

FINANCING PLAN

RAISING €11.4M AHEAD OF THE BARDA DECISION

After the closing bell on Wednesday, the company announced plans to raise a total of €11.4m including €7.5m through a convertible bond issue and €3.9m through the free allocation of equity warrants. The transaction gives Crossject more leeway at a time when visibility on its finances is very poor. The company will use the funds raised to pursue its clinical developments and shore up its production capacity. We have factored this transaction and the resulting dilution into our estimates. Our updated model lowers our TP to €4.1€ (from €4.3), and we are reiterating our BUY rating given the company's stronger financial situation and the anticipated BARDA decision.

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New €11.4m financing plan

After the market closed on Wednesday, the company unveiled a plan to raise €11.4m, building on similar previous efforts. It had raised €12m in December 2020 including by issuing €10.4m of convertible bonds to cover its financing needs in 2021. This week's €7.5m CB issue was subscribed by the same investors as in prior years, including Gemmes Venture for €1.5m. The CBs were issued at a price equal to 92% of their nominal value. They will not bear interest, and will mature on December 31 2024. The conversion price will be the equal to the lesser of €3.30 and 92% of the VWAP of the Crossject share preceding the conversion notification. Based on the latest price, dilution from the issue is estimated at 10% on a non-diluted basis.

At the same time, as it did in July 2019, Crossject announced the free allocation of equity warrants. It issued a total of 25,987.474 warrants that can be exercised between 12/01/22 and 30/06/22. The exercise of 20 warrants will give the right to subscribe one new share, putting the maximum number of new shares at 1.3m at a unit price of €3.0, potentially bringing in €3.9m.

A necessary plan since visibility on finances was limited

It should be recalled that Crossject ended June 2021 with €9.2m of cash and cash equivalents, meaning its runway only extended to the end of 2021/early 2022 by our calculations. It thus had very little leeway. The funds raised will allow the company to pursue its clinical developments and shore up its production capacity. According to our model, it could be the last time it needs to raise funds, if we assume deals for ZENEO® Adrenaline and Midazolam as well as the first sales of ZENEO® Midazolam resulting from the BARDA request for proposals.

TP revised down to €4.1 (vs €4.3), BUY reiterated ahead of the BARDA decision

After factoring this financing plan and the dilutive impact into our model, our TP automatically moves down to €4.1 (from €4.3). We are sticking to our BUY rating now that the company's financial situation has improved and given the possibility that it will be selected by BARDA to develop a Midazolam auto-injector to replace the diazepam auto-injectors in the CHEMPACK strategic national stockpile. We do not know when BARDA will award the contract, but a win would be a formidable catalyst for Crossject. This request for proposals is partially integrated into our model, which assumes the sale of 440k doses between 2022 and 2024 (vs. 776k planned).

en € / action	2021e	2022e	2023e
BNA dilué	-0,34	-0,02	1,13
var. 1 an	n.s.	n.s.	n.s.
Révisions	n.s.	n.s.	n.s.

au 31/12	2021e	2022e	2023e
PE	n.s.	n.s.	2,4x
VE/CA	36,6x	4,6x	0,8x
VE/EBITDA ajusté	n.s.	19,7x	1,1x
VE/EBITA ajusté	n.s.	389,7x	1,2x
FCF yield*	n.s.	n.s.	58,2%
Rendement	n.s.	n.s.	n.s.

* FCF opérationnel fiscalisé avant BFR rapporté à la VE

Informations clés			
Cours de clôture du	15/12/2021		2,8
Nb d'actions (m)			26,0
Capitalisation (m€)			72
Capi. flottante (m€)			52
ISIN			FR0011716265
Ticker			ALCJ-FR
Secteur DJ			Health Technology

	1m	3m	Dp 31/12
Variation absolue	-10,0%	-15,9%	-10,0%
Variation relative	-4,0%	-14,4%	-19,3%

Source : Factset, estimations Invest Securities

FINANCIAL DATA

Données par action	2016	2017	2018	2019	2020	2021e	2022e	2023e
BNA publié	-0,91	-1,04	-1,47	-0,32	-0,41	-0,41	-0,02	1,13
BNA corrigé dilué	-0,78	-0,79	-0,56	-0,29	-0,38	-0,34	-0,02	1,13
Ecart /consensus	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Dividende	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Ratios valorisation	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	2,4x
VE/CA	n.s.	n.s.	n.s.	155,38x	4267,52x	36,61x	4,63x	0,76x
VE/EBITDA ajusté	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	19,7x	1,1x
VE/EBITA ajusté	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	389,7x	1,2x
FCF yield op. avt BFR	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	58,2%
FCF yield opérationnel	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	34,6%
Rendement	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.

NB : les ratios sont calculés sur le cours moyen annuel pour les exercices terminés

Valeur d'Entreprise (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cours en €	7,6	5,1	3,2	1,9	2,8	2,8	2,8	2,8
Capitalisation	55,6	71,7	71,7	71,7	71,7	71,7	71,7	71,7
Dette Nette	3,1	5,3	4,1	5,8	12,8	12,9	13,6	-7,5
Valeur des minoritaires	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions/ quasi-dettes	0,1	0,1	0,1	0,2	0,8	0,8	0,8	0,8
+/-corrections	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Valeur d'Entreprise (VE)	58,7	77,1	75,9	77,7	85,4	85,4	86,2	65,1

Compte résultat (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
CA	0,0	0,0	0,0	0,5	0,0	2,3	18,6	86,0
var.	n.s.	n.s.	n.s.	n.s.	-96,0%	+11566,7%	+697,8%	+361,8%
EBITDA ajusté	-5,8	-6,6	-7,7	-5,0	-5,8	-6,3	4,4	61,5
EBITA ajusté	-7,3	-8,6	-11,6	-8,6	-10,7	-11,1	0,2	56,4
var.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
EBIT	-6,7	-8,9	-11,6	-8,6	-11,2	-11,1	0,2	56,4
Résultat financier	-1,1	0,2	-0,7	0,1	-0,3	-0,3	-0,4	-0,4
IS	1,1	1,1	1,6	1,3	1,6	0,9	-0,5	-19,8
SME+Minoritaires	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
RN pdg publié	-6,7	-7,6	-10,7	-7,2	-9,8	-10,6	-0,8	36,2
RN pdg corrigé	-6,7	-7,6	-10,7	-7,2	-9,8	-10,6	-0,8	36,2
var.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.

Tableau de flux (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	-5,8	-6,6	-7,7	-5,0	-5,8	-6,3	4,4	61,5
IS théorique / EBITA	0,0	0,0	0,0	0,0	0,0	0,0	-0,1	-18,8
Total capex	-6,1	-4,2	-3,3	-4,4	-6,1	-6,0	-7,4	-4,8
FCF opérationnel net IS avt BFR	-11,9	-10,8	-11,0	-9,4	-11,9	-12,3	-3,1	37,9
Variation BFR	-0,3	0,6	-1,0	-1,7	-0,5	-0,6	-0,7	-15,3
FCF opérationnel net IS après BFR	-12,2	-10,2	-12,0	-11,1	-12,4	-12,9	-3,8	22,5
Acquisitions/cessions	0,0	0,0	0,0	0,0	0,0	-0,5	0,0	0,0
Variation de capital	4,9	6,7	11,8	8,9	5,2	12,7	3,9	0,0
Dividendes versés nets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Autres dont correction IS	1,1	1,3	0,9	1,4	1,4	0,5	-0,9	-1,4
Cash-flow publié	-6,2	-2,3	0,6	-0,8	-5,7	-0,1	-0,8	21,1

Bilan (m€)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Actifs immobilisés	9,3	11,4	11,3	12,5	14,9	16,1	19,3	19,0
dont incorporels/GW	2,5	4,1	0,0	0,0	0,0	0,0	0,0	0,0
BFR	-0,3	0,6	-1,0	-1,7	-0,5	-0,6	-0,7	-15,3
Capitaux Propres groupe	6,3	6,1	1,7	3,0	-1,1	1,0	4,2	40,3
Minoritaires	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	0,1	0,1	0,1	0,2	0,8	0,8	0,8	0,8
Dette fi. nette	3,1	5,3	4,1	5,8	12,8	12,9	13,6	-7,5

Ratios financiers (%)	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA/CA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	23,6%	71,6%
EBITA/CA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	1,2%	65,6%
RN corrigé/CA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	42,1%
ROCE	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	1,2%	1533,4%
ROE corrigé	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	89,7%
DN/FP	48,6%	86,6%	244,7%	191,9%	n.s.	1284,7%	328,8%	n.s.
DN/EBITDA (en x)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	3,1x	-0,1x

Source : données sociétés, estimations Invest Securities

INVESTMENT CASE

Crossject is developing its needle-free auto-injector ZENEO® for seven different indications. We appreciate how the company has adapted its strategy to focus on emergency treatments, which speeds up the approval process in the US and increases its chances of finding licensing partners quickly. For now, visibility on the cash runway remains limited, and uncertainty remains about the timing of its marketing authorization applications. It will need to sign more licensing deals across its pipeline to fully convince investors of the potential of its ZENEO® technology for use in emergency medical situations and to improve its risk profile.

SWOT ANALYSIS

STRENGTHS

- ❑ 7 products in the pipeline
- ❑ A best-in-class technology for a market with high unmet medical needs
- ❑ Industrial partnership with Cenexi

WEAKNESSES

- ❑ Possible pricing pressure
- ❑ Competitive market environment

OPPORTUNITIES

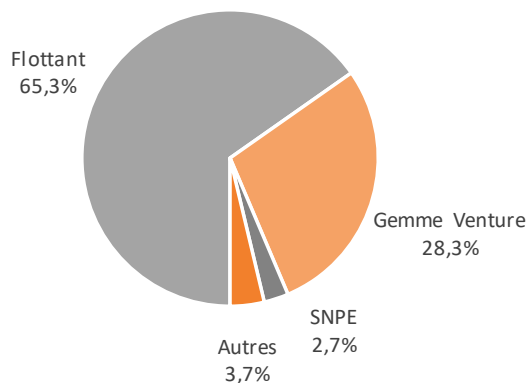
- ❑ Many potential uses for emergency treatment drugs
- ❑ Licensing agreements in the US and Europe
- ❑ Potential takeover target

THREATS

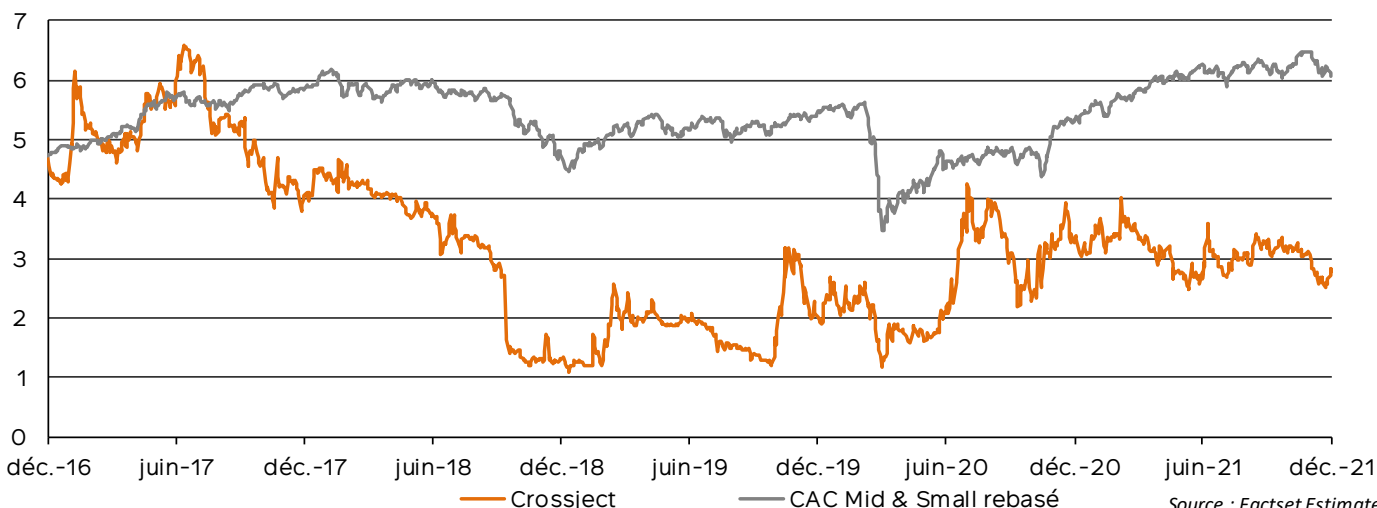
- ❑ Delays in clinical development
- ❑ Tight development timeframe

ADDITIONAL INFORMATION

Actionnariat avant opération de décembre 2021



SHARE PRICE CHANGE FOR 5 YEARS



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12-MONTH HISTORY OF OPINION

Le tableau ci-dessous reflète l'historique des changements de recommandation et d'objectif de cours réalisés par le bureau d'analyse financière d'Invest Securities au cours des 12 derniers mois.

Société couverte	Analyste principal	Date de publication	Opinion	Objectif de Cours	Potentiel vs OC
Crossject	Thibaut Voglimacci	22-sept.-21	ACHAT	4,3	+39%
Crossject	Thibaut Voglimacci	13-avr.-21	NEUTRE	3,8	+28%
Crossject	Thibaut Voglimacci	01-févr.-21	NEUTRE	3,4	+3%
Crossject	Thibaut Voglimacci	17-déc.-20	NEUTRE	3,2	-4%

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Invest Securities et l'émetteur ont signé une convention de Listing sponsor.	Non
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