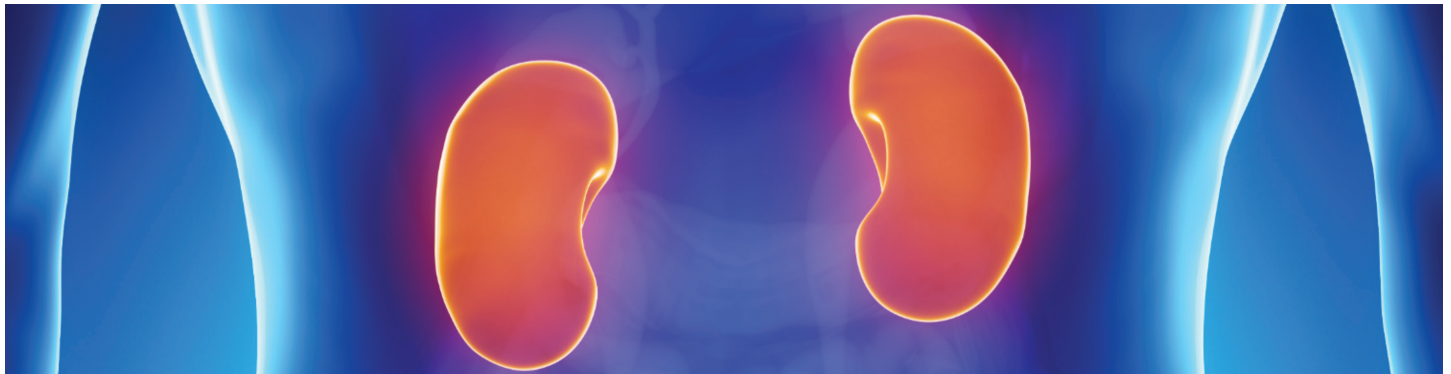


Shareholder Update



Positive Interim Data from our Phase II Chronic Kidney Disease Trial

Chronic Kidney disease (CKD) affects approximately 10-11% of the population in the US and Europe. The progressive form of the disease can lead to permanent, long-term changes to the architecture of the kidneys, such as fibrosis and inflammation. This can result in protein being eliminated in the urine (proteinuria), which is abnormal and indicates poor renal health.

We at Dimerix Ltd are in the process of conducting phase II clinical trials on our lead candidate DMX-200, a combination of existing drugs irbesartan and propagermanium. DMX-200 is a product based on our innovative heterodimer investigation technology (GPCR-HIT) platform.

We have had positive news from the interim data of part A of our phase 2 study. Most importantly, the primary endpoint for this study is safety. The data to date indicate the therapy is well tolerated with an encouraging safety profile. As part A is a dose escalation study, the patients are potentially on the treatment for 7 months. As at the date of the analysis, two patients had completed the study. Dimerix used the opportunity to look at the proteinuria reductions in the 11 patients which had completed the mid-point dose of 90mg of DMX-200. Dimerix set out as a secondary end point to determine the number of 'responder', defined as patients who had remission of proteinuria or proteinuria reduced by 50% or greater. Importantly, 3/11 (27%) of these patients showed signs of marked reduction in proteinuria (approximately 50% or greater) and are therefore defined as responders under the study. It is important to note that these patients were already on a drug regimen of irbesartan, the Renin Angiotensin Aldosterone System (RAAS) inhibitor, which is also the standard of care giving up to 20% reduction in proteinuria.

This is promising data for our drug candidate as it may allow patients to experience marked additional reductions in proteinuria over and above those achieved by the standard of care drug irbesartan. Recruitment is exceeding expectations and, with the encouraging interim data,

recruitment will cease by the end of November 2016. Final data from Part A of the Phase 2 study is expected in the second half of next year, when a natural progression to part B of the trial will commence.

Progress with DMX-200 pre-IND meeting with FDA

We have received the minutes of our meeting held with the US Federal Drug Administration (FDA) on 29 June 2016 detailing a positive reception of our lead candidate therapeutic and outlining the path to registration for DMX-200 as a treatment for Chronic Kidney Disease (CKD), specifically for an orphan indication of Focal Segmental Glomerular Sclerosis (FSGS) in the USA. FSGS is a rare and severe disease with no current effective treatments, and therefore represents a huge unmet medical need.

DMX-200, the FDA advised, should be positioned as an adjunct therapy and not a fixed dose combination therapy as trialed for in our phase 2 clinical trial. We plan to package Propagermanium as an extended release formulation, reducing dosage from current three times daily dosing, to be delivered to patients on irbesartan therapy. Progression to an IND for a pharmacokinetic (PK) study will be relatively simple and inexpensive as treating DMX-200 as an adjunct therapy greatly reduces the complexity of the trial.

The rest of the meeting was spent on informative discussions about appropriate pivotal Phase III trial end points in FSGS. This trial will be required to ensure registration of DMX-200.

News Summary

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

» New Equity Research Report

» Interim analysis supports continued development of DMX-200 for the treatment of Chronic Kidney Disease

» Notice of Annual General Meeting 2016

» Corporate Governance Statement June 2016

» Annual Report June 2016

AGM date

Dimerix will be holding its Annual General Meeting (AGM) of the Shareholders at 10am WST on 4 November 2016 at CWA House, 1176 Hay Street, West Perth, Western Australia. We remind shareholders to seek advice from their professional advisors prior to voting.

Retrophin results and why they are relevant to DXB

A key highlight of the NDF research report was the Company's comments on our current study as compared to a similar study being carried out by Retrophin (San Diego, CA) RTRX (NASDAQ).

Retrophin's phase 2 study using Sparsaentan, in patients with Focal Segmental Glomerulosclerosis (FSGS), showed a decrease in proteinuria by 44.8%. The 'active control' arm of irbesartan showed a reduction in proteinuria of 18%. This means the effective proteinuria reduction above standard of care is actually around 27%, as sparsentan is used as a replacement for the standard of care treatment of irbesartan. As a result patients using this treatment are required to stop using one of their standard medications. Our current study has shown decreases in proteinuria of greater than 50% in some patients who were already stable on irbesartan (therefore this reduction is additional to the reduction in proteinuria typically seen in patients taking irbesartan, of between 20-30%). DMX-200 is thus broadly competitive with Retrophin's drug and may, in fact, be superior because patients do not need to stop taking their medication for managing hypertension. Approximately 80% of Chronic Kidney disease patients suffer from hypertension as well, so taking DMX-200 will not jeopardise the therapeutic effects of concurrently taking irbesartan.

Meet the Dimerix team



Professor Kevin Pflieger
Chief Scientific Advisor

Chief Scientific Advisor and Associate Professor Kevin Pflieger, formerly Chief Scientific Officer of Dimerix Bioscience, has played a pivotal role in the Dimerix team since 2008. This is but one of his hats as he is also Head of Molecular Endocrinology and Pharmacology at the Harry Perkins Institute of Medical Research and The University of Western Australia, as well as being a National Health and Medical Research Council (NHMRC) RD Wright Biomedical Research Fellow (Level 2).

Kevin has many strengths, but it is his insight in the field of Biomedical research that brings tremendous value to the Company. Kevin co-invented the receptor-HIT technology, which showcases his flair for innovation.

We congratulate Kevin on winning the Novartis prize awarded by the British Pharmacological Society. He will be collecting his award in London on 14 December 2016.

Calendar of conferences and pending events

Dimerix attending BioEurope

Cologne, Germany, November 2016

Dimerix will be attending the 22nd Annual International Partnering Conference BioEurope 2016, Cologne, Germany, on **7-9 November 2016**. This is the world's largest partnering conference for the biotechnology industry with over 3,500+ attendees and 1,800 companies from over 50 countries.

Dimerix attending ASN (American Society of Nephrology)

Chicago, USA, November 2016

Dimerix will be attending Kidney Week 2016, on **17-20 November**. Kidney week is the world's premier Nephrology meeting with 13,000 kidney professionals from around the globe in attendance.

NDF research Report

Following the recent release of interim clinical data for our lead candidate targeting chronic kidney disease, DMX-200, we announced the publication of a new equity research report. This will assist our shareholders and investors, a full copy of which can be found on our website: <http://dimerix.com/>

NDF Research is based in Sydney, Australia, and specialises in life science companies traded on the Australian Securities Exchange. NDF provide independent research coverage.



Sign up!

Please sign up to receive updates and copies of all announcements when they are issued to the ASX. Go to www.dimerix.com/investors and enter your email address. Dimerix will never share your details with external third parties. We will only send you updates when they are issued to the ASX.

Dimerix Contact Details

Licensing and Partnering Enquiries

Dr James Williams
Executive Chairman
Dimerix
T: +61 (0)409 050 519
E: info@dimerix.com

Kathy Harrison
General Manager
Dimerix
T: +61 (0)419 359 149
E: kathy.harrison@dimerix.com

Clinical Trials Enquiries

Dimerix Bioscience Limited
PO Box 24231
Melbourne Victoria 3000
Australia
E: info@dimerix.com

Share Registry Enquiries

Automic Pty Ltd
www.automic.com.au
T: (08) 9324 2099 or
1300 288 664
E: info@automic.com.au

Media Enquiries

International
Sue Charles/Daniel Gooch
T: +44 (0)20 7866 7905
E: dimerix@instinctif.com

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