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# Crossject

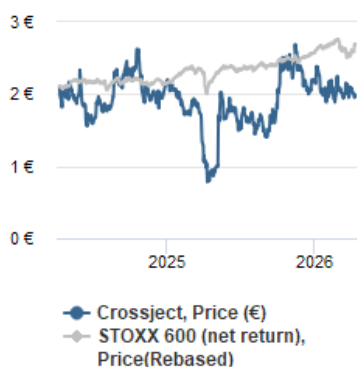
## Things are getting going...hopefully soon

Opinion	<b>Buy</b>
Upside (%)	249
Price (€)	1.98
Target Price (€)	6.93
Bloomberg Code	ALCJ FP
Market Cap (€M)	99.3
Enterprise Value (€M)	121

Momentum	NEGATIVE
Sustainability	4/10
Credit Risk	BBB→

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### PROS

- A unique product protected by numerous long-duration patents.
- The addressable market is “limitless” thanks to the large number of New Therapeutic Entities the group could consider (over 200 compared to currently 4 being developed).
- The potential upside is huge for Crossject, with little real competition on the “needle-free concept”.

### CONS

- The group still has no revenues.
- Crossject's development is slowed down by delays in the production/registration processes while the group's communication is not optimal.

KEY DATA	12/24A	12/25A	12/26E	12/27E	12/28E
Adjusted P/E (x)	-8.63	-8.67	9.15	5.44	2.55
Dividend yield (%)	0.00	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-17.8	-19.9	4.35	2.67	1.19
Adjusted EPS (€)	-0.30	-0.21	0.22	0.36	0.78
Growth in EPS (%)	n/a	n/a	n/a	68.2	113
Dividend (€)	0.00	0.00	0.00	0.00	0.00
Sales (€M)	13.3	14.9	49.2	70.4	120
EBIT margin (%)	0.00	0.00	100	100	100
Attributable net profit (€M)	-12.8	-10.4	11.9	20.4	43.4
ROE (after tax) (%)	322	275	224	78.2	74.1
Gearing (%)			128	47.3	2.32

### Conflicts of interest

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	Yes
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No

Detailed financials at the end of this report

**Key Ratios**

		12/25A	12/26E	12/27E	12/28E
Adjusted P/E	x	-8.67	9.15	5.44	2.55
EV/EBITDA	x	-19.9	4.35	2.67	1.19
P/Book	x	-18.5	6.35	2.71	1.23
Dividend yield	%	0.00	0.00	0.00	0.00
Free Cash Flow Yield	%	-15.0	-5.32	10.8	20.5
ROE (after tax)	%	275	224	78.2	74.1
ROCE	%	-47.2	44.8	56.3	73.4
Net debt/EBITDA	x	-3.46	0.81	0.29	-0.11

**Consolidated P&L**

		12/25A	12/26E	12/27E	12/28E
Sales	€M	14.9	49.2	70.4	120
EBITDA	€M	-5.49	27.9	41.5	75.9
Underlying operating profit	€M	-11.6	21.8	35.4	69.7
Operating profit (EBIT)	€M	-11.6	21.8	35.4	69.7
Net financial expenses	€M	-1.58	-4.00	-5.00	-5.00
Pre-tax profit before exceptional items	€M	-13.2	17.8	30.4	64.7
Corporate tax	€M	2.82	-5.89	-10.0	-21.4
Attributable net profit	€M	-10.4	11.9	20.4	43.4
Adjusted attributable net profit	€M	-10.4	11.9	20.4	43.4

**Cashflow Statement**

		12/25A	12/26E	12/27E	12/28E
Total operating cash flows	€M	-7.44	4.62	21.8	31.7
Capital expenditure	€M	-4.50	-5.88	-6.17	-6.48
Total investment flows	€M	-4.50	-5.88	-6.17	-6.48
Dividends (parent company)	€M				
New shareholders' equity	€M	4.81	0.00	0.00	0.00
Total financial flows	€M	3.81	-6.00	-17.2	-6.84
Change in net debt position	€M	-8.13	-5.26	10.7	20.2
Free cash flow (pre div.)	€M	-13.5	-5.26	10.7	20.2

**Balance Sheet**

		12/25A	12/26E	12/27E	12/28E
Goodwill	€M	0.00	0.00	0.00	0.00
Total intangible	€M	8.09	7.47	6.86	6.25
Tangible fixed assets	€M	5.92	7.21	8.79	10.7
WCR	€M	4.43	21.9	31.5	54.3
Total assets (net of short term liabilities)	€M	20.4	38.2	48.5	72.3
Ordinary shareholders' equity (group share)	€M	-4.87	15.6	36.5	80.5
Provisions for pensions	€M		0.00	0.00	0.00
Net debt / (cash)	€M	17.4	22.6	12.0	-8.24
Total liabilities and shareholders' equity	€M	20.4	38.2	48.5	72.3
Gross Cash	€M	30.5	23.2	21.7	40.1

**Per Share Data**

		12/25A	12/26E	12/27E	12/28E
Adjusted EPS (bfr goodwill amort. & dil.)	€	-0.21	0.22	0.36	0.78
Net dividend per share	€	0.00	0.00	0.00	0.00
Free cash flow per share	€	-0.27	-0.10	0.19	0.36
Book value per share	€	-0.10	0.31	0.73	1.62
Number of diluted shares (average)	Mio	49.5	55.1	55.9	55.9

## Contents

Businesses & Trends.....	4
Money Making.....	7
Valuation.....	9
DCF.....	11
NAV/SOTP.....	12
Debt.....	13
Worth Knowing.....	15
Sustainability.....	16
Governance & Management.....	17
Environment.....	18
Social.....	19
Staff & Pension matters.....	21
Updates.....	22
Target Price & Opinion.....	25
Graphics.....	26
Financials.....	27
Methodology.....	35

## Businesses & Trends

### Another entrant in the new therapeutic entities market (NTEs)

Crossject is a new entrant in the speciality pharmaceutical sector, distinguished by its Zeneo delivery mechanism, a unique needle-free injection system. Zeneo, developed after 20 years of R&D, is an automatic, single-use, pre-filled device for needle-free injections, applicable to areas such as the thigh or abdomen. This technology utilises high-pressure injections to administer drugs rapidly (1/10 sec) into tissue, representing a significant advance on traditional syringes and the best current auto-injectors. Zeneo is user-friendly, reliable and safe, offering superior self-injection capabilities. It ensures safe, controlled and effective injections, suitable for intramuscular or subcutaneous methods. Tests on healthy volunteers and *ex-vitro* models have demonstrated Zeneo's efficiency and ease of use, avoiding needle contamination and providing faster administration than the existing methods. The device has been tested on various molecules but requires approval when combined with a drug, as it then constitutes a new therapeutic entity.

Crossject is targeting the NTE market, which involves using known drugs with innovative delivery systems to enhance patient comfort. This strategy, successfully employed by companies like Teva, improves drug administration and offers patent protection independent of the original molecule, enhancing patient compliance and drug efficacy. Crossject aims to develop its proprietary NTE portfolio and leverage partnerships for marketing and distribution.

### A diverse portfolio

Currently, Crossject has five products in development: Midazolam (epilepsy), Naloxone (opioid overdoses), Epinephrine (anaphylactic shock), Hydrocortisone (anti-inflammatory) and Terbutaline (acute asthma). Apomorphine (Parkinson's disease) has been put on hold, replaced by Terbutaline under a BPI France financing programme. We anticipate initial sales in FY25 for Midazolam (under the "Zepizure" trade name) following the completion of clinical studies and registration, at least under "EUA" (Emergency Use Authorisation).

Crossject faces competition from existing NTEs, such as pens or nasal sprays for Naloxone ("Evzio" pen and Narcan), Midazolam (Pfizer, Upsher-Smith) and Epinephrine (six pens available). Injections are available for most mentioned conditions, alongside other routes like oral or inhalation. Zeneo's superior ease-of-use, efficiency, control and safety aim to capture market share, with its needle-free feature providing a competitive edge. An EMA study (25/06/2015 EMA/478468/2015, CHMP) found that only 16% of pen users correctly performed injections during severe anaphylactic shock, highlighting Zeneo's potential. Other needle-free devices exist or are in development, typically for different uses like vaccines or insulin, such as Bioject's Biojector, Zomacton or Prime.

### Significant market potential

Determining the total market size for Crossject is challenging, as the company plans to develop additional NTEs. Of approximately 900 identified injectable

compounds, Crossject estimates 200 are compatible with Zeneo, with 100 free of rights. The company has prioritised 20 molecules for development. Each market varies in size; for instance, the Triptan market exceeds US\$5bn, the Methotrexate market is US\$1bn globally, and the Midazolam (US\$1bn) and Naloxone (US\$2bn) markets offer substantial opportunities. The Terbutaline market likely exceeds US\$1bn, given that 8% of people suffer from asthma, with 10% experiencing severe forms, across the Atlantic (excluding Asian opportunities). Hydrocortisone represents a niche market worth approximately US\$50m. These figures suggest a total addressable market of around US\$5bn for the current NTEs, providing Crossject with significant growth potential. The theoretical market is broader, as many NTEs are compatible with Zeneo. Although not currently in the management's plans, the vaccine market (nearly US\$15bn, with a CAGR of approximately 10%) could more than double Crossject's target market, indicating potential "limitless" growth, alongside other fields like hypoglycaemia.

Based on our estimates, Crossject could achieve total turnover exceeding €150m by 2027 (at in-market prices), with the following breakdown:

Turnover per NTE (€m)	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Naloxone units sold (m)						0.5	1	1.2	price €40/ dose in Europe, US\$70 in the US. Probability 50%. Target 2m doses in 2029. AMM 2025/market 2026.
Turnover									
Sumatriptan units sold (m)					0	0	0	0	US\$80 in the US. Probability 50%. Target 0,6m doses in 2029. AMM 2025/market 2026. 100% US
Turnover									
Midazolam units sold (m)				0.2	0.5	0.7	0.8	1	price €50/ dose in Europe, US\$150 in the US. Probability 80%. Target 1.5m doses in 2029. AMM 2025/market 2025.
Turnover									
Epinephrin units sold (m)				0.2	0.5	1.5	2		price €40/ dose in Europe, US\$200 in the US. Probability 70%. Target 2m doses in 2029. AMM 2026/market 2027.
Turnover									
Methotrexate units sold (m)					0	0	0	0	price €15/ dose in Europe, US\$80 in the US. Probability 50%. Target 3m doses in 2029. AMM 2025/market 2026.
Turnover									
Hydrocortisone units sold (m)						0.1	0.2	0.3	price €100/ dose in Europe, US\$250 in the US. Probability 70%. Target 0,3 m doses in 2029. AMM 2026/market 2027.
Turnover									
Terbutaline units sold (m)						0	0.7	1	price €40/ dose in Europe, US\$130 in the US. Probability 40%. Target 1,5m doses in 2029. AMM 2026/market 2027.
Turnover									
Total turnover (€m)		0,0	18,0	56,0	109,3	156,5	267,6	345,2	

## Divisional Breakdown Of Revenues

Sector	12/25A	12/26E	12/27E	12/28E	Change 26E/25		Change 27E/26E	
					€M	of % total	€M	of % total
<b>Total sales</b>	<b>14.9</b>	<b>49.2</b>	<b>70.4</b>	<b>120</b>	<b>34</b> ↑	<b>100%</b>	<b>21</b> ↑	<b>100%</b>
Methotrexate	0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%
Epinephrine	0.00	4.36	10.9	32.7	4 ↑	13%	7 ↑	31%
Sumatriptan	0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%
Midazolam	0.00	44.8	49.8	56.3	45 ↑	131%	5 ↑	24%
Hydrocortisone	0.00	0.00	3.25	6.50	0 ↑	0%	3 ↑	15%
Naloxone	0.00	0.00	6.49	13.0	0 ↑	0%	6 ↑	31%
Apomorphine	0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%
Terbutaline	0.00	0.00	0.00	11.9	0 ↑	0%	0 ↑	0%
Other	14.9	0.00	0.00	0.00	-15 ↓	-43%	0 ↑	0%

## Key Exposures

	Revenues	Costs	Equity
Dollar	80.0%	5.0%	0.0%
Emerging currencies	5.0%	0.0%	0.0%
Long-term global warming	0.0%	0.0%	0.0%

## Sales By Geography

Europe	100.0%
Of which France	100.0%

We address exposures (eg. how much of the turnover is exposed to the \$ ) rather than sensitivities (say, how much a 5% move in the \$ affects the bottom line). This is to make comparisons easier and provides useful tools when extracting relevant data.

Actually, the subject is rather complex on the ground. The default position is one of an investor managing in €. An investor in £ will obviously not react to a £ based stock trading partly in € as would a € based investor. In addition, certain circumstances can prove difficult to unravel such as for eg. a € based investor confronted to a Swiss company reporting in \$ but with a quote in CHF... Sales exposure is probably straightforward but one has to be careful with deep cyclical. Costs exposure is a bit less easy to determine (we do not allow for hedges as they can only be postponing the day of reckoning). How much of the equity is exposed to a given subject is rarely straightforward but can be quite telling. In addition, subjects are frequently intertwined. A \$ exposure may encompass all revenues in \$ pegged currencies and an emerging currency exposure is likely to include \$ pegged currencies as well.

Exposure to global warming issues is frequently indirect and may require to stretch a bit imagination.

## Money Making

The group's business model focuses on the commercialisation of Zeneo, a needle-free injection device capable of delivering various therapeutic entities. Manufacturing costs are low, at approximately €10 per unit, compared to the market value of the final product, which includes the device and its contents. Consequently, significant potential exists once Zeneo enters the market with the launch expected in FY25, along with substantial returns. Until then, financing remains a critical issue, potentially sourced from financial markets, bank debt, licensing and government incentives in France and the US. Looking ahead, Crossject is aiming to position itself as a provider of these devices, akin to an industrial company, by creating value through the mass production of Zeneo with high quality and reliability standards. Our business forecasts for the group are based on the following:

### Conservative assumptions

Our assumptions are grounded in the launches of the current NTEs under development by the group. For the remaining specialities, clinical studies are planned for FY25-27, with regulatory approvals and commercial launches expected in FY26, such as for Midazolam ("Zepizure"). We assume products will be sold through partnership agreements, allowing Crossject to benefit from upfront fees and royalties, which will partially finance clinical studies. We estimate Crossject's turnover at 40% of the final user's purchasing price, with the remainder covering distributor/wholesaler margins for logistics and marketing. We also apply a risk factor, ranging from 10% to 50% depending on the product, which is reasonable given the lighter and faster registration process compared to new compounds. For NTEs, the timeline is closer to three years, depending on the product and geography, and should not exceed five years. The efficacy of molecules is already proven, and NTE applications require only bioequivalence studies, reducing costs (€3-4m versus €200m for a new chemical entity) and time to market. The filing process (FDA and EMA) will focus on product reliability and bioequivalence results.

### Our forecasts are not overly aggressive

Our estimates are based on the group's assumptions for the number of units sold (Zeneo devices) and their growth from commercial launch to maturity for each sub-market (each NTE), with a probability reflecting the risk of approval issues and challenges in finding suitable partners. Although it is difficult to predict Crossject's market share in each sub-market, the group is targeting reasonable shares (10-20%, except for Hydrocortisone, where it is aiming for 30% of this small market). To remain conservative, we assume these targets will not be achieved before 2030, i.e. approximately 3 to 5 years post-launch, depending on the NTE.

For example, we assume Adrenaline will launch in 2027, with a 60% probability, and Crossject will sell 2 million doses annually by 2029 at an in-market price of €40 in Europe and US\$100 in the US. This results in a theoretical €160m turnover by 2029 at end-user prices, or €112m considering the 70% probability assigned to this NTE. However, from an accounting

perspective, Crossject will receive only a 45% share, with the full turnover recorded on its partner's books.

Finally, the company will be significantly dependent on the US\$, as volumes will be substantial in the US and prices are considerably higher, sometimes 5-6 times those in the EU. This will impact both translation (US\$/€ parity) and transaction (costs primarily in €).

### Divisional EBIT

	12/25A	12/26E	12/27E	12/28E	Change 26E/25		Change 27E/26E	
					€M	of % total	€M	of % total
<b>Total</b>	<b>0.00</b>	<b>49.2</b>	<b>70.4</b>	<b>120</b>	<b>49</b> <span style="color: green;">▲</span>	<b>100%</b>	<b>21</b> <span style="color: green;">▲</span>	<b>100%</b>
<b>Royalty income</b>								
<b>Product sales</b>	0.00	49.2	70.4	120	49 <span style="color: green;">▲</span>	100%	21 <span style="color: green;">▲</span>	100%
Other/cancellations								

### Divisional EBIT margin

	12/25A	12/26E	12/27E	12/28E
<b>Total</b>	<b>0.00%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Valuation

Peer-based valuations are currently irrelevant for Crossject due to its lack of revenue and negative financial results. Our net asset value-based (NAV) valuation applies a multiple of 3x to the projected 2025-27 revenues across all the segments. Although these revenues will not be realised for at least three years, particularly those for FY27, we have opted not to discount them. This decision is based on the expectation of high growth rates post-2025, indicating that our projections are conservative. The 3x multiple is standard for biotech and pharmaceutical companies with substantial R&D pipelines and strong growth prospects. In contrast, transaction values in the sector often range from 5x to 10x sales, depending on the specific segment. For instance, Emergent Biosolutions announced the acquisition of Adapt Pharma, the developer of Narcan, for US\$635m plus US\$100m in sales milestones. At the time, we estimated Adapt Pharma's sales at approximately US\$150m, implying a sales multiple of around 4.9x.

Our discounted cash flow (DCF) analysis is based on forecasts for each new therapeutic entity (NTE) under development, assuming sales through partnerships. We have incorporated a risk factor for each specialty, with the success probabilities ranging from 50% to 90%, depending on clinical trial status and partnership requirements.

Our target price is derived from a weighted average of all the valuation methods used. The NAV and DCF indicate significant potential upside, collectively accounting for 55% of our total valuation. By contrast, the comparison-based methods return low results due to the current lack of financial performance. Consequently, the stock's valuation is currently suppressed but is expected to rise rapidly once Crossject's products reach the market and start to generate profits. This suggests that it will take time for the market to fully recognise the company's potential. Patience is required, but the potential reward could be substantial.

### Valuation Summary

Benchmarks		Values (€)	Upside	Weight
DCF		6.55	230%	40%
NAV/SOTP per share		9.76	392%	40%
P/E	Peers	3.27	65%	5%
EV/Ebitda	Peers	3.83	93%	5%
P/Book	Peers	0.99	-50%	5%
Dividend Yield	Peers	0.00	-100%	5%
<b>Target Price</b>		<b>6.93</b>	<b>249%</b>	

### Comparison based valuation

Computed on 18 month forecasts	P/E (x)	Ev/Ebitda (x)	P/Book (x)	Yield(%)
Peers ratios	23.8	12.6	3.15	0.78
Crossject's ratios	7.22	3.53	4.17	0.00
Premium	-50.0%	-50.0%	-50.0%	-50.0%
<b>Default comparison based valuation (€)</b>	<b>3.27</b>	<b>3.83</b>	<b>0.99</b>	<b>0.00</b>
UCB	28.9	16.7	3.92	0.39
Sartorius	44.1	17.8	4.45	0.39
Ipsen	17.6	8.54	2.43	0.95
bioMerieux	17.3	9.03	2.23	1.32
Hikma Pharmaceuticals	7.63	4.98	1.32	5.23
Faes Farma	13.1	10.4	1.81	2.77
Innate Pharma	-2.12	0.36	1.17	0.00

### DCF Valuation Per Share

WACC	%	8.00	Avg net debt (cash) at book value	€M	17.3
PV of cashflow FY1-FY11	€M	165	Provisions	€M	0.00
FY11CF	€M	29.6	Unrecognised actuarial losses (gains)	€M	0.00
Normalised long-term growth "g"	%	2.00	Financial assets at market price	€M	0.00
Sustainability "g"	%	1.70	Minorities interests (fair value)	€M	0.00
Terminal value	€M	470	Equity value	€M	366
PV terminal value	€M	218	Number of shares	Mio	55.9
<i>PV terminal value in % of total value</i>	%	56.8	<b>Implied equity value per share</b>	€	<b>6.55</b>
Total PV	€M	383	Sustainability impact on DCF	%	-2.89

### Assessing The Cost Of Capital

Synthetic default risk free rate	%	3.50	Company debt spread	bp	400
Target equity risk premium	%	5.00	Marginal Company cost of debt	%	7.50
Tax advantage of debt finance (normalised)	%	25.0	<b>Company beta (leveraged)</b>	<b>x</b>	<b>0.98</b>
Average debt maturity	Year	5	Company gearing at market value	%	22.9
Sector asset beta	x	0.87	Company market gearing	%	18.6
Debt beta	x	0.80	<b>Required return on geared equity</b>	%	<b>8.40</b>
Market capitalisation	€M	98.8	Cost of debt	%	5.63
Net debt (cash) at book value	€M	22.6	<b>Cost of ungeared equity</b>	%	<b>7.85</b>
Net debt (cash) at market value	€M	16.6	WACC	%	8.00

### DCF Calculation

		12/25A	12/26E	12/27E	12/28E	Growth	12/29E	12/36E
Sales	€M	14.9	49.2	70.4	120	4.00%	125	165
EBITDA	€M	-5.49	27.9	41.5	75.9	5.00%	79.7	112
<i>EBITDA Margin</i>	%	-36.9	56.8	59.0	63.0		63.6	68.0
Change in WCR	€M	-1.95	-17.4	-9.67	-22.8	6.00%	-24.2	-36.3
Total operating cash flows (pre tax)	€M	-10.3	10.5	31.9	53.1		55.5	75.7
Corporate tax	€M	2.82	-5.89	-10.0	-21.4	5.00%	-22.4	-31.6
<b>Net tax shield</b>	<b>€M</b>	<b>-0.39</b>	<b>-1.00</b>	<b>-1.25</b>	<b>-1.25</b>	<b>0.00%</b>	<b>-1.25</b>	<b>-1.25</b>
Capital expenditure	€M	-4.50	-5.88	-6.17	-6.48	10.0%	-7.13	-13.9
<i>Capex/Sales</i>	%	-30.2	-12.0	-8.75	-5.38		-5.69	-8.43
Pre financing costs FCF (for DCF purposes)	€M	-12.3	-2.26	14.4	24.0		24.7	29.0
Various add backs (incl. R&D, etc.) for DCF purposes	€M							
<b>Free cash flow adjusted</b>	<b>€M</b>	<b>-12.3</b>	<b>-2.26</b>	<b>14.4</b>	<b>24.0</b>		<b>24.7</b>	<b>29.0</b>
<b>Discounted free cash flows</b>	<b>€M</b>	<b>-12.3</b>	<b>-2.26</b>	<b>13.3</b>	<b>20.5</b>		<b>19.6</b>	<b>13.4</b>
Invested capital	€	18.4	36.6	47.2	71.3		78.4	153

## Crossject (Buy)

## NAV/SOTP Calculation

	% owned	Valuation technique	Multiple used	Valuation at 100% (€M)	Stake valuation (€M)	In currency per share (€)	% of gross assets
Midazolam	100%	EV/Sales	1.5	147	147	2.63	25.9%
Epinephrine	100%	EV/Sales	1.5	85.5	85.5	1.53	15.1%
Hydrocortisone	100%	EV/Sales	3	30.0	30.0	0.54	5.29%
Naloxone	100%	EV/Sales	3	4.80	4.80	0.09	0.85%
Methotrexate	100%	EV/Sales	3	0.00	0.00	0.00	0.00%
Sumatriptan	100%	EV/Sales	3	0.00	0.00	0.00	0.00%
Apomorphine	100%	EV/Sales	3	0.00	0.00	0.00	0.00%
Terbutaline	100%	EV/Sales	3	0.00	0.00	0.00	0.00%
Other					300	5.37	52.9%
<b>Total gross assets</b>					<b>567</b>	<b>10.2</b>	<b>100%</b>
Net cash/(debt) by year end					-17.4	-0.31	-3.06%
Commitments to pay					-5.00	-0.09	-0.88%
Commitments received							
NAV/SOTP					545	9.76	96.1%
<b>Number of shares net of treasury shares - year end (Mio)</b>					<b>55.9</b>		
<b>NAV/SOTP per share (€)</b>					<b>9.76</b>		
<b>Current discount to NAV/SOTP (%)</b>					<b>79.7</b>		

## Debt

At the end of 2024, the group reported a net debt of approximately €14m. The majority of capital expenditure (capex) has been allocated to industrial investments for producing approximately 1.5 million Zeneo devices. This includes €3.8m in capex during 2014-15, €3.2m in FY18, €4.4m in FY19 and €6m in FY20, alongside recurring net capex of about €3m annually.

Looking forward, we anticipate recurring capex of €2m, with additional “expansion” capex of €3m for every 2.5 million units sold. However, these thresholds may not necessitate such high investment levels. Another critical consideration before recording any initial sales is the funding required for clinical studies. The management estimates the full development cost of each NTE, including clinical studies, at approximately €2-3m, incurred over the two years before market approval. This is in addition to the company’s regular cash burn before product availability.

Crossject is expected to benefit from upfront fees upon signing partnership agreements, tax credits and remaining “PIAVE” financing. We believe the group is self-financing, contingent on securing short-term partnerships. Failing this, Crossject may need to access the financial markets or explore alternative financing, such as selling future royalties to a financial partner.

The group has previously raised capital to meet its short-term needs, initially through an equity line in FY16 and a €5 million capital increase in March 2017. It issued a €5.3m convertible bond in March 2018 and another €2.5m in July. A €3.9m capital increase was announced on 28 November 2018, priced at €1.16, with 3.4m new shares listed by 28 December 2018. The conversion of convertible bonds in FY19 reduced bond debt by approximately €5m. At the end of FY19, a new €5.7m convertible bond was issued. More recently, the group issued two bonds, each worth €5.24m (one convertible), in December 2020. In December 2021, €7.5m in convertible bonds were issued, with a conversion price set at the lesser of €3.30 or 92% of the market price, while the existing shareholders received a free subscription price (20 rights required to purchase one share). In February 2024, the group announced the issuance of 70 amortizable bonds convertible into new stock, with a nominal value of €100,000, totalling €7m, waiving preferential subscription rights.

In April/May 2024, an €8m capital increase occurred, primarily to finance the US launch of Zepizure (€6m) and the development of other NTEs (Hydrocortisone and Epinephrine). Another €7.2m capital increase took place in December 2024 with subscription rights, followed by a final increase of €5.7m in June 2025.

Detailed financials at the end of this report

**Funding - Liquidity**

		12/25A	12/26E	12/27E	12/28E
EBITDA	€M	-5.49	27.9	41.5	75.9
Funds from operations (FFO)	€M	-6.49	18.1	26.5	49.5
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>-4.87</b>	<b>15.6</b>	<b>36.5</b>	<b>80.5</b>
Gross debt	€M	47.8	45.8	33.7	31.8
+ Gross Cash	€M	30.5	23.2	21.7	40.1
<b>= Net debt / (cash)</b>	<b>€M</b>	<b>17.4</b>	<b>22.6</b>	<b>12.0</b>	<b>-8.24</b>
Gearing (at book value)	%		128	47.3	2.32
Equity/Total asset (%)	%	-23.9	40.8	75.3	111
Adj. Net debt/EBITDA(R)	x	-3.46	0.81	0.29	-0.11
Adjusted Gross Debt/EBITDA(R)	x	-9.01	1.64	0.81	0.42
Adj. gross debt/(Adj. gross debt+Equity)	%	111	74.7	48.0	28.3
Ebit cover	x	-7.35	5.46	7.08	13.9
FFO/Gross Debt	%	-13.1	39.4	78.7	155
FFO/Net debt	%	-37.4	79.9	221	-601
FCF/Adj. gross debt (%)	%	-27.3	-11.5	31.6	63.5
(Gross cash+ "cash" FCF+undrawn)/ST debt	x	9.23	9.77	17.6	32.8
"Cash" FCF/ST debt	x	-7.04	-2.86	5.80	11.0

## Worth Knowing

Zeneo, an automatic, single-use needle-free injection device, was initially developed by Laboratoires Fournier in its drug delivery division, in collaboration with SNPE (Société Nationale des Poudres et Explosifs). In 2001, the technology was sold to the newly established Crossject. GSK was initially Crossject's main partner, aiming to develop a solution for its vaccines. However, this market was deemed too risky due to the high investment requirement, low margins and the need for large volumes. Consequently, Crossject underwent a restructuring between 2011 and 2013, altering its strategy. Crossject's current objective is to offer its own pre-filled devices based on New Therapeutic Entities, utilising known drugs with innovative delivery systems, rather than selling devices to major pharmaceutical companies for their chemical entities. An industrial partnership was established with Cenexi in 2016 for aseptic filling and final packaging, and with Eurofins in FY24. Currently, the Zeneo device is protected by over 400 patents in countries covering 80% of the global market, including the US, Europe and Japan, with validity until 2036.

## Shareholders

Name	% owned	Of which % voting rights	Of which % free to float
Gemmes Ventures	24.5%	30.0%	0.00%
Vester Finance	5.30%	7.00%	5.30%
Treasury Shares	0.21%	0.00%	0.00%
SNPE	0.00%	0.00%	0.00%
IDEB	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%
<b>Apparent free float</b>			<b>75.3%</b>

## Sustainability

As a small-cap company, Crossject likely prioritises ESG issues less than larger corporations. A brief section of its annual report outlines seven areas where these concerns are expected to grow: governance, human rights, the environment, labour relations, ethics, local development and consumer-related issues. The company also notes that an ethical charter, particularly relevant in the US context, was introduced back in FY20.

## Sustainability score

Sustainability is made of analytical items contributing to the E, the S and the G, that can be highlighted as sustainability precursors and can be combined in an intellectually acceptable way. This is the only scale made available

	Score	Weight
<b>Governance</b>		
Independent directors rate	5/10	25%
Board geographic diversity	0/10	20%
Chairman vs. Executive split	✓	5%
<b>Environment</b>		
CO <sub>2</sub> Emission	2/10	25%
Water withdrawal	1/10	10%
<b>Social</b>		
Wage dispersion trend	4/10	5%
Job satisfaction	10/10	5%
Internal communication	10/10	5%
<b>Sustainability score</b>	<b>3.6/10</b>	<b>100%</b>

## Governance & Management

The Board consists of five members, primarily representing the group's main shareholder, Gemmes Venture. It is chaired by Philippe Monnot, the CEO, who also represents this shareholder. Consequently, the Board's independence is limited, a common characteristic among small-cap companies.

### Governance score

Company (Sector)



6.3 (6.0)

Independent board



Yes

Parameters	Company	Sector	Score	Weight
Number of board members	2	10	10/10	5.0%
Board feminization (%)	0	39	1/10	5.0%
Board domestic density (%)	100	53	0/10	5.0%
Average age of board's members	61	60	5/10	5.0%
Type of company : Small cap, not controlled			10/10	25.0%
Independent directors rate	50	34	5/10	20.0%
One share, one vote			✗	5.0%
Chairman vs. Executive split			✓	5.0%
Chairman not ex executive			✓	5.0%
Full disclosure on mgt pay			✗	5.0%
Disclosure of performance anchor for bonus trigger			✗	5.0%
Compensation committee reporting to board of directors			✓	5.0%
Straightforward, clean by-laws			✓	5.0%
<b>Governance score</b>			<b>6.3/10</b>	<b>100.0%</b>

### Management

Name		Function	Birth date	Date in	Date out	Compensation, in k€ (year)	
						Cash	Equity linked
Patrick ALEXANDRE	M	 CEO	1955	2001		187 (2024)	450 (2024)
Isabelle LIEBSCHUTZ	F	 Member of the management board		2013			

### Board of Directors

Name		Indep.	Function	Completion of current mandate	Birth date	Date in	Date out	Fees / indemnity, in k€ (year)	Value of holding, in k€ (year)
Daniel TEPER	M	 	Member				2027		

## Environment

As a small-cap company, Crossject provides limited information on this topic. The annual report briefly addresses some sustainability issues (see the relevant section). It is however fairly common for small-cap companies not to disclose extensive details at this stage.

### Environmental score

Data sets evaluated as trends on rolling calendar, made sector relative

Parameters	Score	Sector	Weight
CO <sub>2</sub> Emission	2/10	4/10	30%
Water withdrawal	1/10	5/10	30%
Energy	2/10	4/10	25%
Waste	1/10	4/10	15%
<b>Environmental score</b>	<b>1.6</b>		<b>100%</b>

























Company (Sector)

**1.6** <sub>(4.4)</sub>

### Environmental metrics

	2023	Company 2024	2025	2026
	1.4	1.3	1.2	1.6

### Sector figures

Company	Country	Environment score	Energy (total, in GJ)	CO <sub>2</sub> Emissions (in tons)	Water Withdrawal (in m3)	Waste (total, in tons)
BioNTech		9/10	253,544	6,449	201,000	1,510
PolyPeptide		3/10	116,060	10,332	137,600	
Sandoz		4/10	3,000,000	239,700	18,100,000	60,800
GSK plc		6/10	9,277,200	565,000	7,000,000	47,300
Novartis		7/10	5,800,000	237,000	33,300,000	31,100
Sanofi		7/10	10,896,656	374,349	10,300,000	146,950
AstraZeneca		8/10	6,033,874	139,596	3,440,000	26,285
Bayer		4/10	32,598,000	2,960,000	53,000,000	1,021,000
Novo Nordisk		10/10	5,040,821	101,000	5,213,000	229,690
Merck		5/10	8,620,992	1,085,123	12,430,923	161,143
Roche Holding		7/10	8,492,000	315,030	15,500,000	25,279
Lonza Group		4/10	6,658,000	537,000	28,097,000	57,100
Grifols		7/10	3,245,093	180,165	3,587,357	51,808
Novonosis		3/10	5,677,646	445,361	10,469,560	831,563
UCB		8/10	704,495	21,723	497,606	6,303
H Lundbeck		10/10	404,118	27,497	254,025	9,598
Faes Farma		7/10	100,641	6,005	167,623	1,520
Genmab		6/10	43,916	1,697	n/a	n/a
Hikma Pharmaceuticals		5/10	1,514,880	123,307	1,365,980	12,311
Ipsen		8/10	313,798	15,712	110,711	4,390
Bachem		7/10	217,336	7,648	216,130	20,934
Virbac		6/10	375,458	30,277	148,614	6,556
Siegfried		2/10	1,850,000	68,000	6,069,000	81,700
Crossject		2/10				

## Social

The level of information concerning social issues is also quite limited which is hardly a surprise for a small cap company. However, Ethifinance ESG Ratings, the rating agency specializing in rating the ESG performance of small and medium-sized companies listed on European markets, awarded Crossject the Ethifinance 2024 Silver Level certificate to recognize its ESG performance in FY23. This recognition of the group's commitment confirms its desire to develop its corporate social responsibility.

### Social score

Company (Sector)

**4.4** (6.4)

### Quantitative metrics (67%)

Set of staff related numerical metrics available in AlphaValue proprietary modelling aimed at ranking on social/HR matters

Parameters	Score	Weight
Staffing Trend	9/10	15%
Average wage trend	3/10	30%
Share of added value taken up by staff cost	1/10	20%
Share of added value taken up by taxes	1/10	15%
Wage dispersion trend	4/10	20%
Pension bonus (0 or 1)	0	
<b>Quantitative score</b>	<b>3.4/10</b>	<b>100%</b>

### Qualitative metrics (33%)

Set of listed qualitative criterias and for the analyst to tick

Parameters	Score	Weight
Accidents at work	4/10	25%
Human resources development	8/10	35%
Pay	3/10	20%
Job satisfaction	10/10	10%
Internal communication	10/10	10%
<b>Qualitative score</b>	<b>6.4/10</b>	<b>100%</b>

AlphaValue analysts tick boxes on essential components of the social/HR corporate life. Decision about ticking Yes or No is very much an assessment that combines the corporate's communication on relevant issue and the analyst's better judgment from experience.

### Qualitative score

Parameters	Yes  / No 	Weight
<b>Accidents at work</b>		<b>25%</b>
Set targets for work safety on all group sites?		10.0%
Are accidents at work declining?		15.0%
<b>Human resources development</b>		<b>35%</b>
Are competences required to meet medium term targets identified?		3.5%
Is there a medium term (2 to 5 years) recruitment plan?		3.5%
Is there a training strategy tuned to the company objectives?		3.5%
Are employees trained for tomorrow's objectives?		3.5%
Can all employees have access to training?		3.5%
Has the corporate avoided large restructuring lay-offs over the last year to date?		3.5%
Have key competences stayed?		3.5%
Are managers given managerial objectives?		3.5%
If yes, are managerial results a deciding factor when assessing compensation level?		3.5%
Is mobility encouraged between operating units of the group?		3.5%
<b>Pay</b>		<b>20%</b>
Is there a compensation committee?		6.0%
Is employees' performance combining group AND individual performance?		14.0%
<b>Job satisfaction</b>		<b>10%</b>
Is there a measure of job satisfaction?		3.3%
Can anyone participate ?		3.4%
Are there action plans to prop up employees' morale?		3.3%
<b>Internal communication</b>		<b>10%</b>
Are strategy and objectives made available to every employee?		10.0%
<b>Qualitative score</b>	<b>6.4/10</b>	<b>100.0%</b>

## Staff & Pension matters

At year-end 2024, Crossject employed 108 people, compared to 119 in FY23, 102 in FY22, 99 in 2021, 97 in 2020, 79 in 2019, 72 in 2018, 59 in 2017, 39 in FY16 and 23 in FY15. We anticipate an increase in this number, although all the NTEs under development are expected to be marketed through partnerships, which does not necessitate a significant workforce. This situation could change if the group alters its marketing strategy, but we do not foresee Crossject marketing its products independently in the near future.

## Recent updates

**30/03/2026**

### Integrating the FY25 numbers

<b>Change in EPS</b>	2026 : € 0.22 vs 0.21	+0.87%
	2027 : € 0.36 vs 0.36	+0.55%

We have integrated the FY25 results. As we have repeatedly commented, the numbers as such are of little relevance, since the story of Crossject is based on the future launch of Zeneo combined with the NTEs the group is targeting. So far, the group's operating income only consists of the payments of BARDA, covering part of the expenses of the group. That said, the larger than expected net loss does not change our target price much, with the first product launch and ramp-up expected in the current year.

**25/03/2026**

### FY25 results: no big change.

Earnings/sales releases

**The FY25 results were unsurprising, as the focus for Crossject remains on the future launch of Zeneo. The additional contribution from BARDA slightly reduces losses. However, cash consumption suggests the possibility of further dilution before achieving key operational milestones, such as the initial deliveries to BARDA. We do not anticipate significant changes to our valuation.**

### Fact

The group published its FY25 results. Operating income increased to €14.878m from €13.256m. The operating result improved to €-11.606m from €-12.962m, and the net result was €-10.367m compared to €-12.795m. The company reported cash holdings of €5.1m at the end of 2025.

### Analysis

The financial figures of Crossject are currently of limited significance, as the company's future hinges on the launch of Zeneo and the targeted New Therapeutic Entities (NTEs). The group's revenue and reported losses are not particularly meaningful at this stage. However, it is noteworthy that R&D expenses invoiced to BARDA have increased to €12.1m, compared to €8.2m previously, and €6.2m projected for FY24.

Regarding the outlook, the group states it is "pursuing its roadmap," with a focus on managing liquidity ahead of achieving regulatory and operational milestones. It anticipates initial deliveries to BARDA in FY26 and the commencement of ZEPIZURE® commercialisation in the US in FY27. This aligns with previous statements made in H225.

The cash position is a critical point: as of 31 March 2026, the company had €5m in financial resources. It expresses confidence in its ability to finance its

business plan until the first commercial orders from BARDA begin, citing strong relationships with lenders, creditors, and investors. However, this implies potential reliance on these parties for funding if operational milestones are delayed, suggesting the possibility of future dilution.

### Impact

We will incorporate the FY25 figures into our model. This integration will not significantly affect our estimates or target price, as these are primarily based on the group's product launches rather than the released figures.

**17/11/2025**

### Yet another round of financing

Financing issue

**Crossject has raised €5m through the issuance of convertible bonds. Management indicates that this financing round should meet funding requirements until the EUA is granted. We will incorporate this financing, considering the benefits of the additional cash and the potential for further dilution. However, due to the amount and nature of the issuance, the impact on our figures will be limited.**

### Fact

Crossject has announced the completion of a €5m fundraising.

### Analysis

Crossject has completed a €5m fundraising, fully subscribed by funds managed by Vatel Capital SA. The transaction involved a reserved issue of three tranches of convertible bonds, with annual cash interest rates between 7.5% and 9.5%, over a term of 3 to 5 years, and a fixed conversion price of €2.65 per share, representing a 9.8% premium over a 10-day VWAP closing.

This transaction could result in the issuance of up to 1,886,790 new ordinary shares, each with a par value of €0.10, potentially accounting for approximately 3.52% of the share capital on a non-diluted basis. Half of the funds will be allocated to the development and registration of ZEPIZURE, covering related operating costs in addition to R&D costs reimbursed by BARDA. The remaining funds will support other R&D activities, investments in manufacturing facilities, and general corporate needs, including the repayment of certain financial obligations.

According to management, this transaction is expected to secure financing needs until the EUA is granted. However, it is noteworthy that in September 2025, Crossject secured an additional €11.3m in R&D funding from BARDA. This suggests a cautious approach by the group, which may not be entirely reassuring regarding the anticipated EUA approval, but reflects management's prudence.

## **Impact**

We will incorporate the convertible bonds into our model, balancing the benefits of additional cash with the potential for increased dilution. Considering the size and features of the issuance, the impact on our figures will be minimal.

# Crossject (Buy)

**Stock Price and Target Price**  
**Earnings Per Share & Opinion**


## Momentum


Momentum analysis consists in evaluating the stock market trend of a given financial instrument, based on the analysis of its trading flows.


The main indicators used in our momentum tool are simple moving averages over three time frames: short term (20 trading days), medium term (50 days) and long term (150 days). The positioning of these moving averages relative to each other gives us the direction of the flows over these time frames.


For example, if the short and medium-term moving averages are above the long-term moving average, this suggests an uptrend which will need to be confirmed. Attention is also paid to the latest stock price relative to the three moving averages (advance indicator) as well as to the trend in these three moving averages - downtrend, neutral, uptrend - which is more of a lagging indicator.

The trend indications derived from the flows through moving averages and stock prices must be confirmed against trading volumes in order to confirm the signal. This is provided by a calculation based on the average increase in volumes over ten weeks together with a buy/sell volume ratio.

 : Strong momentum corresponding to a continuous and overall positive moving average trend confirmed by volumes

 : Relatively good momentum corresponding to a positively-oriented moving average, but offset by an overbought pattern or lack of confirmation from volumes

 : Relatively unfavorable momentum with a neutral or negative moving average trend, but offset by an oversold pattern or lack of confirmation from volumes

 : Strongly negative momentum corresponding to a continuous and overall negative moving average trend confirmed by volumes

## Moving Average MACD & Volume

### €/€ sensitivity

### Sector Pharma

## Detailed Financials

Valuation Key Data		12/25A	12/26E	12/27E	12/28E
<b>Adjusted P/E</b>	x	<b>-8.67</b>	<b>9.15</b>	<b>5.44</b>	<b>2.55</b>
Reported P/E	x	-8.72	8.27	4.85	2.28
<b>EV/EBITDA(R)</b>	x	<b>-19.9</b>	<b>4.35</b>	<b>2.67</b>	<b>1.19</b>
EV/EBIT	x	-9.42	5.56	3.13	1.30
EV/Sales	x	7.35	2.47	1.57	0.75
<b>P/Book</b>	x	<b>-18.5</b>	<b>6.35</b>	<b>2.71</b>	<b>1.23</b>
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<i>Free cash flow yield</i>	%	-15.0	-5.32	10.8	20.5
Average stock price	€	1.81	1.98	1.98	1.98

## Crossject (Buy)

<b>Consolidated P&amp;L</b>		<b>12/25A</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>
<b>Sales</b>	€M	14.9	49.2	70.4	120
<i>Sales growth</i>	%	12.2	231	43.2	71.0
<i>Sales per employee</i>	€th	132	289	320	482
Purchases and external costs (incl. IT)	€M	12.1	15.8	21.1	31.2
<b>R&amp;D costs as % of sales</b>	%	0.00	0.00	0.00	0.00
Staff costs	€M	-7.80	-11.0	-15.0	-18.0
Operating lease payments	€M				
Cost of sales/COGS (indicative)	€M	12.1	13.3	17.6	25.2
<b>EBITDA</b>	€M	-5.49	27.9	41.5	75.9
EBITDA(R)	€M	-5.49	27.9	41.5	75.9
<i>EBITDA(R) margin</i>	%	-36.9	56.8	59.0	63.0
<i>EBITDA(R) per employee</i>	€th	-48.6	164	189	303
Depreciation	€M	-6.12	-6.12	-6.12	-6.12
<i>Depreciations/Sales</i>	%	41.1	12.4	8.68	5.08
Amortisation	€M				
Additions to provisions	€M	0.00	0.00	0.00	0.00
<b>Underlying operating profit</b>	€M	-11.6	21.8	35.4	69.7
<i>Underlying operating margin</i>	%	-78.0	44.4	50.3	57.9
Other income/expense (cash)	€M	0.00	0.00	0.00	0.00
Impairment charges/goodwill amortisation	€M				
<b>Operating profit (EBIT)</b>	€M	-11.6	21.8	35.4	69.7
Interest expenses	€M	-1.58	-4.00	-5.00	-5.00
<i>of which effectively paid cash interest expenses</i>	€M	-1.00			
Financial income	€M	0.00	0.00	0.00	0.00
Other financial income (expense)	€M				
<b>Net financial expenses</b>	€M	-1.58	-4.00	-5.00	-5.00
<i>of which related to pensions</i>	€M		0.00	0.00	0.00
<b>Pre-tax profit before exceptional items</b>	€M	-13.2	17.8	30.4	64.7
Exceptional items and other (before taxes)	€M	0.00	0.00	0.00	0.00
Current tax	€M	2.82	-5.89	-10.0	-21.4
Deferred tax	€M				
<b>Corporate tax</b>	€M	2.82	-5.89	-10.0	-21.4
<i>Tax rate</i>	%	21.4	33.0	33.0	33.0
<i>Net margin</i>	%	-69.7	24.3	28.9	36.0
Equity associates	€M				
<i>Actual dividends received from equity holdings</i>	€M				
Minority interests	€M				
Income from discontinued operations	€M				
<b>Attributable net profit</b>	€M	-10.4	11.9	20.4	43.4
Impairment charges/goodwill amortisation	€M	0.00	0.00	0.00	0.00
Other adjustments	€M				
<b>Adjusted attributable net profit</b>	€M	-10.4	11.9	20.4	43.4
<b>Fully diluted adjusted attr. net profit</b>	€M	-10.4	11.9	20.4	43.4
<b>NOPAT</b>	€M	-8.70	16.4	26.6	52.3

## Crossject (Buy)

## Cashflow Statement

		12/25A	12/26E	12/27E	12/28E
EBITDA	€M	-5.49	27.9	41.5	75.9
Change in WCR	€M	-1.95	-17.4	-9.67	-22.8
<i>of which (increases)/decr. in receivables</i>	€M	-1.60	-18.8	-10.7	-25.1
<i>of which (increases)/decr. in inventories</i>	€M	-0.07	-16.8	-8.75	-20.6
<i>of which increases/(decr.) in payables</i>	€M	-0.15	18.1	9.70	22.8
<i>of which increases/(decr.) in other curr. liab.</i>	€M	-0.12	0.03	0.03	0.03
Actual dividends received from equity holdings	€M	0.00	0.00	0.00	0.00
Paid taxes	€M		-5.89	-10.0	-21.4
Exceptional items	€M	0.00	0.00	0.00	0.00
Other operating cash flows	€M	0.00	0.00	0.00	0.00
<b>Total operating cash flows</b>	<b>€M</b>	<b>-7.44</b>	<b>4.62</b>	<b>21.8</b>	<b>31.7</b>
Capital expenditure	€M	-4.50	-5.88	-6.17	-6.48
<i>Capex as a % of depreciation &amp; amort.</i>	%	73.6	96.1	101	106
Net investments in shares	€M	0.00	0.00	0.00	0.00
Other investment flows	€M	0.00	0.00	0.00	0.00
<b>Total investment flows</b>	<b>€M</b>	<b>-4.50</b>	<b>-5.88</b>	<b>-6.17</b>	<b>-6.48</b>
Net interest expense	€M	-1.58	-4.00	-5.00	-5.00
<i>of which cash interest expense</i>	€M	-1.00	-4.00	-5.00	-5.00
<b>Dividends (parent company)</b>	<b>€M</b>				
Dividends to minorities interests	€M	0.00	0.00	0.00	0.00
<b>New shareholders' equity</b>	<b>€M</b>	<b>4.81</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<i>of which (acquisition) release of treasury shares</i>	€M				
Change in gross debt	€M		-2.00	-12.2	-1.84
Other financial flows	€M	0.00	0.00		
<b>Total financial flows</b>	<b>€M</b>	<b>3.81</b>	<b>-6.00</b>	<b>-17.2</b>	<b>-6.84</b>
Change in cash position	€M	-8.13	-7.26	-1.51	18.4
<b>Change in net debt position</b>	<b>€M</b>	<b>-8.13</b>	<b>-5.26</b>	<b>10.7</b>	<b>20.2</b>
Free cash flow (pre div.)	€M	-13.5	-5.26	10.7	20.2
Operating cash flow (clean)	€M	-7.44	4.62	21.8	31.7
<i>Reinvestment rate (capex/tangible fixed assets)</i>	%	76.1	81.6	70.2	60.7

## Crossject (Buy)

Balance Sheet		12/25A	12/26E	12/27E	12/28E
Capitalised R&D	€M	8.09	7.47	6.86	6.25
<b>Goodwill</b>	€M	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Contracts & Rights (incl. concession) intangible assets	€M	0.00	0.00	0.00	0.00
Other intangible assets	€M	0.00	0.00	0.00	0.00
<b>Total intangible</b>	€M	<b>8.09</b>	<b>7.47</b>	<b>6.86</b>	<b>6.25</b>
<b>Tangible fixed assets</b>	€M	<b>5.92</b>	<b>7.21</b>	<b>8.79</b>	<b>10.7</b>
Financial fixed assets (part of group strategy)	€M	0.00	0.00	0.00	0.00
Financial hedges (LT derivatives)	€M	0.00	0.00	0.00	0.00
Other financial assets (investment purpose mainly)	€M	1.00	1.00	1.00	1.00
<i>of which available for sale</i>	€M	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<b>WCR</b>	€M	<b>4.43</b>	<b>21.9</b>	<b>31.5</b>	<b>54.3</b>
<i>of which trade &amp; receivables (+)</i>	€M	<i>5.90</i>	<i>24.7</i>	<i>35.3</i>	<i>60.4</i>
<i>of which inventories (+)</i>	€M	<i>3.49</i>	<i>20.2</i>	<i>29.0</i>	<i>49.6</i>
<i>of which payables (+)</i>	€M	<i>4.40</i>	<i>22.5</i>	<i>32.2</i>	<i>55.0</i>
<i>of which other current liabilities (+)</i>	€M	<i>0.56</i>	<i>0.59</i>	<i>0.62</i>	<i>0.65</i>
Other current assets	€M	0.96	0.63	0.31	-0.02
<i>of which tax assets (+)</i>	€M	<i>0.80</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<b>Total assets (net of short term liabilities)</b>	€M	<b>20.4</b>	<b>38.2</b>	<b>48.5</b>	<b>72.3</b>
<b>Ordinary shareholders' equity (group share)</b>	€M	<b>-4.87</b>	<b>15.6</b>	<b>36.5</b>	<b>80.5</b>
Minority interests	€M				
<b>Provisions for pensions</b>	€M		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Other provisions for risks and liabilities	€M	1.61			
Deferred tax liabilities	€M	0.00			
Other liabilities	€M	6.29			
<b>Net debt / (cash)</b>	€M	<b>17.4</b>	<b>22.6</b>	<b>12.0</b>	<b>-8.24</b>
<b>Total liabilities and shareholders' equity</b>	€M	<b>20.4</b>	<b>38.2</b>	<b>48.5</b>	<b>72.3</b>
<b>Gross Cash</b>	€M	<b>30.5</b>	<b>23.2</b>	<b>21.7</b>	<b>40.1</b>
<b>Average net debt / (cash)</b>	€M	<b>15.7</b>	<b>20.0</b>	<b>17.3</b>	<b>1.86</b>
<b>Adjusted net debt</b>	€M	<b>19.0</b>	<b>22.6</b>	<b>12.0</b>	<b>-8.24</b>

EV Calculations		12/25A	12/26E	12/27E	12/28E
<b>EV/EBITDA(R)</b>	x	<b>-19.9</b>	<b>4.35</b>	<b>2.67</b>	<b>1.19</b>
<b>EV/EBIT</b>	x	<b>-9.42</b>	<b>5.56</b>	<b>3.13</b>	<b>1.30</b>
<b>EV/Sales</b>	x	<b>7.35</b>	<b>2.47</b>	<b>1.57</b>	<b>0.75</b>
EV/Invested capital	x	5.93	3.32	2.35	1.27
Market cap	€M	90.4	98.8	98.8	98.8
+ Provisions (including pensions)	€M	1.61	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00	0.00
+ Net debt at year end (ex Right-of-use from 2019)	€M	17.4	22.6	12.0	-8.24
+ Right-of-use (from 2019)/Leases debt equivalent	€M	0.00	0.00	0.00	0.00
- Financial fixed assets (fair value) & Others	€M				
+ Minority interests (fair value)	€M				
<b>= Enterprise Value</b>	€M	<b>109</b>	<b>121</b>	<b>111</b>	<b>90.6</b>

## Crossject (Buy)

## Per Share Data

		12/25A	12/26E	12/27E	12/28E
<b>Adjusted EPS (bfr goodwill amort. &amp; dil.)</b>	€	<b>-0.21</b>	<b>0.22</b>	<b>0.36</b>	<b>0.78</b>
<i>Growth in EPS</i>	%	<i>n/a</i>	<i>n/a</i>	68.2	113
Reported EPS	€	-0.21	0.24	0.41	0.87
<b>Net dividend per share</b>	€	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Free cash flow per share	€	-0.27	-0.10	0.19	0.36
Operating cash flow per share	€	-0.16	0.09	0.44	0.64
Book value per share	€	-0.10	0.31	0.73	1.62
<b>Number of ordinary shares</b>	<b>Mio</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
Number of equivalent ordinary shares (year end)	Mio	50.0	50.0	50.0	50.0
Number of shares market cap.	Mio	50.0	50.0	50.0	50.0
Treasury stock (year end)	Mio	0.21	0.21	0.21	0.21
Number of shares net of treasury stock (year end)	Mio	49.8	49.8	49.8	49.8
<b>Number of common shares (average)</b>	<b>Mio</b>	<b>47.3</b>	<b>49.8</b>	<b>49.8</b>	<b>49.8</b>
Conversion of debt instruments into equity	Mio	0.00			
Settlement of cashable stock options	Mio				
Probable settlement of non mature stock options	Mio				
Other commitments to issue new shares	Mio	4.54	6.04	6.04	6.04
Increase in shares outstanding (average)	Mio	2.27	5.29	6.04	6.04
<b>Number of diluted shares (average)</b>	<b>Mio</b>	<b>49.5</b>	<b>55.1</b>	<b>55.9</b>	<b>55.9</b>
Goodwill per share (diluted)	€	0.00	0.00	0.00	0.00
EPS after goodwill amortisation (diluted)	€	-0.21	0.22	0.36	0.78
EPS before goodwill amortisation (non-diluted)	€	-0.22	0.24	0.41	0.87
<b>Payout ratio</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Capital payout ratio (div +share buy back/net income)</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

		12/25A	12/26E	12/27E	12/28E
<b>Funding - Liquidity</b>					
EBITDA	€M	-5.49	27.9	41.5	75.9
Funds from operations (FFO)	€M	-6.49	18.1	26.5	49.5
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>-4.87</b>	<b>15.6</b>	<b>36.5</b>	<b>80.5</b>
Gross debt	€M	47.8	45.8	33.7	31.8
o/w Less than 1 year - Gross debt	€M	1.84	1.84	1.84	1.84
o/w 1 to 5 year - Gross debt	€M	6.00	4.00	1.84	0.00
of which Y+2	€M	1.84	1.84	1.84	
of which Y+3	€M	1.84	1.84		
of which Y+4	€M	1.84			
o/w Beyond 5 years - Gross debt	€M	40.0	40.0	30.0	30.0
+ Gross Cash	€M	30.5	23.2	21.7	40.1
<b>= Net debt / (cash)</b>	<b>€M</b>	<b>17.4</b>	<b>22.6</b>	<b>12.0</b>	<b>-8.24</b>

Bank borrowings	€M	35.0	35.0	25.0	25.0
Issued bonds	€M	7.95			
Other financing	€M	4.89	10.8	8.67	6.84

Gearing (at book value)	%		128	47.3	2.32
Equity/Total asset (%)	%	-23.9	40.8	75.3	111
Adj. Net debt/EBITDA(R)	x	-3.46	0.81	0.29	-0.11
Adjusted Gross Debt/EBITDA(R)	x	-9.01	1.64	0.81	0.42
Adj. gross debt/(Adj. gross debt+Equity)	%	111	74.7	48.0	28.3
Ebit cover	x	-7.35	5.46	7.08	13.9
FFO/Gross Debt	%	-13.1	39.4	78.7	155
FFO/Net debt	%	-37.4	79.9	221	-601
FCF/Adj. gross debt (%)	%	-27.3	-11.5	31.6	63.5
(Gross cash+ "cash" FCF+undrawn)/ST debt	x	9.23	9.77	17.6	32.8
"Cash" FCF/ST debt	x	-7.04	-2.86	5.80	11.0

		12/25A	12/26E	12/27E	12/28E
<b>ROE Analysis (Dupont's Breakdown)</b>					
Tax burden (Net income/pretax pre excp income)	x	0.79	0.67	0.67	0.67
EBIT margin (EBIT/sales)	%	-78.0	44.4	50.3	57.9
Assets rotation (Sales/Avg assets)	%	74.9	168	163	199
Financial leverage (Avg assets /Avg equity)	x	-5.27	5.48	1.66	1.03
<b>ROE</b>	<b>%</b>	<b>275</b>	<b>224</b>	<b>78.2</b>	<b>74.1</b>
ROA	%	-63.0	59.7	75.0	97.8

		12/25A	12/26E	12/27E	12/28E
<b>Shareholder's Equity Review (Group Share)</b>					
Y-1 shareholders' equity	€M	-8.20	-13.8	15.6	36.5
+ Net profit of year	€M	-10.4	11.9	20.4	43.4
- Dividends (parent cy)	€M	0.00	0.00	0.00	0.00
+ Additions to equity	€M	4.81	0.00	0.00	0.00
o/w reduction (addition) to treasury shares	€M	0.00	0.00	0.00	0.00
- Unrecognised actuarial gains/(losses)	€M	0.00	0.00	0.00	0.00
+ Comprehensive income recognition	€M		17.4	0.59	0.59
<b>= Year end shareholders' equity</b>	<b>€M</b>	<b>-13.8</b>	<b>15.6</b>	<b>36.5</b>	<b>80.5</b>

## Staffing Analytics

		12/25A	12/26E	12/27E	12/28E
Sales per staff	€th	132	289	320	482
Staff costs per employee	€th	-69.0	-64.7	-68.2	-72.0
Change in staff costs	%	-2.54	41.1	36.4	20.0
Change in unit cost of staff	%	-6.85	-6.22	5.37	5.60
Staff costs/(EBITDA+Staff costs)	%	338	28.2	26.5	19.2

Average workforce	unit	113	170	220	250
Europe	unit	105	155	200	225
North America	unit	8.00	15.0	20.0	25.0
South Americas	unit	0.00	0.00	0.00	0.00
Asia	unit	0.00	0.00	0.00	0.00
Other key countries	unit	0.00	0.00	0.00	0.00
<b>Total staff costs</b>	<b>€M</b>	<b>-7.80</b>	<b>-11.0</b>	<b>-15.0</b>	<b>-18.0</b>
Wages and salaries	€M	-7.80	-11.0	-15.0	-18.0
of which social security contributions	€M	-2.35	-4.00	-6.00	-8.00
Pension related costs	€M		0.00	0.00	0.00

## Divisional Breakdown Of Revenues

		12/25A	12/26E	12/27E	12/28E
<b>Total sales</b>	<b>€M</b>	<b>14.9</b>	<b>49.2</b>	<b>70.4</b>	<b>120</b>
Methotrexate	€M	0.00	0.00	0.00	0.00
Epinephrine	€M	0.00	4.36	10.9	32.7
Sumatriptan	€M	0.00	0.00	0.00	0.00
Midazolam	€M	0.00	44.8	49.8	56.3
Hydrocortisone	€M	0.00	0.00	3.25	6.50
Naloxone	€M	0.00	0.00	6.49	13.0
Apomorphine	€M	0.00	0.00	0.00	0.00
Terbutaline	€M	0.00	0.00	0.00	11.9
Other	€M	14.9	0.00	0.00	0.00

## Divisional Breakdown Of Earnings

		12/25A	12/26E	12/27E	12/28E
<b>EBIT Analysis</b>					
Royalty income	€M				
Product sales	€M	0.00	49.2	70.4	120
Other/cancellations	€M				
<b>Total</b>	<b>€M</b>	<b>0.00</b>	<b>49.2</b>	<b>70.4</b>	<b>120</b>
EBIT margin	%	0.00	100	100	100

## Revenue Breakdown By Country

		12/25A	12/26E	12/27E	12/28E
Europe	%	100	100		
o/w France	%	100	100		
Americas	%	0.00	0.00		
Asia	%	0.00	0.00		
o/w China	%	0.00	0.00		
Other	%	0.00	0.00		

## Crossject (Buy)

ROCE		12/25A	12/26E	12/27E	12/28E
ROCE (NOPAT+lease exp. *(1-tax))/(net) cap employed adjusted	%	-47.2	44.8	56.3	73.4
CFROIC	%	-73.3	-14.4	22.6	28.4
Goodwill	€M	0.00	0.00	0.00	0.00
Accumulated goodwill amortisation	€M	0.00	0.00	0.00	0.00
All intangible assets	€M	0.00	0.00	0.00	0.00
Accumulated intangible amortisation	€M	0.00	0.00	0.00	0.00
Financial hedges (LT derivatives)	€M	0.00	0.00	0.00	0.00
Capitalised R&D	€M	8.09	7.47	6.86	6.25
Rights of use/ Capitalised leases	€M	0.00	0.00	0.00	0.00
Other fixed assets	€M	5.92	7.21	8.79	10.7
Accumulated depreciation	€M	0.00	0.00	0.00	0.00
WCR	€M	4.43	21.9	31.5	54.3
Other assets	€M	0.00	0.00	0.00	0.00
Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00	0.00
<b>Capital employed after deprec. (Invested capital)</b>	<b>€M</b>	<b>18.4</b>	<b>36.6</b>	<b>47.2</b>	<b>71.3</b>
Capital employed before depreciation	€M	18.4	36.6	47.2	71.3

Divisional Breakdown Of Capital Employed		12/25A	12/26E	12/27E	12/28E
Royalty income	€M				
Product sales	€M				
Other	€M	18.4	36.6	47.2	71.3
<b>Total capital employed</b>	<b>€M</b>	<b>18.4</b>	<b>36.6</b>	<b>47.2</b>	<b>71.3</b>

## Fundamental Opinion

It is implicit that recommendations are made in good faith but should not be regarded as the sole source of advice.

Recommendations are geared to a “value” approach.

Valuations are computed from the point of view of a **secondary market minority holder** looking at a medium term (say 6 months) performance.

Valuation tools are built around the concepts of **transparency**, all underlying figures are accessible, and **consistency**, same methodology whichever the stock, allowing for differences in nature between financial and non financial stocks. A stock with a target price below its current price should not and will not be regarded as an Add or a Buy.

Recommendations are based on target prices with no allowance for dividend returns. The thresholds for the four recommendation levels may change from time to time depending on market conditions. Thresholds are defined as follows, ASSUMING long risk free rates remain in the 2-5% region.

Recommendation	Low Volatility 10 < VIX index < 30	Normal Volatility 15 < VIX index < 35	High Volatility 35 < VIX index
Buy ●	More than 15% upside	More than 20% upside	More than 30% upside
Add ●	From 5% to 15%	From 5% to 20%	From 10% to 30%
Reduce ●	From -10% to 5%	From -10% to 5%	From -10% to 10%
Sell ●	Below -10%	Below -10%	Below -10%

There is deliberately no “neutral” recommendation. The principle is that there is no point investing in equities if the return is not at least the risk free rate (and the dividend yield which again is not allowed for).

Although recommendations are automated (a function of the target price whenever a new equity research report is released), the management of AlphaValue intends to maintain global consistency within its universe coverage and may, from time to time, decide to change global parameters which may affect the level of recommendation definitions and /or the distribution of recommendations within the four levels above. For instance, lowering the risk premium in a gloomy context may increase the proportion of positive recommendations.

## Valuation

Valuation processes have been organized around transparency and consistency as primary objectives.

Stocks belong to different categories that recognise their main operating features : Banks, Insurers and Non Financials.

Within those three universes, the valuation techniques are the same and in relation to the financial data available.

The weighting given to individual valuation techniques is managed centrally and may be changed from time to time. As a rule, all stocks of a similar profile are valued using equivalent weighting of the various valuation techniques. This is for obvious consistency reasons.

Within the very large universe of Non Financials, there are in effect 4 sub-categories of weightings to cater for subsets: 1) 'Mainstream' stocks; 2) 'Holding companies' where the stress is on NAV measures; 3) 'Growth' companies where the stress is on peer based valuations; 4) 'Loss making sectors' where peers review is essentially pointing nowhere (ex: Bio techs). The bulk of the valuation is then built on DCF and NAV, in effect pushing back the time horizon.

Valuation Issue	Normal industrials	Growth industrials	Holding company	Loss runners	Bank	Insurers
DCF	35%	35%	10%	40%	0%	0%
NAV	20%	20%	55%	40%	50%	15%
PE	10%	10%	10%	5%	10%	20%
EV/EBITDA	20%	20%	0%	5%	0%	0%
Yield	10%	10%	20%	5%	10%	15%
Book	5%	5%	5%	5%	10%	10%
Banks' intrinsic method	0%	0%	0%	0%	10%	0%
Embedded Value	0%	0%	0%	0%	0%	40%
Mkt Cap/Gross Operating Profit	0%	0%	0%	0%	10%	0%