

ERYTECH PHARMA

A French joint-stock company (*Société anonyme*) with share capital of €2,578,442.10 euros
Registered office: 60 Avenue Rockefeller, 69008 Lyon
Lyon Trade and Companies Register 479 560 013 RCS
(the “**Company**”)

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON SHARE SUBSCRIPTION AND PURCHASE OPTIONS (Art. L. 225-184 of the French Commercial Code)

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, we inform you under the terms of this report, of the information regarding the exercise of share subscription (the “**Stock Options**”) and/or purchase option transactions carried out during the financial year ended December 31, 2020, under the delegations of authority granted to the Board of Directors by the General Shareholders’ Meetings of June 21, 2019 and June 26, 2020.

1. **Conditions of the share subscription or purchase option plans granted and procedures for their implementation with respect to the financial year ended**

Upon delegation of authority by the Combined General Shareholders’ Meeting held on June 21, 2019, under the terms of the thirty-first resolution, on July 31, 2019, the Board of Directors approved and adopted all of the provisions of the plan’s draft rules in English governing the Stock Options₂₀₁₉ (the “**Stock Option₂₀₁₉ Plan**”).

Upon delegation of authority by the Combined General Shareholders’ Meeting held on June 26, 2020, under the terms of the thirty-first resolution, on July 28, 2020, the Board of Directors approved and adopted all of the provisions of the plan’s draft rules in English governing the 2020 Stock Options (the “**Stock Option₂₀₂₀ Plan**”).

The main features of the Stock Option₂₀₁₉ Plan and Stock Option₂₀₂₀ Plan are as follows:

- Beneficiaries: beneficiaries may be the Chairman, the Chief Executive Officer and the Chief Operating Officers of the Company subject to the tax rules applicable to employees, in addition to any employee of the Company or of any affiliate;
- Number of shares subscribed or acquired through the exercise of Options: each Stock Option will grant the right to subscription or acquisition of one common share of the Company with a nominal value of €0.10;
- “Incentive stock options” plan: these Options are awarded under the “incentive stock options” plan pursuant to Section 422 of the US Internal Revenue Code for any beneficiaries who have not reached the authorized maximum, as indicated in the Stock Option₂₀₁₉ and Stock Option₂₀₂₀ Plans;
- Restriction of Stock Options: Stock Options are personal, exempt from attachment and non-transferable, except in the event of the death of their holder.

The Board of Directors recognized that, in addition to the fact that the US Internal Revenue Code requires this to enable the issuance of incentive stock options under the Stock Option₂₀₁₉ and Stock Option₂₀₂₀ Plans to employees residing in the US for tax purposes, this must be approved by the General Shareholders’ Meeting within one (1) year from July 31, 2019 for the Stock Option₂₀₁₉ Plan and from July 28, 2020 for the Stock Option₂₀₂₀ Plan. The General Shareholders’ Meeting of June 26, 2020, in its seventeenth resolution, approved the Stock

Option₂₀₁₉ Plan. The Board of Directors will propose to the General Shareholders' Meeting to be held on June 25, 2021, voting under the provisions of quorum and majority for Ordinary Shareholders' Meetings, to approve the Stock Option₂₀₂₀ Plan.

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

The Board of Directors has decided to subdelegate to Gil Beyen, Chief Executive Officer of the Company, all authority and powers to determine, for the Stock Option₂₀₁₉ and the Stock Option₂₀₂₀ Plan:

- the identity of the beneficiaries; it is specified that the Chief Executive Officer shall not use this delegation of powers to allocate Stock Options to any corporate officer or manager of the Company or of one of its subsidiaries;
- The number of Stock Options granted to each of them;
- the procedures for allocating and exercising the Stock Options under the conditions of the Stock Option₂₀₁₉ Plan and the Stock Option₂₀₂₀ Plan approved by the Board of Directors, and
- generally, sign any agreement, prepare all documents, record capital increases after stock options are exercised, make any corresponding amendments to the articles of incorporation, where applicable, carry out any formalities and make any declarations to all relevant bodies, and do anything else that may be required.

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

a. Allocation of stock options on July 28, 2020 under the Stock Option₂₀₂₀ Plan

On July 28, 2020, the Board of Directors decided to make use of its delegation and to allocate a total of 105,000 Stock options₂₀₂₀₋₂₈₀₇₂₀₂₀ and 30,000 Stock options_{S2020-28072020} at a subscription price of €6,88 respectively to Gil Beyen, Chief Executive Officer and to Jean-Paul Kress, Chairman of the Board.

- **Exercise or acquisition price of shares issued or acquired through the exercise of Stock options₂₀₂₀₋₂₈₀₇₂₀₂₀**: each common share of the Company subscribed or acquired through the exercise of stock options will be subscribed or acquired at a price of €6,88, corresponding to the average of the closing prices of the Company's share determined over the twenty (20) trading days preceding the date of allocation of the Stock options₂₀₂₀₋₂₈₀₇₂₀₂₀, reduced by a discount of 5%;
- **Exercise timetable**: stock options may, under the conditions of the Stock Option₂₀₂₀ Plan, be exercised by their holder according to the following percentages and timetable:
 - up to two thirds of the stock options allocated to holders at the end of a period of two (2) years from the date of the decision by the Board of Directors to allocate the stock options to the aforementioned holder, i.e., from July 28, 2022 for the stock options granted and allocated on July 28, 2020;

- up to one third of the stock options allocated to holders at the end of a period of three (3) years from the date of the decision by the Board of Directors to allocate the stock options to the aforementioned holder, i.e., from July 28, 2023 for the stock options granted and allocated on July 28, 2020.

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

a. Allocation of stock options on February 25, 2020 under the Stock Option₂₀₁₉ Plan

On February 25, 2020, the Chief Executive Officer decided to make use of the delegation granted from the Board of Directors on July 31, 2019 and to allocate a total of 41,950 Stock options₂₀₁₉₋₂₅₀₂₂₀₂₀ at a subscription price of €5,87 to employees of the Company.

- **Exercise or acquisition price of shares issued or acquired through the exercise of Stock options₂₀₁₉₋₂₅₀₂₂₀₂₀**: each common share of the Company subscribed or acquired through the exercise of stock options will be subscribed or acquired at a price of €5,87, corresponding to the average of the closing prices of the Company's share determined over the twenty (20) trading days preceding the date of allocation of the Stock options₂₀₁₉₋₂₅₀₂₂₀₂₀ reduced by a discount of 5%;
- **Exercise timetable**: Stock options may, under the conditions of the Stock Option₂₀₁₉ Plan, be exercised by their holder according to the following percentages and timetable:
 - up to two thirds of the stock options allocated to holders at the end of a period of two (2) years from the date of the decision by the Chief Executive Officer to allocate the stock options to the aforementioned holder, i.e., from February 25, 2022 for the stock options granted and allocated on February 25, 2020;
 - up to one third of the stock options allocated to holders at the end of a period of three (3) years from the date of the decision by the Chief Executive Officer to allocate the stock options to the aforementioned holder, i.e., from February 25, 2023 for the stock options granted and allocated on February 25, 2020;

b. Allocation of stock options on July 28, 2020 under the Stock Option₂₀₂₀ Plan

On July 28, 2020, the Board of Directors decided to make use of its delegation and to allocate a total of 239,000 Stock options₂₀₂₀₋₂₈₀₇₂₀₂₀ at a subscription price of €6,88 to employees of the Company.

- **Exercise or acquisition price of shares issued or acquired through the exercise of Stock options₂₀₂₀₋₂₈₀₇₂₀₂₀**: each common share of the Company subscribed or acquired through the exercise of stock options will be subscribed or acquired at a price of €6,88, corresponding to the average of the closing prices of the Company's share determined over the twenty (20) trading days preceding the date of allocation of the Stock options₂₀₂₀₋₂₈₀₇₂₀₂₀, reduced by a discount of 5%;

- **Exercise timetable:** stock options may, under the conditions of the Stock Option₂₀₂₀ Plan, be exercised by their holder according to the following percentages and timetable:
 - up to two thirds of the stock options allocated to holders at the end of a period of two (2) years from the date of the decision by the Board of Directors to allocate the stock options to the aforementioned holder, i.e., from July 28, 2022 for the stock options granted and allocated on July 28, 2020;
 - up to one third of the stock options allocated to holders at the end of a period of three (3) years from the date of the decision by the Board of Directors to allocate the stock options to the aforementioned holder, i.e., from July 28, 2023 for the stock options granted and allocated on July 28, 2020.
- c. Allocation of Stock options on November 13, 2020 under the Stock Option₂₀₂₀ Plan

On November 13, 2020, the Chief Executive Officer decided to make use of the delegation granted from the Board of Directors on July 28, 2020 and to allocate a total of 75,000 Stock options₂₀₂₀₋₁₃₁₁₂₀₂₀ at a subscription price of €6,14 to an employee of the Company.

- **Exercise or acquisition price of shares issued or acquired through the exercise of Stock options₂₀₂₀₋₁₃₁₁₂₀₂₀:** each common share of the Company subscribed or acquired through the exercise of stock options will be subscribed or acquired at a price of €6,14, corresponding to the closing price of the Company's shares on Euronext Paris on the trading day preceding the date on which the Options₂₀₂₀ were awarded ;
- **Exercise timetable:** stock options may, under the conditions of the Stock Option₂₀₂₀ Plan, be exercised by their holder according to the following percentages and timetable:
 - up to two thirds of the stock options allocated to holders at the end of a period of two (2) years from the date of the decision by the Chief Executive Officer to allocate the stock options to the aforementioned holder, i.e., from November 13, 2022 for the stock options granted and allocated on November 13, 2020;
 - up to one third of the stock options allocated to holders at the end of a period of three (3) years from the date of the decision by the Chief Executive Officer to allocate the stock options to the aforementioned holder, i.e., from November 13, 2023 for the stock options granted and allocated on November 13, 2020.

4. Individual Information

In appendix 1, we provide the individual information concerning the ten employees of the Company's subsidiary ERYTECH Pharma Inc. who are not corporate officers and who have been granted the highest number of share subscription or purchase options.

Chairman of the Board of Directors
Jean-Paul Kress

Appendix 1. Individual Information

Beneficiaries ¹	Stock Option Plan	Number of Stock Options granted	Purchase price per Stock Option ²	Stock option expiration date			Number of Stock Options subscribed	Number of Stock Options purchased/ exercised				
				Stock options may be exercised according to the following percentages and timetable:								
				up to 2/3 of Stock Options allocated from	up to 1/3 of Stock Options allocated from	and no later than						
Employee A	2019 & 2020 Stock Option	75.000	Options ₂₀₁₉₋₂₅₀₂₂₀₂₀ : €5,87	Options ₂₀₁₉₋₂₅₀₂₂₀₂₀ : February 25, 2022	Options ₂₀₁₉₋₂₅₀₂₂₀₂₀ : February 25, 2023	Options ₂₀₁₉₋₂₅₀₂₂₀₂₀ : February 25, 2030	75.000	0				
Employee B		75.000					75.000	0				
Employee C		37.500					37.500	0				
Employee D		17.500					17.500	0				
Employee E		15.500					Options ₂₀₂₀₋₂₈₀₇₂₀₂₀ : €6,88	Options ₂₀₂₀₋₂₈₀₇₂₀₂₀ : July 28, 2022	Options ₂₀₂₀₋₂₈₀₇₂₀₂₀ : July 28, 2023	Options ₂₀₂₀₋₂₈₀₇₂₀₂₀ : July 28, 2030	15.500	0
Employee F		13.900					Options ₂₀₂₀₋₁₃₁₁₂₀₂₀ : €6,14	Options ₂₀₂₀₋₁₃₁₁₂₀₂₀ : November 13, 2022	Options ₂₀₂₀₋₁₃₁₁₂₀₂₀ : November 13, 2023	Options ₂₀₂₀₋₁₃₁₁₂₀₂₀ : November 13, 2030	13.900	0
Employee G		13.900					13.900	0				
Employee H		13.900					13.900	0				
Employee I		10.000					10.000	0				
Employee J		10.000					10.000	0				

¹ For confidentiality reasons and to respect the right of individuals to protection of their personal data, we have not stated the identity of the employees.

² Subscription to stock options under the Stock Option₂₀₁₉ and the Stock Option₂₀₂₀ Plan is free of charge.