

DIMERIX LIMITED

[ACN 001 285 230]
("the Company")

RIGHTS ISSUE PROSPECTUS

A non-renounceable pro-rata rights issue offer of one (1) fully paid ordinary new share (**New Share**) for every three (3) fully paid ordinary shares held by shareholders with a registered address in Australia or New Zealand as at the Record Date at an issue price of \$0.08 (8 cents) per New Share to raise approximately \$8.56 million before costs. Every two (2) New Shares will be accompanied by two (2) free-attaching options (one of each class) described below:

- One (1) unlisted option (**Short Term New Option**) with an exercise price of \$0.126 (12.6 cents) and expiry date of 31 March 2024; and
- One (1) option (**Long Term New Option**) with an exercise price of \$0.154 (15.4 cents) and expiry date of 30 June 2025.

The Short Term New Options and Long Term New Options are referred to collectively in this Prospectus as the **New Options**.

The offer of New Shares and free-attaching New Options is referred to in this Prospectus as the **Rights Issue**. Fractional entitlements to New Shares and New Options will be rounded up.

The Rights Issue is partially underwritten by Bell Potter Securities Limited [ACN 006 390 772] [AFSL 243480] (**Underwriter**) for up to approximately \$4.06 million. A summary of the material terms of the agreement between the Company and the Underwriter is set out in Section 9.

An aggregate of approximately \$2.03 million of the underwritten amount comprises commitments from existing shareholders to take up their entitlements and, where applicable, sub-underwrite Shortfall as arranged between the relevant Eligible Shareholder and the Underwriter. The remaining approximately \$2.03 million underwritten will be reduced proportionally by the amounts subscribed for New Shares and New Options by other Eligible Shareholders. Further details are set out in Section 1.3.

This Prospectus also contains the following offers of securities:

- Up to 10,152,718 Long Term New Options to the sub-underwriters of the Rights Issue (as identified by the Underwriter) (**Sub-Underwriter Option Offer**). Further summary details are set out on page 2.
- 1,760,000 convertible securities with terms as described in Section 10.3 (**Notes**) and 1,875,000 New Shares to Mercer Street Global Opportunity Fund, LLC (**Mercer**) (**Noteholder Offer**). The Noteholder Offer is only made to and capable of acceptance by Mercer, who the Company will provide a personalised application form.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

It is important that you read this Prospectus carefully before deciding whether to accept the Rights Issue described in this Prospectus. If you do not understand its contents you should consult your stockbroker, accountant or other professional adviser.

The securities offered under this Prospectus are considered highly speculative

The Sub-Underwriter Option Offer is an offer of up to 10,152,718 Long Term New Options to the sub-underwriters of the Rights Issue (as identified by the Underwriter). The Sub-Underwriter Option Offer is only made to and capable of acceptance by sub-underwriters of the Rights Issue (or their respective nominee), who the Company will provide a personalised application form. The number of Long Term New Options to be issued under the Sub-Underwriter Option Offer is equal to two and a half (2.5) Long Term New Options for every \$1 sub-underwritten under the Rights Issue by sub-underwriters identified by the Underwriter.

CORPORATE DIRECTORY

Dimerix Limited
[ACN 001 285 230]

Directors

Mr Hugh Alsop – Non-Executive Director
Dr Nina Webster – CEO and Managing Director
Dr Sonia Poli – Non-Executive Director
Mr Clinton Snow – Non-Executive Director

Company Secretary and CFO

Mr Hamish George

Registered Office

425 Smith Street
Fitzroy, Victoria, 3065
Tel: 1300 813 321

Share Registrar

Automic Pty Ltd
Level 5
191 St Georges Terrace
Perth, Western Australia, 6000

ASX Code

DXB

Web Site

www.dimerix.com

To view annual reports, shareholder and company information, news announcements, background information on the Company's business and historical information, visit www2.asx.com.au and search code "DXB".

IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 4 May 2023. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (**ASX**) nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Rights Issue early, to extend the Closing Date and/or any other dates (by making an announcement of the extension to ASX), or not to proceed with the Rights Issue described in this Prospectus.

The Rights Issue offer being made under this Prospectus closes at 5:00pm (Melbourne time) on 29 May 2023, which date may change without notice.

This Prospectus is for an offer of continuously quoted securities (the New Shares) and options to acquire continuously quoted securities (the New Options) and accordingly is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type. This Prospectus is also for an offer of the Notes in accordance with Section 713 of the Corporations Act as modified by ASIC Corporations (Offers of Convertibles) Instrument 2016/83.

This Prospectus contains and applies to the offers of New Shares, New Options and Notes, including any offer of New Shares and New Options from the Shortfall during the three (3) months after the Closing Date.

This Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated by reference in this Prospectus in this manner may be obtained free of charge from the Company during the application period.

The Company has adopted target market determinations (each a **TMD** and collectively **TMDs**) for the separate and distinct offers of New Options and Notes. The TMDs are available at the website of the Company, www.dimerix.com. By making an application for New Options and/or Notes, an investor warrants that they have read and understood the TMD applicable to that offer and that they meet the eligibility criteria of, and fall within the target markets set out in, the applicable TMD.

No person is authorised to give any information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the offer of securities.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities law.

No action has been taken to register or qualify the offer of securities made under this Prospectus, or the securities themselves, or otherwise to permit a public offering of the securities offered under this Prospectus, in any jurisdiction outside Australia. The securities offered under this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for securities under this Prospectus.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

All dates and times are dates and times in Melbourne, Victoria, Australia unless otherwise stated.

The securities offered under this Prospectus are considered highly speculative.

TIMETABLE

Lodgement of Prospectus	4 May 2023
“Ex” date (existing shares quoted on an ex rights basis)	8 May 2023
Record date to identify shareholders entitled to participate in the Rights Issue (Record Date) at 7:00pm (Melbourne time)	9 May 2023
Prospectus dispatched to holders eligible to participate in the Rights Issue	12 May 2023
Closing date of the offers at 5:00pm (Melbourne time) *	29 May 2023
Unless ASX otherwise determines, securities quoted on a deferred settlement basis from market open (business day after the Closing Date)	30 May 2023
Proposed issue date under the Rights Issue	5 June 2023

** Notes and New Shares under the Noteholder Offer are proposed to be issued prior to the Closing Date. The Company will make an announcement to ASX when the issue has occurred.*

*The above dates should be regarded as **indicative only and may change without notice**. All dates and times are Melbourne, Victoria, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company, in consultation with the Underwriter, reserves the right to change the above dates, close the offers (or any of them) before the date stated above, extend the Closing Date and subsequent dates or not proceed with the offers (or any of them). The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX.*

No securities will be issued on the basis of this Prospectus after 4 June 2024, being the expiry date of this Prospectus.

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KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any matters which have or may be referred to in the Company's ASX announcements before applying for securities under the Rights Issue.

Section 5 of this Prospectus contains an overview of some of the key risks associated with investment in the Company, including risks associated with the Rights Issue as set out below:

- Risk of termination of the Underwriting Agreement.
- Value of securities and share market conditions including liquidity risk.
- Potential taxation consequences.
- Shareholders who do not take up their full entitlement to New Shares and/or who do not exercise their New Options will be diluted.
- There being no guarantee that the share price of the Company will be greater than the exercise price of New Options prior to the expiry date of New Options.
- Conversion and redemption risks in connection with the Notes.

Section 5 also includes specific business risks of the Company, a selection of which are set out below:

- Clinical trial risks.
- Commercialisation and competition risks.
- Risks associated with collaboration arrangements with third parties.
- Intellectual property risks including maintenance of intellectual property rights, potential infringement claims and trade secrets.
- Reliance on key management personnel and human resources risk.
- R&D reimbursement risk.
- Regulatory and governmental risks.
- Future requirements for capital.

In addition, there are risks of a more general nature, such as economic and market conditions.

A more detailed overview of some of the key risks associated with the Company and its operations are set out in section 5 of this Prospectus.

ABOUT THE OFFERS - SUMMARY

The following summary provides only a limited overview of the offers of securities made under this Prospectus. Further details are set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding seeking to accept the offers (or any of them) or investing in the Company.

Topic	Summary	For more information see:
RIGHTS ISSUE		
What is the Rights Issue?	The Rights Issue is a partially underwritten pro-rata non-renounceable offer of fully paid ordinary shares (New Shares) and free-attaching New Options to Eligible Shareholders. Eligible Shareholders are offered the opportunity to subscribe for one (1) New Share for every three (3) existing shares in the Company held at the Record Date to raise approximately \$8.56 million before costs. Every two (2) New Shares will be accompanied by two (2) free-attaching options (one of each class) as described below: - One (1) unlisted option (Short Term New Option) with an exercise price of \$0.126 (12.6 cents) and expiry date of 31 March 2024; and - One (1) option (Long Term New Option) with an exercise price of \$0.154 (15.4 cents) and expiry date of 30 June 2025. The Company proposes seeking quotation (listing) of Long Term New Options, subject to meeting the quotation requirements of the ASX. Fractional entitlements to New Shares and New Options will be rounded up. For example, if an Eligible Shareholder takes up their entitlement of 1,001 New Shares they will receive 501 free-attaching Short Term New Options and 501 free-attaching Long Term New Options.	Section 1.1
What is the issue price of New Shares?	Each New Share has an issue price of \$0.08 (8 cents).	Section 1.1
What are the terms of the New Shares?	All New Shares issued will be fully paid ordinary shares that rank equally in all respects with the Company's shares already on issue.	Sections 1.1, 10.1 and 10.4
What is the issue price of New Options?	New Options are being issued for nil cash as free-attaching to New Shares as described above.	Section 1.1
What are the terms of New Options?	Short Term New Option have an exercise price of \$0.126 (12.6 cents), expiry date of 31 March 2024 and otherwise have the terms set out in Section 10.2. Long Term New Option have an exercise price of \$0.154 (15.4 cents), expiry date of 30 June 2025 and otherwise have the terms set out in Section 10.2.	Section 1.1, 10.2 and 10.4
Am I an Eligible Shareholder?	Eligible Shareholders are shareholders of the Company whose address in the Company's share register is in Australia or New Zealand on the Record Date (Eligible Shareholders).	Section 1.1
Record Date	The Record Date is 7:00pm (Melbourne time) on 9 May 2023.	Section 1.1
What if I am not an eligible shareholder?	The Company has decided it is unreasonable to make the Rights Issue offer outside Australia and New Zealand having regard for: - the number of shareholders in places where the Rights Issue would be made; and - the number and value of securities those shareholders would be offered; and - the cost of complying with the legal and regulatory requirements in those jurisdictions.	Section 1.7

Topic	Summary	For more information see:
	Accordingly, if you are not an Eligible Shareholder, no offer is made to you, and you will not be provided with the opportunity to participate in the Rights Issue.	
How much will the Rights Issue raise?	Assuming all entitlements to New Shares and all Shortfall (if any) are taken up in full, the Rights Issue will raise approximately \$8.56 million before costs. The Rights Issue is underwritten for approximately \$4.06 million as described in Section 1.3.	Sections 1.1, 1.3 and 2
What is the use of funds raised?	Funds raised from the Rights Issue will be applied as follows: • Clinical studies, including: ○ Continuation of ACTION 3 Phase 3 clinical trial Part 1 in patients with FSGS; ○ Inclusion of patient recruitment in the Phase 3 study in FSGS Part 2, which is a requirement of the FDA; ○ Inclusion of adolescents (12-17 years old) in the Phase 3 study Part 2 in FSGS as appropriate; ○ Preparation and submission of appropriate regulatory applications to continue FSGS Phase 3 clinical study; ○ Continued manufacturing distribution and logistics of the required clinical trial materials; • Transaction / partnering activities; • Pipeline non-clinical activities; • Early repayment of R&D rebate advance (subject to the amount received); and • Meeting the costs of the Rights Issue and other offers of securities (including the Notes under the Noteholder Offer) and working capital.	Section 3
Is the Rights Issue underwritten?	Yes, the Rights Issue is partially underwritten by Bell Potter Securities Limited [ACN 006 390 772] [AFSL 243480] (Underwriter) for \$4,061,087.04 (50,763,588 New Shares). A summary of the material terms of the agreement between the Company and the Underwriter (Underwriting Agreement) is set out in Section 9. The Underwriter has entered sub-underwriting agreements with sub-underwriters selected by the Underwriter, including agreements with three related parties (Peter Fletcher Meurs, Nina Webster and Sonia Poli) who have agreed to take up their full entitlements and additionally to sub-underwrite up to an aggregate of approximately \$500,000 of Shortfall. Further details are set out in Section 1.6.	Sections 1.3, 1.6 and 9
What can I do with my Entitlement?	You can do any of the following with your Entitlement under the Rights Issue: • take up all of your Entitlement (by accepting the Rights Issue off in full); or • take up all of your entitlement (by accepting the Rights Issue offer in full) and apply for additional New Shares and free-attaching New Options from the Shortfall (if any); or	Section 6

Topic	Summary	For more information see:
	• take up part of your Entitlement (by accepting part of your Rights Issue Entitlement) and allow the balance to lapse (with the balance to form part of the Shortfall); or • do nothing, in which case all your Entitlement will lapse and form part of the Shortfall.	
Can I trade my Entitlement?	No, you cannot trade your entitlement to apply for and receive New Shares and free-attaching New Options under the Rights Issue.	Section 1.2
What happens if I do not take up my entitlement, or take up only part of my entitlement?	Not taking up your Entitlement in full may result in your interest in the Company being diluted. If you do not take up all of your entitlement by the Closing Date, New Shares and free-attaching New Options to which you were entitled will form part of the Shortfall.	Sections 1.1, 1.8 and 4.2
How do I take my entitlement (accept the Rights Issue offer)?	If you wish to take up all or part of your entitlement (or make an application for New Shares and free-attaching New Options under the Shortfall) you must either: • if you are an Eligible Shareholder with a registered address in Australia, pay by BPAY using the BPAY details in the personalised Entitlement and Acceptance Form, so payment is received by no later than 5:00pm (Melbourne time) on the Closing Date; or • if you are an Eligible Shareholder with a registered address in New Zealand make payment by electronic funds transfer (EFT) as set out in your personalised Entitlement and Acceptance Form. Payment is required to be received by the Share Registry by no later than 5:00pm (Melbourne time) on the Closing Date. The amount payable if you are taking up your full Entitlement is set out in the personalised Entitlement and Acceptance Form. If taking up less than your full Entitlement under the Rights Issue, the amount payable is calculated by multiplying the number of New Shares you wish to take up under your Entitlement by \$0.08 (8 cents). Eligible Shareholders who take up their entitlement in full may also apply for additional New Shares and free-attaching New Options from the Shortfall which will be allocated in the manner described in Section 1.8.	Sections 1.8 and 6
How and when will I know if my application was successful?	Holding statements confirming the issue of New Shares and free-attaching New Options issued under the Rights Issue are anticipated to be dispatched on or about 7 June 2023.	Section 6
What if I have questions about the Rights Issue or how to apply?	You should consult your stockbroker, accountant, solicitor or other professional adviser before deciding to apply for New Shares and New Options under the Rights Issue. Questions concerning the Rights Issue can also be directed to the Share Registry: Email: hello@automicgroup.com.au; Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international)	Section 20

Topic	Summary	For more information see:
SUB-UNDERWRITER OPTION OFFER		
What is the Sub-Underwriter Option Offer?	The Sub-Underwriter Option Offer is an offer of up to 10,152,718 Long Term New Options to the sub-underwriters of the Rights Issue (who are identified by the Underwriter). The number of Long Term New Options under the Sub-Underwriter Option Offer is equal to two and a half (2.5) Long Term New Options for every \$1 sub-underwritten under the Rights Issue.	Sections 1.4 and 1.8(b)
What is the purpose of the Sub-Underwriter Option Offer?	To facilitate the issue of the Long Term New Options the subject of the Sub-Underwriter Option Offer and, in particular, to facilitate the secondary trading of the Long Term New Options (subject to meeting the quotation requirements of the ASX) and shares issued on exercise of Long Term New Options offered under the Sub-Underwriter Option Offer (if any). Nothing in this Prospectus is to be construed as stating or implying that the Long Term New Options will be quoted at any particular time, or at all.	Section 2
What are the terms of Long Term New Options?	Long Term New Option have an exercise price of \$0.154 (15.4 cents), expiry date of 30 June 2025 and otherwise have the terms set out in Section 10.2.	Section 10.2
Am I eligible to apply under the Sub-Underwriter Option Offer?	The offer of Long Term New Options under the Sub-Underwriter Option Offer is only made to and is capable of acceptance by the sub-underwriters of the Rights Issue (who are identified by the Underwriter). The Company will provide the sub-underwriters (or their respective nominees) a personalised application form to apply for Long Term New Options under the Sub-Underwriter Option Offer.	Sections 1.9 and 6
NOTEHOLDER OFFER		
What is the Noteholder Offer?	The Noteholder Offer is an offer of 1,760,000 convertible securities (Notes) and 1,875,000 New Shares to Mercer Street Global Opportunity Fund, LLC (Mercer). The Notes the subject of the Noteholder Offer represent the initial portion of the first tranche of Notes.	Section 1.9
What is the purpose of the Noteholder Offer?	To facilitate the issue of the Notes and New Shares the subject of the Noteholder Offer and, in particular, to facilitate the secondary trading of New Shares and shares issued on conversion of the Notes (if any).	Section 2
What are the terms of the Notes?	The material terms of Notes and the convertible securities under which the Notes are to be issued is set out in Section 10.3.	Section 10.3
What are the terms of the New Shares?	All New Shares issued will be fully paid ordinary shares that rank equally in all respects with the Company's shares already on issue. The New Shares are being issued in accordance with the terms of the convertible securities agreement for no cash in conjunction with the Notes.	Sections 1.1, 10.1 and 10.4
Am I eligible to apply under the Noteholder Offer?	The offer of Notes and New Shares under the Noteholder Offer is only made to and is capable of acceptance by Mercer. The Company will provide Mercer a personalised application form to apply for Notes and New Shares under the Noteholder Offer. It is expected that Notes and New Shares will be issued prior to the Closing Date. The Company will announce the issue to ASX as and when it occurs.	Sections 1.9 and 6

Topic	Summary	For more information see:
GENERAL		
Are there risks associated with investment in the Company?	There are risks associated with investment in the Company. These include risks relating to the New Shares, New Options and Notes, risks relating to the Company and risks associated with financial investment generally. Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before deciding to apply for or acquire New Shares and New Options or otherwise making an investment in the Company.	Section 5
What are the taxation implications of receiving securities?	Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.	Section 12
Where can I find more information about the Company?	For more information on the Company please see the Company's website (www.dimerix.com) or refer to the Company's ASX announcements (available on the ASX's website www2.asx.com.au , search code "DXB").	Sections 7, 8 and 20
What if I have questions about the offers under this Prospectus or how to apply?	You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for securities under this Prospectus. Questions concerning the offers of securities under this Prospectus can be directed to the Share Registry at hello@automicgroup.com.au.	Section 20

1. Details of the Rights Issue

1.1 The Rights Issue

Dimerix Limited [ACN 001 285 230] (the **Company**) offers to its shareholders, as recorded on the share registry records at 7:00pm (Melbourne time) on the Record Date and who have a registered address in Australia or New Zealand (each an **Eligible Shareholder**), the right to participate in a non-renounceable pro rata rights issue of one (1) new fully paid ordinary shares (**New Share**) for every three (3) existing shares (**Shares**) held at the Record Date at an issue price of \$0.08 (8 cents) per New Share to raise up to approximately \$8.56 million before costs.

Every two (2) New Shares subscribed for and issued under the Rights Issue will be accompanied by two (2) free-attaching options as described below:

- One (1) unlisted option (**Short Term New Option**) with an exercise price of \$0.126 (12.6 cents) and expiry date of 31 March 2024; and
- One (1) option (**Long Term New Option**) with an exercise price of \$0.154 (15.4 cents) and expiry date of 30 June 2025. The Company proposes seeking quotation (listing) of Long Term New Options, subject to meeting the quotation requirements of the ASX.

The Short Term New Options and Long Term New Options are referred to collectively in this Prospectus as the **New Options**.

The offer of New Shares and free-attaching New Options to Eligible Shareholders is referred to in this Prospectus as the **Rights Issue**. Fractional entitlements to New Shares and New Options will be rounded up.

Any New Shares and free-attaching New Options not taken up by Eligible Shareholders will form part of the shortfall (**Shortfall**). Eligible Shareholders who take up their entitlements in full may also apply for New Shares and free-attaching New Options from the Shortfall. Further details of the Shortfall including the relevant allocation policy set out in Section 1.8.

1.2 No Entitlement Trading

Entitlements to apply for and receive New Shares and free-attaching New Options pursuant to the Rights Issue are not renounceable and, accordingly, there is no ability to trade rights on ASX or elsewhere.

1.3 Underwriting Agreement

The Company has appointed Bell Potter Securities Limited [ACN 006 390 772] [AFSL 243480] (**Underwriter**) to partially underwrite the Rights Issue for approximately \$4.06 million (50,763,588 New Shares). A summary of the material terms of the Underwriting Agreement is set out in Section 9.

An aggregate of approximately \$2.03 million of the underwritten amount comprises commitments from existing shareholders to take up their entitlements and, where applicable, sub-underwrite Shortfall as arranged between the relevant Eligible Shareholder and the Underwriter. The remaining approximately \$2.03 million underwritten will be reduced proportionally by the amounts subscribed for New Shares and New Options by other Eligible Shareholders.

By way of example, if Eligible Shareholders (excluding those existing shareholders who are sub-underwriters and have agreed with the Underwriter to take up their entitlements and a portion of the Shortfall) subscribe for 50% of the remaining amount under the Rights Issue (50% of the remaining amount under the Rights Issue being approximately \$3.25 million), the remaining underwriting obligations of the Underwriter of approximately \$2.03 million will be reduced by 50% to approximately \$1.015 million, resulting in a total amount raised under the Rights Issue of approximately \$6.245 million, before the placement of the remaining Shortfall (if any).

The Company will seek to place any Shortfall after the underwritten amount in accordance with Section 1.8.

1.4 Sub-underwriting Option Offer

The Company is offering sub-underwriters of the Rights Issue (as identified by the Underwriter) an aggregate of up to 10,152,718 Long Term New Options under the Sub-Underwriter Option Offer, being equal to two and a half (2.5) Long Term New Options for every \$1 sub-underwritten under the Rights Issue. The Company expects to issue less than the maximum number of Long Term New Options under the Sub-Underwriter Option Offer, noting that the Underwriter has identified some sub-underwriters who are related parties and therefore the issue of Long Term New Options to those sub-underwriters is subject to shareholder approval (see Section 1.6).

1.5 Substantial shareholder

As at the date of this Prospectus, the sole substantial (5%+) shareholder of the Company is Peter Fletcher Meurs (**Meurs**), who holds a relevant interest in 44,179,309 ordinary shares (26,679,309 personally and 17,500,000 in Skiptan Pty Ltd), representing 13.77% of the current issued capital of the Company.

Meurs has agreed with the Underwriter to take up his personal entitlement and that of Skiptan Pty Ltd in full, as well as to sub-underwrite a portion of the Rights Issue. Further details are set out in Section 1.6.

1.6 Related Party Sub-Underwriters

The Underwriter has identified three related party sub-underwriters, being:

- Jaclani Pty Ltd (an entity associated with Dr Nina Webster, a Director of the Company);
- Dr Sonia Poli (a Director of the Company); and
- Peter Fletcher Meurs (related to Clinton Snow, a Director of the Company).

Each of the above related party sub-underwriters have entered into a separate agreement with the Underwriter to take up their entitlements in full (and, in the case of Meurs, the entitlement of an associated entity, Skiptan Pty Ltd, in full) and to sub-underwrite part of the Shortfall (up to approximately \$500,000 of Shortfall in aggregate). Details of the sub-underwriting arrangements between each of the related parties sub-underwriters and the Underwriter are set out below:

*Peter Fletcher Meurs (**Meurs**)*

Peter Fletcher Meurs is related to Clinton Snow, a Director of the Company, and is accordingly considered to be a related party of the Company for the purposes of the Corporations Act and ASX Listing Rules. Other than a familial relationship to Mr Snow, there are no other related party links between Meurs and the Company.

Meurs has entered into an agreement with the Underwriter under which Meurs has provided a firm commitment to take up his full entitlement and the full entitlement of an associated entity, Skiptan Pty Ltd (total aggregate entitlement of \$1,178,114.88 (14,726,436 New Shares, 7,363,218 Short Term New Options and 7,363,218 Long Term New Options) and to sub-underwrite Shortfall of up to \$481,895.52 (6,023,694 New Shares, 3,011,847 Short Term New Options and 3,011,847 Long Term New Options).

- The terms of the sub-underwriting agreement between the Underwriter and Meurs are set out below:
- The sub-underwriter is Peter Fletcher Meurs.
- The sub-underwriting is for Shortfall of up to \$481,895.52 (6,023,694 New Shares, 3,011,847 Short Term New Options and 3,011,847 Long Term New Options). The Shortfall may be issued to Meurs or his nominee.
- The fee payable under the sub-underwriting agreement to Meurs comprises 1,204,739 Long Term New Options (representing two and a half (2.5) Long Term New Options for every \$1 sub-underwritten, being the same terms as offered to other sub-underwriters of the Rights Issue who are to be identified by the

Underwriter). The issue of these Long Term New Options is subject to shareholder approval. The Long Term New Options to be issued to Meurs or his nominee are not being offered under the Sub-Underwriter Option Offer. No fee (including Long Term New Options) is payable to Meurs in connection with the commitment to take up his personal entitlement and/or the entitlement of Skiptan Pty Ltd.

- The significant events that could lead to the sub-underwriting being terminated are as follows:
 - The Rights Issue does not proceed or is withdrawn by the Company;
 - The obligations of the Underwriter under the Underwriting Agreement cease, or are terminated or a condition to underwriting is not satisfied for any reason, and the Underwriter does not waiver such non-satisfaction in accordance with the Underwriting Agreement;
 - The right of Meurs to participate in the sub-underwriting lapses for any other reason;
 - Meurs breaches the terms of the sub-underwriting agreement and the Underwriter gives notice of termination of the sub-underwriting agreement; or
 - Meurs (or his nominee) does not acquire, and pay the offer price for each New Share from the Rights Issue and each New Share from the Shortfall as notified by the Underwriter.

If the sub-underwriting agreement is terminated, the Long Term New Options the subject of the sub-underwriting agreement will not be issued to Meurs (or his nominee) and the obligation to apply for the Shortfall will revert to the Underwriter or one or more of the other sub-underwriters as substituted for Meurs.

The table below sets out the aggregate relevant interest of Meurs in the event each of the existing shareholdings in which Meurs holds a relevant interest take up their entitlements in full under the Rights Issue and subscribes for its full sub-underwriting commitment as described above:

Entity name	Existing shares	Current %	Shares post Rights Issue	% post Rights Issue (up to underwritten amount) *	% post Rights Issue (full subscription) *
Meurs *	26,679,309	8.32%	41,596,106 *	11.14%	9.68%
Skiptan Pty Ltd	17,500,000	5.45%	23,333,333	6.25%	5.43%
TOTAL	44,179,309	13.77%	64,929,439	17.39%	15.11%

** The above table assumes Meurs subscribes for Shortfall directly, however as noted above an associated entity of Meurs may subscribe for Shortfall the subject of the sub-underwriting arrangement.*

Jaclani Pty Ltd

Jaclani Pty Ltd (being an entity associated with Dr Nina Webster, a Director of the Company, that currently holds 50,000 ordinary shares) has entered into an agreement with the Underwriter to take up its entitlement in full (\$1,333.36 (16,667 New Shares, 7,834 Short Term New Options and 7,834 Long Term New Options)) and to sub-underwrite Shortfall of up to \$13,666.64 (170,833 New Shares, 85,417 Short Term New Options and 85,417 Long Term New Options).

Details of the sub-underwriting agreement between Jaclani Pty Ltd and the Underwriter are set out below:

- The sub-underwriter is Jaclani Pty Ltd.
- The sub-underwriting is for Shortfall of up to \$13,666.64 (170,833 New Shares, 85,417 Short Term New Options and 85,417 Long Term New Options). Jaclani Pty Ltd has also committed to take up its

entitlement under the Rights Issue.

- The fee payable under the sub-underwriting agreement to Jaclani Pty Ltd comprises 34,167 Long Term New Options (representing two and a half (2.5) Long Term New Options for every \$1 sub-underwritten, being the same terms as offered to other sub-underwriters of the Rights Issue who are to be identified by the Underwriter). The issue of these Long Term New Options is subject to shareholder approval. The Long Term New Options to be issued to Jaclani Pty Ltd are not being offered under the Sub-Underwriter Option Offer. No fee (including Long Term New Options) is payable to Jaclani Pty Ltd in connection with the commitment to take up its entitlement.
- The significant events that could lead to the sub-underwriting being terminated are as follows:
 - The Rights Issue does not proceed or is withdrawn by the Company;
 - The obligations of the Underwriter under the Underwriting Agreement cease, or are terminated or a condition to underwriting is not satisfied for any reason, and the Underwriter does not waive such non-satisfaction in accordance with the Underwriting Agreement;
 - The right of Jaclani Pty Ltd to participate in the sub-underwriting lapses for any other reason;
 - Jaclani Pty Ltd breaches the terms of the sub-underwriting agreement and the Underwriter gives notice of termination of the sub-underwriting agreement; or
 - Jaclani Pty Ltd does not acquire, and pay the offer price for each New Share from the Rights Issue and each New Share from the Shortfall as notified by the Underwriter.

If the sub-underwriting agreement is terminated, the Long Term New Options the subject of the sub-underwriting agreement will not be issued to Jaclani Pty Ltd and the obligation to apply for the Shortfall will revert to the Underwriter or one or more of the other sub-underwriters as substituted for Jaclani Pty Ltd.

The table below sets out the relevant interest of Jaclani Pty Ltd in the event it takes up its entitlement in full and receives its full allocation of underwritten Shortfall:

Entity name	Existing shares	Current %	Shares post Rights Issue	% post Rights Issue (up to underwritten amount) *	% post Rights Issue (full subscription) *
Jaclani Pty Ltd	50,000 **	0.03%	237,500	0.06%	0.06%

* Includes issue of New Shares under the Noteholder Offer. Assumes no convertible securities (including New Options and/or Notes) are converted to Shares.

** Does not include shares held by other holders in which Dr Nina Webster has a relevant interest.

Sonia Poli

Sonia Poli, a Director of the Company, has entered into an agreement with the Underwriter to take up its entitlement in full (\$5,466.64 (68,333 New Shares, 34,167 Short Term New Options and 34,167 Long Term New Options)) and to sub-underwrite Shortfall of up to \$4,533.36 (56,667 New Shares, 28,334 Short Term New Options and 28,667 Long Term New Options).

Details of the sub-underwriting agreement between Sonia Poli and the Underwriter are set out below:

- The sub-underwriter is Sonia Poli.
- The sub-underwriting is for Shortfall of up to \$4,533.36 (56,667 New Shares, 28,334 Short Term New Options and 28,667 Long Term New Options). Sonia Poli has also committed to take up her entitlement under the Rights Issue.

- The fee payable under the sub-underwriting agreement to Sonia Poli comprises 11,334 Long Term New Options (representing two and a half (2.5) Long Term New Options for every \$1 sub-underwritten, being the same terms as offered to other sub-underwriters of the Rights Issue who are to be identified by the Underwriter). The issue of these Long Term New Options is subject to shareholder approval. The Long Term New Options to be issued to Sonia Poli are not being offered under the Sub-Underwriter Option Offer. No fee (including Long Term New Options) is payable to Sonia Poli in connection with the commitment to take up its entitlement.
- The significant events that could lead to the sub-underwriting being terminated are as follows:
 - The Rights Issue does not proceed or is withdrawn by the Company;
 - The obligations of the Underwriter under the Underwriting Agreement cease, or are terminated or a condition to underwriting is not satisfied for any reason, and the Underwriter does not waive such non-satisfaction in accordance with the Underwriting Agreement;
 - The right of Sonia Poli to participate in the sub-underwriting lapses for any other reason;
 - Sonia Poli breaches the terms of the sub-underwriting agreement and the Underwriter gives notice of termination of the sub-underwriting agreement; or
 - Sonia Poli does not acquire, and pay the offer price for each New Share from the Rights Issue and each New Share from the Shortfall as notified by the Underwriter.

If the sub-underwriting agreement is terminated, the Long Term New Options the subject of the sub-underwriting agreement will not be issued to Sonia Poli and the obligation to apply for the Shortfall will revert to the Underwriter or one or more of the other sub-underwriters as substituted for Sonia Poli.

The table below sets out the relevant interest of Sonia Poli in the event she takes up its entitlement in full and receives its full allocation of underwritten Shortfall:

Entity name	Existing shares	Current %	Shares post Rights Issue	% post Rights Issue (up to underwritten amount) *	% post Rights Issue (full subscription) *
Sonia Poli	205,000	0.06%	330,000	0.09%	0.08%

** Includes issue of New Shares under the Noteholder Offer. Assumes no convertible securities (including New Options or Notes) are converted to Shares.*

ASX Listing Rules and Corporations Act – related party sub-underwriters

The issue of Shortfall under the sub-underwriting agreement between the Underwriter and related parties named above are:

- being made without shareholder approval under Chapter 10 of the Listing Rules in reliance on ASX Listing Rule 10.12 Exception 2; and
- viewed to be on arm's length terms in accordance with Section 210 of the Corporations Act such that shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act, on the basis that the allocation of Shortfall is determined by the Underwriter under its arrangements with the sub-underwriters and each of the sub-underwriters (whether related or non-related parties) are treated identically in that they are proposed to receive two and a half (2.5) Long Term New Options for each \$1 of Shortfall sub-underwritten (noting the issue of Long Term New Options for Shortfall Underwritten by each of the related parties is subject to shareholder approval in accordance with Listing Rule 10.14).

1.7 Non-eligible Foreign Shareholders

Only Eligible Shareholders, being those shareholders with addresses in Australia or New Zealand in the register of members of the Company as at the Record Date, are eligible to participate in the Rights Issue.

The Company has decided that it is unreasonable to make the Rights Issue outside Australia and New Zealand having regard for the:

- the number of holders in places where the Rights Issue would be made; and
- the number and value of securities those holders would be offered; and
- the cost of complying with the legal and regulatory requirements of regulatory authorities in those jurisdictions.

The Company will be notifying each of the non-qualifying foreign shareholders of the Rights Issue and advising them that they will not be able to participate in the Rights Issue.

At the date of this Prospectus, a total of 1,576,217 Shares (approximately 0.49 % of existing issued shares) are held by 18 non-qualifying foreign shareholders in 9 different countries. The shares of non-qualifying foreign shareholders are equivalent to entitlements to apply for and receive a maximum of 525,406 New Shares and free-attaching New Options (subject to rounding), being an aggregate amount of approximately \$42,033 at the \$0.08 (8 cents) issue price per New Share. The equivalent entitlements of non-qualifying foreign shareholders will form part of the Shortfall further details of which are set out in Section 1.8.

1.8 Shortfall

Any entitlement to New Shares and free-attaching New Options under the Rights Issue not taken up will form part of the Shortfall.

An Eligible Shareholder who applies for their full entitlement to New Shares and free-attaching New Options under the Rights Issue may also apply for more New Shares and free-attaching New Options than the number shown on their personalised Entitlement and Acceptance Form.

To apply for more New Shares and free-attaching New Options than your entitlement (being an application for New Shares and free-attaching New Options from the Shortfall) please follow the instructions in Section 6 and as contained in your personalised Entitlement and Acceptance Form.

Any remaining New Shares and free-attaching New Options from the Shortfall shall be allocated by the Company (in consultation with the Underwriter), with allocations to Eligible Shareholders who take up their full entitlement under the Rights Issue and apply for additional New Shares from the Shortfall being capped at 100% of the entitlement to New Shares and free-attaching New Options of the Eligible Shareholder under the Rights Issue. If there is insufficient Shortfall to meet demand from Eligible Shareholders, the Company (in consultation with the Underwriter) will scale back applications for Shortfall at its discretion having regard to the share holdings of Eligible Shareholders at the Record Date and control factors.

New Shares and free-attaching New Options remaining from the Shortfall after the allocation to Eligible Shareholders as described above will be allocated to the Underwriter (or sub-underwriters identified by the Underwriter), up to the balance of the underwritten amount.

The Company may, in consultation with the Underwriter and subject to compliance with applicable law, seek to place New Shares and free-attaching New Options forming the Shortfall to eligible persons in jurisdictions in addition to Australia and New Zealand, particularly the Cayman Islands, Singapore and Hong Kong. Further details are set out in Section 13.

No shareholder or investor will be allocated New Shares and free-attaching New Options from the Shortfall if such allocation would result in the relevant interest of the shareholder (and its associates) exceeding 20% of the issued capital of the Company. Additional New Shares and free-attaching New Options will also not be

issued to shareholders or others from the Shortfall where to do so would involve a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

The Company reserves the right to offer and issue New Shares and free-attaching New Options from the Shortfall at its discretion on or before the date that is 3 (three) months after the Closing Date.

1.9 Noteholder Offer

As announced to ASX on 4 May 2023, the Company has entered into a Convertible Securities Agreement (**CSA**) with Mercer Street Global Opportunity Fund, LLC, a US-based investment fund managed by Mercer Street Capital Partners, LLC (together, **Mercer**) under which the Company can raise up to \$12 million by issuing convertible securities (**Notes**) to Mercer. The issue of Notes is proposed to occur in two tranches:

- 3,850,000 Notes under tranche 1 (aggregate subscription of \$3.5 million). It is proposed 1,760,000 Notes the subject of tranche 1 will be issued under the Noteholder Offer using the placement capacity available to the Company under Listing Rule 7.1. The remaining Notes forming part of tranche 1 are to be issued subject to shareholder approval of the remaining Notes and the options in respect of tranche 1 (including issue of those options, refer Section 10.3) which is to be sought at an EGM proposed to be held in June 2023.
- Up to 9,350,000 Notes under tranche 2 (aggregate subscription of up to \$8.5 million), subject to mutual agreement between the Company and the Investor and receipt of further Company shareholder approval which may be split into one or more drawdowns.

A summary of the material terms of the Notes and the CSA is set out in Section 10.3. The issue of 1,875,000 New Shares under the Noteholder Offer for no cash is a term of the CSA.

1.10 ASX Listing

New Shares

The Company will apply to ASX for admission of the New Shares to official quotation within 7 days of the date of this Prospectus. The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or those securities.

If ASX does not grant permission for the Official Quotation of New Shares within 3 months after the date of issue of this Prospectus (or such period as is permitted by the Corporations Act), the Company, in its absolute discretion, will either repay the application monies to applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement Prospectus and allow applicants one month to withdraw their application and be repaid their application monies without interest.

Short Term New Options

The Short Term New Options will not be quoted (listed). Nothing set out above is to be construed as stating or implying that the Short Term New Options will be quoted at any particular time, or at all. It is expressly not stated or implied that permission will be sought for the official quotation of the Short Term New Options or that official quotation of the Short Term New Options will be granted within three (3) months or any other period after the date of this Prospectus.

Long Term New Options

The Company proposes applying for quotation (listing) of Long Term New Options. Long Term New Options will be unquoted (unlisted) until such time as the Company satisfies the quotation requirements of ASX, which will include:

- There being at least 100,000 Long Term New Options on issue; and

- The Long Term New Options are held by at least 50 holders with a marketable parcel (being if all options held by a holder are exercised in full, the underlying Shares would be a parcel of not less than \$500 based on the trading price of Shares or the exercise price if the underlying Shares are unquoted).

If official quotation is not granted, Long Term New Options will be issued as unlisted securities and will not be tradeable on the ASX. The fact that ASX may grant official quotation of Long Term New Options is not to be taken as an indication of the merits of the Company or the Long Term New Options.

Notes

The Notes will not be quoted (listed). Official quotation of the Notes is not being applied for and is not a condition of the offers (or any of them). It is expressly not stated or implied that permission will be sought for the official quotation of the Notes or that official quotation of the Notes will be granted within three (3) months or any other period after the date of this Prospectus.

2. Purpose of the offers

Rights Issue

The purpose of the Rights Issue is to raise approximately \$8.56 million (before costs). Funds raised under the Rights Issue will be used as described below:

- Clinical studies, including:
 - Continuation of Part 1 ACTION 3 Phase 3 clinical trial Part 1 in patients with FSGS;
 - Inclusion of patient recruitment in the Phase 3 study Part 2 in FSGS, which is a requirement of the FDA;
 - Inclusion of adolescents (12-17 years old) in the Phase 3 study Part 2 in FSGS as appropriate;
 - Preparation and submission of appropriate regulatory applications to continue FSGS Phase 3 clinical study;
 - Continued manufacturing distribution and logistics of the required clinical trial materials;
- Transaction / partnering activities;
- Pipeline non-clinical activities;
- Early repayment of R&D rebate advance;
- Meeting the costs of the Rights Issue and other offers (including the proposed issue of Notes) and working capital.

Sub-Underwriter Option Offer

The purpose of the Sub-Underwriter Option Offer is to facilitate the issue of the Long Term New Options the subject of the Sub-Underwriter Option Offer and, in particular, to facilitate the secondary trading of the Long Term New Options (which are proposed to be quoted subject to meeting the quotation requirements of the ASX) and shares issued on exercise of the Long Term New Options offered under the Sub-Underwriter Option Offer (if any).

Noteholder Offer

The purpose of the Noteholder Offer is to facilitate the issue of the Notes and New Shares the subject of the Noteholder Offer and, in particular, to facilitate the secondary trading of New Shares and shares issued on

conversion of the Notes (if any). Funds raised from the issue of Notes will be used for the same purposes as funds raised under the Rights Issue.

Use of funds and costs of the offers

The proposed allocation of funds received under the Rights Issue and the Noteholder Offer is set out in the tables below:

IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT AND THE NOTEHOLDER OFFER IS FULLY SUBSCRIBED

Use of funds	Amount (\$ million)
Clinical studies (described further above)	\$4.2
Transaction / partnering activities	\$0.1
Pipeline non-clinical activities	\$0.2
Early repayment of R&D rebate advance	\$-
Meeting costs of the Rights Issue and other offers (including the proposed issue of Notes) and working capital	\$1.2
Total	\$5.7 *
<i>Remainder of tranche 1 Notes subject to shareholder approval **</i>	<i>\$1.9</i>
Total assuming receipt of remaining tranche 1 Notes	\$7.6

IF THE RIGHTS ISSUE AND NOTEHOLDER OFFER ARE FULLY SUBSCRIBED

Use of funds	Amount (\$ million)
Clinical studies (described further above)	\$5.7
Transaction / partnering activities	\$0.2
Pipeline non-clinical activities	\$0.25
Early repayment of R&D rebate advance	\$2.8
Meeting costs of the Rights Issue and other offers (including the proposed issue of Notes) and working capital	\$1.2
Total	\$10.15*
<i>Remainder of tranche 1 Notes subject to shareholder approval **</i>	<i>\$1.9</i>
Total assuming receipt of remaining tranche 1 Notes	\$12.05

** The above uses of funds are indicative only and subject to change. If more than the underwritten amount but less than the full subscription under the Rights Issue is raised, the above use of funds will be varied.*

*** The issue of these remaining Notes is subject to shareholder approval as described in Section 10.3 and these Notes are not offered under this Prospectus.*

The estimated anticipated costs of the Rights Issue and issue of the Notes under the Noteholder Offer (subject to rounding) are set out in the table below:

IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT AND THE NOTEHOLDER OFFER IS FULLY SUBSCRIBED

Particulars	Amount
Fees to Underwriter*	\$345,000
Legal, printing and postage	\$105,000
Registry fees	\$25,000
ASIC and ASX Fees **	\$37,000
TOTAL	\$512,000

** Includes a fee of 6% on the total amount of \$1.6 million to be received under the Noteholder Offer. Does not include a fee of 6% on the issue of any Notes under the first tranche which are subject to shareholder approval or the issue of any Notes under the second tranche.*

*** Assumes issue and quotation of 52,638,588 New Shares under the Rights Issue and Noteholder Offer in combination and the issue and quotation of a maximum of 35,534,512 New Options under the Rights Issue and the Sub-Underwriter Option Offer in combination.*

IF THE RIGHTS ISSUE AND NOTEHOLDER OFFER ARE FULLY SUBSCRIBED

Particulars	Amount
Fees to Underwriter*	\$600,000
Legal, printing and postage	\$105,000
Registry fees	\$26,000
ASIC and ASX Fees **	\$43,000
TOTAL	\$774,000

** Includes a fee of 6% on the total amount of \$1.6 million to be received under the Noteholder Offer. Does not include a fee of 6% on the issue of any Notes under the first tranche which are subject to shareholder approval or the issue of any Notes under the second tranche.*

*** Assumes issue and quotation of 108,832,889 New Shares under the Rights Issue and Noteholder Offer in combination and the issue and quotation of a maximum of 63,631,663 New Options under the Rights Issue and the Sub-Underwriter Option Offer in combination.*

3. Financial effect of the Rights Issue and issue of first tranche of Notes

If the Rights Issue is subscribed up to the underwritten amount of approximately \$4.06 million, the Rights Issue and Noteholder Offer are anticipated to increase the cash reserves of the Company by approximately \$5.15 million, being \$5.66 million less the anticipated costs of the offers of \$512,000.

If the Rights Issue is fully subscribed, the Rights Issue and Noteholder Offer are anticipated to increase the cash reserves of the Company by approximately \$9.38 million, being \$10.15 million less the anticipated costs of the offer at the full subscription of the Rights Issue of \$774,000.

These calculations do not take into account the issue of the remaining Notes under tranche 1 (refer to Section 10.3) or any reduction of cash as a result of early repayment of the R&D rebate advance referred to above.

A pro forma statement of financial position on the basis of the audited financial statements of the Company for the period ended 31 December 2022 as released to ASX on 27 February 2023 is set out below:

	31 December 2022 (audited)	March Quarter Appendix 4C	Scenario 1		Scenario 2	
			Rights Issue (Partial Underwriting) and Convertible Note	Pro-forma Statement (unaudited)	Rights Issue (Full Entitlement) and Convertible Note	Pro-forma Statement (unaudited)
	\$	\$	\$	\$	\$	\$
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	5,714,368	(1,685,243)	5,149,087	9,178,212	9,382,631	13,411,756
Trade, other receivables and prepayments	582,893	-	-	582,893	-	582,893
Right-of-use asset	47,215	-	-	47,215	-	47,215
TOTAL CURRENT ASSETS	6,344,476	(1,685,243)	5,149,087	9,808,320	9,382,631	14,041,864
NON-CURRENT ASSETS						
Plant and equipment	8,693	-	-	8,693	-	8,693
TOTAL NON-CURRENT ASSETS	8,693	-	-	8,693	-	8,693
TOTAL ASSETS	6,353,169	(1,685,243)	5,149,087	9,817,013	9,382,631	14,050,557
LIABILITIES						
CURRENT LIABILITIES						
Trade and other payables	1,306,187	-	-	1,306,187	-	1,306,187
Lease liabilities	47,789	-	-	47,789	-	47,789
Provisions	112,954	-	-	112,954	-	112,954
Borrowings	-	2,842,500	-	2,842,500	-	2,842,500
TOTAL CURRENT LIABILITIES	1,466,930	2,842,500	-	4,309,430	-	4,309,430
NON-CURRENT LIABILITIES						
Provisions	36,333	-	-	36,333	-	36,333
Borrowings	-	-	1,474,000	1,474,000	1,474,000	1,474,000
TOTAL NON-CURRENT LIABILITIES	36,333	-	1,474,000	1,510,333	1,474,000	1,510,333
TOTAL LIABILITIES	1,503,263	2,842,500	1,474,000	5,819,763	1,474,000	5,819,763
NET ASSETS	4,849,906	(4,527,743)	3,675,087	3,997,250	7,908,631	8,230,794
EQUITY						
Issued capital	50,895,134	-	3,675,087	54,570,221	7,908,631	58,803,765
Reserves	1,861,937	-	-	1,861,937	-	1,861,937
Retained earnings (accumulated losses)	(47,907,165)	(4,527,743)	-	(52,434,908)	-	(52,434,908)
TOTAL EQUITY	4,849,906	(4,527,743)	3,675,087	3,997,250	7,908,631	8,230,794

Pro Forma Adjustments

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and presents two scenario's as described below:

Capital Raising

Scenario 1: Assumes an allotment of 106,957,889 New Shares at the Offer Price (on a fully subscribed basis) and 1,760,000 Tranche 1 Convertible Notes (remaining Tranche 1 Notes subject to shareholder approval) to raise gross proceeds of \$10,156,631 and total costs of the Capital Raising of approximately \$774,000

Scenario 2: Assumes an allotment of 50,763,588 New Shares at the Offer Price (partial underwriting with no further subscription from shareholders) and 1,760,000 Tranche 1 Convertible Notes (remaining Tranche 1 Notes subject to shareholder approval) to raise gross proceeds of \$5,661,087 and total costs of the Capital Raising of approximately \$512,000

Operating Losses since 31 December 2022

The Pro Forma Historical Financial Information is prepared on the basis that the quarterly net cashflows for the periods ended 31 March 2023 occurred as at 31 December 2022.

Convertible Notes

Included in the Pro-Forma Balance Sheet as non-current liabilities are the partial allotment of Tranche 1 Convertible Notes (Notes) amounting to \$1,600,000 (excluding capital raising costs). The terms and conditions of the Notes suggest an embedded derivate. The embedded derivative requires that a portion of the Notes cash flows be modified in relation to changes in a variable. For the purpose of the Proforma Balance Sheet, the Notes have been treated as debt. For the purpose of the audited Annual Financial Report for the period ended 30 June 2023, the embedded derivative will be valued and accounted under AASB 139 - Financial Instruments: Recognition and Measurement.

4. Effect on the Capital Structure of the Company

4.1 Capital Structure

The tables below set out the existing capital structure of the Company as at the date of this Prospectus and the effect on the Company's capital structure of the Rights Issue if subscribed to the underwritten amount or fully subscribed, together with the Noteholder Offer. The below tables assume that no further securities are issued by the Company other than as provided for under the Rights Issue, Noteholder Offer and Sub-Underwriter Option Offer, and that no existing or proposed options are exercised into fully paid ordinary shares. The tables do not include shares which would be issued if the Notes are converted to ordinary shares.

SHARES - IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT AND THE NOTEHOLDER OFFER IS FULLY SUBSCRIBED

	Number	%
Fully paid ordinary shares on issue at the date of this Prospectus	320,873,666	85.91%
New Shares under Rights Issue (up to underwritten amount)	50,763,588*	13.59%
New Shares under the Noteholder Offer	1,875,000	0.50%
Total fully paid ordinary shares post Rights Issue	373,512,254	100%

SHARES - IF THE RIGHTS ISSUE AND NOTEHOLDER OFFER ARE FULLY SUBSCRIBED

	Number	%
Fully paid ordinary shares on issue at the date of this Prospectus	320,873,666	74.67%
New Shares under Rights Issue	106,957,889*	24.89%
New Shares under the Noteholder Offer	1,875,000	0.44%
Total fully paid ordinary shares post Rights Issue **	429,706,555	100%

**Subject to rounding. The percentage represented by the New Shares will differ if the Rights Issue is subscribed for an amount other than as set out in the above tables (including following the allocation of any New Shares under the Shortfall).*

OPTIONS

The existing and proposed options of the Company are set out in the table below, assuming full subscription of the Rights Issue and issue of the maximum number of Long Term New Options under the Sub-Underwriter Option Offer. All options are presently unlisted. The Company proposes seeking quotation (listing) of the Long Term New Options. The quotation (listing) of the Long Term New Options is not a condition of the offers (or any of them):

Number of options	Expiry Date	Exercise price
2,117,325	30 October 2023	\$0.18 (18 cents)
2,117,325	30 October 2023	\$0.27 (27 cents)
2,117,325	30 October 2023	\$0.36 (36 cents)
375,000	31 January 2024	\$0.18 (18 cents)
375,000	31 January 2024	\$0.27 (27 cents)
69,099,137	30 July 2024	\$0.40 (40 cents)
1,000,000	3 December 2025	\$0.40 (40 cents)
750,000	21 July 2026	\$0.40 (40 cents)
Up to 53,478,945* (Short Term New Options)	31 March 2024	\$0.126 (12.6 cents)
Up to 63,631,663* (Long Term New Options) **	30 June 2025	\$0.154 (15.4 cents)

**Subject to rounding.*

*** Long Term New Options figure includes the maximum 10,152,718 Long Term New Options to be issued under the Sub-Underwriter Option Offer. It is expected that a lower number of Long Term New Options will be issued under the Sub-Underwriter Option Offer, particularly due to the issue of Long Term New Options to related party sub-underwriters is conditional upon receipt of shareholder approval (refer Section 1.6).*

The above table does not include issue of 4,500,000 Long Term New Options to the Underwriter (refer to Section 9) or Long Term New Options to be issued under the CSA (refer Section 10.3), each of which is subject to shareholder approval.

CONVERTIBLE NOTES

The Company proposes issuing 1,760,000 Notes under the Noteholder Offer, using the placement capacity available to the Company under Listing Rule 7.1. The materials terms of the Notes are set out in Section 10.3. Further details of any issue of Notes will be released by the Company to ASX and will be available at www2.asx.com.au, search code “DXB”. The Company does not currently have any convertible notes on issue.

4.2 Dilution and control

Eligible Shareholders will be diluted as a result of the issue of New Shares under the Noteholder Offer.

Assuming no conversion of convertible securities and after the dilution as a result of the issue of New Shares under the Noteholder Offer, Eligible Shareholders who take up their full entitlement in the Rights Issue will not be further diluted.

The percentage shareholding in the Company of shareholders who do not take up their rights pursuant to the Rights Issue will be diluted by the issue of New Shares under the Rights Issue and the Noteholder Offer. The issue of New Options and Notes will not dilute shareholders until shares (if any) are issued upon exercise of New Options or upon conversion of Notes. Examples of the impact of dilution by the Rights Issue and issue of New Shares under the Noteholder Offer on existing shareholders where a shareholder does not take up its entitlement is set out below:

SHARES - IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT AND THE NOTEHOLDER OFFER IS FULLY SUBSCRIBED

Shareholder (example)	Holding at Record Date	% at Record Date	1 for 3 entitlement under Rights Issue	Holding if entitlement not taken up	As % of total shares post rights issue (underwritten amount only)	As % of total shares if Rights Issue 100% subscribed
A	2,000,000	0.62%	666,667	2,000,000	0.54%	0.47%
B	5,000,000	1.56%	1,666,667	5,000,000	1.34%	1.16%
C	10,000,000	3.12%	3,333,334	10,000,000	2.68%	2.33%
D	15,000,000	4.67%	5,000,000	15,000,000	4.02%	3.49%
E	25,000,000	7.79%	8,333,334	25,000,000	6.69%	5.82%
F	40,000,000	12.47%	13,333,334	40,000,000	10.71%	9.31%

Notes to Table:

- All percentages are rounded to two decimal places.
- It is assumed the notional Shareholders in the example above do not acquire or dispose of shares.
- The above does not take into account the issue of any additional shares upon exercise of any options (including any New Options) or conversion of any Notes.

4.3 Securities proposed to be issued under this Prospectus

The securities which may be issued under the offers, and in respect of the “fully diluted” columns after exercise of the New Options and conversion of the Notes (at the floor price of \$0.05 (5 cents) provided for in the terms of the Notes), are set out below:

SHARES - IF THE RIGHTS ISSUE IS SUBSCRIBED TO THE UNDERWRITTEN AMOUNT AND THE NOTEHOLDER OFFER IS FULLY SUBSCRIBED

Offers	No of Securities	% of issued share capital under the offers (undiluted)	% of issued share capital under the offers (diluted)
New Shares - Rights Issue	50,763,588	13.59%	10.81%
New Options - Rights Issue	50,763,588	0.00%	10.81%
New Options - Sub-Underwriter	10,151,178	0.00%	2.16%
New Shares - Mercer	1,875,000	0.50%	0.40%
Notes (1,760,000)	35,200,000	0.00%	7.50%
Total	148,753,354	14.09%	31.67%

SHARES - IF THE RIGHTS ISSUE AND NOTEHOLDER OFFER ARE FULLY SUBSCRIBED

Offers	No of Securities	% at issued share capital under the offers (undiluted)	% at issued share capital under the offers (diluted)
New Shares - Rights Issue	106,957,889	24.89%	18.38%
New Options - Rights Issue	106,957,889	0.00%	18.38%
New Options - Sub-Underwriter	10,151,178	0.00%	1.74%
New Shares - Mercer	1,875,000	0.44%	0.32%
Notes (1,760,000)	35,200,000	0.00%	6.05%
Total	261,241,956	25.33%	44.87%

Notes to Tables:

- Does not include any Options to be issued to Mercer under the CSA (refer section 10.3), which are subject to Shareholder approval and other conditions.
- Includes only the 1,760,000 Notes which are offered under this Prospectus (with a face value of \$1 each) and assumes a conversion price of the floor price of \$0.05 per share. The actual number of shares issued on conversion of the Notes will depend on the VWAP of securities at the relevant time, see section 10.3 for further information.
- Does not include any additional convertible notes which may be issued to Mercer under the CSA (refer section 10.3), including the balance of tranche 1 Notes which are subject to Shareholder approval and other conditions.
- If the Company were to draw down and issue the balance of funding CSA (being an investment amount of \$10,400,000), and Mercer opts to convert those Notes into shares in accordance with the CSA, a maximum of 208 million additional shares would be issued to Mercer (noting further drawdowns of the funding and conversion of the Notes are subject to a variety of conditions including certain shareholder approvals).

5. Risks

The securities offered under this Prospectus are considered highly speculative. An investment in the Company carries risk. The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in the Prospectus.

This section identifies circumstances the Directors regard as risks associated with investment in the Company and which may have a material adverse impact on the financial performance of the Company if they were to arise.

Specifically:

- the securities offered under this Prospectus are subject to specific risks (refer to section 5.1); and
- the business, assets and operations of the Company are subject to specific risk factors that could potentially influence the performance of the Company in the future (refer Section 5.2); and
- there are general investment and market risks (refer Section 5.3).

Where possible, the Directors aims to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified are highly unpredictable or are out of the control of the Company and the Company is therefore limited to the extent it can effectively manage them.

These risk factors are not intended to be an exhaustive list of risks to which the Company is, or will be, exposed.

5.1 Risks associated with the offers of securities under this Prospectus

(a) Risk of termination of the Underwriting Agreement

As set out in Section 9, the Underwriting Agreement under which the Underwriter has agreed to partially underwrite the Rights Issue contains various conditions precedent and Termination Events. There is a risk that the Company does not satisfy the conditions precedent and/or that a Termination Event occurs, in which case the Underwriter may seek to terminate the Underwriting Agreement.

(b) Value of securities, liquidity and share market conditions

The market price of the Company's ordinary shares are subject to varied and unpredictable influences on the market for equities in general. Market conditions and lack of liquidity may affect the value of the Company's ordinary shares regardless of the performance of the Company. No assurance is given that there will be, or continue to be, an active market for the ordinary shares of the Company, which will include the New Shares, or if an active market will be established for listed convertible securities (including the Long Term New Options). The trading price of ordinary shares (including New Shares and the underlying ordinary shares issued upon exercise of New Options and/or conversion of Notes (if any)) and Long Term New Options (if listed), may fall as well as rise.

(c) Taxation consequences

Participation in the Rights Issue and/or Shortfall may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before investing in the Company.

(d) Dilution

The issue of New Shares will result in holders who do not take up their full Entitlement under the Rights Issue being diluted. Any such dilution may be material. The number of New Shares to be subscribed for by an Eligible Shareholder to not have their holding diluted in the Company is dependent upon the current shareholding of the Eligible Shareholder and the total number of New Shares issued. The issue of New Options and Notes will not dilute shareholders until shares (if any) are issued on exercise of New Options or conversion of Notes. If

the Notes (or any additional convertible notes which may be issued under the CSA) are converted into shares, this may have a material dilution on holders.

(e) Exercise price of New Options

There is no guarantee that the share price will be greater than the exercise price of either or both of the Short Term New Options and/or Long Term New Options up to the expiry date (31 March 2024 for Short Term New Options, 30 June 2025 for Long Term New Options). Accordingly, there is a risk that New Options will be out of the money during the exercise period, which will affect the value of the New Options.

(f) CSA and Note issue conditional

As noted in Section 10.3, the CSA and issue of securities under the CSA is conditional upon satisfactory execution of a priority deed between the Company, Mercer and the existing secured party setting out the respective priority security positions of Mercer and the existing secured party and execution of a general security deed by the Company in favour of Mercer. There is a risk this condition precedent is not satisfied. In addition, the issue of the Notes is conditional upon the satisfaction of various conditions including shareholder approval for the Notes (other than the 1,760,000 Notes the subject of tranche 1 offered under this Prospectus which are not subject to shareholder approval). There is a risk that one or more of these conditions is not satisfied and Notes and other securities are not issued under the CSA.

(g) Conversion and redemption risk - Notes

There is no guarantee that the Notes will be converted into shares at a specific price, or at all. The Notes are convertible at the election of Mercer other than proximate to the maturity date where the Company may, subject to restrictions, require conversion of the Notes. There is a risk that the Notes become redeemable for cash and the Company is required to repay the face value of the then outstanding Notes on issue.

5.2 Company Specific Risks

(a) Clinical trial risks

The Company is currently undertaking a phase 3 clinical trial (ACTION3) for its proprietary product, DMX-200, for the treatment of Focal Segmental Glomerulosclerosis (**FSGS**). The Company releases material updates on the status of the ACTION3 clinical trial to ASX, including as part of its periodic reporting. The Company may undertake additional clinical trials in future, including but not limited to for DMX-200 and DMX-700.

Drug development is a high risk endeavour with a significant failure rate. No assurance can be given that products developed using the technology of the Company will provide to be safe and efficacious in clinical trials, or that required regulatory approvals for commercial activities will be received on certain terms, or at all. The Company may be required to conduct further clinical studies, resulting in significant additional cost and delay.

The Company may experience delay in achieving a number of critical milestones required to undertake clinical trials or meet significant data points. Manufacturing of clinical trial materials, logistics and distribution to clinical sites may result in significant additional cost and delay. Clinical trials might also potentially expose the Company to product liability claims if its products in development have unexpected effects on clinical subjects.

Clinical trials undertaken by the Company have many associated risks which may impact the profitability and future productions and commercial potential of the Company. They may prove unsuccessful or non-efficacious, impracticable or costly. The clinical trials could be terminated which will likely have a significant adverse effect on the Company, the value of its securities and the future commercial development of its products.

(b) Commercialisation risk

The current business strategy of the Company is to focus on drug discovery and to develop each asset to a stage of value determination leading to a commercial realisation. Typically, that will be a trade sale or license of individual drug candidates to a third party with greater resources and expertise to undertake late-stage drug development, regulatory approvals, and sales and marketing. There is no certainty that any of the Company's

drug candidates will be of interest to such a third party or, if a drug candidate is of interest to such a third party, that terms can be negotiated that are commercially acceptable to the Company or will adequately realise the value of the drug candidate.

(c) Competition risk

The industry in which the Company operates are characterised by rapid and continuous innovation and development. The Company faces substantial competition as new and existing companies enter the market and advances in research and technology become available. The Company's product(s) or potential product(s) and services and expertise may be rendered obsolete or uneconomical by advances or entirely different approaches developed by either the Company or one or more of its competitors. The size and financial strength of some of the Company's competitors may make it difficult for the Company to maintain a competitive position, including for the Company to respond effectively and/or in a timely manner to the actions of actual or potential competitors.

(d) Arrangements with Third-Party Collaborators

The Company may pursue collaborative arrangements with pharmaceutical and life science companies, academic institutions or other partners to complete the development and commercialisation of its products. These collaborators may be asked to assist with funding or performing clinical trials, manufacturing, regulatory approvals or product marketing. There is no assurance that the Company will attract and retain appropriate strategic partners or that any such collaborators will perform and meet commercialisation goals. If the Company is unable to find a partner, it would be required to develop and commercialise DMX-200 and DMX-700 (and other potential products) at its own expense. This may place significant demands on the Company's internal resources and potentially delay the commercialisation of DMX-200 and DMX-700 (and other products).

(e) Intellectual Property risks

Obtaining, securing and maintaining the Company's intellectual property rights is an integral part of securing potential value arising from conduct of the Company's business. If patents are not granted, or if granted only for limited claims, the Company's intellectual property may not be adequately protected and may be able to be copied or reproduced by third parties. The Company may not be able to achieve its objectives, to commercialise its products or to generate revenue or other returns.

The patent position of biotechnology and pharmaceutical companies can be highly uncertain and frequently involves complex legal and factual questions. Accordingly, there can be no guarantee that any patent applications will be successful and lead to granted patents or all of the claims in any application will be granted. Furthermore, should such patent applications be granted, there is no guarantee competitors will not develop technology to avoid those patents, or that third parties will not seek to claim an interest in the intellectual property with a view to seeking a commercial benefit from the Company.

The Company has engaged patent attorneys to develop and implement an intellectual property strategy to seek to establish broad patent protection to enable it to guard its exclusivity, maintain an advantage over competitors and provide it with a basis for enforcement in the event of infringement, but there is no guarantee that this intellectual property strategy will be successful. There also can be no assurance employees, consultants or third parties will not breach their confidentiality obligations or not infringe or misappropriate the Company's intellectual property.

The Company seeks to mitigate the risk of unauthorised use of its intellectual property by limiting disclosure of sensitive material to particular employees, consultants and others on a need to know basis. Where appropriate, parties having potential access to such sensitive material will be required to provide written commitments to confidentiality and ownership of intellectual property.

(f) Third party intellectual property infringement claims

The Company's success depends, in part, on its ability to enforce and defend its intellectual property against third party challengers. The Company believes that the manner in which it proposes to conduct activities will

minimise the risk of infringement upon another party's patent rights. However, there can be no assurance that another party will not seek to claim the Company is infringing upon their rights.

While the Company relies on the advice of its patent attorneys that its patent applications do not infringe third party patents, the Company is unable to state with certainty that another party will not claim its rights are infringed or, if litigation claiming that the Company is infringing the intellectual property rights of a third party is launched, what the result of any such litigation will be. If a third party accuses the Company of infringing its intellectual property rights or commences litigation against the Company for infringement of patent or other intellectual property rights, the Company may incur significant costs defending such action, whether or not it ultimately prevails.

(g) Non-intellectual property based litigation, claims and disputes

In addition to the above risks relating to intellectual property litigation, the Company may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes with suppliers or customers, employment disputes, indemnity claims, and occupational and other claims. There is a risk that any such litigation, claim or dispute could materially adversely impact the Company's operating and financial performance due to the significant cost and time invested by management in investigating, commencing, defending and/or settling such matters. Any claim against the Company, if proven, may also have a sustained negative impact on its operations, financial performance, financial position and reputation.

The Company is not currently engaged in litigation and, as at the date of this Prospectus, the Directors are not aware of any legal proceedings pending or threatened against, or any material legal proceedings affecting, the Company.

(h) Trade Secrets

The Company relies on its trade secrets, including information relating to the manufacture, development and administration of its drug candidates. The protective measures employed by the Company may not provide adequate protection for its trade secrets. This may erode the Company's competitive advantage and materially harm its business. Further, the Company cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets.

(i) Regulatory risk, reimbursement approvals and government policy

Changes to the laws, regulations, standards and practices applicable to the industry in which the Company operates (for example, drug approval regulations and government R&D rebates) may increase costs and limit the Company's proposed scope of activity. The Company has little or no control over these risks. Consequently, there can be no firm assurance that the Company can effectively limit these risks, which could materially adversely affect its business, financial condition and results of operations.

The research, development, manufacture, marketing and sale of products using the Company's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas. Products, including DMX-200 and DMX-700, developed using the Company's technology, must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes the provision of clinical data relating to the quality, safety and efficacy of the products for their proposed use.

Products may also be submitted for reimbursement approval. The availability and timing of that regulatory and/or reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions. Furthermore, any of the products utilising the Company's technology may be shown to be unsafe, non-efficacious, difficult or impossible to manufacture on a large scale, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

(j) R&D reimbursement risk

The Company has in the past and intends in future to apply for the Research and Development (R&D) tax incentive rebate to receive up to 43.5% refundable tax offset of eligible expenses associated with R&D

initiatives. Whilst the Company is not aware of any reason why it would not be eligible to receive the R&D tax incentive rebate in the future, no guarantee can be given that the requirements for receiving the R&D tax incentive rebate will not change such that the Company no longer becomes eligible.

The Company received a secured loan representing pre-payment of 80% of its anticipated 2022 calendar year R&D tax incentive rebate from Radium Capital (refer to the ASX release on 17 February 2023), which it proposes to repay from funds raised (refer to Section 2). In the event that the loan is not repaid from funds raised, if the 2022 R&D tax incentive rebate is delayed or the requirements change such that the Company becomes ineligible, there is a risk that the Company will be unable to repay the loan. As noted above however, the Company is not aware of any reason why it would not be eligible to receive the 2022 R&D tax incentive rebate and the Company is not aware of any reason why the 2022 R&D tax incentive rebate may be delayed.

(k) Security interest risk

The Company has granted, and proposes granting, security interests to third parties including in connection with the issue of the Notes (refer Section 10.3). There is a risk that, if an event of default occurs or is alleged in respect of one or more of the arrangements under which the Company has granted security, the counterparty to those arrangements could seek repayment of secured amounts and, failing which, could seek to enforce their secured interest over the assets of the Company.

(l) Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with the management team) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

The Company is dependent on the principal members of its scientific and development team, the loss of whose services could materially adversely affect the Company and may impede the achievement of its research and development objectives. Given the nature of the Company's activities, its ability to maintain its program is dependent on its ability to attract and maintain appropriately qualified personnel either within the Company or through contractual arrangements. If one or more of the Company's key personnel was unwilling or unable to continue in their current roles, there is a risk that the Company may be unable to recruit a suitable replacement on commercially acceptable terms or at all. The loss of any key personnel, without suitable and timely replacement, may significantly disrupt the operations of the Company's business and impede the Company's ability to implement its business plans. This may, in turn, have a materially adverse effect on both the financial performance and future prospects of the Company. The Company may also incur significant costs in recruiting and retaining new key personnel.

Further, the Company's current size affects its ability to provide substantial training and development opportunities to its key managers and personnel. Extensive ongoing development opportunities are not feasible for a small biotechnology company such as the Company. The Company has sought to address this risk by hiring sufficiently qualified and skilled management and scientific development staff.

(m) Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(n) Human Resources

The Company's future success depends on its continuing ability to retain and attract highly qualified and experienced personnel. Competition for such personnel can be intense and there can be no assurance that Dimerix will be able to attract and retain additional highly qualified personnel in the future. The ability to attract

and retain necessary personnel could have a material adverse effect on the Company reputation and financial position.

(o) Future capital requirements

Pharmaceutical R&D activities require a high level of funding over a protracted period of time. Additional development costs may arise during this period and the Company may require additional funding to meet its stated objectives or may decide to accelerate or diversify its activities within the same area. The Company's requirement for additional capital may be substantial and will depend on many factors, some of which are beyond the Company's control, including:

- slower than anticipated research progress, including clinical trial recruitment;
- the requirement to undertake additional research;
- competing technological and market developments;
- the cost of protecting the Company's intellectual property; and
- progress with commercialisation of any of the Company's drug candidates.

The Company will constantly evaluate data arising from its pre-clinical and clinical studies that may indicate new uses for its products and allow the Company to file patents, thereby providing potential new development and partnering opportunities. Accordingly, the Company may alter its funding strategies to take advantage of such new opportunities if and when they present themselves.

The issue of a portion of the tranche 1 Notes (\$1.9 million) is subject to shareholder approval. The Company can give no assurance that shareholder approval will be obtained and, in the event shareholder approval was not obtained for the remainder of the tranche 1 Notes, the Company may need to seek alternative funding.

There is no assurance that the funding required by the Company from time to time to meet its business requirements and objectives will be available to it, on favourable terms or at all. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act, the Directors may issue securities as they shall, in their absolute discretion, determine. To the extent available, any additional equity financing may dilute existing shareholdings and any debt financing may involve restrictions on the Company's financing and operating activities. If the Company is unsuccessful in obtaining funds when required, it may be necessary for it to reduce the scope of its operations.

Any of these consequences may significantly adversely impact the performance of the Company.

(p) Loss or theft of data

The Company complies with applicable privacy data protection laws. However, disruption by privacy breaches may impact the security of employee information/ data, unauthorised hacking, disruption, general misuse or unauthorised disclosure of data. The Company undertakes measures to prevent and detect the occurrence of such privacy breaches, there is a risk that such measures may not be adequate. Any data breach will need to be reported to the relevant authorities and may cause substantial reputational and financial damage to the company.

(q) International markets

Dimerix operates across a number of jurisdictions and therefore there are certain risks inherent in operating internationally - such as unexpected changes in regulatory requirements, fluctuations in currency exchange rates, political instability, war and other economic political risks. Such events could adversely affect the ability of the Company to grow and operate internationally.

(r) Insurance and uninsured risks

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks is not always available and, where available, the costs can be prohibitive.

5.3 General Risks

(a) Pandemic

The Company's operations may be adversely affected in the short to medium term by the economic uncertainty caused by a pandemic, including as a result of the COVID-19 pandemic which remains ongoing. Although the impacts of COVID-19 appear to have stabilised in most countries including Australia, no guarantee can be given that governmental or industry measures taken in response to COVID-19, or any potential future pandemic (if any), will not adversely impact the operations of the Company and are likely to be beyond the control of the Company.

(b) Share market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Taxation

Relevant tax laws and treaties and their interpretation and applicability change from time to time. There is the risk that these changes could adversely and materially affect the Company's profitability and prospects.

(s) Potential acquisitions and divestments

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies and make asset divestments. Any such transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies and any divestment activity could result in realising values less than fair value. In addition, as a result of such transactions the Company may be exposed to additional or heightened risks.

(d) Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, foreign exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. Economic and business conditions may also be adversely impacted by non-economic factors, such as global health and safety, terrorism or other hostilities. A prolonged deterioration in any number of the above factors which are largely outside of the control of the Company may have a material adverse impact on the Company's business and financial performance, including the ability of the Company to fund its activities.

(e) Regulatory Risks

Changes in government, financial policy, taxation and other laws in any local and/or international markets or regions cannot be predicted and may affect the Company's ability to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities.

The Company is also subject to various regulatory requirements, including technology and accounting requirements. Changes to standards, policies, guidelines, interpretations or principles may affect the

Company's ability to carry out its activities and/or achieve its objectives. The Company cannot control or predict changes to regulatory requirements, which may adversely affect the Company.

(f) Inability to pay dividends or make other distributions

The Company has never declared or paid dividends on its share capital, and the Company does not expect to do so in the short to medium term. There is no guarantee that dividends will be paid on shares in the future. Any distribution is a matter to be determined by the Board in its discretion having regard to the financial performance and position of the Company and applicable laws.

(g) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(h) Unforeseen risks

There may be other risks which the Directors and/or management of the Company are unaware of at the time of issuing this Prospectus which may impact upon the Company, its operations and/or the value and performance of the securities of the Company.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the securities offered under this Prospectus. New Shares and shares issued on exercise of New Options (if any) or conversion of Notes (if any) carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends for the foreseeable future.

Potential investors should consider that the investment in the Company is highly speculative.

6. Acceptance Instructions

Details of how to accept each of the respective offers made under the Prospectus are set out below:

6.1 Choices available under the Rights Issue

To accept the Rights Issue, Eligible Shareholders should make payment by BPAY or EFT using the unique reference number provided on their personalised acceptance form for the dollar value of their acceptance. Shareholders are not required to return a personalised Entitlement and Acceptance Form if using either payment method.

Eligible Shareholders may:

- exercise their right to participate in the Rights Issue and take up their entitlement in full; or
- exercise their right to participate in the Rights Issue and take up their entitlement in full, and apply for additional New Shares and free-attaching New Options from the Shortfall (if any); or
- exercise their right to participate in the Rights Issue and take up their Rights Issue entitlement in part; or
- take no action under the Rights Issue and allow their Rights Issue entitlement to lapse.

New Shares and free-attaching New Options represented by Rights Issue entitlements not taken up will become part of the Shortfall. The Company may reject an acceptance where payment of the acceptance amount is not

received, or without prejudice to its rights, issue New Shares and free-attaching New Options in response to the acceptance and recover outstanding acceptance amount from the recipient. If your personalised Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares and free-attaching New Options. The Directors' decision in whether to treat an Entitlement and Acceptance Form as valid and how to construe, amend or complete the form is final. The Company accepts no responsibility for failure by your stockbroker or other third parties to carry out your instructions.

6.2 Applying under the Rights Issue

Unless paying by BPAY®* or EFT (see below), all acceptances of entitlements to New Shares and free-attaching New Options must be made on the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out in your personalised Entitlement and Acceptance Form.

* ® Registered to Bpay Pty Ltd ABN 69 079 137 518

For payments BPAY or Electronic Funds Transfer (EFT):

Your acceptance of your entitlement to New Shares and free-attaching New Options under the Rights Issue or payment may not be effective if received after 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify. If payment is not received in accordance with the above, no New Shares and free-attaching New Options will be issued to you in respect of your acceptance or payment, and any payment received will be refunded to you after the allotment in accordance with the Corporations Act, without interest.

The amount payable on acceptance will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment received is insufficient to pay in full for the number of New Shares and free-attaching New Options you have accepted or is more than required for the number of New Shares and free-attaching New Options you have accepted, you will be taken to have accepted the lesser of your entitlement or such whole number of New Shares and free-attaching New Options which is covered in full by your payment.

If paying by BPAY – available to Australian registered Eligible Shareholders:

To accept your entitlement and pay via BPAY, you should:

- read this Prospectus and the personalised Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment via BPAY for the number of New Shares and free-attaching New Options you wish to subscribe for (being the Rights Issue offer price of \$0.08 (8 cents) per New Share multiplied by the number of New Shares for which you are accepting your entitlement plus any New Shares from the Shortfall) so that it is received no later than 5pm (Melbourne time) on the Closing Date, or such later date as the Company may specify.

You can only make a payment via BPAY if you hold an account with an Australian financial institution.

If you choose to pay via BPAY you are not required to submit the Entitlement and Acceptance Form.

If your BPAY payment is received by 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify, New Shares and free-attaching New Options accepted are anticipated to be issued to you on or before the date in the timetable in page 5 of this Prospectus (which date may change without notice).

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit. The Company and the Share Registry accept no responsibility for unsuccessful, delayed, or incomplete BPAY payments.

If you have multiple holdings you will have multiple BPAY reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares and free-attaching New Options that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the applicant without interest.

If paying by Electronic Funds Transfer (EFT) – available to New Zealand registered Eligible Shareholders:

To accept your entitlement and pay by EFT, you should:

- read this Prospectus and the personalised Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment via EFT (using the unique reference details on your personalised Entitlement and Acceptance Form) for the number of New Share and free-attaching New Options you wish to subscribe for (being the Rights Issue offer price of \$0.08 (8 cents) per New Share multiplied by the number of New Shares for which you are accepting your entitlement plus any New Shares from the Shortfall) so that it is received no later than 5pm (Melbourne time) on the Closing Date, or such later date as the Company may specify.

If you have multiple holdings you will have multiple EFT reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares and free-attaching New Options that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the applicant without interest.

If you choose to pay via EFT using the unique reference details, you are not required to submit a personalised Entitlement and Acceptance Form.

6.4 Further Information – Rights Issue

If you have any questions about your entitlement, please contact the Share Registry at:

Email: hello@automicgroup.com.au;

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international).

Alternatively, contact your stockbroker or other professional adviser.

The issue of New Shares and free-attaching New Options is expected to occur after the Closing Date and on or before the date set out in the timetable on page 5 (which dates may change without notice). Thereafter holding statements will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in New Shares. Recipients trading New Shares before they receive their statements will do so at their own risk.

6.4 Applying under the other offers

The Sub-Underwriter Option Offer is only made to and capable of acceptance by a sub-underwriter of the Rights Issue (who are identified by the Underwriter). The Company will provide a personalised application form to

each sub-underwriter of the Rights Issue to apply for Long Term New Options under the Sub-Underwriter Option Offer.

The Note Offer is only made to and capable of acceptance by Mercer. The Company will provide a personalised application form to Mercer to apply for Notes and New Shares under the Noteholder Offer.

6.5 Further Information – General

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consent is required or whether formalities need to be observed for them to acquire securities under this Prospectus. Further details are set out in Section 13.

Return of a personalised application form, Entitlement and Acceptance Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept an offer under this Prospectus, or to acquire New Shares, New Options or other securities of the Company.

7. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities or securities convertible into continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and

- the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities. The Company from time to time seeks to engage in discussions on an ongoing basis in respect of potential opportunities. Funds may be used to fund the costs associated with identifying, investigating and pursuing such opportunities. While the Company may seek to negotiate such opportunities there is no certainty any such arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such opportunities (if any) in accordance with its continuous disclosure obligations as developments, if any, occur (however no guarantee can be given that such developments, if any, will occur).

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective websites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- The annual financial report of the Company for the financial year ended 30 June 2022 (released to ASX on 29 August 2022), being the most recent annual financial report of the Company before the lodgment of this Prospectus with ASIC; and
- The financial report for the half-year ended 31 December 2022 (released to ASX on 27 February 2023), being the most recent financial report of the Company before lodgement of this Prospectus with ASIC; and
- Any continuous disclosure notices given by the Company since the lodgment of the Annual Financial Report referred to in (b) above before lodgment of this Prospectus. Continuous disclosure notices given by the Company since the lodgment of the Annual Financial Report to the date of this Prospectus are listed in Section 8 of this Prospectus.

Such documents are also available online from the ASX website at www2.asx.com.au, search code "DXB".

8. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 30 June 2022 with ASIC:

Date	Headline
4 May 2023	Reinstatement to Official Quotation
4 May 2023	Investor Presentation
4 May 2023	Proposed issue of securities - DXB
4 May 2023	Proposed issue of securities - DXB
4 May 2023	Proposed issue of securities - DXB
4 May 2023	Proposed issue of securities - DXB
4 May 2023	Proposed issue of securities - DXB
4 May 2023	Proposed issue of securities - DXB
4 May 2023	Entitlement offer and Convertible Note to raise \$12 million
3 May 2023	Voluntary Suspension

2 May 2023	Initial Director's Interest Notice
1 May 2023	Dimerix Announces New Board Member
1 May 2023	Trading Halt
28 April 2023	Quarterly Appendix 4C and Activities Report
21 April 2023	Ceasing to be a substantial holder
22 March 2023	FSGS Study, Partnering & Commercialisation Investor Briefing
27 February 2023	Half-Year Financial Report & Appendix 4D – 31 December 2022
17 February 2023	DXB to Receive \$2.8m in Prepayment of R&D Tax Incentive
9 February 2023	Successful Completion of DSMB Review of Phase 3 FSGS Trial
31 January 2023	Quarterly Appendix 4C and Activities Report
12 January 2023	FDA Confirms Inclusion of Paediatrics in ACTION3 Study
28 December 2022	Final Director's Interest Notice
23 December 2022	Resignation of Non-Executive Chairman
15 December 2022	DMX-200 FSGS Phase 3 Trial Part 1 Recruitment Achieved
13 December 2022	CLARITY 2.0 COVID-19 Study Outcome
29 November 2022	Constitution
29 November 2022	Results of Meeting
29 November 2022	Chair address and CEO presentation to AGM
23 November 2022	Investor Briefing
27 October 2022	Letter to Shareholders, Notice of AGM & Proxy Form
27 October 2022	AusBioInvest Presentation, including FSGS recruitment update
27 October 2022	Quarterly Appendix 4C and Activities Report
25 October 2022	Dimerix Receives A\$6.0M R&D Tax Incentive Rebate
4 October 2022	Notification of Date of 2022 AGM
15 September 2022	Investor Presentation
29 August 2022	Appendix 4G and Corporate Governance Statement
29 August 2022	Appendix 4E and 2022 Annual Report

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, www2.asx.com.au under the Company's ASX code "DXB" and copies of announcements can be obtained from the Company upon request and are available on the Company's website www.dimerix.com. Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus, it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

9. Underwriting Agreement

A summary of the terms of the Underwriting Agreement is set out below:

- Pursuant to the Underwriting Agreement, the Underwriter agrees to partially underwrite the Rights Issue. The underwriting of the Rights Issue is subject to and conditional upon standard conditions for arrangements of this kind, including ASX not indicating to the Company or the Underwriter that it will not

grant quotation of New Shares or Long Term New Options (other than, in the case of the Long Term Options (for which quotation is sought), the sole reason for ASX not granting official quotation of the Long Term Options is the Company not satisfying Listing Rule 2.5 Condition 6) and the Company providing the Underwriter a certificate with respect to New Shares and New Options forming the shortfall of the Rights Issue (such certificate to be in the form, and to be provided at the time, specified in the Underwriting Agreement).

- The underwriting is for approximately \$4.06 million. An aggregate of approximately \$2.03 million of the underwritten amount comprises commitments from existing eligible shareholders to take up their entitlements and, where applicable, sub-underwrite Shortfall as arranged between the relevant Eligible Shareholder and the Underwriter. The remaining approximately \$2.03 million underwritten will be reduced proportionally by the amounts subscribed for New Shares and New Options by other eligible shareholders. Further details including a worked example are set out in Section 1.3.
- The Underwriter will receive:
 - 6% on the gross amount raised under the Rights Issue, excluding amounts raised from the Meurs Group (including Peter Fletcher Meurs, Skiptan Pty Ltd and any other associated entity) and the Yodambao Group (**Chair's List Shareholders**); and
 - 2% of the gross amount raised under the Rights Issue from the Chair's List Shareholders;
 - 6% of the gross amount received by the Company under the Convertible Securities Agreement (refer to Section 1.9 for further details); and
 - 4,500,000 Long Term New Options, subject to shareholder approval.
- The Company agrees to reimburse the Underwriter for external out of pocket incurred in connection with the Rights Issue (provided any expense greater than \$2,000 (other than legal fees) requires approval of the Company) and for any taxes payable in connection with the Underwriting Agreement.
- The Underwriter may appoint sub-underwriters to sub-underwrite subscriptions for New Shares and New Options and brokers.
- The obligations of the Underwriter to underwrite the rights issue is subject to certain events of termination (**Termination Events**). These Termination Events are set out as follows (capitalised terms below not defined in this Prospectus are as identified in the Underwriting Agreement, noting that the reference to "Offer" is to the Rights Issue):

Part A - Events not subject to 'materiality'

- (a) (**Offer Documents**): the Underwriter forms the view (acting reasonably) that a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive (including by omission), or a matter required by the Corporations Act is omitted from the Prospectus or the issue of the Offer Documents becomes misleading or deceptive or likely to mislead or deceive;
- (b) (**Public Information**): a statement in any of the Public Information is or becomes misleading or deceptive or likely to mislead or deceive;
- (c) (**section 730 notice**) a person gives a notice to the Company under section 730 of the Corporations Act in relation to the Prospectus (other than the Underwriters);
- (d) (**withdrawal of consent**): any person (other than the Underwriter) whose consent to the issue of the Prospectus or any Supplementary Prospectus is required and who has previously consented to the issue of the Prospectus or any Supplementary Prospectus withdraws such consent;

- (e) **(Supplementary Prospectus)** the Company lodges a Supplementary Prospectus without the consent of the Underwriter or fails to lodge a Supplementary Prospectus in a form acceptable to the Underwriter or, in the Underwriter's opinion, becomes required to lodge a Supplementary Prospectus;
- (f) **(material adverse change)** any material adverse change occurs in the assets, liabilities, the equity of any Company shareholders, financial position or performance, profits, losses or prospects of the Company or any Group member (in so far as the position in relation to the Group member affects the overall position of the Company), from the position disclosed in the Offer Announcement, the Investor Presentation, the Prospectus or a duly completed Appendix 3B on the Announcement Date or as most recently disclosed to ASX by the Company before the date of this agreement;
- (g) **(market fall)** the ASX/S&P 300 Index is at any time more than 10% below its level as at 5.00pm on the Business Day immediately preceding the date of this agreement;
- (h) **(Listing)**
 - (i) the Company ceases to be admitted to the official list of ASX or the Shares cease trading or are suspended from quotation on ASX other than in connection with the Offer;
 - (ii) ASX makes any official statement to any person, or indicates to the Company or the Underwriter that official quotation on ASX of the Offer Securities will not be granted other than, in the case of New Options for which quotation is sought, the sole reason for ASX not granting official quotation of the New Options is the Company not satisfying Listing Rule 2.5 Condition 6; or
 - (iii) approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the opinion of the Underwriter, have a material adverse effect on the success of the Offer), to the official quotation of the Shares on ASX on or before the dates referred to in the Timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (i) **(notifications)** any of the following notifications are made in relation to the Offer or an Offer Document:
 - (i) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to an Offer Document or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company; or
 - (ii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the ASIC Act or other applicable laws;
- (j) **(Timetable)** an event specified in the Timetable is delayed by more than one Business Day without the prior written consent of the Underwriter;
- (k) **(withdrawal)** the Company withdraws an Offer Document or the Offer or indicates that it does not intend to proceed with the Offer;
- (l) **(unable to issue)** the Company is prevented from granting the Entitlements or issuing Offer Securities within the time required by the Timetable or by or in accordance with ASX Listing Rules applicable laws, a Government Agency or an order of a court of competent jurisdiction;
- (m) **(ASIC Modifications)** ASIC withdraws, revokes or amends any ASIC Modification;
- (n) **(ASX Waiver)** ASX withdraws, revokes or amends any ASX Waiver;
- (o) **(prosecution)** any of the following occur:

- (i) a director of the Company is charged with an indictable offence;
- (ii) any Government Agency commences any public proceedings against the Company or any of the Directors in their capacity as a director of the Company, or announces that it intends to take such action; or
- (iii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (p) **(fraud)** a director or officer of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Offer;
- (q) **(change in management)** a change in CEO or CFO or in the board of directors of the Company occurs except as provided for in the Management Questionnaire;
- (r) **(Insolvency)** the Company or a Group Member is or becomes Insolvent or there is an act or omission which is likely to result in the Company or a Group Member becoming Insolvent;
- (s) **(charge)** a person charges or Encumbers or agrees to charge or Encumber, the whole, or a substantial part of the business or property of the Company or the Group;
- (t) **(force majeure)** there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal for the Underwriter to satisfy an obligation under this agreement, or to market, promote or settle the Offer;
- (u) **(debt facilities)** a Group Member breaches, or defaults under (including potential event of default or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing), any provision, undertaking covenant or ratio of a material debt or financing arrangement (including the Finance Documentation) or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Group;
- (v) **(Certificate)** a Certificate is not given by the Company in accordance with this agreement a statement in a Certificate is untrue or incorrect, or misleading or deceptive or contains omissions of any required information;
- (w) **(application)** there is an application to a government agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it) except where such application does not become public and is withdrawn or dismissed within 2 Business Days after it is commenced or where it is commenced less than 2 Business Days before the Offer Issue Date or Completion it has not been withdrawn or dismissed by the Offer Issue Date or Completion, (as the case may be);

Part B - Events subject to 'materiality'

- (x) **(future matters)** Any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document or Public Information is or becomes incapable of being met or, in the opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (y) **(changes to the Company)** the Company or a Group Member:
 - (i) varies any term of the Constitution;
 - (ii) alters the issued capital or capital structure of the Company other than in connection with the Offer, or as contemplated by the Offer Documents; or

- (iii) disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material Subsidiary),

without the prior written consent of the Underwriter;
- (z) **(Offer to comply)** the Company or an entity in the Group, any Offer Document or any aspect of the Offer, does not or fails to comply with the Constitution, the Corporations Act, the ASX Listing Rules, any ASX Waivers, any ASIC Modifications or any other applicable law or regulation;
- (aa) **(default)** a default by the Company in the performance of any of its obligations under this agreement occurs;
- (bb) **(representations and warranties)** a representation and warranty contained in this agreement on the part of the Company was or is not true or correct or becomes untrue or incorrect;
- (cc) **(information)** the Due Diligence Committee Sign-Off, Management Sign-Offs or the information provided by or on behalf of the Company to the Underwriter in relation to the Due Diligence Investigations, the Offer Documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (dd) **(disruption in financial markets)** either:
 - (i) a general moratorium on commercial banking activities in Australia, the United States of America, Canada, the United Kingdom, Hong Kong, Singapore or the People's Republic of China is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;
- (ee) **(change in laws)** any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of Valid Applications or materially affects the financial position of the Company or has a material adverse effect on the success of the offer:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or
 - (iii) the adoption by ASX or their respective delegates of any regulations or policy;
- (ff) **(hostilities)** in respect of or involving any one or more of Australia, Canada, New Zealand, the United States of America, a member of the European Union, Hong Kong, Singapore, Japan or the United Kingdom:
 - (i) hostilities not presently existing commence;
 - (ii) a major escalation in existing hostilities occurs;
 - (iii) a declaration is made of a national emergency or war; or
 - (iv) a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world;
- (gg) **(pandemic)** a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one

or more of Australia, New Zealand, the United States of America, the United Kingdom, the People's Republic of China and Japan; or

- (hh) **(political or economic conditions)** the occurrence of any adverse change or disruption to financial, political or economic conditions, or controls or financial markets in Australia, New Zealand, Hong Kong, Singapore, the United States of America or the United Kingdom or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.

10. Terms of securities offered

10.1 New Shares

New Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge. An electronic copy of the Company's constitution was released to ASX on 29 November 2022.

The following is a broad summary of the rights, privileges and restrictions attaching to ordinary shares in the capital of the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company.

Ordinary shares

The New Shares to be issued under this Prospectus will rank equally with the existing fully paid ordinary Shares on issue in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law. General meetings Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and to vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or of classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by that person or in respect of which the person is appointed proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

Dividend rights

The Board may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion of the amount paid on the Share to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time

pay or credit to Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the 37 Board as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Board may from time to time grant to Shareholders or to any class of Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares on such terms and conditions as the Directors think fit. The Directors may at their discretion resolve, in respect of any dividend which it is proposed to pay or to declare on any Shares, that holders of such shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions provided for in the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may properly be applied.

Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability.

Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, and so long as the registration of the transfer will not result in a contravention of or failure to observe the provisions of a law of Australia, including the Corporations Act and the Listing Rules.

Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of at least three quarters of the issued shares of that class or, if authorised by a special resolution passed at a separate meeting, of the holders of the shares of that class.

10.2 New Options

*Short Term New Options (**Option** below)*

- (a) The Options shall be issued for no cash consideration;
- (b) The exercise price of each Option is 12.6 cents (\$0.126) (**Exercise Price**).
- (c) The Options will expire at 5:00pm AEST on 31 March 2024.
- (d) The Options are transferable, subject to compliance with applicable law.
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.

- (f) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Option Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date.
- (g) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will within 3 Business Days issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares.
- (h) The Company must either:
 - a. within 5 Business Days of the issue of shares under (g) above, provide ASX with a written notice pursuant to section 708A(5) of the Corporations Act meeting the requirements of section 708A(6) of the Corporations Act, in a form, and containing the information, that is sufficient to permit secondary trading on the ASX of those shares (**Cleansing Statement**); or
 - b. where unable to issue a Cleansing Statement, as soon as is reasonably practicable and in any event within 10 Business Days of issue of the resultant shares under (g) above, issue a prospectus or other form of disclosure document to enable those shares to be freely on-sold.
- (i) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (j) Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- (k) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - a. the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - b. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (l) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O_n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

O_n = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities into which one Option is exercisable;

P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (m) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (n) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- (o) The Company will not apply for quotation (listing) of Options.
- (p) The Company shall apply for listing of the resultant Shares issued upon exercise of any Option.

*Long Term New Options (**Option below**)*

- (a) The Options shall be issued for no cash consideration;
- (b) The exercise price of each Option is 15.4 cents (\$0.154) (**Exercise Price**).
- (c) The Options will expire at 5:00pm AEST on 30 June 2025.
- (d) The Options are transferable, subject to compliance with applicable law.
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
- (f) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Option Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date.
- (g) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will within 3 Business Days issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares.
- (h) The Company must either:
 - a. within 5 Business Days of the issue of shares under (g) above, provide ASX with a written notice pursuant to section 708A(5) of the Corporations Act meeting the requirements of section 708A(6) of the Corporations Act, in a form, and containing the information, that is sufficient to permit secondary trading on the ASX of those shares (**Cleansing Statement**); or
 - b. where unable to issue a Cleansing Statement, as soon as is reasonably practicable and in any event within 10 Business Days of issue of the resultant shares under (g) above, issue a prospectus or other form of disclosure document to enable those shares to be freely on-sold.
- (i) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (j) Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.

- (k) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (l) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:
- $$O_n = O - \frac{E [P - (S + D)]}{N + 1}$$
- Where:
- O_n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- (m) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (n) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- (o) The Company shall apply for listing of the resultant Shares issued upon exercise of any Option.

10.3 Notes and Convertible Securities Agreement

A summary of the material terms of the Notes and the CSA is set out below:

- The convertible securities (**Notes**) have a face value of \$1.00 each;
- The number of Notes to be issued by the Company include a 10% original issue discount, with the aggregate number of Notes per tranche being:
 - 3,850,000 Notes under tranche 1 (aggregate subscription of \$3.5 million). It is proposed a portion of the Notes the subject of tranche 1 will be issued under the placement capacity available to the Company under Listing Rule 7.1 (1,760,000 Notes with a subscription price of \$1.6 million), with the remaining Notes forming part of tranche 1 (2,090,000 Notes with a subscription price of \$1.9 million) to be issued subject to shareholder approval of the remaining Notes forming part of tranche 1 and the options in respect of the tranche 1 amount (refer below) which is to be sought at an EGM proposed to be held in June 2023 and the issue of those options in respect of the tranche 1 amount; and

- Up to 9,350,000 Notes under tranche 2 (aggregate subscription of up to \$8.5 million) within 12 months from execution of the CSA, subject to mutual agreement between the Company and the Investor and receipt of further Company shareholder approval which may be split into one or more drawdowns;
- Notes have a term of 18 months from issue (**Term**);
- The Notes are secured, and any amount drawn down on the Notes remaining unconverted will be secured against the assets of the Company, ranking behind the security interests held by the existing secured party (refer below);
- The Notes issued in tranche 1 under the placement capacity available to the Company under Listing Rule 7.1 will be convertible at \$0.11 for the first three (3) months after issue (**Conversion Price A**);
- Except as set out in the preceding point, the Notes will be converted at the lesser of \$0.11 or 90% of the average of two (2) daily VWAPs of the shares of the Company from the fifteen (15) Trading Days on which the shares of the Company traded in the ordinary course of business on the ASX and ending on the date immediately prior to notice of Conversion, such two days being chosen by Mercer at its complete discretion (**Conversion Price B**), subject to a minimum conversion (floor) price of \$0.05;
- The Company has the right to repurchase the Notes, at any time during the Term of each Note, at 105% of the outstanding face value. If the Company elects to repurchase the Notes, the Investor will have the right to submit a notice of conversion to convert some or all of the outstanding Notes prior to full repayment;
- The Company will have the right to repay, in cash, any conversion by the Investor within 5 business days of notice of conversion at the greater of the price specified in the conversion notice multiplied by the number of Notes being converted or the average VWAP per share for the 5 trading days prior to service of the conversion notice;
- At the end of the Term applicable to Notes, the Company will have the right to convert all or a portion of the outstanding face value of those Notes at Conversion Price B. If Conversion Price B is less than \$0.05, the Investor may request all or a portion of the outstanding face value of the Notes to be settled in cash. Any aggregate face value outstanding after exercise by the Company of its conversion right at the end of the Term shall be repayable in cash;
- At no point in time will Mercer be required to accept Shares on a conversion of Notes if it would cause Mercer's shareholding to exceed 9.99% without Mercer's consent;
- The Notes have nil interest rate except in the case of an event of default (refer below);
- The Company is to issue to the Investor ordinary shares equal to \$300,000 (2.5% of \$12 million, the total possible subscription amount under both tranche 1 and tranche 2), with 50% of the shares being issued upon the issue of the first Notes under tranche 1 at a deemed price of \$0.08 per share (not subject to shareholder approval, to use Listing Rule 7.1 placement capacity) and the balance being issued upon the first (if any) tranche 2 closing (subject to shareholder approval) at a deemed price equal to the 15 day VWAP prior to that tranche 2 closing;
- The number of options to be issued to the Mercer in respect of tranche 1 is equal to 50% of the total funds proposed to be raised under tranche 1 (\$1,750,000), divided by \$0.154 (15.4 cents), being equal to 150% of the 20-day VWAP immediately prior to the execution of the CSA (which was \$0.1026, 10.26 cents) ($3,500,000 / 2 = 1,750,000$, $1,750,000 / 0.154 = 11,363,636$ Options). The issue of these options is subject to shareholder approval. If shareholder approval is not obtained to issue the options in connection with tranche 1, then a fee of \$350,000 will be payable to Mercer;

- The number of options to be issued to the Investor in respect of an issue of Notes under a tranche 2 closing will be equal to 50% of the funds received at the relevant closing divided by 150% of the average 20-day VWAP immediately prior to the relevant closing date, and will have an exercise price of 150% of the average 20-day VWAP immediately prior to the relevant closing date, with a 30 June 2025 expiry date. By way of example, if the 20 day VWAP were \$0.15 and the amount received under the subsequent closing was \$5 million, the number of options would be calculated as: $\$5,000,000 / 2 = \$2,500,000 / 0.225 = 11,111,111$ Options). The issue of options is subject to shareholder approval;
- The CSA and issue of securities under the CSA is conditional upon satisfactory execution of a priority deed between the Company, Mercer and the existing secured party setting out the respective priority security positions of Mercer and the existing secured party, execution of a general security deed by the Company in favour of Mercer and approval of the terms of the Notes by ASX.
- The issue of Notes is conditional upon customary closing conditions for arrangements of this kind that are largely procedural in nature, including but not limited to the Company being in compliance with the terms of the CSA and the Company complying with relevant matters under the Corporations Act relating to secondary trading of securities (including with respect to cleansing notice and/or prospectus lodgement).
- The Notes are transferable to other sophisticated or professional investors (as defined in the Corporations Act), subject to the transferee being acceptable to the Company;
- In addition to the repayment events described above, repayment may be required by Mercer in certain circumstances including if the Company breaches a negative covenant under the CSA, a change of control event, a delisting event or receipt by the Company of \$10 million or more in connection with a capital raising or commercialisation event;
- If an event of default occurs, the Company must pay interest at a rate of 18% per annum on the amount of the face value of Notes that are outstanding at that time;
- The CSA contains customary events of default, including but not limited to the Company or its group entities failing to perform its obligations under the CSA or an associated transaction document, the Company or any of its group entities suffering an insolvency event or a change of control event (as defined in the CSA), suspension of the shares of the Company from trading for more than 5 trading days in any 12 month period or the occurrence of a material adverse effect (as defined in the CSA) in respect of the Company or any of its assets;
- The CSA contains customary representations and warranties by the Company, including with respect to its issued capital, good standing, financial information, security position and compliance with applicable laws and regulations. The CSA also contains indemnities given by the Company in favour of Mercer and specified parties of Mercer, in connection with the occurrence of defined events, including breach or non-performance by the Company.

10.4 General

The offer and any application concerning the issue of New Shares, New Options or Notes under this Prospectus, shall be governed and construed in accordance with the laws of Victoria, Australia.

11. Director's interests

11.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus and the effect of the full subscription of the Rights Issue and issue of New Shares under the Noteholder Offer on the direct and indirect share holdings of Directors are set out below. As noted in Section 1.6, Jaclani Pty Ltd (an entity associated with Dr Nina Webster that currently holds 50,000 ordinary shares) and Dr Sonia Poli have each agreed with the Underwriter to take up their full entitlements and subscribe for a portion of Shortfall. The below has been prepared to demonstrate the maximum potential dilution to the Directors as a result of the issue of New Shares under the Rights Issue and accordingly assumes Dr Nina Webster and Dr Sonia Poli (or their associated entities, as applicable) do not take up New Shares. Details of the anticipated holdings of Nina Webster (via Jaclani Pty Ltd) and Sonia Poli following take up of their respective entitlements and sub-underwriting of Shortfall is set out in Section 1.6. No Notes or New Shares will be issued to Directors or their associates under the Noteholder Offer:

SHARES AND OPTIONS

Director/Shareholder (and/or associate(s))	Existing Shares		% post rights issue	New Share Entitlement	New Option Entitlement	Existing Options
	Number	%				
Mr Hugh Alsop	Nil	Nil	Nil	Nil	Nil	167,202
Dr Nina Webster	95,000	0.03%	0.02%	31,667	31,667	6,376,975
Dr Sonia Poli	205,000	0.06%	0.05%	68,334	68,334	204,702
Mr Clinton Snow	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL:	300,000	0.09%	0.07%	100,001	100,001	6,748,879

Notes to Table:

- (1) The above does not take into account the issue of any additional shares upon exercise of any options (including any New Options) or conversion of any Notes.
- (2) Directors and their associates will not be able to subscribe for Shortfall without shareholder approval.
- (3) All percentages are rounded to two decimal places.

11.2 Remuneration and Payments to Directors

Directors are entitled to receive directors' fees and other remuneration from the Company in relation to services provided to the Company. Details of the cash remuneration paid or agreed to be paid to the Directors in the two years prior to the lodgement of this Prospectus (excluding GST, if applicable) are as follows:

Director	May 2021 – April 2022	May 2022 – April 2023
Mr Hugh Alsop	\$62,727	\$57,273
Dr Nina Webster	\$428,362	\$434,460
Dr Sonia Poli	\$60,000	\$60,000
Mr Clinton Snow	\$0	\$0

Note to table:

- The remuneration set out above reflects cash paid to Directors only and includes base salaries paid in

connection with director engagements, allowances for travel and compulsory contributions toward director nominated superannuation funds as required by Australian employment law.

- *Dr Nina Webster's remuneration relates to salary received as Chief Executive Officer. Dr Webster did not receive Director fees for either of the periods.*
- *Mr Clinton Snow was appointed on 1 May 2023 and accordingly has not received remuneration as a Director of the Company as at the date of this Prospectus.*

10.3 Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Rights Issue.
- (b) no Director has, or has had within two years of lodgement of this Prospectus, any interest in:
 - the formation or promotion of the Company; or
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Rights Issue or the other offer made under this Prospectus; or
 - the Rights Issue or the other offer made under this Prospectus.

12. Taxation

Recipients of this Prospectus and the offers should seek and obtain their own taxation advice.

13. Overseas Investors

13.1 General

This Prospectus and any application form do not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons outside Australia who comes into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the securities under this Prospectus or otherwise to permit a public offering of the securities in any jurisdiction outside Australia. The Company does, however, reserve the right (at its absolute discretion) to accept an application from a shareholder if it is satisfied that the making and acceptance of the application complies with the requirements of the relevant jurisdiction.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia and New Zealand, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Rights Issue.

The offers under this Prospectus have not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

13.2 New Zealand – Rights Issue

The New Shares and free-attaching New Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. In addition, the Company is issuing the New Options to existing shareholders of the Company for no consideration.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

13.3 Shortfall jurisdictions

The Company may, in consultation with the Underwriter and subject to compliance with applicable law, seek to place New Shares and free-attaching New Options forming the Shortfall (including to sub-underwriters identified by the Underwriter) to eligible persons in jurisdictions in addition to Australia and New Zealand, particularly the Cayman Islands, Singapore and Hong Kong.

Further details are set out below:

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the “FMC Act”).

The New Shares and New Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Cayman Islands

No offer or invitation to subscribe for New Shares and New Options may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). Accordingly, this document may not be distributed, and the New Shares and New Options may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares and New Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares and New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares and New Options may sell, or offer to sell, such

securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares and New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares and New Options, may not be issued, circulated or distributed, nor may the New Shares and New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares and New Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares and New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

14. Privacy

Personal information is collected on application forms by the Company and the Share Registry for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registry, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registry's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

15. Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www2.asx.com.au (search code "DXB") and via the Company's website at www.dimerix.com.

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company by email to hello@automicgroup.com.au.

Applications for New Shares and free-attaching New Options under the Rights Issue may only be made on the personalised Application Form which will be provided to invitees and which will form part of or will be accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a personalised Application Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

16. Investment Decisions

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Rights Issue offer of New Shares and free-attaching New Options pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

17. Future Performance

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving New Shares and free-attaching New Options under the Rights Issue made by this Prospectus should be considered speculative.

18. Consents

Bell Potter Securities Limited [ACN 006 390 772] [AFSL 243480] has given and, as at the date hereof, not withdrawn, its written consent to being named as the Underwriter to the Rights issue in the form and context in which it is named. Bell Potter Securities Limited has not authorised or caused the issue of any part of this Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

Peter Fletcher Meurs has given and, as at the date hereof, not withdrawn, his written consent to being named as a sub-underwriter of the Rights issue in the form and context in which he is named. Peter Fletcher Meurs has not authorised or caused the issue of any part of this Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

Dr Sonia Poli has given and, as at the date hereof, not withdrawn, her written consent to being named as a sub-underwriter of the Rights issue in the form and context in which she is named. Dr Sonia Poli has also provided her consent to being named and to the lodgement of this Prospectus as a Director of the Company.

Jaclani Pty Ltd has given and, as at the date hereof, not withdrawn, its written consent to being named as a sub-underwriter of the Rights issue in the form and context in which it is named.

Automic Pty Ltd has given and, as at the date hereof, not withdrawn, its written consent to being named as the Share Registry of the Company, in the form and context in which it is named. Automic Pty Ltd has not authorised or caused the issue of any part of this Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

19. Modifications

The Company offers the Notes under this Prospectus in accordance with the modification to Section 713 of the Corporations Act as modified by ASIC Corporations (Offers of Convertibles) Instrument 2016/83.

20. Enquiries

If you have any questions regarding the content of this Prospectus or how to complete the Personalised Application Form, you should contact your stockbroker, accountant or independent professional financial adviser prior to applying for securities under this prospectus.

If you have any questions regarding the Rights Issue, please contact the Share Registry:

Email: hello@automicgroup.com.au;

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international).

No person is authorised to give information or make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



Hugh Alsop
Non-Executive Director