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INTERIM REPORT

Half-year ended 31 December 2024

Chimeric Therapeutics Limited

ACN 638 835 828

ASX: CHM

Chimeric Therapeutics Limited
Appendix 4D
Half-year report



1. Company details

Name of entity:	Chimeric Therapeutics Limited
ABN:	68 638 835 828
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

				\$
Loss from ordinary activities after tax attributable to the owners of Chimeric Therapeutics Limited	down	216.9%	to	(2,857,887)
Loss for the half-year attributable to the owners of Chimeric Therapeutics Limited	down	216.9%	to	(2,857,887)

3. Net tangible assets per security

	31 December 2024 Cents	31 December 2023 Cents
Net tangible assets per ordinary security	<u>(0.35)</u>	<u>(1.09)</u>

4. Explanation of results

An explanation of the key financial elements contributing to the revenue and result above can be found in the review of operations included within the directors' report.

5. Distributions

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

6. Changes in controlled entities

There have been no changes in controlled entities during the half-year ended 31 December 2024.

7. Other information required by Listing Rule 4.2A

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

8. Interim review

The financial statements have been reviewed by the group's independent auditor who has issued an unmodified conclusion with a material uncertainty in relation to going concern.

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General information

The financial statements cover Chimeric Therapeutics Limited as a consolidated entity consisting of Chimeric Therapeutics Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Chimeric Therapeutics Limited's functional and presentation currency.

Chimeric Therapeutics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 3, 62 Lygon Street, Carlton VIC 3053

Principal place of business

Level 3, 62 Lygon Street, Carlton VIC 3053

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025.



REVIEW OF OPERATIONS & ACTIVITIES

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REVIEW OF OPERATIONS AND ACTIVITIES

Half-year ended 31 December 2024

Chimeric Therapeutics Limited is pleased to announce its financial results for the half year ended 31 December 2024.

FINANCIAL REVIEW

The group reported a loss for the year ended 31 December 2024 of \$ 2,857,887 (31 December 2023: profit of \$2,443,997). The decreased loss relates to the scale-down of headcount, a reduction of general and administration expenses and reprioritisation of projects.

At 31 December 2024, the group's net assets were \$ 5,939,891 (30 June 2024: 2,470,068) with cash reserves of \$5,068,021 (30 June 2024: \$3,053,001).

CLINICAL DEVELOPMENT UPDATES

CHM CDH17 CAR-T for Gastrointestinal Cancers

CHM's lead program, CHM CDH17, is a third-generation CAR-T cell therapy designed to target CDH17, a protein found on the surface of gastrointestinal (GI) cancer cells and is associated with poor prognosis and metastasis in colorectal cancer (CRC), gastric cancer, and intestinal neuroendocrine tumours (NET). A first-in-human Phase 1/2 clinical trial ([www.clinicaltrials.gov](https://www.clinicaltrials.gov/ct2/show/study?term=NCT06055439) NCT06055439) is underway at multiple U.S. cancer centres, including the Sarah Cannon Research Institute in Nashville; the University of Pennsylvania (Penn) in Philadelphia and UChicago Medicine in Chicago. This is the first CAR-T targeting CDH17 in human clinical trials, globally.

This CAR T technology is unique with multiple features:

CHM CDH17 has been engineered to improve CAR-T activity in solid tumours, an area where prior CAR-T therapies tested in solid tumours have faced challenges. Preclinical studies, published on the cover of Nature Cancer in 2022 (<https://www.nature.com/articles/s43018-022-00344-7>), from the University of Pennsylvania demonstrated CHM CDH17 CAR-T's ability to kill tumours in multiple cancer models while sparing normal tissues.

Tumour associated antigen CDH17 is unique because it is fully exposed on the surface of the tumour, for example in CRC, exposing itself for a CAR-T attack. In healthy tissue, CDH17 is hidden between healthy cells avoiding any attack on healthy tissue.

CHM CDH17 CAR-T is a 3rd generation CAR, consisting of three intracellular domains; with the CD28 transmembrane domain as well as 41-BB co-stimulatory domain; translated this is akin to having two more "rocket boosters" on the back, creating a super-charged attack on the cancer. Currently, CAR-T clinical trials have used 2nd Generation CARs; without this super-charged feature.

CHM CDH17 CAR-T has enhanced IL-23 activity which turns a “cold” tumour into a “hot” tumour, signalling to the immune system to attack. In the animal models, this 3rd generation CAR demonstrates the unique ability to penetrate the tough tumour microenvironment and get right into the cancer site.

To date, three patients with NET and CRC have been dosed, and five successful manufacturing runs have been completed with CHM’s contract manufacturer. The trial is structured as a two-stage study, with the Phase 1 portion focused on establishing a recommended Phase 2 dose and assessing safety and initial efficacy. There has been an exceptional level of interest from physicians and centres to be part of the Phase 1 clinical trial, and the Company expects to be able to recruit patients quickly.

Once dose selection is complete, the Phase 2 expansion will enrol patients in CRC, NETs and Gastric Cancer (indication specific cohorts) on the pathway for registration. It is important to note that Cell Therapy trials in oncology are able to generate registration data in an open label single arm Phase 2 and are not required to complete a large-scale placebo-controlled double-blind trial required for standard small molecules.

In addition to clinical progress, Chimeric has collaborated with Achieve Clinics from California, USA to integrate the PRO-Aph™ apheresis process. This method facilitates the early collection and cryopreservation of patient cells, potentially improving patient outcomes by ensuring a robust starting material for CAR-T manufacturing. The collaboration is expected to optimise trial efficiency by using patients’ cells that are yet to go through chemotherapy and support broader patient access to treatment by offering this service at no additional cost to the patient.

CHM CORE-NK ‘Off the shelf’ Natural Killer Cell Therapy for blood cancer

The CHM CORE-NK program continued development at Case Western in Ohio with its Phase 1B study evaluating CHM CORE-NK cells in combination with the TGF- β receptor inhibitor Vactosertib. The trial, which targets advanced blood and colorectal cancers, reported a Complete Response (absence of cancer) in an Acute Myeloid Leukemia (AML/blood cancer) patient within 28 days of treatment. This represents an encouraging outcome in a patient population with limited options, though additional follow-up is required to assess durability of response (how long the cancer remains absent).

The ADVENT-AML Phase 1B trial, conducted at MD Anderson Cancer Centre (MDACC), completed dosing of relapsed/refractory patients before expanding its scope to include newly diagnosed AML patients who are not eligible for intensive chemotherapy or stem cell transplantation. Up to 20 participants will be enrolled in this next stage, which builds on prior safety data and aims to evaluate efficacy in this broader patient group. This is a first in the cell therapy sector to administer cell therapy first, prior to any treatment or chemotherapy. Earlier, Chimeric announced that the dose-finding portion of the ADVENT-AML trial had completed enrolment with no dose-limiting toxicities or unexpected safety findings.

These studies are at a modest financial and administrative cost to CHM with its partners at MDACC and Case Western supporting the clinical trials, with CHM providing the CHM CORE-NK cells. The ability to cryopreserve CHM CORE-NK cells for “off-the-shelf” use, manufacturing over 200 doses from one healthy donor, continues to be a key aspect of this therapy’s potential scalability.

Partnership with Cell Therapies Australia

Chimeric has partnered with Cell Therapies Pty Ltd to explore manufacturing CHM's CAR-T and NK cells in Australia. Cell Therapies Pty Ltd, based in Melbourne's Parkville Precinct, operates Australia's only facility capable of producing cell therapy on a commercial scale that is certified for commercial scale and export.

This collaboration aims to provide Australian patients with access to CHM's innovative clinical trials, focusing on cancer treatment through CAR-T and NK cell therapies.

CORPORATE UPDATES

CEO Appointment

In November 2024, Dr Rebecca McQualter was appointed as Chief Executive Officer, following her tenure as Chief Operating Officer. Dr McQualter brings experience from leadership roles at Novartis, Amgen, and GlaxoSmithKline and holds a Ph.D. in Cell Therapy and Regenerative Medicine from Monash University.

Capital Raising and Financial Position

During the half-year, Chimeric raised \$5 million through a two-tranche placement to professional and sophisticated investors at an issue price of \$0.008 per share. The proceeds are being allocated primarily to advance the CHM CDH17 program and support ongoing development of the CHM CORE-NK platform and CHM CLTX CAR-T therapy.

Additionally, the Company received a \$4.17 million R&D tax incentive refund from the Australian Government, supporting continued research efforts. As of 31 December 2024, Chimeric held \$5.07 million in cash and cash equivalents.

For and on behalf of the Group,

Dr Rebecca McQualter
Chief Executive Officer



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DIRECTOR'S REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Chimeric Therapeutics Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons held office as directors of Chimeric Therapeutics Limited during the financial period and up to the date of this report:

Mr Paul Hopper
Dr Lesley Russell
Mr Phillip Hains
Mr Eric Sullivan

Review of operations and activities

Information on the financials and operations of the group and its business strategies and prospects is set out in the review of operations and activities on pages 2 to 5 of this interim financial report.

Significant changes in the state of affairs

On 18 October 2024, the group announced that they had raised approximately \$5 million from the issue of 625 million shares at \$0.008 per share. Under the placement 69.99 million shares will be issued under the group's placement capacity with the remainder subject to shareholder approval, which was granted on 4 December 2024. In addition to the shares issues, each investor will receive a short term option that has an exercise price of \$0.008 and expires 1 year from grant date.

On 12 November 2024, Dr Rebecca McQualter was appointed as the Chief Executive Officer of the group.

Events since the end of the financial period

On 27 February 2025, the group announced that they received US\$2.5 million in non-dilutionary funding for the development of CHM CDH17 CAR-T from an undisclosed US-based philanthropic family office.

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

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 on page 8.

Rounding of amounts

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

This report is made in accordance with a resolution of directors.



Mr Paul Hopper
Executive Chairman

28 February 2025
Sydney

Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of Chimeric Therapeutics Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Chimeric Therapeutics Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



T S Jackman
Partner – Audit & Assurance

Melbourne, 28 February 2025

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FINANCIAL STATEMENTS

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Chimeric Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Other income	2	6,016,703	10,796,015
Other gains/(losses)		(462,609)	174,428
Modification gains		-	897,182
General and administrative expenses		(3,350,626)	(4,235,321)
Research and development expenses		(4,163,121)	(4,342,354)
Share-based payments expenses		(700,943)	(635,603)
Operating (loss)/profit		(2,660,596)	2,654,347
Finance income		25,945	48,430
Finance expenses		(85,379)	(331,731)
Finance costs - net		(59,434)	(283,301)
(Loss)/profit before income tax (expense)/benefit		(2,720,030)	2,371,046
Income tax (expense)/benefit		(137,857)	72,951
(Loss)/profit after income tax (expense)/benefit for the half-year attributable to the owners of Chimeric Therapeutics Limited		(2,857,887)	2,443,997
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		340,218	(38,182)
Other comprehensive income/(loss) for the half-year, net of tax		340,218	(38,182)
Total comprehensive (loss)/income for the period		(2,517,669)	2,405,815
Loss per share for loss attributable to the ordinary equity holders of the group:		Cents	Cents
Basic earnings/(loss) per share	16	(0.28)	0.44
Diluted earnings/(loss) per share	16	(0.28)	0.44

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

Chimeric Therapeutics Limited
Statement of financial position
As at 31 December 2024



		Consolidated 31 December 2024	30 June 2024
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	5,068,021	3,053,001
Trade and other receivables		1,963,846	86,588
Other current assets		121,663	82,508
Total current assets		7,153,530	3,222,097
Non-current assets			
Other financial assets at amortised cost		-	40,000
Property, plant and equipment		-	685
Intangible assets	6	11,523,596	12,010,372
Total non-current assets		11,523,596	12,051,057
Total assets		18,677,126	15,273,154
Liabilities			
Current liabilities			
Trade and other payables	4	7,301,180	6,195,889
Employee benefit obligations		302,322	306,600
Other financial liabilities	5	2,622,520	3,594,474
Total current liabilities		10,226,022	10,096,963
Non-current liabilities			
Employee benefits obligations		228	-
Other financial liabilities	5	2,510,985	2,706,123
Total non-current liabilities		2,511,213	2,706,123
Total liabilities		12,737,235	12,803,086
Net assets		5,939,891	2,470,068
Equity			
Share capital	8	68,485,549	63,510,730
Other reserves	9	6,871,786	5,518,895
Accumulated losses		(69,417,444)	(66,559,557)
Total equity		5,939,891	2,470,068

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

Chimeric Therapeutics Limited
Statement of changes in equity
For the half-year ended 31 December 2024



	Attributable to owners of Chimeric Therapeutics Limited			Total equity \$
	Share capital \$	Other reserves \$	Accumulated losses \$	
Balance at 1 July 2023	53,929,488	8,512,042	(56,780,814)	5,660,716
Profit after income tax benefit for the half-year	-	-	2,443,997	2,443,997
Other comprehensive (loss) for the half-year	-	(38,182)	-	(38,182)
Total comprehensive (loss)/income for the half-year	-	(38,182)	2,443,997	2,405,815
Contributions of equity	5,508,187	(1,045,000)	-	4,463,187
Transaction costs and tax	(580,636)	-	-	(580,636)
Issue of shares in lieu of payment of services	36,900	(36,900)	-	-
Options issued	-	1,481,465	-	1,481,465
Issue of shares as part of forfeiture payments	353,276	(309,051)	-	44,225
Cancellation of options	-	(1,668,222)	1,340,867	(327,355)
Issue of performance rights	-	75,467	-	75,467
Issue of shares under share purchase agreement	640,000	-	-	640,000
Balance at 31 December 2023	59,887,215	6,971,619	(52,995,950)	13,862,884
	Attributable to owners of Chimeric Therapeutics Limited			Total equity \$
	Share capital \$	Other reserves \$	Accumulated losses \$	
Balance at 1 July 2024	63,510,730	5,518,895	(66,559,557)	2,470,068
Loss after income tax expense for the half-year	-	-	(2,857,887)	(2,857,887)
Other comprehensive income for the half-year	-	340,218	-	340,218
Total comprehensive income/(loss) for the half-year	-	340,218	(2,857,887)	(2,517,669)
Contributions of equity	5,000,000	-	-	5,000,000
Transaction costs and tax	(857,451)	-	-	(857,451)
Options issued (note 9)	-	1,212,533	-	1,212,533
Forfeiture of unlisted options (note 9)	-	(182,376)	-	(182,376)
Issue of performance rights (note 9)	-	154,786	-	154,786
Conversion of performance rights (note 9)	172,270	(172,270)	-	-
Issue of shares under share purchase agreement	660,000	-	-	660,000
Balance at 31 December 2024	68,485,549	6,871,786	(69,417,444)	5,939,891

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

Chimeric Therapeutics Limited
Statement of cash flows
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Cash flows from operating activities			
Other revenue (inclusive GST)		-	5,475,425
Payments to suppliers and employees (inclusive of GST)		(6,821,526)	(10,156,220)
Research and Development tax incentive received		4,172,342	-
Net cash outflow from operating activities		(2,649,184)	(4,680,795)
Cash flows from investing activities			
Interest received		25,945	23,430
Net cash inflow from investing activities		25,945	23,430
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities	8	5,000,000	7,568,187
Share issue transaction costs		(324,724)	(788,136)
Proceeds from borrowings		1,562,000	-
Repayment of borrowings		(1,562,000)	-
Repayment of financial liabilities		(85,979)	(910,000)
Net cash inflow from financing activities		4,589,297	5,870,051
Net increase in cash and cash equivalents		1,966,058	1,212,686
Cash and cash equivalents at the beginning of the financial half-year		3,053,001	2,362,654
Effects of exchange rate changes on cash and cash equivalents		48,962	(49,937)
Cash and cash equivalents at the end of the financial half-year	3	5,068,021	3,525,403

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

Note 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.

Note 2. Other income

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Introduction fees (i)	-	4,954,023
Research and development tax incentive (ii)	6,016,703	5,841,992
	<u>6,016,703</u>	<u>10,796,015</u>

(i) Introduction fees

During the period ended 31 December 2023, the group received \$4,954,023 as an introduction fee for their contribution to the agreement between Imugene Limited and Precision Biosciences, Inc for the research and development of the azer-gel CAR T technology.

(ii) Fair value of R&D tax incentive

At 31 December 2024, the group has accrued \$1,890,530 (31 December 2023: \$2,128,319) in relation to the research and development spend for the current period. Additionally, Chimeric received \$4,134,788 in relation to research and development spend that occurred in prior periods which was not previously accrued due to uncertainty around receipt of amounts.

Note 3. Cash and cash equivalents

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	<u>5,068,021</u>	<u>3,053,001</u>

Note 4. Trade and other payables

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	6,202,349	3,201,192
Accrued expenses	1,063,695	2,930,268
Other payables	35,136	64,429
	<u>7,301,180</u>	<u>6,195,889</u>

Note 5. Other financial liabilities

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Current liabilities		
CDH-17 contingent consideration	-	297,637
CORE-NK contingent consideration	-	14,878
Advance payment liability (i)	2,622,520	3,281,959
	2,622,520	3,594,474
Non-current liabilities		
Chlorotoxin contingent consideration	1,077,473	1,326,152
CDH-17 contingent consideration	1,228,922	1,192,647
CORE-NK contingent consideration	204,590	187,324
	2,510,985	2,706,123
	5,133,505	6,300,597

(i) Advance payment liability

The advance payment liability relates to the share placement agreement with Lind Global Fund II, LP. The amount represents the fair value of the advance payment liability under the agreement. Further information on the agreement can be found in note 7.

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.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
31 December 2024				
Financial liabilities				
Chlorotoxin contingent consideration	-	-	1,077,473	1,077,473
CDH-17 contingent consideration	-	-	1,228,922	1,228,922
CORE-NK contingent consideration	-	-	204,590	204,590
Advance payment liability	-	-	2,622,520	2,622,520
Total financial liabilities	-	-	5,133,505	5,133,505

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 5. Other financial liabilities (continued)

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.

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.

Contingent consideration

The fair value of contingent consideration relating to the acquisition of licences is estimated using a present value technique which discounts the management's estimate of the probability that the milestone will be achieved. For more information refer to note 11 and note 12.

The discount rate used at 31 December 2024 was 10.27% (30 June 2024: 8.96%). The discount rate is based on the expected rate of return, which has been determined using the capital asset pricing model.

Advance payment liability

The fair value of the advance payment liability relates to the value of the liability measured after initial recognition. For more information refer to note 7.

Note 6. Intangible assets

	Chlorotoxin	CDH-17	CORE-NK	Total
	\$	\$	\$	\$
At 30 June 2024				
Cost	14,670,492	719,863	331,909	15,722,264
Accumulated amortisation and impairment	(3,558,059)	(119,201)	(34,632)	(3,711,892)
Net book amount	11,112,433	600,662	297,277	12,010,372
Half-year ended 31 December 2024				
Opening net book amount	11,112,433	600,662	297,277	12,010,372
Amortisation change	(455,590)	(20,403)	(10,783)	(486,776)
Closing net book amount	10,656,843	580,259	286,494	11,523,596
At 31 December 2024				
Cost	14,670,492	719,863	331,909	15,722,264
Accumulated amortisation and impairment	(4,013,649)	(139,604)	(45,415)	(4,198,668)
Net book amount	10,656,843	580,259	286,494	11,523,596

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

Note 6. Intangible assets (continued)

(i) Chlorotoxin CAR-T technology

The company has recognised the Intellectual Property “Chlorotoxin CAR-T technology” through the acquisition of a worldwide exclusive licence 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 group. The amount recognised as an intangible asset relate to the upfront licences fee paid, the value of equity issued to City of Hope in respect of the licence agreement and contingent considerations.

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

(ii) CDH-17 CAR-T technology

The group has recognised the Intellectual Property “CDH17” through the acquisition of a worldwide exclusive licence developed at University of Pennsylvania, a world-renowned Cell Therapy Centre based in Philadelphia, Pennsylvania. The licence agreement between University of Pennsylvania and Chimeric is perpetual.

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

CDH-17 is amortised over a period of 18 years, being management's assessed useful life of the intangible asset.

(iii) CORE-NK

The group has recognised the Intellectual Property “CORE-NK” through the acquisition of an exclusive licence developed at Case Western Reserve University, a private research university based in Cleveland, Ohio. The licence agreement between Case Western Reserve University and Chimeric is perpetual.

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

CORE-NK is amortised over a period of 15 years, being management's assessed useful life of the intangible asset.

(iv) Impairment test for intellectual property

The group's intangible assets are assessed for impairment at each reporting period.

Management has considered the following potential indicators:

- The market capitalisation of Chimeric Therapeutics Limited on the Australian Securities Exchange on the impairment testing date of 31 December 2024 is 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 biotech sector.

There were no indicators of impairment identified at 31 December 2024.

Note 7. Advance payment facility

The advance payment liability relates to the share placement agreement with Lind Global Fund II, LP. The liability represents the fair value of the advance payment liability under the agreement. Further information on the agreement can be found in note 11.

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Opening balance	3,281,959	3,400,000
Settlement of facility in shares	(660,000)	(1,320,000)
Derecognition of facility	-	(2,760,000)
Rerecognition of facility	-	2,705,752
Fair value adjustment	561	1,256,207
	<u>2,622,520</u>	<u>3,281,959</u>

In accordance with AASB 9 Financial Instruments, quantitative and qualitative tests concluded that the modifications were substantial for accounting purposes, and as a result the carrying value of the advance payment liability was derecognised and re-recognised. At 30 June 2024, a gain of \$897,182 was recognised from the modification of the instrument due to signing the amended agreement. At 31 December 2024 there were no modification recognised.

Note 8. Share capital

	31 December 2024	31 December 2024	30 June 2024	30 June 2024
	No.	\$	No.	\$
Ordinary shares - fully paid	1,575,149,846	76,288,551	876,055,712	70,456,280
Ordinary shares costs	-	(7,803,002)	-	(6,945,550)
	<u>1,575,149,846</u>	<u>68,485,549</u>	<u>876,055,712</u>	<u>63,510,730</u>

Movements in ordinary share

	Shares	\$
Opening balance 1 July 2024	876,055,712	63,510,730
Issue of shares under the share purchase agreement at \$0.014 (2024-08-02)	10,714,286	150,000
Conversion of performance rights at \$0.038 (2024-08-30)	2,456,267	93,338
Conversion of performance rights at \$0.019 (2024-08-30)	4,385,120	78,932
Issue of shares under the share purchase agreement at \$0.013 (2024-09-20)	11,538,462	150,000
Issue of shares through a Private Placement at \$0.008 (2024-10-24)	69,990,973	559,928
Issue of shares under the share purchase agreement at \$0.008 (2024-11-05)	20,000,000	160,000
Issue of shares under the share purchase agreement at \$0.008 (2024-12-10)	25,000,000	200,000
Issue of shares through a Private Placement at \$0.008 (2024-12-09)	555,009,026	4,440,072
Less: Transaction costs arising on share issues	-	(857,451)
Balance at 31 December 2024	<u>1,575,149,846</u>	<u>68,485,549</u>

Note 9. Other reserves

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

	Note	Share-based payments \$	Foreign currency translation \$	Total other reserves \$
1 July 2024		5,848,609	(329,714)	5,518,895
Currency translation differences		-	340,218	340,218
Other comprehensive loss		5,848,609	10,504	5,859,113
Transactions with owners in their capacity as owners				
Issue of options	note 9(i)	1,212,533	-	1,212,533
Issue of performance rights		154,786	-	154,786
Conversion of performance rights		(172,270)	-	(172,270)
Forfeiture of unlisted options	note 9(i)	(182,376)	-	(182,376)
31 December 2024		6,861,282	10,504	6,871,786

(i) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses relating to equity payments including the valuation of share options issued to key management personnel, other employees and eligible contractors.

Foreign currency translations

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income or loss and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Equity settled payments

Equity settled payments reserve records items recognised as expenses on valuation of shares to be issued to key management personnel and other employees for forfeiture of long term incentives at previous employers.

(ii) Movements in options:

Details	Number of options	Total \$
Opening balance 1 July 2024	161,878,469	5,732,196
Forfeiture of unlisted options	(5,816,912)	(182,376)
Issue of unlisted options	780,772,194	887,922
Expense for share-based payments for options previously issued	-	324,611
Balance at 31 December 2024	936,833,751	6,762,353

Note 10. Share-based payments

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted during the half-year ended 31 December 2024 included:

Note 10. Share-based payments (continued)

Grant Date	Expiry date	Exercise price \$	No. of options	Share price at grate date \$	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date \$
01/07/2024	01/07/2029	\$0.019	6,108,939	\$0.018	61.23%	-	3.89%	\$0.0217
01/07/2024	01/07/2029	\$0.019	53,082,374	\$0.018	61.23%	-	3.89%	\$0.0097
29/08/2024	19/12/2027	\$0.016	55,000,000	\$0.016	77.59%	-	3.97%	\$0.0088
12/11/2024	12/11/2029	\$0.015	30,000,000	\$0.010	69.67%	-	3.89%	\$0.0052
12/11/2024	01/07/2029	\$0.019	11,580,882	\$0.010	72.32%	-	3.97%	\$0.0097
			<u>155,772,195</u>					

Note 11. Material estimates and judgements

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 due to changes in estimates and judgements. 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.

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.

The areas involving judgement or estimation are detailed below.

(a) Judgements

(i) Impairment

The group's intangible assets are assessed for impairment at each reporting period. Management have not identified any indicators of impairment in the current year, for the following reasons:

- The market capitalisation of Chimeric Therapeutics Limited on the Australian Securities Exchange on the impairment testing date of 31 December 2024 is 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 biotech sector.

As no indicators of impairment have been identified, no impairment test has been performed. Should an indicator be identified, management would be required to perform an impairment test.

Note 11. Material estimates and judgements (continued)

(b) Estimates

(i) R&D tax incentive income accrual

The group's R&D activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured.

Judgement is applied to each transaction the group incurs each financial year, by determining a percentage of each transaction that relates to R&D.

R&D income is determined using eligibility criteria and percentages of eligibility estimated by management. These estimated eligibility percentages determine the base for which the R&D tax rebate is calculation and therefore is subject to a degree of uncertainty.

(ii) Useful life of intangible assets

Management have assessed that "ready for use" for the group is not the commercialisation of an intangible asset but rather the goal to develop intangible assets to a point that a trade sale of a licence is more likely. They have concluded that all intangible asset's are "ready for use" and have applied judgement over the period which each asset is expected to be available for use by the entity.

The life of the asset is indeterminate at this stage of development. The maximum life in which the group has control of the intangible asset can be determined by the length of legal protection of the intellectual property (IP) covered by the patent life over the IP. The life of an asset is determined by reference to that IP protection, subject to reassessment each year, taking into consideration changing expectations about possible timing of trade sale of a licence.

The useful life is determined using the expiry date of the last patent to expire. These dates determine the life of the IP and therefore is subject to a degree of uncertainty.

(iii) Share-based payments

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

This model requires the following inputs which involve judgements to be made:

- Volatility rate is calculated by analysing the movement of the closing share price each day for the term of the option preceding grant date; and
- Risk-free rate is obtained by referencing to the Capital Market Yields for Government Bonds supplied by the RBA. The rate is selected by determining what the rate is at the date the options are granted to the holder. Additionally, there are different rates supplied by the RBA each day dependent on the terms of the bond (2, 3, 5, 10 years). The term of the option will determine which rate is used (i.e. a 5 year term will use the 5 year bond rate). If an options term is between two terms for example 4 years, the rate that is used is that of the lower term i.e. the 3 year bond rate.

These inputs determine the value of each share-based payment and therefore it is subject to a degree of uncertainty.

Note 11. Material estimates and judgements (continued)

(iv) Contingent consideration

The fair value of the group's contingent consideration relating to the acquisition of licences is estimated using a present value technique which discounts the management's estimate of the probability that the milestone will be achieved. Management's assessment of the probability is based on their experience and considering industry information on clinical trial success rates and related parameters.

At the end of the reporting year, the group has applied judgement to multiple milestones detailed in note.

The discount rate used at 31 December 2024 was 10.27% (30 June 2024: 8.96%). The discount rate is based on the expected rate of return, which has been determined using the capital asset pricing model.

The timeframe for discounting varies depending on the milestone, and is aligned with industry information on the length of time taken to conduct oncological clinical trials.

The probability assigned to each milestone determines the value of the consideration and therefore is subject to a degree of uncertainty.

The fair value of contingent consideration is sensitive to changes in the probability of clinical trial success and the timeframe for completion of those clinical trials. These sensitivities are interdependent. A 1% change in the probability of clinical trial success or a 1 year reduction in the timeframe for completion of clinical trials would have a material impact on the fair value of contingent consideration.

(v) Lind share purchase agreement

In June 2023, the group entered into a share subscription agreement with Lind Global II LP. The key terms of this agreement are as follows:

- (a) Lind pays an advance amount of \$3.1 million to the group; and
- (b) the group provides Lind with the following:
 - An advance payment credit of \$3.4 million (which is not a loan and does not bear interest), which Lind can use during the duration of the agreement to subscribe for additional shares, or adjusting the liability for the initial shares issued (see below);
 - 24,000,000 ordinary shares, subject to payment by Lind of the subscription price - being the lower of \$0.048 per share, or 90% of the average of the lowest three daily volume weighted average prices during the 20 actual trading days immediately prior to the date on which the subscription price is to be determined; and
 - 41,891,892 irredeemable options, granting Lind the right to purchase one share, at an exercise price of \$0.046 per share, within a period of 48 calendar months from the grant date

On 29 December 2023, the group entered into an amendment to the share subscription agreement with Lind Global II LP. The key terms of this agreement are as follows:

- (a) Lind pays an advance amount of \$1.0 million to the group; and
- (b) the group provides Lind with the following:
 - An advance payment credit of \$1.1 million (which is not a loan and does not bear interest), which Lind can use during the duration of the agreement to subscribe for additional shares, or adjusting the liability for the initial shares issued (see below);
 - 17,241,379 irredeemable options, granting Lind the right to purchase one share, at an exercise price of \$0.036 per share, within a period of 48 calendar months from the grant date.

Note 11. Material estimates and judgements (continued)

This transaction has been accounted for under AASB 132 - Financial Instruments: Presentation. The identification and separation of the components involved under an arrangement within the scope of AASB 132 depends upon whether these instruments were granted in compensation for the capital received and thus are a transaction cost. The group has considered whether the advance payment credit, initial shares, and options are freestanding based on their legal detachability and separate exercisability.

Based on the above analysis, the group has determined that the option component is freestanding, while the advance payment credit and initial shares are one combined instrument.

Classification - options

The options are an equity instrument under AASB 132. As the options convert on a 1 for 1 basis, they meet the fixed-for-fixed criteria. Therefore, they are not a financial liability, and are accounted for as equity and initially measured at fair value.

The options were issued as part of the raising of funding as they enabled the group to access finance at a rate lower than it would otherwise have obtained. The options are thus, in substance, considered to represent a cost of fundraising. As the advance payment liability (see below) is accounted for at fair value through profit or loss, the associated transaction costs (i.e., these options) are expensed rather than included in the value of the liability on initial recognition.

Classification - advance payment liability

The combined instrument qualifies as a derivative instrument. The two components (the advance payment credit and initial shares) are accounted for as follows:

- As the initial share component of the combined instrument will be settled by the group issuing a fixed number of its own equity instruments in exchange for a variable amount of cash, the 'fixed-for-fixed' criterion for equity classification under AASB 132 has not been met. Consequently, the initial share component has been classified as an embedded derivative liability within the combined instrument.
- As the ability to convert the advance payment credit rests with Lind, rather than with the group, it is outside the control of the group. The group therefore does not have the ability to avoid the obligation of potentially issuing a variable number of shares. Similar to the above, this means the 'fixed-for-fixed' criterion has not been met, and the transaction is therefore accounted for as a financial liability under AASB 132.

The combined advance payment credit and initial share components are collectively referred to as the 'advance payment liability', and accounted for as a financial liability as shown in note 7. This is designated at fair value through profit or loss, in accordance with AASB 9 - Financial Instruments.

Measurement - options

The options have been measured at initial recognition and have not been subsequently remeasured. The valuation of the options was determined utilising a Binomial model.

The key assumptions used in the valuation were:

- Lind will redeem the advance payment liability at the agreement expiry date, being June 2027;
- The underlying share price is based on the closing share price of Chimeric as at the grant date;
- A risk-free rate of 3.92% has been applied, based on a 20-day average of long-term government bond yields as at the grant date; and
- A volatility rate of 64% has been applied, based on Chimeric's historical volatility and the volatility of comparable listed companies.

This resulted in a valuation of \$0.682 million as at the grant date.

The key assumptions used in the valuation for the second tranche of options were:

Note 11. Material estimates and judgements (continued)

- Expiry date is 48 months from signing the agreement, being December 2027;
- The underlying share price is based on the closing share price of Chimeric as at the grant date;
- A risk-free rate of 3.65% has been applied, based on a 20-day average of long-term government bond yields as at the grant date; and
- A volatility rate of 85% has been applied, based on Chimeric's historical volatility and the volatility of comparable listed companies.

This resulted in a valuation of \$0.322 million as at the grant date. This has been recognised as a finance expense with a corresponding entry within other reserves.

Measurement - advance payment liability

The fair value of the advance payment liability at recognition was \$3.4 million. This resulted in a deferred loss of \$0.3 million, which has been recognised within other current assets on the statement of financial position, and which will be subsequently recognised on a straight line basis over the period of the advance payment liability.

At 29 December 2023 when the amendment was signed, the group had to assess the amendment under AASB 9 to determine the treatment of the advanced credit liability. The modification was assessed under two tests being the qualitative test which assesses whether there is a significant change in the terms and conditions such that immediate recognition is required with no additional quantitative analysis and the quantitative test which assesses the net present value of the cash flows under the new terms discounted at the original effective interest rate (EIR) is at least 10% different from the carrying amount of the original debt. This is described as the 100% test. As the quantitative test was passed, extinguishment accounting was applied which involved de-recognising the existing liability and recognising the new or modified liability at its fair value.

At 31 December 2024, the fair value of the advance payment liability was remeasured utilising a Monte-Carlo model

Note 12. Contingent liabilities

(a) Chlorotoxin CAR-T technology intellectual property

The group has the licence agreement with the City of Hope. The key financial terms of the licence agreement includes cash payments worth US\$10 million. US\$4 million was paid in the year ended 30 June 2021, US\$3 million in the year ended 30 June 2022, US\$1.5 million in the year ended 30 June 2023 and the final payment of US\$1.5 million was paid in the year ended 30 June 2024. In addition, A\$1.6m worth of shares in the group were issued to the City of Hope as part of the agreement. The group has also incurred liabilities contingent on future events in respect of the licence, which are summarised below.

Management has determined the fair value of contingent consideration by assessing the probability of each milestone being achieved. Management's assessment of the probability is based on their experience and considering industry information on clinical trial success rates and related parameters.

The fair value is discounted as set out in note 5. The timeframe for discounting varies depending on the milestone, and is aligned with industry information on the length of time taken to conduct oncological clinical trials.

Note 12. Contingent liabilities (continued)

- **Development Milestone Payments:** Up to US\$17.1m payable to the City of Hope upon meeting various milestones:

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

The fair value of the contingent consideration recognised on the statement of financial position as at 31 December 2024 was \$1,077,473 (30 June 2024: \$1,326,152).

- **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, This has no effect on the figures reported as at 31 December 2024 (30 June 2024: none).

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

(i) Royalties on net sales

The group is obliged to pay City of Hope royalties on net sales based on industry standard single digit royalty rates. This has no effect on the figures reported as at 31 December 2024 (30 June 2024: none).

Note 12. Contingent liabilities (continued)

(b) CDH-17 CAR-T intellectual property

The group has the licence agreement with University of Pennsylvania. The key financial terms of the licence agreement includes a payment of cash worth of US\$350,000 which has been paid in the year ended 30 June 2022. The group has also incurred liabilities contingent on future events in respect of the licence, which are summarised below.

Management has determined the fair value of contingent consideration by assessing the probability of each milestone being achieved. Management's assessment of the probability is based on their experience and considering industry information on clinical trial success rates and related parameters.

The fair value is discounted as set out in note 5. The timeframe for discounting varies depending on the milestone, and is aligned with industry information on the length of time taken to conduct oncological clinical trials.

• **Development Milestone Payments:** Up to US\$59.825m payable in cash and either an additional US\$5m or US\$2m in relation to milestone 5 to University of Pennsylvania upon meeting various milestones:

Milestones	Requirements	Payment to University of Pennsylvania
1.	Initiation (FPFD) of the first Phase I or Phase I/II trial (but not both)	US\$0.2m
2.	Initiation (FPFD) of the first Phase II or Phase III trial (but not both)	US\$0.875m
3.	First Commercial Sale of a CAR Licensed Product in the US	US\$10m
4.	First Commercial Sale of a CAR Licensed Product in the EU	US\$6.25m
5.	First Commercial Sale of a CAR Licensed Product in Japan	US\$5m if there is a Valid Claim in Japan or US\$2M if there is no Valid Claim in Japan but prong (d) of the Product definition applies
6.	Cumulative worldwide Net Sales in a calendar year of the first CAR Licensed Product reach \$250 million	US\$7.5m
7.	Cumulative worldwide Net Sales in a calendar year of the first CAR Licensed Product reach \$500 million	US\$15m
8.	Cumulative worldwide Net Sales in a calendar year of the first CAR Licensed Product reach \$1 billion	US\$20m

The fair value of the contingent consideration recognised on the statement of financial position as at 31 December 2024 was \$1,228,922 (30 June 2024: \$1,490,284).

(i) Royalties on net sales

The group is obliged to pay University of Pennsylvania royalties on net sales based on industry standard single digit royalty rates. This has had no effect on the figures reported as at 31 December 2024 (30 June 2024: none).

Note 12. Contingent liabilities (continued)

(c) CORE-NK intellectual property

The group has the licence agreement with Case Western Reserve University. The key financial terms of the licence agreement includes a payment of cash worth US\$75,000 which has been paid and issued in the year ended 30 June 2022. The group has also incurred liabilities contingent on future events in respect of the licence, which are summarised below.

Management has determined the fair value of contingent consideration by assessing the probability of each milestone being achieved. Management's assessment of the probability is based on their experience and considering industry information on clinical trial success rates and related parameters.

The fair value is discounted as set out in note 5. The timeframe for discounting varies depending on the milestone, and is aligned with industry information on the length of time taken to conduct oncological clinical trials.

• **Development Milestone Payments:** Up to US\$2.11m payable to Case Western Reserve University upon meeting various milestones:

Milestones	Requirements	Payable to Case Western Reserve University
1.	Completion of first in vivo animal study	US\$10k
2.	First IND Clearance	US\$50k
3.	Initiate first Phase I Clinical Trial of a Licenced Product	US\$100k
4.	Initiate first Ph II/III (registration-enabling study) Clinical Trial of a Licensed Product	US\$200k
5.	Submission of first BLA to US FDA	US\$250k
6.	First Regulatory Approval of a Licenced Product	US\$500k
7.	First Commercial Sale	US\$1m

The fair value of the contingent consideration recognised on the statement of financial position as at 31 December 2024 was \$204,590 (30 June 2024: \$202,202).

Note 13. Commitments

(a) Research and development commitments

(i) Chlorotoxin CAR-T technology intellectual property

Under the Licence Agreement, a non-refundable annual licence fee is payable to the City of Hope of US\$150,000. This is payable on or before 31 July of each Licence Year (excluding the first and second Licence Years ending 31 December 2020 and 31 December 2021, respectively). This fee is perpetual and US\$150,000 is recorded as an expense in the statement of comprehensive income for the current year.

(ii) CDH-17 CAR-T intellectual property

Under the Licence Agreement, a non-refundable annual licence fee is payable to University of Pennsylvania of US\$20,000. This is payable beginning on the first anniversary of the effective date (21 July 2021) and payable annually until Licensee's payment of royalties or upon termination of the Agreement. US\$20,000 is recorded as an expense in the statement of comprehensive income for the current year.

(iii) CORE-NK intellectual property

Under the Licence Agreement, a non-refundable annual licence fee is payable to Case Western Reserve University of US\$10,000. This is payable beginning on the second anniversary of the effective date (17 November 2022) and payable annually until Licensee's payment of royalties or upon termination of the Agreement. No amount has been recorded as an expense in the statement of comprehensive income for the current year.

Note 14. Events after the reporting period

On 27 February 2025, the group announced that they received US\$2.5 million in non-dilutionary funding for the development of CHM CDH17 CAR-T from an undisclosed US-based philanthropic family office.

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

Note 15. Related party transactions

(a) Transactions with related parties

The following transactions occurred with related parties:

Other transactions

Forfeiture payments and shares expense to key management personnel (i)
 Payments to director related entities (ii)

Total

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
	-	90,588
	217,242	498,859
	217,242	589,447

(i) Forfeiture payments payable to key management personnel

The group has entered agreements to pay employees for forfeiture of long-term incentives with their former employment. At 30 June 2024 the group had paid all forfeiture payments.

(ii) Payments to director related entities

In the period as at 31 December 2024, the Acclime Group invoiced Chimeric for professional services such as financial reporting, capital management, company secretarial, accounting, bookkeeping, and payroll activities, amounting to \$217,242. Mr. Hains, Director of Acclime Australia, assumed the role of Director of Chimeric in July 2023.

Note 16. Earnings per share

(a) Reconciliation of earnings used in calculating (loss)/profit per share

	31 December 2024	31 December 2023
	\$	\$
<i>Basic and diluted (loss)/profit per share</i>		
(Loss)/profit attributable to the ordinary equity holders of the group used in calculating basic/diluted (Loss)/profit per share:		
From continuing operations	<u>(2,857,887)</u>	<u>2,443,997</u>

(b) Weighted average number of shares used as denominator

	31 December 2024	31 December 2023
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted (loss)/profit per share	<u>1,005,000,580</u>	<u>557,644,648</u>

On the basis of the group's losses, the outstanding options as at 31 December 2024 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

Note 17. Basis of preparation of half-year report

This interim financial report for the half-year period ended 31 December 2024 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 as all policies are consistent with the annual report, and any public announcements made by Chimeric Therapeutics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis except for financial instruments at fair value.

(ii) Principles of consolidation

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.

Note 17. Basis of preparation of half-year report (continued)

(iii) Going concern

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

For the period ended 31 December 2024, the group incurred a net loss after tax of \$2,857,887 (31 December 2023 profit of \$2,443,997) and had net current liabilities of \$3,072,492 at 31 December 2024 (30 June 2024: \$6,874,866). The group had net cash outflows from operating activities of \$2,649,184 (31 December 2023: \$4,680,795).

The group's going concern is reliant on future capital raises to fund their activities. The need to raise additional capital gives rise to a material uncertainty, which may cast significant doubt over the group's ability to continue as a going concern. The proceeds of additional capital will support the clinical trial pipeline and therapy portfolio. The Board is assessing capital sources with advisors, including a placement to sophisticated and professional investors and other options. Additionally, subsequent to 31 December 2024, the group US\$2.5 million in non-dilutionary funding for the development of CHM CDH17 CAR-T from an undisclosed US-based philanthropic family office.

The directors believe that the group can raise capital as required based on the success of previous capital raises and the continued development of the group's projects.

Additionally, the group has the ability to employ cash management strategies including creditor deferrals and delaying or reducing some operating activities.

Based on the above, the directors are satisfied that the group has access to sufficient sources of funding to meet its commitments over the next 12 months, and it is for that reason the financial statements have been prepared on the basis that the group is a going concern.

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 ordinary course of business, and at amounts that differ from those stated in financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessarily incurred should the group not continue as a going concern.

Chimeric Therapeutics Limited
Directors' declaration
31 December 2024



In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 30 are in accordance with the Corporations Act 2001, including:
- complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Paul Hopper", written over a horizontal line.

Mr Paul Hopper
Executive Chairman

28 February 2025
Sydney

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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Independent Auditor's Review Report

To the Members of Chimeric Therapeutics Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Chimeric Therapeutics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 December 2024 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 Company 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.

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Material uncertainty related to going concern

We draw attention to Note 17(iii) in the financial report, which indicates that the Group incurred a net loss of \$2,857,887 during the half year ended 31 December 2024 and, as of that date, the Group's current liabilities exceeded its current assets by \$3,072,492. As stated in Note 17(iii), these events or conditions, along with other matters as set forth in Note 17(iii), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2024 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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance
Melbourne, 28 February 2025

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THERAPEUTICS

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