



PRESS RELEASE

ERYTECH RAISES €10 MILLION IN PRIVATE PLACEMENT WITH U.S. AND EUROPEAN INVESTORS

Lyon (France), December 8, 2016 – ERYTECH Pharma (Paris: ERYP) (ADR: EYRY) (Euronext Paris - ERYP), the French biopharmaceutical company that develops innovative ‘tumor starvation’ treatments for acute leukemia and other oncology indications with unmet medical needs (the "Company"), today announced the closing of a private placement of 793,877 ordinary shares to qualified investors in the United States and Europe for total gross proceeds of approximately €10 million.

The Company intends to use the proceeds from the private placement to advance several key strategic initiatives related to the development of its lead product candidate, eryaspase (GRASPA®), as well as for working capital and general corporate purposes. Erytech has active development programs evaluating GRASPA in acute lymphoblastic leukemia (ALL), acute myeloid leukemia (AML) and pancreatic cancer, as well as other development initiatives for additional indications and product candidates.

The capital raise was subscribed by prominent institutional investors in the United States and in Europe.

“The proceeds of this private placement will meaningfully strengthen our financial position and give Erytech greater maneuverability as we continue to advance the development of GRASPA and the broader ERYCAPS platform. We are pleased with the strong and continued commitment of our existing shareholders who participated in the financing. We also recognize the support of the new institutions that invested, who will further strengthen our investor base, notably in the United States.” commented Gil Beyen, Chairman and CEO of ERYTECH Pharma. *“We expect a number of important milestones in the upcoming year 2017, including primary data from our Phase 2 study of GRASPA in pancreatic cancer, as well as the resubmission of our European marketing authorization application for GRASPA in the treatment of ALL and primary data from the Phase 2b trial of GRASPA in the treatment of AML. This additional capital will ensure that we are in a more robust position to deliver on these anticipated milestones.”*

Admission of the new shares

As of today, the new shares are entitled to current dividend rights and are immediately fungible in existing shares. The new shares will be admitted to trading on the Euronext Paris under ISIN FR0011471135 – ERYP as of Monday, December 12, 2016.

The share capital of the Company is now 873,264.80 euros, composed of 8,732,648 shares with a nominal value of €0.10.

Reminder of the main terms of the share capital increase

The Company placed 793,877 new shares with a par value of €0.10, at a price of €12.50 per share, including share premium, for a total amount subscribed of approximately €10 million, representing approximately 10% of the share capital of the Company.

The issue price of the new shares represented a discount of 3.1% from the weighted average share price of the Company's shares on the regulated market of Euronext Paris during the 10 trading days preceding the determination of the issue price.

On an illustrative basis, a shareholder holding 1% of the Company's share capital before the issuance will now hold a stake of 0.91% after the transaction.

The share capital increase of the Company was carried out by issuing ordinary shares without preferential subscription rights by private placement amongst qualified investors in accordance with Article L. 411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*) pursuant to the 20th and 21st resolutions of the combined shareholders' meeting (*assemblée générale mixte*) of June 24, 2016.

The private placement was conducted by Jefferies International Limited acting as Sole Bookrunner.

Information available to the public

The transaction is not subject to a prospectus approved by the *Autorité des Marchés Financiers* (AMF). Detailed information regarding the Company, including on its business, financial information, results, perspectives and related risk factors are contained (i) in the Company's registration document (*document de référence*) filed with the AMF on April 29, 2016 under number R. 16-039, and (ii) the Half-Year Financial Report 2016 published on 6 September 2016. These documents as well as other regulated information and all of the Company's press releases, can be accessed on the Company's website (<http://erytech.com>) and AMF (www.amf-france.org), and is available free of charge, upon request, at the headquarters of the Company located at 60 Avenue Rockefeller, Bâtiment Adénine – 69008 Lyon, France.

About ERYTECH and eryaspase (GRASPA®): www.erytech.com

Founded in Lyon, France in 2004, ERYTECH is a clinical-stage biopharmaceutical company developing innovative therapies for rare forms of cancer and orphan diseases. Leveraging its proprietary ERYCAPS platform, which uses a novel technology to encapsulate therapeutic drug substances inside red blood cells, ERYTECH has developed a pipeline of product candidates targeting markets with high unmet medical needs. ERYTECH's initial focus is on the treatment of blood cancers, including acute lymphoblastic leukemia (ALL) and acute myeloid leukemia (AML), by depriving tumors of nutrients necessary for their survival. ERYTECH plans to pursue regulatory approvals for its lead product candidate, eryaspase, also known as ERY-ASP or under the trade name GRASPA®, having achieved positive efficacy and safety results from its completed Phase 2/3 pivotal clinical trial in Europe in children and adults with relapsed or refractory ALL. ERYTECH also has an ongoing Phase 1 clinical trial of eryaspase in the United States in adults with newly diagnosed ALL, and a Phase 2b clinical trial in Europe in elderly patients with newly diagnosed AML, each in combination with chemotherapy. ERYTECH believes that eryaspase also has the potential as a treatment approach in solid tumors and is conducting a Phase 2 clinical trial in Europe in patients with metastatic pancreatic cancer.

Eryaspase consists of an enzyme, L-asparaginase, encapsulated inside donor-derived red blood cells. L-asparaginase depletes asparagine, a naturally occurring amino acid essential for the survival and proliferation of cancer cells, from circulating blood plasma. ERYTECH produces eryaspase at its own GMP-approved and operational manufacturing site in Lyon (France), and at a site for clinical production in Philadelphia (USA). ERYTECH has entered into licensing and distribution partnership agreements for eryaspase for ALL and AML in Europe with Orphan Europe (Recordati Group), and for ALL in Israel with TEVA, which will market the product under the GRASPA® brand name. The European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA) have granted orphan drug designations for eryaspase for the treatment of ALL, AML and pancreatic cancer.

In addition to eryaspase, ERYTECH is developing two other product candidates that focus on using encapsulated enzymes to induce tumor starvation. The company is also exploring the use of its ERYCAPS platform for developing cancer immunotherapies and enzyme replacement therapies.

ERYTECH is listed on Euronext regulated market in Paris (ISIN code: FR0011471135, ticker: ERYP) and is part of the CAC Healthcare, CAC Pharma & Bio, CAC Mid & Small, CAC All Tradable, EnterNext PEA-PME 150 and Next Biotech indexes. ERYTECH is also listed in the U.S. under an ADR level 1 program (OTC, ticker EYRY).

THIS DOCUMENT MAY NOT BE RELEASED, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY,
IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN

CONTACTS

ERYTECH
Gil Beyen
Chairman and CEO
Eric Soyer
CFO and COO

+33 4 78 74 44 38
investors@erytech.com

The Ruth Group
Lee Roth
Investor relations
Kirsten Thomas
Media relations

+1 646 536 7012
lroth@theruthgroup.com
+1 508 280 6592
kthomas@theruthgroup.com

NewCap
Julien Perez
Investor relations
Nicolas Merigeau
Media relations

+33 1 44 71 98 52
erytech@newcap.eu

ERYP
LISTED
EURONEXT

OTC Markets
Ticker : EYRY

Disclaimer

This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to solicit the interest of the public in France, the United States, or in any other jurisdiction, in connection with any offer.

The distribution of this document may, in certain jurisdictions, be restricted by local legislations. Persons into whose possession this document comes are required to inform themselves about and to observe any such potential local restrictions.

This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "Prospectus Directive").

With respect to the member States of the European Economic Area, no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant member State. As a result, the securities have not and will not be offered in any relevant member State except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Directive or under any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive and/or to applicable regulations of that relevant member State.

The securities offered in the private placement have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and have not and will not be offered or sold in the United States absent registration, or an applicable exemption from registration requirements under the Securities Act. This document does not constitute an offer to the public in France and the securities referred to in this document can only be offered or sold in France pursuant to Article L. 411-2-II of the French Monetary and Financial Code to (i) providers of third party portfolio management investment services, (ii) qualified investors (investisseurs qualifiés) acting for their own account and/or (iii) a limited group of investors (cercle restreint d'investisseurs) acting for their own account, all as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-4 and D. 754-1 and D. 764-1 of the French Monetary and Financial Code.

This document is only being distributed to, and is only directed at, persons in the United Kingdom that (i) are "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). This document is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in such forward-looking statements. For a

**THIS DOCUMENT MAY NOT BE RELEASED, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY,
IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN**

discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance or achievements to differ from forward-looking statements, please refer to the Risk Factors section of the Company's registration document (document de reference) filed with the AMF on April 29, 2016 under number R. 16-039, which is available on the AMF website (www.amf-france.org) and on the Company's website (<http://erytech.com>).

Jefferies International Limited is acting for the Company and for no-one else in relation to the placing, and will not be responsible to any other person for providing the protections afforded to their clients nor for providing advice in connection with the matters contained in this announcement. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Jefferies International Limited or by any of their affiliates or agents, as to or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.