimerix and a copy of the report is available at our website.

NDF Research is a respected Australian research house which specialises in life science companies traded on the Australian Securities Exchange.

Upcoming events

CEO investor updates

CEO, Kathy Harrison will present an update at Proactive's CEO Spotlight Investor Sessions in Melbourne and Sydney in April.

Melbourne
Tuesday, 11 April 2017 from 12-noon to 2.30pm
CQ Functions, Events Room 1, 113 Queen Street, Melbourne

Sydney
Wednesday, 12 April 2017 from 12-noon to 2.30pm Radisson Blu Hotel, Marble Room, Corner Pitt and O'Connell Street, Sydney

CEO Q&A sessions for shareholders

We are planning a series of updates for shareholders ahead of the release of our Phase II study data in coming months. Please register with Dimerix via our website to be notified and book your seat. Simply go to www.dimerix.com/investors and enter your email address. Dimerix will never share your details with external third parties. We will only send you updates when they are issued to the ASX.

Connect with Dimerix on LinkedIn

We encourage all stakeholders interested in our work to connect with Dimerix on LinkedIn to stay up to date with our work and the community of internationally recognised experts, clinicians, researchers and specialist working with us to find new therapies for unmet medical needs.

Sign up!

We encourage all shareholders to receive the latest announcements from Dimerix when they are issued to the ASX. Simply go to www.dimerix.com/investors and enter your email address. Dimerix will never share your details with external third parties. We will only send you updates when they are issued to the ASX.

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