



PRESS RELEASE

Dijon, February 27, 2024 at 8:30am

Crossject obtains a financing up to €12 million, in two tranches, from an entity managed by Heights Capital Management, in issued bonds convertible in new shares, with a conversion premium of 35%¹, or repayable (in cash and/or stocks, according to the company's options) over 36 months at a rate of 7%².

CROSSJECT (ISIN: FR0011716265; Stock symbol: ALCJ), a specialty pharma company developing needle-free auto-injectors for emergency situations, , announces today the issue, waiving preferential subscription rights and reserved for a category of investors³ of 70 amortizable bonds convertible into new stock with a nominal value of €100,000, for an amount of €7 million following the 13th extraordinary resolution of the Combined General Meeting of June 7, 2023 and the decision taken on February 26, 2024 by a member of the Executive Board acting within the sub-delegation granted by the Executive Board meeting on February 23, 2024 with authorization by the Supervisory Board on January 29, 2024 ("Issue").

"We are proud to have raised this new capital from an entity managed by Heights Capital Management, Inc. ("Heights"), an institutional investor specialized in financing growing companies. It is a sign of confidence in our industrial and market progress, particularly in North America⁴.

These funds are in addition to the current funding by BARDA (for \$6.7 million invoiced over 2023 out of a maximum overall budget of \$32 million), under contract 75A50122C00031, for the advanced development of its ZENEO-midazolam autoinjector (proposed name ZEPIZURE®) through approval by the United States Food and Drug Administration (FDA) for the treatment of status epilepticus seizures. The contract also includes future prospects for the supply of \$60 million worth of ZEPIZURE®, which will be delivered to the United States Government, once the product has been granted Emergency Use Authorization by the FDA.

The form taken by the financing granted by Heights meets our primary objective of having solutions with cash repayment over time and limited dilution.

This maximum financing of €12 million is in addition to other non-dilutive financing recently secured real estate sale and leaseback transaction for about €5 million, pre-financing of the 2023 Research Tax Credit for €1.5 million out of €3 million, etc.) and commercial revenues related to new or existing partnerships.'

said **Patrick Alexandre, CEO of Crossject.**

¹ Based on the lowest volume-weighted average daily price of the Company's stocks over the last five (5) trading days prior the issuance of each tranche of bonds.

² The closing of the transaction will take place on Wednesday, February 28, 2024, subject to the satisfaction of usual conditions.

³ Natural or legal persons (including companies), investment firms, trusts, investment funds or other investment vehicles of any kind, governed by French or foreign law, that invest or have invested on a regular basis in the pharmaceutical, biotechnology, medical or innovative technologies sector

⁴ See the press release from 6 February, 2024

CROSSJECT STOCK CODES

Crossject stocks have been listed on Euronext Growth Paris since February 28th, 2014.

- ISIN: FR0011716265
- Stock symbol: ALCJ
- Reuters code: ALCJ.PA
- Bloomberg code: ALCJ.FP
- LEI: 969500W1VTFNL2D85A65
- Listing type: continuous
- Indexes (stock market): EnterNext© PEA-PME 150, Euronext Growth BPI France Innovation, Euronext Growth Allshare
- Number of securities outstanding: 36,763,256 on January 31st, 2024

STRUCTURE OF THE OPERATION

Funding from Heights may reach up to €12 million in two tranches: The **Initial Investment** or **First Tranche** of €7 million may be supplemented by a **Second Tranche** of a maximum amount of €5 million on Crossject's initiative and subject to compliance with certain conditions.

The issuance covered herein does not give rise to a Prospectus submitted for AMF approval.

Characteristics specific to the First Tranche

- Issuance, with cancellation of the Preferential Subscription Right, to a category of persons as defined by the General Meeting for the benefit of Heights (**the "Investor"**) of 70 Convertible Bonds with a nominal value of 100,000 euros;
- Subscription by the Investor of the 70 **convertible bonds** for 90% of their nominal value, i.e. 6.3 million euros (90,000 euros per bond).
- Payment and delivery on February 28, 2024 subject to the satisfaction of usual conditions
- The number of new stocks that may be issued under the **convertible bonds** is between 1,359,434 and 7,816,666⁵:
 - 1,359,434 stocks maximum, in the event of conversion of all 70 **convertible bonds** by the Investor at the conversion price of 5.1492 euros, set at 135% of the initial reference price of 3.8142 euros (which is subject to adjustment), and
 - 2,383,420 stocks maximum, if the Company opts for the amortization of the 70 **convertible bonds** in new stocks (to the current floor price of 3.2796 euros within the Investor's holding limit of 9.99% of the Company's capital stock), and
 - 7,816,666 stocks maximum, if the Company opts for the amortization of the 70 **convertible bonds** in new stocks (to the current floor price of €1 within the Investor's holding limit of 9.99% of the Company's capital stock).

Characteristics specific to the Second Tranche

Crossject has the right (and not the obligation) to request the total or partial drawdown of the **Second Tranche** for twelve (12) months from June 28, 2024 (i.e. from the due date of the first repayment of Tranche 1), provided the following conditions are met:

⁵ cf. chapter "Impact of the issuance on stockholders currently holding 1% of crossject capital stock"

1. A Crossject General Meeting must have approved the issue of Tranche 2 of **convertible bonds**;
2. Crossject must have received authorization from the US Food and Drug Administration (FDA) to deliver the first units of ZEPIZURE[®] to the Strategic National Stockpile under the contract between Crossject and BARDA;
3. the aggregate principal amount of the **Second Tranche** issued shall not exceed 10% of the Crossject's market capitalization as of the date each of conditions (i) and (ii) above are satisfied.

Characteristics common to the First and Second Tranches

Maturity

Each tranche will mature after three (3) years from issue date.

Amortization and main features

For each tranche, the amortization schedule of the **convertible bonds** is provided for at the rate of seventeen (17) equal payments every two (2) months, from the 4th month following the date of issue, payable according to the company's options:

- in cash for an amount equal to 102% of the amount due,
- in new ordinary stocks issued, the value of which is equal to 85% of the **Market Value** of the stocks (corresponding to the lowest daily Volume-Weighted Average Price for the stocks comprised in the Market Price Observation Period in respect of such market price relevant date, where "Market Price Observation Period" means, in respect of any market price relevant date (a) (if such market price relevant date is a trading day) the period of six (6) consecutive trading days ending on (and including) such market price relevant date or (b) (if such market price relevant date is not Trading Day) the period of five (5) consecutive trading days ending on (and including) the trading day immediately preceding such market price relevant date) within the limit of the applicable floor price⁶.

If Crossject decides to repay in shares and the stock price of the instalment payment is inferior to the floor price, Crossject will deliver a number of shares calculated on the basis of the floor price and pay the difference in cash (calculated on the basis of the stock price the day before the date of the settlement amortization).

The share of amortized stock decided by Crossject may not require the Investor to hold more than 9.99% of Crossject's capital stock (including accrued interest paid in stocks).

If the Company pays the last amortization schedule installment in stocks, the Investor may ask for the repayment of up to two amortization schedule installments to be brought forward under certain conditions. Subject to the Company's consent, he also has the right to request the deferral of payment of an early amortization installment.

In the event of a customary default by the Company or a change of control, the Investor has the right to request early redemption of the convertible bonds⁷. The same right is granted to the Investor if the resolution linked to the new floor price does not pass in an next Extraordinary Assembly (see *Infra*).

⁶ Minimum price equal to 3.2796 euros, pursuant to the delegation granted by the 13th extraordinary resolution of the Combined General Meeting of June 7th 2023. The Company has undertaken to submit a resolution to its next General Meeting of Stockholders to amend the price limit for the issue of new stocks in connection with the amortization of the convertible bonds to one (1) euro per stock,

⁷ At an amount equal to the greater of (i) 120% of the outstanding principal amount of the convertible bonds together with accrued but unpaid interest and (ii) the greater of (A) the product of (x) the Market Price on the date and (y) such number of shares per bond as would have been required to be issued and delivered in respect of such bond had the conversion right been exercised in respect thereof and (B) the product of (x) the outstanding principal amount of each bond and (y) Parity (fraction having as numerator the Market Price on this date and for denominator 85% of the Market Price on the date of the last instalment payment), it being specified that in case of change of control, the company may return new shares.

Interest

The ***convertible bonds*** bear interest at a rate of seven (7)% per annum.

Accrued interest will be paid at the same time as amortization and payable according to the Company's options:

- cash,
- issuance of new common stock, for the value equal to the stock issue price under the applicable amortization schedule.

Conversion to stocks

The convertible bonds may be converted into new common stock of the Company exclusively on the bonds holder's initiative at any time after issue.

The ***convertible bonds***' conversion price equals 135% of the Market Value when each tranche is issued.

For the ***First Tranche***, the ***convertible bonds*** may be converted into new ordinary stocks of the Company at an initial ratio of 19,420.4925 stocks per ***convertible bond***, i.e. a conversion price of 5.1492 euros per ordinary stock, which may be adjusted in accordance with the terms and conditions of the ***convertible bonds*** within the limit of the applicable floor price. The conversion price of the ***convertible bonds*** may be adjusted in the event of the occurrence of certain events as details in the terms and conditions of the ***convertible bonds***.

Crossject will publish the number of new stocks issued under the terms of the ***convertible bonds*** on its website regularly.

Any new stocks issued on conversion of the ***convertible bonds*** have immediate dividend rights. They have the same rights as the company's existing common stocks and will be listed on the Euronext Growth Paris market on the same listing line (FR0011716265).

Admission to a stock exchange:

There shall be no request for admission of the ***convertible bonds*** to any financial market when they are issued. The convertible bonds will only be transferable subject to Crossject's agreement (except for the transfer to an affiliated member of the Investor).

Use of proceeds

The aim of the proceeds is to enable Crossject to ramp up industrial and commercial development of its ZENEO technology.

DECLARATION ON WORKING CAPITAL

Taking into account the net proceeds from the issue of the ***convertible bonds*** described in this press release, the option on the Second Tranche, other non-dilutive financing planned (grants, repayable advances, etc.), ongoing contracts and its available cash, the Company believes that its net working capital is sufficient to meet its obligations over the next 12 months, in the event that all of these elements are realized over the period.

The Company is also confident in its ability to find, if needed, the necessary financing to continue its development.

DISCLAIMER

This issuance will not give rise to a Prospectus submitted for AMF approval.

IMPACT OF THE ISSUANCE ON STOCKHOLDERS CURRENTLY HOLDING 1% OF CROSSJECT CAPITAL STOCK

For information purposes, the impact of the capital increase on stockholders holding 1% of Crossject's capital stock prior to conversion of the *convertible bonds* and/or amortization of the latter in new stocks, depending on the assumptions described below, would be as follows:

Stockholder investment in %	First tranche		First Tranche + Second Tranche	
	Undiluted Basis	Diluted Basis*	Undiluted Basis	Diluted Basis*
Before issuance of new stocks	1,0000%	1,0000%	1,0000%	1,0000%
Before issuance of new stocks – Case 1	0,9643%	0,9654%	0,9404%	0,9421%
Before issuance of new stocks – Case 2	0,9391%	0,9409%	0,9000%	0,9028%
Before issuance of new stocks – Case 3	0,8247%	0,8292%	0,7329%	0,7390%

* On January 31st 2024, there were dilutive instruments in circulation that could theoretically give entitlement to a maximum of 1,181,100 new stocks.

Assumptions	Details
Common elements	<ul style="list-style-type: none">- Calculated on the basis of the number of stocks making up the Company's capital stock on January 31st 2024, i.e. 36,763,256- Conversion price of the Second Tranche of Convertible Bonds identical to that of the First Tranche, i.e. 5.1492 euros- The Investor never hold more than 9.99% of Crossject's capital stock- there is no adjustment.
CASE 1	In the event of conversion of all the bonds at the conversion price of 5.1492 euros, then the issuance of 1,359,434 new shares for the First Tranche and 971,024 for the Second Tranche. The Company chooses to redeem all the bonds in cash.
CASE 2	The Investor chooses not to convert any bonds into stocks. The Company chooses to redeem all the bonds in stocks at the current floor price of 3.2796 euros, then the issuance of 2,383,420 new shares for the First Tranche and 1,702,443 for the Second Tranche.
CASE 3	The Investor chooses not to convert any bonds into stocks. The Company chooses to redeem all the bonds in stocks at the new floor price of 1 euro, then the issuance of 7,816,666 new shares for the First Tranche and 5,583,333 for the Second Tranche.

RISK FACTORS

Risks related to financing obtained in the form of convertible bonds

Crossject has set up a financing arrangement with convertible bonds purchased by Heights and, once it has received the stocks resulting from the conversion or exercise of these instruments, does not intend to remain a stockholder in the company.

Stocks resulting from the conversion or exercise of the securities mentioned above will generally be sold on the market very quickly, which can create strong downward pressure on the stock price.

Stockholders may suffer a loss of their invested capital due to a significant decrease in the company's stock value and significant dilution due to the large number of securities issued to Heights.

Investors are advised to exercise extreme caution before deciding to invest in a listed company's securities that carry out such dilutive financing transactions, particularly when carried out successively.

Crossject would like to point out that this is not its first financing transaction with a dilutive impact.

In addition, the financing agreement concluded with **the Investor** includes repayment clauses:

(1) In the event of a default or change of control (cf. above)

(2) Crossject has undertaken to submit a resolution to a vote at its next General Meeting (which must be held no later than June 31st 2024, or, failing that, September 30th 2024) in order to remove the floor price to 1 euro.

Failing this, the Investor shall be entitled to require Crossject to repurchase all or part of the stocks held by it ("**Investor Put Option**") at a price equal to the greater of the following amounts: (i) 102% of the principal amount outstanding and (ii) 120% of parity.

This put option will be exercisable within 30 days from the date of the announcement of the votes of the second general meeting.

General risks

Investors are invited to take into consideration the risk factors described in the 2022 annual report (and the entirety of this report) and in the 2023 half-yearly report (available on the Company's website: www.crossject.com).



Crossject (ISIN: FR0011716265; Stock symbol: ALCJ (Euronext:LEI; www.crossject.com) is developing and will soon market a portfolio of drugs for use in emergency situations: epilepsy, overdose, allergic shock, severe migraine, and asthma attack. Thanks to its patented needle-free auto-injector, Crossject aims to become the world leader in self-administered emergency drugs. The company has been listed on the Euronext Growth Paris market since 2014, and receives financing, including from the American BARDA (Biomedical Advanced Research and Development Authority) and Bpifrance.

FINANCIAL INTERMEDIARIES AND ADVICE

Company's
Legal Counsel
D'hoir Beaufre Associés^{dba}
Société d'avocats

Company
Financial Advisor
 CHAMPEIL
ENTREPRISE D'INVESTISSEMENT

Financial
Communication
**COHESION
BUREAU**