

Chimeric enters A\$30 million Equity Placement Agreement with L1 Capital

- Initial Placement of A\$500,000 in ordinary shares at A\$0.10 each (being the closing bid price yesterday, 8 June 2022) and 15,000,000 unlisted options exercisable at A\$0.255 each expiring 31 March 2024 to be issued within seven days
- Equity placement facility of up to a total of A\$30 million over 24 months with L1 Capital, a leading global investment manager, by way of separate placements (the size of which are subject to certain limits)
- Drawdowns under the facility are at Chimeric's discretion and Chimeric is under no obligation to use the facility
- The flexible funding arrangement will further enhance Chimeric's rapid development of its three CAR T & NK cell platform technologies

Chimeric Therapeutics Limited (ASX:CHM) ('Chimeric', 'CHM', or the 'Company'), a clinical-stage cell therapy company and an Australian leader in cell therapy, has established an equity funding agreement with leading global investor, L1 Capital Global Opportunities Master Fund ('L1 Capital' or L1), which will further strengthen the Company's balance sheet as Chimeric rapidly moves forward with a portfolio of four Phase 1 clinical trials.

The Company has entered into an Equity Placement Agreement ('Placement Agreement') for up to A\$30 million with L1 Capital. L1 Capital is a leading global investor, based in Melbourne, Australia with over A\$5 billion in funds under management.

The Placement Agreement comprises an initial placement of A\$500,000 in ordinary shares at A\$0.10 per share (being the closing bid price yesterday, 8 June 2022), with 15,000,000 unlisted options (exercisable at A\$0.255 each, expiring 31 March 2024) to be issued within seven days, and up to an additional A\$30 million in ordinary share placements over a 24-month period.

Each placement requested by the Company under the Placement Agreement is subject to and conditional upon the Company either having available placement capacity to issue the relevant shares under LR7.1 and LR 7.1A, or shareholder approval. In addition, no single placement under the facility can exceed a maximum of 4.99% of Company shares on issue unless L1 agrees to exceed that limit. If the Company does not meet these conditions in respect of a placement, then that placement will not be requested.



The Placement Agreement follows the Company's successful completion of the entitlement offer announced on 21 February 2022, which raised A\$14.4 million and boosted the Company's current cash position to approximately A\$23.7 million.

The terms of Placement Agreement allow the Company to maintain flexibility and enables Chimeric to carry out capital raisings external to the Placement Agreement. Drawdowns under the facility are at Chimeric's discretion and Chimeric is under no obligation to use the facility. Importantly, the Placement Agreement does not restrict the Company's ability to enter into strategic partnerships or licensing agreements. The key terms of the Placement Agreement are set out in further detail below.

Chimeric's Executive Chairman Paul Hopper said: "We are delighted to have the support of a leading fund manager like L1 Capital, with a strong interest in life science investing. L1's commitment is testament to the quality of the Company's clinical assets, having completed significant due diligence via their specialist medical consultant based in Israel prior to executing the placement agreement.

"With our strong existing cash reserves following the completion of the recent entitlement offer and the flexibility this placement agreement provides, we are in a very solid position to exercise our clinical development plan with even greater confidence."

Bell Potter Securities Limited are acting as advisor to the Company in respect of the Placement Agreement.

Key Details of the Placement Agreement

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| Parties | Chimeric L1 Capital |
| Summary of Agreement capacity | The Placement Agreement comprises an Initial Placement of approximately A\$500,000 in ordinary shares, and up to an additional A\$30 million in ordinary share placements over the Commitment Period. The equity will be issued from the company's available LR 7.1 or 7.1a capacity or as approved by Shareholders from time to time. |
| Initial Share Placement and Facility Options | The Company will undertake an initial placement to L1 Capital on substantially the same terms as the Entitlement Offer Shortfall Placement announced on 25 March 2022. This includes issuance of 5,000,000 ordinary shares for a subscription amount of A\$500,000 at A\$0.10 per share (being the closing bid price yesterday, 8 June 2022), and 15,000,000 unlisted options exercisable at A\$0.255 each expiring 31 March 2024 to be issued within seven days. |

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Key Details of the Placement Agreement

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| Additional Facility Capacity | A\$30 million |
| Commitment Period | 24 months ending 9 June 2024. |
| Equity Placement Facility - Mechanism | <p>Under the Placement Agreement, Chimeric has the ability to issue L1 Capital with a notice requesting a placement. Details of limits on the size of placements that can be requested are set out in the announcement.</p> <p>Subject to all conditions being met, Chimeric issues L1 Capital fully paid ordinary shares equivalent to 115% of the Placement Amount set out by Chimeric ('Provisional Placement Shares').</p> <p>The placement will close the trading day immediately after the 30 trading-day 'Pricing Period' ends ('Closing Date').</p> <p>L1 Capital will pay Chimeric the amount requested under the placement, subject to any adjustment and less any applicable Fees, on the Closing Date.</p> |
| Pricing Period | The 30 consecutive trading days which commence the trading day immediately after L1 Capital accepts the placement and receives the Provisional Placement Shares and ends at 5.00 pm on the 30th trading day afterward. |
| Purchase price of Placement Shares | <p>Placement Shares will be priced equal to the higher of 95% of the:</p> <ul style="list-style-type: none"> (a) average of five daily VWAPs of shares chosen by L1 Capital from the daily VWAPs during the Pricing Period; or (b) Minimum Acceptable Price, as nominated by Chimeric. |
| Fees | <p>The Company will pay L1 Capital a commitment fee of A\$350,000, to be paid A\$100,000 up front and the balance pro rata over the first five placements completed.</p> <p>If the aggregate amount exceeds A\$20 million over the course of the placements, an additional commitment fee of A\$150,000 will become payable.</p> |
| Other terms | <p>With the exception of the Initial Placement and Facility Options, the Company retains complete discretion as to the timing of any placements and is under no obligation to undertake placements under the Placement Agreement during the Commitment Period. The Placement Agreement contains representations, warranties, indemnities, share issue requirements and termination and dispute resolution provisions that are standard for an agreement of this nature.</p> |

Authorised on behalf of the Chimeric Therapeutics board of directors by Chairman Paul Hopper.

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ABOUT CHIMERIC THERAPEUTICS

Chimeric Therapeutics, a clinical stage cell therapy company and an Australian leader in cell therapy, is focused on bringing the promise of cell therapy to life for more patients with cancer. We believe that cellular therapies have the promise to cure cancer not just delay disease progression.

To bring that promise to life for more patients, Chimeric's world class team of cell therapy pioneers and experts is focused on the discovery, development, and commercialisation of the most innovative and promising cell therapies.

CLTX CAR T is a novel and promising CAR T therapy developed by scientists at the City of Hope Medical Centre in California for the treatment of patients with solid tumours. CLTX CAR T is currently being studied in a phase 1 clinical trial in recurrent/progressive glioblastoma. A second CLTX CAR T phase 1 clinical trial is planned to begin in 2022 in additional solid tumours.

CDH17 CAR T is a novel, third generation CDH17 CAR T invented at the University of Pennsylvania. CDH17 CAR T is currently in preclinical development with a planned phase 1 clinical trial in 2022 in neuroendocrine tumours, colorectal, pancreatic and gastric cancer.

Recently Chimeric announced the addition of the CORE-NK platform, a clinically validated, off-the-shelf natural killer (NK) cell therapy platform to their portfolio (CHM 0201). From the CORE-NK platform, Chimeric will initiate development of four new next generation NK and CAR NK assets with plans for phase 1 clinical trials to begin in 2023 in solid tumours and blood cancers.

CONTACT

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