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Chimeric Therapeutics Limited
Appendix 4E
Preliminary Final Report
Period ended 30 June 2021

Name of entity:	Chimeric Therapeutics Limited
ABN:	68 638 835 828
Period ended:	30 June 2021
Previous period:	30 June 2020

Results for announcement to the market

				$
Revenue for ordinary activities	-	-%	to	-
Loss from ordinary activities after tax attributable to members	Up	23,512.2%	to	(15,113,711)
Net loss for the period attributable to members	Up	23,512.2%	to	(15,113,711)

Distributions

No dividends have been paid or declared by the company for the current financial period. No dividends were paid for the previous financial period.

Explanation of results

The group reported a loss for the year ended 30 June 2021 of $15,113,711 (30 June 2020: $64,008). This increased loss compared to the comparative period is due to the increased activity in the group and the clinical trial and research activities that have been undertaken.

On the back of successful raises through the issue of convertible notes and initial public offering, the group’s net assets increased to $25,130,688 (30 June 2020: ($63,908)). As at 30 June 2021, the group had cash reserves of $22,410,199 (30 June 2020: $100).

On 22 July 2021, the group entered into an exclusive license agreement with The Trustees of the University of Pennsylvania. Under the terms of the agreement, the company have the exclusive rights to the technology. The company has agreed to pay upfront licence fees in the form of cash, and annual maintenance fees which are credible against future royalty payments, performance-based consideration linked to the achievement of certain value-inflection development milestones and commercial outcomes, as well as net sales-based royalty payments and sublicensing fees.

On 30 August 2021, Ms Jennifer Chow was appointed as the group's Chief Executive Officer and Managing Director.

The appendix 4E financial report follows, with the further details to be included in the audited financial statements to be released by 30 September 2021.

Net tangible assets per security

	2021 Cents	2020 Cents
Net tangible asset backing (per security)	**3.42**	(6,390.80)

Changes in controlled entities

In September 2020, Chimeric Therapeutics Limited formed a wholly owned subsidiary called Chimeric Therapeutics Inc. For more information, please refer to Note 10(a).

There have been no other changes in controlled entities during the period ended 30 June 2021.

Other information required by Listing Rule 4.3A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information	N/A

Audit

The financial statements are currently in the process of being audited. An audited financial statements along with the independent auditor report for the year end 30 June 2021 will be provided in the due course.

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Directors	Mr Paul Hopper *Executive Chairman*
	Ms Jennifer Chow (appointed 30 August 2021) *Chief Executive Officer and Managing Director*
	Ms Leslie Chong (appointed 28 August 2020) *Non-Executive Director*
	Dr Lesley Russell (appointed 28 August 2020) *Non-Executive Director*
	Ms Cindy Elkins (appointed 1 February 2021) *Non-Executive Director*
	Dr George Matcham (appointed 5 July 2021) *Non-Executive Director*
Secretary	Mr Phillip Hains
	Mr Nathan Jong
Principal registered office in Australia	Level 3, 62 Lygon Street Carlton VIC 3053 Australia Telephone: +61 (0)3 9824 5254 Facsimile: +61 (0)3 9822 7735
Share register	Boardroom Pty Limited Level 12, 225 George Street The Rocks NSW 2000 1300 737 760
Auditor	Grant Thornton Audit Pty Ltd Collins Square Tower 5, 727 Collins Street Melbourne VIC 3008 Telephone: +61 (0)3 8320 2222
Solicitors	McCullough Robertson Level 11, Central Plaza Two 66 Eagle Street Brisbane QLD 4000 Telephone: +61 (0)7 3233 8888
Bankers	National Australia Bank 330 Collins Street Melbourne VIC 3000
Stock exchange listings	Chimeric Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX: CHM)
Website	www.chimerictherapeutics.com

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Chimeric Therapeutics Limited

ABN 68 638 835 828

Preliminary final report - 30 June 2021

Financial statements

This financial statements is consolidated financial statements for the group consisting of Chimeric Therapeutics Limited and its subsidiaries. A list of major subsidiaries is included in note 10.

The financial statements is presented in the Australian currency.

Chimeric Therapeutics Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is:
Level 3, 62 Lygon Street
Carlton VIC 3053

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	Notes	**30 June 2021 $**	From 2 February to 30 June 2020 $
Other losses	2(a)	**(263,790)**	-
General and administrative expenses	2(b)	**(8,965,981)**	(63,260)
Research and development expenses		**(3,778,382)**	-
Selling and marketing expenses		**-**	(748)
Share-based payments		**(2,102,327)**	-
Operating loss		**(15,110,480)**	(64,008)
Finance income		**2,646**	-
Finance expenses		**(5,877)**	-
Finance costs - net		**(3,231)**	-
Loss before income tax		**(15,113,711)**	(64,008)
Income tax expense	3	**-**	-
Loss for the period		**(15,113,711)**	(64,008)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
		-	-
Total comprehensive loss for the period		**(15,113,711)**	(64,008)

		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	15	**(8)**	(6400.80)

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

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	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	4(a)	**22,410,199**	100
Trade and other receivables		**24,246**	-
Other current assets		**230,623**	-
Total current assets		**22,665,068**	100
Non-current assets			
Property, plant and equipment		**13,627**	-
Intangible assets	5(a)	**13,826,165**	-
Total non-current assets		**13,839,792**	-
Total assets		**36,504,860**	100
Current liabilities			
Trade and other payables	4(b)	**3,032,995**	30,001
Borrowings	4(c)	**-**	34,007
Other financial liabilities	4(d)	**4,259,678**	-
Employee benefit obligations	5(b)	**62,235**	-
Total current liabilities		**7,354,908**	64,008
Non-current liabilities			
Trade and other payables	4(b)	**335,873**	-
Other financial liabilities	4(d)	**3,683,391**	-
Total non-current liabilities		**4,019,264**	-
Total liabilities		**11,374,172**	64,008
Net assets		**25,130,688**	(63,908)
EQUITY			
Share capital		**37,366,641**	100
Other reserves		**2,941,766**	-
Accumulated losses		**(15,177,719)**	(64,008)
Total equity		**25,130,688**	(63,908)

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

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		Attributable to owners of Chimeric Therapeutics Limited			
	Notes	Share capital $	Other reserves $	Accumulated losses $	Total equity $
Loss for the period		-	-	(64,008)	(64,008)
Total comprehensive loss for the period		**-**	**-**	**(64,008)**	**(64,008)**
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs		100	-	-	100
Balance at 30 June 2020		**100**	**-**	**(64,008)**	**(63,908)**
Balance at 1 July 2020		100	-	(64,008)	(63,908)
Loss for the period		-	-	(15,113,711)	(15,113,711)
Other comprehensive income		-	(7,638)	-	(7,638)
Total comprehensive loss for the period		**-**	**(7,638)**	**(15,113,711)**	**(15,121,349)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax		31,371,211	-	-	31,371,211
Employee share schemes - value of employee services		-	244,635	-	244,635
Conversion of convertible notes		4,300,000	-	-	4,300,000
Issue of shares as part of license acquisition		1,628,667	-	-	1,628,667
Issue of shares in lieu of payment of services		66,663	-	-	66,663
Options issued		-	2,093,025	-	2,093,025
Issue of shares as part of forfeiture payments		-	611,744	-	611,744
		37,366,541	2,949,404	-	40,315,945
Balance at 30 June 2021		**37,366,641**	**2,941,766**	**(15,177,719)**	**25,130,688**

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

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	Notes	**30 June 2021 $**	From 2 February to 30 June 2020 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(8,835,375)**	(34,007)
Net cash (outflow) from operating activities	6(a)	**(8,835,375)**	(34,007)
Cash flows from investing activities			
Payments for property, plant and equipment		**(16,260)**	-
Payments for intellectual property		**(5,290,778)**	-
Interest received		**2,646**	-
Net cash (outflow) from investing activities		**(5,304,392)**	-
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**39,300,000**	100
Share issue transaction costs		**(2,715,049)**	-
Proceeds from borrowings		**858,024**	34,007
Repayment of borrowings		**(892,031)**	-
Interest expense		**(9,581)**	-
Net cash inflow from financing activities		**36,541,363**	34,107
Net increase in cash and cash equivalents		**22,401,596**	100
Cash and cash equivalents at the beginning of the financial year		**100**	-
Effects of exchange rate changes on cash and cash equivalents		**8,503**	-
Cash and cash equivalents at end of period	4(a)	**22,410,199**	100

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

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Contents of the notes to the financial statements

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1 Segment information

Management has determined, based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions, that the group has one reportable segment being the research, development and commercialisation of health technologies. The segment details are therefore fully reflected in the body of the financial report.

2 Other income and expense items

(a) Other losses

	Notes	**30 June 2021 $**	From 2 February to 30 June 2020 $
Net foreign exchange losses		**(263,790)**	-
		(263,790)	-

(b) Breakdown of expenses by nature

	Notes	**30 June 2021 $**	From 2 February to 30 June 2020 $
General and administrative expenses			
Accounting and audit		**258,997**	30,000
Change of control fees	2(b)(i)	**3,989,587**	-
Consulting		**163,554**	-
Depreciation		**2,633**	-
Employee benefits		**3,398,141**	-
Insurance		**128,060**	-
Investor relations		**148,685**	-
Legal		**273,980**	4,554
Listing and share registry		**211,250**	-
Occupancy		**3,339**	-
Patent costs		**13,767**	-
Recruitment and staff training		**319,660**	-
Travel and entertainment		**1,400**	27,149
Other		**52,928**	1,557
		8,965,981	63,260

(i) Change of control fees

Upon listing on the Australian Stock Exchange (ASX), the group was required to pay City of Hope a change of control fee as per the terms of the license agreement.

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3 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2021 $	From 2 February to 30 June 2020 $
Loss from continuing operations before income tax expense	**(15,113,711)**	(64,008)
Tax at the Australian tax rate of 26% (2020: 27.5%)	**(3,929,565)**	(17,602)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Accrued expenses	**141,568**	8,250
Amortisation	**(219,525)**	-
Employee leave obligations	**17,115**	-
Patent costs	**3,579**	-
Share-based payments	**546,605**	-
Unrealised currency (gains)/losses	**(5,379)**	-
Subtotal	**(3,445,602)**	(9,352)
Difference in overseas tax rates	**(14,879)**	-
Tax losses and other timing differences for which no deferred tax asset is recognised	**3,460,481**	9,352
Income tax expense	**-**	-

(b) Tax losses

	30 June 2021 $	From 2 February to 30 June 2020 $
Unused tax losses for which no deferred tax asset has been recognised	**13,143,839**	34,007
Potential tax benefit at 26% (2020: 27.5%)	**3,417,398**	9,352

The numerical reconciliation of income tax expense to prima facie tax payable and unused tax losses for the period ended 30 June 2020 have been restated to reflect the income tax return lodged for the same period.

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4 Financial assets and financial liabilities

(a) Cash and cash equivalents

	2021 $	2020 $
Current assets		
Cash at bank and in hand	**3,409,796**	100
Deposits at call	**19,000,403**	-
	22,410,199	100

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial period as follows:

	2021 $	2020 $
Balances as above	**22,410,199**	100
Balances per statement of cash flows	**22,410,199**	100

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See note 17(g) for the group's other accounting policies on cash and cash equivalents.

(iii) Risk exposure

The group's exposure to interest rate risk is discussed in note 8. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(b) Trade and other payables

		2021			2020		
	Notes	**Current $**	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Trade payables		**2,038,112**	**-**	**2,038,112**	-	-	-
Amounts due to associates		**420,391**	**335,873**	**756,264**	-	-	-
Accrued expenses		**574,492**	**-**	**574,492**	30,001	-	30,001
		3,032,995	**335,873**	**3,368,868**	30,001	-	30,001

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4 Financial assets and financial liabilities (continued)

(c) Borrowings

	Notes	**2021** Current $	**2021** Non-current $	**2021** Total $	2020 Current $	2020 Non-current $	2020 Total $
Unsecured							
Loans from related parties		-	-	-	34,007	-	34,007
Total unsecured borrowings		-	-	-	34,007	-	34,007

(d) Other financial liabilities

	2021 Current $	**2021** Non-current $	**2021** Total $	2020 Current $	2020 Non-current $	2020 Total $
Chlorotoxin CAR-T contingent consideration	**4,259,678**	**3,683,391**	**7,943,069**	-	-	-
	4,259,678	**3,683,391**	**7,943,069**	-	-	-

Deferred consideration includes amounts related to the provision of upfront license fees to City of Hope. For more information, please refer to note 11.

(e) Recognised fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements **At 30 June 2021**	**Notes**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial Liabilities					
Chlorotoxin CAR-T deferred consideration	4(d)	-	-	**7,943,069**	**7,943,069**
Total financial liabilities		-	-	**7,943,069**	**7,943,069**

There were no transfers between levels of the hierarchy for recurring fair value measurements during the period ended 30 June 2021.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

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4 Financial assets and financial liabilities (continued)

(e) Recognised fair value measurements (continued)

(i) Fair value hierarchy (continued)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

5 Non-financial assets and liabilities

(a) Intangible assets

	Chlorotoxin CAR-T technology $	Total $
At 30 June 2020		
Cost	-	-
Accumulated amortisation and impairment	-	-
Net book amount	-	-
Period ended 30 June 2021		
Additions	14,670,492	14,670,492
Amortisation charge	(844,327)	(844,327)
Closing net book amount	13,826,165	13,826,165
At 30 June 2021		
Cost	14,670,492	14,670,492
Accumulated amortisation and impairment	(844,327)	(844,327)
Net book amount	13,826,165	13,826,165

The group's intellectual property is measured at initial cost, less any accumulated amortisation and impairment losses.

(i) Chlorotoxin CAR-T technology

The company has recognised the Intellectual Property “Chlorotoxin CAR-T technology” through the acquisition of a worldwide exclusive license developed at City of Hope, a world-renowned independent research and treatment centre for cancer, diabetes and other life-threatening diseases based in Los Angeles, California. The licence agreement between City of Hope and Chimeric is perpetual.

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the company. The amounts recognised as intangible assets relate to the upfront licenses fee paid and the value of equity issued to City of Hope in respect of the licence agreement.

The Chlorotoxin CAR-T technology is amortised over a period of 16 years, being management's assessed useful life of the intangible asset.

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5 Non-financial assets and liabilities (continued)

(a) Intangible assets (continued)

(ii) Impairment test for intellectual property

Intellectual property held by the group assessed for indicators of impairment annually.

Indicators of impairment include:

- The market capitalisation of Chimeric Therapeutics Limited on the Australian Securities Exchange on the impairment testing date of 30 June 2021 in excess of the net book value of assets;
- The scientific results and progress of the trials;
- Comparisons with companies in a similar field of development and similar stage; and
- Changes in growth of the CAR-T sector.

The company is still carrying out its impairment testing at 30 June 2021.

See note 17(k) for the other accounting policies relevant to intangible assets, and note 17(f) for the group's policy regarding impairments.

(iii) Amortisation methods and useful lives

Management has assessed capitalised patents, licences and other rights as available for their intended use. These assets are amortised on a straight-line basis over the period of their expected benefit.

(b) Employee benefit obligations

	2021			2020		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Leave obligations (i)	**62,235**	**-**	**62,235**	-	-	-

(i) Leave obligations

The leave obligations cover the group's liabilities for annual leave which are classified as short-term benefits, as explained in note 17(n).

The current portion of this liability includes all of the accrued annual leave and pro-rata payments employees are entitled to in certain circumstances. The entire amount of the provision of $62,235 (2020: nil) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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6 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	Notes	**2021** **$**	2020 $
Loss for the period		**(15,113,711)**	(64,008)
Adjustments for			
Depreciation and amortisation	2(b)	**846,960**	-
Finance income		**(2,646)**	-
Forfeiture payment provision		**756,264**	-
Leave provision expense		**62,235**	-
Share-based payments		**2,102,327**	-
Unrealised net foreign currency losses		**179,585**	-
Change in operating assets and liabilities:			
Movement in trade and other receivables		**(24,246)**	-
Movement in other current assets		**(230,623)**	-
Movement in trade payables		**2,588,480**	30,001
Net cash outflow from operating activities		**(8,835,375)**	(34,007)

7 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of contingent consideration - note 4(e)(i)
- Impairment of patents, licences and other rights - note 5(a)(ii)
- Estimation of employee benefit obligations - note 5(b)(i)
- Estimation of share-based payments
- Estimation of employee forfeiture payments

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

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8 Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance.

The group's risk management is predominantly controlled by the board. The board monitors the group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange rate risk arises from financial assets and financial liabilities denominated in a currency that is not the group's functional currency. Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument fluctuating due to the movement in foreign exchange rates of currencies in which the group holds financial instruments which are other than the Australian dollar (AUD) functional currency of the group. This risk is measured using sensitivity analysis and cash flow forecasting. The cost of hedging at this time outweighs any benefits that may be obtained.

Exposure

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 June 2021 USD $	30 June 2020 USD $
Trade payables	**2,018,957**	-
Total exposure	**2,018,957**	**-**

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8 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity

As shown in the table above, the group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments.

The group has conducted a sensitivity analysis of its exposure to foreign currency risk. The group is currently materially exposed to the United States dollar (USD). The sensitivity analysis is conducted on a currency-by-currency basis using the sensitivity analysis variable, which is based on the average annual movement in exchange rates over the past five years at year-end spot rates. The variable for each currency the group is materially exposed to is listed below:

- USD: 4.9% (2020: 3.6%)

	Impact on post-tax profit		**Impact on other components of equity**	
	2021	2020	**2021**	2020
	$	$	**$**	$
USD/AUD exchange rate - increase 4.9% (2020: 3.6%)*	**98,929**	-	**-**	-

* Holding all other variables constant

The group's exposure to other foreign exchange movements is not material.

(ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from cash and cash equivalents held, which expose the group to cash flow interest rate risk. During 2021 and 2020, the group's cash and cash equivalents at variable rates were denominated in Australian dollars.

The group's exposure to interest rate risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2021	2020
	$	$
Financial instruments with cash flow risk		
Cash and cash equivalents	**22,410,199**	100
	22,410,199	100

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8 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Sensitivity

The group's exposure to interest rate risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	Impact on loss for the period		**Impact on other components of equity**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Interest rates - change by 31 basis points (2020: 31 basis points)*	**69,472**	-	**-**	-

* Holding all other variables constant

The use of 0.31 percent (2020: 0.31 percent) was determined based on analysis of the Reserve Bank of Australia cash rate change, on an absolute value basis, at 30 June 2021 and the previous four balance dates. The average cash rate at these balance dates was 0.92 percent (2020: 1.25 percent). The average change to the cash rate between balance dates was 34.19 percent (2020: 24.69 percent). By multiplying these two values, the interest rate risk was derived.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

There has been an increase in the group's exposure to credit risk in 2021 due to increased cash and cash equivalents. The group's exposure to other classes of financial assets with credit risk is not material.

(i) Risk management

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Impairment of financial assets

While cash and cash equivalents and deposits at call are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

8 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 30 June 2021	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Trade payables	**3,032,995**	**-**	**-**	**-**	**-**	**3,032,995**	**3,032,995**
Other financial liabilities	**2,460,761**	**1,995,211**	**3,990,423**	**-**	**-**	**8,446,395**	**8,446,395**
Total	**5,493,756**	**1,995,211**	**3,990,423**	**-**	**-**	**11,479,390**	**11,479,390**
At 30 June 2020							
Trade payables	30,001	-	-	-	-	30,001	30,001
Borrowings	34,007	-	-	-	-	34,007	34,007
Total	64,008	-	-	-	-	64,008	64,008

9 Capital management

(a) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may issue new shares or reduce its capital, subject to the provisions of the company's constitution. The capital structure of the company consists of equity attributed to equity holders of the company, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the company's management, the board monitors the need to raise additional equity from the equity markets.

(b) Dividends

No dividends were declared or paid to members for the period ended 30 June 2021. The group’s franking account balance was nil at 30 June 2021.

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10 Interests in other entities

(a) Material subsidiaries

The group's principal subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2021 **%**	2020 %
Chimeric Therapeutics Inc	United States	**100**	-

In September 2020, Chimeric Therapeutics Limited formed a wholly owned subsidiary in USA called Chimeric Therapeutics Inc. The nature of the business is the same as Chimeric Therapeutics Limited's, that being, the research and development of CLTX-CAR-T technology.

11 Contingent liabilities

(a) CAR-T technology intellectual property

The company has the exclusive licence agreement with the City of Hope. The key financial terms of the license agreement include a cash payment of US$10 million over three years and shares in the company.

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the company is required to pay City of Hope the amount indicated below:

Milestones	Requirements	Payment to City of Hope
1.	Dosing of fifth patient in the first Phase 1 Clinical Trial anywhere in the Territory	US$0.35m
2.	Dosing of first patient in the first Phase 2 Clinical Trial anywhere in the Territory	US$0.75m
3.	Dosing of first patient in the first Phase 3 Clinical Trial anywhere in the Territory	US$2m
4.	Receipt of the first Orphan Drug Designation for each Licensed Product or Licensed Service	US$1m
5.	Upon Marketing Approval in the United States	US$6m
6.	Upon Marketing Approval in Europe	US$6m
7.	Upon Marketing Approval in each of the first five jurisdictions other than the United States and Europe for each applicable Licensed Product or Licensed Service	US$1m

Management expects milestone 1 to be met with certainty, however it is uncertain whether the other milestones will be met due to a number of factors outside the group's control. Hence, management have accounted for milestone 1 for this current reporting period and the group has incurred liability contingent on future events. At 30 June 2021 milestone 1 was achieved.

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11 Contingent liabilities (continued)

(a) CAR-T technology intellectual property (continued)

(ii) Sales milestone payments

Within 30 days after the occurrence of each sales milestone set forth below with respect to each Licensed Product or Licensed Service that achieves such Sales Milestone Event, the Company is required to pay City of Hope the amount indicated below:

Milestones	Sales Milestone Event	Payment to City of Hope
1.	Upon Net Sales of Licensed Product or Licensed Service first totalling US$250 million in a License Year	US$18.75m
2.	Upon Net Sales of Licensed Product or Licensed Service first totalling US$500 million in a License Year	US$35.5m

(iii) Royalties on net sales

The company is obliged to pay City of Hope royalties on net sales based on industry standard single digit royalty rates.

12 Commitments

(a) Research and development commitments

(i) CAR-T technology intellectual property

Under the License Agreement, a non-refundable annual license fee is payable to City of Hope of US$150,000. This is payable on or before 31 July of each License Year (excluding the first and second License Years ending 31 December 2020 and 31 December 2021, respectively).

13 Events occurring after the reporting period

Subsequent to year end, employees were granted 1,575,071 shares and 4,265,444 options in the group. The terms of the issuance are as per the group's Omnibus Incentive Plan (OIP).

On 22 July 2021, the group entered into an exclusive license agreement with The Trustees of the University of Pennsylvania. Under the terms of the agreement, the company have the exclusive rights to the technology. The company has agreed to pay upfront licence fees in the form of cash, and annual maintenance fees which are credible against future royalty payments, performance-based consideration linked to the achievement of certain value-inflection development milestones and commercial outcomes, as well as net sales-based royalty payments and sublicensing fees.

On 30 August 2021, Ms Jennifer Chow was appointed as the group's Chief Executive Officer and Managing Director.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company or economic entity in subsequent financial periods.

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14 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Grant Thornton Audit Pty Ltd Australia

(i) Audit and other assurance services

	2021 $	2020 $
Audit and review of financial statements	**58,170**	15,000
Total remuneration for audit and other assurance services	**58,170**	15,000

(ii) Other services

Investigating accountant's report	**39,993**	-
Advisory work for employee share schemes	**3,500**	-
Total remuneration for other services	**43,493**	-

Total auditors' remuneration	**101,663**	15,000

15 Loss per share

(a) Reconciliations of earnings used in calculating earnings per share

	30 June 2021 $	From 2 February to 30 June 2020 $
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating loss per share:		
From continuing operations	**15,113,711**	64,008

(b) Weighted average number of shares used as the denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**181,895,621**	1,000

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16 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity shows the following aggregate amounts:

	2021 **$**	2020 $
Balance sheet		
Current assets	**22,665,068**	100
Non-current assets	**17,392,124**	-
Total assets	**40,057,192**	100
Current liabilities	**7,292,673**	64,008
Non-current liabilities	**4,019,264**	-
Total liabilities	**11,311,937**	64,008
Shareholders' equity		
Share capital	**37,366,641**	100
Reserves		
Share-based payments	**2,093,025**	-
Retained earnings	**(11,570,790)**	(64,008)
	27,888,876	(63,908)
Loss for the period	**11,506,782**	64,008
Total comprehensive loss	**11,506,782**	64,008

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the period ended 30 June 2021 (2020: nil).

(c) Contingent liabilities of the parent entity

The parent entity had contingent liabilities at 30 June 2021 identical to those of the group, as outlined in note 11.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the period ended 30 June 2021 (2020: nil).

(e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of Chimeric Therapeutics Limited.

Contents of the summary of significant accounting policies

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17 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Chimeric Therapeutics Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial statements of the Chimeric Therapeutics Limited group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements has been prepared on a historical cost basis.

(iii) Going concern

Some of the risks inherent in the development of CAR-T technologies include the uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development or may infringe intellectual property rights of other parties, and obtaining the necessary drug clinical regulatory authority approvals. Furthermore, a particular project may fail the research and the clinical development process through lack of efficacy or safety, or may be stopped or abandoned due to strategic imperatives including an assessment that the projects will not deliver a sufficient return on investment or have been superseded by newer competitive products or technologies. There is a risk that the group will be unable to find suitable development or commercial partners for its projects, and that these arrangements may not generate a material return for the group.

Based on current budget forecast assumptions, the group is in a position to meet future commitments in the current business cycle and pay its debts as and when they fall due. Furthermore, the group is able to progress its research and development programs for at least the next 12 months.

(iv) New and amended standards adopted by the group

The amended accounting standards and interpretations issued by the Australian Accounting Standards Board during the year that were mandatory were adopted. None of these amendments or interpretations materially affected any of the amounts recognised or disclosures in the current or prior year. The following IFRS Interpretations Committee (IFRIC) agenda decisions were adopted during the year.

The IFRIC agenda decision on Software-as-a-Service (Saas) arrangements

The IFRIC has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) - this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) - this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The adoption of the above agenda decisions has not had a material impact on the group.

There are no other new accounting standards or interpretations that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(v) New standards and interpretations not yet adopted

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

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17 Summary of significant accounting policies (continued)

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements is presented in the Australian dollar ($), which is Chimeric Therapeutics Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within finance income.

(e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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17 Summary of significant accounting policies (continued)

(e) Income tax (continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Impairment of assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(i) Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and

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17 Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

(i) Classification (continued)

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(iv) Impairment

The company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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17 Summary of significant accounting policies (continued)

(j) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and where applicable adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(k) Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at historical cost, less any accumulated amortisation and impairment losses. The useful lives of intangible assets that are available for use are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication of impairment. Amortisation methods and periods for an intangible asset with a finite useful life is reviewed at least at each financial period end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation method and/or period, as appropriate, which is a change in accounting estimate and applied prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

(i) Intellectual property

The accounting policies for the group’s patents, licences and other rights are explained in note 5(a)(ii).

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

(iii) Amortisation methods and periods

Refer to note for details about amortisation methods and periods used by the group for intangible assets.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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17 Summary of significant accounting policies (continued)

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible bond. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Share-based payments

Share-based compensation benefits are provided to employees via the Example Employee Option Plan, an employee share scheme, the executive short-term incentive scheme and share appreciation rights. Information relating to these schemes is set out in note .

Employee options

The fair value of options granted under the Omnibus Incentive Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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17 Summary of significant accounting policies (continued)

(p) Loss per share

(i) Basic loss per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.