



ASX ANNOUNCEMENT

23 June 2023

## CHM secures up to ~A\$12.6m through recently completed SPP, placement and an investment of up to ~A\$10m to support clinical programme

Chimeric Therapeutics (ASX:CHM, “Chimeric” or the “Company”), the only ASX-listed clinical stage cell therapy company, announces the successful completion of its Securities Purchase Plan (SPP) announced on 15 May 2023, which closed on 16 June 2023.

Additionally, the Company is pleased to announce a share placement agreement (**Placement Agreement**) to provide initial funding of \$3.1 million and total funding of up to \$10.1 million with Lind Global Fund II, LP an entity managed by New York-based The Lind Partners (**Lind**). Lind invests in small and mid-cap companies publicly traded in the US, Canada, Australia and the UK.

### Highlights

- CHM has completed its SPP with valid applications of ~\$1.5 million received. The SPP follows a ~\$1 million Placement announced on 15 May 2023 (**Placement**). The SPP shares are due to be issued on 23 June 2023.
- Up to \$10.1 million investment by US institutional investor, Lind via a Placement Agreement. Under the Placement Agreement, CHM will receive an initial \$3.1 million with up to a further \$7 million in funding available by mutual agreement and subject to shareholder approval.
- The Placement Agreement is a staged private placement over a 24-month period, unless extended.
- As part of CHM’s broader funding arrangements, the Equity Placement Agreement announced on 9 June 2022 has been terminated in accordance with its terms.
- Funds raised will support the clinical trial pipeline and therapy portfolio and otherwise for general working capital of the Company.

Executive Chairman, Mr Paul Hopper, said:

*“As shareholders are aware, the Board and Management, including myself, committed approximately \$1 million by way of placement on 15 May 2023. We are incredibly grateful to have the support of our shareholders, having raised an additional ~\$1.5 million under the SPP. We are extremely pleased to have entered into the Placement Agreement with Lind. The funds being injected into the business under the Placement Agreement and SPP, in conjunction with the Board and Management placement, demonstrates the confidence in Chimeric’s technologies and*

*further strengthens the Company's ability to develop and progress its clinical trial pipeline."*

Jeff Easton, Founder of The Lind Partners, said:

*"Lind has been following Chimeric's development and view their cell therapies strategy as being unique in the marketplace. We are very pleased that Chimeric's Board has chosen Lind to co-invest alongside the SPP and the recent equity placement by the Board and Management to advance Chimeric's diverse portfolio of therapies closer to commercialisation. We look forward to working with their team and watching their success."*

Lind manages institutional funds that are leaders in providing growth capital to small- and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind makes direct investments ranging from US\$1 to US\$30 million, investing in syndicated equity offerings and selectively buy on market. Having completed more than 150 direct investments totalling of US\$1.5 billion in transaction value, Lind's funds have been flexible and supportive capital partners to investee companies since 2011.

Under the SPP, new shares were offered at the lower of \$0.04 and the price representing a 5% discount to the volume weighted average price of Shares during the five trading days up to the 16 June 2023 ("**Closing Date**").

As at the Closing Date, the Company had received valid applications for ~\$1.5 million worth of new shares under the SPP. In accordance with the pricing mechanism described above, SPP shares have been priced at \$0.035 per share, representing a 5% discount to the volume weighted average price of shares during the five trading days up to the Closing Date.

Funds relating to the initial investment are expected to be received within five business days and will be used for the Company's working capital to support the clinical trial pipeline and therapy portfolio, including:

- **Chlorotoxin CAR- T Program:** The Phase 1A clinical trial at City of Hope for CLTX CAR T in Glioblastoma (GBM) has progressed to the final dose level. Building off that trial, Chimeric has activated the first site in a new two-part Phase 1B multi-site clinical trial.
- **CDH17 CAR-T Program:** Chimeric has completed the manufacturing stage for the CDH17 CAR-T and recently had a positive FDA pre-IND meeting. The CDH17 CAR T cell therapy is now advancing towards the clinic where it will be studied in patients with neuroendocrine tumours, colorectal cancer and gastric cancer.
- **CORE NK Platform:** Building off the success in the phase 1A clinical trial where one patient achieved a complete response that has been sustained now for over 24 months, Chimeric initiated a novel Phase 1B clinical trial with our CORE NK platform in January. The trial is the first-ever trial to assess NK cells in combination with Vactosertib in patients with advanced colorectal and blood cancers.

## Termination of Placement Agreement

As part of CHM's broader funding arrangements, the Equity Placement Agreement announced on 9 June 2022 has been terminated in accordance with its terms and CHM will today issue 1,805,556 shares in full satisfaction of the outstanding amount owing by CHM under the agreement.

## Key terms of the Placement Agreement

- **Overview:** The Placement Agreement provides up to A\$10.1 million in total funding as follows:
  - An initial investment of A\$3.1 million; and
  - Up to an additional A\$7 million (for a total of A\$10.1 million) investments (funded in minimal increments of A\$1 million and subject to mutual agreement and shareholder approval).
- **Advance Payment:** Lind will pay \$3.1 million to Chimeric which may be used to subscribe for Subscription Shares to a deemed value of \$3.41 million within 24 months from the Advance Payment Date.
- **Commitment Fees:** Chimeric shall pay Lind a \$93,000 commitment fee on the Advance Payment Date, representing ~3% of the Advance Payment.
- **Execution Date:** the Agreement was executed on 22 June 2023 and is effective upon satisfaction of any condition precedent.
- **Advance Payment Date:** Lind is to provide payment of the Advance Payment by no later than 5 business days after the Execution Date.
- **Initial Shares:** 24,000,000 fully paid ordinary shares in the Company will be issued to Lind at the Subscription Price, at the time of funding (and which may subsequently be applied towards satisfying the Company's issue of Subscription Shares or repayment obligations under the Agreement). If at the expiration of the Term (as defined below), or upon termination of the Agreement, there are still Initial Shares that have not been applied towards subscription or repayment, Lind will pay for those shares based on the Subscription Price (defined below).
- **Term:** 24 months after the Advance Payment Date.
- **Options:** 41,891,892 options with an exercise price of \$0.046 each and an expiration date of 48 months after issue. The Options will be issued within three months of the Execution Date and subject to shareholder approval.
- **Subscription Price:** the lesser of:
  - \$0.048 per share; and
  - 90% of the average of the three lowest daily VWAPs during the 20 trading days prior to the subscription, which at the date of this announcement was \$0.033 per

share.

- **Subscriptions:** Lind may elect when to provide Chimeric with subscription notices for the issue of shares (Subscription Shares) to the aggregate value of \$3.41 million over the Term, subject to the following (**Subscription Amount**):
  - Until 31 August 2023, any subscriptions by Lind will be at a fixed price of \$0.048.
  - From 1 September 2023 until 30 June 2024, any subscriptions by Lind will be either at:
    - \$0.048 per share, with the aggregate subscription amount unlimited; or
    - the Subscription Price, with the aggregate subscription amount in any one month at the Subscription Price limited to \$120,000.

Lind may, at its sole discretion, increase the maximum monthly aggregate subscription amount to \$400,000, for two months only.

- From 1 July 2024 until 29 June 2025, any subscriptions by Lind will be at the Subscription Price.
  - Any Advance Payment remaining at the expiry of the Term, will be subscribed for at the Subscription Price.
  - Where the Subscription Price on a subscription will be less than \$0.048 per share, the Company can elect, upon receipt of a subscription notice, to repay the value of the shares to be issued in cash at 115% of the Subscription Amount (instead of issuing the subscription shares).
- **Repayment:** The Company can also elect, at any time after 31 July 2023, to repay in full the then remaining balance of the Advance Payment value of \$3.41 million, although it must first provide Lind the ability to subscribe, in accordance with the Placement Agreement for one-third of that amount.
  - **Other terms:** As is customary with these types of arrangements, the Placement Agreement contains typical investor protections such as negative covenants and representations and warranties.
  - **Listing Rule 7.1 and 7.1A:**
    - The Initial Shares and anticipated Subscription Shares are being issued pursuant to the Company's placement capacity under Listing Rule 7.1 and 7.1A.
    - The Company's obligation to issue the Initial Shares and Subscription Shares is limited to 103,333,333 Shares. Of this maximum number, 24,000,000 Initial Shares and up to 36,000,000 Subscription Shares are being issued pursuant to LR 7.1 and up to 43,333,333 Subscription Shares are being issued pursuant to LR 7.1A (subject to the subscription price on the relevant subscription being equal to or greater than the minimum price allowed under LR 7.1A at the time of the subscription). The Subscription Shares comply with the requirements of LR 7.1A

at the date of this announcement. To issue more Shares than this, the Company will need to obtain shareholder approval to the issue or shareholder ratification of a past issue of shares under the Agreement. If shareholders ratify a past issue of shares under the Agreement, the relevant number of shares will once more become available for issue under the cap of 103,333,333 Shares.

- To maximise its placement capacity, the Company has agreed to seek shareholder ratification of all prior securities issued under the Placement Agreement at each General Meeting of shareholders it has during the term of the agreement, and to convene a meeting for such purpose, as necessary.
- **Further funding:** a further \$7 million in funding is accessible on the same terms by mutual agreement and shareholder approval. The additional funding is available in minimum increments of \$1 million.

Under the Agreement, the aggregate of securities agreed to be issued (including the Initial Shares and Subscription Shares) is limited to 103,333,333 (as described above). The limitation does not apply to any shares issued that are subsequently ratified by shareholders under Listing Rule 7.4.

There is no security provided by Chimeric to Lind in respect to the Placement Agreement. No interest is payable under the Placement Agreement (other than if an event of default occurs).

Approved for release by the Chimeric Board.

Philip Hains  
Company Secretary

## **ABOUT CHIMERIC THERAPEUTICS**

Chimeric Therapeutics, the only ASX listed clinical stage cell therapy company, 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.

Chimeric currently has a diversified portfolio that includes two first in class autologous CAR T cell therapies and a best in class allogeneic NK cell therapy platform. Chimeric assets are being developed across multiple different disease areas in both solid tumours and blood cancers with 2 ongoing clinical programs and plans to open additional clinical programs in 2023.

CLTX CAR T is a novel and promising CAR T therapy developed for the treatment of patients with solid tumours. It is currently being studied in a phase 1 clinical trial in recurrent / progressive glioblastoma. Initial positive data has been presented on patients treated in the first two dose levels of the trial.

CDH17 CAR T is a first in class, 3rd generation CDH17 CAR T invented at the world-renowned cell therapy centre, the University of Pennsylvania. Preclinical evidence for CHM 2101 was published in March 2022 in Nature Cancer demonstrating complete eradication of tumours in 7 types of cancer. CDH17 CAR T is currently in preclinical development with a planned phase 1A clinical trial in gastrointestinal and neuroendocrine tumours.

CORE-NK platform is a potentially best in class, clinically validated NK cell platform from Case Western University. Data from the complete phase 1A clinical trial was published in March 2022, demonstrating safety and efficacy in blood cancers and solid tumours. Based on the promising activity signal demonstrated in that trial, an additional Phase 1B clinical trial investigating CORE-NK in combination with IL2 and Vactosertib is now underway. From this platform, Chimeric has initiated development of new next generation NK and CAR NK assets with plans for phase 1 clinical trials in solid tumours and blood cancers.

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

## **CONTACT**

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