Erytech Pharma S.A.

HALF-YEAR FINANCIAL REPORT

June 2016

I. KEY HIGHLIGHTS OF THE PERIOD

- Results and cash use in line with projections.
- Cash in bank position of €36.5m at the end of June 2016.
- Resignation of Yann Godfrin, co-founder and Chief Operating Officer on January 4, 2016.
- Office opened in Cambridge, Massachusetts (Boston metropolitan area) in May 2016 and recruitment of the first American team in the clinical and regulatory segments.
- Erytech announced that an Independent Experts Committee (DSMB) conducted its third harmlessness review of the Phase IIb ENFORCE 1 study in Acute Myeloid Leukemia (AML) and that recruitment of patients for this study will continue until conclusion.
- Expansion of the patent portfolio in the United States with receipt from the United States Patent and Trademark Office (USPTO) of a notice of acceptance of its patent application number 12/672.094 titled “Composition and Therapeutic Anti-tumour Vaccine.”
- The Company presented two posters at the annual meeting of the American Association for Cancer Research (AACR), held in New Orleans in the United States from April 16-20, 2016.

II. BUSINESS REVIEW

A. Position of the Company and results of its activity

a. Clinical trials

➔ GRASPA® in Europe (ERYASP)

Erytech continued its discussions with the European Medicines Agency (EMA) on the GRASPA authorization application for patients in relapse in Acute Lymphoblastic Leukemia (ALL). In September 2015, the company filed an application for a marketing authorization (MA) with the EMA. In January 2016, Erytech received the list of questions and additional information requested by the EMA for the review of the application ("D120" milestone). The company devoted a major portion of its product development and regulatory development resources to answer its questions, and submitted the responses to the EMA on July 15, 2016. The EMA has resumed its analysis of the file and the questions raised since that date. The Company anticipates receiving the list of points pending at Day 180 by the end of September. Based on the preliminary feedback it received on these pending issues, the Company notes significant progress in the resolution of the questions raised by the CHMP. However, the Company believes that the responses to the remaining points will require a longer period than initially planned, and expects to receive the CHMP's opinion on the application for the GRASPA marketing authorization in 2017.

In addition, Erytech continued its clinical developments with phase II clinical studies on acute myeloid leukemia (AML) and pancreatic cancer.

In AML, the committee of independent experts (the Data Safety Monitoring Board or DSMB) in charge of monitoring the Phase IIb clinical trial of GRASPA® in AML in January 2016 issued a favorable opinion on the continuation of this clinical trial after evaluation of the product tolerance in the first 105 patients. The company continued active recruitment of patients for this study. This recruitment was finally completed in August with a total of 123 patients included in this study.

In pancreatic cancer, Erytech also very actively continued to recruit patients for its phase II study during the first half of 2016. After achieving the initial recruitment goal for this study, the Company announced in May 2016 its decision to continue recruitment until a total of around 130 patients was reached in order to improve the statistical strength of the results.

➔ ERYASP in the United States

Erytech continued its phase I clinical study on dose escalation in ALL and was able to move to the next dose, treating an additional patient to date.

In the context of its product development strategy and in order to launch and conduct the American arm of its new clinical trials, Erytech opened the offices of its American subsidiary in Cambridge in the Boston metropolitan area, and recruited its American teams for clinical and regulatory development.

In 2016, Erytech also received from the American USPTO an additional patent titled "Composition and Therapeutic Anti-tumor Vaccine" covering the use of the ERYCAPS platform for the development of immunotherapy products.

b. Research and Development

➔ TEDAC

In parallel with the development of ERYASP/GRASPA®, ERYTECH conducted in-depth research work to identify other therapeutic enzymes that can starve tumors for which encapsulation in red blood cells may be pertinent. This research program benefits from financial support from BPI France in the amount of €7 million.

Within the framework of this project, two candidate drugs are in development. Erymet, the most advanced, consists of the encapsulation of methionine-γ-lyase (MGL) in red blood cells. The other drug, eryadi, consists of the encapsulation of arginine-deiminase in red blood cells. Subject to positive results, a first clinical trial with erymet could be planned early in 2017.

As at 06/30/2016, the TEDAC project had reached key step no. 4, which opens the possibility of a new tranche of the grant and reimbursable advance granted for this project.

➔ Other projects in development:

A new unit (Industrial Transfer Unit (ITU) was created in order to transfer the production of the candidate-drugs, erymet first, from the research stage to the production of clinical lots.

In order to complete it technological platform, the company is developing the ERYMUNE project (ex-ERYVAX) in a preclinical phase; the drug is designed to treat cancers through immunotherapy.

c. Industrial property

As at June 30, 2016, the Company held 13 patent families in France and worldwide, and a license from the National Institute of Health (USA) covering a diagnostic method to predict the efficacy of L-Asparaginase in a patient.

d. Number of employees

As at June 30, 2016, the Company employed 76 people.

e. Finance:

Results and losses
The net loss for the first six months of 2016 amounted to €10,349k, an increase of €3,806k, compared with the first half of 2015. Several factors explain this change:

- an increase in research and development costs on TEDAC and ERY-MET;
- an increase in structural and general expenses related to recruitment costs, the costs to develop the American subsidiary, as well as the costs generated by the IPO project in the United States;
- an increase in clinical costs, including the costs for consultants and scientific experts following the filing of the MA application and the responses to be provided to the EMA for the “D120” questions received;
- the groupwide increase in personnel expenses related to the increase in the number of employees.

R&D and clinical trial costs totaled €8,800k versus €5,231k for the first half of 2016.

Total cash used was €9,163k over the first half of 2015, in line with projections.

Cash and cash equivalents
Cash and cash equivalents amounted to €36.5 million.

B. Outlook

The second half of 2016 will be an important period in terms of clinical development with:

- ➔ Continued exchanges with the EMA following the submission of the D120 responses in the context of filing the MA application, and the new D180 step in the process of obtaining this authorization;
- ➔ Continuation of the study and the end of recruitment for Acute Myeloid Leukemia;
- ➔ Continuation of the study and the end of recruitment in pancreatic cancer;
- ➔ Continuation of recruitment of American patients in the US study with ERYASP, in adult patients suffering from Acute Lymphoblastic Leukemia.

C. Significant events between July 1, 2016 and the date of establishment of this report

On August 29, 2016, the company announced the end of the recruitment of the 123 patients in the Phase IIb study on the treatment of acute myeloid leukemia (AML) with GRASPA®.

D. Information on related parties

Relationships with related parties in the first half of 2016 are described in the Note to the interim financial information prepared in accordance with IAS 34 below.

E. Risks and contingencies

The risks and uncertainties that could have a significant impact on the Company's financial position and results are described in detail in the Company's prospectus approved by the French *Autorité des marchés financiers* (AMF) on April 29, 2016 under number R.16-039.

There was no change in these risk factors over the six-month period, either in type or level and, on the date of this document, there are no other risks and uncertainties for the first six months of the year.

III. SUMMARY HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2016:

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands of €)	Notes	06/30/2016 (6 months)	06/30/2015 (6 months)
Revenue			
Other income	**4.1**	2,403	1,474
Total operating income		**2,403**	**1,474**
Research and development	**4.2 to 4.4**	(8,800)	(5,231)
General and administrative		(4,222)	(3,107)
Total operating loss		**(10,618)**	**(6,863)**
Financial income	**4.5**	292	343
Financial expenses	**4.5**	(32)	(18)
Financial income (loss)		**260**	**325**
Loss before tax		**(10,358)**	**(6,538)**
Income tax		9	5
NET LOSS		**(10,349)**	**(6,533)**
Elements that may be reclassified subsequently to income (loss)			
Foreign activities – currency translation reserve		5	
Elements that may not be reclassified subsequently to income (loss)			
Remeasurement of defined benefit liability (asset)		25	17
Tax effect		(9)	(6)
Other comprehensive income		**21**	**11**
TOTAL COMPREHENSIVE LOSS		**(10,328)**	**(6,522)**
Basic loss per share (€/share)		(1.31)	(0.95)
Diluted loss per share (€/share)		(1.31)	(0.95)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS (in thousands of €)	Notes	06/30/2016	12/31/2015
NON-CURRENT ASSETS		**1,571**	**1,076**
Intangible assets	**5.1**	66	61
Property, plant and equipment	**5.1**	1,408	918
Non-current financial assets		97	97
Other non-current assets			
Deferred tax assets			
CURRENT ASSETS		**42,805**	**51,929**
Inventories		201	166
Trade and other receivables	**5.2**	489	424
Other current assets	**5.3**	5,645	5,705
Cash and cash equivalents	**5.4**	36,471	45,634
TOTAL ASSETS		**44,377**	**53,004**

LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of €)		06/30/2016	12/31/2015
SHAREHOLDERS' EQUITY		**37,601**	**47,132**
Share capital	**5.5**	793	792
Premium related to the share capital	**5.5**	96,026	95,931
Reserves	**5.5**	(48,870)	(34,578)
Net loss for the period		(10,349)	(15,013)
NON-CURRENT LIABILITIES		**282**	**251**
Long-term provisions	**5.6**	153	100
Financial liabilities - Non-current portion	**5.7**	126	151
Deferred tax liabilities		3	
Other non-current liabilities			
CURRENT LIABILITIES		**6,494**	**5,621**
Short-termprovisions			81
Financial liabilities - current portion	**5.7**	534	557
Trade and other payables		4,520	3,672
Other current liabilities	**5.8**	1,440	1,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**44,377**	**53,004**

CONSOLIDATED STATEMENTS OF CHANGES IN IN SHAREHOLDERS'EQUITY

STATEMENT OF CHANGES IN EQUITY (in thousands of €)	Capital stock	Issue premiums	Reserves	Income (Loss)	Shareholders' equity
12/31/2014	**688**	**72,427**	**(28,431)**	**(8,860)**	**35,824**
Net loss for the period				(6,533)	(6,533)
Remeasurement of defined benefit liability (asset)			11		11
Change conversion reserve			-		-
Total comprehensive income			**11**	**(6,533)**	**(6,522)**
Allocation of prior period loss			(8,860)	8,860	-
Issue of ordinary shares	1	47			48
Treasury shares	0	64			64
Share based payment			1,301		1,301
06/30/2015	**689**	**72,538**	**(35,978)**	**(6,533)**	**30,715**
12/31/2015	**792**	**95,931**	**(34,578)**	**(15,013)**	**47,132**
Net loss for the period				(10,349)	(10,349)
Remeasurement of defined benefit liability (asset)			16		17
Change conversion reserve			5		5
Total comprehensive income			**21**	**(10,349)**	**(10,328)**
Allocation of prior period loss			(15,013)	15,013	
Issue of ordinary shares	1	95			96
Share based payment			703		703
06/30/2016	**793**	**96,026**	**(48,870)**	**(10,349)**	**37,601**

CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands of €)	06/30/2016	06/30/2015
Net loss	**(10,349)**	**(6,533)**
Reconciliation of net loss and the cash used for operating activities :		
- Amortization and depreciation	188	133
- Increase in long term provision	158	18
- Expense related to share-based payments	703	1,301
Interest expenses	12	2
Income tax expense	(9)	(5)
Operating cash flow before change in working capital	**(9,298)**	**(5,083)**
Decrease in inventories	(35)	14
Increase in trade and other receivables	20	(162)
Increase in other current assets	(25)	(1,374)
Decrease in other payables	848	1,756
Increase in other current liabilities	128	(1,107)
Increase in other liabilities – Non current portion	(81)	-
Change in working capital requirements related to operating activities	**770**	**(873)**
Net cash flow used by operating activities	**(8,527)**	**(5,957)**
Cash flows from investing activities		
- Acquisition of intangible assets	(19)	(19)
- Acquisition of property, plant and equipment	(664)	(21)
- Acquisition of financial assets	(0)	(7)
- Disposal of financial assets	-	-
Net cash flow used in investing activities	**(683)**	**(47)**
Cash flows from financing activities		
Capital increase in cash	96	48
Repayment of borrowings	(49)	(50)
Treasury shares	-	64
Net cash flow from financing activities	**47**	**62**
Change in other currency cash and cash equivalents	1	-
Increase / Decrease in cash and cash equivalents	**(9,163)**	**(5,942)**
Cash and cash equivalents at the beginning of the period	45,634	36,988
Cash and cash equivalents at the close of the period	36,471	31,046
	-	-
Increase / Decrease in cash and cash equivalents	**(9,163)**	**(5,942)**

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of the half-year consolidated financial statements for the period ended June 30, 2016. The financial statements were issued by the Board of Directors on September 5, 2016.

The Group is composed of the parent company ERYTECH Pharma S.A., and a wholly-owned subsidiary located in the United States, ERYTECH Pharma Inc.

I. Description of the Company's activity

The Group's main activity is research and development in the treatment of acute leukemias and other orphan diseases.

Since its founding, the Company has focused its efforts on:

- the development of a patented technology based on the encapsulation of molecules in red blood cells, which offers an innovative approach to the treatment of acute leukemias and other solid tumors. The development of the main product, Graspa®, which began when the Group was founded, has led to the issue 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 marketing of the product.
- the implementation of clinical programs initially intended to validate Graspa® 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 conducted a Phase II clinical study that likewise demonstrated the safety of the product's use and its efficacy in patients over 55 years of age with ALL. The Group completed a Phase III clinical study, at the end of which ERYTECH Pharma S.A. filed an application for approval to market Graspa® in Europe for the treatment of ALL. The Group has also initiated a Phase II study in acute myeloid leukemia (AML) and for use in pancreatic cancer.

The Group's business model is to develop its products up to the point of obtaining authorization to market them in Europe and then in the United States. Commercial partnerships established by ERYTECH Pharma S.A. will allow for the distribution of Graspa®, first in Europe and then in the United States and the rest of the world. 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.

II. Highlights of the period

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

The Company continued its dialogue with the European Medicines Agency (EMA) following the receipt in late January 2016 of the "D120" questions on the marketing authorization for the product GRASPA.

The responses to the "D120" questions issued by the EMA were filed with the Agency on July 15, 2016. The Company anticipates receiving the list of points pending at Day 180 by the end of September. Based on the preliminary feedback it received on these pending issues, the Company notes significant progress in the resolution of the questions raised by the CHMP. However, the Company believes that the responses to the remaining points will require a longer period than initially planned, and expects to receive the CHMP's opinion on the application for the GRASPA marketing authorization in 2017.

Additional founder subscription warrants (BSPCE) were allotted by the Board of Directors at its meeting on May 6, 2016 (see Note 4.3).

III. Accounting policies and methods

Pursuant to European regulation 1606/2002 of July 19, 2002, the Company's summary consolidated financial statements are prepared in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union at June 30, 2016.

These standards are available on the European Commission's website at the following address: (http://ec.europa.eu/internal_market/accounting/ias/index_fr.html).

The half-year financial statements, summarized here, were prepared in accordance with the international standard IAS 34 ("Interim financial reporting").

The half-year financial statements do not contain all the information and notes as presented in the annual financial statements. As a result, they should be read in parallel with the Company's financial statements for the year ended December 31, 2015.

The half-year financial statements are presented in euros, which is the Company's functional currency. All amounts mentioned in these notes to the financial statements are denominated in euros, unless indicated otherwise.

With the exception of the standards to be applied at January 1, 2016 described below, the accounting principles and methods applied in establishing the interim financial statements are identical to those used to establish the financial statements at December 31, 2015.

New standards, amendments to standards, and interpretations applicable within the European Union as of the fiscal year beginning January 1, 2016

The Group adopted the following standards, amendments and interpretations applicable as of January 1, 2016:

- Amendments to IAS 1 (presentation of financial statements) covering the application of the notions of materiality and personal judgment;
- Amendments to IAS 16 (property, plant and equipment) and IAS 38 (intangible assets) relating to acceptable amortization and depreciation methods. The IASB thus specified that the use of an amortization method based on revenue is not appropriate as it does not reflect the use of economic benefits related to an intangible asset. This presumption may be refuted under certain circumstances;
- Amendments to IFRS 11 "joint agreements" dealing with the acquisition of an interest in a joint venture;
- Amendments to IAS 19 – "Employee benefits" which applies to contributions from employees or third parties to defined benefit plans. Certain contributions may now be deducted from the cost of services rendered for the period in which the service is rendered;
- Annual improvements to IFRS (2010-2012) applicable as of February 1, 2015: these amendments primarily deal with information on related parties (IAS 24) and, more specifically, clarifications on the notion of service of "key" Management personnel; share-based payments (IFRS 2) including a clarification of the notion of "conditions of acquisition;" 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 notion of

fair value for short-term receivables and liabilities and the possibility 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 had no significant impact on the Group's results and financial position. The standards and interpretations for which application was optional at June 30, 2016 have not been applied early. However, the Group does not anticipate significant impacts related to the application of these new texts, including those concerning IFRS 15 on income from ordinary activities drawn from contracts with customers.

Presentation

The statement of income presents the classification of expenses and income by function.

Comparative information is presented using an identical classification.

The statement of cash flow was prepared using the indirect method.

Statements are established in accordance with the principles of a going concern and the permanence of the accounting methods.

Use of estimates

Preparation of the financial statements in accordance with the rules prescribed by IFRS requires the use of estimates and the formulation of assumptions that have an impact on the financial statements. 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 main estimates made are described in the annual financial statements.

Segment reporting

In accordance with IFRS 8 "Operating Segments," reporting by operating segment is derived from the internal organization of the company's activities; it reflects management's viewpoint and is established on the basis of the internal reporting used by the chief operating decision maker (the Chairman - CEO) to implement the allocation of resources and to assess performance.

The company's current reporting has enabled it to define a single operating segment.

The operating segment is monitored individually in terms of internal reporting, based on performance indicators.

IV. Notes related to the consolidated statement of income (loss)

4.1 Operating income

Other operating income is composed of the following:

(in thousands euros)	30.06.2016	30.06.2015
Research tax credit	1 787	1 092
Subsidies	463	270
Other income	154	112
Operating income	**2 403**	**1 474**

Other income from activities is mainly generated by research tax credit and subsidies for preclinical research programs in partnership with BPI France.

Other income totaled €112k and €154k respectively for the periods ended June 30, 2015 and 2016. For the period from January 1 to June 30, 2016, other income represented the reinvoicing to Orphan Europe of internal costs paid for the AML study in 2016.

The increase in the research tax credit at June 30, 2016 compared with June 30, 2015 is due primarily to the increase in research activities, and the increase in the eligible payroll in the research tax credit calculation base.

4.2 Operating expenses by nature

For the six-months period ended June 30, 2016	Research and development expenses	*of which other R&D expenses*	*of which clinical studies*	*of which Intellectual Property*	General and administrative expenses	**Total**
Consumables	707	*142*	*564*	-	31	**738**
Rental and maintenance	284	*106*	*179*	-	195	**479**
Services, subcontracting and fees	4 398	*1 497*	*2 726*	*174*	1 716	**6 114**
Personnel expenses	3 002	*641*	*2 339*	*23*	1 487	**4 489**
Other	280	*41*	*239*	-	649	**929**
Depreciation and amortization	129	*9*	*120*	-	144	**273**
Total	**8 800**	***2 435***	***6 168***	***197***	**4 222**	**13 022**

For the six-months period ended June 30, 2015	Research and development expenses	*of which other R&D expenses*	*of which clinical studies*	*of which Intellectual Property*	General and administrative expenses	**Total**
Consumables	503	*149*	*353*	-	37	**540**
Rental and maintenance	269	*111*	*158*	-	197	**466**
Services, subcontracting and fees	2 020	*613*	*1 202*	*206*	1 124	**3 144**
Personnel expenses	2 053	*805*	*1 198*	*50*	1 020	**3 073**
Other	271	*30*	*240*	*1*	630	**901**
Depreciation and amortization	115	*14*	*101*	-	99	**214**
Total	**5 231**	***1 721***	***3 253***	***257***	**3 107**	**8 338**

4.3 Personnel expenses

Personnel costs break down as follows:

For the six-months period ended June 30, 2016	Research and development expenses	*of which other R&D expenses*	*of which clinical studies*	*of which Intellectual Property*	General and administrative expenses	**Total**
Wages and salaries	1 980	*411*	*1 537*	*32*	827	**2 807**
Share-based payments	441	*85*	*344*	*13*	262	**703**
Social security expenses	615	*144*	*458*	*12*	364	**979**
Total personnel expenses	**3 036**	***641***	***2 339***	***57***	**1 453**	**4 489**

For the six-months period ended June 30, 2015	Research and development expenses	*of which other R&D expenses*	*of which clinical studies*	*of which Intellectual Property*	General and administrative expenses	**Total**
Wages and salaries	936	*451*	*464*	*20*	248	**1 185**
Share-based payments	658	*133*	*506*	*19*	132	**789**
Social security expenses	459	*221*	*228*	*11*	128	**587**
Total personnel expenses	**2 053**	***805***	***1 198***	***50***	**508**	**2 561**

The increase in personnel costs is mainly due to the increase in the number of employees which rose from 50 at June 30, 2015 to 57 at December 31, 2015 and then to 76 at June 30, 2016. Eight persons are newly based in the Boston office.

On May 6, 2016, the Board of Directors awarded an additional 5,000 founder subscription warrants (BSPCE) to 21 managers, in accordance with Plan 2014.

As required by IFRS2, the Company conducted a valuation of these 5,000 BSPCE2014 awarded to these persons using the Black&Scholes measurement mode.

The main assumptions used to determine the fair value of the $BSPCE_{2014}$ awarded to employees are:

- Risk-free rate: -0.18% to -0.11% depending on the tranches (according to the zero coupon government bond rates curve);
- Anticipated 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 tranches allocated.

Thus, the fair value of the plan in the amount of €636k was gradually recognized over a period of two years in accordance with IFRS2. An expense was recognized as personnel costs at June 30, 2016 in the amount of €359k with €300k allocated to R&D personnel costs and €59k for G&A personnel costs.

4.4 Amortization and depreciation expense

(in thousands euros)	30.06.2016	30.06.2015
R&D	9	14
Clinical studies	120	101
Intellectual property	-	-
General and administrative	144	18
Total accumulated amortization and depreciation	**273**	**133**

4.5 Financial income and expense

(in thousands euros)	30.06.2016	30.06.2015
Interests on leases	(2)	(3)
Other finance expenses	(30)	(15)
Total finance expense	**(32)**	**(18)**
Income from disposal of short term invesments	284	257
Other finance income	8	86
Total finance income	**292**	**343**
Total finance income	**260**	**325**

Revenue from marketable securities represents the interest accrued on short-term deposits as at June 30, 2016. Other financial income is the foreign exchange gains recognized at June 30, 2016.

V. Notes related to the consolidated statement of financial position

5.1 Non-current assets

Intangible assets

As at June 30, 2016, investments in intangible assets correspond to the acquisition of software.

Property, plant and equipment

The change in the gross value of property, plant and equipment is primarily related to the remodeling work on the new floor at the Lyon site and also at the Boston site.

Non-current financial assets

Non-current financial assets represent the security deposits paid for the lease of the Boston offices.

No new finance-lease agreement was signed over the period.

5.2 Trade and other receivables

(in thousands euros)	30.06.2016	31.12.2015
Trade receivables	489	424
Trade and other receivables	**489**	**424**

As the Company does not yet sell its products in development, trade receivables represents only the reinvoicing of research and development costs paid in the context of the clinical trials of the AML study to Orphan Europe.

5.3 Other current assets

in thousands euros	30.06.2016	31.12.2015
Research tax credit	4 006	3 743
Tax receivables (e.g VAT) and other receivables	809	1 190
Shareholders - Cash contribution	-	553
Prepayments	365	220
Other subsidies	465	
Other current assets	**5 645**	**5 705**

As at June 30, 2016, the Company had received the reimbursements of its 2014 Research Tax Credit in the amount of €1,439k. This receivable was recovered in April 2016. The related receivable in the balance sheet accounts at June 30, 2016 includes the RTC for fiscal 2015 and the first half of 2016.

The 2016 RTC was recognized at June 30, 2016 on the basis of the eligible costs already incurred by the company.

5.4 Cash and cash equivalents

in thousands euros	30.06.2016	31.12.2015
Cash and cash equivalents	36 471	45 634
Bank overdrafts	-	-
Total cash and cash equivalents	**36 471**	**45 634**

The cash position is composed of the following items:

- At 06/30/2016:

  - €4,830k in current accounts,

  - €31,641k in short-term deposits with BP2L (Banque Populaire), with maturities of one month to three years, but available without penalty subject to 32 days' notice;

- At 12/31/2015:

  - €20,181k in current accounts,

  - €25,453k in short-term deposits with three banking institutions, with maturities of one month to three years, but available without penalty subject to 32 days' notice.

5.5 Shareholders' equity

At December 31, 2015, the capital was comprised of 7,924,611 shares, fully paid up, with a nominal value of 0.1 euro.

During the first half of 2016 and following the exercise of share subscription warrants (BSA), 12,720 new shares were fully subscribed and paid up for a total of €96,333.04, which represents €1,272 for the nominal value of the share and €95,061.04 for the share premium.

This capital increase will be recognized in a future Board of Directors' meeting.

At June 30, 2016, the Company held 2,500 treasury shares at an average price of €28.4, or €71k (identical to December 31, 2015).

5.6 Provisions

Provisions can be broken down as follows:

in thousands euros	30.06.2016	31.12.2015
Retirement indemnity provision	153	100
Provision for disputes	-	81
Total	**153**	**181**

The Company received formal notice in June 2015 to repay to BPI France a grant received for the GR-SIL program. The initial amount of the grant was €81k. As at June 30, 2016, the repayment had been made to BPI France.

5.7 Financial liabilities

Financial liabilities by type

in thousands euros	30.06.2016	31.12.2015
Liabilities related to leases	113	144
Conditional advances	548	563
Total financial liabilities	**660**	**708**

Financial liabilities by maturity

in thousands euros	30.06.2016		
	Less than one year	More than one year	TOTAL
Liabilities related to leases	49	64	113
Bank overdrafts			-
Conditional advances	485	63	548
Convertible bonds			-
Loans			-
Total financial liabilities	**534**	**126**	**660**

in thousands euros	31.12.2015		
	Less than one year	More than one year	TOTAL
Liabilities related to leases	56	88	144
Bank overdrafts			-
Conditional advances	501	63	563
Convertible bonds			-
Loans			-
Total financial liabilities	**557**	**151**	**708**

5.8 Other current liabilities

in thousands euros	30.06.2016	31.12.2015
Taxation and social security	1 440	1 241
Deferred revenue	-	-
Other payables	-	71
Total other current liabilities	**1 440**	**1 311**

5.9 Related parties

Gil Beyen is the CEO of the company; Jérôme Bailly is the Chief Pharmacist. The other related parties are the members of the Board of Directors.

There has been no significant change in the transactions executed with related parties since December 31, 2015.

The company has no other related parties.

5.10 Financial instruments recognized in the consolidated statement of financial position and effect on net income (loss)

For the six-months period ended June 30, 2016		Carrying amount on the statement of financial position	Fair value through P&L	Loans and receivables	Debt at amortized cost	Fair value
Non-current financial assets	(1)	97		97		97
Trade and other receivables	(1)	489		489		489
Other current assets	(1)	5 645		5 645		5 645
Cash and cash equivalents	(2)	36 471	36 471			36 471
						-
Total financial assets		**42 702**	**36 471**	**6 231**	**-**	**42 702**
Financial liabilities - Non-current portion	(1)	126			126	126
Financial liabilities - Current portion	(1)	534			534	534
Trade payables & related accounts	(1)	4 520			4 520	4 520
						-
Total financial liabilities		**5 180**	**-**	**-**	**5 180**	**5 180**

For the six-months period ended June 30, 2015		Carrying amount on the statement of financial position	Fair value through P&L	Loans and receivables	Debt at amortized cost	Fair value
Non-current financial assets	(1)	97		97		97
Trade and other receivables	(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 assets		**51 860**	**45 634**	**6 226**	**-**	**51 860**
Financial liabilities - Non-current portion	(1)	151			151	151
Financial liabilities - Current portion	(1)	557			557	557
Trade payables & related accounts	(1)	3 672			3 672	3 672
						-
Total financial liabilities		**4 380**	**-**	**-**	**4 380**	**4 380**

Note:

(1) The book value of these assets and liabilities is a reasonable approximation of their fair value.

(2) Level 2 fair value

5.11 Off-balance sheet commitments

There were no significant off-balance sheet commitments given or received since December 31, 2015.

5.12 Events after the close of the six-months period

There were no significant post-closing events.

VI. STATUTORY AUDITORS' REVIEW REPORT

ERYTECH PHARMA

SA with capital of 792,461.10 euros

60 Avenue Rockefeller
69008 LYON

STATUTORY AUDITORS' REVIEW REPORT
ON THE 2016 HALF-YEAR FINANCIAL INFORMATION

Period from January 1, 2016 to June 30, 2016

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Dear Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Erytech Pharma S.A. for the period from January 1, 2016 to June 30, 2016;
- the verification of the information presented in the half-yearly management report.

These condensed consolidated half-yearly financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based onb our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for accounting and financial matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might beidentified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II - Specific verification

We have also verified the information provided in the half-yearly management report on the condensed half-yearly consolidated financial statements e subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed- half yearly consolidated financial statements.

Lyon, September 6, 2016
The Statutory Auditors

For KPMG SA
French original signed by Sara Righenzi de Villers Dhalluin

For RSM Rhône Alpes
French original signed by Gaël

VII. DECLARATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

"I hereby certify that, to my knowledge, the half-year financial statements for the past six months have been prepared in accordance with applicable accounting standards and fairly present the assets, financial position and results of the Company, and that the half-year management report attached hereto is a fair presentation of the main events that occurred during the first six months of the fiscal year, of their impact on the financial statements, of the main related-party transactions and a description of the principal risks and uncertainties described in section II.E for the remaining six months of the fiscal year."

Lyon, September 6, 2016

Gil Beyen

Chairman and Chief Executive Officer