



## Press release

# Crossject announces a rights issue for approximately €8 million to support the registration of ZEPIZURE® and its continued expansion in the U.S.



Issuance of New Shares for a total amount of approximately €8 million with maintenance of preferential subscription rights (« PSR ») of existing shareholders

Capital increase backed by Gemmes Venture, cornerstone investor of Crossject since its inception, through a) subscription commitment on an irreducible basis for a total amount of approximately €1.96 million (or 24.48% of the capital increase) and b) a subscription guarantee for a total amount of approximately €6 million (or 75% of the capital increase)

Subscription price of the New Shares of €1.848 euro, or a discount of 10% to the closing price on the day when terms of the operation were set by the Executive Management Board of the Company

Subscription period from 16 May 2024 to 30 May 2024

**Dijon, France, 30 april 2024 -- Crossject (ISIN: FR0011716265; Euronext: ALCJ), a specialty pharma company in advanced phases of development and registration for ZEPIZURE®**, its emergency treatment for the management of epileptic crises based on its award-winning needle-free auto-injector ZENEO®, announces the launch of a capital increase with maintenance of preferential subscription rights to existing investors (the « Offer »), for a total amount of approximately €8 million, consisting of 4,325,088 New Shares at a price per share of €1.848 euro, or a discount of 10% to the closing price of €2.050 euros on 30 April 2024.

**Patrick Alexandre, President of the Executive Management Board of Crossject, highlighted:** *“Crossject is making steady progress in the clinical and regulatory development of ZEPIZURE®, our ZENEO® Midazolam needle-free auto-injector solution for the management of epileptic crises. We now have enhanced visibility on the next steps for the U.S. regulatory pathway for ZEPIZURE® following recent constructive discussions with the FDA. Our focus today is on the preparation of the marketing authorization applications and on certain pre-commercialization steps in our U.S. subsidiary. This capital increase, which benefits from the unwavering support of Gemmes Venture and is open to all our supportive existing investors, will be critical to our efforts to move ZEPIZURE® towards approval and effective launch and commercialization. Moreover, this Offering will reinforce our equity which will materially improve our eligibility to future subsidies or other kinds of public financings in France and in Europe. We continue to estimate for ZEPIZURE® a response from the Food and Drug Administration*

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*(FDA) regarding an Emergency Use Authorization (EUA) during Q1 2025 and, in parallel, a filing of its New Drug Application (NDA) in H1 2025.”*

**Philippe Monnot, President of Gemmes Venture, added:** « *Gemmes Venture is pleased to participate in a meaningful manner in this operation, at the very time when Crossject advances toward its value creation milestones in 2025. »*

### **Objectives of the Offer**

With its ambition to directly commercialize ZEPIZURE® in the U.S., Crossject has entered into a new phase in its development as a specialty pharmaceuticals company. Crossject has been focusing on the preparation of the marketing authorization applications for ZEPIZURE® and all the steps required to bring it to market and lead its commercialization in the United States, while continuing its investments in its manufacturing facilities and of in the development of its other product candidates.

In this context, the Company intends to use a majority share of the net proceeds of this Offering primarily to finance:

- The further development of ZEPIZURE®, including the assumption of related indirect operating costs that are incurred in complement to the R&D costs reimbursed by its U.S. partner;
- The ongoing investment activities in its manufacturing facilities, the priority use of which will be to meet ZEPIZURE® development needs and initial demand.

In addition, Crossject intends to use a minority share of the net proceeds of the Offering to finance the R&D for its other projects, ZENEO® Hydrocortisone and ZENEO® Adrenaline, and to certain reimbursements to its financial creditors, as well as for general and administrative expenses purposes.

Should the Offer be limited to 75% of the emission, i.e. circa €6 million, Crossject would allocate the net proceeds to the development of ZEPIZURE®, while additional net proceeds available for other uses described above would be allocated proportionately.

The Management of the Company is confident in the success of this Offering, which will complement the convertible bond financing announced on 27 February 2024, and in its capacity to source additional non-dilutive financing alternatives, which will in total be sufficient to finance its operations until the next value creation milestones expected for ZEPIZURE® development in 2025.

### **Terms and conditions of the capital increase**

#### **Share capital before the operation**

The share capital of Crossject consists of 36,763,256 shares, fully subscribed and paid-up, with a nominal value of €0,1 per share, listed on the Euronext Growth Paris market.

#### **Description of the operation**

The fund raising proposed by Crossject is a capital increase through issuance of New Shares with maintenance of PSR.

4,325,088 New Shares will be issuable at a price of €1.848, or 2 New Shares for 17 existing shares. Under this parity ration, 17 PSR entitle a shareholder to subscribe 2 New Shares. Total gross proceeds of the operation amount to up to €7,992,762.624.

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In the case where the total subscriptions would not reach 100% of the New Shares offered, and under the article L.225-134 of the French Code du Commerce, the capital increase might be limited to the amounts of subscriptions actually received, provided however that these amounts reach 75% of the total subscriptions proposed in the Offer.

### **Governance legal considerations**

Using the delegation granted by the 11th resolution of the General Shareholders' Meeting dated 7 June 2023 and acting on authorization by the Supervisory Board, the Executive Management Board of the Company decided on 30 April 2024 to proceed with the operation and set the terms detailed in this press release.

### **Commitments and intentions of cornerstone shareholders**

Gemmes Venture, holder of shares representing 24.48% of the share capital of the Company, irrevocably committed to subscribe for a total amount of approximately €6 million, or 75% of the operation.

Gemmes Venture made the following commitments:

- (i) To subscribe, on an irrevocable basis, to a number of New Shares representing 24.48% of the New Shares offered; and,
- (ii) In the case where all the subscriptions in the operation would not reach 75% of New Shares in the proposed capital increase at the closing date of the subscription period, to subscribe to an additional number of shares to reach such 75%.

In addition, Gemmes Venture retains the right, at its sole discretion, to subscribe to a number of New Shares representing 100% of the capital increase.

No other shareholder of the Company declared their intentions in the Offer, to the knowledge of the Company.

### **New Shares**

The total number of New Shares to be issued amounts to 4,325,088 at a nominal value of €0.1, or an increase of the nominal capital of €432,508.800 complemented by an issue premium of €7,560,253.824. This number of shares was determined taking into account the current number of shares in the share capital of the Company, or 36,763,256 shares.

### **Subscription price**

The subscription price is €1.848 per share, to be fully paid-up at time of the subscription.

The subscription price represents a discount of 10% relative to the closing price of €2.050 on 30 April 2024.

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The table below illustrates the discount that the subscription price represents relative to selected reference historical prices:

Reference closing price :	Price	Discount %
2 January 2024	€4.890	-62%
All-time high in 2024 (10/01/2024)	€5.830	-68%
Volume-weighted average price over last 30 days	€2.387	-23%
Volume-weighted average price over the last 5 days	€2.049	-10%
30 April 2024	€2.050	-10%

### **Listing of the New Shares**

The New Shares are identical and fungible with existing shares. They will be admitted automatically to their listing and freely tradable on Euronext Growth Paris market. Settlement-delivery of the New Share is on 6 June 2024 as per the timetable below.

### **Subscription modalities**

#### **Subscription period**

From 16 May 2024 to 30 May 2024.

#### **Preferential subscription right (PSR)**

The subscription in New Shares is preferentially reserved to current historical investors, or to those who sell their PSR, all eligible to subscribe on an irreducible basis under the abovementioned parity of 2 New Shares for 17 PSR, without taking account of fractional shares. Those shareholders or sellers of PSR who do not hold, on an irreducible basis, enough historical shares or PSR to be able to purchase an integer number of New Shares, will be able to buy or sell PSR so as to reach an integer number of New Shares under the parity ration proposed.

Historical shareholders also have the right to subscribe on a reducible prorata basis to New Shares which will be prorated based on their usages of their PSR on an irreducible basis. Shareholders can subscribe to additional New Shares on a reducible prorata basis at their discretion in addition to the New Shares accessible through their PSR at the time of their subscriptions. The New Shares that would not have been subscribed through the usage of PSR on an irreducible basis, would then be allocated these additional subscriptions prorata their usage of PSR on an irreducible basis. No fractional shares will be allocable. A notice of Euronext will be released such final allocations of shares on a reducible prorata basis.

To exercise their PSR, shareholders will need to register their subscription orders through their financial intermediaries at any time during the subscription period. Each subscription will be accompanied by a payment in cash in full or through compensation with a receivable over the Company. Subscriptions that are not fully paid-up will be cancelled in whole. PSR that are not exercised during the subscription period will become null and void.

PSR will be detached on 14 May 2024 on a prorata of the shares held on the close of business on 13 April 2024. They will trade on Euronext Growth Paris market under ISIN code FR001400PYV3 from 14 May 2024 to 28 May 2024 included.

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Funds raised will be centralized by Crédit Industriel et Commercial (CMCIC Market Solutions – Émetteur Adhérent Euroclear n°025) 6 avenue de Provence 75452 Paris Cedex 9 which will be responsible for setting up certificates of deposits of the funds corresponding to the completion of the capital increase and issuance of the New Shares.

### **Preferential subscription rights attached to shares held by the Company**

Under article L. 225-210 of the French Code de commerce, the Company cannot subscribe to its own shares. The PSR detached from the shares owned by the Company will be sold on the market prior to 28 May 2024.

### **Additional subscriptions on a free basis**

In addition to the ability to subscribe of historical shareholders to subscribe on an irreducible basis or on a reducible prorata basis described above, any investor will be able to subscribe to the proposed capital increase. Such investor will need to channel their demand to Crédit Industriel et Commercial (CM-CIC Market Solutions – Émetteur Adhérent Euroclear n°025) 6 avenue de Provence 75452 Paris Cedex 9, or to their financial intermediaries at any time during the subscription period and to pay the subscription amount.

Under article L. 225-134 of the French Code de commerce, subscriptions on a free basis will be honored provided that New Shares remain available after the subscriptions made on an irreducible and reducible prorata bases, being understood that the Executive Management Board of the Company will be able to allocate, in whole or in part and independently of prorata, New Shares to new investors at their discretion.

### **Timetable of the operation**

The table below summarizes the main steps in the operation:

30 April 2024	<ul style="list-style-type: none"><li>• Executive Management Board decides the capital increase with maintenance of PSR and sets the terms of the operation</li><li>• Press release of the operation</li></ul>
10 May 2024	<ul style="list-style-type: none"><li>• Publication of the information notice in BALO</li></ul>
14 May 2024	<ul style="list-style-type: none"><li>• Detachment of PSR and start of trading on Euronext Growth Paris market</li></ul>
16 May 2024	<ul style="list-style-type: none"><li>• Beginning of the subscription period</li></ul>
28 May 2024	<ul style="list-style-type: none"><li>• Closing of the trading period of PSR</li></ul>
30 May 2024	<ul style="list-style-type: none"><li>• Closing of the subscription period</li></ul>
4 June 2024	<ul style="list-style-type: none"><li>• Presse release announcing the results of the Offer</li><li>• Issuance by Euronext of the notice of admission of final total number of New Shares and of allocation of the New Shares subscribed on a reducible prorata basis</li></ul>
6 June 2024	<ul style="list-style-type: none"><li>• Issuance and settlement-delivery of the New Shares</li><li>• Beginning of trading of the New Shares on Euronext Growth Paris market</li></ul>

The timetable above will be followed by the customary regulatory publications and amendments and formalities related to the capital increase.

## **Guarantee**

The offer will not be subject to a performance guarantee (garantie de bonne fin) under article L.225-145 of the French Code de Commerce.

## **Impact of the capital increase on book value per share**

The table below summarizes the dilutive impact of the operation in euros on the book value per share under several scenarios in the operation. The table also shows the dilutions taking into account the first tranche of convertible bonds (OC) issued on 27 February 2024 and under the 3 cases simulated on that date:

Offer dilution scenario	Non-diluted basis	Primary diluted basis <sup>(a)</sup>	Primary diluted basis with conversion/amortization of the first tranche of the OC <sup>(b)</sup>		
			Case 1	Case 2	Case 3
Before the Offer	-€0.143	-€0.139	€0.044	€0.043 €	€0.038
After issuance of 4,325,088 New Shares (or 100% of the Offer)	0,066 €	0,065 €	0,223 €	0,218 €	0,195 €
After issuance of 3,243,816 New Shares (or 75% of the Offer)	€0.018	€0.018	€0.182 €	€0.178	€0.158
(a) Reflects the dilution of 1,063,766 free shares issued or issuable at the date of the press release.					
(b) Reflects the exercise of the OC as presented on 27 February 2024 and detailed below.					

The dilution cases related to the OC issued n 27 February 2024 are based on the hypotheses reminded of below:

Case 1	Conversion of all the OC at a conversion price of €5.1492, as set at time of the issuance on 27 February 2024, resulting in the issuance of 1,359,434 new shares for the first tranche.
Case 2	Holder of the OC chooses not to convert any OC into shares. Company chooses to convert all the OCs at the floor price of €3,2796, as set at time of the issuance on 27 February 2024, resulting in the issuance of 2,383,420 new shares for the first tranche.
Case 3	Holder of the OC chooses not to convert any OC into shares. Company chooses to convert all the OCs at the floor price of €1, as set at time of the issuance on 27 February 2024, resulting in the issuance of 7,816,666 new shares for the first tranche.
Hypotheses in all cases	<ul style="list-style-type: none"> <li>- Share capital of the Company at the time of this press release of 36,763,256 shares;</li> <li>- Holder of the OC do not ever own more than 9.99% of the share capital of the Company at any conversion event.</li> </ul>

## **Impact of the capital increase on the ownership of a 1% shareholder who does not subscribe in the operation**

The table below presents the ownership percentage under several scenarios of the operations of a 1% shareholder who would not subscribe to the operation. The table also shows the dilutions taking into account the first tranche of convertible bonds (OC) issued on 27 February 2024 and under the 3 cases simulated on that date as reminded in the paragraphs above:

Offer dilution scenario	Non-diluted basis	Primary diluted basis <sup>(a)</sup>	Primary diluted basis with conversion/amortization of the first tranche of the OC <sup>(b)</sup>		
			Case 1	Case 2	Case 3
Before the Offer	1.00%	0.97%	0.94%	0.91%	0.81%
After issuance of 4,325,088 New Shares (or 100% of the Offer)	0.89%	0.87%	0.84%	0.83%	0.74%
After issuance of 3,243,816 New Shares (or 75% of the Offer)	0.92%	0.90%	0.87%	0.85%	0.75%
(a) Reflects the dilution of 1,063,766 free shares issued or issuable at the date of the press release.					
(b) Reflects the exercise of the OC as presented on 27 February 2024 and detailed above.					

### **Impact of the capital increase on the ownership of Gemmes Venture**

The table below presents the ownership percentage of Gemmes Venture under several scenarios of the operations, assuming a full subscription by Gemmes Venture on their irreducible basis (or 24.48% of the capital increase) under all scenarios. The table also shows the dilutions taking into account the first tranche of convertible bonds (OC) issued on 27 February 2024 and under the 3 cases simulated on that date as reminded in the paragraphs above:

Offer dilution scenario	Non-diluted basis	Primary diluted basis <sup>(a)</sup>	Primary diluted basis with conversion/amortization of the first tranche of the OC <sup>(b)</sup>		
			Case 1	Case 2	Case 3
Before the Offer	24.48%	23.79%	22.96%	22.38%	19.71%
After issuance of 4,325,088 New Shares (or 100% of the Offer)	24.48%	23.86%	23.11%	22.58%	20.13%
After issuance of 3,243,816 New Shares (or 75% of the Offer)	25.14%	24.49%	23.70%	23.14%	20.57%
(a) Reflects the dilution of 1,063,766 free shares issued or issuable at the date of the press release.					
(b) Reflects the exercise of the OC as presented on 27 February 2024 and detailed above.					

### **Risk factors**

The main risk factors related to the Offering are as follows:

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- Shareholders who do not exercise their preferential subscription rights to participate in the Offering would see their stake in the Company's share capital diluted;
- The market for preferential subscription rights may offer only limited liquidity and be subject to a high level of volatility;
- The market price of the Company's shares may fluctuate and fall below the subscription price of the New Shares from the announcement of the Offer, during the subscription period or at any time after the close of the subscription period;
- The volatility and liquidity of the Company's shares may fluctuate significantly;
- There can be no assurance that the Company will be able to raise more than 75% of the total amount, which may translate into additional volatility in the market price of the Company's shares at any time after the close of the subscription period;
- If the market price of the Company's shares falls, the value of preferential subscription rights may fall.

The Company draws the attention of investors on the risk factors related to its business and as presented in its annual report available on its website.

The Company has financial visibility on its operations, taking into account the monthly reimbursements of R&D costs in the development of ZEPIZURE® in the U.S., the cash-in of the residual research tax credit for 2023 for €1.3 million (expected in the first half of 2024), of the residual subsidies for €0.7 million (expected in the first half of 2024) as well as the Offer (be it 75% or 100% completed), beyond 31 December 2024.

### **Warning**

Because the Offering does not exceed 8 million euros, a prospectus is not required.

A notice of the Offer will be published on 10 May 2024 in the Bulletin des Annonces Légales et Obligatoires (BALO).

### **Partners in the operation**

Invest Securities acted as sole bookrunner in the operation. D'hoir Beaufre Associés acted as counsel in the operation.

### **About Crossject**

**Crossject SA** (Euronext: ALCJ; [www.crossject.com](http://www.crossject.com)) is an emerging specialty pharmaceuticals company developing medicines for emergency situations harnessing its award-winning needle-free auto-injector ZENEO® platform. Crossject is in advanced regulatory development for ZEPIZURE®, an epileptic rescue therapy, for which it has a \$60 million contract\* with the U.S. Biomedical Advanced Research and Development Authority (BARDA). The Company's versatile ZENEO® platform is designed to enable patients or untrained caregivers to easily and instantly deliver a broad range of emergency drugs via intramuscular injection on bare skin or even through clothing. The Company's other products in development include mainly solutions for allergic shocks and adrenal insufficiencies, as well as therapies and other emergency indications.

\* Contract no: 75A50122C00031 with the Department of Health and Human Services; Administration for Strategic Preparedness and Response; Biomedical Research and Development Authority



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