Press release

First-half 2020 results and business update

- Continued development of the drug portfolio
- Opening of the US subsidiary and recruitment of a VP US Business
- Good cost control in the context of the Covid-19 crisis

Dijon, 18 September 2020

CROSSJECT (ISIN: FR0011716265; Ticker: ALCJ), a specialty pharma company that is developing and will soon be marketing a portfolio of combined drugs for use in emergency situations, is announcing its results for the first half of 2020 and issuing a business update.

Patrick Alexandre, *Chairman of the Management Board of Crossject, said: "In this period marked by an unprecedented and unpredictable health crisis, Crossject has demonstrated organisational responsiveness to overcome the constraints linked to the Covid-19 crisis and continue its development. Proof of this is that we have continued to produce clinical batches that are currently being filled, that we have continued our commercial efforts – negotiations are currently underway in several areas – and that we are continuing our efforts to improve and secure our industrial facilities with a view to ramping up our production. We are more than ever committed to achieving our ambitions. I salute the efforts of all our teams and their commitment in this complex period, and I thank them warmly."*

Update on activity since the start of 2020

The commitment of its employees enabled Crossject to pursue its developments despite the health crisis:

- production of clinical batches – currently being filled,
- commercial discussions on several drugs in the portfolio,
- improvement and securing of industrial facilities with a view to ramping up production.

Demonstrating responsiveness to overcome the shifting constraints linked to the unpredictable and unprecedented Covid-19 crisis, Crossject has used agility to take series of measures and implement tools in the interests of its employees and the company. Telework made it possible to carry out a large number of activities under optimal conditions during lockdown. Today, telework remains in place for activities that allow it. The protection of teams that have to work on site remains a priority.

Development of the drug portfolio: production of clinical batches and commercial discussions

After an interruption during lockdown, production activities resumed in May under good conditions. The production of the clinical batches of ZENEO® Midazolam needed for the MA[1] dossier is now well underway. Our manufacturer, a pharmaceutical establishment, released the semi-finished products delivered by Crossject during the summer, and is currently filling them. Once the clinical batches have been completed, Crossject will start preparing the production of validation batches demonstrating the rigorous reproducibility of the drug manufacturing processes.

In line with its drugs' development process, with ZENEO® Midazolam and ZENEO® Adrenaline as priorities, Crossject is actively continuing its search for distribution partners. The switch of conferences and meetings to virtual mode since mid-March has allowed us to maintain prospecting activity, partnership discussions and the organisation of due diligence on the entire portfolio.

In addition, since the start of 2020, discussions have continued with the US administrations on ZENEO® Midazolam. As a reminder, in 2019, Crossject signed a distribution agreement with Desitin in Germany and a cooperative research and development agreement (CRADA) with the US Department of Defense.

Lastly, as announced on 20 March 2020, Crossject has developed a new formulation of Adrenaline, non-allergenic and aiming for longer stability than products already on the market. Combined with the ZENEO® device, the formulation has the further advantage of being fully injected, whereas other injectable drugs on the market always leave a residual portion of drug after injection. The new formulation increases the commercial potential of ZENEO® Adrenaline. Crossject's acquisition of the development and commercialisation rights for ZENEO® Adrénaline (also announced on 20 March) gives it the possibility of signing directly new agreements with upfronts.

Continuation of industrial investments and the structuring of the organisation

Since the start of the year, Crossject has continued to develop its industrial facilities and equipment, both to secure its production and to continue to prepare for its ramp-up.

The company has accordingly continued to invest in industrial equipment in order to duplicate some of

[1] Marketing authorisation

its means of production.

The company has also fine-tuned its internal industrial organisation, notably by introducing shift work on certain workstations at the Gray production site, by adapting its control rooms and by rolling out its training plan.

In the first half of 2020, Crossject also continued its drive for excellence in terms of quality by embarking on the ISO 13485 certification procedure. ISO 13485 lays down the requirements of a quality management system (QMS) for an organisation supplying medical devices. The certifying body has been selected and the audit dates have been set.

Opening of a subsidiary in the United States: recruitment of a VP US Business

Crossject's American subsidiary, Crossject USA Inc., created in May, is now active. Its objective is to strengthen Crossject's operations in the United States so as to promote and support its commercial development there, both through new commercial partnerships and through targeted presence with pharmaceutical companies, institutions, and doctors' or patients' associations in the US.

Don Zinn joined the subsidiary as Vice President US Business at the beginning of September. Don brings 25 years of experience in building biotech, pharmaceutical and medical device companies from benchtop to the marketplace. He has been in charge of business strategies, fundraising and the execution of multiple deals.

Most recently, Don was the US Head of Innovation for Rentschler Biopharma. He also volunteers as a mentor for the University of Michigan Coulter Translational Research Partnership, the Western Michigan Medical School Innovation Center and the National Institutes of Health (NIH). Don was consulting with the Crossject business development team for several months before joining the company.

Financial information for the six months to 30 June 2020: good control of expenditure against the specific backdrop of the health crisis

Income statement as of 30 June 2020

€ thousand, as of 30 June	2020	2019
Operating income	**2,086**	**1,878**
Of which revenue		500
Operating expenses	**(7,719)**	**(7,551)**
Other purchases and external expenses	(2,690)	(3,206)
Personnel expenses	(2,816)	(2,196)
Taxes and duties	(105)	(58)
Depreciation, amortisation and provisions	(2,108)	(2,091)
Operating profit/(loss)	**(5,632)**	**(5,673)**
Financial income/(expense)	(181)	6
Exceptional income/(expense)	(9)	39
Income tax	565	675
Net profit/(loss)	**(5,258)**	**(4,953)**

The financial statements for six months to 30 June 2020 were approved by the Management Board and presented to the Supervisory Board on 16 September 2020. They are unaudited.

In an adverse environment, Crossject's operating loss for the six months to end-June 2020 was stable compared with the first half of 2019 at €5.6 million. It benefited from both the increase in operating income and cost control.

Operating income totalled €2.1 million in the first half of 2020, an increase of 11.07%. The increase is attributable on the one hand to the increase in capitalised production (+€0.5 million), reflecting the pursuit of R&D activities and the structuring of the industrial process, and on the other hand to the impact of the temporary layoff (furlough) mechanism in the positive amount of €0.1 million.

Operating expenses show a controlled increase to €7.7 million, compared with €7.5 million in the six months to 30 June 2019, while the company continues to develop and structure. The decline in Other purchases and external expenses reflecting services not used during the months of lockdown (external service providers, maintenance of premises) was partly erased by the increase in headcount. In the first half of 2020, Crossject continued its recruitment drive, chiefly for production and technical development functions, but also in finance, in line with the company's stage of development. Crossject had 88 employees as of 30 June 2020, compared with 72 as of 30 June 2019.

After taking into account the €0.2 million deterioration in net financial expense due to the effect of the financing contracted last October, the net loss was relatively stable at €5.2 million (€4.9 million as of 30 June 2019).

As of 30 June 2020, Crossject had cash and cash equivalents of €7.3 million, compared with €7.9 million as of 31 December 2019. During the first half, the company benefited from a €4 million government-guaranteed loan, which strengthened its financial position in the context of its development (cash flow from operations of negative €3.3 million) and investments in the industrial process (€2.4 million used in investing activities).

In September 2020, Crossject received a refund of €0.2 million representing the 2017 research tax credit.

Crossject anticipates additional cash inflows by the end of 2020 and in early 2021 in the form of aid under new contracts and commercial income from existing or new licensing agreements. The company is also continuing its efforts to strengthen its financing over the long term, favouring non-dilutive solutions.

Outlook

Crossject is currently focusing the development of its portfolio primarily on ZENEO® Midazolam and ZENEO® Adrenaline. The clinical batches of ZENEO® Midazolam will soon be finalised, allowing the launch of the clinical study. This will be followed by the production of validation batches, the final steps in the preparation of the MA dossier. At the same time, the company is continuing to develop the other drugs in its portfolio, which it will prioritise in line with market opportunities.

While the company has to date been able to continue pursuing its key developments despite the health crisis, the persisting uncertainties make it impossible to comment on the timing of MA filings.

In any event, supported by expressions of commercial interest already under contract or under negotiation, and driven by the intensification of its presence in the United States, Crossject aims to sign licensing agreements with upfront payments in the near future.

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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.

Translation for information purposes only. In case of discrepancy between the French and English versions of this press release, only the French version should be deemed valid.

Appendix: Financial statements for the six months to 30 June 2020

Income statement (in €k)	30/06/2020	30/06/2019	Change
Revenue	0	500	-500
Stored production	37	-234	271
Capitalised production	1,756	1,395	361
Operating subsidies	30	182	-152
Reversals of depreciation, amortisation and provisions, transfer of expenses	263	35	228
Other income	0	0	0
Total operating income	***2,086***	***1,878***	***208***
Other purchases and external expenses	-2,690	-3,206	516
Taxes, duties and similar payments	-105	-58	-46
Personnel expenses	-2,816	-2,196	-620
Depreciation and amortisation of fixed assets	-2,041	-1,803	-238
Other provisions	-67	-288	221
Other expenses	0	-1	1
Total operating expenses	***-7,719***	***-7,551***	***-167***
Operating profit/(loss)	**-5,632**	**-5,673**	**41**
Financial income/(expense)	-181	6	-188
Exceptional income/(expense)	-9	39	-48
Income tax	565	675	-110
Net profit/(loss)	**-5,258**	**-4,953**	**-305**

BALANCE SHEET – ASSETS (in €k)	30/06/2020	31/12/2019	Change
FIXED ASSETS			
Research and development expenses	6,128	6,220	-92
Concessions, patents, trademarks and similar rights	7	0	7
Other intangible assets	28	33	-5
Land	75	75	0
Property, plant and equipment	5,334	5,702	-368
Fixed assets under construction	966	0	966
Financial assets	548	491	57
TOTAL ASSETS	**13,086**	**12,521**	**565**
CURRENT ASSETS			
Work in process	1,448	1,454	-6
State – receivables	1,708	2,090	-382
Investment securities	122	103	19
Available cash	7,146	7,802	-656
Prepaid expenses	78	324	-246
TOTAL CURRENT ASSETS	**10,502**	**11,773**	**-1,271**
Deferred expenses	213	201	12
TOTAL ASSETS	**23,801**	**24,495**	**-694**

BALANCE SHEET – LIABILITIES (in €k)	30/06/2020	31/12/2019	Change
SHAREHOLDERS' EQUITY			
Capital	2,388	2,020	368
Share premium	7,212	1,880	5,332
Regulated reserve		6,288	-6,288
Retained earnings	-886		-886
Profit/(loss) for the year	-5,258	-7,174	1,916
TOTAL SHAREHOLDERS' EQUITY	**3,456**	**3,014**	**442**
Conditional advances	5,739	5,739	0
Provisions for contingencies and charges	205	182	23
BORROWINGS AND DEBT			0
Bonds	18	5,799	-5,781
Loans	6,052	2,100	3,952
Miscellaneous	2,600	2,600	0
Debts – Trade payables	2,002	1,914	88
Tax and social security liabilities	1,172	633	539
Debts on fixed assets	2,557	2,514	43
TOTAL DEBT	**14,401**	**15,560**	**-1,159**
TOTAL LIABILITIES	**23,801**	**24,495**	**-694**

STATEMENT OF CASH FLOWS (in €k)	30/06/2020	31/12/2019
Net profit/(loss)	**-5,259**	**-7,174**
Depreciation, amortisation and provisions	1,969	3,631
Other income and expenses calculated	-18	-272
Cash flow from operations	-3,308	-3,815
Change in working capital requirements	1,214	-1,695
(1) Net cash generated by (used in) operating activities	**-2,094**	**-5,510**
Acquisition of fixed assets	-2,449	-4,401
Debts on fixed assets	34	-100
(2) Net cash generated by (used in) investing activities	**-2,415**	**-4,501**
Redemption of convertible bonds	-80	
Bonds		5,378
Exercise of warrants		3,155
Subscription of borrowings	4,000	3,700
Repayment of borrowings	-47	
Repayable advances		543
(3) Net cash generated by (used in) financing activities	**3,873**	**7,398**

Change in cash and cash equivalents (1)+(2)+(3)	**-636**	**3,087**
Opening cash position	**7,905**	**4,819**
Closing cash position	**7,269**	**7,906**