

First-half 2019 results and business update

- Significant progress during the half-year
- Signing of a marketing agreement and continuation of commercial negotiations
- Confirmation of the objective of the first MA¹ filings in 2020

Dijon, 9 September 2019

CROSSJECT (ISIN: FR0011716265; Ticker: ALCJ), a specialty pharma company that is developing and will soon be marketing a portfolio of drugs for use in emergency situations, announces its results for the first half of 2019 and issues a business update.

Patrick Alexandre, CEO of Crossject, said: *"The first half was marked by several important announcements. The signing of the marketing agreement on ZENEO® Midazolam with Desitin Pharma, Germany's leading player in epilepsy, reflects Crossject's ability to attract major partners. The pertinence of our Quality strategy has been confirmed by the granting of the pharmaceutical establishment status at the beginning of the year, followed by the results of a "mock" audit in view of ISO 13485 certification. Crossject is actively pursuing the process of producing clinical batches and negotiating commercial agreements to achieve our goals for 2019."*

Update on activity since the start of 2019

Since the beginning of 2019, Crossject has made significant progress, the signing of a marketing agreement with Desitin on ZENEO® Midazolam in Germany, which generated €500 thousand in revenue during the half-year. This came following two other announcements early in the year: the receipt of pharmaceutical establishment status on 29 January and the agreement on €1.1 million in funding from Bpifrance and the Bourgogne-Franche-Comté regional authority.

As announced in our press release dated 3 September, the summer period saw a wealth of progress for Crossject. The company:

¹ MA: Marketing authorisation

- pursued its investment policy aimed at increasing its production capacity, including the automation of a tube washing operation;
- continued the production of clinical batches with some positive results;
- received the results of a “mock” audit permitting it to embark on a process of ISO 13485 certification;
- continued discussions with the FDA² on the development of ZENEO® Naloxone, an rescue treatment against opioid overdose.

Crossject also confirms its objective of filing its first MA dossiers in the United States and Europe in 2020, in priority for ZENEO® Naloxone, ZENEO® Midazolam and ZENEO® Adrenaline.

The development strategy for ZENEO® Midazolam for the United States is being pursued.

Crossject is continuing active commercial negotiations on the key indications and geographies. The company has received spontaneous expressions of interest. The latest progress – such as the gain of pharmaceutical establishment status, investments in industrial facilities and the quality of the batches produced – give Crossject added credibility in the due diligence required by prospects.

Financial information as of 30 June 2019

Income statement as of 30 June 2019

€ thousand, as of 30 June	2019	2018
Operating income	1,844	2,840
Of which revenue	500	0
Operating expenses	(7,517)	(8,177)
Other purchases and external expenses	(3,206)	(4,090)
Personnel expenses	(2,162)	(1,991)
Taxes and duties	(58)	(32)
Depreciation, amortisation and provisions	(2,091)	(2,064)
Operating profit/(loss)	(5,673)	(5,337)
Financial income/(expense)	6	(252)
Exceptional income/(expense)	39	(3)
Income tax	675	848
Net profit/(loss)	(4,953)	(4,744)

The financial statements for six months to 30 June 2019 were approved by the Management Board on 4 September 2019 and presented at the Supervisory Board meeting of 5 September 2019. They are unaudited.

² FDA: Food and Drug Administration, the US regulatory authority



In the six months to 30 June 2019, Crossject recorded a revenue of €500 thousand related to the first upfront provided for by the marketing agreement with Desitin. The company reduced its production rates pending the completion of tests prior to the production of clinical batches. This explains the reduction in operating income despite the revenue recorded during the half-year. Operating income totalled €1.8 million, compared with €2.8 million in the first half of 2018.

Operating expenses were down at €7.5 million over the half-year, compared with €8.2 million in the first half of 2018, reflecting good control of external expenses in the context of recruitments needed for pre-marketing ramp-up. Other charges and external expenses were accordingly down more than 20%, in line with control of inventory and reduced use of external personnel.

In light of these elements, the result of operations of the first half of 2019 was a loss of €5.7 million, and a net loss of €5.0 million (vs loss of €4.7 million in the first half of 2018).

Cash flow was a negative €3 million.

Crossject had cash and cash equivalents of €1.5 million as of 30 June 2019, compared with €0.8 million as of 30 June 2018. The company has received additional cash contributions in the amount of €1.6 million since 30 June, resulting mainly from the exercise of warrants (€1.0 million). The company is anticipating additional financing of approximately €4 million over the coming 12 months from subsidies, advances and milestone payments provided for in the agreement with Desitin, plus potential revenue from new commercial agreements, the exercise of the warrants issued last July, and aid and subsidies currently under discussion. The company is still considering other funding, prioritising non-dilutive solutions.

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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.

Appendix: Financial statements for the six months to 30 June 2019

Income statement (in €k)	Jun-19	Jun-18	Change
Revenue	500		500
Stored production	-233	688	-921
Capitalised production	1,395	1,623	-228
Operating subsidies	182	262	-80
Reversals of depreciation, amortisation and provisions, transfer of expenses		267	-267
Total operating income	1,844	2,840	-996
Other purchases and external expenses	3,206	4,090	-884
Taxes, duties and similar payments	58	32	26
Personnel expenses	2,162	1,991	171
Depreciation, amortisation and provisions	2091	2064	27
Total operating expenses	7,517	8,177	-660
OPERATING PROFIT/(LOSS)	-5,673	-5,337	-336
FINANCIAL INCOME/(EXPENSE)	6	-252	258
EXCEPTIONAL INCOME/(EXPENSE)	39	-3	42
Income taxes	675	848	-173
NET PROFIT/(LOSS)	-4,953	-4,744	-209



Balance sheet – Assets	30-Jun-19			Dec-18	Change
	Gross	Depreciation	Net		
Fixed assets					
Research and development	13,505	8,493	5,012	4,615	397
Concessions, patents, similar rights	20,429	20,429	0	0	0
Other intangible assets	167	136	31	36	-5
Land	75		75	75	0
Buildings	3,699	460	3,239	3,326	-87
Industrial plant, machinery and equipment	6,316	3,824	2,492	2,577	-85
Other property, plant and equipment	726	369	357	363	-6
Assets under construction			0	0	0
Other equity investments	100		100	100	0
Other long-term investments	1,562	1,269	293	180	113
Other financial assets	55		55	55	0
Sub-total	46,634	34,980	11,654	11,327	327
Current assets					
Inventories	1613	591	1,022	1,523	-501
Advances and prepayments on orders	136		136	160	-24
Other receivables	2,259		2,259	2,330	-71
Investment securities	100		100	59	41
Available cash	1,372		1,372	4,760	-3,388
Sub-total	5,480	591	4,889	8,832	-3,943
Total	52,114	35,571	16,543	20,159	-3,616

Balance sheet – Liabilities (in €k)	Jun-19	Dec-18	Change
Shareholders' equity			
Share capital	18,447	13,603	4,844
Share, merger, contribution premiums, etc.	1,430	1,895	-465
Other reserves	0	0	0
Retained earnings	-12,845	-3,132	-9,713
Profit/(loss) for the year	-4,954	-10,711	5,757
Sub-total	2,078	1,655	423
Conditional advances			
	5,195	3,747	1,448
Provisions for contingencies and charges			
Provisions for contingencies	0	0	0
Provisions for charges	145	125	20
Sub-total	145	125	20
Borrowings and debt			
Bonds	98	5,475	-5,377
Bank loans and debts	2,100	1,000	1,100
Advances and down-payments received on orders in progress	1,000	1,000	0
Trade and other payables	2,665	2,628	37
Tax and social security payments	744	645	99
Debts on fixed assets	2,514	2,514	0
Other liabilities	4	3	1
Sub-total	9,125	13,265	-4,140
Total	16,543	18,792	-2,249

Cash flow statement (in €k)		
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	30/06/2019	31/12/2018
Net profit/(loss)	-4,953.00	-10,712.00
Depreciation, amortisation and provisions	1,977.00	3,838.00
Capital gains on disposal, net of tax		
Other comprehensive income and expenses		-120.00
Cancellation of exceptional income on cancellation of debt		
Cash flow from operations	-2,982.00	-6,994.00
Change in working capital requirements	377.00	-1,023.00
(1) Net cash generated by (used in) operating activities	-2,605.00	-8,017.00
Acquisition of fixed assets	-1,742.00	-3,273.00
Disposal of fixed assets, net of tax		
(2) Net cash generated by (used in) investing activities	-1,742.00	-3,273.00
Capital increase	4,844.00	3,461.00
Share premium	533.00	544.00
Bond	-5,377.00	7,750.00
Borrowings	1,100.00	
Commercial paper		
Debts on fixed assets	-100.00	100.00
Repayable advances		1,448.00
(3) Net cash generated by (used in) financing activities	1,000.00	13,303.00
Change in cash and cash equivalents (1)+(2)+(3)	-3,347.00	2,013.00
Opening cash position	4,819.00	2,806.00
Closing cash position	1,472.00	4,819.00