

Structured financing of €2.6 million

- Non-dilutive for shareholders
- Repayment based on revenue
- Trust-based structure

Dijon, 19 November 2019

CROSSJECT (ISIN: FR0011716265; Ticker: ALCJ), a specialty pharma company developing a portfolio of innovative combined drugs for use in emergency situations, announces €2.6 million in financing (the "Financing") in the form of English-law Notes. The Financing is provided entirely by IdVectoR Science & Technology Investments ("IdVectoR"), a European investor specialising in long-term non-dilutive deep tech investor financing.

Repayments of the Financing will run at the latest until 2028. They will be exclusively indexed on Crossject's sales until 2028 at the latest, with an annual floor of €285 thousand during the first two years. Repayments will be calculated by applying a single-digit percentage of the amount of sales made, decreasing over time and varying based on the type of product or service sold. According to the estimates of Crossject's management, the repayment mechanism will generally amount to a small percentage of Crossject's revenues over the total term of the Financing, in line with its cash flow outlook.

The Financing is secured by collateral covering industrial property assets, in the form of a French-law trust.

Crossject is also in talks with IdVectoR for a second round of €500 thousand in financing in the coming months, with similar characteristics.

Patrick Alexandre, Chairman of the Management Board of Crossject, said: *"The teams and I are proud that after extensive due diligence, IdVectoR has decided to invest in our long-term revenue prospects. This is a sign of real confidence in our commercial potential, the expertise and competence of our teams, and the robustness of our project. The repayment model, based solely on our commercial performance, ensures an ideal alignment with our interests. The proceeds of the Financing will go towards stepping up the pace of our development and strengthening the capacity and availability of our industrial facilities."*

Prospective cash position

As of the date of the transaction, the Company does not have sufficient net working capital to meet its obligations and cash operating requirements for the next 12 months. Since 30 June, the Company has received approximately €3.7 million (grants, research tax credit, exercise of equity warrants issued in July, etc.). The Company's financing needs are currently estimated at €12 million. The grants and repayable advances, the research tax credit, revenues resulting from the signing of commercial agreements and the continued exercise of the equity warrants will be supplemented by other financing as required.

Specificities of the Financing

- Crossject Industrial Property trust

A trust is a security mechanism recently introduced into French law (2007) and inspired by the Anglo-Saxon model.

The trust guaranteeing the Financing is known as Crossject Industrial Property and is managed by a French trustee (management company approved by the Autorité des Marchés Financiers). Crossject will provide the trust with industrial and intellectual property assets covering a patent portfolio relating to the injection system and the ZENEO® brand. Crossject will manage and exploit this portfolio through a licence granted to it: even in the event that the collateral is realised, Crossject will keep all existing commercial contracts with its customers as well as exclusive rights in therapeutic areas for which the intellectual property assets are currently exploited, until the expiry or termination of the licence. Crossject will accordingly be able to continue ongoing contracts and its business development. Assets transferred to the trust will be recognised as assets in Crossject's balance sheet in a specific account.

- Amount repaid

The repayment of the Financing will be exclusively indexed on Crossject's revenues, with an annual floor of €285 thousand during the first two years. Repayments will be a single-digit percentage of the amount of sales made, decreasing over time and varying based on the type of product or service sold. According to management's estimates, the repayment mechanism will generally amount to a small percentage of Crossject's revenues over the period, in line with its cash flow outlook.

This repayment structure implies a risk for the investor of not being repaid the full amount of €2.6 million if the Company's sales are insufficient. However, if Crossject enjoys commercial success, it will receive, over the life of the trust, a total amount significantly exceeding the amount of €2.6 million contributed.

The Financing is repayable in advance by Crossject or at the request of the investor in the event of a change of control or in the usual cases applicable for such financing (change of legal circumstances making the continued performance of the contract illegal, default event). The amount to be repaid would in such cases be set at a multiple of the amount invested, variable depending on the period and the trigger event of the early repayment, less the amounts already repaid. This multiple ranges from 1 to 4 times the amount invested, the highest multiples being applicable in scenarios based on commercial success, which are also the most favourable scenarios for shareholders.



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About CROSSJECT • www.crossject.com

Crossject (ISIN: FR0011716265; Ticker: ALCJ; LEI: 969500W1VTFNL2D85A65) is developing and is soon to market a portfolio of drugs dedicated to emergency situations: epilepsy, overdose, allergic shock, severe migraine and asthma attack. Thanks to its patented needle-free self-injection system, Crossject aims to become the world leader in self-administered emergency drugs. The company has been listed on the Euronext Growth market in Paris since 2014, and benefits from Bpifrance funding.

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