

ACCOUNTING AND FINANCIAL INFORMATION

CORPORATE FINANCIAL STATEMENTS PREPARED (FRENCH STANDARDS) FOR THE
YEAR ENDED DECEMBER 31, 2014

Statement of Assets

Period from 01/01/14 to 12/31/14

ERYTECH PHARMA

HEADINGS	GROSS	Amortization	Net (N) 12/31/2014	Net(N-1) 12/31/2013
UNCALLED SHARE CAPITAL				
INTANGIBLE ASSETS				
Start-up costs				
Development costs				
Licenses, Patents, and similar rights	134,975	104,025	30,951	14,277
Business goodwill				
Other intangible assets				
Advances and payments on intangible assets				
TOTAL intangible assets	134,975	104,025	30,951	14,277
TANGIBLE FIXED ASSETS				
Land				
Buildings				
Plant, equipment, and industrial tooling	617,457	346,398	271,059	29,646
Other tangible assets	1,034,501	671,695	362,806	443,579
Assets under construction	112,480		112,480	20,000
Advances and deposits				
TOTAL tangible assets	1,764,438	1,018,093	746,345	493,225
INVESTMENTS				
Investments in companies counted using the equity method				
Other participating interests	1		1	
Receivables relating to participating interests				
Other investments				
Loans				
Other long-term financial investments	458,923		458,923	581,873
TOTAL Investments	458,924		458,924	581,873
NONCURRENT ASSETS	2,358,337	1,122,117	1,236,220	1 089 375
INVENTORY AND WORKS IN PROGRESS				
Raw materials and supplies	198,356		198,356	138,238
Inventory of in-process goods				
Inventory of in-process services				
Inventory of intermediate and finished goods				
Inventory of goods for resale				
TOTAL Inventory	198,356		198,356	138,238
RECEIVABLES				
Advances and payments on account				429
Trade receivables	104,870		104,870	87,192
Other receivables	2,128,962		2,128,962	1,716 965
Called up share capital, not paid				
TOTAL receivables:	2,233,832		2,233,832	1,804,586
MISCELLANEOUS CASH AT BANK AND IN HAND				
Marketable securities	3,000,583		3,000,583	
Cash at bank and in hand	33,654,518		33,654,518	15,112,523
Prepayments	216,779		216,779	101,067
TOTAL Miscellaneous cash at bank in hand:	36,871,880		36,871,880	15,213,590
CURRENT ASSETS	39,304,069		39,304,069	17,156,414
Debt issuance costs to be spread out				
Bond redemption premiums				
Translation difference - debit balance				
TOTAL ASSETS	41,662,406	1,122,117	40,540,288	18,245,790

Statement of Liabilities

Period from 01/01/14 to 12/31/14

ERYTECH PHARMA

HEADINGS	Net (N) 12/31/2014	Net (N-1) 12/31/2013
NET FINANCIAL POSITION		
Individual or share capital (including paid: 688,276	688,276	555,895
Issuance, merger, contribution premiums, etc.	71,375,715	42,335,338
Revaluation difference including difference the equity method		
Legal reserve		
Reserves required by articles of association or contract		
Regulated reserves		
Other reserves		
Carry forward	(28,774,932)	(22,295,938)
FY profit(loss)	(7,283,237)	(6,478,994)
TOTAL Net financial position:	36,005, 821	14,116,301
INVESTMENT SUBSIDIES		
REGULATED PROVISIONS		
SHAREHOLDERS' EQUITY	36,005,821	14,116,301
Proceeds from the issuance of equity securities		
Conditional advances	580,107	763,607
OTHER SHAREHOLDERS' EQUITY	580,107	763,607
Provisions for liabilities		
Provisions for charges		
PROVISIONS FOR LIABILITIES AND CHARGES		
DEBT		
Convertible bonds		
Other bonds		
Bank loans and overdrafts		15,000
Miscellaneous other loans and advances		
TOTAL debt:		15,000
ADVANCES AND DEPOSITS RECEIVED ON CONTRACTS		
OTHER LIABILITIES		
Trade payables and related accounts	2,096,901	1,524,652
Taxation and social security	988,430	829,988
Liabilities on fixed assets and related		
Other payables	500,593	347,388
TOTAL miscellaneous debt:	3,585,925	2,702,028
DEFERRED INCOME	368,436	648,854
DEBTS	3,954,360	3,365,881
Translation differences - liabilities		
GRAND TOTAL	40,540,288	18,245,790

Income Statement (Part One)

Period from 01/01/14 to 12/31/14

ERYTECH PHARMA

HEADINGS	France	Export	Net (N) 12/31/2014	Net (N-1) 12/31/2013
Sale of goods purchased for resale				
Production of goods sold				
Services sold	791,853		791,853	483,964
Net sales	791,853		791,853	483,964
Production taken to inventory				
Production capitalised				
Operating subsidies			271,231	294,150
Reversals of provisions and amortization, transfers of charges			39,754	133,225
Other earnings			10,294	464
OPERATING INCOME			1,113,132	911,804
EXTERNAL CHARGES				
Purchases of goods for resale (including customs duties)				
Change in inventory of goods for resale				
Purchases of raw materials and other consumables			613,929	578,915
Change in inventory [raw materials and consumables]			(60,118)	(22,255)
Other purchases and external charges			5,866,460	4,308,504
TOTAL external charges:			6,420,271	4,865,164
TAXES (OTHER THAN CORPORATION TAX)			66,537	38,114
EMPLOYEE CHARGES				
Wages and salaries			2,359,456	2,475,736
Social security charges			1,211,628	1,192,720
TOTAL employee charges:			3,571,084	3,668,456
PROVISIONS FOR OPERATIONS				
Charges to impairment of non-current assets			151,645	152,578
Charges to provisions of non-current assets				
Charges to provisions on current assets				
Provisions for liabilities and charges				
TOTAL operating provisions:			151,645	152,578
OTHER OPERATING CHARGES			88,250	43,325
OPERATING CHARGES			10,297,787	8,767,638
OPERATING PROFIT(LOSS)			(9,184,655)	(7,855,834)

Income Statement (Part Two)

Period from 01/01/14 to 12/31/14

ERYTECH PHARMA

HEADINGS	Net (N) 12/31/2014	Net (N-1) 12/31/2013
OPERATING PROFIT(LOSS)	(9,184,655)	(7,855,834)
Allocated profit or transferred loss Loss borne or profit transferred		
FINANCIAL INCOME		
Financial income from participating interests		
Income from other securities and receivables from noncurrent assets		
Other interest and similar income	317,545	534,771
Reversals of provisions, transfers of charges	100,607	
Foreign exchange gains	605	3,195
Net proceeds from the disposal of marketable securities	513	
	419,270	537,966
FINANCIAL CHARGES		
Financial allocations for amortization and provisions		100,607
Interest and similar charges	499	438,881
Foreign exchange losses	24,867	2,700
Net charges from the disposal of marketable securities		
	25,367	542,188
NET FINANCIAL INCOME(LOSS)	393,903	(4,222)
EARNINGS BEFORE INCOME TAX	(8,790,751)	(7,860,056)
NON-RECURRING INCOME		
Non-recurring income on revenue transactions	201	27,829
Non-recurring income on capital transactions		
Reversals of provisions and transfers of charges		
	201	27,829
NON-RECURRING CHARGES		
Non-recurring charges on revenue transactions	15,605	13,423
Non-recurring charges on capital transactions	770	
Non-recurring allocations for amortization and provisions		
	16,375	13,423
NONRECURRING PROFIT (LOSS)	(16,174)	14,406
Employee profit sharing		
Income taxes	(1,523,688)	(1,366,656)
TOTAL INCOME	1,532,603	1,477,599
TOTAL CHARGES	8,815,841	7,956,593
PROFIT OR LOSS	(7,283,237)	(6,478,994)

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

- total from statement of financial position in €:	€40,540,288.21
- sales revenue in €:	€791,852.77
- net book results in €:	(€7,283,237.28)

The financial year had a duration of 12 months, covering the period from 01/01/2014 to 12/31/2014.

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

1 FACTS CHARACTERISTIC OF THE FISCAL YEAR

In October 2014, the company successfully raised €30 M, pertaining to a total of 1,224,489 new shares issued within the scope of a capital increase, with suppression of the preferential subscription right, reserved for investors regularly investing in securities specific to the fields of health care, representing approximately 17.8% of the number of shares in circulation (post-issue).

The issue price was set at 24.50 Euros per share, in compliance with resolution no. 10 of the mixed general shareholders' meeting of June 17, 2014. This price reflects a 3.5% reduction as compared to the weighted average of the Company's share price in the last five trading sessions prior to establishing the price, i.e., 25.39 Euros. In total, 80% of the issue was performed internationally, with 68% in the United States.

Prior to this, the company had announced the positive Phase III results on its clinical study with GRASPA® in the treatment of AML. Analysis of the data from the GRASPIVOTALL clinical trial (GRASPALL2009-06), after one year of monitoring, demonstrates that the study convincingly achieved its primary objectives, and its secondary objectives confirm a favorable profile for the clinical efficacy of GRASPA®. The study also shows favorable results in patients with histories of allergies to L-asparaginase.

During the financial year, the company also recruited the first patient for its Phase II study on pancreatic cancer in Europe, as well as its first patient for its Phase I/II study in the United States.

The company announced the positive opinion by its second committee of independent experts (DSMB) for its Phase IIb study on AML. The independent experts analyzed the tolerance data for the first 60 patients treated, and as with the first DSMB committee review on 30 patients, continuation of the study was unanimously confirmed, without requesting any modifications to the study or formulating any particular observations.

The company likewise obtained Orphan Drug Designation from the FDA for its product ERY-ASP in the treatment of AML in the United States.

The company created its subsidiary "ERYTECH PHARMA Inc." in the USA in April 2014. The Company then proceeded to appoint the firm RSM-CCI Conseils as co-Statutory Auditors in the AGM of June 17, 2014. At June 30, 2014, the Group's financial statements were supplemented, for the first time, by consolidation of the 100% held American subsidiary.

2 SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

Pierre-Olivier Goineau, co-founder of the company ERYTECH Pharma SA, Delegated Managing Director, member of the Board of Directors, and Deputy Chairman, submitted his resignation from all his positions within the company ERYTECH PHARMA SA at the end of the parent company's Board of Directors' meeting of January 11, 2015. Mr. Goineau remains treasurer and secretary of the American subsidiary ERYTECH PHARMA Inc.

3 BUSINESS CONTINUITY

The Company's loss-making situation is explained by the innovative nature of the products developed, therefore involving 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,
- permanence of accounting methods from one 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 principles and conventions

The annual financial statement was prepared and presented in accordance with the accounting rules in effect in France, in compliance with the principle of prudence and the independence of fiscal years, and within the assumption of business continuity.

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

The accounting conventions were applied in conformity with the provisions of the Code of Commerce, 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 Permanence of methods

No changes in accounting regulations or accounting methods took place during the financial year ended December 31, 2014.

4.3 Other accounting principles

The primary other methods used are as follows:

INTANGIBLE ASSETS

The intangible assets are measured at their capitalized 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 capacity to complete the asset or to sell it,
 - * the manner in which the intangible asset will generate probable future economic benefits,
 - * the availability of resources to complete the development, use, or sell the intangible asset,
 - * the capacity to reliably measure the expenses ascribable to the intangible asset or during its development.

The balance of the research and development costs item is zero on the balance sheet. In effect, not all of the criteria for recognition under intangible fixed assets have been met, and the corresponding expenses have therefore been kept under operating expenses.

TANGIBLE FIXED ASSETS

The 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.

The amortizations for impairment are calculated according to the straight-line or decreasing charge method in function of anticipated lifetime:

- Licenses, software, patents	1 to 10 years
- Technical systems	3 to 10 years
- Industrial equipment and infrastructure	1 to 5 years
- Office equipment and furniture	3 to 5 years

PARTICIPATING INTERESTS, OTHER SECURITIES, TERM INVESTMENTS

The gross value is composed of the purchase cost excluding accessory expenses. Where the current value is lower than the gross value, a provision for impairment is established in the amount of the difference.

INVENTORIES

Inventories are measured according to the FIFO method.

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

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

A provision for the impairment of inventories, equal to the difference between the gross value determined based on the above-indicated methods and the spot price or the realizable value less the proportional sales costs, is made where this gross value is greater than the other value given.

RECEIVABLES

Receivables are valued at their nominal value. A provision for impairment is made where the current value is lower than the book value.

CONVERTIBLE BONDS

The accounting method for convertible bonds is that entitled "two separate transactions," i.e., the bond, non-conversion premium included, is recorded under the liabilities in the balance sheet, and the non-conversion premium is recorded under the assets.

The non-conversion premium is then amortized proportionately to the accrued interest.

RECOGNITION OF GRANT INCOME

The grant income is recognized, where it is granted, upon its collection.

According to the matching principle, the corresponding pace of spending is taken into account and, where applicable, a portion of the grant is recorded under "deferred revenue" where the grant 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 receivable.

The company therefore records a deferred income corresponding to the portion of the grant received corresponding to expenses not incurred.

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 shareholders' equity" where a doubt exists regarding the technical or commercial success.

A public grant to be received either in compensation for the expenses or losses already incurred, or in the form of immediate financial support to the Company with no related future costs, is recognized under income for the financial year during which the expenses relating to the program in question are incurred.

CLINICAL TRIALS

The costs associated with clinical trials are recognized as expenses as and when they are sustained.

Each patient included results in an obligation for ERYTECH to sustain certain costs whether or not the study continues, and to do so in addition to the expenses already incurred. When a patient is recruited, the company establishes a provision to cover all the costs sustained to continue the clinical trial over a one-year horizon.

The remainder of the costs sustained leading up to the end of the clinical trial (patients not yet recruited) are monitored off-balance sheet.

PROVISIONS

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

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

No transactions of this nature were performed during the fiscal year.

PENSION AND RETIREMENT COMMITMENTS

The company has signed no special agreements relating to retirement commitments. These commitments are therefore limited to the contractual retirement indemnity. No provision for liabilities was recognized in relation to this fiscal year.

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)

Evolution of wages: management and non-management at 2%

INSEE 2014 mortality table

Discount rate: IBOXX Corporates AA rate of 1.49% at December 2014

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 is equivalent to a decrease in their social security contributions.

The CICE must be allocated 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."

Fixed assets

ERYTECH PHARMA

Period from 01.01.14 to 12.31.14

HEADINGS	Gross value start of year	Increases By reevaluation	Acquisitions contributions, creation transfers
INTANGIBLE ASSETS			
Startup and development costs			
Other intangible assets	109,177		25,798
TOTAL Intangible assets:	109,177		25,798
TANGIBLE FIXED ASSETS			
Land			
Structures on own ground			
Structures on someone else's ground			
General facilities construction			
Mechanical systems and industrial tooling	337,674		279,784
General facilities, plant and tooling	953,455		5,390
Shipping equipment			
Office equipment, computers And furniture	57,668		17,988
Recoverable packaging and other			
Assets under construction	20,000		218,109
Advances and deposits			
TOTAL tangible assets:	1,368,797		521,270
INVESTMENTS			
Investments in companies counted using the equity method			
Other participating interests			1
Other investments			
Other long-term financial investments	682,481		377,212
TOTAL Investments:	682,481		377,213

TOTAL ASSETS	2,160,455		924,281
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HEADINGS	Decreases by wire transfer	Decreases by disposals placed Out of service	Gross value end of fiscal year	Legal re-evaluations
INTANGIBLE ASSETS				
Startup and development costs				
Other intangible assets			134,975	
TOTAL intangible assets			134,975	
TANGIBLE FIXED ASSETS				
Land				
Structures on own ground				
Structures on someone else's ground				
General facilities construction				
Mech. systems, plant, facilities, and Industrial tools			617,457	
General facilities, tools and other			958,845	
Shipping equipment				
Office equipment, computers and furniture			75,656	
Recoverable packaging and other				
Assets under construction	125,629		112,480	
Advances and deposits				
TOTAL tangible assets	125,629		1,764,438	
INVESTMENTS				
Investments in companies counted using the equity method				
Other participating interests			1	
Other investments				
Loans and other long-term financial investments		600,770	458,923	
TOTAL Investments		600,770	458,924	
TOTAL ASSETS	125,629	600,770	2,358,337	

Amortization

ERYTECH PHARMA

Period from 01.01.14 to 12.31.14

POSITIONS AND TRANSACTIONS IN THE FISCAL YEAR				
FIXED ASSETS SUBJECT TO AMORTIZATION	Amount start of year	Increases reversals of	Decreases provisions	Amount end of year
INTANGIBLE ASSETS				
Startup and development costs				
Other intangible assets	94,900	9,124		104,025
TOTAL intangible assets	94,900	9,124		104,025
TANGIBLE FIXED ASSETS				
Land				
Structures on own ground				
Structures on someone else's ground				
General facilities construction				
Plant, equipment, and industrial tooling	308,028	38,371		346,398
General facilities, tools and other	540,238	95,616		635,854
Shipping equipment				
Office equipment, computers and furniture	27,306	8,535		35,841
Recoverable packaging and other				
TOTAL tangible assets:	875,572	142,521		1,018,093
TOTAL ASSETS	970 473	151 645		1 122 117

BREAKDOWN OF PROVISIONS FOR DEPRECIATION FOR THE FISCAL YEAR			
FIXED ASSETS SUBJECT TO AMORTIZATION	Straight-line depreciation	Declining balance depreciation	Amortization - exceptional
INTANGIBLE ASSETS			
Startup and development costs			
Other intangible assets	104,025		
TOTAL intangible fixed assets:	104,025		
TANGIBLE FIXED ASSETS			
Land			
Structures on own ground			
Structures on someone else's ground			
General facilities construction			
Mechanical systems and industrial tooling	346,398		
General facilities, plant and tooling	635,854		
Shipping equipment			
Office equipment, computers And furniture	35 841		
Recoverable packaging and other			
TOTAL tangible assets	1,018,093		
Acquisition costs for participating interests			
TOTAL ASSETS	1,122,118		

Depreciation (cont.)

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

TRANSACTIONS AFFECTING PROVISIONS FOR DEPRECIATION TO BENEFIT FROM TAX LAW		
FIXED ASSETS SUBJECT TO AMORTIZATION	Provisions	Reversals
INTANGIBLE ASSETS		
Startup and development costs		
Other intangible assets		
TOTAL intangible assets		
TANGIBLE FIXED ASSETS		
Land		
Structures on own ground		
Structures on someone else's ground		
General facilities construction		
Mechanical systems and industrial tooling		
General facilities, plant and tooling		
Shipping equipment		
Office equipment, computers And furniture		
Recoverable packaging and other		
TOTAL tangible assets		
Acquisition costs for participating interests		

TOTAL ASSETS

MOVEMENTS IN FY AFFECTING CHARGES DISTRIBUTED OVER MULTIPLE FISCAL YEARS				
HEADINGS	Net amount start of year	Increases	Allocations in The fiscal year for depreciation	Net amount end of year
Debt issuance costs to be spread out				
Bond redemption premiums				

Details of changes in inventory and works in progress

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

HEADINGS	At the end of the fiscal year	At the start of the fiscal year	Change in inventory	
			Increases	Decreases
Goods for resale				
Inventory resold as is				
Goods for resale				
Provisions				
Provisions inventory				
Raw materials	122,936	55,848	67,088	
Other provisions	75,420	82,391		6,970
TOTAL I	198,356	138,238	60,118	
Production				
Intermediate goods				
Finished goods				
By-products				
TOTAL II				
Work in progress – production				
Income				
Work				
Studies				
Delivery of services				
TOTAL III				
PRODUCTION TAKING TO INVENTORY (or production taken out of inventory) II + III				

The line "Raw materials" concerns the inventory of products dedicated to the production of batches for clinical usage. The increase in activities in 2014 led to a large increase in the related inventory.

The line "Other supplies" concerns the inventory of products dedicated to pre-clinical research.

Statement of Due dates for Receivables and Debts

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

STATEMENT OF RECEIVABLES	Amount gross	At 1 year at most	At over 1 year
NONCURRENT ASSETS			
Receivables relating to participating interests Loans			
Other long-term financial investments	458,923	377,109	81,814
TOTAL noncurrent assets:	458,923	377,109	81,814
CURRENT ASSETS			
Bad or litigious clients			
Other client receivables	104,870	104,870	
Receivables representing shares loaned or delivered as collateral			
Personnel and associated accounts	167	167	
Social security and other social bodies			
Statement – Income taxes	1,523,688	1,523,688	
Statement – value-added tax	457,513	457,513	
Statement – taxes (other than corporation tax)	45,369	45,369	
Statement- Miscellaneous			
Group and partners	80,847	80,847	
Sundry debtors	21,378	21,378	
TOTAL current assets:	2,233,832	2,233,832	
Prepayments	216,779	216,779	
TOTAL ASSETS	2 909 534	2 827 720	81 814

STATEMENT OF DEBT	Amount gross	At 1 year at most	At over 1 year and 5 years at most	At over to 5 years
Convertible bonds				
Other bonds				
With lending institutions:				
- At 1 year maximum from origination				
- at over 1 year from origination				
Miscellaneous other loans and advances				
Trade payables and related accounts	2,096,901	2,096,901		
Personnel and associated accounts	453,484	453,484		
Social security and other bodies	466,594	466,594		
Income taxes				
Value-added tax	17,634	17,634		
Guaranteed bonds				
Taxes (other than corporate taxes)	50,719	50,719		
Liabilities on fixed assets and related accounts				
Group and partners				
Other payables	500,593	500,593		
Representing borrowed shares				
Deferred income	368,436	368,436		
TOTAL ASSETS	3,954,360	3,954,360		

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 results, less the income tax, with a tax receivable contra-entry.

The amount of the company's CIR for the last three fiscal years totaled:

- 2014: €1,523,688
- 2013 : €1,366,356
- 2012 : €812,570

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 2014 totaled €42,835.62 and was recorded minus salary expenses, with a tax receivable contra-entry in the statement of financial position.

SUNDRY DEBTORS

Sundry debtors concerns credit notes with suppliers having provided services as part of the ADR program where the company will be reimbursed a portion of expenses. .

LIQUIDITY

The Company's cash position totaled €36,655,100.94, of which €32,000,000 was placed in term deposits, stipulated:

- in the amount of €1,000,000, with Société Générale, 1-month maturity tacitly renewable,
- in the amount of €26,000,000, with Banque Populaire, 18-month maturity, mobilized on demand.
- in the amount of €5,000,000, with Banque CIC, 18-month maturity, mobilized on demand.

The cash position was therefore divided based on the following categories:

Current accounts	1,541,555.41 €
Term deposits	€32,000,000.00
Accrued interest	112,962.38 €
Money market funds	3,000,583.15 €
Total	€36,655,100.94

DEFERRED INCOME AND CHARGES

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

HEADINGS	Charges	Income
Operating charges or income	216,779	368,436
Financial charges or income		
Non-recurring charges or income		
TOTAL	216,779	368,436

The prepaid expenses primarily concern maintenance contracts, as well as lease agreements on movable and immovable property.

The deferred income is the portion of the grant from the TEDAC project for which associated costs have not yet been sustained.

Income to Receive

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

AMOUNT OF INCOME TO RECEIVE INCLUDED IN THE FOLLOWING BALANCE SHEET ENTRIES	Amount
Noncurrent financial assets	
Receivables relating to participating interests	
Other long-term financial investments	
Receivables	
Clients receivables and associated accounts	2,465
Staff	
Social security and similar	
Statement	45,369
Miscellaneous, income to receive	
Other receivables	12,355
Marketable securities	
Cash at bank and in hand	
TOTAL	60,188

Composition of the share capital

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

SHARE CLASSES	Number	Face value
1 - Shares or stock comprising the share capital at the start of the fiscal year	5558952	0.1
2 - Shares or stock issued during the fiscal year	1323809	0.1
3 - Shares or stock repaid during the fiscal year		
4 - Shares or stock comprising the share capital at the end of the fiscal year	6882761	0.1

The Company proceeded with the admission, on the Euronext market, of 1,224,489 new shares in October 2014.

The exercise of BSA₂₀₁₂ and BSPCE₂₀₁₂ created 99,320 new shares during the financial year.

**Table of variation in capital and reserves
(in euros, French standards)**

	Number of shares	Share capital	Issue premium	Reserves & Carry forward	FY profit(loss)	Regulated Provisions	Total Capital and Reserves
Balance as of Dec. 31, 2013	5,558,952	555,895.20 €	42,335,338.33 €	(€22,295,938.09)	(€6,478,994.29)	- €	14,116,301.15 €
Allocation of earnings 2013				(€6,478,994.29)	6,478,994.29 €		
Bond interest capitalization							
Bond conversions							
Admission of new shares	1,224,489	122,448.90 €	29,877,531.60 €				
Charging of costs associated with shares			(€1,558,417.27)				
Share Warrants & Founder's Warrants Conversion	99,320	9,932.00 €	721,261.84 €		(€7,283,237.28)		
Fiscal year profit (loss) 2014							
Balance as of Dec. 31, 2014	6 882 761	688 276,10 €	71 375 714,50 €	(28,774,932.38)	(€7,283,237.28)	- €	36,005,820.94 €

CONDITIONAL ADVANCES

The conditional advances, totaling €580,107, were divided as follows at 12/31/2014:

- BPI FRANCE INNOVATION (advance 1): €485,000
- BPI FRANCE FEDER (advance 2): €32,500
- BPI FRANCE ISI (advance 3): €62,607

1. Assistance granted by BPI FRANCE INNOVATION (€735,000): program for the "development of a new treatment against pancreatic cancer through the administration of allogenic red blood cells incorporating L-asparaginase".

This assistance was distributed in 3 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 with end of program identified by BPI FRANCE.

The repayment of this conditional advance will be made according to a fixed payment schedule that will end at the latest on 06/30/2016. To this end, the company repaid its first maturity of €100,000 in 2013, and its second of €150,000 in 2014.

2. Assistance granted by BPI FRANCE FEDER (€135,000): 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 assistance was distributed 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 end of program identified by BPI FRANCE.

The repayment of this conditional advance will be made according to a fixed payment schedule that will end at the latest on 06/30/2016. As the program was interrupted early, only the first two calls for funds were paid, for a total of €81,000. To date, the company has repaid €48,500.

3. Assistance granted by BPI FRANCE ISI (€4,895,052): TEDAC project

This assistance is distributed upon completion of the following key milestones:

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

The company undertakes to repay BPI FRANCE a sum of €5,281,000 upon achieving a cumulative amount of before-tax sales revenue equal to or greater than 10 million Euros and, where applicable, an annuity equal to 50% of the income generated by the sale of intellectual property rights resulting from the project. In a second phase, where the cumulative sales revenue reaches €60,000,000, the company undertakes to pay BPI FRANCE a sum of 2.5% of the sales revenue generated by development of the products resulting from the project, within the limit of a total repayment of €15M over 15 years.

Provisions recognized on the Balance sheet

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

HEADINGS	Start of FY amount	Increased allocations	Decreases reversals	Amount end of fiscal year
Provision for restoring deposits Provisions for investment Provisions for price increases Depreciation benefiting from tax law Including exceptional increases of 30% Tax provisions for locating abroad performed prior to 1.1.1992 Tax provisions for locating abroad performed after 1.1.1992 Provisions for facilities loans Other regulated provisions				
REGULATED PROVISIONS				
Provisions for disputes. Provision for guarantees made to clients Provisions for losses on futures markets Provisions for fines and penalties Provisions for exchange losses Provisions for pensions and similar obligations Provisions for taxes Provisions for building renovation Provisions for major maintenance and large-scale revisions Provisions for social security and tax charges for vacation to pay Other provisions for liabilities and charges				
PROV. FOR LIABILITIES AND CHARGES				
Prov. for intangible assets Prov. for tangible assets Provisions for blocked securities counted by the equity method Provision for blocked participating interests Provision for other non-current financial assets Provisions for inventory and works in progress Provisions for client accounts Other provisions for depreciation	100,607		100,607	
PROVISIONS FOR DEPRECIATION	100,607		100,607	
TOTAL ASSETS	100,607		100,607	

At the end of 2013, the company recorded a provision for impairment associated with company securities purchased under mandate, within the scope of liquidity. The company's share price having significantly increased during the period, the establishment of this provision was no longer considered necessary and formed the object of a reversal.

6 ADDITIONAL INFORMATION PERTAINING TO THE RESULTS

SALES REVENUE

To review, in 2012 the company entered into an exclusive distribution agreement with Orphan Europe for its product in the indication of acute lymphoblastic leukemia.

The company also contracted with the Recordati Group for coverage of the clinical study GRASPA-AML 2012-01 in ML amounting to 5 M€ .

To this end, the Company continues to re-invoice the costs relating to the trial on a monthly basis and with no margin; these costs came to €791,853 in 2014.

The re-invoicing is posted to miscellaneous revenue.

OPERATING GRANT

The Company recorded the portion of the TEDAC grant associated with the program's annual expenses, totaling €271,230.72.

REMUNERATION OF EXECUTIVE OFFICERS

The total compensation paid to executive corporate officers was €715,943.83.

The securities held giving the right to a future portion of the capital are presented in the detailed table "Subscription warrants."

Details of Nonrecurring Income and Nonrecurring Charges

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

NON-RECURRING INCOME	Amount	Posted to the account
for insurance adjustment	(2,749)	77200000
gifts received	2,950	77180000
TOTAL	201	

NON-RECURRING CHARGES	Amount	Posted to the account
adjustment differences	(4)	67180000
loss of security	770	67500000
for insurance adjustment	6,165	67200000
adjustment of contributions	9,420	67200000
adjustment differences	24	67200000
TOTAL	16,375	

DEFERRED TAX EFFECTS

	Amount
FY profit(loss)	(€7,283,237)
Income tax	(€1,523,688)
Before-tax results	(€8,806,925)
Profit (loss) excluding exceptional that tax assessments pre-tax	(€8,806,925)
Taxable income (loss) for the fiscal year	(€8,831,602)
Deficits remaining to be carried forward fthe previous fiscal year	€34,298,815
Total deficits remaining to be carried forward	€43,130,417

Income tax**BREAKDOWN OF TAX BETWEEN CURRENT RESULTS AND EXCEPTIONAL RESULTS**

	Amount	Current profit (loss)	Results exceptional portion
FY profit(loss)	(€7,283,237)	(€7,267,063)	(€16,174)
Income tax	(€1,523,688)	(€1,523,688)	
Before-tax results	(€8,806,925)	(€8,790,751)	(€16,174)

The income tax amount corresponds to the research tax credit. Its basis corresponds to research costs excluded from the exceptional results.

7 OTHER INFORMATION

CLINICAL TRIALS

The costs associated with clinical trials are recognized as expenses as and when they are sustained.

Each patient included results in an obligation for ERYTECH to sustain certain costs whether or not the study continues, and to do so in addition to the expenses already incurred. When a patient is recruited, the company establishes a provision to cover all the costs sustained to continue the clinical trial over a one-year horizon.

The remainder of the costs sustained leading up to the end of the clinical trial (patients not yet recruited) are monitored off-balance sheet.

12/31/2014 in Keuros		ERYTECH contractual commitment		
<i>Clinical trial name</i>	Accrued payables, tax incl.	Definite accrued payables	Uncertain (Off-balance sheet, net of taxes)	Comment
2007/04	–	–	–	Trial ended
2008/02	–	–	–	Trial ended
2009/06	200	–	–	Trial ended
2012/09	41	–	1,014	Recruitment begun
2012/10	4	–	–	Recruitment begun
2013/03	256	–	4,526	Recruitment begun
		Accrued payables	off-balance sheet	
		501	5,539	

12/31/2013 in Keuros		ERYTECH contractual commitment		
<i>Clinical trial name</i>	Accrued payables, tax incl.	Definite accrued payables	Uncertain (Off-balance sheet, net of taxes)	Comment
2007/04	–	–	–	Trial ended
2008/02	–	–	–	Trial ended
2009/06	347	–	–	Recruitment ended
2012/09	–	–	–	Recruitment not begun
2012/10	–	–	–	Recruitment not begun
2013/03	–	–	–	Recruitment not begun
		Accrued payables	off-balance sheet	
		347	–	

RETIREMENT INDEMNITY

In consideration of the company data, for actuarial assumptions adopted, i.e., primarily a gross discount rate of 1.49%, the total commitment relating to retirement indemnities measured at 12/31/2014 totals 88,594 Euros.

No provision for liabilities was recognized in relation to this fiscal year.

COMMITMENTS TO DIRECTORS

By way of reminder, on May 24, 2013, the board of directors authorized severance indemnities to the 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:
 - o expiry of his term of office (except where renewal is rejected by Mr. Beyen) or
 - o 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:
 - o 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
 - o 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.

- Pierre-Olivier Goineau. This commitment stipulates that, in the event of Mr. Goineau's departure from the company, i.e., in the event of:
 - o expiry of his term of office (except where renewal is rejected by Mr. Goineau) or
 - o 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. Goineau 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.

- Mr. Yann Godfrin. This commitment stipulates that, in the event of Mr. Godfrin's departure from the company, i.e., in the event of:
 - o expiry of his term of office (except where renewal is rejected by Mr. Godfrin) or
 - o 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. 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 expiry of his term of office.

Within the scope of his resignation, it is hereby specified that Pierre-Olivier GOINEAU has not benefited from any indemnity.

AUDITORS' FEES

For the 2014 financial year, the external auditor fees paid on the financial year totaled:
- within the scope of its legal term of office: €95,000, excluding out-of-pocket expenses,
- relating to the increase in capital: €12,000

SUBSCRIPTION WARRANTS

Share options have been allocated to the directors, to certain employees, as well as to members of the Board of Directors in the form of share subscription warrants ("BSA") or founder subscription warrants ("BSPCE").

– "2012 Plan"

Types of securities	Founder's share warrant (BSPCE) _{S2012}	Share warrants (BSA) ₂₀₁₂
Number of warrants authorized for issue	33,788	30,034
Number of warrants that the shares authorized to issue, for all types of shares	45,050	
Total number of warrants issued 2012/2013/2014	33,788	11,262
Total number of warrants allocated 2012/2013/2014	33,788	5,025
Number of warrants exercised	6,807	5,025
Date of General Meeting	May 21, 2012	
Exercise price per new share subscribed	€7,362	
Final date for exercising warrants	May 20, 2020	
Parity	1 warrant for 10 shares	
General conditions of exercise	<p>Warrant holders can only exercise their subscribed warrants:</p> <p>(i) only upon the occurrence of a firm, definitive operation involving the initial listing of Company shares for trading on a regulated or unregulated stock market, in France or the European Union, or a foreign securities exchange;</p> <p>(ii) on one single occasion, or</p> <p>(iii) on multiple occasions, within a limit of twice a year and at least 100 warrants.</p> <p>Warrant holders shall only be able to exercise the entirety of their warrants, already subscribed or Allocated but not yet subscribed, in the event that one of the following operations occurs:</p> <p>(i) acceptance, by shareholders representing at least sixty-six point six seven percent (66.67%) of the shares constituting the Company's capital, of a firm, definitive buyback offer pertaining to control of the Company (as pursuant to Article L. 233-3 of the Commercial Code).</p> <p>(ii) the formation of a merger agreement providing for absorption of the Company.</p> <p>The securities to which the warrants give rights are common shares.</p> <p>Each warrant shall give the right to ten (10) shares in the Company's share capital.</p> <p>The new shares resulting from the exercise of founder's share warrants (BSPCEs) shall form the object of periodic requests for admission for trading on the regulated market NYSE Euronext.</p>	
Maximum number of new shares that can be issued	332,180	

Within the scope of the BSA₂₀₁₂ and BSPCE₂₀₁₂ plans, the board of directors' meeting of July 17, 2014 defined the additional list of beneficiaries, as well as the number of warrants to which each employee may subscribe within the scope of the BSA₂₀₁₂ and BSPCE₂₀₁₂, in relation to the period of June 1st, 2013 to May 31, 2014. As such, 1,000 additional BSA₂₀₁₂ and 13,176 additional BSPCE₂₀₁₂ were allocated to Erytech employees.

At the end of 2014, the subscription warrants for the 2012 plan were broken down as follows:

BSA / BSPCE (Share warrants/founder's warrants) reference	GAB reference	Parity	Period of exercise	Number of warrants issued	Number of warrants allocated	fiscal year	Number of warrants remaining to be exercised	Number of warrants remaining to be allocated
Founder's share warrants (BSPCE) 2012	21/05/2012	1 warrant = 10 shares	20/05/2020	33,788	33,788	6,807	26,981	-
Share warrants (BSA) 2012	21/05/2012	1 warrant = 10 shares	20/05/2020	11,262	5,025	5,025	-	6,237
Total				45,050	38,813	11,832	26,981	6,237

BSA / BSPCE (Share warrants/founder's warrants) reference	GAB reference	Parity	Period of exercise	Number of warrants issued	Number of warrants allocated	fiscal year	Number of warrants remaining to be exercised	Number of warrants remaining to be allocated
Founder's share warrants (BSPCE) 2012	21/05/2012	1 warrant = 10 shares	20/05/2020	33,787	33,787	6,807	26,980	-
Share warrants (BSA) 2012	21/05/2012	1 warrant = 10 shares	20/05/2020	11,263	5,025	5,025	-	6,238
Total				45,050	38,812	11,832	26,980	6,238

– "2014 Plan"

On January 22, 2014, the board of directors used the delegation granted by the mixed general shareholders' meeting of April 2, 2013, in its twenty-fifth resolution, to decide on a plan for the free allocation of 22,500 founder share subscription warrants (hereinafter entitled BSPCE₂₀₁₄) to the benefit of Erytech directors (12,000 warrants) and to a category of "employees with management status" not yet identified by name (10,500 warrants).

The plan's characteristics are as follows:

Types of securities	Founder's share warrants (BSPCE) ₂₀₁₄
Number of warrants issued	22,500
Number of warrants awarded	12,000
Number of warrants exercised	0
Board of Directors Date	Jan. 22, 2014
Exercise price per new share subscribed	€12,250
Final date for exercising warrants	Jan. 22, 2024
Parity	1 warrant for 10 shares
General conditions of exercise	<p>In the event of the beneficiary's death, it is stipulated that, pursuant to the provisions of article 163 bis G of the general tax code, the decedent's heirs may exercise the warrants within six months starting from the death.</p> <p>The founder's share warrants (BSPCE)₂₀₁₄ can be exercised:</p> <ul style="list-style-type: none"> - on one single occasion, or - except in the event of an M&A operation, at most four (4) times per year, and for the exercise of a minimum of fifty (50) founder's share warrants (BSPCE)₂₀₁₄. <p>In the event of a so-called M&A operation, holders of BSPCE₂₀₁₄ shall have five (5) business days starting from notice by the Company of the occurrence of such an event to exercise all of their BSPCE₂₀₁₄. However, the exercise of the BSPCE₂₀₁₄ may be canceled in the event of the ultimate non-performance of the takeover or the merger operation, for any reason whatsoever.</p>
Maximum number of new shares that can be issued	120,000

In the event of a beneficiary's departure from the Company for any reason whatsoever, this beneficiary shall retain the BSPCE₂₀₁₄ to which he subscribed prior to his departure. However, in the event of a beneficiary's departure from the Company, for any reason whatsoever, prior to subscription of the BSPCE₂₀₁₄ to which the beneficiary has a right, the BSPCE₂₀₁₄ shall be considered invalid vis-a-vis this beneficiary. Within this hypothesis, the BSPCE₂₀₁₄ not subscribed may be re-allocated to other beneficiaries within the same category and/or replacing the person who left the company.

In any case, the BSPCE₂₀₁₄ not exercised at January 22, 2024 shall become duly and fully expired.

Moreover, the board of directors' meeting of December 4, 2014 transformed 3,000 BSPCE₂₀₁₄ into 3,000 BSA₂₀₁₄ for a Medical Director at the subsidiary ERYTECH PHARMA INC., in accordance with Annex IV-BSA₂₀₁₄ Regulations, as recorded in the minutes.

INDIVIDUAL RIGHT TO TRAINING

Within the scope of the individual right to training established by Law 2004-391 of May 4, 2004 relative to life-long professional training, at 12/31/2014, the volume of cumulative training hours relative to rights acquired and not exercised was 2,431.58 hours.

It should be noted that, in accordance with:

- Law no. 2014-288 of March 5, 2014 relative to professional development, jobs, and social democracy,
- Decree no. 2014-1120 of October 2, 2014 relative to methods of funding and mobilizing the CPF (personnel training account),

the DIF (individual right to training) system has been replaced by that of the personnel training account (CPF) as of January 1st, 2015. The transferable DIF will likewise disappear as of January 1st, 2015.

Leasing-purchase agreements

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

HEADINGS	Land	Buildings	Facilities, equipment, and tooling	Other	Total
Original value				973,877	973,877
Amortization:					
- totals from prior fiscal years				654,154	654,154
- allocations from the fiscal year				98,593	98,593
TOTAL				221,129	221,130
ROYALTIES PAID:					
- totals from prior fiscal years				753,675	753,675
- allocations from the fiscal year				89,587	89,587
TOTAL				843,262	843,262
ROYALTIES REMAINING TO PAY:					
- up to one year				80,702	80,702
- from one year up to five years				149,481	149,481
- over five years					
TOTAL				230,183	230,183
RESIDUAL VALUE					
- up to one year				143,279	143,279
- from one year up to five years				3,009	3,009
- over five years					
TOTAL				146,288	146,288
Amount covered by the fiscal year					
Note: Lease concessions					89,587

This table includes the leases financing equipment for R&D and Production.
The furthest maturity is December 2018.

Average Staff

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

STAFF	Staff salaried	Personnel provided to the company
Management	21	
Chargehands and technicians		
Employees	17	
Laborers		
TOTAL	38	

During the financial year, the company hired 12 employees and had 6 employees leave.

Financial commitments

Period from 01.01.14 to 12.31.14

ERYTECH PHARMA

COMMITMENTS MADE	Amount
Discounted notes not yet matured	
Deposits and guarantees	
Pension, retirement, and compensation commitments	88,595
Other commitments made:	

TOTAL	88,595
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COMMITMENTS RECEIVED	Amount
Deposits and guarantees and securities	
Other commitments received:	3,724,182

TOTAL	3,724,182
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The Recordati commitment on the GRASPA-AML study contractually totals €5,000,000 and was valued at €3,724,182.23 at the end of 2014, the difference corresponding to 2013 and 2014 re-invoicing.

MARKET RISK

The Company uses the euro as a reference currency for its financial information and communication activities. However, a significant portion, in the amount of 10% of its operating expenses, is denominated in US dollars (agency office in Philadelphia, collaborations 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 collaborations around tests and clinical projects in the United States).

To date, the company has not opted to use active hedging techniques, and has not made recourse to 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 company will perform clinical trials in the USA and, in the longer term, sell on this market. The Company will opt for exchange rate hedging techniques.

Expenses in US Dollars (USD) totaled \$949,232 during the 2014 financial year. The counter-values recorded in the accounts totaled €714,807 in relation to the receipt of invoices and price fluctuations. This represents an average annual rate of \$1.328 per €1 (\$1,324/€ on average in 2013).

However, the EUR/USD rate fell considerably at the period end, reaching \$1.2141 per €1 at December 31, 2014.

The Company purchased 1 million dollars at a rate of \$1.2197 per €1 during December 2014.

The exchange rate differences are not significant for the periods presented.