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

1. Company details

Name of entity:	Dimerix Limited
ABN:	18 001 285 230
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	195%	to	223,527
(Loss) from ordinary activities after tax attributable to the owners of Dimerix Limited	down	31%	to	(6,673,057)
(Loss) for the half-year attributable to the owners of Dimerix Limited	down	31%	to	(6,673,057)

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

Comments
The (loss) for the consolidated entity after providing for income tax amounted to $6,673,057 (31 December 2022: $9,609,019).

3. Net tangible assets

	Reporting period $	Previous period $
Net tangible assets per ordinary security	0.004	0.015

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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10. Audit qualification or review

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

The financial statements were subject to a review by the auditor and the review report is attached as part of the Financial Report for the half-year ended 31 December 2023.

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11. Attachments

Details of attachments (if any):

The Financial Report for the half-year ended 31 December 2023 of Dimerix Limited is attached.

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12. Signed

Signed _____ Date: 26 February 2024

Mark Diamond
Non-Executive Chairman

Financial Report for the half-year ended - 31 December 2023

Dimerix Limited and controlled entity

ABN 18 001 285 230

Dimerix

Dimerix Limited and controlled entity
Corporate directory
31 December 2023

Directors	Mr Mark Diamond - Non-Executive Chairman Dr Sonia Maria Poli - Non-Executive Director Mr Hugh Alsop - Non-Executive Director Mr Clinton Snow - Non-Executive Director Dr Nina Webster - CEO and Managing Director
Company secretary	Mr Hamish George
Registered office	425 Smith Street Fitzroy Victoria, 3065 Tel: 1300 813 321
Share register	Automic Registry Services Level 5 191 St Georges Terrace Perth, Western Australia, 6000
Auditor	Stantons Level 36, Gateway 1 Macquarie Place, Sydney, NSW 2000
Stock exchange listing	Dimerix Limited shares are listed on the Australian Securities Exchange (ASX code: DXB)
Website	www.dimerix.com
Postal Address:	425 Smith Street Fitzroy Victoria, 3065

Dimerix Limited and controlled entity
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31 December 2023

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Cash Reserve:
$14.8 million

R&D Expenditure:
$5.1 million

Operating costs:
$1.8 million

Licensing deal* up to:
$235 million

**Based on exchange rate 1 EUR = 1.64798 AUD as at 19Feb2024*

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Dimerix Limited (referred to hereafter as the 'Company') and the entity it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors
The following persons were directors of the Company during the whole of the financial half-year ended 31 December 2023 and up to the date of this report, unless otherwise stated:

Dr Mark Diamond (appointed 1 December 2023)
Dr Nina Webster
Dr Sonia Poli
Mr Hugh Alsop
Mr Clinton Snow

Operating Results
The loss for the Group for the half-year ended 31 December 2023 after providing for income tax amounted to $6,673,057 (31 December 2022: loss of $9,609,019).

The half-year ended 31 December 2023 operating results are attributed to the following:

- Research and development expenditure of $5,076,663 (31 December 2022: $8,587,501); and
- Corporate and administration expenses of $1,783,259 (31 December 2022: $1,060,880); and
- License income of $133,060 (31 December 2022: $0)

Review of operations

During the period, the Group continued to focus on the development of Dimerix' DMX-200 drug candidate in Focal Segmental Glomerulosclerosis (FSGS).

Dimerix continued with its lead clinical program during the period: FSGS ACTION3 Phase 3 study and progressed licensing activities globally, resulting in a new licensing partner in Europe, Canada and Australia. FSGS first patient was recruited in May 2022; 70 clinical sites were opened across 11 different countries; the first 72 patients (Part 1) were dosed in July 2023; and the ACTION3 study completed its second Data Safety Monitoring Board (DSMB) review with the study recommended to continue in August 2023. In addition to progressing the ACTION3 Phase 3 study, Dimerix continued to prepare its other pre-clinical pipeline products for potential next steps.

The Dimerix assets are all based on compelling scientific rationale and/or existing clinical data and are all in commercially attractive, growing markets, with little or no current competition.

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

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

ESG Statement

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

Environmental

We are adopting sustainable energy sources and processes and improving efficiency across our business by streamlining our operations and processes

Social

We take pride in the success, growth and empowerment of our employees. We strive to attract and nurture a talented workforce.

As at 31 Dec 2023, 60% of the work force self-identify as having gender, racial and/or ethnic diversity.

Governance

We operate on behalf of our shareholders and strive to be a value creator to meet their expectations. We are continuously making efforts to raise the level of trust and confidence of all our stakeholders

The DMX-200 Program

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

Following the two DMX-200 Phase 2 renal studies that demonstrated encouraging results in 2020, Dimerix commenced a pivotal Phase 3 clinical study in FSGS patients in May 2022, titled ACTION3.

DMX-200 Market Background

Renal

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

Focal Segmental Glomerulosclerosis

FSGS is a rare disease that attacks the kidney's filtering units, where blood is cleaned (called the 'glomeruli'), causing irreversible scarring. This leads to permanent kidney damage and eventual end-stage failure of the organ, requiring dialysis or transplantation. For those diagnosed with FSGS the prognosis is not good. The average time from a diagnosis of FSGS to the onset of complete kidney failure is only five years and it affects both adults and children as young as two years old.[3] For those who are fortunate enough to receive a kidney transplant, approximately 60% will get re-occurring FSGS in the transplanted kidney.[4] At this time, there are no drugs specifically approved for FSGS anywhere in the world, so the treatment options and prognosis are poor.

FSGS is a billion-dollar plus market: the number of people with FSGS in the US alone is just over 80,000, and worldwide about 220,000.[5] The illness has a global compound annual growth rate of 8%, with over 5,400 new cases diagnosed in the US alone each year.[6] Because there is no effective treatment, Dimerix has received Orphan Drug Designation for DMX-200 in both the US and Europe for FSGS. Orphan Drug Designation is granted to support the development of products for rare diseases and qualifies Dimerix for various development incentives including: seven years (FDA) and ten years (EMA) of market exclusivity if regulatory approval is received, exemption from certain application fees, and a fast-tracked regulatory pathway to approval.

The DMX-700 Program

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

1 Pockros B et al (2021), Dialysis and Total Health Care Costs in the United States and Worldwide, Journal of the American Society of Nephrology, 32 (9) 2137-2139
2 Kidney Health Australia (2022); Haemodialysis: https://kidney.org.au/uploads/resources/haemodialysis-photosheet.pdf
3 Guruswamy Sangameswaran KD, Baradhi KM. (2021) Focal Segmental Glomerulosclerosis), online: https://www.ncbi.nlm.nih.gov/books/NBK532272/
4 Front. Immunol., (July 2019) | https://doi.org/10.3389/fimmu.2019.01669
5 Delve Insight Market Research Report (2022): Focal segmental glomerulosclerosis (FSGS) – Market Insight, Epidemiology and market forecast – 2032; https://www.delveinsight.com/report-store/focal-segmental-glomerulosclerosis-fsgs-market;
6 Nephcure Kidney International (2020); Focal Segmental Glomerulosclerosis, online

In June 2022, the activity of DMX-700 was tested in mice using an oral dose delivery in the porcine pancreatic elastase (PPE) model of COPD. This model is the mostly commonly used COPD model as it mimics the inflammatory response (effect of activated neutrophils) in the lungs of mice and leads to breakdown of lung tissue and emphysema (shortness of breath). DMX-700 resulted in a statistically significant 80% (p0.01, n=6) reduction in the PPE-induced lung injury in mice. In contrast inhibiting only AT1R or IL-8Rβ individually had no statistically significant effect on lung injury induced by PPE.

In November 2022, Dimerix completed a pharmacokinetic (PK) and dose ranging pre-clinical study of DMX-700 in the mouse model. No notably drug-drug interactions were observed and a twice daily (BID) formulation was identified to support future clinical studies. Dimerix remains focussed on its flagship FSGS program and further work on DMX-700 is pending.

DMX-700 Market Background
COPD is a progressive and life-threatening lung disease. The most common cause of COPD is exposure to tobacco smoke (either active smoking or secondary smoke), however is also caused by exposure to indoor and outdoor air pollution, occupational dusts and fumes and long-term asthma.[7]

COPD is the third-leading cause of death in the world, causing 3.23 million deaths globally in 2019.[8] In the United States, COPD affects 1 in 8 Americans age 45 and older,[10] and 1 in 20 Australia aged 45 years,[9] but millions more may have the disease without even knowing it.[10] Although treatments exist to improve the symptoms of COPD, there is currently no way to slow progression of the condition or cure it.

The global COPD treatment market was valued at US$17.68 billion in 2021 and is projected to grow at a Compound Annual Growth Rate (CAGR) of 7.28% to reach US$27 billion by 2027.[11]

There is a significant unmet need in COPD, which is recognised by key organisations such as the National Institutes of Health (NIH) and globally by the World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC). In 2021 the NIH released the revised COPD National Action Plan in an effort to support research, diagnosis and treatment of the disease.[10] Following this recognition, in 2018 the FDA issued revised guidance to help sponsors developing drugs to treat COPD.[12] The new guidance will enable shorter clinical trials using surrogate and patient-reported endpoints.

Cash position
The Group ended the half year with $14,810,112 cash and cash equivalents as at 31 December 2023.

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

Matters subsequent to the end of the financial half-year
Since 1 January 2024, the Company has issued 6,678,973 ordinary shares as a result of the exercise of listed and unlisted options.

On 8 January 2024, the Company issued 4,545,455 ordinary shares as a result of the conversion of convertible notes.

On 31 January 2024, 750,000 unlisted options in the Company expired

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

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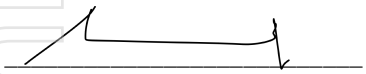
7 WHO Fact Sheet COPD (2022) online: https://www.who.int/news-room/fact-sheets/detail/chronic-obstructive-pulmonary-disease-(copd)
8 NIH National COPD Action Plan (2021) online: https://www.nhlbi.nih.gov/health-topics/education-and-awareness/COPD-national-action-plan
9 Australian Government, Institute of Health and Welfare (2020): online: https://www.aihw.gov.au/reports/asthma-other-chronic-respiratory-conditions/copd-chronic-obstructive-pulmonary-disease/contents/deaths
10 American Lung Association Fact Sheet (2022), online: https://www.lung.org/lung-health-diseases/lung-disease-lookup/copd/learn-about-copd
11 Chronic Obstructive Pulmonary Disease Therapeutics Market Research Report (2022) online: https://www.researchandmarkets.com/reports/4989588/chronic-obstructive-pulmonary-disease

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

On behalf of the directors



Mark Diamond
Non-Executive Chairman

26 February 2024
Melbourne, Victoria

Stantons

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Australia

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Australia

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ABN: 84 144 581 519
www.stantons.com.au

26 February 2024

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

Dear Sirs

RE: DIMERIX LIMITED

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

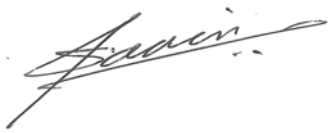
As Audit Director for the review of the financial statements of Dimerix Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

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



Samir Tirodkar
Director

Stantons

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dimerix Limited and its controlled entity (the Group) , which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(a) giving a true and fair view of Dimerix Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

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

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 26 February 2024.

Material Uncertainty in Relation to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss after tax of $6,673,057 and had a net cash inflow from operations of $9,527,697 during the financial period ended 31 December 2023. These events or conditions, along with other matters, as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified with respect to this matter.

Stantons

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
26 February 2024

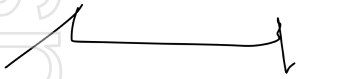
Dimerix Limited and controlled entity
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the consolidated entity's financial position at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Mark Diamond
Non-Executive Chairman

26 February 2024
Melbourne, Victoria

Dimerix Limited and controlled entity
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Revenue			
License income	9	133,060	-
Other income	4	52,490	49,100
Interest revenue		37,977	26,547
Expenses			
Research and development expenses		(5,076,663)	(8,587,501)
Corporate administration expenses		(1,783,259)	(1,060,880)
Share-based payment expenses		(36,662)	(36,285)
(Loss) before income tax expense		**(6,673,057)**	**(9,609,019)**
Income tax expense		-	-
(Loss) after income tax expense for the half-year attributable to the owners of Dimerix Limited		**(6,673,057)**	**(9,609,019)**
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive (loss) for the half-year attributable to the owners of Dimerix Limited		**(6,673,057)**	**(9,609,019)**
		Cents	**Cents**
Basic and diluted earnings per share	5	(1.645)	(2.995)

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

Dimerix Limited and controlled entity
Consolidated statement of financial position
As at 31 December 2023

	Note	31 Dec 2023 $	30 Jun 2023 $
Assets			
Current assets			
Cash and cash equivalents		14,810,112	7,991,792
Trade, other receivables and prepayments	6	269,488	9,737,851
Right-of-use asset	7	-	21,457
Total current assets		**15,079,600**	**17,751,100**
Non-current assets			
Property, plant and equipment		9,852	6,413
Total non-current assets		**9,852**	**6,413**
Total assets		**15,089,452**	**17,757,513**
Liabilities			
Current liabilities			
Trade and other payables		982,450	5,665,700
Borrowings	8	1,428,349	5,935,860
Lease liabilities	7	-	21,949
Provisions		158,354	132,786
Contract liabilities	9	543,596	-
Total current liabilities		**3,112,749**	**11,756,295**
Non-current liabilities			
Provisions		64,419	38,099
Contract liabilities	9	10,195,356	-
Total non-current liabilities		**10,259,775**	**38,099**
Total liabilities		**13,372,524**	**11,794,394**
Net assets		**1,716,928**	**5,963,119**
Equity			
Issued capital	10	57,879,567	55,489,363
Reserves	11	2,611,383	2,574,721
Accumulated losses		(58,774,022)	(52,100,965)
Total equity		**1,716,928**	**5,963,119**

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

Dimerix Limited and controlled entity
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

	Issued capital $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2022	**50,895,134**	**1,825,652**	**(38,298,146)**	**14,422,640**
(Loss) after income tax expense for the half-year	-	-	(9,609,019)	(9,609,019)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive (loss) for the half-year	-	-	**(9,609,019)**	**(9,609,019)**
Recognition of share-based payments	-	36,285	-	36,285
Balance at 31 December 2022	**50,895,134**	**1,861,937**	**(47,907,165)**	**4,849,906**

	Issued capital $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2023	**55,489,363**	**2,574,721**	**(52,100,965)**	**5,963,119**
(Loss) after income tax expense for the half-year	-	-	(6,673,057)	(6,673,057)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive (loss) for the half-year	-	-	**(6,673,057)**	**(6,673,057)**
Issue of ordinary shares as part of capital raise activities	280,500	-	-	280,500
Issue of ordinary shares on conversion of convertible note	1,914,644	-	-	1,914,644
Issue of ordinary shares on exercise of options	374,223	-	-	374,223
Capital raising costs	(179,163)	-	-	(179,163)
Recognition of share-based payments	-	36,662	-	36,662
Balance at 31 December 2023	**57,879,567**	**2,611,383**	**(58,774,022)**	**1,716,928**

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

Dimerix Limited and controlled entity
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Cash flows from operating activities			
Receipt of Research and Development tax refund		8,934,637	6,032,644
Other income		36,600	50,350
Payments to suppliers and employees		(10,353,528)	(10,017,750)
Interest received		37,976	26,547
Receipts from customers		10,872,012	-
Net cash provided by/ (used in) operating activities		9,527,697	(3,908,209)
Cash flows from investing activities			
Payments for property, plant and equipment		(6,268)	(2,299)
Net cash (used in) investing activities		(6,268)	(2,299)
Cash flows from financing activities			
Proceeds from issue of shares	10	280,500	-
Proceeds from exercise of options		374,223	-
Repayment of borrowings		(2,842,500)	-
Repayment of interest on borrowings		(238,125)	-
Repayment of lease liability		(21,609)	(26,520)
Payments for share issue costs		(253,604)	-
Net cash (used in) financing activities		(2,701,115)	(26,520)
Net (decrease)/increase in cash and cash equivalents		6,820,314	(3,937,028)
Cash and cash equivalents at the beginning of the financial half-year		7,991,792	9,629,756
Effects of exchange rate changes on cash and cash equivalents		(1,994)	21,640
Cash and cash equivalents at the end of the financial half-year		14,810,112	5,714,368

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

1. Material accounting policy information

These general purpose consolidated financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Basis of preparation

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

These general purpose consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Going concern

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the half-year ended 31 December 2023 the Group incurred a loss after tax of $6,673,057 (31 December 2022: loss of $9,609,019) and a net cash inflow from operations of $9,527,697 (31 December 2022 net outflow: $3,908,209). At 31 December 2023, the Group had current assets of $15,079,600 (30 June 2023: $17,751,100), current liabilities of $3,112,749 (30 June 2023: $11,756,295) and current cash holding was $14,810,112 (30 June 2023: $7,991,792). Commitment expenditure is disclosed in note 14.

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to raise further funds or obtain further license related income and meet its expenditure commitments as required.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

New or amended Accounting Standards and Interpretations adopted

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

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

2. Critical accounting judgements, estimates and assumptions

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

3. Operating segments

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

AASB 8 "Operating Segments'" states that similar operating segments can be aggregated to form one reportable segment.

From the period beginning 1 July 2016 the Board considers that the Group has only operated in one Segment, being investment in research and development of biopharmaceutical drugs.

4. Other income

	31 Dec 2023 $	31 Dec 2022 $
Government incentives	52,490	49,100

5. Loss per share

	Cents	Cents
Basic and diluted loss per share	(1.645)	(2.995)

	31 Dec 2023 $	31 Dec 2022 $
(Loss) after income tax attributable to the owners of Dimerix Limited	(6,673,057)	(9,609,019)

	31 Dec 2023	31 Dec 2022
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	405,743,565	320,873,666

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

6. Trade, other receivables and prepayments

	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Other receivables	109,610	9,553,543
Prepayments	159,878	184,308
	269,488	9,737,851

The other receivables at the 30 June 2023 reporting date included Research and Development tax incentive of $8,934,637 which was received 14 September 2023. At the reporting date, none of the receivables are past due or impaired.

7. Right-of-use asset (continued)

7. Right-of-use asset and lease liabilities

7.1 Right-of -use assets	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Land and buildings - on initial recognition	-	77,266
Less: Accumulated depreciation	-	(55,809)
Carrying value at end of period	-	21,457

7.2 Lease liability

	31 Dec 2023 $	30 Jun 2023 $
Current liability		
Property Lease Liability	-	21,949

	31 Dec 2023 $	31 Dec 2022 $
Depreciation - right-of-use asset	21,457	25,758
Interest expense - lease liability	152	1,210
Lease payments during the period	21,609	26,520

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

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

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease. In the prior period, the Group entered into a new lease agreement for a period of 18 months from 1 June 2022, ending on 30 November 2023. The lease liability and ROU asset at initial recognition was $77,266.

The right-of-use asset is being depreciated over the lease term on a straight-line basis. Depreciation expense of $21,457 (31 December 2022: $25,748) was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 4.16%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of $152 (31 December 2022: $1,210) was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

On 30 November 2023 the lease expired.

8. Borrowings

	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Research & development advance principle amount (a)	-	2,842,500
Research & development advance accrued interest (a)	-	147,591
Convertible notes payable - derivative financial liability (b)	1,428,349	2,945,769
	1,428,349	5,935,860

(a) During the prior financial year, the Group entered into a credit facility agreement with Radium Capital. The credit facility represented an amount payable to Radium Capital and was secured by the Research and Development Tax Incentive receivable for the financial year ended 30 June 2023. Interest is payable at the rate of 14.00% per annum. The balance was fully repaid on 14 September 2023.

(b) During the prior financial year the Group issued 3,850,0000 convertible notes ("Notes") to Mercer Street Global Opportunity Fund, LLC ("Mercer"), with a face value of $1.00 each, for total proceeds of $3,500,000. The Notes were issued in two Tranches, with the first Tranche 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 second Tranche issued after receiving shareholder approval (2,090,000 Notes with a subscription price of $1.9 million).

The Notes have nil interest rate except in the case of an event of default. The Notes are convertible into ordinary shares of the parent entity, at any time at the option of the note holder, or repayable 18 months from issue. 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 Notes issued in Tranche 1 under the placement capacity available to the Company under Listing Rule 7.1 were convertible at $0.11 for the first three (3) months after issue (Conversion Price A). Except as required under Conversion Price A, the Notes are convertible at the lesser of $0.11 and 90% of the average 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 the Noteholder at its complete discretion (Conversion Price B), subject to a minimum conversion (floor) price of $0.05.

As part of the convertible note agreement, the Company also issued 1,875,000 shares (commencement shares) and 11,363,636 options at an exercise price of 15.4 cents per option. The commencement shares were issued in May 2023 and the options were issued in June 2023 after obtaining shareholder approval.

The Company has identified the embedded derivatives related to the above describe note as it included variable conversion features. The accounting treatment requires that the Company record the fair value of the derivative financial liability as of the inception date of the Note and to fair value as of each subsequent reporting date. The value attributed to the shares and options issued is the residual value.

The Company determined that the most probable settlement is by issuing shares at 90% of the fair value of a VWAP and the total amount to be settled will be $4,283,333. The fair value of the derivative liability at inception using a discount rate of 30% was determined to be $2,889,479.

During the current period 1,760,000 convertible notes were converted to 31,641,783 ordinary shares.

9. Contract Liaiblites (Unearned Income

	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Unearned income	543,596	-
Non-current liabilities		
Unearned income	10,195,356	-
	10,738,952	-

During the period the Group entered into a licensing agreement with Advanz Pharma Group. The revenue recognised for the upfront license fee will be recognised over the term of the contract inline with AASB 15 (Revenue from Contracts with Customers).

10. Issued capital

	31 Dec 2023 $	30 Jun 2023 $
Ordinary shares - fully paid	57,879,567	55,489,363

	31 Dec 2023 No.	30 Jun 2023 No.	31 Dec 2023 $	30 Jun 2023 $
Balance at beginning of the reporting period	388,059,039	320,873,666	55,489,363	50,895,134
Issue of ordinary shares	3,506,250	65,310,373	280,500	5,224,830
Exercise of options	2,969,982	-	374,223	-
Capital raising costs	-	-	(179,163)	(761,851)
Shares issued as a part of convertible note (a)	-	1,875,000	-	131,250
Conversion of controvertible notes	31,641,783	-	1,914,644	-
Balance at end of period/year	**426,177,054**	**388,059,039**	**57,879,567**	**55,489,363**

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

(a) During the prior year, the Group issued 1,875,000 ordinary shares to Mercer Street Global Opportunity Fund, LLC, as required under the Convertible Securities Agreement. The ordinary shares have been valued at opening market price on the date of issuance.

11. Reserves

Share-based payments reserve

	31 Dec 2023 $	30 Jun 2023 $
Share-based payments reserve	2,611,383	2,574,721

11. Reserves (continued)

	31 Dec 2023 $	30 Jun 2023 $
Balance at beginning of Period/year	2,574,721	1,825,652
Arising on share-based payments	36,662	270,068
Issued as part of convertible notes	-	479,001
Balance at end of period/year	2,611,383	2,574,721

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

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

During the period, 2,052,956 options were granted to key management personnel in accordance with the Company's ESOP . The options expire 1 December 2027 and are subject to vesting conditions. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

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

Tranche 1

Number of options	645,405
Volatility	125.36%
Risk-free interest rate (%)	4.10%
Expected life of options (years)	4
Exercise price ($)	0.20
Underlying security price at grant date	0.145
Expiry date	1 December 2027
Value per option	$0.112

Tranche 2

Number of options	686,104
Volatility	125.36%
Risk-free interest rate (%)	4.10%
Expected life of options (years)	4
Exercise price ($)	0.30
Underlying security price at grant date	0.145
Expiry date	1 December 2027
Value per option	0.106

Tranche 3

11. Reserves (continued)

Number of options	721,447
Volatility	125.36%
Risk-free interest rate (%)	4.10%
Expected life of options (years)	4
Exercise price ($)	0.40
Underlying security price at grant date	0.145
Expiry date	1 December 2027
Value per option	0.100

The deemed fair value of options granted to key management personnel at grant date is $217,385. The share-based payment expense recognised as a corporate administration expense for the period ended 31 December 2023 for these options was $28,753.

During the period, 7,101,975 options expired.

Options issued in prior year
During the period, share-based payments expense recognised as a corporate administration expense from options issued to employees in the prior period/year amounted to $7,909.

12. Dividends

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

13. Key management personnel disclosures

Remuneration arrangements of key management personnel are disclosed in the annual financial report at 30 June 2023. All other arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2023 annual financial report.

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

14. Commitments and contingencies

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

15. Matters subsequent to the end of the financial half-year

Since 1 January 2024, the Company has issued 6,678,973 ordinary shares as a result of the exercise of listed and unlisted options.

On 8 January 2024, the Company issued 4,545,455 ordinary shares as a result of the conversion of convertible notes.

On 31 January 2024, 750,000 unlisted options in the Company expired

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.