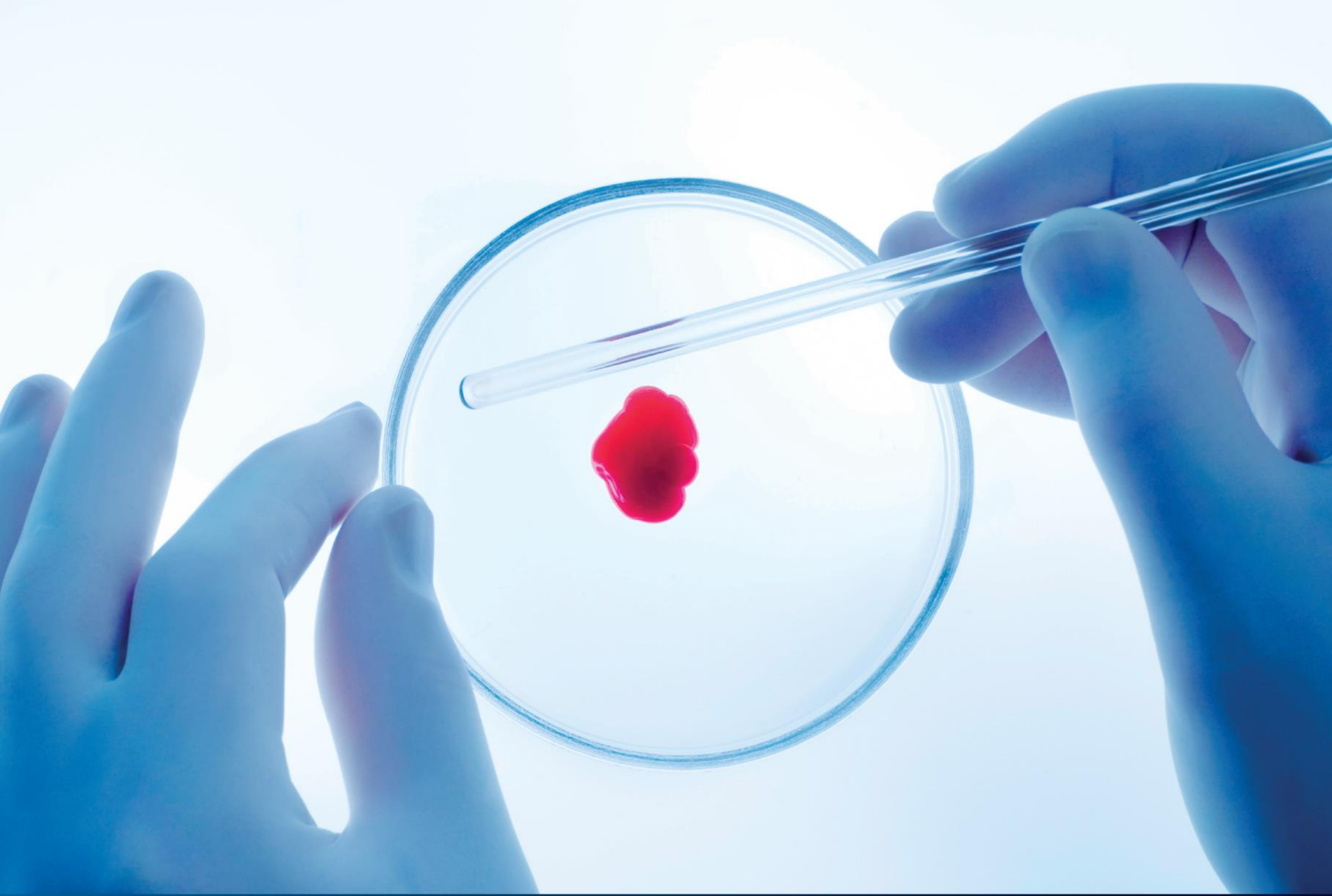

NOTICE OF MEETING
2017

erytech

NOTICE OF A COMBINED GENERAL 'MEETING OF JUNE 27, 2017
OF THE ERYTECH PHARMA COMPANY

Dear Shareholder,

You are hereby convened to the Combined General Meeting on June 27, 2017 at 10:00 am at the Centre de Conférence Edouard VII, 23 Square Edouard VII, 75009 Paris, in order to deliberate on the following agenda:

AGENDA

Reading of the reports of the Board of Directors and the Auditors;

I: Agenda to be submitted to the Annual General Meeting

1. Approval of the financial statements for the financial year ended December 31, 2016 (**Resolution 1);**
2. Approval of the consolidated financial statements for the financial year ended December 31, 2016 (**Resolution 2);**
3. Allocation of the result for the financial year (**Resolution 3);**
4. Statutory Auditors' special report on regulated agreements and commitments with related parties (**Resolution 4);**
5. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning changes to Jérôme Bailly's remuneration (**Resolution 5);**
6. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Jérôme Bailly's training agreement (**Resolution 6);**
7. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Jérôme Bailly's support services for managing securities (**Resolution 7);**
8. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning the specific payment made to Mr. Jérôme Bailly in the event of change of control occurring during the two years of the bonus share plan (**Resolution 8);**
9. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Gil Beyen's tax support services (**Resolution 9);**
10. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Gil Beyen's support services for managing securities (**Resolution 10);**
11. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Philippe Archinard's support services for managing securities (**Resolution 11);**
12. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Luc Dochez's support services for managing securities (**Resolution 12);**
13. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Hilde Windels's support services for managing securities (**Resolution 13);**
14. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Martine J. George's support services for managing securities (**Resolution 14);**
15. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Allene Diaz's support services for managing securities (**Resolution 15);**
16. Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning GALENOS's support services for managing securities (**Resolution 16);**
17. Approval of the remuneration policy for corporate officers (**Resolution 17);**
18. Setting of attendance fees allocated to the Board of Directors (**Resolution 18);**
19. Renewal of the term of office of Martine J. George as director (**Resolution 19);**

20. Ratification/Appointment of Allene Diaz as director (**Resolution 20);**
21. Appointment of the company BVBA Hilde Windels, represented by Hilde Windels as a new director (**Resolution 21);**
22. Approval of the regulations of the share subscription and/or purchase options plan adopted by the Board of Directors on October 3, 2016 (**Resolution 22);**
23. Authorization for the Company to buy back its own shares (**Resolution 23);**

II: Agenda to be submitted to the Extraordinary General Meeting

24. Authorization for the Board of Directors to reduce the Company's share capital by canceling the treasury shares held by the Company (**Resolution 24);**
25. Delegation of authority to the Board of Directors to issue common shares of the Company and securities giving access to common shares to be issued immediately or in the future by the Company, with existing shareholders' preferential subscription rights maintained (**Resolution 25);**
26. Delegation of authority to the Board of Directors to issue common shares of the Company and securities giving access to common shares to be issued immediately or in the future by the Company, with shareholders' preferential subscription rights waived in the context of a public offering (**Resolution 26);**
27. Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company immediately or in the future, with preferential subscription rights waived, in connection with offerings within the provisions in section II of Article L.411-2 of the French Monetary and Financial Code (**Resolution 27);**
28. Authorization to the Board of Directors, in the case of an issue, with existing shareholders' preferential subscription rights waived, of common shares of the Company or securities giving access to common shares to be issued by the Company, to set the issue price in accordance with the terms and conditions set by the General Meeting, of up to10% of share capital per year (**Resolution 28);**
29. Authorization to the Board of Directors, in the case of a capital increase with existing shareholders' preferential subscription rights maintained, to increase the number of shares to be issued (**Resolution 29);**
30. Delegation of authority to the Board of Directors, with shareholders' preferential subscription rights waived, to increase the company's share capital through an issue reserved for certain categories of investors (**Resolution 30);**
31. Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company in the event of a public exchange offer initiated by the Company, with shareholders' preferential subscription rights waived (**Resolution 31);**
32. Authorization to the Board of Directors to issue, with existing shareholders' preferential subscription rights waived, common shares or securities giving access to common shares to be issued, to be used as payment for in-kind contributions to the Company consisting of equity securities or other securities giving access to capital (**Resolution 32);**
33. Delegation of authority to the Board of Directors to increase capital by incorporating reserves, profits or premiums (**Resolution 33);**
34. Delegation of authority to the Board of Directors to carry out capital increases reserved for employees enrolled in an Erytech Pharma Group savings plan, with shareholders' preferential subscription rights waived (**Resolution 34);**
35. Authorization to the Board of Directors to award existing or future bonus shares, with existing shareholders' preferential subscription rights waived, to Company or related company corporate officers or employees (**Resolution 35);**

36. Authorization for the Board of Directors to grant share subscription and/or share purchase options of the Company to corporate officers and employees of the Company or companies in the Erytech Pharma Group, entailing the waiver by shareholders of their preferential rights to subscribe shares issued following the exercise of stock options (**Resolution 36);**
37. Authorization to the Board of Directors to issue share subscription warrants, with existing shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or Erytech Pharma Group companies (**Resolution 37);**
38. Delegation given to the Board of Directors to bring the articles of incorporation into compliance with changes in legislation (no. **Resolution 38**);

III: Authority

- Powers for carrying out formalities (**Resolution 39**);

General Shareholders' Meetings shall be composed of all the shareholders, regardless of the number of shares they hold. Any shareholder may be represented by another shareholder, by his/her spouse or by his/her partner via civil union, or by any individual or legal entity of his/her choice. Shareholders may also vote by mail.

In accordance with Article R.225-85 of the French Commercial Code, the only individuals who may attend the meeting, vote by mail or be represented at the meeting are shareholders who have provided proof of share ownership by midnight CET, two business days before the meeting, either by registering their shares in their name or in the name of their intermediary duly registered to act on their behalf, or in the registered share account held for the company by its officer: SOCIETE GENERALE SECURITIES SERVICES, (Issuers Department), located in NANTES (44312) CEDEX 3 – BP 81236 – 32, rue du Champ de Tir, or in the bearer share accounts held by an intermediary holding their share account, mentioned in Article L.211-3 of the French Monetary and Financial Code.

The registering of shares in bearer share accounts held by an intermediary mentioned in Article L.211-3 of the French Monetary and Financial Code must be recorded via a certificate of participation issued by the latter and appended to the absentee vote form or to a proxy form or to the attendance card prepared in the shareholder's name, or on behalf of the shareholder represented by the registered intermediary. A declaration is also issued to shareholders who want to attend the meeting in person who have not received their attendance card by midnight CET the second business day prior to the meeting.

A single absentee voting and proxy form is attached. The single postal voting and proxy forms must be returned to the following address: SOCIÉTÉ GÉNÉRALE - Service des Assemblées Générales - SGSS/SBO/CIS/ISS/GMS - CS 30812 - 44308 NANTES Cedex 3. These forms shall not be taken into consideration unless they are duly completed and signed and are received by the legal department at the Company's headquarters at least three days before the day of the meeting, (i.e., by June 21, 2017).

Any shareholder who has already voted by mail, sent in a proxy, requested an attendance card or a certificate of participation will no longer have the option of choosing another method of participating in the meeting.

The text of the resolutions proposed to the General Shareholders' Meeting for adoption, the unabridged text of draft resolutions presented by shareholders with their explanatory memorandum, where applicable, and the unabridged text of documents set forth by Law are attached to the present notice.

Written questions that shareholders may submit before the General Shareholders' Meeting should be addressed to the Company's headquarters by registered letter and addressed to the Chairman of the Board of Directors no later than the fourth working day prior to the General Shareholders' Meeting, (i.e., by June 21, 2017). They must be accompanied by a share registration certificate.

The information relative to the modalities for participation in the General meeting are contained in section 6.4.4 and 6.2.5 the 2016 Reference Document.

In accordance with article L. 225-107 of the French Commercial Code "If the statutes so provide, the shareholders shall be deemed present for the calculation of the quorum and the majority who attend the meeting by videoconference or by means of telecommunication allowing for their identification and, whose nature and application conditions are determined by decree during the Council of State".

Participation and voting by videoconference or by another means of telecommunications have not been chosen for this Combined General Shareholders' Meeting. No site referred to in Article R.225-61 of the French Commercial Code shall be arranged for this purpose.

All the information and documents referred to in article R. 225-81 and R. 225-83 of the French Commercial Code are attached to this notice.

The last name and given name, of the members of the board of directors and chief executive officers as well as, as appropriate, the indication of other companies in which these people exercise management, board, administration and monitoring functions are contained in section 4.1.1.1.3 of the 2016 Reference Document.

The information contained in the annual financial report and the annual management report contained in the Reference Document. The table of concordance below allows you to identify: The concordance table below allows for them to be identified.

Annual financial report	Reference Document
1. Certification by the responsible party	See section 6.5.2,
2. Company annual financial statements under French accounting	See section 5.5,
3. Statutory auditor's report on the annual financial statements under French accounting standards	See section 5.6,
4. Consolidated annual financial statements under International	See section 5.3,
5. Statutory auditor's report on the consolidated annual financial statements under International Financial Reporting Standards (IFRS)	See section 5.4,
6. Management report	See index below
7. Chairman's report on internal audit	See section 4.2,
8. Report by the statutory auditor about the Chairman's report	See section 4.3,
9. Statement pertaining to the statutory auditor's fees	See section 6.6.3.

Annual management report	Reference Document
1. Information on the company's activity	
A presentation of the activity (namely, progress and difficulties encountered) and results of the company, each subsidiary and group	See section 1.2, 1.3, 1.5,

Analysis of the evolution of business activity, results, financial position and, in particular, of the company's and the Group's	See section 5.2,
Company and/or group outlook	See section 5.7.3
The company and group's key indicators of a financial and non-financial nature	See section 5.2,
The company and group's post-closing events	See section 5.3
Indication on the use of financial instruments including financial risk and of the company and the group's price risks, credit, liquidity and cash flow	See section 2.5
The company and group's primary risks and uncertainties	See chapter 2
The company and group's R&D information	See section 1.7
2. The Company's legal, financial and tax information	
Choice made from one of the two management modalities in the event of modification	See section 4.1.1
Distribution and evolution of ownership	See section 6.4.1
Name of the controlled companies participating in the Company's self-inspection and share capital they hold	
Significant equity participation during the financial year in companies having their headquarters on the French territory	N/A
Notice of shareholding of more than 10% of the capital of another company by shares; disposal of cross-shareholdings	N/A
Acquisition and assignment by the company of its own shares (buyback)	See section 6.3.3
Employee participation in the share capital	See section 3.2.3.2
Presentation of the elements likely to have an impact in the event of a public offer	See section 4.1.3
Summary table of the delegations pending approval granted by the General Meeting of Shareholders with respect to capital increases	See section 6.3.5
Mention of potential adjustments: for securities giving access to capital and stock-options in the event of buybacks for securities giving access to capital in the event of financial operations	N/A
The amount of the dividends that have been distributed with respect to the last three financial years	See section 5.7.6.1
Amount of the non-deductible expenditures and expenses	See section 5.7.8
Payment period and decomposition of the balance of supplier and customer payables by expiry date	See section 5.7.9
Injunctions or penalties for anti-competitive practices	N/A
Agreements concluded between an officer or a shareholder holding more than 10% of the voting rights and one subsidiary (excluding standard agreements)	See section 4.5
3. Information pertaining to the executives (corporate officers)	
List of all of the offices and functions practiced in any company by each of the officials during the financial year	See section 4.1.1
Remuneration and benefits of all kinds paid during the financial year to each corporate officer by the company, the companies it controls, and the company that controls it	See section 4.4.2
Commitments related to decision-making, cessation or change of functions	See section 4.4.1.2

In case of allocation of stock options, mention of the information serving as the basis for the Board of Directors' decision: To forbid the officers from exercising their options before the cessation of their functions; or to impose upon them to keep all or part of the shares from options already exercised (specifying the fraction, set as such) in registered form until the termination of their functions	N/A
Summary of the operations of the officers and related people with respect to Company securities	See section 4.4.5
4. Company's CSR information	
Taking into account the social and environmental consequences of the activity and social commitments for the sustainable development and for the fight against discrimination and the promotion of diversity	See chapter 3,
Information pertaining to dangerous activities	See section 2.1.14,
In case of allocation of free shares, mention of the information serving as a basis for the Board of Directors' decision: To forbid officers from assigning the shares that were assigned to them free of charge before the cessation of their functions; or to set the amount of these shares that they must keep in registered form until the termination of their functions (specifying the fraction, set as such)	See section 4.4. 1c

The allocation of results table, specifying, namely, the origin of the amounts proposed for distribution, is appended to the present notice (Appendix 1).

The Statutory auditor's report provided for in the third paragraph of article L. 225-40 is contained in section 4.5.2 of the 2016 Reference Document.

In accordance with article R.225-81 of the French Commercial Code, the summary of the Company's situation during the financial year (Appendix 2) as well as the document and information request form referred to in article R. 225-83 of the French Commercial Code (Appendix 3) are appended to the present notice.

Sincerely yours,

The Board of Directors

APPENDIX 1

ALLOCATION OF RESULTS TABLE

Recommendations for the allocation of the 2016 result

Parent Company profit/loss	
Elements	**Amount in €**
Net loss for the financial year to be distributed	(17,407,816)
+ Carryforward N-1	(47,855,465)
= Carryforward N	(65,263,281)

Consolidated profit/loss	
Elements	**Amount in €**
Net loss for the financial year to be distributed	(21,912,584)
+ Carryforward N-1	(48,412,249)
= Carryforward N	(70,324,833)

APPENDIX 2

SUMMARY PRESENTATION ON THE COMPANY'S FINANCIAL POSITION DURING THE LAST FINANCIAL YEAR

FINANCIAL YEAR ENDED DECEMBER 31, 2016

FACTS CHARACTERIZING THE FINANCIAL YEAR

Yann Godfrin, co-founder of the Company and Chief Operating Officer, submitted his resignation from his positions within the Company at the Board of Directors’ meeting of Sunday, January 10, 2016.

In financial year 2016, an employee shareholding plan was allocated as follows (see Note on "Share-based payments"):

- The Board of Directors’ meeting on October 3, 2016, awarded 45,000 BSA warrants to the independent Board members;
- The Board of Directors’ meeting on October 3, 2016, awarded 111,261 free performance shares to ERYTECH employees;
- The Board of Directors’ meeting on October 3, 2016, awarded 44,499 stock options to ERYTECH Inc. employees;

Erytech also strengthened its management team by appointing Jean-Sébastien Cleiftie as Business Development Director. Alexander Scheer also joined the Company, replacing Yann Godfrin as Chief Science Officer.

Allene M. Diaz was appointed to the Board of Directors initially as a non-voting observer, with the intention of appointing her as Director in January 2017, subject to ratification by the next General Shareholders’ Meeting.

In December 2016, the parent company ERYTECH PHARMA SA raised €9.9 million by issuing a total of 793,877 new shares as part of a capital increase in the form of a private placement with first-tier institutional investors in the United States and Europe, representing approximately 9% of the number of shares outstanding (post-issue).

The issue price was set at €12.50 per share (including issue premium), in accordance with Resolutions 20 and 21 of the Combined General Meeting of June 24, 2016. This price highlights a discount of 13.55% as compared to the market price preceding the date that the issue price was set.

- Patient enrollment for the Phase 2b trial of eryaspase (also called ERY-ASP and GRASPA®) for the treatment of acute myeloid leukemia (AML) was completed on August 29, 2016, with a total of 123 patients included in the trial.

The final patient for the Phase II trial of eryaspase (also called ERY-ASP and GRASPA®) for the treatment of pancreatic cancer (AML) was enrolled on September 26, 2016, making a total of 141 patients included in the trial.

The Company decided to withdraw its application for European Marketing Authorization (MA) for GRASPA for the treatment of patients with Acute Lymphoblastic Leukemia (ALL) as the 180-day deadline for providing the additional data in the list of mandatory prerequisites imposed by the Committee on Medicinal Products for Human Use (CHMP) was too tight.
The Company has opted to submit a new MA application over the course of the 3rd quarter of 2017.

The Company is preparing to launch the "NOPHO" trial. It is a Phase III trial in ALL initiated by the investigators.

The Company is continuing the development of its second drug candidate ERY-MET, which is also based on ERYCAPS technology, with methionine-y-lyase as the active molecule.

The development of this new drug candidate forms part of the TEDAC research program and was essential to the approval of the technical and financial stage 4, allowing the Company to receive the planned funding in the form of a subsidy and a repayable advance.

As part of advancing to clinical development, a Science Board meeting was held in Brussels on December 3, 2016 to provide guidelines for the medical protocol and therapeutic indications.

The Company received a notice of acceptance of its patent application number 12/672.094 entitled “Composition and Therapeutic Anti-Tumor Vaccine” from the United States Patent and Trademark Office (USPTO).

The accounting audit by the tax authorities was closed in April 2016 with a minor adjustment to the amounts reviewed (€84,933 or 2% of the amounts audited). This amount has been recorded in the financial statements ended December 31, 2016.

The Company still intends to apply for listing and launch an IPO on the U.S. Nasdaq market.

The Company has launched a project to modify its manufacturing process. The project began Phase III of its development for a cost of €1,480,000 in financial year 2016, €830,000 of which was capitalized.

BUSINESS CONTINUITY

The Company's loss-making situation is explained by the innovative nature of the products developed, which involves a multi-year research and development phase. The general accounting conventions were applied in compliance with the principle of prudence, in accordance with the underlying assumptions of:

- business continuity,
- consistency of accounting methods from one financial year to the next,
- segregation of accounting periods,

and in accordance with the general rules for the preparation and presentation of annual financial statements.

REVENUES

By way of reminder, in 2012, the Company signed an exclusive distribution agreement for its product in the indication of acute lymphoblastic leukemia with Orphan Europe.

The Company likewise entered into a contract with the Recordati Group to financially support the clinical trial of GRASPA AML 2012-01 for Acute Lymphoblastic Leukemia (AML), in the amount of €5 million.

Therefore, the Company continues to re-invoice without margin, on a monthly basis, the costs for the trial which totaled €685,479 for 2016.

Amounts re-invoiced are recorded in sales. Export sales amounting to €834,862 correspond to the re-invoicing of management fees to the subsidiary.

OPERATING SUBSIDY

The Company received a subsidy for the TEDAC project on December 13, 2016 in the amount of €463,000.

COMPANY'S FINANCIAL RESULTS OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
CAPITAL AT YEAR-END					
Existing no. of common shares	8,732,648	7,924,611	6,882,761	5,558,952	315,355
Existing no. of priority dividends	8,732,648	7,924,611	6,882,761	5,558,952 **	315,355
Maximum no. of future shares to be created					
- by conversion of securities			-	-	135,833 *
- by exercising of subscription rights	14,160	455,330	452,180	22,736	244,855
OPERATIONS AND RESULTS					
Sales figure excluding taxes	1,520,342	716,639	791,853	483,964	
Profit/loss before tax and employee profit sharing, depreciation and provisions	(20,754,958)	(13,725,539)	(8,755,887)	(7,592,464	(2,149,309)
Income tax	(3,347,142)	(2,219,406)	(1,523,688)	(1,366,656	(812,570)
Employee profit-sharing for the financial year					
Profit/loss after tax and employee profit sharing, depreciation and provisions	(17,407,816)	(11,797,253)	(7,283,237)	(6,478,994	(2,011,394)
Distributed result					
EARNINGS PER SHARE					
Profit/loss after tax and employee profit sharing but prior to depreciation and provisions	(1.99)	(1.45)	(1.05)	(1.12)	(4.23)
Profit/loss after tax and employee profit sharing,	(1.99)	(1.49)	(1.06)	(1.17)	(6.38)
Dividend distributed with each share					
PERSONNEL					
Average workforce for the financial year	77	49	38	36	38
Amount of payroll for the financial year	3,487,637	2,707,422	2,402,291	2,504,423	1,718,300
Amount of sums paid with respect to social benefits for the financial year	1,701,273	1,211,628	1,168,792	1,164,033	827,736

* According to the hypothesis of a raising of funds of 18 million euros with a valuation of 73,62 euros per share
** Division by 10 of the nominal value of the share in 2013

APPENDIX 3

ERYTECH PHARMA
A French limited liability company (*société anonyme*) with share capital of €1,174,064.80
Headquarters: 60, avenue Rockefeller – 69008 Lyon
Lyon Trade and Companies Register 479 560 013

REQUEST FOR DOCUMENTS AND INFORMATION REFERRED TO IN ARTICLE R 225-83
OF THE FRENCH COMMERCIAL CODE

I, the undersigned ____ ,
As applicable, represented by ____,
*In his capacity as*____,

Residing / headquartered ____
____,

Owner of ___________ nominal shares of the ERYTECH Pharma Company, ask that I be sent the documents and information referred to in article R 225-83 of the French Commercial Code concerning the General meeting convened for June 27, 2017.

For your information, this document is provided in accordance with article R. 225-83 of the French Commercial Code, however all of the documents referred to hereafter are already attached to this notice of meeting.

□ As a shareholder, owner of nominal shares, I also ask to receive a proxy form and the documents and information referred to in articles R 225-81 et R 225-83 of the French Commercial Code (check to confirm your choice) for each of the subsequent general meetings

Signed at ___________________
On _________________________

Signature:

ERYTECH PHARMA
A French joint-stock company (*société anonyme*) with share capital of €1,174,064.80
Headquarters: 60, avenue Rockefeller – 69008 LYON
479 560 013 RCS LYON

REPORT OF THE BOARD OF DIRECTORS
TO THE JOINT GENERAL MEETING
OF JUNE 27, 2017

Dear Shareholders,

We summoned you to a Combined General Meeting for the purpose of voting on draft resolutions for the purpose of:

AGENDA

Under the jurisdiction of the Annual General Meeting:

- Approval of the financial statements for the financial year ended December 31, 2016 (**Resolution 1);**
- Approval of the consolidated financial statements for the financial year ended December 31, 2016 (**Resolution 2);**
- Allocation of the result for the financial year (**Resolution 3);**
- Statutory Auditors' special report on regulated agreements and commitments with related parties (**Resolution 4);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning changes to Jérôme Bailly's remuneration (**Resolution 5);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Jérôme Bailly's training agreement (**Resolution 6);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Jérôme Bailly's support services for managing securities (**Resolution 7);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning the specific payment made to Mr. Jérôme Bailly in the event of change of control occurring during the two years of the bonus share plan (**Resolution 8);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Gil Beyen's tax support services (**Resolution 9);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Gil Beyen's support services for managing securities (**Resolution 10);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Philippe Archinard's support services for managing securities (**Resolution 11);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Luc Dochez' support services for managing securities (**Resolution 12);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Hilde Windels's support services for managing securities (**Resolution 13);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Martine J. George's support services for managing securities (**Resolution 14);**

- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Allene Diaz's support services for managing securities (**Resolution 15);**
- Approval of the commitments set out in article L.225-38 of the French Commercial Code concerning Galenos' support services for managing securities (**Resolution 16);**
- Approval of the remuneration policy for corporate officers (**Resolution 17);**
- Setting of attendance fees allocated to the Board of Directors (**Resolution 18);**
- Renewal of the term of office of Martine J. George as director (**Resolution 19);**
- Ratification/Appointment of Allene Diaz as director (**Resolution 20);**
- Appointment of the company BVBA Hilde Windels, represented by Hilde Windels as a new director (**Resolution 21);**
- Approval of the regulations of the share subscription and/or purchase options plan adopted by the Board of Directors on October 3, 2016 (**Resolution 22);**
- Authorization for the Company to buy back its own shares (**Resolution 23);**

<u>Under the jurisdiction of the Extraordinary General Meeting:</u>

- Authorization for the Board of Directors to reduce the Company's share capital by canceling the treasury shares held by the Company (**Resolution 24);**
- Delegation of authority to the Board of Directors to issue common shares of the Company and securities giving access to common shares to be issued immediately or in the future by the Company, with existing shareholders' preferential subscription rights maintained (**Resolution 25);**
- Delegation of authority to the Board of Directors to issue common shares of the Company and securities giving access to common shares to be issued immediately or in the future by the Company, with shareholders' preferential subscription rights waived in the context of a public offering (**Resolution 26);**
- Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company immediately or in the future, with preferential subscription rights waived, in connection with offerings within the provisions in section II of Article L.411-2 of the French Monetary and Financial Code (**Resolution 27);**
- Authorization to the Board of Directors, in the case of an issue, with existing shareholders' preferential subscription rights waived, of common shares of the Company or securities giving access to common shares to be issued by the Company, to set the issue price in accordance with the terms and conditions set by the General meeting, of up to 10% of share capital per year (**Resolution 28);**
- Authorization to the Board of Directors, in the case of a capital increase with existing shareholders' preferential subscription rights maintained, to increase the number of shares to be issued (**Resolution 29);**
- Delegation of authority to the Board of Directors, with shareholders' preferential subscription rights waived, to increase the company's share capital through an issue reserved for certain categories of investors (**Resolution 30);**
- Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company in the event of a public exchange offer initiated by the Company, with shareholders' preferential subscription rights waived (**Resolution 31);**
- Authorization to the Board of Directors to issue, with existing shareholders' preferential subscription rights waived, common shares or securities giving access to common shares to be issued, to be used as payment for in-kind contributions to the Company consisting of equity securities or other securities giving access to capital (**Resolution 32);**

- Delegation of authority to the Board of Directors to increase capital by incorporating reserves, profits or premiums (**Resolution 33);**
- Delegation of authority to the Board of Directors to carry out capital increases reserved for employees enrolled in an Erytech Pharma Group savings plan, with shareholders' preferential subscription rights waived (**Resolution 34);**
- Authorization to the Board of Directors to award existing or future bonus shares, with existing shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or related companies (**Resolution 35);**
- Authorization for the Board of Directors to grant share subscription and/or share purchase options of the Company to corporate officers and employees of the Company or companies in the Erytech Pharma Group, entailing the waiver by shareholders of their preferential rights to subscribe shares issued following the exercise of stock options (**Resolution 36);**
- Authorization to the Board of Directors to issue share subscription warrants, with existing shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or Erytech Pharma Group companies (**Resolution 37);**
- Delegation given to the Board of Directors to bring the articles of incorporation into compliance with changes in legislation (**Resolution 38);**

Authority

- Powers for carrying out formalities (**Resolution 39);**

This report is intended to present the draft resolutions submitted by your Board of Directors to your Assembly. It is intended to present you with the important points of the draft resolutions, in accordance with the regulations in force. Consequently, it does not claim to be complete; in addition, it is essential that you carefully read the text of the draft resolutions before exercising your right to vote.

The presentation of the Company's financial position, activity and results over the course of the past financial year , as well as the information prescribed by the legal and regulatory provisions in force are also in the 2016 Reference Document filed with the French Financial Markets Authority (the "**AMF**") March 31, 2017, under number D.17-0283, to which you are being invited to refer.

1. <u>Resolutions to be submitted to the Annual General Shareholders' Meeting</u>

1.1. Business market

The Board of Directors reports on the business market during financial year 2016 and since the beginning of the 2017 period, in the management report included in the reference document filed with the AMF on March 31, 2017, under number D.17-0283 and made available to you in accordance with current legal and regulatory provisions, particularly those on the company website (www.erytech.com).

We invite you to refer to Chapter 1 of the 2016 reference document, with regard to the Company's situation during the past financial year.

Since December 31, 2016,

- On January 17, 2017, the company announced the presentation of new information about its second ERY-MET product candidate, at the 2017 Gastrointestinal Cancer Symposium, co-sponsored by the *American Society of Clinical Oncology* (ASCO-GI), which will take place from January 19 to 21, 2017 in San Francisco, California.
- On March 20, 2017, the company announced the forthcoming presentation of new pre-clinical anti-tumor data concerning its erymethionase product (ERY-MET) during the Annual Conference of the *American Association for Cancer Research* (AACR), held from April 1 to 5, 2017 in Washington, D.C.
- On March 23, 2017, the company announced a research agreement with the Fox Chase Cancer Center (FCCC) in Philadelphia, in order to conduct the pre-clinical development of erymethionase (ERY-MET) for the treatment of homocystinuria - serious and rare metabolic disease, due to a methionine metabolism disorder. This collaboration will benefit from FCCC's global expertise to generate in vivo proof of concept data on erymethionase in an animal model of homocystinuria.
- On March 23, 2017, the company announced the first positive results in its Phase 2b clinical study evaluating its eryaspase (GRASPA®) candidate product in combination with chemotherapy for the second line treatment of metastatic pancreatic cancer. This multi-center and randomized, Phase 2b study has met its two main predetermined evaluation criteria, by showing significant progress both in terms of progression-free survival (PFS) and overall survival (OS) in patients treated with eryaspase in combination with chemotherapy.
- The company proceeded with a capital increase reserved for a category of people in the United States and Europe through the issuance of 3,000,000 shares for a total of €70,500,000, providing the Company with the additional resources to finance the continued clinical development of its candidate product. This capital increase resulted in a prospectus approved by the AMF dated April 13, 2017, under number 17-0161.
- On April 4, 2017, the Company announced the launch of a study initiated by researchers to evaluate eryaspase (GRASPA®) in patients with acute lymphoblastic leukemia (ALL) in seven Nordic countries. The study will be conducted in collaboration with the Nordic Society for Pediatric Hematology and Oncology (NOPHO).

No other significant event occurred between the date of the end of the financial year and the date on which the present report is established.

1.2. Approval of the annual financial statements and the consolidated financial statements and the allocation of the result (first, second and third resolutions)

The purpose of the **first resolution is the approval of Erytech's financial statements for the** financial year ended December 31, 2016, highlighting a loss of -€17,407,816 versus a loss of -€11,797,253 for the previous financial year .

The purpose of the **second resolution** is the approval of Erytech's consolidated financial statements for the financial year ended December 31, 2016, highlighting a loss of -€21,912,584 versus a loss of -€15,013,220 for the previous financial year .

The **third resolution** is intended to determine the allocation of the result. You are asked to allocate the loss of -€17,407,816 under "Carryforward", which will thus increase from -€47,855,465 to -€65,263,281.

1.3. Approval of the agreements and commitments referred to in article L. 225-38 of the French Commercial Code (fourth to sixteenth resolutions)

You are asked to approve the regulated agreements and commitments which were introduced or continued over the course of the past financial year, as they result from the Statutory Auditors' special report on the agreements referred to in article L. 225-38 of the French Commercial Code which you will be given to read.

The **fourth resolution** is intended to determine the conclusion of eleven agreements and commitments regulated over the course of the financial year ended December 31, 2016, detailed below.

In the interests of transparency and in accordance with the requirements of the Middlenext Code, the eleven agreements cited below are each subject to a vote of the shareholders.

With respect to the agreements concluded for the benefit of Mr. Jérôme Bailly:

- The **fifth resolution** seeks the approval of the change in his remuneration;
- The **sixth resolution** seeks the approval of a training agreement to his benefit;
- The **seventh resolution** seeks the approval of the agreement on support services for managing securities; and
- The **eighth resolution** seeks the approval of his remuneration in the event of change of control taking place within two years of the award of bonus shares.

With respect to the agreements concluded for the benefit of Mr. Gil Beyen:

- The **ninth resolution** seeks the approval of the agreement on tax support services; and
- The **tenth resolution** seeks the approval of the agreement on support services for managing securities.

With respect to the agreements covering support services for managing securities, the beneficiaries, other than Jérôme Bailly and Gil Beyen, are the following:

- Mr. Philippe Archinard (**eleventh resolution**);
- Mr. Luc Dochez (**twelfth resolution**);
- Mrs. Hilde Windels (**thirteenth resolution**);
- Mrs. Martine J. George (**fourteenth resolution**);
- Mrs. Allene Diaz (**fifteenth resolution**); and
- The GALENOS Company (**sixteenth resolution**).

All of the characteristics of each of the previously mentioned agreements are included in the Statutory Auditors’ special report made available to you.

1.4. Policy for the remuneration of Executive Directors (seventeenth resolution)

On the recommendation of the Remuneration and Appointments Committee, the Board of Directors approves the remuneration policy for corporate officers and the remuneration to which each of them are entitled. In accordance with article L. 225-37-2 of the French Commercial Code, the Board of Directors is, consequently, recommending to approve the policy for determining corporate officers’ remuneration presented in the Board of Directors' report made available to shareholders and relative to the principles and criteria of determination, distribution and allocation of fixed, variable and exceptional items making up the total attributable remuneration and benefits of any kind. .

1.5. Attendance fees (eighteenth resolution)

The eighteenth resolution recommends that you set the annual total amount of the attendance fees allocated to the Board of Directors at €280,000.

In fact, the Board of Directors decided to increase the amount of the attendance fees, from €240,000 euros set for financial year 2016, following the appointment of Allene Diaz as director and the creation of a Clinical Strategy Committee.

1.6. Composition of the Board of Directors

1) Proposal for the renewal of a Director's term of office (**nineteenth resolution**)

The term of office of Mrs. Martine J. GEORGE, 9 Southern Hills Drive, 08558, Skillman NJ, United States, expires at the end of the General Meeting scheduled for June 27, 2017, the nineteenth resolution proposes authorization to renew the term of office, in accordance with article 7 of the Company statutes, in her capacity as director for a period of three years expiring at the end of the meeting of the Annual General Shareholders’ Meeting to be held in 2020 to approve the financial statements for the financial year ended December 31, 2019.

2) Proposal for the ratification/appointment of a new Director **twentieth resolution**)

As of January 8, 2017, the Board of Directors decided to appoint Mrs. Allene Diaz, 2 Dartmouth Place, Boston MA 02116, USA, as director. The Board of Directors proposes that you ratify her appointment and appoint her as Director for a period of three years, which will end at the end of the meeting of the ordinary General meeting to be held in 2020 to rule on the accounts for the financial year ended December 31, 2019.

3) Proposal for the appointment of a new Director **twenty first resolution**)

The Board of Directors, suggests that the General Shareholders’ Meeting, decides to appoint the BVBA Hilde Windels, Kasteellaan 89 9000 Gent OOST-VLAANDEREN Company, whose permanent representative is Mrs. Hilde Windels, as director for a three-year term ending at the close of the Annual General Shareholders’ Meeting to be held in 2020 to approve the financial statements for the financial year ended December 31, 2019.

Moreover, it is specified that Ms. Hilde Windels' term of office will expire at the end of the General meeting in accordance with the seventeenth resolution of the General meeting of June 17, 2014.

It is stated that at the end of this General meeting and subject to favorable vote of the shareholders on the aforementioned resolutions, the Board of Directors will be composed of 3 women, thus respecting the representativeness criteria provided for by law.

The career and professional references of the three aforementioned directors will be presented in **Appendix 2** of this report.

1.7. Approval of the regulations of the share subscription or purchase options (twenty-second resolution)

We remind you that the General meeting of June 24, 2016 has authorized the Board of Directors, under article 225-177 and pursuant to the French Commercial Code, to consent to Company share subscription or purchase options for the benefit of the personnel and/or corporate officers.

Article 422 of the *US Internal Revenue Code* so requires in order to allow the issuance of *incentive stock options* provided for in the 2016 stock option plan, for the benefit of employees residing in the US for tax purposes. We hereby inform you that the 2016 option plan must be approved by the General Meeting within a period of one year after its adoption by the Board of Directors.

1.8. Authorization granted to the Board of Directors to proceed with the buyback of Company shares (twenty-third resolution)

The twenty-third resolution seeks to renew the authorization granted to the Board of Directors by the Combined General Meeting of June 24, 2016 to buy stock in the Company that will expire at the end of a period of 18 months, namely on December 24, 2019.

This delegation of powers to the Board of Directors, with the option of sub-delegation, would allow it to purchase or to have Company stock purchased within the framework of the implementation of a share buyback program that shall not exceed 5% of the amount of the share capital existing on the date of this General meeting.

The buyback program would be governed by the following financial constraints:

– **The maximum purchase price** may not exceed ninety (90) euros per share, or its equivalent in foreign currency, on the understanding that this maximum price may be adjusted in the event of capital transactions such as the capitalization of reserves and award of bonus shares, and/or the splitting or grouping of shares;

– **Maximum volume**: The Company shall refrain from purchasing beyond the maximum daily volume of shares authorized by the laws and regulations in force at the time this authorization is used (currently, 25% of the average daily number of shares traded on the Euronext Paris regulated market);

The objectives of share buybacks would include:

– The allocation of shares to Erytech Pharma group employees or corporate officers;
– The stimulation of stock market liquidity through one or more investment service providers;
– The reduction of the Company's capital by share cancellation; and
– To cover debt securities that are convertible or that can be exchanged against Company shares or any other type of securities giving access to shares of the Company, especially through conversion, presentation of a warrant, reimbursement or exchange.

This program would also be intended to allow the Company to trade its shares in order to carry out any operation that would become allowed by law or any market practice that would become accepted by market authorities.

2. Resolutions of the Extraordinary General Meeting

2.1. Authorization for the Board of Directors to reduce the Company's share capital by canceling the treasury shares held by the Company (Resolution 24)

Subject to the adoption of Resolution 23 on the authorization of the Board of Directors to buy back shares, it is proposed that you authorize the Board of Directors to cancel all or some of the common Company shares purchased under the share buyback program authorized by Resolution 23 or other share buyback programs authorized previously or subsequently, and to reduce the share capital by the total nominal amount of the shares thus canceled up to a maximum of 10% of the Company's share capital per 24-month period.

The excess of the purchase price of the common shares at their nominal value will be allocated to "issue premiums" or to any other available reserves item, including the legal reserve, within the limit of 10% of the capital reduction made.

The authorization thus granted to the Board of Directors is valid for a period of 26 months from the date of this General Meeting.

2.2. "Financial" delegations of authority to the Board of Directors to issue shares and marketable securities giving access to shares to be issued by the Company immediately or in the future, with shareholders' preferential subscription rights waived or maintained (Resolutions 25 to 33)

The financial authorizations granted by the Combined General Meeting of June 24, 2016, to allow your Board of Directors to increase the share capital of your Company, will expire on August 24, 2018, with the exception of the authorizations to increase the share capital with preferential subscription rights waived for a category of persons, which will expire on December 24, 2017.

To ensure that your Board of Directors remains in a position to seize the opportunities for equity financing for the Company, the General Meeting held on June 27, 2017 received the proposal to renew these financial delegations (Resolutions 25 to 33) for a period of 26 months from the date of the General Meeting of August 27, 2019 (except for the delegation to be granted by Resolution 30 for a period of 18 months).

The purpose of these financial delegations is to provide the Company with the flexibility and responsiveness required to enable it to strengthen its own shareholders' equity, and to seize any strategic opportunities that may arise, by authorizing the Board of Directors to select, in particular in the light of changes in market conditions and financing requirements, the most appropriate means of financing for the Erytech Pharma Group, at such times and in such manner as it considers most appropriate. With this in mind, the Board of Directors proposes to the General Meeting to increase the ceilings in comparison with last year in order to provide the Company with greater financial resources in light of the Company's phase of development and its expected financing needs in the coming months.

The approval of these delegations by your General Meeting would confirm the legitimacy of the Board of Directors to initiate, e.g., a potential IPO in the US, under appreciable conditions of flexibility and reactivity, and allow the Board of Directors to seize an opportunity to increase the overall valuation of the Company by carrying out an external growth operation.
The new delegations referred to in Resolutions 25 to 33 would cancel and replace the authorizations serving the same purpose. The maximum nominal amount of immediate and/or future share capital

increases that may be made under the delegations referred to in Resolutions 25 to 32 may not exceed the aggregate ceiling of a nominal capital increase of €1,300,000, and a cumulative sub-ceiling of €1,000,000 for issuing authorizations with preferential subscription rights waived provided for in the twenty-sixth to thirty-second Resolutions as shown in the table in **Appendix 3** to this document.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Directors, the powers that are granted to it under this proposed resolution.

Pursuant to the applicable laws and regulations, if you adopt these Resolutions, the Board of Directors will draft a report for the shareholders each time it uses these authorizations, which shall describe the final conditions for the operation, and shall include (i) the potential impact on the dilution of the marketable securities issuance for each shareholder; (ii) the potential occurrence of the securities issuance on the equity share of the capital of the Company; and (iii) the hypothetical impact of the securities issuance on the stock price of the Company.

a. Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company immediately or in the future, with shareholders' preferential subscription rights maintained (Resolution 25)

In Resolution 25, the Board of Directors proposes that the General Meeting delegate to the Board of Directors its authority to decide to issue on one or more occasions, both in France and abroad, for compensation or free of charge, with preferential subscription rights waived (i) common Company shares, and (ii) marketable securities giving access by any means to the common shares to be issued immediately or in the future by the Company, the subscription for which may be settled either in cash or by offsetting receivables, up to a nominal ceiling of €1,300,000, it being understood that this is an aggregate ceiling applying to all financial delegations under Resolutions 25 to 33:

- Marketable securities giving access to the common shares to be issued by the Company immediately or in the future which are issued this way may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;
- They may take the form of subordinated or unsubordinated securities with a fixed or indefinite term, and be issued either in euros, or in other currencies, or in any monetary units established by reference to several currencies;
- The nominal amount of debt securities issuable pursuant to this delegation may not exceed €100,000,000, this ceiling being common to all financial delegations under Resolutions 25 to 32;
- The maturity of the borrowings (giving access to the common shares to be issued by the Company), other than those represented by perpetual securities, may not exceed 50 years. Borrowings (giving access to the common shares to be issued by the Company) may be interest bearing at a fixed and/or floating rate, with or without capitalization of interest, be covered by guarantees or collateral, be redeemable, with or without premium, or may be amortized, on the basis that the securities may also be purchased on the stock market or included in a public offering or exchange bid by the Company;
- Shareholders have preferential subscription rights to a fixed number of common shares and marketable securities issued under this delegation, in proportion to their shareholding;
- The Board of Directors may institute for shareholders a right to subscribe an additional number of common shares or marketable securities to be issued, which will be exercised in proportion to their subscription rights and subject to the limit of their requests;
- If the subscriptions for the fixed number of shares and, if applicable, subscriptions for an additional number of shares, do not result in the purchase of the entire issue, the Board of Directors may use all or some of the powers provided for, in the order it so determines, to: (i) limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the issue decided on, (ii) freely allocate all or some of the unsubscribed securities to the individuals of its choice, or (iii) offer all or some of the unsubscribed securities to the public on the French and/or international markets;

- The issues of Company share subscription warrants may be made through an invitation to subscribe as well as by a bonus allocation to the owners of existing shares and that, in the event of a bonus allocation of share subscription warrants,
- the Board of Directors shall have the option to decide that allocation rights forming odd lots shall not be transferable and that the corresponding securities shall be sold.

b. *Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common Company shares to be issued by the Company immediately or in the future with shareholders' preferential subscription rights waived in the context of a public offering (Resolution 26)*

In Resolution 26, the Board of Directors proposes that the General Meeting delegate to the Board of Directors its authority to decide to issue, with preferential subscription rights waived, through public offer, on one or more occasions, in such proportions and at such times as it shall determine, both in France and abroad, (i) common Company shares, and (ii) marketable securities giving access by any means to the common shares to be issued immediately or in the future by the Company, the subscription for which may be settled either in cash or by offsetting receivables.

Public offerings made under this resolution may be combined, as part of one single or several simultaneous issues, with offerings within the provisions in section II of Article L.411-2 of the French Monetary and Financial Code.

As part of this delegation:

- the preferential subscription right of the shareholders shall be waived;
- The ceiling of the nominal amount of capital increase, immediate or future, that results from the aggregate of the issuances made under to this delegation is €1,000,000, provided that the aggregate nominal ceiling of €1,300,000 provided for in Resolution 25 is not reached;
- The nominal amount of debt securities issuable pursuant to this delegation may not exceed €100,000,000, this ceiling being common to all financial delegations under Resolutions 25 to 32;
- Marketable securities giving access to the common shares to be issued by the Company immediately or in the future which are issued in this way may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;
- The Board of Directors may establish a priority right, which would be irreducible and where applicable reducible for all or part of the issue, for shareholders to subscribe common shares or marketable securities for which the Board would set the exercise terms and conditions under the conditions set forth by Law, without giving rise to the creation of transferable rights;
- if the subscriptions, including those made by shareholders, where applicable, do not result in the purchase of the entire issue, the Board of Directors may limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the decided issue, and/or to freely allocate all or some of the unsubscribed shares to the individuals of its choice;
- the issue price for common shares is at least equal to the minimum provided for by law and regulations prevailing at the time this delegation is used (currently the weighted average of the share price over the last three trading days on the Euronext regulated market in Paris preceding the date on which the subscription price for the capital increase is set, less a maximum discount of 5%);
- the issue price of the marketable securities is such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently collected by the Company, or for each common share issued as a result of the issue of these securities, is at least equal to the issue price referred to in the preceding paragraph.

c. Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company immediately or in the future, with preferential subscription rights waived, in connection with offerings within the provisions in section II of Article L.411-2 of the French Monetary and Financial Code (Resolution 27)

In Resolution 27, the Board of Directors proposes the General Meeting that it delegate its authority to decide to issue, by public offer as governed under II of Article L. 411-2 of the French Monetary and Financial Code, (i) common Company shares, and (ii) marketable securities giving access by any means to the shares to be issued immediately or in the future by the Company, with cancellation of the preferential subscription right.

As part of this delegation:

- the preferential subscription right of the shareholders shall be waived;
- in any case, the nominal amount of the capital increases carried out under this resolution may not, by law, exceed 20% of the share capital per year at the time of the issue;
- The ceiling of the nominal amount of capital increase, immediate or future, that results from the aggregate of the issues made under this delegation is €1,000,000, this ceiling being common to the ceiling under Resolution 26, and provided that the nominal ceiling of ceiling of €1,300,000 under Resolution 25 is not reached;
- The nominal amount of debt securities issuable pursuant to this delegation may not exceed €100,000,000, this ceiling being common to all financial delegations under Resolutions 25 to 32;
- Marketable securities giving access to the common shares to be issued by the Company immediately or in the future which are issued this way may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;
- The Board of Directors may establish a priority right, which would be irreducible and where applicable reducible for all or part of the issue, for shareholders to subscribe common shares or marketable securities for which the Board would set the exercise terms and conditions under the conditions set forth by Law, without giving rise to the creation of transferable rights;
- If the subscriptions do not result in the purchase of the entire issue of shares or marketable securities giving access to the Company's share capital under this Resolution, the Board of Directors may limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the decided issue, and/or to freely allocate all or some of the unsubscribed shares to the individuals of its choice;
- the issue price for common shares would be at least equal to the minimum provided for by law and regulations prevailing at the time of using this delegation (currently the weighted average of the share price over the last three trading days on the Euronext regulated market in Paris preceding the date on which the subscription price for the capital increase is set, less a maximum discount of 5%);
- the issue price of the marketable securities would be such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently collected by the Company, or for each common share issued as a result of the issue of these securities, is at least equal to the issue price referred to in the preceding paragraph.

d. Authorization to the Board of Directors to set the price of any issue of common Company shares or marketable securities giving access to common shares to be issued by the Company, with preferential subscription rights waived, at an amount not to exceed 10% of share capital per year (Resolution 28)

This authorization is granted to the Board of Directors, in accordance with the provisions of Article L. 225-136 sub 1 of the French Commercial Code, for a period of 26 months from the date of the Extraordinary General Meeting, for each of the issues decided in Resolutions 26 and 27 and, within the limit of 10% of the share capital of the Company (as existing at the date of the implementation of this delegation) per period of 12 Months at the time of issue, to deviate from the pricing conditions set forth in Resolutions 26 and 27 and to set the issue price of the common shares and / or securities issued in accordance with the following terms:

A. the issue price of the shares shall be at least equal to the closing price of the Company's share on the Euronext Paris regulated market during the last three trading sessions prior to the date the price is set, minus any discount of up to a maximum of 20%;
B. The issue price of marketable securities providing access to common shares to be issued shall be the amount received immediately by the Company, plus any amount that may be received later by the Company, i.e. for each common share issued as a result of these marketable securities being issued, at least equal to the amount mentioned in paragraph a) above.

The total nominal amount of the Company's capital increase and the total amount of debt securities resulting from the issues carried out under this delegation shall be deducted from the capital increase ceiling and from the debt securities ceiling set forth in accordance with the resolution relating to the issue approved.

e. Authorization to the Board of Directors to increase the number of securities to be issued in the event of capital increase with preferential subscription rights maintained or waived (Resolution 29)

This authorization gives the Board of Directors the specific right to proceed with additional capital increases on the same terms as those of the initial issue. This allows for the exercise of over-allotment options, which allow the extent of issues to be increased in the event of excess demand.

This authorization shall be given to the Board of Directors for a period of 26 months from the date of this General Meeting (except for Resolution 30, for which this delegation is valid for a period of 18 months) in order to decide within thirty days of the closing of the subscription of the initial issue, for each issue, with preferential subscription rights waived or maintained under Resolutions 25, 26 and 27, within the time limits and terms set forth by law and the regulations applicable on the date of issue, up to a maximum 15% of the initial issue and at the same price as was used for the initial issue, subject to the ceiling provided in the resolution pursuant to which the issue is decided.

f. Delegation of authority to the Board of Directors, with shareholders' preferential subscription rights waived, to increase the company's share capital through an issue reserved for certain categories of investors (Resolution 30)

In Resolution 30, the Board of Directors proposes to the General Meeting that it delegate its authority to decide to increase the share capital, on one or more occasions at a time or at times and in such proportions as it shall determine, to specific categories of people.

The specific categories of people are listed in the categories defined by the General Meeting of 24 June 2016. We propose that the General Meeting includes the following categories:

i. physical and legal persons, including companies, trusts or investment funds or other investment vehicles of any type, organized under French or foreign law, that habitually invest in the pharmaceutical, biotechnological or medical technology sectors; and/or

ii. companies, institutions or entities of any type, French or foreign, that exercise a significant part of their business in the pharmaceutical, cosmetic, chemical or medical devices and/or technologies or research in these sectors; and/or

iii. French or foreign investment services companies, or any foreign establishment with an equivalent status, that could guarantee to carry out an issue to be placed with the persons described in (i) and/or (ii) above, in this context, to subscribe to securities that are issued.

- The ceiling of the nominal amount of capital increase, immediate or future, that results from the aggregate of the issues made under this delegation is €1,000,000, this ceiling being shared with the ceiling under Resolution 26, and provided that the nominal ceiling of €1,300,000 under Resolution 25 is not reached;
- any issue of preferential shares and marketable securities giving access to preferential shares shall be excluded;
- If the subscriptions do not result in the purchase of the entire issue of shares or marketable securities giving access to the Company's share capital under this Resolution, the Board of Directors may limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the decided issue, and/or to freely allocate all or some of the unsubscribed shares to the individuals of its choice;
- Marketable securities giving access to the common shares to be issued by the Company immediately or in the future which are issued this way may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;
- The nominal amount of debt securities issuable pursuant to this delegation may not exceed €100,000,000, this ceiling being common to all financial delegations under the Resolutions 25 to 32;

The Board of Directors shall have full authority to implement this resolution, and in particular determine the list of recipients from within the aforementioned category (categories) of investors to whose benefit preferential subscription rights have been waived, and may determine the characteristics, amount and terms of any issue and the nature of the securities to be issued. In particular, it may determine the number to be issued to each recipient and define, taking into account the information contained in its report, the subscription price of said securities, the dividend date, as well as the duration, as applicable, or the terms and conditions under which the marketable securities issued under this resolution will provide access to common shares to be issued by the Company, it being specified that the amount due or to be returned to the Company for each of the shares issued under this delegation will be at least equal to the volume-weighted average of the Company's share price on the Euronext Paris regulated market for the last 3 trading sessions preceding the issue price, which may be reduced with a maximum list price discount of 20%.

We would like to emphasize that the possibility of a discount of up to 20% is intended to facilitate the transaction according to market conditions. We furthermore note that in the previous year the reference value was calculated over the last 20 trading days preceding the issue price, however, taking into account the liquidity of the Company's securities, we do not believe it is necessary to maintain such a long reference period, which may moreover also pose operational constraints.

This authorization has been granted to the Board of Directors for a period of 18 months effective from this General Meeting.

g. ***Delegation of authority to the Board of Directors to issue common Company shares and marketable securities giving access to common shares to be issued by the Company in the event of a public exchange offer initiated by the Company, with shareholders' preferential subscription rights waived (Resolution 31)***

We propose that you grant the Board of Directors a delegation of authority to decide, on the basis of and under the conditions proposed in Resolution 26, to issue common Company shares or marketable securities providing access to common shares to be issued immediately or in the future by the Company in compensation for securities contributed to a public offer that has an exchange component, initiated in France or abroad, in accordance with local regulations by the Company on the securities of a company whose shares are admitted for trading on one of the regulated stock markets listed as provided in Article L. 225-148 of the French Commercial Code.

As part of this delegation:

- the preferential subscription right of the shareholders shall be waived;
- The ceiling of the nominal amount of capital increase, immediate or future, that results from the aggregate of the issues made under this delegation is €1,000,000, this ceiling being shared with the ceiling under Resolution 26, and provided that the nominal ceiling of €1,300,000 under Resolution 25 is not reached;
- The nominal amount of debt securities issuable pursuant to this delegation may not exceed €100,000,000, this ceiling being common to all financial delegations under the Resolutions 25 to 32;

h. *Authorization to the Board of Directors to issue common shares or marketable securities giving access to common shares to be issued, with shareholders' preferential subscription rights waived, in consideration of contributions in kind granted to the Company and consisting of capital securities or marketable securities giving access to capital (Resolution 33)*

We propose that you grant the Board of Directors a delegation of powers to issue common Company shares or marketable securities providing access to common shares to be issued immediately or in the future by the Company to pay for contributions in kind granted to the Company and consisting of capital securities or marketable securities giving access to capital, as the provisions of Article L.225-148 of the French Commercial Code are not applicable.

This delegation will allow the Board of Directors to finance, as soon as possible, through the issuance of securities and acquisitions of shares in companies, whose shares are not listed or whose shares are listed (i) if they are not on a regulated market, or (ii) if the transaction is not carried out as part of a public exchange offer.

As part of this delegation:

- the shareholders' preferential subscription rights may be removed, if necessary, for the benefit of holders of the shares or marketable securities, subject to contributions in kind;
- The ceiling of the nominal amount of the capital increase, immediate or future, that results from the aggregate of the issues made under to this delegation is established at 10% of the capital of the Company (as it exists on the date of this General Meeting), this ceiling being common to the ceiling under Resolution 26, and provided that the nominal ceiling of ceiling of €1,300,000 under Resolution 25 is not reached;
- The nominal amount of debt securities issuable pursuant to this delegation may not exceed €100,000,000, this ceiling being common to all financial delegations under Resolutions 25 to 32;

i. *Delegation of authority to the Board of Directors to increase capital of the Company by incorporating reserves, profits or premiums (Resolution 33)*

We propose that you grant the Board of Directors a delegation of authority to decide on an increase of the share capital on one or more occasions, at the times and under the terms and conditions it determines, by successively or simultaneously incorporating reserves, earnings, premiums or any other funds whose capitalization would be permitted by Law and under the Company's bylaws, followed by the creation and allocation of bonus shares or by raising the par value of existing common shares, or by using a combination of these two methods.

The Board of Directors shall have the option to decide that fractional rights will neither be traded nor sold and that the corresponding securities will be sold. The amounts arising from the sale shall be allocated to the rights holders within the time frame set forth by regulations.

The ceiling of the nominal amount of the capital increase, immediate or future, that results from the aggregate of the issues made under this delegation is established at €1,300,000, provided that this ceiling is set autonomously and separately from the capital increase ceilings resulting from issues of common shares or marketable securities authorized under other resolutions submitted to this General Meeting, as well as under adopted resolutions still in effect during any previous General Meeting.

2.3. Employee and management share ownership (Resolutions 34 to 37)

These delegations, detailed below, are intended to enable the Company to perpetuate and facilitate the progressive change instigated by the Company through delegating to the Board of Directors the possibility of issuing and reserving the benefit of the issue of bonus shares (Resolution 35) and subscription or stock options (Resolution 36) or stand-alone share subscription warrants (Resolution 37) with a view to retaining employees or recruiting new talent needed for the development of the Erytech Pharma group.

These delegations will be granted for a period of 38 months from the date of the General Meeting (except for the delegation to be granted by Resolution 37 for a period of 18 months).

The General Meeting of June 24, 2016 has adopted delegations with characteristics and durations similar to those submitted to you for this General Meeting. The aggregate ceiling of these delegations was set at 350,000 shares. As at December 31 2016, 200,760 shares have been allocated. These delegations have therefore been used for the most part by the Board of Directors, and the latter wishes that its corporate officers and employees in France and the United States continue to benefit from this. We therefore propose that you approve these new delegations, it being specified that the delegations relating to the free allocation of shares and subscription or stock options approved by the General Meeting of June 24, 2016 will remain effective at the end of this General Meeting.

The new delegations referred to in the thirty-fifth to thirty-seventh Resolutions may not exceed the sub-ceilings specific for each of them, nor the ceiling of 420,000 shares common to all issues that may be performed under Resolutions 35 to 37, as shown in the table in **Appendix 3** to this document.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

a. *Delegation of authority to the Board of Directors to carry out capital increases reserved for members of the Erytech Pharma Group savings plan, with shareholders' preferential subscription rights waived (Resolution 34)*

Article L. 225-129-6 par. 1 of the French Commercial Code stipulates that, in the event of any delegation of authority to carry out a capital increase in accordance with Article L. 225-129-2 of the French Commercial Code, the Extraordinary General Meeting must decide on a draft resolution intended to realize a capital increase carried out in accordance with the provisions of Articles L. 3332-18 et seq. of the French Labor Code.

In view of the agenda of the Combined General Meeting, it is therefore up to you to decide on such draft and to decide to delegate all powers to the Board of Directors to carry out said capital increase reserved for participants of a company savings plan in accordance with the provisions of Articles L. 3332-18 et seq. of the French Labor Code.

In order for this authorization to comply with the provisions of Article L. 225-129-6 of the French Commercial Code in respect to the delegations proposed in Resolutions 25 to 32 above and Resolutions 35 to 36 below, it is necessary to:

- decide to waive shareholders' preferential subscription rights for new shares to be issued to employees of the Company and its affiliates who are members of a company savings plan;

- decide that the issue price for new shares shall be set by the Board of Directors by referencing the Company's share prices on the Euronext Paris stock market, with the understanding that this price may not exceed the average opening trading price during the 3 trading sessions preceding the day of the Board of Directors' decision to set the opening date for the subscription period, nor be lower than 20% of this average price, or 30% when the lock-up period defined by the company savings plan is greater than or equal to 10 years;
- limit the maximum nominal amount of the capital increase that may be carried out by the Board of Directors, which may not increase the amount of said employees' equity investment (including the equity investment already held) by more than 3% of the total amount of share capital on the day that the Board of Directors decides to implement this authorization;
- decide that the new shares shall be subject to all provisions of the bylaws, shall be combined with old shares and shall bear rights as of the first day of the year during which the capital increase took place;
- delegate full authority to the Board of Directors to decide on and carry out this capital increase one time under the terms and conditions set forth above, to define the terms and conditions that the beneficiaries must fulfill, with these terms and conditions being able to include employee seniority conditions, provided that the required period does not exceed six months, to set the terms and conditions in which the shares shall be issued and paid up, to amend the bylaws, and generally take any additional steps that may be required;
- decides that the capital increase authorized under this resolution shall be carried out within one year starting from this General Meeting.

This is the gist of the resolution which we are submitting to your vote, yet which we propose to reject, because on the one hand it is compulsory by law, and on the other hand our Company has salary incentive schemes in place already.

b. Authorization for the Board of Directors to award bonus shares, whether existing or to be issued, with shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or related companies (Resolution 35)

We propose that you authorize the Board of Directors, in accordance with Article L.225-197-1 of the French Commercial Code and in observance of the provisions of the Corporate Governance Code of MiddleNext, for a period of 38 months from the Extraordinary General Meeting, to grant, to employees of the Company or to affiliated companies or certain categories among them, as well as to the benefit of corporate officers as defined by law, on one or more occasions, bonus allocations of existing shares or shares to be issued by the Company, subject to the black-out periods provided by law and under the following conditions:

- The recipients must be employees or corporate officers of the Company or of French or foreign companies or groups related to it, or certain categories among them;
- As a consequence of this authorization, to the benefit of the beneficiaries of common shares already existing or to be issued, the shareholders shall waive (i) their preferential subscription right for common shares to be issued, as and when the shares are finally allocated to the beneficiaries of the grants of existing common shares, (ii) any right to common shares granted free of charge on the basis of this authorization, and (iii) any right to the amount of the reserves, profits or premiums for the issue of the new shares, if any, will be charged;
- The existing shares that may be allocated pursuant to this resolution must be acquired by the Company, either pursuant to Article L.225-208 of the French Commercial Code or, as the case may be, as part of a share buyback program authorized in Resolution 27 submitted to you under the provisions of Article L.225-209 of the French Commercial Code, or any share buyback program applicable previously or subsequently;
- The total number of common shares granted for free under this Resolution may not exceed 300,000 shares, provided that the total nominal amount of capital increases that may result from this resolution may not exceed the ceiling of 420,000 common shares for all of the issues likely to be carried out under Resolutions 35 through 37 submitted to this General Meeting.

It is proposed that the allocation of these shares to their beneficiaries will become final for all or part of the shares allocated:

- at the end of a vesting period defined by the Board of Directors, which may not be less than one year;
- potentially at the end of a minimum retention period by the recipients starting from the final allocation of the shares, the duration of which would be defined by the Board of Directors.

In accordance with the law, the total duration of vesting periods for shares, and retention periods where applicable, may not be less than two years.

In the event that the recipient does not meet the conditions set forth by law, the final allocation of the shares may take place before the end of the vesting period.

This authorization, for a period of 38 months, does not cancel and is without prejudice to the authorization granted to the Board of Directors by Resolution 28 of the Extraordinary Meeting on June 24, 2016.

The Board of Directors shall inform the General Meeting of grants made under this draft Resolution on a yearly basis, in accordance with Article L.225-197-4 of the French Commercial Code.

c. Authorization to the Board of Directors to grant Company warrants and/or stock options of the Company to corporate officers and employees of the Company or companies in the Erytech Pharma Group, which includes a waiver of shareholders' preferential subscription rights for shares issued due to the exercise of stock options (Resolution 36)

We propose that you authorize the Board of Directors, in accordance with Articles L 225-177 and following of the French of the French Commercial Code, and in particular Article L. 225-186-1 of the French Commercial Code, and in compliance with the terms of the Corporate Governance Code of MiddleNext, for a period of 38 months from the Shareholders' Meeting to grant, on one or more occasions, options to subscribe for the Company's shares under the following conditions:

- The recipients must be employees or corporate officers of the Company or of French or foreign companies or groups related to it, or certain categories among them;
- This authorization includes the shareholders’ express waiver, in favor of the recipients of the subscription options, of their preferential subscription rights to shares that will be issued when these options are exercised;
- Each option shall confer entitlement to subscribe or purchase a new or existing common share, as appropriate;
- The total number of options that may be granted under this Resolution may not exceed the right to sell or acquire a number of shares that exceeds 300,000 shares, provided that the total nominal amount of capital increases that may possibly result from this Resolution may not exceed the ceiling of 420,000 common shares for the aggregate of the issues likely to be carried out under Resolutions 35 to 37;
- The shares that may be obtained by exercising the stock options granted under this proposed resolution must be acquired by the Company;
- The exercise price of the subscription or stock options for common shares may not be less than 95% of the Company’s average share price on the regulated Euronext Paris stock market over the twenty trading sessions prior to the day (ii) the exercise price of the stock options may not be less than 95% of the average purchase price of the shares held by the Company;
- The options allocated must be exercised within 10 years from the day they are granted by the Board of Directors. The Company’s Extraordinary General Meeting is authorized to extend the aforementioned 10-year time frame at any time.

To implement this authorization, the Board of Directors may be assisted by a committee comprising members of its choice.

This authorization, for a period of 38 months, does not cancel and is without prejudice to the authorization granted to the Board of Directors by Resolution 29 of the General Meeting of June 24, 2016.

The Board of Directors shall inform the General Meeting of transactions carried out under this proposed resolution every year.

d. Authorization to the Board of Directors to issue share subscription warrants with shareholders' preferential subscription rights waived for corporate officers and employees of the Company or companies within the Erytech Pharma Group (Resolution 37)

We propose that you authorize, in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-138 and L. 228-91 and further of et seq. of the French Commercial Code, for a period of 18 months from the Shareholders' Meeting, the Board of Directors to decide to increase the share capital, on one or more occasions, in the proportions and at the times that it deems appropriate, by issuing share subscription warrants under the following conditions:

- The recipients must be employees or corporate officers of the Company or of French or foreign companies or groups related to it, or certain categories among them;
- This authorization includes the shareholders’ express waiver, in favor of the recipients of the share subscription warrants to be issued under this resolution, of their preferential subscription rights to shares to which the issued share subscription warrants give access;
- a share subscription warrants the right to subscribe to a share of the Company;
- any issue of preferential shares and marketable securities giving access to preferential shares shall be excluded;
- The total number of shares to which the share subscription warrants allocated under this resolution would give access to exceeds 100,000 shares, provided that the total nominal amount of capital increases that may result from this Resolution does not exceed the ceiling of 420,000 shares common to the totality of the issues that may be carried out under Resolutions 35 to 37;
- The subscription price must be at least equal to the volume-weighted average of the closing prices of the share recorded over a period of between five to thirty consecutive trading days within the thirty trading days prior to the setting of the subscription price, potentially discounted by a maximum of 5% at the time the share subscription warrants are allocated;

To implement this authorization, the Board of Directors may be assisted by a committee comprising members of its choice.

The Board of Directors shall inform the General Meeting of transactions carried out under this resolution every year.

3. Delegation of authority to the Board of Directors to bring the articles of incorporation into compliance with changes in legislation (Resolution 38)

In accordance with Resolution 38, your Board of Directors proposes that you delegate to it, pursuant to Article L. 225-36 of the French Commercial Code, the full powers to make any modifications necessary to the bylaws to bring them into compliance with legislative and regulatory provisions, subject to ratification by the next Extraordinary General Meeting. This delegation would be granted to the Board of Directors on a permanent basis.

4. Power of attorney in light of formalities (Resolution 39)

By Resolution 39 your Board of Directors requests that the General Meeting grant all powers necessary to carry out all formalities pertaining to filing and publication following the holding of this General Meeting.

The draft text of the Resolutions submitted to your vote is attached in **Annex 1**.

Chairman of the Board of Directors
Gil BEYEN

APPENDIX 1: DRAFT RESOLUTIONS
PROPOSED TO THE JOINT SHAREHOLDERS MEETING OF JUNE 27, 2017

RESOLUTIONS TO BE APPROVED BY VOTE OF THE GENERAL MEETING

ORDINARY RESOLUTIONS

FIRST RESOLUTION *(APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Board of Directors' report, the Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures, the Statutory Auditors' report on the financial statements and the Chairman's report, approves these reports and the financial statements for the year ended (including the balance sheet, the income statement and the notes) as submitted, as well as the transactions reflected in these statements and summarized in these reports, which show a net loss of €17,407,816.

Pursuant to Article 223 quater of the French Tax Code, the General Shareholders' Meeting approves the expenses and charges provided for under Article 39-4 of said Code amounting to EUR 25,373 and duly notes that the amount of potential tax to be paid as a result of these expenses and charges would be EUR 8,458.

SECOND RESOLUTION *(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016)*

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after having reviewed the Board of Directors' Report and the Statutory Auditors' Report , hereby approves the Company's financial statements for this fiscal year, including the balance sheet, income statement and notes as presented to it, and the transactions reflected in these financial statements and summarized in these reports, and showing a net loss of EUR 21,912,584.

THIRD RESOLUTION *(ALLOCATION OF THE RESULT FOR THE YEAR)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings and on the recommendation of the Board of Directors, decides on the proposal of the Board of Directors to allocate the loss for the year ended December 31, 2016 for the sum of €17,407,816 in full to the "retained earnings" account, which will therefore be a debtor €65,263,281 after allocation.

In accordance with legal provisions, it is hereby noted that the Company has not paid any dividends in the previous three years.

FOURTH RESOLUTION *(SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Statutory Auditors' special report on the agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code, duly notes that under the terms of said special report, 11 agreements falling within the scope of Articles L.225-38 et seq. of the French Commercial Code were entered into during the year ended December 31, 2016.

FIFTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING CHANGES TO THE COMPENSATION OF JÉRÔME BAILLY)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the change of compensation to Jérôme Bailly, in accordance with Article L.225-42-1 of the French Commercial Code.

SIXTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING THE TRAINING AGREEMENT FOR JÉRÔME BAILLY)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code presenting the circumstances through which the prior authorization procedure for approving the Company's conclusion of the training agreement of Jérôme Bailly could not be followed, approves and ratifies, if needed, the conclusion of said agreement by the Company, pursuant to the provisions of Article L.225-42 of the French Commercial Code.

SEVENTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR JÉRÔME BAILLY)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding support services in managing securities for Jérôme Bailly, in accordance with Article L.225-42-1 of the French Commercial Code.

EIGHTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING THE PAYMENT MADE IN THE EVENT OF CHANGE OF CONTROL OCCURRING DURING THE TWO YEARS OF THE BONUS SHARE PLAN TO JÉRÔME BAILLY)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the change of compensation to Jérôme Bailly in the event of change of control occurring during the two years of the bonus share plan, in accordance with Article L.225-42-1 of the French Commercial Code.

NINETH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING TAX SUPPORT SERVICES FOR GIL BEYEN)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the tax support services furnished to Gil Beyen, in accordance with Article L.225-42-1 of the French Commercial Code.

TENTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR GIL BEYEN)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the support services in managing securities for Gil Beyen, in accordance with Article L.225-42-1 of the French Commercial Code.

ELEVENTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR PHILIPPE ARCHINARD)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves, in accordance with Article L. 225-42-1 of the French Commercial Code, the commitments referred to therein relating to the agreement relating to the accompanying services for the management of Philippe ARCHINARD

TWELVETH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR LUC DOCHEZ)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the support services in managing securities for Luc Dochez, in accordance with Article L.225-42-1 of the French Commercial Code.

THIRTEENTH RESOLUTION *(APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR HILDE WINDELS)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual

General Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the support services in managing securities for Hilde Windels, in accordance with Article L.225-42-1 of the French Commercial Code.

***FOURTEENTH RESOLUTION** (APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR MARTINE J. GEORGE)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the support services in managing securities for Martine J. George, in accordance with Article L.225-42-1 of the French Commercial Code.

***FIFTEENTH RESOLUTION** (APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR ALLENE DIAZ)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the support services in managing securities for Allene Diaz, in accordance with Article L.225-42-1 of the French Commercial Code.

***SIXTEENTH RESOLUTION** (APPROVAL OF THE COMMITMENTS SET OUT IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE CONCERNING SUPPORT SERVICES IN MANAGING SECURITIES FOR THE COMPANY GALENOS)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings, and having reviewed the Statutory Auditors' special report on the commitments subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code and the Board of Directors' report, duly notes the terms of said reports and approves the commitments referred to therein regarding the support services in managing securities for the company Galenos, in accordance with Article L.225-42-1 of the French Commercial Code.

***SEVENTEENTH RESOLUTION** (APPROVAL OF THE COMPENSATION POLICY FOR EXECUTIVE CORPORATE OFFICERS)*

The General Meeting, deliberating under the rules of quorum and majority conditions required for ordinary general meetings, after having heard the Board of Directors' report on the compensation policy for executive corporate officers prepared in accordance with Article L.225-37-2 of the French Commercial Code, approves the compensation policy as presented in this report.

EIGHTEENTH RESOLUTION *(SETTING OF ATTENDANCE FEES ALLOCATED TO THE BOARD OF DIRECTORS)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, and having reviewed the Board of Directors' report, sets the overall annual amount of attendance fees to be distributed to the directors at €280,000.

This decision applies to the current year.

The General Shareholders' Meeting grants full authority to the Board of Directors to distribute all or some of this amount among its members under the terms it shall determine.

NINETEENTH RESOLUTION *(RENEWAL OF THE TERM OF OFFICE OF MARTINE J. GEORGE)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings and on the recommendation of the Board of Directors, decides to renew the term of office of Martine J. George, 9 Southern Hills Drive, Skillman NJ 08558, United States, as director for a three-year term ending at the close of the Annual General Meeting to be called in 2020 to approve the financial statements for the year ending December 31, 2019.

TWENTIETH RESOLUTION *(RATIFICATION/APPOINTMENT OF ALLENE DIAZ AS DIRECTOR)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings and on the recommendation of the Board of Directors on January 8, 2017, decides to appoint Allene Diaz, 2 Dartmouth Place, Boston MA 02116, United States, as director for a three-year term ending at the close of the Annual General Shareholders' Meeting to be called in 2020 to approve the financial statements for the year ending December 31, 2019.

TWENTY FIRST RESOLUTION *(APPOINTMENT OF BVBA HILDE WINDELS, REPRESENTED BY HILDE WINDELS AS A NEW DIRECTOR)*

The General Shareholders' Meeting, voting under the rules of quorum and majority required for Annual General Shareholders' Meetings and on the recommendation of the Board of Directors and having noted that the term of Hilde Windels will expire at the end of this General Shareholders' Meeting, decides to appoint BVBA Hilde Windels, Kasteellaan 89 9000 Gent OOST-VLAANDEREN, whose permanent representative is Hilde Windels, as director for a three-year term ending at the close of the Annual General Shareholders' Meeting to be called in 2020 to approve the financial statements for the year ending December 31, 2019.

TWENTY THIRD RESOLUTION *(APPROVAL OF THE REGULATIONS OF THE SHARE SUBSCRIPTION AND/OR PURCHASE OPTIONS PLAN ADOPTED BY THE BOARD OF DIRECTORS ON OCTOBER 3, 2016*)

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings and having reviewed the Board of Directors' report, as well as Article 422 of the U.S. Internal Revenue Code relating to the allocation of incentive stock options to persons who are U.S. Residents for tax purposes stipulated under the share subscription and/or purchase options plan adopted by the Board of Directors on October 3, 2016 (the "**2016 Options Plan**"), approves the 2016 Options Plan.

TWENTY THIRD RESOLUTION *(AUTHORIZATION FOR THE COMPANY TO BUY BACK ITS OWN SHARES)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings and having reviewed the Board of Directors' report, authorizes the Board of Directors, which may further delegate such authority, as provided for under Articles L.225-209 et seq. of the French Commercial Code and Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 to purchase or to cause to be purchased securities of the Company under a share buyback program not to exceed 5% of share capital on the day of this General Meeting (it being specified that, where the shares are bought in order to favor liquidity under those conditions defined below, the number of shares taken into account for the calculation of this limit corresponds to the number of bought shares, minus the number of shares re-purchased during the period under this authorization);

The General Shareholders' Meeting decides that the Board of Directors may only purchase Company shares under the following conditions:

- **The maximum purchase price** shall not exceed ninety (90) euro per share, or its equivalent in foreign currency, it being noted that this price will be adjusted as necessary to reflect capital transactions, in particular incorporation of reserves or free share allocations and/or share splits or reverse splits, and will be determined in accordance with the limits set by laws and regulations in place at the time this authorization is used (currently, the maximum purchase price per share, excluding costs, shall not be higher than that of the price of the last independent trade or, if it is higher, than the price of the highest current independent bid on the trading venues where the purchase is carried out);

- **Maximum volume**: the Company shall refrain from purchasing beyond the maximum daily volume of shares authorized by laws and regulations in place at the time this authorization is used (currently, 25% of the average daily number of shares traded on the Euronext Paris regulated market);

- This authorization, which replaces and renders null and void the unused portion of the authorization granted by the General Meeting of June 24, 2016 under Resolution 16, is granted for a period of 18 months from the date of this General Meeting;

- The purchases made by the Company under this authorization may under no circumstances cause the Company to hold, directly or indirectly, at any time, more than 10% of the shares making up the Company's share capital at the date of this General Meeting;

- These shares may be purchased or transferred by any means, through regulated markets, a multilateral trading facility, a systematic internalizer, in accordance with the Law and regulations in force on the date of the transactions in question and at such time as the Board of Directors or the person acting on the delegation of the Board shall decide, outside of black-out periods. Orders may not be placed during a bidding period and order placed at the beginning of such periods may not be modified during the period.

This authorization is granted primarily for the purposes of:

- awarding shares to employees or corporate officers of the Company and French or foreign companies or groups that may be legally connected with it, particularly in the context of employee participation in the company's expansion via employee shareholding and Company savings plans, stock options plan, or by way of the award of bonus shares or performance share in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code;

- ensure the liquidity of the share market by the intermediary of one or more investment services providers acting independently under a liquidity contract, pursuant to a professional ethics charter recognized by the French regulatory Autorité des Marchés Financiers (AMF), provided that the number of shares used to calculate the aforementioned 10% limit corresponds to the number of shares purchased, less the number of shares resold during the term of this authorization;

- reducing the Company's share capital in application of Resolution 24 of this General Meeting of Shareholders, if adopted;

- allocating shares to cover debt securities that are convertible or that can be exchanged against Company shares or any other type of securities giving access to shares of the Company, by conversion, presentation of a warrant, reimbursement or exchange; and

- more generally, carrying out any transaction that may be authorized by Law or any market practice that may be permitted by the market authorities, based on the understanding that in such event, the Company would inform its shareholders through a statement.

The Board of Directors shall inform the General Meeting of any transactions carried out by virtue of this authorization, in accordance with the Law.

Full authority is granted to the Board of Directors, which may further delegate such authority, to decide on and implement this authorization, and in particular:

- to specify, if necessary, its terms, approve its procedures and, where applicable, prepare a description of the share buyback program pursuant to Article 241-2 of the French Financial Markets Authority (AMF) General Regulations and publish this in accordance with the procedures described in Article 221-3 of these Regulations, prior to completing the share buyback program;

- place any share trading order, and sign any purchase, sale or transfer deed;

- enter into any agreement, make any statement, carry out any formalities and, more generally, take all necessary measures.

EXTRAORDINARY RESOLUTIONS

TWENTY FOURTH RESOLUTION *(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S SHARE CAPITAL BY CANCELING THE TREASURY SHARES HELD BY THE COMPANY)*

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, after having deliberated and reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, provided that Resolution 23 above is adopted, and ruling in accordance with Articles L.225--209 et seq. of the French Commercial Code:

- terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 17 of the General Meeting of June 24, 2016;
- authorizes the Board of Directors to cancel, in the amount and on the dates it deems appropriate, on one or more occasions, all or some of the Company's common shares purchased under the share buyback program authorized by Resolution 23 submitted to this General Meeting or other share buyback programs authorized previously or subsequently, and to reduce the share capital by the total nominal amount of the shares thus canceled up to a maximum of 10% of the Company's share capital per 24-

month period, on the understanding that this 10% limit applies to a number of shares adjusted, where applicable, on the basis of the transactions carried out subsequent to this General Meeting that may affect the capital;

– decides to allocate any positive difference between the purchase price and nominal value of the common shares to "issue premiums" or to any other available reserves item, including the legal reserve, within the limit of 10% of the capital reduction made.

The General Meeting grants full authority to the Board of Directors, which may further delegate such authority in accordance with the Law, to:

– reduce the capital resulting from the cancellation of common shares;

– approve the final amount of the capital reduction;

– set the procedures for the capital reduction and record its completion;

– deduct the difference between the book value of the canceled shares and their nominal value from "issue premiums" or any available reserves line item;

– amend the articles of incorporation accordingly and carry out any required formalities (particularly with the French Financial Markets Authority); and

– more generally, take all necessary and appropriate measures to implement this authorization.

The authorization thus granted to the Board of Directors is valid for a period of 26 months from the date of this General Meeting.

TWENTY FIFTH RESOLUTION *(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE COMMON SHARES OF THE COMPANY AND SECURITIES GIVING ACCESS TO SHARES TO BE ISSUED IMMEDIATELY OR IN THE FUTURE BY THE COMPANY, WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS MAINTAINED)*

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, after having deliberated and reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, acting in accordance with Articles L. 225-129 et seq. of the French Commercial Code and Articles L.225--129 -2 et seq. and L.228-91 et seq. of the French Commercial Code:

– terminates the delegation given by the General Meeting on June 24, 2016 in Resolution 18, for the unused portion, effective immediately; and
– delegates to the Board of Directors, for a period of 26 months from the date of this General Meeting, the authority to decide to issue, on one or more occasions, at the time or times it sees fit and in the proportions it deems appropriate, both in France and abroad, with shareholders' preferential subscription rights maintained, (i) common Company shares, and (ii) marketable securities giving access by any means to the common shares to be issued immediately or in the future by the Company, the subscription for which may be settled either in cash or by offsetting receivables; and

The ceiling for the nominal amount of the Company's immediate or future capital increase resulting from all issues carried out by virtue of this delegation is set at €1,300,000, on the understanding that (i) this ceiling applies to all issues that may be made by virtue of Resolutions 25 to 32 submitted to this General Meeting, and that, consequently, the nominal amount of the capital increases to be carried out by virtue of the aforementioned resolutions cannot exceed this ceiling, and (ii) this ceiling is set excluding the nominal amount of any common Company shares that may be issued as a result of legal and contractual adjustments made to protect holders of rights attached to marketable securities giving access to common shares.

Marketable securities giving access to the common shares to be issued by the Company immediately or in the future which are issued in this way may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities.

They may take the form of subordinated or unsubordinated securities with a fixed or indefinite term, and be issued either in euros, or in other currencies, or in any monetary units established by reference to several currencies.

The maximum nominal value of such debt securities may not exceed €100,000,000 or the equivalent of that amount on the date of the decision to issue, it being understood that (i) this amount does not include redemption premiums above par, if any, and that (ii) this amount is an overall ceiling covering all debt securities that may be issued under Resolutions 25 to 32 submitted to this General Meeting, the nominal value of the debt securities that may be issued pursuant to the above resolutions may not be greater than this ceiling. This ceiling is independent from the debt securities whose issue would be decided on or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

The maturity of the borrowings (giving access to the common shares to be issued by the Company), other than those represented by perpetual securities, may not exceed 50 years. Borrowings (giving access to the common shares to be issued by the Company) may be interest bearing at a fixed and/or floating rate, with or without capitalization of interest, be covered by guarantees or collateral, be redeemable, with or without premium, or may be amortized, on the basis that the securities may also be purchased on the stock market or included in a public offering or exchange bid by the Company.

Shareholders have preemptive subscription rights to a fixed number of common shares and marketable securities issued under this resolution, in proportion to their shareholding.

The Board of Directors may institute for shareholders a right to subscribe an additional number of common shares or marketable securities to be issued, which will be exercised in proportion to their subscription rights and subject to the limit of their requests.

If the subscriptions for excess shares and, as per the case, for precise numbers of shares, do not absorb the entire issue of shares or marketable securities giving entitlement to the Company's share capital under this resolution, the Board of Directors may use the facilities of Article L.225-134 of the French Commercial Code, in whatever order it determines, or only some of them, especially those for limiting the number of subscriptions, provided that this amount reaches at least three-quarters of the issue decided upon, or to offer a portion of unsubscribed shares to the public.

The General Meeting duly notes that in accordance with the provisions in paragraph 6 of Article L.225-132 of the French Commercial Code, this delegation includes the shareholders' waiver of their preferential rights to subscribe common Company shares to which the marketable securities issued on the basis of this delegation may entitle them.

The General Meeting decides that issues of Company share subscription warrants may be made through an invitation to subscribe as well as by a bonus allotment to the owners of existing shares and that, in the event of a bonus allotment of share subscription warrants, the Board of Directors shall have the option to decide that allotment rights forming odd lots shall not be transferable and that the corresponding securities shall be sold.

The Board of Directors will establish the features, amount and terms and conditions of any issue and of the securities issued. In particular, it will determine the category of the securities issued and will set their subscription price, the terms and conditions for their payment in full, their ex-dividend date, which may be retroactive, and the terms and conditions for exercising the rights attached to the securities issued. The Board of Directors may, where applicable, amend the terms and conditions of the securities issued by virtue of this resolution during the life of the securities concerned and in accordance with applicable laws and regulations. The Board of Directors may also, where applicable, make all adjustments intended to take into account the impact of transactions on the Company's capital and define the conditions under which the rights of holders of marketable securities giving access to the capital shall be protected, where applicable.

The Board of Directors shall have full authority to implement this resolution, including entering into any agreement to this effect, in particular to ensure that any issue is completed successfully, and to carry out, in one or more offerings and in the amount and on the dates it deems appropriate, in France and/or abroad, as applicable, the aforementioned issues – as well as defer them, where appropriate – and to record their completion and make the corresponding amendments to the articles of incorporation, carry out any formalities and disclosures, and call for any authorizations that may be necessary to carry out and complete these issues successfully.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

TWENTY SIXTH RESOLUTION *(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES OF THE COMPANY AND SECURITIES GIVING ACCESS TO SHARES TO BE ISSUED IMMEDIATELY OR IN THE FUTURE BY THE COMPANY, WITH SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED IN THE CONTEXT OF A PUBLIC OFFERING)*

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, after having deliberated and reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and having confirmed that the share capital has been paid up in full, in accordance with Articles L.225--129 et seq. of the French Commercial Code, particularly Article L. 225-129-2 and Articles L.225-135 et L.225-136, as well as Articles L.228-91 et seq. of the French Commercial Code:

– terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 19 of the General Meeting of June 24, 2016;

– delegates to the Board of Directors, for a period of 26 months from the date of this General Meeting, the authority to decide to issue through a public offer, on one or more occasions, at the time or times it sees fit and in the proportions it deems appropriate, both in France and abroad, (i) common Company shares, and (ii) marketable securities giving access by any means to the common shares to be issued immediately or in the future by the Company, the subscription for which may be settled either in cash or by offsetting receivables, with shareholders' preferential subscription rights waived.

Public offerings made under this resolution may be combined, as part of one or more simultaneous issues, with offerings within the provisions in section II of Article L.411-2 of the French Monetary and Financial Code.

The General Meeting decides to waive shareholders' preferential rights to subscribe these common shares and marketable securities.

The ceiling for the nominal amount of the Company's immediate or future capital increase resulting from all issues carried out by virtue of this delegation is set at €1,000,000 on the understanding that (i) the nominal amount of all capital increases that may be made by virtue of this resolution as well as Resolutions 25 to 32 submitted to this General Meeting cannot exceed the overall ceiling of €1,300,000 set in Resolution 25, and (ii) this ceiling is set excluding the nominal amount of any common Company shares that may be issued as a result of legal and contractual adjustments made to protect holders of rights attached to marketable securities giving access to common shares.

Marketable securities giving access to the common shares to be issued by the Company immediately or in the future thus issued may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities. The provisions regarding similar marketable securities that may be issued pursuant to Resolution 25 above will apply to their issue, during their existence, to their access to the common shares to be issued by the Company, and to their redemption, seniority and depreciation.

The maximum nominal value of such debt securities may not exceed €100,000,000 or the equivalent of that amount on the date of the decision to issue, it being understood that (i) this amount does not include redemption premiums above par, if any, and that (ii) this amount is an overall ceiling covering all debt securities that may be issued under Resolutions 25 to 32 submitted to this General Meeting, the nominal value of the debt securities that may be issued pursuant to the above resolutions may not be greater than this ceiling. This ceiling is independent from the debt securities whose issue would be decided on or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

The Board of Directors may establish a priority right, which would be irreducible and where applicable reducible for all or part of the issue, for shareholders to subscribe common shares or marketable securities for which the Board would set the exercise terms and conditions under the conditions set forth by Law, without giving rise to the creation of transferable rights.

If the subscriptions do not absorb the entire issue of shares or marketable securities giving entitlement to the Company's share capital under this resolution, the Board of Directors may use the facilities of Article L.225-134 of the French Commercial Code, in whatever order it determines, or only some of them, especially those for limiting the number of subscriptions, provided that this amount reaches at least three-quarters of the issue decided upon.

The General Meeting duly notes that this delegation includes the shareholders' waiver of their preferential rights to subscribe common Company shares to which the marketable securities issued on the basis of this delegation may entitle them.

The Board of Directors will establish the features, amount and terms and conditions of any issue and of the securities issued. In particular, it will determine the category of the securities issued and will set their subscription price, their ex-dividend date, which may be retroactive, and the term or conditions for exercising the rights attached to the securities issued; it may, where applicable, amend the terms and conditions of the securities issued by virtue of this resolution during the term of the securities concerned and in accordance with applicable laws and regulations; it may also, where applicable, make all adjustments intended to take into account the impact of transactions on the Company's capital and define the conditions under which the rights of holders of marketable securities giving access to the capital shall be protected, as the case may be, provided that:

a) the issue price for common shares is at least equal to the minimum provided for by Law and regulations prevailing at the time of using this delegation (currently the weighted average of the share price over the last three trading days on the Euronext regulated market in Paris preceding the date on which the subscription price for the capital increase is set, less a maximum discount of 5%), after this amount is corrected, if necessary, to reflect the difference in settlement date;

b) the issue price of the marketable securities is such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently collected by the Company, is at least equal to the issue price referred to in paragraph a) above, for each common share issued as a result of the issue of these marketable securities.

The Board of Directors shall have full authority to implement this resolution, including entering into any agreement to this effect, in particular to ensure that any issue is completed successfully, and to carry out, in one or more offerings and in the amount and on the dates it deems appropriate, in France and/or abroad, as applicable, the aforementioned issues – as well as defer them, where appropriate – and to record their completion and make the corresponding amendments to the articles of incorporation, carry out any formalities and disclosures, and call for any authorizations that may be necessary to carry out and complete these issues successfully.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

TWENTY SEVENTH RESOLUTION *(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE COMMON COMPANY SHARES AND MARKETABLE SECURITIES GIVING ACCESS TO COMMON SHARES TO BE ISSUED BY THE COMPANY IMMEDIATELY OR IN THE FUTURE, WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED, IN CONNECTION WITH OFFERINGS WITHIN THE PROVISIONS IN SECTION II OF ARTICLE L.411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE)*

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Meetings, after having deliberated and reviewed the Board of Directors'

Report and the Statutory Auditors' Special Report, and having confirmed that the share capital has been paid up in full, in accordance with Articles L.225--129 et seq. of the French Commercial Code, particularly Article L.225-129-2 and Articles L.225-135 et L.225-136, as well as Articles L.228-91 et seq. of the French Commercial Code and Article L.411- -2 of the Monetary and Financial Code:

– terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 20 of the General Meeting of June 24, 2016,

– and delegates to the Board of Directors, for a period of 26 months from the date of this General Meeting, the authority to decide to issue through an offer in connection with offerings within the provisions in section II of Article L.411-2 of the French Monetary and Financial Code, (i) common Company shares, and (ii) marketable securities giving access by any means to the common shares to be issued immediately or in the future by the Company, with shareholders' preferential subscription rights waived.

The General Meeting decides to waive shareholders' preferential rights to subscribe these shares and marketable securities to be issued by means of offerings within the provisions in section II of Article L.411-2 of the Monetary and Financial Code under the conditions stipulated in this resolution.

The ceiling for the nominal amount of the Company's immediate or future capital increase resulting from all issues carried out by virtue of this delegation is set at €1,000,000 on the understanding that (i) this ceiling is shared with the ceiling set forth in Resolution 26 and deducted from it and (ii) the nominal amount of all capital increases that may be made by virtue of this resolution as well as Resolutions 25 to 32 submitted to this General Meeting cannot exceed the overall ceiling of €1,300,000 set in Resolution 25, and (iii) this ceiling is set excluding the nominal amount of any common Company shares that may be issued as a result of legal and contractual adjustments made to protect holders of rights attached to marketable securities giving access to common shares. It is hereby specified that, in any event, in accordance with the Law, the nominal amount of the capital increases carried out by virtue of this resolution may not exceed 20% of the share capital per year at the time of the issue.

Marketable securities giving access to the common shares to be issued by the Company immediately or in the future thus issued may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities. The provisions regarding similar marketable securities that may be issued pursuant to Resolution 25 will apply to their issue, during their existence, to their access to the common shares to be issued by the Company, and to their redemption, seniority and depreciation.

The maximum nominal value of such debt securities may not exceed €100,000,000 or the equivalent of that amount on the date of the decision to issue, it being understood that (i) this amount does not include redemption premiums above par, if any, and that (ii) this amount is an overall ceiling covering all debt securities that may be issued under Resolutions 25 to 32 submitted to this General Meeting, the nominal value of the debt securities that may be issued pursuant to the above resolutions may not be greater than this ceiling. This ceiling is independent from the debt securities whose issue would be decided on or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

If the subscriptions do not absorb the entire issue of shares or marketable securities giving entitlement to the Company's share capital under this resolution, the Board of Directors may limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the decided issue, and/or to freely allocate all or some of the unsubscribed shares to the individuals of its choice.

The General Shareholders' Meeting duly notes that this delegation includes the shareholders' waiver of their preemptive rights to subscribe common Company shares to which the marketable securities issued on the basis of this delegation may entitle them.

The Board of Directors will establish the features, amount and terms and conditions of any issue and of the securities issued. In particular, it will determine the category of the securities issued and will set their subscription price, their ex-dividend date, which may be retroactive, and the term or conditions for exercising the rights attached to the securities issued; it may, where applicable, amend the terms and conditions of the securities issued by virtue of this resolution during the term of the securities concerned and in accordance with applicable laws and regulations; it may also, where applicable, make all adjustments intended to take into account the impact of transactions on the Company's capital and define the conditions under which the rights of holders of marketable securities giving access to the capital shall be protected, as the case may be, provided that:

a) the issue price for common shares is at least equal to the minimum provided for by Law and regulations prevailing at the time of using this delegation (currently the weighted average of the share price over the last three trading days on the Euronext regulated market in Paris preceding the date on which the subscription price for the capital increase is set, less a maximum discount of 5%), after this amount is corrected, if necessary, to reflect the difference in settlement date;

b) the issue price of the marketable securities is such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently collected by the Company, is at least equal to the issue price referred to in paragraph a) above, for each common share issued as a result of the issue of these marketable securities.

The Board of Directors shall have full authority to implement this resolution, including entering into any agreement to this effect, in particular to ensure that any issue is completed successfully, and to carry out, in one or more offerings and in the amount and on the dates it deems appropriate, in France and/or abroad, as applicable, the aforementioned issues – as well as defer them, where appropriate – and to record their completion and make the corresponding amendments to the articles of incorporation, carry out any formalities and disclosures, and call for any authorizations that may be necessary to carry out and complete these issues successfully.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

TWENTY EIGHTH RESOLUTION *(AUTHORIZATION TO THE BOARD OF DIRECTORS, IN THE CASE OF AN ISSUE, WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED, OF COMMON SHARES OF THE COMPANY OR SECURITIES GIVING ACCESS TO COMMON SHARES TO BE ISSUED BY THE COMPANY, TO SET THE ISSUE PRICE IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET BY THE GENERAL MEETING, OF UP TO 10% OF SHARE CAPITAL PER YEAR)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report and the Statutory Auditors' special report, and voting in accordance with Article L.225-136 of the French Commercial Code:

- terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 21 of the General Meeting of June 24, 2016; and

- authorizes the Board of Directors to waive the price-setting terms and conditions defined in Resolutions 26 and 27 mentioned above, and to set the issue price of common shares and/or marketable securities issued according to the following terms and conditions, for a 26-month period starting from the day of this General Meeting, for each of the issues decided upon in accordance with Resolutions 26 and 27 above, up to a limit of 10% of the Company's capital (in existence on the date that this delegation is implemented), by 12-month periods from the time of issue:

a) The issue price of the common shares shall be at least equal to the Company's closing share price on the regulated Euronext Paris stock market during the last 3 trading sessions prior to the price being set, and potentially discounted by a maximum of 20%;

b) The issue price of marketable securities providing access to common shares to be issued shall be the amount received immediately by the Company, plus any amount that may be received later by the Company, where applicable, i.e. for each common share issued as a result of these marketable securities being issued, at least equal to the amount mentioned in paragraph "a)" above.

The total nominal amount of the Company's capital increase and the total amount of debt securities resulting from the issues carried out under this delegation shall be deducted from the capital increase ceiling and from the debt securities ceiling set forth in accordance with the resolution relating to the issue approved.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

TWENTY NINTH RESOLUTION *(AUTHORIZATION TO THE BOARD OF DIRECTORS, IN THE CASE OF A CAPITAL INCREASE WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS MAINTAINED, TO INCREASE THE NUMBER OF SHARES TO BE ISSUED)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report and the Statutory Auditors' special report, and voting in accordance with Article L.225-135-1 of the French Commercial Code:

- terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 22 of the General Meeting of June 24, 2016; and

- authorizes the Board of Directors to decide to increase the number of securities to be issued, subject to complying with the ceiling(s) set forth in accordance with the resolution relating to the issue approved, for a 26-month period starting from this

General Meeting (except for Resolution 30, for which this delegation is valid for an 18-month period), and decided on within the time limits set forth by the laws and regulations in effect on the day of the issue (on the day of this General Meeting, within thirty days of the subscription's closure, within 15% of the initial issue and at the same price as the price used for the initial issue) for each of the issues, while either maintaining or waiving shareholder preferential subscription rights, decided on in accordance with Resolutions 25, 26 and 27 above and Resolution 30 below.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

***THIRTIETH RESOLUTION** (DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS, WITH SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED, TO INCREASE THE COMPANY'S SHARE CAPITAL THROUGH AN ISSUE RESERVED FOR CERTAIN CATEGORIES OF INVESTORS)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L.225-138 and L.225-129-2 of the French Commercial Code:

– terminates, with immediate effect, the unused portion of the delegations granted by Resolution 23 of the General Meeting of June 24, 2016; and

– delegates the authority to the Board of Directors, which may further delegate such authority as provided by law, to decide to increase the share capital a maximum nominal amount of €1,000,000 one or more times, at the time(s) it sets forth and in the proportions it deems fit (provided that (i) a portion of this ceiling is shared with the ceiling set forth in Resolution 26 and deducted from it and (ii) that the total nominal amount of capital increases that may result from this resolution, as well as Resolutions 25 through 32 submitted to this General Meeting may not exceed the total ceiling of €1,300,000 set forth in Resolution 25 by issuing shares as well as any other marketable securities providing access to shares to be issued immediately or in the future by the Company.

The General Meeting decides that the marketable securities providing access to common shares to be issued by the Company either immediately or in the future that have already been issued may consist of debt securities or warrants or may be associated with the issue of such securities, or allow the issue as intermediate securities. The maximum nominal value of such debt securities may not exceed €100,000,000 or the equivalent of that amount on the date of the decision to issue, it being understood that (i) this amount does not include redemption premiums above par, if any, and that (ii) this amount is an overall ceiling covering all debt securities that may be issued under Resolutions 25 to 32 submitted to this General Meeting.

The General Meeting decides to waive shareholders' preferential subscription rights to these common shares and marketable securities for this resolution and accord the right to subscribe to:

iv. physical and legal persons, including companies, trusts or investment funds, organized under French or foreign law, that habitually invest in the pharmaceutical, biotechnological or medical technology sector; and/or

v. companies, institutions or entities of any type, French or foreign, that exercise a significant part of their business in the pharmaceutical, cosmetic, chemical or medical devices and/or technologies or research in these sectors; and/or

vi. French or foreign investment services companies, or any foreign establishment with an equivalent status, that could guarantee to carry out an issue to be placed with the persons described in (i) and/or (ii) above, in this context, to subscribe to securities that are issued.

If the subscriptions, including those made by shareholders, where applicable, do not result in the purchase of the entire issue, the Board of Directors may limit the issue to the amount of subscriptions, provided that it is at least three-quarters of the decided issue, and/or to freely allocate all or some of the unsubscribed shares to the individuals of its choice.

This delegation shall act as a waiver by shareholders of their preferential subscription rights to shares to which the issued marketable securities will entitle, for those shareholders who hold marketable securities providing access to the Company's capital.

The General Meeting resolves that the Board of Directors shall have full authority, and may further delegate such authority in accordance with the Law, to implement this resolution, and in particular determine the list of beneficiaries from within the aforementioned category of investors who will benefit from the waiver of preferential subscription rights, including the features, amount and terms and conditions of any issue as well as the type of securities to be issued. In particular, it shall determine the number to be issued to each recipient and shall define the subscription price of said securities, their entitlement date, as well as the duration, or the terms and conditions under which the marketable securities issued under this resolution will provide access to common shares to be issued by the Company, where applicable, given the instructions contained in its report. Any amount owed to the Company for each of the:

a) shares issued under this delegation shall be at least equal to the volume weighted average price (in the central order book and excluding off-market blocks) of the Company's share prices on the regulated Euronext Paris stock market from the three trading sessions preceding the date that the issue price was set. This average may be corrected to take into account differences in the entitlement date, where applicable, and may potentially be discounted by a maximum of 20%;

b) marketable securities issued under this delegation will be such that the amount received immediately by the Company plus any amount that may be received subsequently by the Company, where applicable, be at least equal to the amount listed in paragraph "a)" above, for each common share issued as a result of the issue of these marketable securities.

The General Meeting decides that the amount of additional capital increases made necessary to preserve the rights of those holding securities that provide access to the Company's capital will be added to the €1,000,000 amount defined above.

In accordance with Article L.225-138 of the French Commercial Code, the Board of Directors will prepare a report for the next Annual General Meeting describing the definitive terms and conditions of the transactions completed, in accordance with this resolution.

The delegation thus conferred to the Board of Directors is valid for an 18-month period starting from the date of this general shareholders' meeting.

***THIRTY FIRST RESOLUTION** (DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE COMMON COMPANY SHARES AND MARKETABLE SECURITIES GIVING ACCESS TO COMMON SHARES TO BE ISSUED BY THE COMPANY IN THE EVENT OF A PUBLIC EXCHANGE OFFER INITIATED BY THE COMPANY, WITH SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report and the Statutory Auditors' special report, and voting in accordance with Articles L.225-129 *et seq. of the French Commercial Code, and notably Articles L.225-129-2, L.225-148 and L.228-91 et seq. of said Code:*

– terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 24 of the General Meeting of June 24, 2016; and

– delegates to the Board of Directors, for a period of 26 months from the date of this General Meeting, the authority to decide, defined in Resolution 26 above, to issue common shares of the Company or marketable securities providing access to common shares to be issued immediately or in the future by the Company in compensation for securities contributed to a public offer that has an exchange component initiated in France or abroad in accordance with local regulations by the Company on the securities of a company whose shares are admitted for trading on one of the regulated stock markets listed in Article L.225-148 mentioned above, and decides to waive shareholder preferential subscription rights to common shares and marketable securities to be issued for the holders of these securities.

The General Meeting duly notes that this delegation includes the shareholders' waiver of their preferential subscription rights to common shares to which the marketable securities issued on the basis of this delegation may entitle them.

The ceiling for the nominal amount of the Company's immediate or future capital increase resulting from all issues carried out by virtue of this delegation is set at €1,000,000 on the understanding that (i) this ceiling is shared with the ceiling set forth in Resolution 26 and deducted from it and (ii) the nominal amount of all capital increases that may be made by virtue of this resolution as well as Resolutions 25 to 32 submitted to this General Meeting cannot exceed the overall ceiling of €1,300,000 set in Resolution 25, and (iii) this ceiling is set excluding the nominal amount of any common Company shares that may be issued as a result of legal and contractual adjustments made to protect holders of rights attached to marketable securities giving access to common shares.

The maximum nominal value of such debt securities may not exceed €100,000,000 or the equivalent of that amount on the date of the decision to issue, it being understood that (i) this amount does not include redemption premiums above par, if any, and that (ii) this amount is an overall ceiling covering all debt securities that may be issued under Resolutions 25 to 32 submitted to this General Meeting, the nominal value of the debt securities that may be issued pursuant to the above resolutions may not be greater than this ceiling. This ceiling is independent from the debt securities whose issue would be decided on or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

The General Meeting decides that the Board of Directors shall have full authority to implement the public offers listed in this resolution, and in particular:

– determine the parity ratios as well as the amount of the cash bonus to be paid, where applicable;

– record the number of securities contributed in the exchange;

– determine the dates, terms and conditions of the issue, and particularly the price and entitlement date, which may be retroactive, new common shares or marketable securities providing access to common shares of the Company, where applicable, and, if necessary, modify the terms and conditions of securities issued under this resolution during the term of the securities concerned and in compliance with applicable legal and regulatory provisions;

– record the difference between the new common shares' issue price and their par value as a liability on the balance sheet in a "share premium" line item;

– assign any of the fees and costs incurred from the authorized transaction to said "share premium" account, where applicable;

– generally adopt all useful measures and enter into any agreement to ensure that the authorized transaction is successful, record the resulting capital increases and make any corresponding amendments to the bylaws.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

THIRTY SECOND RESOLUTION *(AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE, WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED, COMMON SHARES OR MARKETABLE SECURITIES GIVING ACCESS TO COMMON SHARES TO BE ISSUED, TO BE USED AS PAYMENT FOR IN-KIND CONTRIBUTIONS TO THE COMPANY CONSISTING OF EQUITY SECURITIES OR OTHER MARKETABLE SECURITIES GIVING ACCESS TO CAPITAL)*

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Meetings, after having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and ruling in accordance with Article L.225-147 and Articles L.228--91 et seq. of the French Commercial Code:

– delegates to the Board of Directors for a period of 26 months from the date of this General Meeting the power to issue, on the report of the statutory auditor referred to in the first and second paragraphs of aforementioned Article L. 225-147, common shares of the Company or marketable securities giving access to common shares to be issued immediately or in the future by the Company under the conditions set out in the Resolution 25 above to pay for contributions in kind granted to the Company and made up of the Company's equity securities or marketable securities giving access to capital when the provisions of Article L.225-148 of the French Commercial Code are not applicable, and to decide to waive the shareholder preferential subscription rights of the common shares and marketable securities thus issued for those common shares or marketable securities, the subject of the contribution in kind, when necessary.

The maximum nominal amount of the immediate or future capital increase resulting from all of the issues carried out under this delegation is set at 10% of the Company's capital (existing on the date of this General Meeting), provided that (i) a portion of this ceiling is deducted from the €1,000,000 ceiling defined in Resolution 26 and (ii) that the total nominal amount of capital increases likely to result from this resolution, as well as Resolutions 18 through 24 submitted to this General Meeting, may not exceed the total ceiling of €1,300,000 set forth in Resolution 25.

The maximum nominal value of such debt securities may not exceed €100,000,000 or the equivalent of that amount on the date of the decision to issue, it being understood that (i) this amount does not include redemption premiums above par, if any, and that (ii) this amount is an overall ceiling covering all debt securities that may be issued under Resolutions 25 to 32 submitted to this General Meeting, the par value of the debt securities liable to be issued pursuant to the above resolutions may not be greater than this ceiling. This ceiling is independent from the debt securities whose issue would be decided on or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

The General Meeting duly notes that this delegation includes the shareholders' waiver of their preemptive rights to subscribe common shares to which the marketable securities issued on the basis of this delegation may entitle them.

The Board of Directors shall have full authority to implement this resolution, in particular to:

– decide on the assessment of contributions and any potential grants of special benefits, based on the capital contributions auditor(s) report mentioned in paragraph 1 and 2 of Article L.225-147 mentioned above;

– approve the list of equity securities or marketable securities contributed to the exchange, determine the parity ratios as well as the amount of the cash bonus to be paid, where applicable;

– approve the number of securities to be issued in compensation for the contributions as well as the dividend date of shares to be issued, which may potentially be retroactive, and marketable securities to be issued providing immediate or future access to existing shares or shares to be issued by the Company, where applicable.

– where applicable, charge the fees and expenses incurred from the issues to the amount of corresponding premiums and deduct the amount necessary from this amount to increase the legal reserve to one-tenth of share capital;

– record the final completion of the capital increases carried out under this delegation, make any corresponding amendments to the bylaws, carry out any formalities and declarations and require any authorizations that may prove necessary in order to complete these contributions.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the powers that are granted to it under this resolution.

THIRTY THIRD RESOLUTION *(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE COMPANY'S CAPITAL BY INCORPORATING RESERVES, EARNINGS OR PREMIUMS)*

The General Meeting, voting under the rules of quorum and majority required for Annual General Meetings, after having read the Board of Directors' report, and voting in accordance with Articles L.225-129-2 and L.225-130 of the French Commercial Code:

- terminates, with immediate effect, the unused portion of the similar delegation granted by Resolution 26 of the General Meeting of June 24, 2016; and

- delegates to the Board of Directors the authority for a period of 26 months from the date of this General Meeting to decide to increase the share capital one or more times, at the time(s) it sets forth and according to the terms and conditions it determines, by successively or simultaneously incorporating reserves, earnings, and premiums into the share capital, or any other amounts whose capitalization would be permitted by Law and under the Company's bylaws, followed by creating and allocating shares for free or by raising the par value of existing common shares, or by using a combination of these two methods.

The Board of Directors shall have the option to decide that fractional rights will neither be traded nor sold and that the corresponding securities will be sold. The amounts arising from the sale shall be allocated to the rights holders within the time frame set forth by regulations.

The maximum nominal amount of the immediate or future capital increase resulting from all of the issues carried out under this delegation is set at €1,300,000, provided that this ceiling is set (i) without taking into account the nominal amount of common shares of the Company to be issued in the future for legal or contractual adjustments made to protect those holding rights attached to the marketable securities giving access to common shares, and (ii) autonomously and separately from the capital increase ceilings resulting from issues of common shares or marketable securities authorized under other resolutions submitted to this General Meeting, as well as under adopted resolutions still in effect during any previous General Meeting.

The Board of Directors shall have full authority to implement this resolution, and in generally adopt any measure or fulfill any formalities required to successfully complete each capital increase.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the powers that are granted to it under this resolution.

THIRTY FOURTH RESOLUTION *(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO CARRY OUT CAPITAL INCREASES RESERVED FOR EMPLOYEES ENROLLED IN AN ERYTECH PHARMA GROUP SAVINGS PLAN, WITH SHAREHOLDERS' PREEMPTIVE SUBSCRIPTION RIGHTS WAIVED)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report prepared in accordance with Articles L.225-102 and L.225-129-6 of the French Commercial Code, the

Statutory Auditors' special report and the provisions of Articles L.225-129-6, L.225-138 I and II and L.225-138-1 of the French Commercial Code:

- authorizes the Board of Directors to carry out a capital increase of the Company by issuing common shares reserved for employees of the Company and its affiliates within the meaning of Article L.225-180 of the French Commercial Code, who are members of a corporate savings plan. This capital increase shall be carried out under the terms and conditions set forth in Articles L.3332-18 et seq. of the French Labor Code.

As a result, the General Shareholder's Meeting:

- decides to waive shareholders' preferential subscription rights for new shares to be issued to employees of the Company and its affiliates who are members of a corporate savings plan;

- decides that the issue price for new shares shall be set by the Board of Directors by referencing the company's share prices on the Euronext Paris stock market, with the understanding that this price may not exceed the trading price during the three trading sessions preceding the day of the Board of Directors' decision to set the opening date for the subscription period, nor be lower than 20% of this average price, or 30% when the lock-up period defined by the corporate savings plan is greater than or equal to 10 years;

- limits the maximum nominal amount of the capital increase that may be carried out by the Board of Directors, which may not increase the amount of said employees' equity investment (including the equity investment already held) by more than 3% of the total amount of share capital on the day that the Board of Directors decides to implement this authorization;

- decides that the new shares shall be subject to all provisions of the bylaws, shall be combined with old shares and shall bear rights as of the first day of the year during which the capital increase took place;

- delegates full authority to the Board of Directors to decide on and carry out this capital increase one time under the terms and conditions set forth above, to define the terms and conditions that the recipients must fulfill, with these terms and conditions being able to include employee seniority conditions, provided that the required period does not exceed six months, to set the terms and conditions in which the shares shall be issued and paid up, to amend the bylaws, and generally take any additional steps that may be required;

- decides that the capital increase authorized under this resolution shall be carried out within one year starting from this General Meeting.

The shareholders duly note that this resolution has been proposed to comply with the provisions of article L.225-129-6 of the French Commercial Code in respect to the authorizations granted under Resolutions 25 to 32 above and Resolutions 35 to 37 below.

THIRTY FIFTH RESOLUTION *(AUTHORIZATION TO THE BOARD OF DIRECTORS TO AWARD EXISTING OR FUTURE BONUS SHARES, WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED, TO CORPORATE OFFICERS OR EMPLOYEES OF THE COMPANY OR RELATED COMPANIES)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report and the Statutory Auditors' special report,

– duly notes that this authorization does not cancel and is without prejudice to the authorization granted to the Board of Directors by Resolution 28 of the Extraordinary Shareholders' Meeting on June 24, 2016 to grant existing shares or shares to be issued for free, to corporate officers or employees of the Company or affiliates; and

– authorizes the Board of Directors to grant existing common shares or common shares for free to be issued by the Company one or more times and under the terms and conditions that it determines, within the limits set under this authorization, in accordance with Articles L.225-197-1 et seq. of the French Commercial Code, and as per the terms and conditions below.

The recipients must be employees of the Company, or French or foreign companies or groups that are related within the meaning of Article L.225-197-2 of the French Commercial Code, or corporate officers of the Company, or of related companies or groups related to it, and which fulfill the terms and conditions listed in Article L.225-197-1, II, or certain categories among them.

If the shares are granted to executive corporate officers referred to in Article L.225-197-1 II of the French Commercial Code, they may only be granted as per the terms and conditions of Article L.225-197-6 of said Code.

This authorization is granted for a 38-month period starting from the day of this General Shareholders' Meeting.

The total number of common shares granted for free under this resolution may not exceed 300,000 shares, provided that the total nominal amount of capital increases likely to result from this resolution may not exceed the ceiling of 420,000 common shares for all of the issues likely to be carried out under Resolutions 35 through 37 submitted to this General Meeting.

The General Meeting decides that the granting of these shares to their recipients shall become final for all or part of the shares granted:

– at the end of a vesting period defined by the Board of Directors, which may not be less than one year;

– potentially at the end of a minimum retention period by the recipients starting from the final allocation of the shares, the duration of which would be defined by the Board of Directors.

In accordance with Law, the total duration of vesting periods, and retention periods where applicable, for shares may not be less than two years.

The General Shareholders' Meeting decides that, in the event that the recipient does not meet the conditions set forth by Law, the final allocation of the shares may take place before the end of the vesting period.

The existing shares that may be allocated pursuant to this resolution must be acquired by the Company, either pursuant to Article L.225-208 of the French Commercial Code or, as the case may be, as part of a share buyback program authorized in the Resolution 23 submitted to the General Meeting pursuant to the provisions of Article L.225-209 of the French Commercial Code, or any share buyback program applicable previously or subsequently.

The General Meeting takes note of and decides, where applicable, that this authorization shall act as a waiver by shareholders (i) of their preferential subscription rights to common shares, which will be issued when the shares undergo final allocation, (ii) of their entitlement to common shares granted for free based on this authorization and (iii) of any entitlement to the amount of reserves, earnings or premiums that the new shares shall be allocated to, where applicable, for those receiving allocations of existing common shares or common shares to be issued.

The General Meeting confers all powers to the Board of Directors, which may be assisted by a committee comprising members of its choice, in order to carry out the following, within the limits set forth above:

– set the terms and conditions and the criteria for granting common shares, where applicable, as well as the performance conditions to be met in order to make the grant final, if applicable;

– determine if the shares granted for free are shares to be issued or existing shares;

– establish the dates on which the free grants will take place, subject to legal conditions and limits;

– decide the dividend date of the newly issued common shares, which may be retroactive;

– determine the recipients' identity, the number of common shares granted to each of them, the terms and conditions of granting common shares, and in particular, the vesting periods and retention periods of the common shares granted for free;

– decide on one or more capital increases of the Company resulting from granting common shares to be issued by the Company for free;

– decide the terms and conditions under which the number of common shares allocated shall be adjusted; and

– generally, enter into any agreements, prepare any documents, carry out any formalities and make any necessary declarations with the relevant bodies and do anything else that may be required.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

The Board of Directors shall inform the General Shareholders' Meeting of grants made under this resolution on a yearly basis, in accordance with Article L.225-197-4 of the French Commercial Code.

THIRTY SIXTH RESOLUTION *(AUTHORIZATION FOR THE BOARD OF DIRECTORS TO GRANT SHARE SUBSCRIPTION AND/OR SHARE PURCHASE OPTIONS OF THE COMPANY TO CORPORATE OFFICERS AND EMPLOYEES OF THE COMPANY OR COMPANIES IN THE ERYTECH PHARMA GROUP, ENTAILING THE WAIVER BY SHAREHOLDERS OF THEIR PREEMPTIVE RIGHTS TO SUBSCRIBE SHARES ISSUED FOLLOWING THE EXERCISE OF STOCK OPTIONS)*

The General Meeting, voting under the rules of quorum and majority required for Extraordinary General Meetings, after having read the Board of Directors' report and the Statutory Auditors' special report,

- duly notes that this authorization does not cancel and is without prejudice to the authorization granted to the Board of Directors by Resolution 29 of the Extraordinary Shareholders' Meeting on June 24, 2016 to grant stock options of the company to corporate officers or employees of the Company or the Erytech Pharma Group; and

- authorizes the Board of Directors to grant Company subscription or stock options once or several times under the terms and conditions below, in accordance with Articles L.225-177 et seq. of the French Commercial Code.

The recipients must be employees or corporate officers of the Company or of French or foreign companies or groups related to it within the meaning of Article L.225-180 of the French Commercial Code, or certain categories among them.

The Board of Directors may grant the options to all or some of these people.

This authorization is granted for a 38-month period starting from the day of this General Shareholders' Meeting.

Each option shall confer entitlement to subscribe or purchase a new or existing common share, as appropriate.

The total number of share options that may be granted under this resolution may not confer entitlement to subscribe or purchase a number of shares in excess of 300,000 shares, provided that the total nominal amount of capital increases likely to result from this resolution may not exceed (i) the 420,000 common share ceiling for all of the issues likely to be carried out by virtue of Resolutions 35 through 37 submitted to this General Meeting, and lastly (ii) that these ceilings are set without taking into account the nominal amount of common shares of the Company that may be issued in the future for legal or contractual adjustments made to protect those holding rights attached to the marketable securities giving access to common shares.

The shares that may be obtained by exercising stock options granted under this resolution must be acquired by the Company, either pursuant to Article L.225-208 of the French Commercial Code, or as part of a share buyback program described in Resolution 23 submitted to this General Meeting pursuant to Article L.225-209 of the French Commercial Code, or any share buyback program applicable previously or subsequently.

The exercise price of the options granted under this resolution shall be set by the Board of

Directors according to the following terms and conditions:

- the common stock purchase of sale options' exercise price may not be less than 95% of the Company's average share price on the regulated Euronext Paris stock market over the twenty trading sessions prior to the day the options were granted. In addition,

- the stock option exercise price may not be less than 95% of the average purchase price of the shares held by the Company under Article L. 225-208 of the French Commercial Code, or, where applicable, the share buyback program authorized in Resolution 23 submitted to this General Meeting under Article L.225-209 of the French Commercial Code or any share buyback program applicable previously or subsequently.

The options allocated must be exercised within 10 years from the day they are granted by the Board of Directors. The Company's Extraordinary General Shareholders' Meeting is authorized to extend the aforementioned 10-year time frame at any time.

The General Shareholders' Meeting takes note of and decides that, for stock option recipients, this authorization includes the shareholders' express waiver of their preferential subscription rights to shares that will be issued when these options are exercised, if needed.

The General Meeting confers all powers to the Board of Directors, which may be assisted by a committee comprising members of its choice, in order to carry out the following, within the limits set forth above:

- establish the dates on which the options will be granted, subject to legal conditions and limits;

- determine the list of option recipients, the number of options allocated to each of them, terms and conditions for the grant as well as for exercising the options;

- set the conditions for exercising options, and in particular, limit, restrict or prohibit (a) exercising options (notably define the performance conditions to be met, where applicable) or (b) sell the shares obtained by exercising the options, during certain periods or starting when certain events take place. This decision may (i) pertain to all or part of the options and (ii) concern all or part of the recipients;

- decide on the conditions in which the price and/or number of shares to subscribe or purchase will be adjusted in cases provided for by Law;

- generally, enter into any agreement, prepare all documents, record capital increases after options are exercised, make any corresponding amendments to the bylaws, where applicable, carry out any formalities and make any declarations to all relevant bodies, and do anything else that may be required.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

The Board of Directors shall inform the General Shareholders' Meeting of transactions carried out under this resolution every year.

THIRTY SEVENTH RESOLUTION *(AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARE SUBSCRIPTION WARRANTS, WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED, TO CORPORATE OFFICERS OR EMPLOYEES OF THE COMPANY OR ERYTECH PHARMA GROUP COMPANIES)*

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report,

– terminates any delegation of authority relating to issuing "**BSA**" subscription options reserved to a category of persons or by private placement, for the unused portion, effective immediately; and

– authorizes the Board of Directors to decide to increase the share capital once or several times in the proportions and at the times that it deems fit, by issuing subscription options under the terms and conditions below and in accordance with Articles L.225-129 to L.225-129-6, L.225-138 and L.228-91 et seq. of the French Commercial Code.

The recipients must be employees or corporate officers of the Company or of French or foreign companies or groups related to it within the meaning of Article L.225-180 of the French Commercial Code, or certain categories among them.

The total number of options that may be granted under this resolution may not confer entitlement to subscribe or purchase a number of shares in excess of 100,000 shares, provided that the total nominal amount of capital increases likely to result from this resolution may not exceed (i) the 420,000 share ceiling for all of the issues likely to be carried out by virtue of Resolutions 35 through 37 submitted to this General Shareholders' Meeting, and lastly (ii) that these ceilings are set without taking into account the nominal amount of common shares of the Company that may be issued in the future for legal or contractual adjustments made to protect those holding rights attached to the marketable securities providing access to common shares.

This authorization is granted for an 18-month period starting from the day of this General Shareholders' Meeting.

The General Shareholders' Meeting takes note of and decides, where applicable, that this authorization shall act as an express waiver by shareholders of their preferential subscription rights to which the warrants issued entitle, for those who hold warrants issued under this resolution.

The General Meeting confers all powers to the Board of Directors, which may be assisted by a committee comprising members of its choice, in order to carry out the following, within the limits set forth above:

– establish the list of recipients within the category of recipients previously mentioned, for which preferential subscription rights have been waived;

– approve the features, amounts and terms and conditions of any issue, as well as terms and conditions for paying up securities issued, provided that a subscription option shall entitle the right to subscribe a Company share; notably

– determine the number of subscription options to issue for each recipient and set the subscription price and dividend date for those subscription options according to the information contained in its report, provided that the amount owed to the Company for each of the shares issued under this delegation shall be at least equal to the volume weighted average closing share price recorded during a period of no less than five consecutive trading days to no more than thirty consecutive trading days from the thirty trading days prior to setting the subscription price, potentially discounted by a maximum of 5% at the time the subscription options are granted.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Chief Operating Officers, the power that is granted to it under this resolution.

The Board of Directors shall inform the General Shareholders' Meeting of transactions carried out under this resolution every year.

THIRTY EIGHTH RESOLUTION *(DELEGATION GIVEN TO THE BOARD OF DIRECTORS TO BRING THE ARTICLES OF INCORPORATION INTO COMPLIANCE WITH CHANGES IN LEGISLATION)*

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Meetings, after having reviewed the Board of Directors' Report, delegates full powers to the Board of Directors to make any modifications necessary to the bylaws to bring them into compliance with legislative and regulatory provisions, subject to ratification by the next Extraordinary Shareholders' Meeting.

POWERS

THIRTY NINETH RESOLUTION *(POWERS TO CARRY OUT FORMALITIES)*

The General Meeting confers all powers to the person(s) holding copies or extracts from these meeting minutes to carry out any and all legal formalities.

APPENDIX 2: PROFESSIONAL CAREEERS AND REFERENCES OF THE DIRECTORS FOR WHOM RENEWED APPOINTMENT IS PROPOSED

A doctor in medicine, Martine George has extensive experience in the United States in clinical research, medical affairs and regulatory issues, gained within large and small companies specializing in oncology. Until recently, Dr. George was Vice President in charge of Global Medical Affairs for Oncology at Pfizer in New York. Prior to that, she held the position of Medical Director at GPC Biotech in Princeton and Head of the Oncology Department at Johnson & Johnson in New Jersey. Martine George is a qualified gynecologist and medical oncologist who trained in France and Montreal. She started her career as Department Head at the Gustave Roussy Institute in France and as a visiting professor at the Memorial Sloan Kettering Cancer Center in New York.

	Other offices held during the past five years outside of the Group	Age	Number of shares held
Martine J. GEORGE	*Current offices held*: Head of Global Development, Associates, Inc. GamaMabs Pharma, Independent Director *During the past five years*: Vice-Chairperson of Pfizer Inc.(1). (United States) Senior Vice-President, GPC Biotech Inc. (United States)	69	1

1) *Company listed on the NYSE*

Hinde Windels has more than 20 years' experience in corporate finance, capital markets and strategic initiatives. She is Chief Executive Officer and a director of Biocartis, a company providing molecular diagnostic and immuno-diagnostic solutions, based in Belgium and Switzerland. Prior to that, Hilde Windels was the Financial Director of Devgen (Euronext: DEVG) from 1999 to the end of 2008 and a member of the Board of Directors of Devgen from 2001 to the end of 2008. From the start of 2009 to mid-2011, she worked as an independent Financial Director for several private companies specializing in biotechnology and sat on the Board of Directors of MDX Health (Euronext: MDXH) from June 2010 to the end of August 2011. Prior to that, she was a manager at ING for business banking services covering a region of Belgium. She holds a degree in Economics from the University of Louvain (Belgium).

	Other offices held during the past five years outside of the Group	Age	Number of shares held
BVBA Hilde WINDELS represented by Hilde WINDELS	*Current offices held*: Director, VIB Director and Chief Executive Officer of BioCartis Vice-CEO and then CEO Biocartis Group(1) *During the past five years*: Board member MDX Health(1.) Board member Flanders Bio Chief Administrative and Financial Officer of Biocartis group(1)	52	0

1) *Company listed on a regulated market*

Allene M. Diaz has extensive experience in the biopharmaceutical industry with cross-cutting expertise in sales, medical affairs, marketing, planning of new products, portfolio planning, strategic planning, and access to markets. She currently holds the position of Senior Vice President, Global Commercial Development at Tesaro (Waltham, United States). Prior to that, Ms. Diaz worked for various top biopharmaceutical companies, such as Merck Serono, Biogen Idec and Pfizer.

	Other offices held during the past five years outside of the Group	**Age**	**Number of shares held**
Allene Diaz	*Current offices held*: Senior Vice President, Global Commercial Development, TESARO[(1)] *During the past five years*: Senior Vice President, Managed Markets and Senior Vice President, US Commercial, EMD Serono	54	0

[(1)] *Company listed on Nasdaq*

APPENDIX 3: SUMMARY TABLE OF FINANCIAL DELEGATIONS

1. **Delegations which have lapsed or will have expired on the date of the General Shareholders Meeting of June 27, 2017**

Date of the General Meeting	Nature of authorization	Maximum nominal amount of capital increase or issue of securities representing debt securities resulting from the issue	Nominal global ceiling	Duration and Expiry Date
6/24/2016	Increase in share capital through the issuance of common stock or marketable securities giving access to common shares while maintaining the preferential subscription right (**Resolution 18**)	€1,000,000	€1,000,000 * €80,000,000 (debt securities)	26 months 08/24/2018
6/24/2016	Increase in share capital through the issuance of common stock or marketable securities giving access to common shares with cancellation of the preferential subscription right the preferential subscription right in the context of a public offering (**Resolution 19**)	€500,000 *		26 months 08/24/2018
6/24/2016	Increase in share capital through the issuance of common stock or marketable securities giving access to common shares with cancellation of the preferential subscription right the preferential subscription right in the context of offers referred to in Article L. 411-2 of the French Monetary and Financial Code (**Resolution 20**)	20% of share capital (per 12-month period) up to a limit of €500,000*		26 months 08/24/2018

6/24/2016	Authorization to establish the price, in the event of issuance with cancellation of preferential subscription rights of common shares or marketable securities giving access to common shares (**Resolution 21**)	10%% share capital per year		26 months 08/24/2018
6/24/2016	Authorization to increase the number of shares to be issued in the event of capital increase, with preemptive subscription rights maintained or waived (**Resolution 22**)	15% of the initial issue within the ceiling provided in the resolution pursuant to which the issue is decided		26 months 08/24/2018

Date of the General Meeting	Nature of authorization	Maximum nominal amount of capital increase or issue of securities representing debt securities resulting from the issue	Nominal global ceiling	Duration and Expiry Date
6/24/2016	Capital increase with cancellation of the preferential subscription right for physical persons or legal entities (including industrial or commercial companies), or French or foreign investment funds normally investing in the pharmaceutical, biotechnological or technological sectors, or (ii) for French or foreign investment services providers, or any foreign establishment with equivalent legal status, likely to complete such a transaction and, in to this extent, subscribing to the securities issued (**Resolution 23**)	€500,000 *		18 months 12/24/2017
6/24/2016	Issue of common shares and marketable securities giving access to common shares in the event of a public exchange offer initiated by the Company, with cancellation of the preferential subscription rights (**Resolution 24**)	€500,000 *		26 months 08/24/2018

6/24/2016	Issue of common shares or marketable securities giving access to common shares in consideration of contributions in kind granted to the Company, and consisting of equity securities or marketable securities giving access to capital (**Resolution 25**)	10% of share capital of the Company, up to a limit of €500,000*		26 months 08/24/2018
6/24/2016	Capital increase by incorporation of the reserves, profits or premiums (**Resolution 26**)	€1,000,000 **		26 months 08/24/2018
6/24/2016	Authorization to issue stand-alone warrants to subscribe for shares with cancellation of preferential subscription rights for corporate officers and employees of the Company or of the Erytech Pharma group (**Resolution 30**)	€6,000 (60,000 shares)	€ 35,000 (350,000 shares)	18 months 12/24/2017

* €500,000 ceiling common to Resolutions 19, 20, 23, 24 and 25 of the General Meeting of June 24, 2016.

** Ceiling independent of the aggregate ceiling of € 1,000,000 applicable to other financial delegations.

2.**Proposed financial delegations to the Combined General Meeting of June 27, 2017**

Date of the General Meeting	Nature of authorization	Maximum nominal amount of capital increase or issue of securities representing debt securities resulting from the issue	Nominal global ceiling	Duration and Expiry Date
6/27/2017	Increase in share capital through the issuance of common stock or marketable securities giving access to common shares while maintaining the preferential subscription right (**Resolution 25**)	€1,300,000	€1,300,000 * €100,000,000 (debt securities)	26 months 08/27/2019
6/27/2017	Increase in share capital through the issuance of common stock or marketable securities giving access to common shares with cancellation of the preferential subscription right in the context of a public offering (**Resolution 26**)	€1,000,000 *		26 months 08/27/2019
6/27/2017	Increase in share capital through the issuance of common stock or marketable securities giving access to common shares with cancellation of the preferential subscription right in the context of offers referred to in Article L. 411-2 of the French Monetary and Financial Code (**Resolution 27**)	20% of share capital (per 12-month period) up to a limit of €1,000,000 *		26 months 08/27/2019

6/27/2017	Authorization to establish the price, in the event of issuance with cancellation du preferential subscription right of common shares or marketable securities giving access to common shares (**Resolution 28**)	10%% share capital per year		26 months 08/27/2019
6/27/2017	Authorization to increase the number of securities to be issued in the event of capital increase, with preemptive subscription rights maintained or waived (**Resolution 29**)	15% of the initial issue within the ceiling provided in the resolution pursuant to which the issue is decided		26 months 08/27/2019

Date of the General Meeting	Nature of authorization	Maximum nominal amount of capital increase or issue of securities representing debt securities resulting from the issue	Nominal global ceiling	Duration and Expiry Date
6/27/2017	Capital increase with cancellation of the preferential subscription right for specific categories of people (**Resolution 30**)	€1,000,000 *		18 months 12/27/2018
6/27/2017	Issue of common shares and marketable securities providing [note: source document word missing] to common shares in the event of a public exchange offer initiated by the Company, with cancellation of the preferential subscription rights (**Resolution 31**)	€1,000,000 *		26 months 08/27/2019
6/27/2017	Issue of common shares or marketable securities giving access to common shares in consideration of contributions in kind granted to the Company, and consisting of equity securities or marketable securities giving access to capital (**Resolution 32**)	10% of share capital of the Company, up to a limit of €1,000,000 *		26 months 08/27/2019
6/27/2017	Capital increase by incorporation of the reserves, profits or premiums (**Resolution 33**)	€1,300,000 **		26 months 08/27/2019

* €1,000,000 ceiling common to Resolutions 25 to 32 of the General Meeting of June 27, 2017.
** Ceiling independent of the aggregate ceiling of € 1,300,000 applicable to other financial delegations.

3. <u>Authorizations related to employee shareholders</u>

Date of the General Meeting	Nature of authorization	Maximum nominal amount (in number of shares) of the capital increase or issue of marketable securities representing debt securities that may result from the issue	Cumulative ceiling	Duration
6/24/2016*	Authorization to proceed with the free bonus allocation of existing shares or shares to be issued, with existing shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or the Erytech Pharma group (**Resolution 28**)	250,000 shares	350,000 actions	38 months 08/24/2019
6/24/2016*	Authorization to grant subscription warrants and/or purchase options to corporate officers and/or employees of the Company or the Erytech Pharma group (**Resolution 29**)	250,000 shares		38 months 08/24/2019
6/27/2017	Capital increase through the issuance of shares reserved for employees participating in a corporate savings plan (**Resolution 34**)	3% of share capital		The Board proposes to reject this resolution

6/27/2017	Authorization to proceed with the free allocation of existing shares or shares to be issued, with cancellation of the preferential	300,000 shares		38 months 08/27/2020
6/27/2017	subscription rights, to corporate officers or employees of the Company or the Erytech Pharma group (**Resolution 35**) Authorization to grant subscription warrants and/or purchase options to corporate officers and/or employees of the Company or the Erytech Pharma group (**Resolution 36**)	300,000 shares	420,000 shares	38 months 08/27/2020
6/27/2017	Authorization to issue stand-alone warrants to subscribe for shares with cancellation of preferential subscription rights to corporate officers and employees of the Company or of the Erytech Pharma group (**Resolution 37**)	100,000 shares		18 months 12/27/2018

* Resolutions and independent ceilings of similar resolutions proposed to the General Assembly of June 27, 2017

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SPECIAL REPORT OF THE BOARD OF DIRECTORS WITH REGARD TO THE ALLOCATION OF BONUS SHARES

In accordance with the provisions of Article L. 225-197-4, paragraph 1 of the French Commercial Code; this report provides information regarding bonus shares allocated under the delegation granted to the Board of Directors by the General Shareholders' Meeting of June 24, 2016 to employees and executive officers who hold no more than 10% of the share capital in our Company during the financial year ending on December 31, 2016.

It is important to highlight that, in accordance with Article L. 225-197-1 of the French Commercial Code, this bonus grant may not result in employees and management holding more than 10% of the share capital.

a) ALLOCATION OF 111,261 bonus shares

On October 3, 2016, the Board of Directors, with the authorization of the Extraordinary General Meeting of June 24, 2016 under the terms of Resolution 28, allocated a total of 111,261 bonus shares of the Company.

The Board of Directors has approved and adopted in all requirements the draft regulations of the bonus share allocation plan (the "**2016 AGA Plan**"), the main features of which are presented below.

The Board of Directors has decided, taking into account the maximum number of bonus shares to be granted of 250,000 shares with a par value of €0.10 each to be issued at the expiry of each vesting period, to grant the following number of shares in several tranches:

- **Tranche 1**: 37,087 shares
- **Tranche 2**: 37,087 shares; plus, the total number of shares not definitively granted to beneficiaries under Tranche 1; and
- **Tranche 3**: 37,087 shares; plus, the total number of shares not definitively granted to beneficiaries under Tranche 2;

to any corporate officer (Chairman, Chief Executive Officer or Deputy Chief Executive Officer of the Company) or employee of the Company or of an affiliated company in accordance with the conditions established by Articles 225-197-1 to L. 225-197-5 of the French Commercial Code and meeting the conditions and criteria for allocation determined by the Board of Directors on October 3, 2016 (the "Beneficiaries").

The Board of Directors establishes the conditions for allocation as follows:

- **Vesting periods**: the initial grants will not become definitive until the end of the following vesting periods, subject to the criteria and conditions presented in the 2016 AGA Plan:
  one (1) year from October 3, 2016 for Tranche 1;
  two (2) years from October 3, 2016 for Tranche 2; and

three (3) years from October 3, 2016 for Tranche 3.

- **Retention period**: the retention period has a duration of one (1) year for Tranche 1, from the end of the vesting period of Tranche 1 and will come to an end, for shares granted on this date, on October 3, 2018. No retention period is applicable for shares definitively granted under Tranche 2 or Tranche 3.
- **Definitive allocation conditions and criteria**: shares will be definitively allocated to beneficiaries primarily if they are still corporate officers or employees of the Company or of an affiliated company upon expiry of each vesting period, as described in greater detail in the 2016 AGA Plan. The number of shares which will be definitively allocated will be determined on the basis of a performance objective based on the increase of the Company's share price between the initial allocation date and the end of each vesting period, as described in greater detail in the 2016 AGA Plan.

Beneficiaries may also waive the allocation of bonus shares in part or in full prior to their definitive allocation.

Pursuant to a delegation by the Board of Directors on October 3, 2016 and under the 2016 AGA Plan, on October 3, 2016 the Chairman and Chief Executive Officer determined the identity of the beneficiaries, and the number of common shares granted to each of them.

b) INITIAL ALLOCATION OF A TOTAL OF 59,001 Company shares to the executive officers of the Company

Under the 2016 AGA Plan adopted by the Board of Directors, the Board of Directors meeting of October 3, 2016 has decided to allocate a total of 59,001 shares of the 111,261 bonus shares of the Company to management, of which 33,000 to the corporate officers as detailed below, whereby 26,001 bonus shares were allocated to two employees.

The Board of Directors has determined the terms for fulfillment of the obligation to retain shares by deciding that 10% of the bonus shares allocated to executive officers of the Company, i.e. 2,199 shares for Gil Beyen and 1,101 shares for Jérôme Bailly, will be restricted until termination of their duties as executive corporate officers of the Company exercised by each of them.

Corporate Officer	Number of bonus shares granted per Tranche	Total number of bonus shares granted	Number of bonus shares granted which are restricted until termination of their duties	Average closing price of the Company's share on the 40 days prior to October 3, 2016	Nominal value
Gil BEYEN *Chairman and Chief Executive Officer*	Tranche 1: 7,333 Tranche 2: 7,333 Tranche 3: 7,333	21.999	2.199	€20.22	€0.10
Jérôme Bailly *Deputy Chief Executive Officer*	Tranche 1: 3.667 Tranche 2: 3.667 Tranche 3: 3,667	11.001	1.101		
TOTAL	Tranche 1: 11.000 Tranche 2: 11.000 Tranche 3: 11,000	33.000	3.300		

c) ALLOCATION TO THE 10 EMPLOYEES GRANTED THE HIGHEST NUMBER OF BONUS SHARES

Lastly, we inform you on the number and value of the shares which have been granted by our Company during the financial year ended December 31, 2016 to each of the ten employees of our Company who are not corporate officers (for confidentiality reasons and to respect the right of individuals to protection of their personal data, we have not shown the identity of the employees) and who have been allocated the highest number of bonus shares:

1. To employee A, 15,000 shares with a par value of €0.10 each,
2. To employee B, 11,001 shares with a par value of €0.10 each,
3. To employee C, 4,500 shares with a par value of €0.10 each,
4. To employee D, 3,300 shares with a par value of €0.10 each,
5. To employee E, 1,500 shares with a par value of €0.10 each,
6. To employee F, 1,500 shares with a par value of €0.10 each,
7. To employee G, 1.500 shares with a par value of €0.10 each,
8. To employee H, 1.500 shares with a par value of €0.10 each,
9. To employee I, 1,101 shares with a par value of €0.10 each,
10. To employee J, 1,101 shares with a par value of €0.10 each,

The total number of beneficiaries is 63 individuals, of which 2 executive officers.

In accordance with the law and the decision of the Extraordinary General Meeting, these new shares will not be definitively allocated to the above-mentioned individuals until the end of the vesting period set at one year for Tranche 1. Upon expiry of this period, the bonus shares of Tranche 1 must be retained by their beneficiaries for a period of one year.

d) PROVISIONS IN THE EVENT OF DEATH OR DISABILITY OF A BENEFICIARY

Tranche 1:

The definitive allocation of shares may however take place before the expiry of the vesting period of one year, in the case of a request within the six months from a rightful claimant of a beneficiary who has suffered disability or death.

Likewise, the retention period for securities granted for free, defined above, will be canceled and the shares will be freely transferable in the event of disability of beneficiaries of this allocation, presenting the same characteristics, during the retention period. The same applies in the event of death of beneficiaries before expiry of the retention period, with heirs entitled to freely transfer the bonus shares granted to beneficiaries who have died.

Tranches 2 and 3

In accordance with the decision of the Extraordinary General Meeting, these shares will only be definitively allocated to the above individuals upon expiry of the vesting period set at two years for Tranche 2 and three years for Tranche 3, as from the date of the allocation decision by the Board.

No retention period is imposed on beneficiaries of bonus shares once the vesting period has lapsed.

Signed in Lyon

May 16, 2017

Chairman of the Board of Directors
Gil Beyen

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SPECIAL REPORT OF THE BOARD OF DIRECTORS ON SHARE SUBSCRIPTION AND PURCHASE OPTIONS

(Art. L. 225-184 of the French Commercial Code)

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, we inform you under the terms of this report, of the information regarding the exercise of share subscription and/or purchase option transactions effectuated during the financial year ended December 31, 2016, pursuant to the delegation granted to the Board of Directors by the General Shareholders Meeting of June 24, 2016.

1. Conditions of the share subscription or purchase option plans granted and procedures for their exercise for the past financial year

On the delegation of the Combined General Meeting held on June 24, 2016, under the terms of the twenty-ninth resolution, the Board of Directors has approved and adopted all provisions of the plan's draft regulations in English governing the Options (the "**2016 Option Plan**"), the main characteristics of which are as follows:

- Beneficiaries: beneficiaries may be the Chief Executive Officer and Deputy Chief Executive Officers of the Company subject to the tax system for employees, in addition to any employee of the Company or any affiliate;
- Number of shares subscribed or acquired through the exercise of Options: each Option will grant the right to subscription or acquisition of one common share of the Company with a par value of €0.10;
- Exercise or acquisition price of shares issued or acquired through the exercise of Options: each common share of the Company subscribed or acquired through the exercise of Options will be subscribed or acquired at a price of €18.52, issue premium included, corresponding to 100% of the closing price of the Company share on the trading day prior to the date on which the Options are granted, i.e. for Options granted and awarded on October 3, 2016 by the Board of Directors, the closing price of the Company share on September 30, 2016;
- Exercise timetable: Options may, under the conditions of the 2016 Option Plan, be exercised by their holder according to the following percentages and timetable:
  up to 2/3 of Options granted to a holder upon expiry of a period of two (2) years starting from the date of the Board of Directors' meeting at which the Options were granted to the aforementioned holder, i.e. from October 3, 2018 for Options granted and awarded on this date by the Board of Directors;
  up to 1/3 of Options granted to a holder upon expiry of a period of three (3) years starting from the date of the Board of Directors' meeting at which the Options were granted to the aforementioned holder, i.e. from October 3, 2019 for Options granted and awarded on October 3, 2016 by the Board of Directors.
- "*Incentive stock options*" plan: these Options are awarded under the "*incentive stock options*" plan for any beneficiaries who have not reached the authorized maximum, as indicated in the 2016 Option Plan;

- Restriction of Options: Options are personal, elusive and non-transferable, except in the event of death of their holder.

The Board of Directors recognized that the US Internal Revenue Code requires that the issue of incentive stock options under the 2016 Option Plan must be approved by the General Shareholders' Meeting within one (1) year from October 3, 2016, in order to permit such issuance to employees residing in the US for tax purposes. The Board of Directors will propose to the General Shareholders' Meeting to be held on June 27, 2017, voting under provisions of quorum and majority for ordinary general shareholders meetings, to approve the 2016 Option Plan.

The Board of Directors recognized that, in accordance with Article L. 225-178 paragraph 1 of the French Commercial Code, the decision implies a waiver by associates of their preferential subscription right to shares for which the issuance will result in the exercise of Options in cases where the Options take the form of share subscription options,

The Board of Directors has noted that, due to these allocations, the number of Company shares which may be issued under authorizations granted to the Board of Directors by the Combined General Meeting on June 24, 2016 is equal to 224,000.

The Board of Directors has decided to subdelegate to Mr. Gil Beyen, the Chairman and Chief Executive Officer of the Company, all authority and powers to determine under the 2016 Option Plan:

- the list of the beneficiaries of Options, it being specified that the Chairman and Chief Executive Officer will not be able to use the present delegation of powers to grant Options to any officer or executive officer of the Company or of any of its Subsidiaries,
- the number of Options allocated to each of them,
- the procedures for granting and exercising Options under the conditions of the 2016 Option Plan approved by the Board of Directors on October 3, 2016, and
- generally, enter into any agreement, prepare all documents, record capital increases after options are exercised, make any corresponding amendments to the bylaws, where applicable, carry out any formalities and make any declarations to all relevant bodies, and do anything else that may be required.

2. Information regarding the granting of share subscription and purchase option(s) to corporate officers

During the financial year ended December 31, 2016, no corporate officer of the Company or of associated or controlled companies, within the meaning of Article L.233-16 of the French Commercial Code, received, subscribed, purchased or exercised share subscription or purchase options.

3. Information regarding the granting of share subscription and purchase option(s) to employees

On October 3, 2016, the Board of Directors and the Chief Executive Officer decided to use the delegation granted to them and to allocate a total of 44,499 Options at the subscription price of €18.52 to eight employees of the Company.

Below we provide the individual and personal information concerning the ten employees of the Company's subsidiary ERYTECH Pharma Inc. who are not corporate officers and who have been granted the highest number of share subscription or purchase options:

Beneficiaries[1]	**Plan**	**Number of Options granted**	**Purchase price[2]**	**Date of expiration**	**Number of Options subscribed**	**Number of Options purchased/ exercised**
Employee K	2016 Option plan	21,999	€18.52 per Option	Options may be exercised according to the following percentages and timetable: up to 2/3 of Options granted from October 3, 2018; up to 1/3 of Options granted from October 3, 2019; and no later than October 3, 2021.	21,999	0
Employee L		9,000			9.000	0
Employee M		3,000			3.000	0
Employee N		3,000			3.000	0
Employee O		3,000			3.000	0
Employee P		1,500			1.500	0
Employee Q		1,500			1.500	0
Employee R		1,500			1.500	0

[1] The total number of beneficiaries is eight, as the subsidiary ERYTECH Pharma Inc. only has eight employees. For confidentiality reasons and to respect the right of individuals to protection of their personal data, we have not shown the identity of the employees.
[2] Subscription to an Option of the 2016 Option Plan is free of charge.

Signed in Lyon

May 16, 2017

Chairman of the Board of Directors
Gil BEYEN

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STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

Combined General Shareholders' Meeting of June 27, 2017 – 24th resolution

Dear Shareholders,

In our capacity as statutory auditors of your company and in execution of the task provided for in Article L. 225-209 of the French Commercial Code in the event of capital reduction by retirement of shares purchased, we drafted the present report to inform you of our assessment as to the grounds and conditions of the envisioned capital reduction.

Your Board of Directors proposes to you that it be delegated, for a period of 26 months from the date of this meeting, all powers to retire, within the limit of 10% of its capital and for a period of 24 months, the shares purchased in implementation of an authorization for your company to purchase its own shares within the provisions of the article referred to above.

The adopting of the twenty-fourth resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its seventeenth resolution.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures entail our examining whether the grounds and conditions of the envisioned capital reduction, which is not of such nature as to impair the equality of shareholders, are regular.

We have no matters to report as to the grounds and conditions of the envisioned capital reduction.

The statutory auditors, in Lyon,
on June 2, 2017

KPMG Audit *Department of KPMG S.A.*	RSM Rhône Alpes
Sara RIGHENZI DE VILLERS *Partner*	Gaël DHALLUIN *Partner*

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STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND VARIOUS SECURITIES WITH OR WITHOUT ELIMINATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

Combined General Shareholders' Meeting of June 27, 2017
resolutions 25, 26, 27, 28, 29, 30, 31 and 32

Dear Shareholders,

In our capacity as statutory auditors of your company and in execution of the task provided for in Articles L. 228-92 and L. 225-135, et seq., of the French Commercial Code, we submit to you our report on the proposals for the delegation to the Board of Directors of various issues of shares and securities, operations with respect to which you are called upon to vote.

Your Board of Directors proposes to you, on the basis of its report:

- that it be delegated, for a period of 26 months, the power to decide and establish the definitive conditions for one or more issues with or without preferential subscription rights (**twenty-fifth resolution**) of common shares and securities of the company giving access to common shares, to be issued immediately or in the future;

  the adopting of the twenty-fifth resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its eighteenth resolution.

- that it be delegated, for a period of 26 months, the power to decide and establish the definitive conditions for one or more issues with elimination of the preferential subscription right through a public offering (**twenty-sixth resolution**) of common shares and securities of the company giving access to common shares, to be issued immediately or in the future;

  the adopting of the twenty-sixth resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its nineteenth resolution.

- that it be delegated, for a period of 26 months, the power to decide and establish the definitive conditions for an issue with elimination of the preferential subscription right through offerings referred to at II of Article L. 411-2 of the Monetary and Financial Code and within the limit of 20% of the capital stock per year (**twenty-seventh resolution**) of common shares of securities of the company giving access to common shares, to be issued, immediately or in the future;

  the adopting of the twenty-seventh resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its twentieth resolution.

- to authorize it, by the **twenty-eighth resolution** and within the context of the implementation of the delegations referred to in the twenty-sixth and twenty-seventh resolutions, to establish the issue price within the annual limit of 10% of the capital stock;

  The adopting of the twenty-eighth resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its twenty-first resolution.

- to delegate to it, for a period of 18 months, the power to increase the capital stock, with elimination of the preferential subscription right (**thirtieth resolution**), to the benefit
    - of individuals or legal entities under French or foreign law normally investing in the pharmaceutical, biotechnological, or medical technology sectors;
    - of companies, institutions, or entities, French or foreign, that exercise a significant part of their business in the pharmaceutical, cosmetic, chemical or medical devices and/or technologies or research in these sectors;
    - of French or foreign investment services providers that may underwrite an issue to the benefit of the beneficiaries referred to above.

  The adopting of the thirtieth resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its twenty-third resolution.

- to authorize it, by the **twenty-ninth resolution**, to increase the number of securities to be created within the framework of the twenty-fifth, twenty-sixth, twenty-seventh and thirtieth resolutions within the limit of 15% of the initial issue, subject to the ceiling provided in the resolution in application of which the issue is decided on. This authorization would be valid for a period of 26 months, except with respect to the thirtieth resolution for which the present delegation would be valid for a period of 18 months.

  The adopting of the twenty-ninth resolution would terminate, with immediate effect, the authorization given by the general shareholders' meeting of June 24, 2016 in its twenty-second resolution.

- that it be delegated, for a period of 26 months, the power to decide and establish the definitive conditions for an issue, with elimination of the preferential subscription right, of common shares and securities of the company giving access to common shares, to be issued immediately or in the future in the event of a public exchange offer initiated by your company **(thirty-first resolution)** on the basis and under the conditions of the twenty-sixth resolution of this shareholders' meeting;

  the adopting of the thirty-first resolution would terminate, with immediate effect, the unused portion of the delegation granted by the general shareholders' meeting of June 24, 2016 in its twenty-fourth resolution.

- that it be delegated, for a period of 26 months, the powers necessary for executing an issue, with elimination of the preferential subscription right and under the conditions provided for in the twenty-fifth resolution, above, of common shares and securities of the company giving access to common shares, to be issued immediately or in the future for the purpose of remunerating in-kind contributions made to the company consisting of equity securities or other securities giving access to capital within the limit of 10% of the capital (**thirty-second resolution**);

The total nominal amount of the capital increases that may be performed immediately or in the future under the twenty-seventh, thirtieth and thirty-first resolutions reaches €1,000,000, with the understanding that a portion of this ceiling is shared with the ceiling set forth in the twenty-sixth resolution and deducted from it and that the total nominal amount of capital increases that may result from the twenty-fifth to thirty-second resolutions submitted to this General Shareholders' Meeting cannot exceed the total ceiling of €1,300,000 set forth in the twenty-fifth resolution by issuing shares as well as any other securities providing access to shares to be issued immediately or in the future by the Company.

The total nominal amount of the debt instruments that may be issued cannot, according to the twenty-fifth resolution, exceed €100,000,000 for the twenty-fifth to thirty-second resolutions.

It pertains to the Board of Directors to make a report in accordance with Articles R. 225-113, et seq., of the French Commercial Code. It is our responsibility to give our opinion on the fairness of the figures taken from the accounts, on the proposal to eliminate the preferential subscription right, and on certain other information concerning the issue, given in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures have consisted in verifying the content of the report of the Board of Directors on these operations and the methods for determining the issue price of the equity securities to be issued.

Under reservation of further examination of the conditions of the issues as may be decided on, we have no matters to report on the methods for determining the issue price of the equity securities to be issued provided in the report of the Board of Directors under the twenty-sixth to thirtieth resolutions.

Furthermore, whereas this report does not specify the methods for determining the issue price of the equity securities to be issued within the context of the implementation of the twenty-fifth, thirty-first, and thirty-second resolutions, we cannot give our opinion on the choice of components for calculating such issue price.

Whereas the definitive conditions under which the issues are to be performed have not been established, we do not express an opinion on them and, consequently, on the proposal to eliminate the preferential subscription right that has been made to you in the twenty-sixth to thirty-second resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report when these delegations are utilized by your Board of Directors.

The statutory auditors, in Lyon,
on June 2, 2017

KPMG Audit *Department of KPMG S.A.*	RSM Rhône Alpes
Sara RIGHENZI DE VILLERS *Partner*	Gaël DHALLUIN *Partner*

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STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED TO COMPANY SAVINGS PLAN MEMBERS

Combined General Shareholders' Meeting of June 27, 2017 – 34th resolution

Dear Shareholders,

In our capacity as statutory auditors of your company and in execution of the task provided for in Articles L. 225-135, et seq., of the French Commercial Code, we submit to you our report on the proposal for delegation to the Board of Directors of the power to decide on a capital increase by issuing common shares with elimination of the preferential subscription right, reserved to employees of the company and of the companies related to it within the meaning of Article L. 225-180 of the French Commercial Code who are members of your company's savings plan, on which operation you are called upon to vote.
The maximum nominal amount of the capital increase cannot exceed, by more than 3%, the amount of said employees' equity investment in the capital stock as of the day when the Board of Directors decides to implement this resolution.

This capital increase is subject to your approval in application of the provisions of Articles L. 225-129-6 of the French Commercial Code and Articles L. 3332-18, *et seq.,* of the French Labor Code.

Your Board of Directors proposes to you, on the basis of its report, that it be delegated, for a period of 12 months, the power to decide on a capital increase and eliminate your preferential subscription right to the common shares to be issued. As the case may be, it will responsible for establishing the definitive conditions for the issue in this operation.

It is the responsibility of the Board of Directors to make a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to give our opinion on the fairness of the figures taken from the accounts, on the proposal to eliminate the preferential subscription right, and certain other information concerning the issue given in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures have consisted in verifying the content of the report of the Board of Directors on this operation and the methods for determining the issue price of the shares.

Subject to further examination of the conditions for the proposed capital increase, we have no matters to report on the methods for determining the issue price of the common shares to be issued provided in the report of the Board of Directors.

Whereas the definitive conditions for the capital increase have not been established, we do not express an opinion on them and, consequently, on the proposal to eliminate the preferential subscription right that has been made to you.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report, as the case may be, when this authorization is utilized by your Board of Directors.

The statutory auditors, in Lyon,
on June 2, 2017

KPMG Audit *Department of KPMG S.A.*	RSM Rhône Alpes
Sara RIGHENZI DE VILLERS *Partner*	Gaël DHALLUIN *Partner*

KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France

RSM Rhône-Alpes
2 bis rue Tête d'Or
69006 Lyon

ERYTECH PHARMA

Public limited company with a capital of €1,174,064.80

60 avenue Rockefeller
69008 LYON

STATUTORY AUDITORS' REPORT ON
THE AUTHORIZATION FOR ALLOTTING
BONUS SHARES IN EXISTENCE OR TO BE ISSUED

Combined General Shareholders' Meeting of June 27, 2017 – 35th resolution

Dear Shareholders,

In our capacity as statutory auditors of your company and in execution of the task provided for in Article L. 225-197-1 of the French Commercial Code, we submit to you our report on the planned authorization for allotting existing or future bonus shares to employees or officers of your company and of companies related to it, on which operation you are called upon to vote.

Your Board of Directors proposes to you, on the basis of its report, that it be authorized, for a period of 38 months, to allot existing or future bonus shares. It is noted that the total number of shares allotted under this resolution cannot exceed 300,000 shares and that the overall increase in shares resulting from resolutions thirty-five to thirty-seven of this shareholders' meeting cannot exceed 420,000 shares.

The adopting of the thirty-first resolution would not terminate and would not prejudice the authorization given by the general shareholders' meeting of June 24, 2016 in its twenty-eighth resolution.

It is the responsibility of the Board of Directors to draft a report on this operation that it hopes to be able to proceed with. It is our responsibility to inform you, as the case may be, of our observations on the information that you are thus given on the envisioned operation.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. In particular, these procedures have consisted in verifying that the methods envisioned and the data in the report of the Board of Directors comply with the provisions of law.

We have no matters to report as to the information given in the report of the Board of Directors with respect to the operation envisioned for authorizing the allotment of bonus shares.

The statutory auditors, in Lyon,
on June 2, 2017

KPMG Audit
Department of KPMG S.A.

RSM Rhône Alpes

Sara RIGHENZI DE VILLERS
Partner

Gaël DHALLUIN
Partner

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STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION FOR ALLOTTING SHARE SUBSCRIPTION OR PURCHASE OPTIONS

Combined General Shareholders' Meeting of June 27, 2017 – 36th resolution

Dear Shareholders,

In our capacity as statutory auditors of your company and in execution of the task provided for in Articles L. 225-177 and R. 225-144 of the French Commercial Code, we submit to you our report on authorizing the allotment of share subscription or purchase options to employees or officers of your company and of companies related to it, or to certain among them, on which operation you are called upon to vote.

Your Board of Directors proposes to you, on the basis of its report, that it be authorized, for a period of 38 months, to allot share subscription or purchase options. It is noted that these options cannot provide a right to subscribe or purchase more than 300,000 shares and that the overall increase in shares resulting from resolutions thirty-five to thirty-seven of this shareholders' meeting cannot exceed 420,000 shares.

The adopting of the thirty-sixth resolution would not terminate and would not prejudice the authorization given by the general shareholders' meeting of June 24, 2016 in its twenty-ninth resolution.

It is the responsibility of the Board of Directors to draft a report on the reasons for initiating share subscription or purchase options as well as on the methods proposed for establishing the subscription or purchase price. It is our responsibility to give our opinion on the methods proposed for establishing the share subscription or purchase price.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement.

In particular, these procedures have consisted in verifying that the methods envisioned for establishing the share subscription or purchase price are specified in the report of the Board of Directors and that they comply with the legal and regulatory provisions.

We have no matters to report as to the methods proposed for establishing the share subscription or purchase price.

The statutory auditors, in Lyon,
on June 2, 2017

KPMG Audit *Department of KPMG S.A.*	RSM Rhône Alpes
Sara RIGHENZI DE VILLERS *Partner*	Gaël DHALLUIN *Partner*

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69006 Lyon

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69008 LYON

STATUTORY AUDITORS' REPORT ON AUTHORIZATION TO ISSUE DETACHABLE SHARE SUBSCRIPTION WARRANTS WITH ELIMINATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

Combined General Shareholders' Meeting of June 27, 2017 – 37th resolution

Dear Shareholders,

In our capacity as statutory auditors of your company and in execution of the task provided for in Articles L. 228-92 and L. 225-135, et seq., of the French Commercial Code, we submit to you our report on the proposal for delegation to the Board of Directors of the power to decide on the issuing of detachable share subscription warrants, with elimination of the preferential subscription right, to officers and employees of the company or of Erytech Pharma group companies, on which operation you are called upon to vote.

The total nominal amount of the capital increases resulting from this operation will be 100,000 shares, at the maximum, and cannot exceed the overall ceiling of 420,000 common shares in the twenty-fifth to twenty-seventh resolutions of this shareholders' meeting.

Your Board of Directors proposes to you, on the basis of its report, that it be delegated, for a period of 18 months, the power to decide on issuing detachable share subscription warrants and eliminating your preferential subscription right to the warrants to be issued. As the case may be, it will responsible for establishing the definitive conditions for the issue in this operation.

It pertains to the Board of Directors to make a report in accordance with Articles R. 225-113, et seq., of the French Commercial Code. It is our responsibility to give our opinion on the fairness of the figures taken from the accounts, on the proposal to eliminate the preferential subscription right, and on certain other information concerning the issue, given in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures have consisted in verifying the content of the report of the Board of Directors on this operation and the methods for determining the issue price of the equity securities to be issued.

Subject to further examination of the conditions for the proposed issue, we have no matters to report on the methods of determining the issue price provided in the report of the Board of Directors.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report when this delegation is utilized by your Board of Directors.

The statutory auditors, in Lyon,
on June 2, 2017

KPMG Audit *Department of KPMG S.A.*	RSM Rhône Alpes
Sara RIGHENZI DE VILLERS *Partner*	Gaël DHALLUIN *Partner*

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Website: www.kpmg.fr

Our ref.: srv.bbm

Chair of the Audit Committee
Erytech Pharma S.A.
60 Avenue Rockefeller
69008 Lyon

In Lyon, on March 1, 2017

Annual information on fees reported pursuant to Article L. 820-3 of the French Commercial Code

Madam Chair:

In accordance with Article L. 820-3 of the French Commercial Code, we confirm to you that we belong to the KPMG network.

KPMG S.A. is a limited liability company with expertise in accounting and statutory auditing, having an Executive Board and a Board of Supervisors, a member of the KPMG network consisting of independent firm members of the KPMG International Cooperative. KPMG International Cooperative is an entity under Swiss law that does not offer services to clients.

We also inform you that the amount of our fees for our task of certifying the financial statements of your entity and for services other than the financial statement certification that we have provided to your entity for the fiscal year ended December 31, 2016 is €316,500, excluding taxes.

We remind you that this information is made available to shareholders at your headquarters.

Sincerely,

KPMG Audit
Department of KPMG S.A.

Sara Righenzi de Villers
Partner

Appendix: Character of services provided by our firm other than financial statement certification

Broadway Project	€132,000, excluding taxes (invoice of 7/19/16) €100,000, excluding taxes (invoice of 3/31/2016)
Special reports relating to issues of securities	€1,500, excluding taxes
Terms of engagement	€83,000, excluding taxes

KPMG Audit
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Erytech Pharma S.A.

Statutory auditors' Report on the Financial Statements

Year ended Saturday, December 31, 2016
Erytech Pharma S.A.
60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
This report contains 34 pages
Reference: L171-114

KPMG Audit
51 rue de Saint-Cyr
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2 bis rue Tête d'Or
69006 Lyon

Erytech Pharma S.A.

Headquarters: 60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
Registered Capital: €873,265

Statutory auditors' Report on the Financial Statements

Year ended Saturday, December 31, 2016

Dear Shareholders,

In performance of the task conferred to us by your annual general shareholders' meeting, we submit to you our report on the fiscal year ended December 31, 2016 on:

- the audit of the annual financial statements of Erytech Pharma S.A. as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We certify that the annual financial statements are regular and accurate in accordance with French accounting rules and principles, and give a fair view of the results of operations for the past fiscal year as well as the financial position and assets and liabilities of the company as of the end of that fiscal year.

2 Justification of our assessments

In application of the provisions of Article L. 823-9 of the French Commercial Code relating to justification of our assessments, we bring to your attention the following matters:

Attached Note 4.3 “Recognition of income from subsidies” presents the accounting methods and rules pertaining to the accounting of subsidies.

As part of our assessment of the accounting rules and principles that your company applied, we verified the appropriate nature of the accounting method indicated above and the information provided in the notes to the financial statements and we verified their correct application.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with law, we have verified that the various required information concerning the identity of the shareholders has been properly disclosed to you in the management report.

Lyon, March 28, 2017

KPMG Audit
Department of KPMG S.A.

Sara Righenzi de Villers
Partner

Lyon, Tuesday, March 28, 2017

RSM Rhône-Alpes

Gaël Dhalluin
Partner

2016 BALANCE SHEET AND INCOME STATEMENT

ERYTECH Pharma S.A.

60 avenue Rockefeller, Bioparc Bat. Adenine, 69008 LYON

Balance Sheet Assets

ERYTECH PHARMA

Period from 1/1/16 to 12/31/2016

ITEM	GROSS	Linear depreciation	Net (N) 12/31/2016	Net (N-1) 12/31/2016
STOCK SUBSCRIBED BUT NOT CALLED				
INTANGIBLE ASSETS				
Set-up costs				
Development costs				
Concession, patents and similar rights	208,996	151,740	57,255	61,155
Goodwill				
Other intangible assets				
Advances and down payments on intangible assets				
TOTAL intangible assets	**208,996**	**151,740**	**57,255**	**61,155**
PROPERTY, PLANT AND EQUIPMENT				
Land				
Buildings				
Technical facilities, industrial machinery and equipment	850,353	523,443	326,910	301,300
Other intangible assets	1,570,802	959,873	610,929	428,728
Assets under construction	861,966		861,966	14,962
Advances and down payments				29,326
TOTAL property, plant & equipment:	**3,283,120**	**1,483,316**	**1,799,805**	**774,316**
FINANCIAL ASSETS				
Investments valued using the equity method				
Other equity interests	1		1	1
Receivables from equity interests				
Other long-term investment securities				
Loans				
Other financial capital assets	162,591		162,591	167,781
TOTAL financial capital assets:	**162,591**		**162,591**	**167,781**
NON-CURRENT ASSETS	**3,654,708**	**1,635,056**	**2,019,652**	**1,003,253**
INVENTORIES AND IN-PROCESS				
Raw materials and supplies	144,901		144,901	165,889
Inventories of goods in process				
Inventories of services in process				
Inventories of intermediate and finished goods				
Inventories of merchandise				
TOTAL inventories and in-process:	**144,901**		**144,901**	**165.889**
RECEIVABLES				
Advances, down payments on orders				
Trade and related receivables	1,094,296		1,094,296	457,936
Other receivables	7,724,749		7,724,749	5,546,634
Subscribed and called up capital, not paid				552,739
TOTAL receivables:	**8,819,045**		**8,819,045**	**6,557,309**
TOTAL CASH AND OTHER				
Short-term investments				
Cash and cash equivalents	37,527,092		37,527,092	45,493,612
Pre-paid expenses	313,509		313,509	219,581
TOTAL cash and other	**37,840,602**		**37,840,602**	**45,713,193**
CURRENT ASSETS	**46,804,548**		**46,804,548**	**52,436,391**
Debt issue costs to be deferred				
Bond issue premiums				
Unrealized losses on translation				
GRAND TOTAL	**50,459,256**	**1,635,056**	**48,824,200**	**53,439,644**

Balance Sheet Liabilities

ERYTECH PHARMA

Period from 1/1/16 to 12/31/2016

ITEM			Net (N) 12/31/2016	Net (N-1) 12/31/2016
NET POSITION				
Share capital	o/w paid up	873,265	873,265	792,461
Additional paid-in capital			103,974,323	94,815,820
Revaluation reserves	o/w revaluation reserve			
Legal reserve				
Statutory or contractual reserves				
Regulated reserves				
Other reserves				
Carryforward			(47,855,465)	(36,058,170)
Profit/(loss) in the period			(17,407,816)	(11,797,253)
TOTAL net position:			**39,584,307**	**47,752,858**
INVESTMENT SUBSIDIES				
REGULATED PROVISIONS				
SHAREHOLDERS' EQUITY			**39,584,307**	**47,752,858**
Proceeds from issue of equity securities				
Conditional advances			1,181,535	570,857
OTHER SHAREHOLDERS' EQUITY			**1,181,535**	**570,857**
Provisions for risks				81,000
Provisions for expenses				
PROVISIONS FOR RISKS AND EXPENSES				**81,000**
FINANCIAL DEBT				
Convertible bonds				
Other bonds				
Bank borrowings			1,480,000	16,181
Other borrowings and financial debt				
TOTAL financial debt:			**1,480,000**	**16,181**
ADVANCES AND DOWNPAYMENTS RECEIVED ON ORDERS IN PROGRESS				
MISCELLANEOUS LIABILITIES				
Trade and related payables			5,170,012	3,773,307
Tax and social security liabilities			1,134,834	1,178,408
Debt on fixed assets and related accounts				
Other debts			133,220	67,033
TOTAL miscellaneous debt:			**6,438,066**	**5,018,748**
PRE-PAID INCOME				
DEBT			**7,918,066**	**5,034,929**
Conversion gains and losses			140,292	
GRAND TOTAL			**48,824,200**	**53,439,644**

Statement of Profit or Loss (Part One)

Period from 1/1/16 to 12/31/2016

ERYTECH PHARMA

ITEM	France	Export	12/31/2016	12/31/2015
Sales of goods				
Production sold: goods				
Production sold: services	685,479	834,862	1,520,342	716,639
Net sales	**685,479**	**834,862**	**1,520,342**	**716,639**

Production stored		
Production capitalized		
Operating subsidy	463,054	368,436
Reversals on depreciation, amortization, and provisions, transferred expenses	119,193	34,687
Other income	16	6
INCOME FROM OPERATING ACTIVITIES	**2,102,605**	**1,119,767**

EXTERNAL EXPENSES		
Purchase of goods (and customs duties)		
Change in inventories of goods		
Purchase of raw materials and other supplies	2,032,420	1,017,411
Change in inventories [raw materials and supplies]	20,988	32,467
Other external purchases and expenses	15,270,354	9,910,097
TOTAL external expenses:	**17,323,763**	**10,959,991**
TAXES AND SIMILAR PAYMENTS	171,794	110,986
PERSONNEL EXPENSES		
Wages and salaries	3,418,304	2,707,422
Social security expenses	1,770,607	1,464,009
TOTAL personnel expenses:	**5,188,911**	**4,171,431**
OPERATING EXPENSES		
Allocation to depreciation and amortization of non-current assets	302,993	210,120
Allocation to provisions on non-current assets		
Allocation to provisions on current assets		
Allocation to provisions for risks and expenses		81,000
TOTAL operating expenses:	**302,993**	**291,120**
OTHER OPERATING EXPENSES	296,939	201,702
OPERATING EXPENSES	**23,284,400**	**15,735,230**

PROFIT/(LOSS) FROM OPERATING ACTIVITIES	**(21,181,795)**	**(14,615,463)**

Statement of Profit or Loss (Part Two)

Period from 1/1/16 to 12/31/2016

ERYTECH PHARMA

ITEM	12/31/2016	12/31/2015
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	**(21,181,795)**	**(14,615,463)**
Profit appropriated or loss transferred		
Loss accrued or profit transferred		
FINANCIAL INCOME		
Income from equity interests		
Income from other securities and receivables on non-current assets		
Other interest and similar income	585,826	531,585
Reversal of provisions and transferred expenses		
Foreign exchange gains	12,996	94,184
Net proceeds from sale of equity securities		988
	598,822	**626,758**
FINANCIAL EXPENSES		
Allocations to amortization and provisions		
Interest and similar expenses	607	27
Foreign exchange losses	55,854	32,625
Net expenses on sale of equity securities		
	56,461	**32,652**
PROFIT/(LOSS) FROM FINANCING ACTIVITIES	**542,361**	**594,106**
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX	**(20,639,434)**	**(14,021,357)**
NON-RECURRING INCOME		
Non-recurring income from management transactions		5,262
Non-recurring income from capital transactions		
Reversal of provisions and transferred expenses		
		5,262
NON-RECURRING EXPENSES		
Non-recurring expenses on management transactions	115,172	211
Non-recurring expenses on capital transactions		
Non-recurring allocations to depreciation, amortization and provisions	352	352
	115,524	**563**
PROFIT/(LOSS) FROM NON-RECURRING ACTIVITIES	**(115,524)**	**4,699**
Employee profit-sharing		
Income tax	(3,347,142)	(2,219,406)
TOTAL INCOME	**2,701,427**	**1,751,786**
TOTAL EXPENSES	**20,109,242**	**13,549,039**
PROFIT/(LOSS)	**(17,407,816)**	**(11,797,253)**

Notes to the balance sheet prior to annual distribution, characterized by:

- balance sheet total in €:	€48,824,200
- sales in €:	€1,520,342
- net loss in €:	(€17,407,816)

The financial year was 12 months, covering the period from 1/1/2016 to 12/31/2016.

The notes and tables presented below form an integral part of the annual financial statements.

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1 EVENTS CHARACTERIZING THE FINANCIAL YEAR

Yann Godfrin, co-founder of the Company and Chief Operating Officer, submitted his resignation from his positions within the Company at the Board of Directors' meeting of January 10, 2016.

In 2016, an employee shareholding plan was allocated as follows (see Note on "Share-based payments"):
- The Board of Directors' meeting on October 3, 2016, awarded 45,000 BSA warrants to the independent Board members;
- The Board of Directors' meeting on October 3, 2016, awarded 111,261 free performance shares to ERYTECH employees;
- The Board of Directors' meeting on October 3, 2016, awarded 44,499 stock options to ERYTECH Inc. employees.

Erytech also strengthened its management team by appointing Jean-Sébastien Cleiftie as Business Development Director. Alexander Scheer also joined the Company, replacing Yann Godfrin as Chief Science Officer.

Allene M. Diaz was appointed to the Board of Directors initially as a non-voting observer, with the intention of appointing her as Director in January 2017, subject to ratification by the next General Shareholders' Meeting.

In December 2016, the parent company ERYTECH PHARMA SA raised €9.9 million by issuing a total of 793,877 new shares as part of a capital increase in the form of a private placement with first-tier institutional investors in the United States and Europe, representing approximately 9% of the number of shares outstanding (post-issue).

The issue price was set at €12.50 per share (including issue premium), in accordance with Resolutions 20 and 21 of the Combined General Shareholders' Meeting of June 24, 2016. This price reflects a 13.55% discount on the share price preceding the date on which the price was set.

- Patient enrollment for the Phase II trial of eryaspase (also called ERY-ASP and GRASPA®) for the treatment of acute myeloid leukemia (AML) was completed on August 29, 2016, with a total of 123 patients included in the trial.

The last patient for the Phase II trial of eryaspase (also called ERY-ASP and GRASPA®) for the treatment of pancreatic cancer was enrolled on September 26, 2016, making a total of 141 patients enrolled in the trial.

The Company decided to withdraw its application for European Marketing Authorization (MA) for GRASPA for the treatment of patients with Acute Lymphoblastic Leukemia (ALL) as the 180-day deadline for providing the additional data in the list of mandatory prerequisites imposed by the Committee on Medicinal Products for Human Use (CHMP) was too tight.
The Company has opted to submit a new MA application during the 3rd quarter of 2017.

The Company is preparing to launch the "NOPHO" trial. It is a Phase II trial in ALL initiated by investigators.

The Company is continuing the development of its second drug candidate ERY-MET, which is also based on ERYCAPS technology, with methioninase as the active molecule.

The development of this new drug candidate forms part of the TEDAC research program and was essential to the approval of the technical and financial stage 4, allowing the Company to receive the planned funding in the form of a subsidy and a repayable advance.

As part of advancing to clinical development, a Science Board meeting was held in Brussels on December 3, 2016 to provide guidelines for the medical protocol and therapeutic indications.

The Company received a notice of acceptance of its patent application number 12/672.094 entitled "Composition and Therapeutic Anti-Tumor Vaccine" from the United States Patent and Trademark Office (USPTO).

The accounting audit by the tax authorities was closed in April 2016 with a minor adjustment to the amounts reviewed (€84,933 or 2% of the amounts audited). This amount was recorded in the financial statements ended December 31, 2016.

The Company still intends to apply for listing and launch an IPO on the U.S. Nasdaq market.

The Company has launched a project to modify its manufacturing process. The project began Phase III of its development for a cost of €1,480,000 in 2016, €830,000 of which was capitalized.

2 SIGNIFICANT POSTCLOSING EVENTS

There were no significant events after the end of the reporting period.

3 BUSINESS CONTINUITY

The Company's loss-making situation is explained by the innovative nature of the products developed, which involves a multi-year research and development phase. The general accounting conventions were applied in compliance with the principle of prudence, in accordance with the underlying assumptions of:

- business continuity,
- consistency of accounting methods from one fiscal year to the next,
- independence of fiscal years,

and in accordance with the general rules for the preparation and presentation of annual financial statements.

4 ACCOUNTING PRINCIPLES AND METHODS

4.1 General principle and conventions

The annual financial statements have been prepared and presented in accordance with French generally accepted accounting principles (GAAP), in accordance with the principle of prudence and the segregation of accounting periods, and with the assumption of going concern.

The method adopted for measuring the items recorded in the accounts is the historical cost method.

The accounting conventions were applied in compliance with the provisions of the French Commercial Code, the Accounting Decree of November 29, 1983, as well as CRC Regulations No. 2000-06, No. 2004-06, and No. 2002-10, and of ANC Regulation No. 2014-03 of June 5, 2014 relative to the general chart of accounts.

4.2 Consistency of methods

No changes in accounting regulations or accounting methods took place during the financial year ended December 31, 2016.

4.3 Other accounting principles

The main accounting principles used are as follows:

INTANGIBLE ASSETS

The intangible assets are measured at their historic cost or at their production cost.

R&D costs are recognized based on the following method in the research phase:

- No intangible assets resulting from research can be recognized;
- Research expenses (or expenses for the research phase of an internal project) must be recognized as expenses as and when they are incurred;
- Intangible assets are recognized if, and only if, the Company can demonstrate:

- technical feasibility,
- the intention and ability to complete the asset or sell it,
- how the intangible asset will generate probable future economic benefits,
- the availability of resources to complete development, use or sell the intangible asset,
- the ability to reliably evaluate the expenses attributable to the intangible asset or those incurred during its development.

Development costs must be accounted for as intangible assets when specific conditions relating to technical feasibility, marketability and profitability are met. Considering the strong uncertainty associated with the development projects performed by the Company, these conditions will be met only when the regulatory procedures necessary for commercializing the products have been finalized. As most of the expenditures have been incurred before that stage, the development costs are accounted for in the period in which they are incurred.

The balance of the research and development asset is zero on the balance sheet. Not all of the criteria for recognition under intangible fixed assets have been met, and the corresponding expenses have therefore been recorded as operating expenses for the fiscal year. The method adopted will be to capitalize development costs if and when marketing authorization (MA) is obtained.

FIXED ASSETS

These tangible fixed assets are measured at their purchase cost (purchase price and accessory costs, excluding costs for the purchase of assets) or at their production cost.

Capital goods depreciation is calculated according to the straight-line or declining balance method based on anticipated useful life:

- Concessions, software, patents	1-10 years
- Technical facilities	3-10 years
- Industrial equipment and tools	1-5 years
- Office equipment and furnishings	3-5 years

INVESTMENTS, OTHER LONG-TERM INVESTMENTS, AND INVESTMENT SECURITIES

The at cost value is composed of the purchase cost excluding accessory expenses. Where the carrying value is lower than the at cost value, a provision for impairment is recorded for the difference.

INVENTORIES

Inventories are measured according to the FIFO method.

The cost of merchandise and supplies includes the purchase price and the accessory expenses.

Manufactured products are valued at their production cost, including consumption of materials and direct and indirect production expenses, and depreciation of assets involved in production. The cost of the under-activity is excluded from the value of inventories.

A provision for impairment of value of inventory, equal to the difference between the at-cost value based on the above-indicated methods and the spot price or the realizable value less the proportional sales costs, is recorded when this value is greater than the other value given.

RECEIVABLES

Receivables are valued at their par value. A Provision for Impairment is recorded when the realizable value is lower than the book value.

RECOGNITION OF SUBSIDY INCOME

Subsidy income is recognized as soon as it is granted.

According to the matching principle, the corresponding expenses incurred are taken into account and, where applicable, a portion of the subsidy is recorded under “pre-paid income” where the subsidy agreement explicitly stipulates the expenses that must be incurred. Vice-versa, an accrual is recorded where the expenses incurred allow for recognition of a portion of the grant to be received.

The company therefore records an item of pre-paid income corresponding to the portion of the subsidies received that corresponds to expenses not incurred. As of Saturday, December 31, 2016, all subsidies had been recognized and no deferred income was recorded.

CONDITIONAL ADVANCES

The advances received from the State generally contain a portion in grants for which repayment is not required, and a portion repayable in the event of technical or commercial success, classified as conditional advances.

Conditional advances are presented in the balance sheet under the item “Other equity” where a doubt exists regarding the technical or commercial success.

A public subsidy is recorded in accrued income in the period the costs for the program are incurred either to compensate for the expenses or losses already incurred, or in the form of immediate financial support to the Company with no related future costs.

Clinical trials

Fees connected with clinical trials are recognized in expenses at the time that they are incurred.

The remainder of the costs incurred leading up to the end of the clinical trial are monitored off-balance sheet.

PROVISIONS

A provision for risks and liabilities is recorded where an item has a negative economic value for the entity, reflected by an obligation to a third party for which an outflow of resources to the benefit of this third party is probable or certain, without an at least equivalent compensation anticipated by this third party.

TRANSACTIONS WITH RELATED PARTIES THAT HAVE NOT BEEN PERFORMED UNDER NORMAL MARKET CONDITIONS

Over the financial year, stock options were allocated free of charge to the executives and members of the Board of Directors in the form of share subscription warrants (“BSA”) or founder subscription warrants (“BSPCE”). This information is detailed in the note “Warrants.”

An intercompany agreement was signed by the company with its U.S. subsidiary, ERYTECH Pharma Inc. It provides for the re-invoicing of expenses paid by ERYTECH Pharma S.A. for expenses incurred by ERYTECH Pharma Inc. and paid by ERYTECH Pharma S.A. A mark-up (margin) of 10% is applied via an amendment to the inter-company agreement.

PENSION AND RETIREMENT COMMITMENTS

The company has signed no special agreements relating to retirement commitments.

The method adopted is the projected unit credit method (or the accrual of rights method).

The technical assumptions used are the following:

- Age of retirement: 65-67 years
- Average turnover (non-management), high turnover (management)
- Increase in wages: management and non-management at 2%
- INSEE 2014 mortality table
- Discount rate: IBOXX Corporates AA rate of 1.36% as of December 2016
- Employer contribution rate adopted: 50% (non-management) and 54% (management and directors).

TAX CREDIT FOR COMPETITION AND JOBS ("CREDIT D'IMPOT POUR LA COMPETITIVITE ET L'EMPLOI" - CICE)

The tax credit for competition and jobs (CICE) is a tax benefit for companies with employees and amounts to a decrease in their social security contributions.

The CICE must be posted to the corporate tax due for the year in which the remuneration taken into account for calculation of the CICE was paid.

According to the ANC [French accounting standards authority] guidelines, the Company recognizes the CICE as a credit in the sub-account dedicated to account 64 "Personnel expenses."

5. ADDITIONAL INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

INTANGIBLE ASSETS

The amount of research costs recognized as expenses for the financial year and not capitalized totals €16,313,453.

FINANCIAL ASSETS

As the 2,500 treasury shares were in the process of being canceled, no impairment was recognized as of December 31, 2016.

The other financial assets were composed of deposits & sureties in the amount of €91,866.

The company holds as shares in subsidiaries and affiliates 100% of the capital of the subsidiary ERYTECH Pharma Inc., i.e., US$1 valued at €0.95.

The company's investments can be summarized as follows:

	Share capital	Reserves and carryforward before allocation of results	Portion of share capital held (in %)	Book values of securities held		Loans and advances made by the company not yet repaid	Amount of the endorsements and guarantees given by the company	Sales excluding taxes of last fiscal year	Results (profit or loss of last fiscal year ended)	Dividends received by the company during the fiscal year	Comments
				Gross	Net						
A - DETAILED INFORMATION ON SUBSIDIARIES AND EQUITY INTERESTS											
1. Subsidiary (+50% of the share capital held by the company) - ERYTECH PHARMA Inc.	0.95	470,188	100.00	0.95	0.95	3,533,241	0.00	351,501	-3,229,981	0.00	
2. Equity interests (10%-50% of the share capital held by the company)											
B - GLOBAL INFORMATION ON OTHER SUBSIDIARIES AND EQUITY INTERESTS											
1. Subsidiaries not included in A											
1. French											
2. foreign											
2. Equity interests not included in A											
1. French											
2. foreign											

Fixed assets

Period from 01/01/16 to 12/31/16

ERYTECH PHARMA

ITEM	Gross value at the beginning of the period	Increases from revaluation	Acquisitions, contributions, creations, payments
INTANGIBLE ASSETS			
Set-up and development costs			
Other intangible assets	183,554		25,441
TOTAL intangible assets	**183,554**		**25,441**
PROPERTY, PLANT AND EQUIPMENT			
Land			
Buildings on own land			
Buildings on third-party land			
General-use buildings			
Technical facilities, industrial plant	727,039		123,314
General facilities, fixtures & fittings, and other	1,078,839		132,807
Transportation equipment			
Office and computer equipment and furniture	134,340		227,202
Recoverable and other packaging			
Property, plant & equipment under construction	14,962		861,966
Advances and down payments	29,326		6,719
TOTAL intangible assets	**1,984,506**		**1,352,008**
FINANCIAL ASSETS			
Investments valued using the equity method			
Other equity interests	1		
Other long-term investment securities			
Loans receivable and other non-current assets	167,781		283
TOTAL financial capital assets:	**167,782**		**283**
GRAND TOTAL	**2,335,842**		**1,377,732**

ITEM	Reduction reflecting payments	Reduction reflecting non-service sales	Gross value at the end of the period	Statutory revaluations
INTANGIBLE ASSETS				
Set-up and development costs				
Other intangible assets			208,996	
TOTAL intangible assets			**208,996**	
PROPERTY, PLANT AND EQUIPMENT				
Land				
Buildings on own land				
Buildings on third-party land				
General-use buildings				
Technical facilities, industrial plant			850,353	
General facilities, fixtures & fittings, and		1,500	1,210,146	
Transportation equipment				
Office and computer equipment and furniture		886	360,656	
Recoverable and other packaging				
Property, plant & equipment under construction			861,966	
Advances and down payments		36,045		
TOTAL property, plant & equipment:		**38,431**	**3,283,120**	
FINANCIAL ASSETS				
Investments valued using				
Other equity interests			1	
Other long-term investment securities				
Loans receivable and other fixed financial assets		5,473	162,591	
TOTAL financial capital assets:		**5,473**	**162,592**	
GRAND TOTAL		**43,904**	**3,654,708**	

Depreciation

Period from 01/01/16 to 12/31/16

ERYTECH PHARMA

POSITIONS AND MOVEMENTS IN THE PERIOD				
DEPRECIABLE ASSETS	**Amount at start of period**	**Increase in allocations**	**Reduction in Reversals**	**Amount at end of period**
INTANGIBLE ASSETS				
Set-up and development costs				
Other intangible assets	122,399	29,341		151,740
TOTAL intangible assets	**122,399**	**29,341**		**151,740**
PROPERTY, PLANT AND EQUIPMENT				
Land				
Buildings on own land				
Buildings on third-party land				
General-use buildings				
Technical facilities, industrial plant	425,739	97,704		523,443
General facilities, fixtures & fittings, and other	733,406	120,162		853,568
Transportation equipment				
Office and computer equipment and furniture	51,044	56,139	878	106,305
Recoverable and other packaging				
TOTAL property, plant & equipment:	**1,210,190**	**274,005**	**878**	**1,483,316**
GRAND TOTAL	**1,332,589**	**303,346**	**878**	**1,635,056**

BREAKDOWN OF DEPRECIATION AND AMORTIZATION CHARGES FOR THE PERIOD			
DEPRECIABLE ASSETS	**Linear depreciation**	**Declining balance depreciation**	**Exceptional write-offs**
INTANGIBLE ASSETS			
Set-up and development costs			
Other intangible assets	29,341		
TOTAL intangible assets	**29,341**		
PROPERTY, PLANT AND EQUIPMENT			
Land			
Buildings on own land			
Buildings on third-party land			
General-use buildings			
Technical facilities, industrial plant	97,704		
General facilities, fixtures & fittings, and other	120,162		
Transportation equipment			
Office and computer equipment and furniture	56,139		
Recoverable and other packaging			
TOTAL property, plant & equipment:	**274,005**		
Transaction costs for shares in subsidiaries and affiliates			
GRAND TOTAL	**303,346**		

Breakdown of Changes in Inventories and In-Process

Period from 1/1/2016 to 12/31/16

ERYTECH PHARMA

ITEM	At end of period	At start of period	Change in inventory	
			Increase	Decrease
Goods				
Inventories sold as-is				
Goods				
Supplies				
Inventories of supplies				
Raw materials	70,895	79,010		8,115
Other supplies	74,006	86,879		12,773
TOTAL I	**144,901**	**165,889**		**20,988**
Production				
Intermediate products				
Finished products				
Residual products				
TOTAL II				
Production in progress				
Income				
Work				
Studies				
Services				
TOTAL III				
NET INVENTORIED PRODUCTION		II + III		

The line item "Raw materials" refers to products intended for the production of lots for clinical use.

The line item "Other supplies" refers to products intended for preclinical research.

Statement of Receivables and Payables by Maturity

Period from 01/01/16 to 12/31/16

ERYTECH PHARMA

RECEIVABLES	Gross amount	≤ 1 year	> 1 year
FIXED ASSETS			
Receivables from equity interests			
Loans			
Other financial capital assets	162,591		162,591
TOTAL fixed assets:	**162,591**		**162,591**
CURRENT ASSETS			
Bad debts and litigation			
Other customer receivables	1,094,296	1,094,296	
Receivables refer to securities loaned or used as surety			
Personnel and related accounts	92	92	
Social security and other welfare agencies			
GOVERNMENT - Income tax	3,321,259	3,321,259	
GOVERNMENT - Value Added Tax	794,278	794,278	
GOVERNMENT - Other taxes and similar payments	69,173	69,173	
GOVERNMENT - Sundry			
Group and associates	3,392,949	3,392,949	
Other debtors	6,686	6,686	
TOTAL current assets:	**8,678,753**	**8,678,753**	
PRE-PAID EXPENSES	313,509	313,509	
GRAND TOTAL	**9,154,854**	**8,992,263**	**162,591**

STATEMENT OF PAYABLES	Gross amount	≤ 1 year	More than 1 year and up to 5 years	> 5 years
Convertible bonds				
Other bonds				
At credit institutions:				
- initially ≤ 1 year				
- initially > 1 year	1,480,000		1,480,000	
Other borrowings and financial debt				
Trade and related payables	5,170,012	5,170,012		
Personnel and related accounts	491,617	491,617		
Social security and other welfare	521,388	521,388		
Income tax				
Value Added Tax	30,650	30,650		
Guaranteed bonds				
Other taxes and similar payments	91,180	91,180		
Debt on assets and related accounts				
Group and associates				
Other debts	133,220	133,220		
Debt representing borrowed securities				
Pre-paid income				
GRAND TOTAL	**7,918,066**	**6,438,066**	**1,480,000**	

The Company obtained a loan from Société Générale in the amount of €1,900,000 repayable over 36 months at an annual interest rate of 0.40%, to fund its investments.

RESEARCH TAX CREDIT

The Company has benefited, since its creation in 2004, from the research tax credit (Crédit d'Impôt Recherche - CIR) as defined in Article 244, quater B I of the French General Tax Code.

It is recognized in the income statement, net of income tax expense, with a tax receivable contra-entry.

The amount of the Company's CIR for the last three fiscal years totaled amounts to:

- 2016: €3,347,142
- 2015: €2,219,406
- 2014: €1,523,688

TAX CREDIT FOR COMPETITION AND JOBS ("CREDIT D'IMPOT POUR LA COMPETITIVITE ET L'EMPLOI" - CICE)

The company benefits from a tax credit for competition and jobs (CICE) created under Article 66, Law No. 2012-1510 of December 29, 2012, the amending finance law for 2012.

The amount for 2016 totaled €69,333 and was recorded as a deduction to salary expenses, with a tax receivable contra-entry in the balance sheet.

OTHER DEBTORS

Other debtors represent credits notes to be received from suppliers that have provided services for which the Company will be reimbursed for a portion of the expenses.

CASH AND CASH EQUIVALENTS

The Company's cash position totaled €37,527,092, of which €27,000,000 was placed in term deposits (Comptes A Terme - CAT):
- €27,000,000, with Banque Populaire, 18-month maturity, available on demand,

The cash position has therefore been broken down as follows:

Current accounts	€9,685,102
Short-term deposits	€27,000,000
Accrued interest	€841,990
Total	**€37,527,092**

Prepaid Income and Expenses

Period from 01/01/16 to 12/31/16

ERYTECH PHARMA

ITEM	Expenses	Income
Income or expenses from operating activities	313,509	
Income or expenses from financing activities		
Income or expenses from non-recurring activities		
TOTAL	313,509	

The prepaid expenses concern primarily maintenance contracts and lease agreements on equipment and buildings.

Accrued Income

ERYTECH PHARMA

ACCRUED INCOME INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS	Amount
Non-current assets	
Receivables from equity interests	
Other non-current assets	
Receivables	
Trade and related receivables	
Personnel	
Social welfare agencies	
Government	69,193
Other, accrued income	
Other receivables	6,686
Securities	
Cash and cash equivalents	
TOTAL	**75,879**

Composition of Share Capital

Period from 01/01/16 to 12/31/16

ERYTECH PHARMA

TYPE OF SECURITIES	Number	Nominal value
1 - Number of shares comprising share capital at the start of the reporting period	7,924,611	0.1
2 - Number of shares issued during the period	808,037	0.1
3 - Number of shares bought back during the period		
4 - Number of shares comprising share capital at the end of the reporting period	8,732,648	0.1

The Company issued 793,870 new shares on the EURONEXT stock exchange in December 2016. The exercise of BSA_{2012} and $BSPCE_{2014}$ created 14,160 new shares during the period.

Statement of change in shareholders' equity
(in thousands of euros, French standards)

	Number of shares	Share capital	Premiums related to the share capital	Reserves & carryforward	Profit/(loss) in the period	Provisions regulated	Total Shareholders' Equity
Balance as of December 31, 2015	7,924,611	792	94,816	(36,058)	(11,797)	€	47,753
Allocation of 2015 results				(11,797)	11,797		
Convertible Bond interest							
Convertible Bond conversion							
Listing of new securities	793,877	79	9,844				
Attribution of expenses connected			(791)				
BSA & BSPCE conversion	14,160	1	106				
Results of fiscal year 2016					(17,408)		
Balance as of December 31, 2016	8,732,648	873	103,974	(47,855)	(17,408)	€	39,584

CONDITIONAL ADVANCES

The conditional advances, totaling €1,181,535, are presented below as of 12/31/2016:

- **BPI FRANCE / PANCREAS**

The first conditional advance, granted by BPI FRANCE, for a total amount of €735,000, concerns the program for the "development of a new treatment against pancreatic cancer through the administration of allogenic red blood cells incorporating L-asparaginase."

This conditional advance was received in three phases:

- €294,000 upon signature of the agreement (paid in 2008)
- €294,000 upon calls for funds (paid in 2010)
- balance upon completion of work after acceptance of the finalization of the program identified by BPI FRANCE (paid in 2011)

The repayment of this conditional advance will be made according to a fixed payment schedule that ended on 6/30/2016.

ERYTECH Pharma S.A. undertook to repay the entire conditional advance according to the following payment schedule:

- €100,000 by June 30, 2013
- €150,000 by June 30, 2014
- €225,000 by June 30, 2015
- €260,000 by June 30, 2016

As of December 31, 2016, all repayments had been made when due.

- **BPI FRANCE FEDER**

The second conditional advance, granted by BPI FRANCE FEDER, which provided for a total amount of €135,000, concerns a program for the "preclinical validation of the encapsulation of interfering RNA for therapeutic use in red blood cells, notably to limit inflammation of the cirrhotic liver and/or prevent the development of hepatocellular carcinomas."

This conditional advance was received in 4 phases:

- €40,500 upon signature of the agreement (paid in 2009)
- €40,500 upon calls for funds (paid in 2010)
- €27,000 upon calls for funds
- balance upon completion of work with acceptance of the finalization of the program by BPI FRANCE.

ERYTECH Pharma S.A. will have received €81,000 from BPI FRANCE/FEDER under this program. In as much as the work corresponding to the FEDER assistance is currently completed, ERYTECH Pharma S.A. will not receive the last two payments of €27k.

The repayment of this conditional advance will be made according to a fixed payment schedule that ended on 6/30/2016.

ERYTECH Pharma S.A. undertook to repay the entire conditional advance according to the following payment schedule:

- €7,500 by September 30, 2013
- €7,500 by Tuesday, December 31, 2013
- €7,500 by Monday, March 31, 2014
- €7,500 by Monday, June 30, 2014
- €9,250 by September 30, 2014
- €9,250 by Wednesday, December 31, 2014
- €9,250 by Tuesday, March 31, 2015
- €9,250 by Tuesday, June 30, 2015
- €14,000 by September 30, 2015

ERYTECH Pharma S.A. repaid the balance (€23,000) of the conditional advance in January 2016. It also repaid the corresponding subsidy of €81,000 to settle the dispute with BPI France.

- **BPI FRANCE / TEDAC**

Conditional advance provided by BPI FRANCE under the TEDAC project for a total amount of €4,895,052. This conditional advance was paid upon completion of the following key milestones:

- €62,607 upon signature of the agreement (paid in 2012)
- the remainder upon calls for funds when key milestones are reached.

ERYTECH Pharma S.A. undertook to reimburse BPI FRANCE initially:

a) a sum of €5,281,000 upon achieving a cumulative amount of sales (excluding taxes) equal to or greater than €10 million, according to the following payment schedule:

  - €500,000 at the latest on June 30 of the first year in which the cumulative sales is achieved,
  - €750,000 at the latest on June 30 of the second year,
  - €1,500,000 at the latest on June 30 of the third year,
  - €2,531,000 at the latest on June 30 of the fourth year,

b) and, where applicable, an annuity equal to 50% of the income generated through the sale of intellectual property rights resulting from the project, within the limit of a total repayment of €5.3 million.

In a second phase, where the cumulative sales reach €60 million, ERYTECH Pharma S.A. undertook to pay BPI France a sum of 2.5% of the sales generated by the products developed within the project, limited to a total amount of €15 million over 15 years.

Provisions Recognized in the Balance Sheet

Period from 01/01/16 to 12/31/16

ERYTECH PHARMA

ITEM	Amount start of period	Increases to allocations	Reductions Reversals	Amount end of period
Provisions for disputes				
Prov. for guarantees given to customers				
Prov. for losses on forward contracts				
Prov. for fines and penalties				
Prov. for exchange rate loss				
Prov. for pensions and similar oblig.				
Prov. for tax				
Prov. for asset renewals				
Prov. for structural work and major refurbishments				
Prov. for social security contributions and tax on paid leave				
Other prov. for risks and expenses	81,000		81,000	
PROV. FOR RISKS AND EXPENSES	**81,000**		**81,000**	
TOTAL	81,000		81,000	

The Company settled the BPI France dispute regarding the GR-SIL subsidy of €81,000 and refundable advances of €23,000. The reimbursement in the amount of €104,000 was made in January 2016.

Expenses owed

ERYTECH PHARMA

EXPENSES OWED INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS	Amount
Convertible bonds	
Other bonds	
Bank borrowings	
Other borrowings and financial debt	
Trade and related payables	1,637,383
Tax and social security liabilities	841,721
Debt on fixed assets and related accounts	
Cash and cash equivalents, expenses owed	
Other debts	133,220
TOTAL	**2,612,324**

6 ADDITIONAL INFORMATION RELATING TO THE RESULTS

Sales

By way of reminder, in 2012, the Company signed an exclusive distribution agreement for its product in the indication of acute lymphoblastic leukemia with Orphan Europe.

The Company likewise entered into a contract with the Recordati Group to financially support the clinical trial of GRASPA AML 2012-01 for Acute Lymphoblastic Leukemia (AML), in the amount of €5 million.

Therefore, the Company continues to re-invoice without margin, on a monthly basis, the costs for the trial which totaled €685,479 for 2016.

Amounts re-invoiced are recorded in sales. Export sales amounting to €834,862 correspond to the re-invoicing of management fees to the subsidiary.

Operating subsidy

The Company received a subsidy for the TEDAC project on December 13, 2016 in the amount of €463,000.

Remuneration of executive officers

The total gross compensation paid to executive corporate officers was €702,367.

The securities owned giving the right to a future portion of the share capital are presented in the table “Subscription warrants.”

Profit/(loss) from non-recurring activities

The non-recurring loss in the amount of (€115,524) corresponds to the penalty paid to the tax authorities resulting from the tax audit carried out in 2016.

Impact of tax deferral

	Amount
Profit/(loss) in the period	(€17,407,816)
Income tax	€3,347,142
Loss before tax	(€20,754,958)
Profit/(loss) not including exceptional tax assessments before tax	(€20,754,958)
Taxable income in the period	(€20,605,065)
Losses carried over from prior period	€59,675,574
Total losses carried over	€80,280,639

Income tax

BREAKDOWN OF TAX BETWEEN CURRENT PROFIT/(LOSS) AND PROFIT/(LOSS) FROM NON-RECURRING ACTIVITIES

	Amount	Current profit/(loss)	Profit/(loss) from non-recurring activities
Profit/(loss) in the period	(€17,407,816)	(€17,292,292)	(€115,524)
Income tax	€3,347,142	€3,347,142	
Loss before tax	(€20,754,958)	(€20,639,434)	(€115,524)

The income tax amount corresponds to the research tax credit. Its basis corresponds to research costs excluded from non-recurring profit (loss).

7 OTHER INFORMATION

Retirement severance pay

Based on the Company data, and the actuarial assumptions used, i.e., primarily a gross discount rate of 1.36%, the total commitment for retirement severance pay assessed as of 12/31/2016 amounts to €163,055.

	12.31.2016	12.31.2015
Discount rate	1.36%.	2.03%.
Pay increases	2%.	2%.
Social security contribution rate	Non-managers 44% Managers 54%	Non-managers 44% Managers 54%
Age of retirement:	65 - 67 years	65 - 67 years
Mortality table	INSEE 2014	INSEE 2014

No provision for liabilities was recognized in relation to this financial year.

Commitment to executive officers

By way of reminder, on May 24, 2013, the Board of Directors authorized severance indemnities for benefit of:

- Mr. Gil Beyen. This commitment stipulates that, in the event of Mr. Beyen's departure from the company, i.e., in the event of:
  - expiry of his mandate (save where renewal is rejected by Mr. Beyen) or
  - revocation (except due to serious misconduct or gross negligence, as understood pursuant to case law resulting from the corporate chambers of the Court of Cassation),

  Mr. Beyen may claim an indemnity equal to:
  - twelve times his average monthly remuneration (bonuses included) effectively received during the twelve months prior to the revocation decision or expiry of his term of office, or
  - the fixed annual remuneration established by the Board of Directors, in the event of revocation decided within twelve months following the appointment of Mr. Beyen.

Within the context of his resignation, we specify that Mr. Yann GODFRIN did not receive any retirement severance package.

Auditors’ fees

For the 2016 fiscal year, the external auditors’ fees totaled:
- within the scope of its legal term of office: €165,000 excluding out-of-pocket expenses,
- for audit certification: €3,000
- for the NASDAQ IPO: €232,000

Share-based payments

Stock options or bonus shares were allocated free of charge to executives, certain employees, and to members of the Board of Directors in the form of share subscription warrants (“BSA”), founder subscription warrants (“BSPCE”), performance-based bonus shares ("AGAP"), or stock options ("SO").

– “2014 Plan”

On January 22, 2014 the Board of Directors used the authorization granted by the Combined General Shareholders' Meeting of April 2, 2013 in resolution 25 to award 22,500 founders' warrants ("BSPCE$_{2014}$") to Erytech executives (12,000 warrants) and a category of "employees with managerial status" not yet named (10,500 warrants). 3,000 BSPCE$_{2014}$ were then converted into BSA$_{2014}$.

Under the BSPCE$_{2014}$/BSA$_{2014}$ plans, on May 6, 2016, the Board of Directors awarded, respectively, 7,000 BSPCE$_{2014}$ to executives, 5,000 BSPCE$_{2014}$ to employees, and 2,000 BSA$_{2014}$ to the Chief Medical Officer.

The features of the plan are as follows:

Types of securities	**BSPCE$_{2014}$**	**BSA$_{2014}$**
Number of warrants that the Company is	22,500	
Number of warrants awarded	18,500	3,000
Number of warrants exercised	195	-
Date of the Board of Directors meeting	January 22, 2014	
Exercise price per new share subscribed	€12,250	
Final date for exercising warrants	January 22, 2024	
Parity	1 warrant for 10 shares	1 warrant for 10 shares
General conditions of exercise	The warrants may be exercised as of their date of vesting. Warrants not exercised by January 22, 2024 will automatically be canceled.	
Maximum number of new shares that can be issued	212,150	

In the event of a beneficiary's departure from the Group for any reason whatsoever, the beneficiary shall retain the BSPCE$_{2014}$ to which he subscribed prior to his/her departure. However, if a beneficiary leaves the Group for any reason before subscribing to the BSPCE$_{2014}$ to which he/she is entitled, his/her BSPCE$_{2014}$ entitlements will be canceled. In such a case, the non-subscribed BSPCE$_{2014}$ may be reallocated to other beneficiaries in the same category and/or replacing the person who left the Company.

In all cases, BSPCE$_{2014}$ not subscribed by January 22, 2024 will automatically lapse.
In accordance with IFRS 2, executives will be deemed to have been awarded all 12,000 warrants as of January 22, 2014. However, they can only subscribe to one-third of their allocation per year, provided they are still in service. In other words, these warrants are allocated gradually, over a three-year vesting period.

On May 6, 2016 the Board of Directors awarded 5,000 additional BSPCE to 21 managerial staff, in accordance with the 2014 Plan.

– “2016 Plan”

2016 Allocation

On October 3, 2016 the Board of Directors used the authorization granted by Combined General Shareholders' Meeting of June 3, 2016 in resolution 28 to award 111,261 free performance-based shares ("AGAP") to executives and employees of ERYTECH Pharma S.A., 44,499 stock options ("SO") to employees of the American subsidiary ERYTECH Pharma Inc., and 45,000 warrants ("BSA") to independent directors.

The features of the plan are as follows:

Types of securities	**AGAP$_{2016}$**	**SO$_{2016}$**	**BSA$_{2014}$**
Number of shares authorized to be issued	350,000		
Number of shares / stock options / warrants awarded	111,261	44,499	45,000
Date of the Board of Directors meeting	Oct-3-16	Oct-3-16	Oct-3-16
Number of tranches	3	2	2
Vesting Periods	Tranche 1: 1 year Tranche 2: 2 years Tranche 3: 3 years	Tranche 1: 2 years Tranche 2: 3 years	Tranche 1: 1 year Tranche 2: 2 years
General holding conditions	Tranche 1: 1 year Tranches 2 and 3: NA	NA	NA
Maximum number of new shares that can be issued	111,261	44,499	45,000

Finance lease

ERYTECH PHARMA

ITEM	Land	Buildings	Facilities machinery equipment	Other	Total
Initial value				1,092,076	1,092,076
Depreciation:					
- accumulated from previous periods				830,598	830,598
- allocations in the period				58,445	58,445
TOTAL				**203,034**	**203,034**
ROYALTIES AND FEES PAID					
- accumulated from previous periods				924,020	924,020
- allocations in the period				62,444	62,444
TOTAL				**986,464**	**986,464**
ROYALTIES AND FEES OWED:					
- ≤ 1 year				94,738	94,738
- More than one year and up to five years				122,908	122,908
- > 5 years					
TOTAL				**217,646**	**217,646**
RESIDUAL VALUE					
- ≤ 1 year				115,551	115,551
- More than one year and up to five years				3,009	3,009
- > 5 years					
TOTAL				**118,560**	**118,560**
Amount incurred in the period					
Reminder: Finance lease fee					**62,075**

This table shows the equipment leases for R&D and Production.

The longest maturity is December 2018.

Average Number of Employees

ERYTECH PHARMA

PERSONNEL	Personnel employee	Personnel made available to the company
Management	46	2
Supervisors and technicians		
Staff	31	
Workers		
TOTAL	**77**	**2**

The Company hired 28 staff in the period.

Financial Commitments

ERYTECH PHARMA

COMMITMENTS GIVEN	Amount
Discounted bills of exchanges not due	
Guarantees and endorsements	163,055
Pension, retirement, and compensation commitments	
Other commitments given:	
TOTAL	**163,055**

COMMITMENTS RECEIVED	Amount
Guarantees, endorsements, and sureties	
Other commitments received:	183,182
TOTAL	**183,182**

The Recordati commitment on the GRASPA-AML study amounts contractually to €5,293,000 and is valued at €183,182 as of end 2016; the difference corresponds to re-billing in 2013, 2014, 2015 and 2016.

Market risk

ERYTECH Pharma uses the euro as its functional currency within the context of its information and financial communications activity. However, a significant portion, about 23% of its operating expenses, is denominated in US dollars (agency office in Boston, cooperation relating to the production of clinical batches with the American Red Cross, business development consultants, consultants for the development of clinical trials in the United States, and various cooperation around tests and clinical projects in the United States).

To date, the Group has not opted to use active hedging techniques, and does not use derivative instruments to this end. Unfavorable exchange rate fluctuations between the euro and the dollar that are difficult to predict could affect the financial position of the Company.

This dependency will increase, as the Group will perform clinical trials in the USA and, in the longer term, sell on this market.

Expenses in US Dollars totaled $6,242,000 during the 2016 fiscal year.

The EUR/USD rate fell considerably at the period end, reaching $1.0541 per €1 as of December 31, 2016.

The exchange rate differences are not significant for the periods presented.

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ERYTECH PHARMA

A limited liability company (société anonyme) with capital of €873,265

60 avenue Rockefeller
69008 LYON

SPECIAL REPORT
OF THE STATUTORY AUDITORS
ON REGULATED AGREEMENTS AND COMMITMENTS

GENERAL MEETING FOR APPROVAL OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

KPMG Audit
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SPECIAL REPORT
OF THE STATUTORY AUDITORS
ON REGULATED AGREEMENTS AND COMMITMENTS

GENERAL MEETING FOR APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

Dear Shareholders,

In our capacity as statutory auditor for the company, we hereby report on certain regulated agreements and commitments.

Our task is to inform you, on the basis of the information that has been provided to us, of the characteristics and essential mechanisms of those agreements of which we have been informed or which we have uncovered during our mission, while not discussing their usefulness and their merits, nor searching for the existence of other agreements and commitments. It is your responsibility, in accordance with the terms of Article R. 225-58 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code concerning the implementation, over the course of the past financial year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized during the past financial year

In accordance with Article L. 225-38 et seq. of the French Commercial Code, we have been advised of the following agreements and commitments which received prior authorization from the Board of Directors.

A - With Jérôme Bailly

Person concerned:

- Jérôme Bailly, Chief Operating Officer of the Company.

a - Remuneration

Nature and purpose:

Modification of the fixed gross monthly remuneration as part of Jérôme Bailly's employment contract, starting on January 1, 2016. This agreement was authorized by your Board of Directors on January 10, 2016.

Terms and conditions:

The gross remuneration paid during the 2016 financial year, variable portion included, totaled €164,256.39.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

b - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Jérôme Bailly, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 financial year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

c - Specific indemnity in the event of a change of control taking place within two years of the award of bonus shares:

Nature and purpose:

Specific indemnity in the event of a change of control taking place within two years of the award of bonus shares benefiting Jérôme Bailly, authorized by the Board of Directors on November 2, 2016.

This indemnity was set up in order to compensate, in the event of a merger/acquisition occurring within 24 months of the award of bonus shares, any loss of remuneration in the event of cancellation of the bonus shares awarded or the possible loss of a favorable tax treatment following the sale of said shares.

Terms and conditions:

No expense was recorded for the financial year ended December 31, 2016.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

B - With Gil Beyen

Person concerned:

❖ Gil Beyen, Chairman of the Board of Directors and Chief Executive Officer of the Company.

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Gil Beyen, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

B - Tax assistance (Delsol Law Firm)

Nature and purpose:

Tax assistance services contract for the company shares entered into with the Delsol law firm benefiting Gil Beyen, authorized by the Board of Directors on June 24, 2016.

Terms and conditions:

The cost of the contract for the 2016 financial year was €2,000.00, excluding tax.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

C - With Philippe Archinard

Person concerned:

❖ Philippe Archinard, Director of the Company

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Philippe Archinard, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

D - With GALENOS Sprl

Company concerned:

- GALENOS Sprl, Director of the Company,

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting the company GALENOS Sprl, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 financial year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

E - With Martine Ortin George

Person concerned:

- Martine Ortin George, Director of the Company.

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Martine Ortin George, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €70.
Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

F - With Hilde Windels

Person concerned:

- Hilde Windels, Director of the Company

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Martine Ortin George, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

G - With Luc Dochez

Person concerned:

- Luc Dochez, Director of the Company

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Luc Dochez, authorized by the Board of Directors on May 6, 2016.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

Agreements and commitments authorized since the year-end

We have been informed of the following commitments which were authorized following the close of the last financial year and which were previously authorized by your Board of Directors.

A - With Jérôme Bailly

Person concerned:

- Jérôme Bailly, Chief Operating Officer of the Company.

a - Remuneration

Nature and purpose:

Modification of the fixed gross monthly remuneration as part of Jérôme Bailly's employment contract, starting on January 1, 2017. This agreement was authorized by your Board of Directors on January 8, 2017.

Terms and conditions:

The fixed gross monthly remuneration of Jérôme Bailly is set at €13,333.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

B - With Allene Diaz

Person concerned:

- Allene Diaz, Director of the Company

a - Securities management assistance services (Banque Transatlantique):

Nature and purpose:

Securities management contract for the company shares entered into with Banque Transatlantique benefiting Allene Diaz, authorized by the Board of Directors on May 6, 2017.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €70.

Benefit to the company:

Building the loyalty and motivation of your company's management team.

Increased awareness of respect for the rules applicable to market orders.

Agreements and commitments not previously authorized

In accordance with Articles L. 225-42 and L. 823-12 of the French Commercial Code, we hereby inform you that the following agreements and commitments have not been previously authorized by your Board of Directors.

It is our responsibility to inform you of the circumstances for which the authorization procedure was not followed.

A - With Jérôme Bailly

Person concerned:

- Jérôme Bailly, Chief Operating Officer of the Company.

Training agreement:

Nature and purpose:

Training agreement benefiting Jérôme Bailly.

Terms and conditions:

The total cost of the training borne by the company is €9,110, of which €811 is booked as an expense for the financial year ended December 31, 2016.

Your company considers that this agreement falls under Article L. 225-39 of the French Commercial Code and, therefore, that the pre-authorization procedure specified in Article L. 225-38 of this Code does not apply.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during previous financial years which continued to operate during the past financial year

In application of Article R. 225-31 of the French Commercial Code, we were informed that the execution of the following agreements and commitments, already approved by the General Meeting during previous financial years, continued in the past financial year.

A - With Yann Godfrin

Person concerned:

Yann Godfrin, Chief Operating Officer of the Company.

a - Severance pay:

Nature and purpose:

Severance pay, authorized by the Board of Directors on May 24, 2013, in the event of:

- expiration of a term of office (except where renewal has been refused by the interested party),
- removal (except for removal due to serious misconduct or gross negligence as this term is understood with respect to the case law of the Labor Division of the Court of Cassation).

Mr. Yann Godfrin may claim an indemnity equal to twelve times his average monthly remuneration (bonuses included) effectively received during the twelve months prior to the revocation decision or expiration of his term of office.

Payment of this indemnity is subject to the following performance conditions being met:

- compliance with the Company’s expenditure budget, and
- at least one of the two following conditions:
  - ✓ one collaboration or licensing agreement underway;
  - ✓ one product in active clinical development phase by the Company.

Terms and conditions:

No expense was booked in this respect by the company for the 2016 financial year.
Yann Godfrin resigned from his positions as Director and Chief Operating Officer on January 17, 2016.

b - Profit-sharing agreement:

Nature and purpose: Profit-sharing agreement

Terms and conditions:

On November 29, 2013, the Company entered into a profit-sharing agreement for the period January 1, 2014 to December 31, 2016. On December 22, 2006, your Supervisory Board authorized the inclusion of Yann Godfrin in a future profit-sharing agreement. The profit-sharing expense sustained in relation to the 2016 financial year had a gross value of €74.

Yann Godfrin resigned from his positions as Director and Chief Operating Officer on January 17, 2016.

c - Share management assistance (Société Générale Securities Division)

Nature and purpose:

Securities management consulting contract for the company subscribed by Société Générale benefiting Yann Godfrin, authorized by the Board of Directors on March 26, 2015.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €133.33.

Yann Godfrin resigned from his positions as Director and Chief Operating Officer on January 17, 2016.

d - Severance pay in the event of a change in control:

Nature and purpose:

Severance pay in the event of a change in control authorized by the Board of Directors on August 31, 2015.
This severance pay is not cumulative with the severance compensation agreement authorized by the Board of Directors on May 24, 2013.

Yann Godfrin will receive a lump-sum severance pay equal to12 times his average monthly compensation (variable compensation included) effectively received over the course of the 12 months preceding his departure, if in the 12 months following the change in control of your company by the acquisition of more than 50% of the voting rights, Godfrin:

– is dismissed, (except dismissal for gross negligence or willful misconduct within the meaning of this term in the case law of the labor chamber of the Court of Cassation),
– resigns, provided that such resignation is the result of a demotion by the Company, the company acquiring it or by one of its subsidiaries to a position with less responsibility and/or lower remuneration compared to the position held before the change in control.

Payment of this indemnity will be conditional on confirmation of the same performance conditions required for severance pay authorized by the Board of Directors on May 24, 2013, specifically:

– Compliance with the Company's spending budget; and
– at least one of the two following conditions:
  - ✓ at least one collaboration or licensing agreement underway;
  - ✓ at least one product in active clinical development phase by the Company.

Terms and conditions:

No expense was booked in this respect by the company for the 2016 financial year.

Yann Godfrin resigned from his positions as Director and Chief Operating Officer on January 17, 2016.

B - With Gil Beyen

Person concerned:

❖ Gil Beyen, Chairman of the Board of Directors and Chief Executive Officer of the Company.

a - Severance pay:

Nature and purpose:

Severance pay, authorized by the Board of Directors on May 24, 2013, in the event of:

- expiration of a term of office (except where renewal has been refused by the interested party),
- removal (except for removal due to serious misconduct or gross negligence as this term is understood with respect to the case law of the Labor Division of the Court of Cassation).

Mr. Gil Beyen may claim an indemnity equal to:

- twelve times his average monthly remuneration (bonuses included) effectively received during the twelve months prior to the revocation decision or expiration of his term of office, or
- the fixed annual remuneration established by the Board of Directors, in the event of revocation decided within twelve months following the appointment of Gil Beyen.

Payment of this indemnity is subject to the following performance conditions being met:

- compliance with the Company’s expenditure budget, and
- at least one of the two following conditions:
  - ✓ one collaboration or licensing agreement underway;
  - ✓ at least one product in active clinical development phase by the Company.

Terms and conditions:

No expense was booked in this respect by the company for the 2016 financial year.

b - Profit-sharing agreement:

Nature and purpose: Profit-sharing agreement

Terms and conditions:

On November 29, 2013, the Company entered into a profit-sharing agreement for the period January 1, 2014 to December 31, 2016. On May 24, 2013, your Board of Directors authorized the inclusion of Gil Beyen in a future profit-sharing agreement. The profit-sharing expense sustained in relation to the 2016 financial year had a gross value of €626.

c - Share management assistance (Société Générale Securities Division)

Nature and purpose:

Securities management contract for the company shares entered into with Société Générale for the benefit of Gil Beyen, authorized by the Board of Directors on March 26, 2015.

Terms and conditions:

The cost of the contract for the 2016 fiscal year was €133.33.

d - Severance pay in the event of a change in control:

Nature and purpose:

Severance pay in the event of a change in control authorized by the Board of Directors on August 31, 2015.
This severance pay is not cumulative with the severance compensation agreement authorized by the Board of Directors on May 24, 2013.

Gil Beyen will receive a lump-sum severance pay equal to 12 times his average monthly compensation (variable compensation included) effectively received over the course of the 12 months preceding his departure, if in the 12 months following the change in control of your company by the acquisition of more than 50% of the voting rights, Mr. Gil Beyen:

- is dismissed, (except dismissal for gross negligence or willful misconduct within the meaning of this term in the case law of the labor chamber of the Court of Cassation),
- resigns, provided that such resignation is the result of a demotion by the Company, the company that acquires it or by one of its subsidiaries to a position with less responsibility and/or lower remuneration compared to the position held before the change in control.

Payment of this indemnity will be conditional on confirmation of the same performance conditions required for severance pay authorized by the Board of Directors on May 24, 2013, specifically:

- Compliance with the Company's spending budget; and
- At least one of the following two conditions:
  - ✓ at least one collaboration or licensing agreement underway;
  - ✓ at least one product in active clinical development phase by the Company.

Terms and conditions:

No expense was booked in this respect by the company for the 2016 financial year.

C - With Mr. Jérôme Bailly

Person concerned:

- Jérôme Bailly, Chief Operating Officer of the Company.

a - Profit-sharing agreement

Nature and purpose: Profit-sharing agreement

Terms and conditions:

On November 29, 2013, the Company entered into a profit-sharing agreement for the period January 1, 2014, to December 31, 2016. On January 11, 2015, your Board of Directors noted that the executives are beneficiaries of this profit-sharing agreement. The profit-sharing expense sustained in relation to the 2016 financial year had a gross value of €626.

b - Severance pay in the event of a change in control:

Nature and purpose:

Severance pay in the event of a change in control authorized by the Board of Directors on August 31, 2015.
This severance pay is not cumulative with the severance compensation agreement authorized by the same Board of Directors meeting.

Jérôme Bailly will receive a lump-sum severance pay equal to 12 times his average monthly compensation (variable compensation included) effectively received over the course of the 12 months preceding his departure if in the 12 months following the change in control of your company by the acquisition of more than 50% of the voting rights, Bailly:

- is dismissed, except for gross negligence or willful misconduct,
- receives an approved contractual termination of his employment contract at the initiative of either the Company or the employee;
- resigns, provided that such resignation is the result of a demotion by the Company, the company that acquires it or by one of its subsidiaries to a position with less responsibility and/or lower remuneration compared to the position held before the change in control.

Payment of this indemnity is subject to the following performance conditions being met:

respect of the Company's spending budget; and
- at least one of the two following conditions:
  - ✓ at least one collaboration or licensing agreement underway;
  - ✓ at least one product in active clinical development phase by the Company.

Terms and conditions:

No expense was booked in this respect by the company for the 2016 financial year.

c - Severance pay:

Nature and purpose:

Severance pay authorized by the Board of Directors on August 31, 2015 in the event of dismissal for any reason, except for serious misconduct or gross negligence.

Jérôme Bailly may claim severance pay equal to six months' fixed compensation, plus an additional three months' fixed compensation per year of employment with the company, up to a maximum of 12 months' fixed compensation, subject to more favorable contractual provisions.

Payment of this indemnity is subject to the following performance conditions being met:

- compliance with the Company's expenditure budget, and
- at least one of the two following conditions:
  - ✓ one collaboration or licensing agreement underway;
  - ✓ one product in active clinical development phase by the Company.

Terms and conditions:

No expense was booked in this respect by the company for the 2016 financial year.

E - With all Senior Management

Persons concerned:

❖ Gil Beyen, Yann Godfrin, Jérôme Bailly.

a - Services and expenses benefiting Senior Management:

Nature and purpose:

Your Supervisory Board, on January 24, 2013, and your Board of Directors, on May 24, 2013, authorized the company to bear the cost of certain services and expenses benefiting Senior Management, as shown in the table attached, expressed in euros.

❖ Terms and conditions:

Expenses booked for financial year 2016	Gil Beyen	Jérôme Bailly	Yann Godfrin
Contractual pension plans APGIS (PRC)	4,099	2,841	211
Supplementary pension plan (VIVENS)	1,205	1,205	57
Supplementary retirement plan (AXA)	7,723	7,723	729
Company car with fuel costs paid	19,867	9,676	1,330
Rents paid over the financial year	*17,252*	*8,347*	*1,258*
Amount of fuel costs paid	*2,616*	*1,329*	*72*
Total	**32,894**	**21,445**	**2,327**

Yann Godfrin resigned from his positions as Director and Chief Operating Officer on January 17, 2016.

b - Services and expenses benefiting Senior Management:

Nature and purpose:

Authorization by the Board of Directors on March 26, 2015 of an employer's contribution to PEE and PERCO. The employer's contribution terms for PEE and PERCO are identical to those for all employees.

❖ Terms and conditions:

Expenses booked for financial year 2016	Gil Beyen	Jérôme Bailly	Yann Godfrin
PEE	500	500	-
PERCO	500	500	-
Total	**1,000**	**1,000**	**-**

Yann GODFRIN resigned from his positions as Director and Chief Operating Officer on January 17, 2016.

The statutory auditors
Lyon, Tuesday, March 28, 2017

For KPMG Audit, a division of KPMG S.A.

Sara Righenzi De Villers, Partner

For RSM Rhône Alpes

Gaël Dhalluin,
Partner

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Erytech Pharma S.A.

Statutory Auditors' Report on the consolidated financial statements

Year ended Saturday, December 31, 2016
Erytech Pharma S.A.
60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
This report contains 44 pages
Reference: L171-113

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Erytech Pharma S.A.

Headquarters: 60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon Share capital: €873,265

Statutory Auditors' Report on the consolidated financial statements

Year ended Saturday, December 31, 2016

Dear Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you for the year ended December 31, 2016 on:

- the audit of the accompanying consolidated financial statements of Erytech Pharma S.A.;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We certify that the consolidated financial statements for the fiscal year give a true and fair view of the assets and liabilities and of the financial position of the Group and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code, we bring to your attention the following matter:

Other income

Notes 5.22 and 6.1 “Other income” of the consolidated financial statements outlines the accounting rules and methods regarding the recognition of subsidy-related income.

As part of our assessment of the accounting rules and principles that the group applied, we verified the appropriate nature of the accounting methods indicated above and the information provided in the notes to the financial statements and we verified their correct application.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Lyon, March 28, 2017	Lyon, Tuesday, March 28, 2017
KPMG Audit *A Division* of KPMG S.A.	RSM Rhône-Alpes
Sara Righenzi de Villers *Partner*	Gaël Dhalluin *Partner*

S.A. ERYTECH PHARMA

CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS

December 31, 2016

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AT DECEMBER 31, 2016

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME (LOSS)

(in thousands of €)	Notes	12.31.2016	12.31.2015
Revenues			
Other income	6.1	4,138	2,929
Total operating income		**4,138**	**2,929**
Research and development	6.2 to 6.4	(19,720)	(10,776)
Overheads		(6,808)	(7,736)
Total operating loss		**(22,390)**	**(15,583)**
Financial income	6.6	558	631
Financial expenses	6.6	(70)	(64)
Total financial income		**488**	**567**
Loss before tax		**(21,902)**	**(15,016)**
Income tax		(10)	3
NET LOSS		**(21,913)**	**(15,013)**
Elements that may be reclassified subsequently to income (loss)			
Foreign activities – currency exchange reserve		21	(9)
Elements that may not be reclassified subsequently to income			
Revaluation of defined benefit liability (asset)		(30)	8
Tax effect		10	(3)
Other comprehensive income		**1**	**(3)**
TOTAL COMPREHENSIVE LOSS		(21,912)	(15,017)
Basic loss per share (€/share)		(2.74)	(2.16)
Diluted loss per share (€/share)		(2.74)	(2.16)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS (In thousands of €)	Notes	12.31.2016	12.31.2015
NON-CURRENT ASSETS		**2,434**	**1,076**
Intangible assets	**7.1**	57	61
Property, plant and equipment	**7.2**	2,245	918
Non-current financial assets	**7.3**	132	97
Other non-current assets			
Deferred tax assets			
CURRENT ASSETS		**42,533**	**51,929**
Inventories	**7.4**	145	166
Trade accounts receivable	**7.5**	218	424
Other current assets	**7.6**	4,524	5,705
Cash and cash equivalents	**7.7**	37,646	45,634
TOTAL ASSETS		**44,967**	**53,004**

LIABILITIES AND SHAREHOLDERS' EQUITY (In thousands of €)		12.31.2016	12.31.2015
SHAREHOLDERS' EQUITY		**35,638**	**47,132**
Share capital	**7.8**	873	792
Premiums related to the share capital	**7.8**	105,090	95,931
Reserves	**7.8**	(48,412)	(34,578)
Net profit or loss for the period		(21,913)	(15,013)
NON-CURRENT LIABILITIES		**2,982**	**251**
Long-term provisions	**7.9**	163	100
Financial liabilities - Non-current portion	**7.10**	2816	151
Deferred tax liabilities		3	
Other non-current liabilities			
CURRENT LIABILITIES		6,347	5,621
Provisions – Current portion	**7.9**		81
Financial liabilities – current portion	**7.10**	50	557
Trade and related payables		4,832	3,672
Other current liabilities	**7.11**	1,465	1,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**44,967**	**53,004**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY (thousands of €)	Share capital	PREMIUMS RELATED TO THE SHARE CAPITAL	Reserves	INCOME (LOSS)	Shareholders' equity
12/31/2014	**688**	**72,427**	**(28,431)**	**(8,860)**	**35,824**
Net loss				(15,013)	(15,013)
Revaluation of net defined benefit liability (asset)			6		6
Change in currency exchange reserve			(9)		(9)
Comprehensive income			**(3)**	**(15,013)**	**(15,017)**
Allocation of prior period loss			(8,860)	8,860	
Issue of ordinary shares	104				104
Share premium increase		23,440			23,440
Treasury shares	**0**	64			64
Share-based payments			2,716		2,716
12/31/2015	**792**	**95,931**	**(34,578)**	**(15,013)**	**47,132**
12/31/2015	**792**	**95,931**	**(34,578)**	**(15,013)**	**47,132**
Net loss				(21,913)	(21,913)
Revaluation of net defined benefit liability (asset)			(20)		(20)
Change in currency exchange reserve			21		21
Comprehensive income			**1**	**(21,913)**	**(21,912)**
Allocation of prior period loss			(15,013)	15,013	
Issue of ordinary shares	**81**				81
Share premium increase		9,158			9,158
Treasury shares					
Share-based payments			1,178		1,178
12/31/2016	**873**	**105,090**	**(48,412)**	**(21 913)**	**35,638**

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of €)	12.31.2016	12.31.2015
Net profit or loss for the period	**(21,913)**	**(15,013)**
Expenses (income) with non-cash impact		
- Amortization and depreciation	425	288
- Increase in long-term provisions	31	20
- Expense related to share-based payments	1,178	2,716
Interest expense	13	30
Income tax expense (due and deferred)	10	(3)
Operating cash flow before change in working capital	**(20,255)**	**(11,962)**
Change in inventory	21	32
Increase/decrease in clients and other receivables	206	(319)
Increase/decrease in other current assets	1,181	(3,470)
Increase/decrease in trade and other payables	1,160	1,588
Increase/decrease in other current liabilities	154	(528)
Increase/decrease in provisions – current portion	(81)	81
Change in working capital	**2,641**	**(2,616)**
Net cash flow used in operating activities	**(17,614)**	**(14,578)**
Cash flows from investing activities:		
- Purchases of intangible assets	(25)	(49)
- Purchases of tangible assets	(1,726)	(220)
- Purchases of financial capital assets	(40)	(15)
- Sale of financial capital assets	5	-
Collection of subsidies		
Net cash flow generated by investment activities	(1,786)	(284)
Cash flows from financing activities:		
Capital increase in cash	10030	23,544
Cost of capital increase in cash	(791)	
Proceeds from borrowings	2,717	
Repayment of borrowings	(563)	(85)
Treasury shares	-	64
Net cash flow from financing activities	**11,393**	**23,524**
Effect on cash held due to change in exchange rates	**19**	**(16)**
Change in cash and cash equivalents	(7,***988***)	**8,646**
Cash and cash equivalents at the beginning of the period	45,634	36,988
Cash and cash equivalents at the close of the period	37,646	45,634
	-	-
Change in net cash and cash equivalents	**(7,988)**	**8,646**
Interests paid	72	34
Taxes paid	-	-

GROUPE ERYTECH PHARMA Notes to the financial statements

These notes are an integral part of the consolidated financial statements for the financial year ended December 31, 2016.

The financial statements were approved by the Board of Directors on March 01, 2017, and will be submitted for approval at the next General Meeting.

1. Description of the group's activity

The Group's main activity is research and development in the areas of treatment of acute leukemia and other orphan diseases through the use of its technology platform, which encapsulates active ingredients in red blood cells.

Since its creation, the Group has concentrated its efforts on:

- The development of a patented technological platform based on the encapsulation of enzymes in red blood cells, which offers an innovative approach to the treatment of acute leukemia and other solid tumors. The development of the main product, Graspa®, which began when the Group was founded, has led to the issuing of 13 patent families held in the Group's name. The Group has also implemented a patented industrial process capable of producing clinical batches of Graspa®, and capable of meeting demand in the commercialization of the product.
- The implementation of clinical programs in order to validate Graspa® initially in terms of safety of use and toxicology through a Phase I clinical study in acute lymphoblastic leukemia (ALL) in adult and pediatric patients with relapsed ALL. Based on the results obtained, the Group performed a Phase II clinical study that likewise demonstrated the safety of the product's use and its efficacy in patients older than 55 years of age with ALL. The Group completed a Phase III clinical study, at the end of which Erytech filed an application in September 2015 for approval to market Graspa® in Europe for the treatment of ALL. The Group has likewise initiated a Phase IIb study on acute myeloid leukemia (AML), as well as a Phase II study on pancreatic cancer.

The Group's business model is to develop its products up to the point of obtaining authorization for their commercialization in Europe and Israel and, as a second step, in the United States. Commercial partnerships established by ERYTECH Pharma will allow for the distribution of Graspa® in Europe and Israel. Various distribution options in the United States and the rest of the world are under review. ERYTECH Pharma has the capacity to ensure the supply of Graspa® for the first years of its sale in Europe, through its production unit in Lyon.

2 EVENTS CHARACTERIZING THE FINANCIAL YEAR

2.1 Company Management

Yann Godfrin, co-founder of the Company and Chief Operating Officer, submitted his resignation from his positions within the Company at the Board of Directors' meeting of January 10, 2016.

In 2016, an employee shareholder plan was allocated as follows (see *Note 6.3*):

- The Board of Directors' meeting on October 3, 2016, awarded 45,000 BSA warrants to the independent Board members;
- The Board of Directors' meeting on October 3, 2016, granted 111,261 free performance shares to ERYTECH employees;
- The Board of Directors' meeting on October 3, 2016, granted 44,499 stock options to ERYTECH Inc. employees.

Erytech also strengthened its management team by appointing Jean-Sébastien Cleiftie as Business Development Director. Alexander Scheer also joined the Company, replacing Yann Godfrin as Chief Science Officer.

Allene M. Diaz was appointed to the Board of Directors initially as a non-voting observer, with the intention of appointing her as Director in January 2017, subject to ratification by the next General Shareholders' Meeting.

2.2 Funds raised on the stock market

In December 2016, the parent company ERYTECH PHARMA SA raised €9.9 million on Euronext by issuing a total of 793,877 new shares as part of a capital increase in the form of a private placement with first-tier institutional investors in the United States and Europe, representing approximately 9% of the number of shares outstanding (post-issue).

The issue price was set at €12.50 per share (including issue premium), in accordance with Resolutions 20 and 21 of the Combined General Shareholders' Meeting of June 24, 2016. This price reflects a discount of 13.55% off the market price at the time the price was set.

The Group still plans to be listed on the NASDAQ stock market.

2.3 Main operational items

GRASPA® in Europe (ERYASP)

The recruitment of patients in the Phase IIb study with eryaspase (also named ERY-ASP or GRASPA®) for the treatment of acute myeloid leukemia (ALM) was completed on August 29, 2016, with a total of 123 patients included in the study.

The last patient for the Phase II trial of eryaspase (also called ERY-ASP and GRASPA®) for the treatment of acute myeloid leukemia (AML) was enrolled in September 26, 2016, making a total of 141 patients included in the trial.

The Company decided to withdraw its European market approval for GRASPA for the treatment of patients with acute lymphoblastic leukemia (ALL) as the deadline granted in the CHMP procedure was not sufficient to obtain additional data from the list of pending issues as at Day 180.

The Company has opted to submit a new MA application in the third quarter of 2017.

The Company is preparing to launch the "NOPHO" trial. It is a Phase II trial for ALL initiated by investigators.

ERYMET in Europe

The Company is continuing the development of its second drug candidate ERY-MET, which is also based on ERYCAPS technology, with methioninase as the active molecule.

The development of this new drug candidate forms part of the TEDAC research program and was essential to the approval of the technical and financial stage 4, allowing the Company to receive the planned funding in the form of a subsidy and a repayable advance.

As part of advancing to clinical development, a Science Board meeting was held in Brussels on December 3, 2016 to provide guidelines for the medical protocol and therapeutic indications.

ERYASP in the United States

The Company received a notice of acceptance of its patent application number 12/672.094 entitled “Composition and Therapeutic Anti-Tumor Vaccine” from the United States Patent and Trademark Office (USPTO).

2.4 Other information

The accounting audit by the tax authorities was closed in April 2016 with a minor adjustment to the amounts reviewed (€84,933 or 2% of the amounts audited). This amount was recognized in the financial statements ended December 31, 2016.

The Company still intends to apply for listing and launch an IPO on the U.S. Nasdaq market.

The Company has launched a project to modify its manufacturing process. The project began Phase 3 of its development for a cost of €1,480,000 in 2016, €830,000 of which was capitalized.

3. Events subsequent to year-end

There were no significant events after the end of the reporting period.

4. Basis of financial statements

The financial statements have been prepared according to the principle of going concern. The Group’s history of loss-making is explained by the innovative nature of the products developed, which requires a multi-year research and development phase.

The statement of comprehensive income presents the classification of expenses and income per item, with the exception of other operating income and expenses. Comparative information is presented using an identical classification.

The Group closed its annual accounts on December 31, 2016.

The Group's consolidated financial statements for the financial year ended Saturday, December 31, 2016 have been established in euros, which is the functional currency of the Company. All amounts indicated are expressed in thousands of euros, except where otherwise indicated.

5. SIGNIFICANT ACCOUNTING POLICIES AND METHODS

In application of European regulation 1606/2002 of July 19, 2002, the financial statements for the ERYTECH PHARMA Group are prepared in conformity with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union at the date of issue of the financial statements by the Board of Directors, as applicable at December 31, 2016.

This framework is available on the European Commission's website, at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The accounting methods outlined below have been applied in a continuous manner to all the periods presented in the Erytech financial statements, after taking into account or with the exception of the new standards and interpretations described below.

5.1 New standards, amendments to standards and interpretations applicable as of the financial year commencing January 1, 2016

The Group adopted the following standards, amendments and interpretations that are applicable as of January 1, 2016:

- Amendments to IAS 1 (presentation of financial statements) regarding the application of concepts of materiality and the application of personal judgment
- Amendments to IAS 16 (tangible assets) and IAS 38 (intangible assets) regarding the acceptable methods of amortization. IASB stated that amortization methods based on revenue are not an appropriate reflection of the pattern of consumption of the expected future economic benefits embodied in an intangible asset. This presumption may be refuted in certain circumstances;
- Amendments to IFRS 11 "Joint agreements" regarding the acquisition of a shareholding in a joint venture;
- Amendments to IAS 19 "Employee benefits" which applies to the contributions of personnel members or third parties to defined benefits plans. Some contributions may therefore be accounted for by deducting the cost of services rendered from the period during which the service was rendered;
- Annual improvements to IFRS (2010-2012), applicable as of February 1, 2015: these amendments mainly concern information regarding related parties (IAS 24) and, more particularly, clarifications regarding the concept of the provision of "key" management people, equity-based payments (IFRS 2), including clarification of

vesting conditions, segment information (IFRS 8), and information to be provided on combination criteria and the reconciliation of assets by segment with all assets of the entity, the clarification of the concept of fair value for receivables and short-term debts and the option of offsetting financial assets and liabilities (IFRS 13, valuation at fair value), and the recognition of a conditional consideration at the time of business combinations (IFRS 3).

These new texts did not have any significant impact on the Group's results or financial situation. The standards and interpretations that are optionally applied as at December 31, 2016 were not applied in advance. The Group however does not anticipate any significant impacts associated with the application of these new texts concerning IFRS 15 regarding income from ordinary activities derived from contracts with clients.

5.2 Standards and interpretations published but not yet in force

Texts not adopted by the European Union by the closing date

The IASB has published the following standards, amendments to standards and interpretations not yet adopted by the European Union:

IFRS 16 – Leases

IFRS 9 – Financial Instruments

IFRS 15 – Revenues from Contracts with Customers

- Amendment to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and an associate or joint venture partner

Texts adopted by the European Union on the closing date but not yet in force

The Group has not applied in advance any of the standards and interpretations cited below, the application of which was not mandatory as of January 1, 2016:

- Amendments to IAS 1 – Meaning of "Effective IFRS standards";
- Amendments to IAS 19 – Defined benefit plans, contributions from employees;
- Amendments to IAS 16 and IAS 38 – Clarification of acceptable amortization methods;
- Amendments to IFRS 11 – Recognition of acquisitions of interests in a joint venture;
- Annual improvements to IFRS (2010-2012 and 2012-2014 cycles).

These amendments should not have a significant impact for the Group.

5.3 Overview

The consolidated income statement presents the classification of expenses and income by function (research and development costs and overheads).

Comparative information is presented using an identical classification.

The consolidated financial statements are established on the basis of the principles of going concern and consistency of accounting methods.

5.4 Closing date

The Group closed its annual accounts on Saturday, December 31, 2016.

5.5 Principles of consolidation

The company ERYTECH PHARMA S.A. (Headquarters: 60 avenue Rockefeller, Bioparc Bat Adénine, 69008 LYON, FRANCE) holds 100% of its subsidiary, ERYTECH PHARMA Inc. (Headquarters: One main street, CAMBRIDGE, MA 02138, USA). The Group's financial statements fully consolidate the American subsidiary.

Intercompany balances and transactions between Group companies have been eliminated. Transactions with the subsidiary mainly concern management fees (the parent company invoicing the subsidiary) representing proceeds in the amount of €835,000 and personnel being made available (the subsidiary invoicing the parent company) representing expenses in the amount of €350,000.

5.6 Conversion of the financial statements currency of foreign subsidiaries

The functional currency of the Company is the euro, which is also the currency used in the consolidated financial statements.

The statements of the subsidiary ERYTECH Pharma Inc. are prepared in U.S. dollars (functional currency).

The balance sheet of ERYTECH Pharma Inc. has been converted into euros using the exchange rate at the financial year-end and the income statement using the average exchange rate for the month of recognition. The corresponding exchange rate differences are recorded in shareholders' equity.

5.7 Transactions in foreign currencies

Transactions in foreign currencies are recorded at the exchange rate in force on the transaction date. The monetary assets and liabilities denominated in these other currencies are converted at the rate in effect on the closing date. Unrealized gains and losses resulting from this conversion are recognized as income or loss for the financial year (financial results).

5.8 Consolidated cash flow statement

The cash flow statement is prepared using the indirect method and separately presents the cash flows related to operating, investment, and financing activities.

Operating activities correspond to the company's primary income-generating activities and all the other activities that do not meet investment or financing criteria. The Group has decided to classify grants received under this category. Cash flows related to operating activities are calculated by adjusting the net results of changes in working capital requirements, items that have no cash flow impact (amortization, impairment), disposal gains and calculated expenses.

Cash flows related to investment activities correspond to cash flows associated with the purchase of assets, net of trade payables on the assets, and with the disposal of assets and other investments.

Financing activities are operations that result in changes in the amount and composition of the shareholders' equity and borrowings of the entity. Capital increases and the obtaining or repayment of loans are classified under this category. The Group has chosen to classify the repayable advances under this category.

The increases in assets and liabilities that have no cash flow impact are eliminated. As such, goods financed through a finance lease are not included in the period's investments. The decrease in debt associated with finance leases is therefore included under the period's loan repayments.

5.9 Use of estimates

The preparation of the consolidated financial statements in compliance with IFRS implies that the Group makes a certain number of estimates and uses certain assumptions that have an impact on the amounts recorded to assets or liabilities. These estimates can be revised where the circumstances on which they are based change. The actual results may therefore differ from the estimates initially formulated. The principal estimate made by the Group when preparing the financial statements applies to share-based payment (note 6.3).

5.10 Intangible assets

Intangible assets generated internally – Research and development costs

In accordance with IAS 38, "Intangible Assets," research expenditures are accounted for in the period during which they are incurred.

An intangible asset internally generated relating to a development project is recorded as an asset if, and only if, the following criteria are met:

- Technical feasibility required to complete the development project;
- Intention to complete the project, use or sell it;
- Capacity to use the intangible asset;
- Demonstration of the probability of future economic benefits related to the asset;
- Availability of appropriate resources (technical, financial and other) to complete the project;
- Ability to reliably assess the expenditures attributable to the development project underway.

The initial measurement of the development asset is the sum of expenses sustained starting on the date on which the development project meets the above criteria. When these criteria are not met, development expenditures are accounted for in the period in which they are incurred.

According to IAS 38, "Intangible Assets," development costs must be accounted for as intangible assets when specific conditions relating to technical feasibility, marketability and profitability are met. Considering the strong uncertainty associated with the development projects performed by the Group, these conditions will only be met when the regulatory procedures necessary for the sale of the products have been finalized. Most of the expenditures being incurred before that stage and the development costs are accounted for in the period in which they are incurred.

Other intangible assets

The other intangible assets are recognized at their cost, less aggregate amortization and any losses in value. Amortization is calculated on a straight-line basis depending on the period the asset was used. The useful life and the amortization method are reviewed at each year-end. All significant modifications to the anticipated use of the asset are recognized prospectively.

The other intangible assets are primarily composed of computer software and are amortized on a straight-line basis over 1 to 5 years.

An impairment is recorded where the asset's book value is greater than its recoverable value (see Note 7.1).

5.11 Fixed assets

Fixed assets are recorded in the balance sheet at their purchase cost, and are composed of their purchase price and all directly associated costs incurred to place the asset in position and in a state of operation according to the usage intended by the company's management.

These assets are depreciated according to the straight-line method, depending on their useful life.

The main useful life periods adopted are as follows:

- Industrial equipment: 1-5 years;
- Fixtures and fittings: 3-10 years;
- Office equipment: 3 years;
- Furniture: 3-5 years.

The useful life of fixed assets, any residual values and any residual value and the depreciation method are reviewed at each year-end and, in the event of a significant change, result in a prospective revision of the depreciation plans.

In compliance with IFRS, the different components of a like fixed asset that have different useful lives or that procure economic benefits for the Company according to a different rhythm are recognized separately.

5.12 Impairment tests

According to IAS 36, "Impairment of Assets," a loss in value must be recognized where the net book value is lower than the recoverable value. The recoverable value of an asset is the highest value between the fair value less disposal costs and the value in use.

The fair value less disposal costs is the amount that can be obtained from the sale of an asset in a transaction under conditions of normal competition between well-informed, consenting parties, less the disposal costs.

The value in use is the present value of estimated future cash flows anticipated from the ongoing use of an asset. The value in use is determined based on cash flows estimated based on budgets and plans, then discounted by adopting the long-term market rates after taxes that reflect the market estimates of the time value of money and the risks specific to the assets.

Tangible and intangible assets that are depreciated or amortized

Where new events or situations indicate that the book value of certain tangible or intangible assets may not be recoverable, this value is compared to its recoverable value based on the value in use or its fair value less disposal costs. Where the recoverable value is less than the net book value of these assets, the latter is adjusted to its recoverable value and a loss in the asset value is recognized under "provisions for impairment." The new value of the asset is thus amortized or depreciated prospectively based on the new period of the asset's residual life.

5.13 Other non-current financial assets

The valuation and recognition of financial instruments is defined by standard IAS 39 "Financial instruments: Recognition and Measurement." The company has no derivative instrument to hedge the currency risk.

Loans and receivables
These represent the financial assets issued or acquired by the Group which are the counterpart to a direct remittance of money, assets or services to a debtor. They are valued at amortized cost using the effective interest rate method. Long-term loans and receivables not remunerated or remunerated at a lower-than-market rate are discounted when the sums are significant. Any impairments are booked through the income statement .

Financial assets at fair value through the income statement
A financial asset is classified as a financial asset at fair value through the income statement if it is classified as being held for transaction purposes or is designated as such when it is initially recognized. Financial assets are valued at fair value, and any resulting change, which takes into account the income from interest and dividends, is booked to the statement of income (loss). Thus, the Group can designate cash investments at fair value from inception.

Assets available for sale
Assets available for sale are assets which the Company intends to keep for an undefined period and which can be sold to meet liquidity needs or in response to changes in interest rates. At each accounting date, they are valued at fair value and changes in fair value are recognized in shareholders' equity.

A significant or persisting decline in value is recognized in the income statement as an impairment.

Fair value of financial instruments
Valuations at fair value are detailed in accordance with the following fair value hierarchy in compliance with IFRS 7:

- Level 1: the instrument is traded on an active market;
- Level 2: the valuation relies on valuation techniques based on data that can be observed directly (price) or indirectly (price derivative);
- Level 3: at least one significant component of the fair value is based on unobservable data.

5.14 Trade accounts receivable

Customer receivables are valued at nominal value, which is equivalent to their fair value given their short-term due date. If necessary, these receivables are impaired to bring them to the estimated net realization value.

5.15 Inventories

In compliance with IAS 2 standard for "Inventories," inventories are recognized at their cost or at their net realizable value, where this is lower. In the latter case, the loss in value is recorded under current operating income. Inventories are measured according to the FIFO method (First in First out).

5.16 Cash and cash equivalents

The item "cash and cash equivalents" in the balance sheet includes highly liquid securities for which the initial maturity is equal to or less than three months, considered equivalent to liquid assets. These investments are easily convertible into a known cash amount and are subject to a negligible risk of change in value. They are classified in assets as cash equivalents and valued at fair value through the income statement.

5.17 Provisions and contingent liabilities

A provision is recognized where the Group has a current or implicit legal obligation resulting from a prior event, where the obligation can be reliably estimated, and where it is probable that an outflow of resources representing economic benefits will be necessary to discharge the obligation. The portion of a provision estimated as payable in less than one year is recorded under current liabilities, and the balance under non-current liabilities. The provisions are discounted where the impact is significant.

Provisions notably include:

- obligations for retirement indemnities;
- provisions for claims and litigation.

Disclosure is made in the detailed notes on any contingent assets and liabilities where the impact is significant, except where the probability of occurrence is low.

Provisions for retirement indemnities - *defined benefit plans*

In compliance with IAS 19, "Employee Benefits," within the scope of defined benefit plans, the post-employment benefits and other long-term benefits are measured every year using the projected unit credit method. According to this method, each service period gives rise to an additional unit of rights to benefits, and each of these units is measured separately to obtain the final commitment. This final commitment is then discounted.

These calculations primarily include:

- an estimate of the date of payment of the benefit;
- a financial discount rate;
- an inflation rate;
- assumptions regarding salary increases, personnel turnover rates and mortality rates.

The primary actuarial assumptions adopted as of December 31, 2016, are described in note 7.9.

The positive or negative actuarial differences include the effects on the commitment of a change in calculation assumptions as well as adjustments to the commitment linked to experience. In compliance with standard IAS 19 "Post-employment benefits [employee benefits]," the Group recognizes these actuarial differences under other items of the comprehensive income for post-employment benefits.

The provision that appears on the balance sheet on a specific line represents the total commitment at the closing date, adjusted, as applicable, for the cost of past services. The cost of prior services associated with a change in the plan are recognized in the statement of income (loss).

The expenses for the period composed of the cost of services rendered are an operating expense and the financial discount accretion forms the other elements of the overall result.

Provisions for risks

Provisions for risks represent commitments resulting from litigation and other risks, the payment dates and amounts of which are uncertain.

The amount recognized in the consolidated financial statements as provision for risks represents the best estimate of the costs necessary to resolve the dispute.

5.18 Measurement and recognition of financial liabilities

Financial liabilities at amortized cost

Loans and other financial liabilities are initially measured at their fair value, and then at the amortized cost, calculated using the effective interest method ("EIM").

The transaction costs directly attributable to the acquisition or issue of a financial liability decrease this financial liability. These costs are then actuarially amortized over the lifetime of the liability, based on the EIM.

The EIM is the rate that equalizes the flow anticipated from future cash outflows at the current net book value of the financial liability, with a view to deducting its amortized cost.

Liabilities at fair value through the income statement

The liabilities at fair value through the income statement are measured at their fair value.

5.19 Lease agreements

At the beginning of an agreement, the Group determines whether the agreement is, or contains, a lease agreement. The Group's lease agreements are recognized pursuant to IAS 17, which distinguishes finance lease agreements and operating leases.

Finance lease agreement:

A lease agreement is considered as being a finance lease where it transfers to the borrower substantially all the risks and benefits inherent in ownership of the asset. The other contracts are considered as being operating lease agreements.

The assets held within the scope of a finance lease are recognized in the balance sheet assets and liabilities at their fair value at the start of the contract or, where this is lower, at the discounted value of the minimum payments on the lease. These assets are then depreciated over the duration of the lease or the anticipated use of the asset, whichever is shorter. *Operating lease:*

Other leases are classified as operating leases and are not recorded in the Group balance sheet. The payments made under operating leases are recognized on a straight-line basis over the term of the lease. The benefits received from the lessor are an integral part of the net total of lease expenses and are recognized as a deduction to expenses over the term of the lease. Commitments related to operating leases (note 9) represent the minimum future fixed payments calculated over the term in which the lease cannot be terminated.

5.20 Share capital

The share capital is presented in share equity. The cost of capital transactions that are directly attributable to the issuance of new securities or options is deducted from funds received for the issue at their net after-tax value.

5.21 Share-based payments

In compliance with IFRS 2, the benefits granted to certain employees in the form of share-based payments are measured at the fair value of the instruments granted.

This remuneration can take the form of either equity or cash instruments.

Share call and subscription options are granted to directors and to certain employees of the Group.

In compliance with IFRS 2, “Share-Based Payment,” the fair value of the options is determined on the grant-date.

To determine their value, the Group uses the Black & Scholes mathematical model. This allows them to take into account the characteristics of the plan (exercise price, period of exercise), the market data at the time of grant (risk-free rate, volatility, expected dividends), and recipient behavior assumptions. Changes in value subsequent to the grant-date have no effect on this initial measurement.

The value of options is notably a function of their expected lifetime. This value is recorded under personnel expenses using the straight-line method between the grant date and the maturity date (vesting period), with a direct contra-entry in the shareholders’ equity.

5.22 Other income from operating activities

Grants

ERYTECH Pharma benefits from public financing from local, state or EU organizations that cover all or part of the research and development on specific projects or subjects. This assistance can be in the form of subsidies or conditional advances.

The other income from activities includes income relating to grants. The grants are initially recognized at their fair value under deferred income, where a reasonable assurance exists that they will be received and the Group will comply with the conditions attached to these grants.

They are then recognized as income according to the expenses incurred on the closing date pursuant to IAS 20. Consequently, subsidies to be received can be recognized if the subsidy contract is signed, but the subsidies have not yet been received.

Conditional advances

Conditional advances are repayable only if the research and development projects they are financing are successful. They are recognized as long-term debt according to IAS 20. The payments and reimbursements of conditional advances are presented under cash flows related to financing activities in the consolidated statement of cash flows.

Research tax credit

Certain research and development expenses give the right in France to a tax credit recognized at the end of the financial year in which the expenses have been recognized and the tax credit requested. When it is not used to offset a tax expense, the tax credit may be paid to the Company depending on the tax rules in effect. The research tax credit, which is classified as public assistance under IAS 20, is recorded in the income statement under “Other operating income.”

The receivable in the balance-sheet accounts as of December 31, 2016 corresponds to the RTC from the 2016 financial year.

Partnership with Orphan Europe

Within the context of its partnership agreement with Orphan Europe on the development of AML, the Group re-invoices, with no margin, certain clinical costs incurred and invoiced to the Group by external providers.

In application of IAS 18, the Group estimates that, within the context of this partnership, it acts as agent with regard to re-invoiced external costs, in that:

- The Group does not have the primary responsibility for supplying goods or services, as the majority of the services are provided by third parties, the largest of which, the CRO (the company that manages the clinical trials) invoices Orphan Europe directly. The Group is only directly invoiced for the associated services.
- The Group does not bear the inventory risk.
- The Group has no ability to determine prices, as all external costs are invoiced to the nearest euro, without margin.
- The Group bears a credit risk not considered to be significant.

Consequently, the re-invoicing of these external costs to Orphan Europe reduces the corresponding expenses sustained by the Group. For 2016, the amount of external costs re-invoiced within the scope of this partnership totaled €358,021.

Within the context of this same agreement, the Group also re-invoiced certain internal clinical costs, such as personnel costs associated with the management of clinical trials, or personnel involved in the production of batches necessary for the AML clinical trial. These re-invoiced internal costs are recognized by the Group as other operating income from ordinary activities. They total €237,903 for the 2016 financial year.

5.23 Profit or loss from financing activities

Financial income:

- income from interest on cash and cash equivalents;
- foreign exchange gains.

Other expenses consist of:

- other costs paid to the banks on financial transactions;
- foreign exchange losses;
- the impact of investment securities;
- interest expenses on financial debt (cost of gross financial debt includes the financial costs and the issue costs on the financial debts) composed of loans and other financial debts (notably overdrafts and payables on financial leases).

5.24 Taxation

Current taxes

Considering the level of tax losses that can be carried forward, no tax expense is owing.

Deferred taxes

Deferred taxes are calculated for all the temporary differences between the book value of an asset or a liability and its tax value, save for the exceptions established under standard IAS 12.

Changes in the tax rates are recorded in the results of the financial year during which the rate change is decided.

Deferred tax assets resulting from temporary differences or tax losses carried forward are limited to the deferred tax liabilities with the same maturity, except where their allocation to future taxable income is probable.

Deferred taxes are calculated using of the most recent tax rates adopted at the date of each financial year-end.

Deferred tax assets and liabilities are not discounted and are classified in the balance sheet under non-current assets and liabilities.

The parent company is subject to the territorial economic contribution (Contribution Economique Territoriale - CET), which combines the corporate real estate contribution (cotisation foncière des entreprises - CFE) and the corporate value-added contribution (cotisation sur la valeur ajoutée des entreprises - CVAE):

- the corporate real estate contribution, the amount of which is based on property rental values and which can, where applicable, have a ceiling at a percentage of the value added is recognized under operating expenses;

- the corporate value-added contribution meets, based on the Group's analysis, the definition of an income tax as established under IAS 12.2 ("taxes owed based on taxable income"). To enter within the scope of IAS 12, a tax must be calculated based on a net amount of income and expenses, and this net amount can be different from net results. The Group has judged that the corporate value-added contribution satisfies the characteristics outlined in this conclusion, insofar as the value added constitutes the intermediate level of income that systematically serves as the basis, according to French tax law, for determining the amount owed in relation to the corporate value-added contribution.

In conformity with the provisions of IAS 12, qualification of the corporate value-added contribution as an income tax leads to the recognition of deferred taxes relative to temporary differences existing at year end, with a contra-entry of a net expense in that year's statement of income (loss). Where applicable, this deferred tax expense is presented on the line "taxes." For the moment, the parent company does not pay the CVAE.

5.25 Earnings per share

The Group presents the basic earnings per share and the diluted earnings per share.

The basic earnings per share are calculated by dividing the Group's net results by the weighted average number of shares in circulation during the financial year.

The diluted earnings per share are calculated by dividing results by the weighted average number of common shares in circulation, increased by all dilutive potential common shares. The dilutive potential common shares include, in particular, the share subscription warrants.

Diluted earnings are identical to basic earnings when the result for the financial year is a loss (potential shares are not taken into account as their effect would be anti-dilutive).

5.26 Sector information

In accordance with IFRS 8 "Operating Segments," reporting by operating segment is derived from the internal organization of the Group's activities; it reflects management's viewpoint and is established based on internal reporting used by the chief operating decision maker (the Chairman - CEO) to implement the allocation of resources and to assess performance.

The company conducts its activities exclusively in research and development in the fields of treatment for acute leukemia and other orphan diseases, none of which has currently been commercialized. Most of its activities are located in France. Therefore, the Company has decided to use only one operating segment in establishing and presenting its financial statements.

5.27 Off-balance-sheet commitments

The Group has defined and implemented monitoring for its off-balance sheet commitments in order to gain information about their nature and purpose. This monitoring pertains to information relative to the following commitments given:

- personal guarantees (guarantees, endorsements, and bonds),
- security interests (mortgages, pledges, and sureties),
- operating leases, purchase and investment commitments,
- other commitments.

contracts signed with CROs (contract research organizations) and hospitals as part of clinical studies.

6. NOTES TO THE CONSOLIDATED INCOME STATEMENT

6.1 Other income from operating activities

Other operating income is composed of the following:

(in K€)	12.31.2016	12.31.2015
Research tax credit	3,347	2219
Grants	463	368
Other income	327	341
Other income	**4,138**	**2,929**

Other income was primarily generated by the research tax credit and grants associated with the pre-clinical research programs in partnership with BPI France.

“Other income” in 2016 amounting to €327,000 represents the sum of the internal costs incurred by the Group within the scope of the AML study, and re-invoiced to the company Orphan Europe in the amount of €238,000. Other external costs associated with this clinical trial were re-invoiced to Orphan Europe with no margin, and do not appear under income from activities, but are deducted from related expenses.

The increase in the research tax credit and subsidies at December 31, 2016 compared to December 31, 2015, reflects the increase in R&D activity between the two periods.

The Company received a grant for the TEDAC project on December 13, 2016 in the amount of €463,000.

6.2 Breakdown of expenses by item

12/31/2016 in K€	Research and development expenses	*From other Research and Development Expenses*	*from Clinical studies*	*from Intellectual Property*	Overhead and general expenses	**Grand total**
Consumables	2,071	*917*	*1,153*	-	66	**2,136**
Rent and maintenance	645	*161*	*484*	-	511	**1,156**
Service provision, sub-contracting and fees	11,409	*2,547*	*8,410*	*453*	2,793	**14,203**
Personnel expense	5,282	*1,173*	*4,070*	*39*	2,713	**7,995**
Other	35	*8*	*27*	-	577	**613**
Net allocations to depreciation,	277	*25*	*252*	-	148	**425**
Grand total	**19,720**	***4,831***	***14397***	***491***	**6,808**	**26,528**

12/31/2015 in K€	Research and development expenses	*from Other Research and Development Expenses*	*from Clinical studies*	*from Intellectual Property*	Overhead and general expenses	**Grand total**
Consumables	1,040	*244*	*796*	-	36	**1,076**
Rent and maintenance	462	*204*	*259*	-	304	**767**
Service provision, sub-contracting and fees	4,475	*1539*	*2,570*	*366*	3,022	**7,497**
Personnel expense	3,977	*1,506*	*2,384*	*87*	1627	**5,603**
Other	572	*56*	*513*	*3*	2,627	**3,200**
Net allocations to depreciation, amortization and provisions	250	*26*	*224*	-	120	**369**
Grand total	**10,776**	***3,575***	***6,745***	***456***	**7,736**	**18,512**

The €8,944,000 increase in R&D costs is mainly due to:

- The €6,934,000 increase in the cost of external services mainly for the development of the TEDAC project, and for filing marketing authorization (MA) applications;
- The €1,305,000 increase in personnel costs (see note 6.3).

- The €928,000 decrease in overhead and general expenses is primarily due to:
- The BSA_{2014} allocated to directors during the financial year for a value of €1,593,000 in 2015.

6.3 Personnel costs

The personnel costs are broken down as follows:

12/31/2016 in thousand €	Research and development expenses	*from Other Research and Development Expenses*	*from Clinical studies*	*from Intellectual Property*	Overhead and general expenses	**Grand total**
Wages and salaries	3,371	*688*	*2,670*	*13*	1486	**4,857**
Social security expenses	1,224	*350*	*868*	*6*	736	**1,960**
Sub-total personnel costs **Excluding share-based remuneration**	**4,595**	**1,038**	**3,538**	**19**	**2,222**	**6817**
Fair value of share-based remuneration	688	*136*	*532*	*19*	490	**1,178**
Total personnel costs	**5,282**	**1,173**	**4,070**	**39**	**2,713**	**7,995**

12/31/2015 in thousand €	Research and development expenses	*from Other Research and Development Expenses*	*from Clinical studies*	*from Intellectual Property*	Overhead and general expenses	**Grand total**
Wages and salaries	2,235	*953*	*1,238*	*43*	896	**3,131**
Social security expenseS	920	*427*	*468*	*25*	429	**1,348**
Sub-total personnel costs Excluding share-based remuneration	**3,154**	**1,380**	**1,706**	**69**	**1,325**	**4,480**
Fair value of share-based remuneration	822	*126*	*678*	*19*	301	**1124**
Total personnel costs	**3,977**	**1,506**	**2,384**	**87**	**1,627**	**5,603**

The €2,392,000 increase in personnel costs mainly reflects the payroll increase at the subsidiary ERYTECH Inc. in the amount of €1,194,000 resulting from the expansion of its workforce at the Boston site and the payroll increase at ERYTECH Pharma S.A. (average workforce of 73 employees in 2016 versus 49 in 2015) in the amount of €1,198,000.

6.4 Share-based payment (IFRS 2)

Stock options or bonus shares were allocated to executives, certain employees, and to members of the Board of Directors in the form of share subscription warrants (“BSA”), founder subscription warrants (“BSPCE”), performance-based bonus shares ("AGAP"), or stock options ("SO").

6.4.1 "2014 PLAN"

On January 22, 2014, the Board of Directors used the authorization granted by the Combined General Shareholders' Meeting of April 2, 2013 in resolution 25 to award 22,500 founders' warrants ("$BSPCE_{2014}$") to Erytech executives (12,000 warrants) and a category of "employees with managerial status" not yet named (10,500 warrants). 3,000 $BSPCE_{2014}$ were then converted into BSA_{2014}.

Under the $BSPCE_{2014}$/BSA_{2014} plans, the Board of Directors at the meeting of May 6, 2016 allocated 5,000 $BSPCE_{2014}$ to employees.

The features of the plan are as follows:

Types of securities	**$BSPCE_{2014}$**	**BSA_{2014}**

Number of warrants authorized to be issued	22,500	
Number of warrants awarded	19,500	3,000
Number of warrants exercised	195	-
Number of warrants having	1,090	-
Date of the Board of Directors	January 22, 2014 and May 6, 2016	
Exercise price per new share subscribed	€12,250	
Final date for exercising warrants	January 22, 2024	
Parity	1 warrant for 10	1 warrant for 10
General conditions of exercise	The warrants may be exercised as of their date of vesting. Warrants not exercised by January 22, 2024 will automatically be canceled.	
Maximum number of new shares that can be issued	212,150	

In the event of a beneficiary's departure from the Group for any reason whatsoever, the beneficiary shall retain the $BSPCE_{2014}$ to which he subscribed prior to his departure. However, if a beneficiary leaves the Group for any reason before subscribing to the $BSPCE_{2014}$ to which he is entitled, his $BSPCE_{2014}$ entitlements will be canceled. In such a case, the non-subscribed $BSPCE_{2014}$ may be reallocated to other beneficiaries in the same category and/or replacing the person who left the Company.

In all cases, $BSPCE_{2014}$ not subscribed by January 22, 2024 will automatically lapse.

In accordance with IFRS 2, executives will be deemed to have been awarded all 12,000 warrants as of January 22, 2014. However, they can only subscribe to one-third of their allocation per year, provided they are still in service. In other words, these warrants are allocated gradually, over a three-year vesting period.

On May 6, 2016, the Board of Directors awarded 5,000 additional BSPCE to 21 managerial staff, in accordance with the 2014 Plan.

In accordance with IFRS 2, the Company measured the value of the 5,000 $BSPCE_{2014}$ using the Black&Scholes valuation model.

The main assumptions used to determine the fair value of the $BSPCE_{2014}$ awarded to employees are:

- Risk-free rate: between -0.18% and -0.11% depending on the tranches (according to the zero-coupon government bond rates curve);
- Underlying price: €24.75 representing the market price on the date of the Board meeting
- Expected dividends: zero;
- Volatility: 21.25% to 22.27% based on the historical volatility observed on the NextBiotech index;
- Expected Maturity: - between 5 and 5.51 years depending on the tranche.

The value of the plan amounting to €636,000 was accordingly recognized gradually over a two-year period in accordance with IFRS 2. An expense was recorded for this purpose under personnel expenses as of December 31, 2016, in the amount of €498,000, divided between R&D staff costs in the amount of €417,000 and administrative personnel costs in the amount of €81,000.

6.4.2 "2016 PLAN"

On October 3, 2016, the Board of Directors used the authorizations granted by Combined General Shareholders' Meeting of June 24, 2016 in resolutions 28, 29 and 30 to award 111,261 free performance-based shares ("AGAP") to executives and employees of ERYTECH Pharma S.A., 44,499 stock options ("SO") to employees of the American subsidiary ERYTECH Pharma Inc., and 45,000 warrants ("BSA") to independent directors.

The features of the plan are as follows:

Types of securities	**AGAP$_{2016}$**	**SO$_{2016}$**	**BSA$_{2016}$**
Number of shares authorized to be issued	350,000		
Number of shares / stock options / warrants awarded	111,261	44,499	45,000
Date of the Board of Directors	Oct-3-16	Oct-3-16	Oct-3-16
Number of tranches	3	2	2
Vesting Periods	Tranche 1: 1 year Tranche 2:	Tranche 1: 2 years Tranche 2:	Tranche 1: 1 year Tranche 2:
General holding terms	Tranche 1: 1 year Tranches 2 and 3: NA	NA	NA
Maximum number of new shares that can be issued	111,261	44,499	45,000

In accordance with IFRS 2, Erytech measured the value of the instruments awarded to executives and employees, and to do so used the Monte-Carlo model for the AGAP, Black & Scholes model for the SO and Cox-Ross-Rubinstein model for the BSA.

<u>On October 3, 2016, 111,261 AGAP (free performance-based shares) were awarded</u>

The main assumptions used to determine the fair value of the AGAP$_{2016}$ awarded to executives and employees were:

- Underlying price: €18.52 representing the market price on the date of the Board meeting.
- Expected dividends: zero;
- Attrition rate: zero;

- Volatility: 45% based on the historical volatility observed in the ERYP share price;
- Repo margin: 5%.

The fair value was measured as €974,000. An expense was recognized for this purpose under personnel expenses at December 31, 2016, and split between R&D staff costs (€61,000) and administrative personnel costs (€90,000).

On October 3, 2016, 44,499 SO (stock options) were awarded

The main assumptions used to determine the fair value of the SO_{2016} awarded to employees were:

- Underlying price: €18.52 representing the market price on the date of the Board meeting.
- Expected dividends: zero;
- Attrition rate: zero;
- Volatility: 45% based on the historical volatility observed in the ERYP share price;
- Repo margin: 5%.

The fair value of the plan was measured as €202,000. An expense was recognized for this purpose under personnel expenses at December 31, 2016, and posted to R&D staff costs (€22,000).

On October 3, 2016, 45,000 BSA were awarded

The main assumptions used to determine the fair value of the BSA_{2016} awarded to directors were:

- Underlying price: €18.52 representing the market price on the date of the Board meeting.
- Expected dividends: zero;
- Attrition rate: zero;
- Volatility: 45% based on the historical volatility observed in the ERYP share price;
- Repo margin: 5%.

The fair value of the plan was measured as €198,000. An expense will be recognized gradually over a 2-year period in accordance with IFRS 2. An expense of €37,000 was recognized on December 31, 2016 under overhead and general expenses.

6.5 Net depreciation, amortization and provisions

in K€	12.31.2016	12.31.2015
Research and development expenses	25	26
Clinical studies	252	224
Intellectual property costs	-	-
Overhead and general expenses	148	120
Net allocation to amortizations and provisions	**425**	**369**

6.6 Profit or loss from financing activities

(in K€)	12.31.2016	12.31.2015
Interest on finance leases	(4)	(5)
Interest on repayable advances		(25)
Other financial expenses	(66)	(34)
Total external expenses	**(70)**	**(64)**
Interest accrued on short-term	545	523
Other financial income	13	108
Total financial income	**558**	**631**
Total Income (expense)	**488**	**567**

Financial income primarily corresponds to the interest accrued on short-term deposits. Other financial expenses correspond to exchange rate losses recognized on current transactions.

6.7 Tax on profit or loss

Tax reconciliation

in K€	12.31.2016	12.31.2015
Loss before tax	(21,902)	(15,016)
Notional tax income	7,541	5,170
Uncapitalized tax loss for the financial	(8,303)	(5,001)
Non-taxation of CICE	24	18
Tax credits	1,144	764
Impact of IFRS 2 restatement	(398)	(935)
Difference in tax rate	(51)	(7)
Other differences	33	(6)
Effective tax (Liability) / Income	**(10)**	**3**

The losses that can be carried forward were capitalized only in the amount of the deferred tax liabilities.

Tax losses carried forward amounted to €80 million as of December 31, 2016.

7 Notes to the consolidated statement of financial position

7.1 Intangible assets

in K€	12.31.2015	Acquisitions/Allocation to depreciation and	Disposals	12.31.2016
Other intangible assets				
Gross	184	25	-	209
Depreciation and Amortization	(122)	(29)	-	(152)
Net book value	61	(4)		57

7.2 Fixed assets

in K€	12.31.2015	Acquisitions/Allocation to depreciation and amortization.	Disposals / Transfers	12.31.2016
Assets financed through finance leases				
Laboratory equipment				
Gross	974			974
Depreciation and Amortization	(831)	(51)		(882)
Net book value	**143**			**92**
Office and IT equipment				**-**
Gross	-	118		118
Depreciation and Amortization	-	(7)		(7)
Net book value	**-**			**111**
Assets not financed through finance leases				
Technical facilities, industrial machinery and				
Gross	727	123		850
Depreciation and Amortization	(426)	(98)		(523)
Net book value	**301**			**327**
General facilities, fixtures & fittings, and other				
Gross	1,079	387		1,466
Depreciation and Amortization	(733)	(175)		(909)
Net book value	**345**			**558**
Office and IT equipment				
Gross	134	279		413
Depreciation and Amortization	(51)	(67)		(118)
Net book value	**83**			**295**
Assets under construction	44	862	(44)	862
GRAND TOTAL				
Gross	2,958	1,770	(44)	4,684
Depreciation and Amortization	(2,041)	(398)	-	(2439)
Net book value	**918**	**1,372**	**(44)**	**2,245**

7.3 Non-current financial assets

in K€	12.31.2016	12.31.2015
Deposits and sureties	132	97
Total other non-current financial assets	**132**	**97**

7.4 Inventories

in K€	12.31.2016	12.31.2015
Production inventories	71	79
Laboratory inventories	74	87
Inventories total	**145**	**166**

7.5 Trade accounts and related accounts

(in K€)	12.31.2016	12.31.2015
Receivables	218	424
Trade and related receivables	**218**	**424**

Trade receivables primarily represent the receivable related to the re-invoicing to Orphan Europe of the 2012-10 AML clinical trial as well as the re-invoicing of the new NOPHO trial in the amount of €108,000.

7.6 Other current assets

in K€	12.31.2016	12.31.2015
Research tax credit	3,321	3,743
Tax receivables (VAT, etc.) and other	863	1,190
Shareholders - Cash contribution	-	553
Pre-paid expenses	339	220
Other subsidies to be received	-	-
Other current assets	**4,524**	**5,705**

The CIR for 2014 and 2015 which were audited by the tax authorities were received in fiscal year 2016. The CIR amount recorded in the financial statements ended December 31, 2016 is the same as the amount applied for in fiscal year 2016.

Pre-paid expenses correspond to rent for the first quarter of 2017.

7.7 Cash and cash equivalents

in K€	12.31.2016	12.31.2015
Cash and cash equivalents	37,646	45,634
Bank overdrafts	-	-
Net cash	**37,646**	**45,634**

The cash position is composed of the following items:

- As of 12.31.2016:
  - €10,646,000 in current accounts,
  - €27,000,000 in short-term deposits with maturities of 1 month to 3 years, but available without penalty subject to a 32-day notice.
- As of 12.31.2015:
  - €20,181,000 in current accounts,
  - €25,453,000 in short-term deposits with maturities of 1 month to 3 years, but available without penalty subject to a 32-day notice.

ERYTECH Pharma also retained in its securities portfolio the 2,500 treasury shares. These shares are intended for future cancellation.

7.8 Shareholders' equity

As of December 31, 2015, the capital of the parent company was comprised of 7,924,611 shares, fully paid up, with a nominal value of €0.1.

Following new funds raised on the Euronext stock exchange in December 2016 and the exercise of subscription warrants, the share capital was increased to 8,732,648 shares with a par value of €0.1.

	Number of shares
Number of shares issued as of December 31, 2015	**7,924,611**
Exercise of warrants	14,160
Issue of new shares on Euronext	793,877
Number of shares issued as of December 31, 2016	**8,732,648**

The issuance costs for the new shares on the stock exchange, which totaled €94,000, were recorded against the issue premium.

These were mainly bank commissions and lawyers' fees.

Basic earnings per share and diluted earnings per share

in K€	12.31.2016	12.31.2015
Net profit or loss for the period	(21,913)	(15,013)
Weighted number of shares for the period	7,983,642	6,957,654
Basic loss per share (€/share)	**(2.74)**	**(2.16)**
Diluted loss per share (€/share)	**(2.74)**	**(2.16)**

As of December 31, 2016, the 626,000 potential shares that could be issued within the context of exercising issued warrants were not taken into account in the calculation of the diluted earnings, as their effect would be anti-dilutive.

7.9 Provisions

The provisions for risks and expenses can be broken down as follows

in K€	12.31.2016	12.31.2015
IDR provisions	163	100
Provisions for disputes	-	81
Provisions	**163**	**181**

The regime applicable at ERYTECH Pharma is defined by the collective agreement for the pharmaceutical industry.

The Group recognizes actuarial differences under other items of comprehensive income. The pension commitments are not covered by plan assets. The portion of the provision for amounts due within one year is not significant.

The calculation assumptions for measuring the provision concerning employees are as follows:

	12.31.2016	12.31.2015
Discount rate	1.36%	2.03%
Pay increases	2%	2%
Social security contribution rate	Non-managers Managers 54%	Non-managers Managers 54%
Age of retirement:	65 - 67 years	65 - 67 years
Mortality table	INSEE 2014	INSEE 2014

The Company settled the BPI France dispute regarding the GR-SIL subsidy of €81,000 and refundable advances of €23,000. The reimbursement in the amount of €104,000 was made in January 2016.

The breakdown of provisions is as follows:

in K€	AT OPENING OF PERIOD	Others *	Allocations	Unused reversals	Used reversals	AT CLOSE OF PERIOD
Period beginning January 1, 2016 and						
IDR provisions	100	30	33			163
Provisions for disputes	81		-		81	-
Net balance at close	**181**	**30**	**33**	**-**	**81**	**163**
Period beginning January 1, 2016 and ending December 31, 2016						
IDR provisions	89	(8)	20			100
Provisions for disputes	-		81			81
Net balance at close	**89**	**(8)**	**101**	**-**	**-**	**181**

* The “Other movements” correspond to actuarial differences recognized.

7.10 Debt

Debt by type

in K€	12.31.2016	12.31.2015
Financial debt linked to finance leases	204	144
Conditional advances	1,182	563
Loans	1480	-
Financial debt	**2,865**	**708**

Debt by maturity

in K€	12.31.2016		
	Amounts due		TOTAL
	Less than one year (current)	More than one year (non-current)	
Loans		1,480	1,480
Conditional advances	-	1,182	1,182
Financial debt linked to finance leases	50	154	204
Convertible bonds			-
Bank overdrafts			
Total loans	**50**	**2,816**	**2,865**

in K€	12.31.2015		
	Amounts due		TOTAL
	Less than one year (current)	More than one year (non-current)	
Loans			-
Conditional advances	501	63	563
Financial debt linked to finance leases	56	88	144
Convertible bonds			-
Bank overdrafts			
Total loans	**557**	**151**	**708**

The Company obtained a loan from Société Générale in the amount of €1,900,000 repayable over 36 months at an annual interest rate of 0.40%, to fund its investments.

The conditional advances from public authorities relate to contracts with BPI FRANCE. The Group has three contracts related to conditional advances with BPI FRANCE Innovation. These advances are not interest-bearing and are 100% repayable (nominal value) in the event of technical and/or commercial success.

Within the IFRS framework, the fact that a conditional advance has no annual interest payment amounts to obtaining a zero-interest loan, i.e., more favorable than market conditions. The difference between the amount of the advance at its historical cost and that of the advance discounted at the risk-free rate (10-year OAT) increased by an estimated credit spread is considered to be a grant received from the State. These grants are recognized over the estimated duration of the projects financed by these advances.

The portion of the conditional advances due in more than one year is recorded under borrowings - non-current portion, while the portion at less than one year is recorded under borrowings - current portion.

Since its creation, the Group has received 3 advances from BPI FRANCE, repayable under certain conditions, the main terms of which are presented below:

- **BPI FRANCE / PANCREAS**

The first conditional advance, granted by BPI FRANCE, for a total amount of €735,000, concerns the program for the "development of a new treatment against pancreatic cancer through the administration of allogenic red blood cells incorporating L-asparaginase."

This conditional advance was received in three phases:

- €294,000 upon signature of the agreement (paid in 2008)

- €294,000 upon calls for funds (paid in 2010)

- Balance upon completion of work after acceptance of the finalization of the program identified by BPI FRANCE (paid in 2011)

The repayment of this conditional advance will be made according to a fixed payment schedule that ended on 6/30/2016.

The Group has undertaken to repay the entire conditional advance according to the following payment schedule:

- €100,000 by June 30, 2013

- €150,000 by June 30, 2014

- €225,000 by June 30, 2015

- €260,000 by June 30, 2016

As of December 31, 2016, all repayments had been made when due.

- **BPI FRANCE FEDER**

The second conditional advance, granted by BPI FRANCE FEDER, which provided for a total amount of €135,000, concerns a program for the "preclinical validation of the encapsulation of interfering RNA for therapeutic use in red blood cells, notably to limit inflammation of the cirrhotic liver and/or prevent the development of hepatocellular carcinomas."

This conditional advance was received in 4 phases:

- €40,500 upon signature of the agreement (paid in 2009)

- €40,500 upon calls for funds (paid in 2010)

- €27,000 upon calls for funds

- Balance upon completion of work with acceptance of the finalization of the program by BPI FRANCE.

The Group has received €81,000 from BPI FRANCE/FEDER under this program. As the work corresponding to the FEDER assistance is currently terminated, the Group will not receive the last two payments of €27,000.

The repayment of this conditional advance will be made according to a fixed payment schedule that ended on 6/30/2016.

The Group has undertaken to repay the entire conditional advance according to the following payment schedule:

– €7,500 by September 30, 2013

– €7,500 by December 31, 2013

– €7,500 by March 31, 2014

– €7,500 by June 30, 2014

– €9,250 by September 30, 2014

– €9,250 by December 31, 2014

– €9,250 by March 31, 2015

– €9,250 by June 30, 2015

– €14,000 by September 30, 2015.

The Company repaid the balance of the conditional advance (€23,000) in January 2016. It also repaid the corresponding subsidy of €81,000 to settle the dispute with BPI France.

- **BPI FRANCE / TEDAC:**

Conditional advance provided by BPI FRANCE under the TEDAC project for a total amount of €4,895,052. This conditional advance was paid upon completion of the following key milestones:

– €62,607 upon signature of the agreement (paid in 2012)

– the remainder upon calls for funds when key milestones are reached.

The Group undertakes to repay BPI France initially:

a) A sum of €5,281,000 upon achieving a cumulative amount of sales (excluding VAT) equal to or greater than €10 million, according to the following payment schedule:

   - €500,000 at the latest on June 30 of the first year in which the cumulative sales is achieved,
   - €750,000 at the latest on June 30 of the second year,
   - €1,500,000 at the latest on June 30 of the third year,
   - €2,531,000 at the latest on June 30 of the fourth year,

b) And, where applicable, an annuity equal to 50% of the income generated through the sale of intellectual property rights resulting from the project, within the limit of a total repayment of €5.3 million.

In a second phase, where the cumulative sales reach €60 million, the Group undertakes to pay BPI France a sum of 2.5% of the sales generated by the products developed within the project, limited to a total amount of €15 million over 15 years.

7.11 Other liabilities

in K€	12.31.2016	12.31.2015
Other current liabilities		
Tax and social security liabilities	1,465	1,241
Pre-paid income	-	-
Other debts	-	71
Other current liabilities	**1,465**	**1,311**

7.12 Related parties

Gil Beyen is the Chief Executive Officer of the Company; Jérôme Bailly is the Chief Pharmacist of the Company and Chief Operating Officer. The other related parties are the members of the Board of Directors.

The remuneration of managers and other members of senior management during the financial year was as follows:

in K€	12.31.2016	12.31.2015
Gross total compensation	702	1,144
Share-based payments	226	1,994
Total	**928**	**3,138**

The Group has no further related parties.

7.13 Financial instruments recorded in the balance sheet and effect on results

12/31/2016 in K€		Balance sheet value	Fair value through the income statement	Loans and receivables	Debt measured at amortized cost	Fair value
Non-current financial assets	(1)	132		132		132
Trade accounts receivable	(1)	218		218		218
Other current assets	(1)	4,524		4,524		4,524
Cash and cash equivalents	(2)	37,646	37,646			37,646
						-
Total financial income		**42,520**	**37,646**	**4,874**	**-**	**42,520**
Financial liabilities - Non-current portion	(1)	2,816			2,816	2,816
Financial liabilities – current portion	(1)	50			50	50
Trade and related payables	(1)	4,832			4,832	4,832
						-
Total financial liabilities		**7,697**	**-**	**-**	**7,697**	**7,697**

12/31/2015 in K€		**Balance sheet value**	**Fair value through the income statement**	**Loans and receivables**	**Debt measured at amortized cost**	**Fair value**
Non-current financial assets	(1)	97		97		97
Trade accounts receivable	(1)	424		424		424
Other current assets	(1)	5,705		5,705		5,705
Cash and cash equivalents	(2)	45,634	45,634			45,634
						-
Total financial income		**51,860**	**45,634**	**6,226**	**-**	**51860**
Financial liabilities - Non-current portion	(1)	151			151	151
Financial liabilities – current portion	(1)	557			557	557
Trade and related payables	(1)	3,672			3,672	3,672
						-
Total financial liabilities		**4,380**	**-**	**-**	**4,380**	**4,380**

(1) The book value of these assets and liabilities is a reasonable approximation of their fair value

(2) Fair value at level 2

8 MANAGEMENT OF FINANCIAL RISKS

The main risks to which the company is exposed are liquidity risk, foreign exchange rate risk, interest rate risk and credit risk.

Foreign exchange rate risk

The Group uses the euro as its functional currency within the context of its information and financial communications activity. However, a significant portion, about 23% of its operating expenses, is denominated in US dollars and accounted for through the agency office in Boston, cooperation relating to the production of clinical batches with the American Red Cross, business development consultants, consultants for the development of clinical trials in the United States and various cooperation with regard to tests and clinical projects in the United States.

To date, the Group has not opted to use active hedging techniques, and does not use derivative instruments to this end. Unfavorable exchange rate fluctuations between the euro and the dollar that are difficult to predict could affect the financial position of the Company.

This dependency will increase, as the Group will perform clinical trials in the USA and, in the longer term, sell on this market.

Expenses in US Dollars totaled $6,242,000 during the 2016 financial year.

The EUR/USD rate fell considerably at the period end, reaching $1.0541 per €1 as of December 31, 2016.

The exchange rate differences are not significant for the periods presented.

Liquidity risk

The Group has been structurally loss generating since its creation. The net cash flows associated with the Group's operating activities were respectively -€22 million as of December 31, 2016 and -€15 million as of December 31, 2015.

Historically, the Group has financed its growth by strengthening its shareholders' equity in the form of capital increases and the issue of convertible bonds. The capital increase associated with its introduction on the stock market in May 2013, as well as the operation renewed in 2014, 2015 and 2016, enables the Group to ensure its business continuity for many years.

The remaining contractual maturities of financial liabilities are broken down as follows (including interest payments):

The remaining contractual maturities of financial liabilities are broken down as follows (including interest payments):

in K€	2016			
	Net book value	Contractual cash flow Total	Less than 1 year (current)	1 to 5 years (non-current)
Loans	1,480	(1,480)		(1,480)
Conditional advances	1,182	(1,182)	-	(1,182)
Financial debt linked to finance leases	204	(218)	(95)	(123)
Convertible bonds, Bank overdrafts, Trade and related payables	4,832	(4,832)	(4,832)	
Total	**7,697**	**(7,712)**	**(4,927)**	**(2,785)**

in K€	2015			
	Net book value	Contractual cash flow Total	Less than 1 year (current)	1 to 5 years (non-current)
Loans				
Conditional advances	563	(570)	(507)	(63)
Financial debt linked to finance leases	144	(149)	(59)	(91)
Convertible bonds Bank overdrafts Trade and related payables	3,672	(3,672)	(3,672)	
Total	**4,380**	**(4,392)**	**(4,238)**	**(153)**

Interest rate risk

The Group has little exposure to interest rate risk. Such exposure would involve monetary fund investments in foreign currencies and term deposit accounts. The change in interest rates has a direct impact on the rate of return on investment and cash flows generated.

The Group obtained a loan from Société Générale in the amount of €1.9 million of which €1.48 million was drawn in 2016; repayments on this loan are not exposed to interest rate risk. Repayments of conditional advances obtained from BPI France are not exposed to interest rate risk.

Credit risk

Credit risk arising from the Company's cash and cash equivalents is not significant in view of the quality of the financial institutions contracting with the Group.

Fair value risk

The fair value of instruments traded on an active market that are classified as available for sale is based on market rates at Saturday, December 31, 2016. Market prices used by the Group to enhance the value of its financial instruments are near market prices at the valuation date. The nominal value, minus depreciation, of receivables and payables is considered the best approximation of the fair value of those items.

Inflation risk

We do not believe that inflation could have a material effect on our business, financial conditions, or results of operations. If our costs were to be subject to inflationary changes, it is possible that we would not be able to pass on a significant increase in costs.

9 OFF-BALANCE-SHEET COMMITMENTS

Off-balance-sheet commitments relating to operating leases total €442,000 and mainly correspond to leases on buildings. The maturities on these expenses are as follows:

Less than 1 year: €295,000

Between 1 year and 5 years: €147,000

More than 5 years: €0 K

10 STATUTORY AUDITORS' FEES

For the 2016 financial year, the auditor fees totaled:

- within the scope of its legal term of office: €165,000 excluding out-of-pocket expenses,
- for audit certification: €3 K
  - for the NASDAQ IPO: €232 K

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ERYTECH PHARMA

A limited liability company (société anonyme) with capital of €873,265

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STATUTORY AUDITORS' REPORT PREPARED IN APPLICATION OF ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE COMPANY ERYTECH PHARMA S.A.

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

Dear Shareholders,

In our capacity as statutory auditors of ERYTECH Pharma SA, and in application of the provisions of Article L. 225-235 of the French Commercial Code, we hereby present you our report on the report prepared by the Chairman of the company, in conformity with the provisions of Article L. 225-37 of the Commercial Code, for the financial year ending December 31, 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and

- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code ("Code de commerce"), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

1. Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;

- obtaining an understanding of the work involved in the preparation of this information and existing documentation;

- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Code ("Code de Commerce").

2. Other information

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code ("Code de commerce").

The statutory auditors
Lyon, Tuesday, March 28, 2017

For KPMG Audit, a division of KPMG S.A.

Sara Righenzi de Villers
Partner

For RSM Rhône Alpes

Gaël Dhalluin
Partner

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CERTIFICATION OF THE STATUTORY AUDITORS OF THE INFORMATION PROVIDED UNDER ARTICLE L. 225-115 4 OF THE FRENCH COMMERCIAL CODE REGARDING THE TOTAL AMOUNT OF REMUNERATION PAID TO THE MOST HIGHLY REMUNERATED INDIVIDUALS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

General meeting for approval of the financial statements
of the fiscal year ended December 31, 2016

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of Article L. 225-115 4 of the French Commercial Code, we have prepared this certification of the information regarding the total amount of remuneration paid to the most highly remunerated individuals for the financial year ended December 31, 2016, which appears in the attached document.

This information was prepared by the Chairman of the Board of Directors of your Company. Our task is to certify this information.

In the course of our engagement as statutory auditor, we have performed an audit of your company's yearly financial statements for the financial year ended December 31, 2016. Our audit, conducted in accordance with professional standards applicable in France, had the objective of issuing an opinion on the annual financial statements as a whole, and not on the specific items of these financial statements used to determine the total amount of remuneration paid to the most highly remunerated individuals. Therefore, we have not conducted our audit tests or used our sampling techniques during the fulfillment of this objective, and we do not issue any opinion on these items taken in isolation.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures, which are not an audit or a limited review, consisted in performing the alignments necessary between the total amount of remuneration paid to the most highly remunerated individuals and the accounting from which it is derived, as well as verifying that it is in agreement with the items which served as a basis in the preparation of the annual financial statements for the financial year ended December 31, 2016.

Based on our work, we have no observation to make on the agreement of the total amount of remuneration paid to the most highly remunerated individuals, appearing in the attached document and amounting to €1,040,858.90, with the accounting which served as a basis in the preparation of the annual financial statements for the financial year closed December 31, 2016.

This declaration serves as certification of the exactitude of the total amount of remuneration paid to the most highly remunerated individuals in terms of Article L. 225-115 4 of the French Commercial Code.

The statutory auditors
Lyon, Monday, May 15, 2017

For KPMG Audit, a division of KPMG S.A.	For RSM Rhône Alpes
Sara Righenzi De Villers Partner	Gaël Dhalluin Partner

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Statement of total amount of remuneration paid to the most highly remunerated individuals

The total amount of the salaries, the various allocations and indemnities, fees and benefits in kind paid to the five most highly remunerated individuals during the financial year ended December 31, 2016 amounts to €1,040,858.90 (one million forty thousand eight hundred and fifty-eight euros and ten cents).

Prepared in Lyon on May 15, 2017

The chairman of the Board of Directors

Gil Beyen

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Erytech Pharma S.A.

Supplementary statutory auditors' report on the issuance of share subscription warrants, with existing shareholders' preferential subscription rights waived

Board of Directors' Meeting of October 3, 2016
Erytech Pharma S.A.
60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
This report contains 3 pages
Reference: L164-108

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Erytech Pharma S.A.

Headquarters: 60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
Share capital: €792,461.10

Supplementary statutory auditors' report on the issuance of share subscription warrants, with existing shareholders' preferential subscription rights waived

Board of Directors' Meeting of October 3, 2016

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of the provisions of Article R. 225-116 of the French Commercial Code, we hereby present you a report supplementing our report of June 3, 2016, on the issuance of share subscription warrants with existing preferential subscription rights waived, reserved for corporate officers and employees of the company or companies of Erytech Pharma S.A., authorized by your Extraordinary Shareholders' Meeting of June 24, 2016.

This meeting, in resolution 30, delegated the authorization to decide on such an operation within the following 18 months to the Board of Directors, for a maximum of 60,000 shares, with the stipulation that the total nominal amount of capital increases that may result from this operation may not exceed the ceiling of 350,000 common shares under resolutions 28-30 of the Extraordinary General Meeting of June 24, 2016.

In exercise of this delegation of authority, your Board of Directors, at its meeting of October 3, 2016, decided to proceed with the issuance of 45,000 free share subscription warrants. The maximum amount of the capital increase that may result from this issuance amounts to €4,500.

It is the task of the Board of Directors to establish a supplementary report pursuant to Articles R. 225-115 et seq. of the French Commercial Code. It is our task to issue an opinion on the fairness of the figures extracted from an interim financial position of the company, on the proposal to waive preferential subscription rights and certain other information concerning the issuance, which are provided in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures mainly consisted in verifying:

- The fairness of the figures extracted from the interim financial position, prepared by the Board of Directors on September 30, 2016, using the same methods and prepared in the same format as the last annual financial statements. The work we performed on this interim financial position consisted in communicating with members of management responsible for accounting and financial matters, verifying that the interim financial position was prepared under the same accounting principles, valuation methods and format as those used for the preparation of the last financial statements, as well as implementing analytic procedures;

- conformity of the operation's terms and conditions with the authorization granted by the General Meeting;
- the information presented in the supplementary report of the Board of Directors on the choice of items used in the calculation of the share issue price and its final amount.

We have no observation to make on:

- the fairness of the figures extracted from this interim financial position and data contained in the supplementary report of the Board of Directors;
- conformity of the operation's terms and conditions with the authorization granted by the Extraordinary General Meeting of June 24, 2016, and conformity of the indications provided to shareholders;
- the choice of items used in the calculation of the share issue price and its final amount;
- presentation of the impact of the issuance on the financial position of holders of common shares and marketable currencies giving access to capital, assessed in comparison with shareholders' equity and the stock market price of the share.
- the waiving of preferential subscription rights on which you have previously decided.

Lyon, October 10, 2016

KPMG Audit
A division of KPMG S.A.

Sara Righenzi de Villers
Partner

Lyon, October 10, 2016

RSM Rhône-Alpes

Gaël Dhalluin
Partner

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STATUTORY AUDITORS' SUPPLMENTARY REPORT ON THE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED

Board of Directors' Meeting of April 12, 2017

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of the provisions of Article R. 225-116 of the French Commercial Code, we hereby present you a report supplementing our report of June 3, 2016 on the capital increase with preferential subscription rights waived, reserved for physical persons or legal entities, including industrial or commercial companies, or investment funds operating under French or foreign law which habitually invest in the pharmaceutical and or biotechnology sectors, or to French or foreign providers of investment services, or any foreign entity with equivalent status, authorized by your Combined General Meeting of June 24, 2016.

This meeting delegated the authority to decide on such an operation to your Board of Directors within the following 26 months, for a maximum nominal amount of €1,000,000 (with a nominal value of €0.10).

In exercise of this delegation of authority, your Board of Directors, at its meeting of December 6, 2016, decided to proceed with a capital increase of €70,500,000, through the issuance of 3,000,000 common shares, with a nominal value of €0.10 each and an issue premium at a unit price of €23.4.

It is the task of the Board of Directors to establish a supplementary report pursuant to Articles R. 225-115 and R. 225-116 of the French Commercial Code. It is our task to issue an opinion on the fairness of the figures extracted from an interim financial position of the company, on the proposal to waive preferential subscription rights and certain other information concerning the issuance, which are provided in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures mainly consisted in verifying:

- The fairness of the figures extracted from the interim financial position, prepared by the Board of Directors on March 31, 2017, using the same methods and prepared in the same format as the last annual financial statements. The work we performed on this interim financial position consisted in communicating with members of management responsible for accounting and financial matters, verifying that the interim financial position was prepared under the same accounting principles, valuation methods and format as those used for the preparation of the last financial statements, as well as implementing analytic procedures;

- conformity of the operation’s terms and conditions with the authorization granted by the General Meeting;

- the information presented in the supplementary report of the Board of Directors on the choice of items used in the calculation of the issue price and its final amount.

We have no observation to make on:

- the fairness of the figures extracted from this interim financial position and data contained in the supplementary report of the Board of Directors;
- conformity of the operation's terms and conditions with the authorization granted by the Extraordinary General Meeting of June 24, 2016, and conformity of the indications provided to shareholders;
- the choice of items used in the calculation of the issue price and its final amount;
- presentation of the impact of the issuance on the financial position of holders of common shares and marketable currencies giving access to capital, assessed in comparison with shareholders' equity and the stock market price of the share;
- the waiving of preferential subscription rights on which you have previously decided.

The statutory auditors
Lyon, Thursday, April 27, 2017

For KPMG Audit, a division of KPMG S.A.

Sara Righenzi De Villers
Partner

For RSM Rhône Alpes

Gaël Dhalluin
Partner

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STATUTORY AUDITORS' SUPPLMENTARY REPORT ON THE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED

Board of Directors' Meeting of December 7, 2016

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of the provisions of Article R. 225-116 of the French Commercial Code, we hereby present you a report supplementing our report of June 3, 2016, on the capital increase with existing preferential subscription rights waived, authorized by your Extraordinary Shareholders' Meeting of June 24, 2016.

This meeting delegated the authority to decide on such an operation to your Board of Directors within the following 26 months, for a maximum nominal amount of €1,000,000 (with a nominal value of €0.10).
In exercise of this delegation of authority, your Board of Directors, at its meeting of December 6, 2016, decided to proceed with a capital increase of €9,923,462.50 through the issuance of 793,877 common shares, with a nominal value of €0.10 each and an issue premium at a unit price of €12.4.

It is the task of the Board of Directors to establish a supplementary report pursuant to Articles R. 225-115 and R. 225-116 of the French Commercial Code. It is our task to issue an opinion on the fairness of the figures extracted from an interim financial position of the company, on the proposal to waive preferential subscription rights and certain other information concerning the issuance, which are provided in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures mainly consisted in verifying:

- The fairness of the figures extracted from the interim financial position, prepared by the Board of Directors on September 30, 2016, using the same methods and prepared in the same format as the last annual financial statements. The work we performed on this interim financial position consisted in communicating with members of management responsible for accounting and financial matters, verifying that the interim financial position was prepared under the same accounting principles, valuation methods and format as those used for the preparation of the last financial statements, as well as implementing analytic procedures;

- conformity of the operation's terms and conditions with the authorization granted by the General Meeting;

- the information presented in the supplementary report of the Board of Directors on the choice of items used in the calculation of the issue price and its final amount.

We have no observation to make on:

- the fairness of the figures extracted from this interim financial position and data contained in the supplementary report of the Board of Directors;
- conformity of the operation's terms and conditions with the authorization granted by the Extraordinary General Meeting of June 24, 2016, and conformity of the indications provided to shareholders;
- the choice of items used in the calculation of the issue price and its final amount;
- presentation of the impact of the issuance on the financial position of holders of common shares and marketable currencies giving access to capital, assessed in comparison with shareholders' equity and the stock market price of the share;
- the waiving of preferential subscription rights on which you have previously decided.

The statutory auditors
Lyon, Thursday, December 22, 2016

For KPMG Audit, a division of KPMG S.A.

Sara Righenzi de Villers
Partner

For RSM Rhône Alpes

Gaël Dhalluin
Partner

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Erytech Pharma S.A.

Supplementary statutory auditors' report on the issuance of share subscription warrants, with existing shareholders' preferential subscription rights waived

Board of Directors' Meeting of January 8, 2017
Erytech Pharma S.A.
60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
This report contains 3 pages
Reference: L171-129

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Erytech Pharma S.A.

Headquarters: 60 avenue Rockefeller - Bâtiment Adénine - 69008 Lyon
Share capital: €873,264.80

Supplementary statutory auditors' report on the issuance of share subscription warrants, with existing shareholders' preferential subscription rights waived

Board of Directors' Meeting of January 8, 2017

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of the provisions of Article R. 225-116 of the French Commercial Code, we hereby present you a report supplementing our report of June 3, 2016, on the issuance of share subscription warrants with existing preferential subscription rights waived, reserved for corporate officers and employees of the company or companies of Erytech Pharma S.A., authorized by your Extraordinary Shareholders' Meeting of June 24, 2016.

This meeting, in resolution 30, delegated the authorization to decide on such an operation within the following 18 months to the Board of Directors, for a maximum of 60,000 shares, with the stipulation that the total nominal amount of capital increases that may result from this operation may not exceed the ceiling of 350,000 common shares under resolutions 28-30 of the Extraordinary General Meeting of June 24, 2016.

In exercise of this delegation of authority, your Board of Directors, at its meeting of January 8, 2017, decided to proceed with the issuance of 15,000 free share subscription warrants. The maximum amount of the capital increase that may result from this issuance amounts to €1,500.

It is the task of the Board of Directors to establish a supplementary report pursuant to Articles R. 225-115 et seq. of the French Commercial Code. It is our task to issue an opinion on the fairness of the figures extracted from a draft of the consolidated financial statements at December 31, 2016, on the proposal to waive preferential subscription rights and certain other information concerning the issuance, which are provided in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures mainly consisted in verifying:

- the fairness of the information extracted from a draft of the consolidated financial statements as of December 31, 2016, prepared by management but not yet finalized by the Board of Directors or submitted for approval by the General Meeting. The work we performed on this draft of the consolidated financial statements consisted in communicating with members of management responsible for accounting and financial matters, verifying that the draft of the consolidated financial statements was prepared under the same accounting principles, valuation methods and format as those used for the preparation of fiscal year 2015 financial statements, as well as implementing analytic procedures;

- conformity of the operation's terms and conditions with the authorization granted by the General Meeting;
- the information presented in the supplementary report of the Board of Directors on the choice of items used in the calculation of the share issue price and its final amount.

We have no observation to make on:

- the fairness of the figures extracted from the draft consolidated financial statements and data contained in the supplementary report of the Board of Directors, it being specified that our audit work or events subsequent to the close of the financial year might lead the Board of Directors to finalize a different version of the financial statements than those extracted from the figures appearing in its report;
- conformity of the operation's terms and conditions with the authorization granted by the Extraordinary General Meeting of June 24, 2016, and conformity of the indications provided to shareholders;
- the choice of items used in the calculation of the share issue price and its final amount;
- presentation of the impact of the issuance on the financial position of holders of common shares and marketable currencies giving access to capital, assessed in comparison with shareholders' equity and the stock market price of the share.
- the waiving of preferential subscription rights on which you have previously decided.

Lyon, January 16, 2017

KPMG Audit
A Division of KPMG S.A.

Sara Righenzi De Villers,
Partner

Lyon, January 16, 2017

RSM Rhône-Alpes

Gaël Dhalluin,
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ERYTECH PHARMA

A limited liability company (société anonyme) with capital of €792,461.10

60 avenue Rockefeller –
69008 Lyon

STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR EMPLOYEES ENROLLED IN A COMPANY SAVINGS PLAN

<u>Combined General Meeting of June 24, 2016 - resolution 27</u>

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of the engagement established in Articles L. 225-135 et seq. of the French Commercial Code, we hereby present you our report on the proposal to delegate to the Board of Directors the authority to decide on a capital increase through issuance of common shares with preferential subscription rights waived, reserved for company employees and employees of companies linked to it in terms of Article L. 225-180 of the French Commercial Code who are enrolled in your company's savings plan, an operation on which you are called to decide.
The maximum nominal amount of the capital increase cannot exceed, by more than 3%, the amount of said employees' equity investment in the capital stock as of the day when the Board of Directors decides to implement this resolution.

This capital increase is submitted for your approval in application of the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code.

The Board of Directors asks you, on the basis of its report, to delegate to it for a period of 12 months the authorization necessary to decide on a capital increase and to waive the preferential subscription rights over common shares to be issued. Should this occur, the task of the Board of Directors will be to set the definitive terms and conditions of the issuance for this operation.

It is the task of the Board of Directors to establish a report pursuant to Articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our task to issue an opinion on the fairness of the figures extracted from the financial statements, on the proposal to waive preferential subscription rights and certain other information concerning the issuance, which are provided in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying the content of the Board of Directors' report on this operation and the methods for determining the issuance price of the shares.

Subject to further review of the terms and conditions of the proposed capital increase, we have no observation to make on the methods for determining the issuance price for common shares to be issued, which are provided in this report.

As the definitive terms and conditions of the capital increase are not set, we have no opinion to issue on them, and consequently no opinion to issue on the proposal made to you to waive preferential subscription rights.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare a supplementary report, as applicable, upon the use of this authorization by your Board of Directors.

The statutory auditors, Lyon,
June 3, 2016

For KPMG Audit, a division of KPMG S.A.

Sara Righenzi de Villers, Partner

For RSM Rhône Alpes

Gaël Dhalluin,
Partner

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**60 avenue Rockefeller –
69008 Lyon**

STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO ISSUE SHARE SUBSCRIPTION WARRANTS, WITH EXISTING SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED

Combined General Meeting of June 24, 2016 - resolution 30

Dear Shareholders,

In our capacity as statutory auditor of your company and in application of the engagement established in Articles L. 228-92 L. 225-135 et seq. of the French Commercial Code, we hereby present to you our report on the proposal to delegate to the Board of Directors the authority to decide on an issuance of share subscription warrants, with preferential subscription rights waived, reserved for corporate officers and employees of the company or companies of the Erytech Pharma group, an operation on which you are called to decide.

The total nominal amount of capital increases that may result from this operation will be a maximum 60,000 shares and may not exceed the ceiling of 350,000 common shares under resolutions 28-30.

The Board of Directors asks you, on the basis of its report, to delegate to it for a period of 18 months the authorization necessary to decide on an issuance of share subscription warrants and to waive your preferential subscription rights over warrants to be issued. Should this occur, the task of the Board of Directors will be to set the definitive terms and conditions of the issuance for this operation.

It is the task of the Board of Directors to establish a report pursuant to Articles R. 225-113 et seq. of the French Commercial Code. It is our task to issue an opinion on the fairness of the figures extracted from the financial statements, on the proposal to waive preferential subscription rights and certain other information concerning the issuance, which are provided in this report.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing board (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying the content of the Board of Directors' report on this operation and the methods for determining the issuance price of the shares to be issued.

Subject to further review of the terms and conditions of the proposed issuance, we have no observation to make on the methods for determining the issuance price provided in the Board of Directors' report.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare a supplementary report, upon the use of this authorization by your Board of Directors.

The statutory auditors, Lyon,
June 3, 2016

For KPMG Audit, a division of KPMG S.A.

Sara Righenzi de Villers, Partner

For RSM Rhône Alpes

Gaël Dhalluin,
Partner

ERYTECH notice of
meeting brochure
2017