As filed with the United States Securities and Exchange Commission on October 6, 2017.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ERYTECH Pharma S.A.
(Exact name of registrant as specified in its charter)

France	2836	Not applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

ERYTECH Pharma S.A.
Bâtiment Adénine, 60 Avenue Rockefeller
69008 Lyon France
+33 4 78 74 4438
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

CorpoMax Inc.
2915 Ogletown Road
Newark, Delaware 19713
+1 302 266 8200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Marc Recht Divakar Gupta Brian Leaf Cooley LLP 500 Boylston Street Boston, Massachusetts 02116 +1 617 937 2300	Arnaud Duhamel Gide Loyrette Nouel A.A.R.P.I. 22, cours Albert Ier 75008 Paris France +33 1 40 75 00 00	Eric W. Blanchard Brian K. Rosenzweig Covington & Burling LLP The New York Times Building 620 Eighth Avenue New York, New York 10018-1405 +1 212 841 1111	Bertrand Sénéchal Linklaters LLP 25 rue de Marignan 75008 Paris France +33 1 56 43 56 43

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)(3)(4)	AMOUNT OF REGISTRATION FEE (5)
Ordinary shares, €0.10 nominal value per share (1)	US$100,000,000	US$12,450

(1) All ordinary shares will be in the form of ADSs in the U.S. offering, with each ADS representing one ordinary share. ADSs issuable upon deposit of the ordinary shares registered hereby have been registered pursuant to a separate registration statement on Form F-6.
(2) Includes ordinary shares (which may be in the form of American Depositary Shares, or ADSs), that the underwriters have the option to purchase. See "Underwriting."
(3) Includes ordinary shares which are being offered in a private placement in Europe and other countries outside of the United States and Canada but which may be resold from time to time in the United States in transactions requiring registration under the Securities Act or an exemption therefrom. The total number of ordinary shares in the U.S. offering and the European private placement is subject to reallocation between them.
(4) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
(5) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said Section 8(a), may determine.

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The information contained in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 6, 2017

PRELIMINARY PROSPECTUS

Ordinary Shares
(Including Ordinary Shares in the Form of American Depositary Shares)

€ per Ordinary Share

$ per American Depositary Share

ERYTECH Pharma S.A. is offering an aggregate of ordinary shares in a global offering.

ERYTECH Pharma S.A. is offering ordinary shares in the form of American Depositary Shares, or ADSs, in the United States, referred to herein as the U.S. offering. Each ADS represents the right to receive one ordinary share and the ADSs may be evidenced by American Depositary Receipts, or ADRs. This is our initial public offering of our ADSs in the United States. We have applied to list our ADSs on the Nasdaq Global Market under the symbol "ERYP."

ERYTECH Pharma S.A. is concurrently offering ordinary shares in Europe and countries outside of the United States and Canada in a private placement, referred to herein as the European private placement. Our ordinary shares are listed on Euronext Paris under the symbol "ERYP." On , 2017, the last reported sale price of our ordinary shares on Euronext Paris was € per ordinary share, equivalent to a price of $ per ADS, assuming an exchange rate of € per U.S. dollar.

The closings of the U.S. offering and the European private placement, which are together referred to as the global offering, will occur simultaneously. The total number of ordinary shares (including in the form of ADSs) in the U.S. offering and the European private placement is subject to reallocation between them.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements.

Investing in the ordinary shares and ADSs involves a high degree of risk. See "Risk Factors" beginning on page 13.

Neither the Securities and Exchange Commission nor any U.S. state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	PER ORDINARY SHARE	PER ADS	TOTAL
Offering price	€	$	$
Underwriting commissions (1)	€	$	$
Proceeds, before expenses, to ERYTECH Pharma	€	$	$

(1) The underwriters will also be reimbursed for certain expenses incurred in the global offering. See "Underwriting" for details.

We have agreed to issue, at the option of the underwriters, within 30 days from the date of the underwriting agreement, up to an aggregate of additional ADSs and/or ordinary shares in the global offering to be sold to the several underwriters at the applicable offering price. If the underwriters exercise this option in full, the total underwriting commissions payable by us will be $ and the total proceeds to us, before expenses, will be $.

The underwriters expect to deliver the ADSs to purchasers in the U.S. offering on or about , 2017 through the book-entry facilities of The Depository Trust Company. The underwriters expect to deliver the ordinary shares to purchasers in the European private placement on or about , 2017 through the book-entry facilities of Euroclear France.

Global Coordinator and Joint Book-Runner	*U.S. Joint Book-Runner*	*European Joint Book-Runner*
Jefferies	**Cowen**	**Oddo BHF**

U.S. Lead Manager

JMP Securities

Prospectus dated , 2017.

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For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit the global offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the global offering of the ADSs and ordinary shares and the distribution of this prospectus outside the United States.

We are incorporated in France, and a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the Securities and Exchange Commission, or SEC, we are currently eligible for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Our financial statements included in this prospectus are presented in euros and, unless otherwise specified, all monetary amounts are in euros. All references in this prospectus to "$," "US$," "U.S.$," "U.S. dollars," "dollars" and "USD" mean U.S. dollars and all references to "€" and "euros," mean euros, unless otherwise noted. Throughout this prospectus, references to ADSs mean ADSs or ordinary shares represented by such ADSs, as the case may be.

EXCHANGE RATE INFORMATION

The following table sets forth, for each period indicated, the low and high exchange rates for euros expressed in U.S. dollars, the exchange rate at the end of such period and the average of such exchange rates on the last day of each month during such period, based on the noon buying rate of the Federal Reserve Bank of New York for the euro. As used in this prospectus, the term “noon buying rate” refers to the rate of exchange for the euro, expressed in U.S. dollars per euro, as certified by the Federal Reserve Bank of New York for customs purposes. The exchange rates set forth below demonstrate trends in exchange rates, but the actual exchange rates used throughout this prospectus may vary.

	YEAR ENDED DECEMBER 31,				
	2012	2013	2014	2015	2016
High	1.3463	1.3816	1.3927	1.2015	1.1516
Low	1.2062	1.2774	1.2101	1.0524	1.0375
Rate at end of period	1.3186	1.3779	1.2101	1.0859	1.0552
Average rate per period	1.2859	1.3281	1.3297	1.1096	1.1072

The following table sets forth, for each of the last six months, the low and high exchange rates for euros expressed in U.S. dollars and the exchange rate at the end of the month based on the noon buying rate as described above.

	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017
High	1.0941	1.1236	1.1420	1.1826	1.2025	1.2041
Low	1.0606	1.0869	1.1124	1.1336	1.1703	1.1747
Rate at end of period	1.0895	1.1236	1.1411	1.1826	1.1894	1.1813

On December 30, 2016, the noon buying rate of the Federal Reserve Bank of New York for the euro was €1.00 = $1.0552. Unless otherwise indicated, currency translations in this prospectus reflect the December 30, 2016 exchange rate.

On September 29, 2017, the noon buying rate of the Federal Reserve Bank of New York for the euro was €1.00 = $1.1813.

MARKET, INDUSTRY AND OTHER DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size estimates, is based on information from independent industry analysts, third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us based on such data and our knowledge of such industry and market, which we believe to be reasonable. In addition, while we believe the market opportunity information included in this prospectus is generally reliable and is based on reasonable assumptions, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors.”

TRADEMARKS AND SERVICE MARKS

“ERYTECH Pharma,” “ERYCAPS,” “GRASPA,” the ERYTECH logo and other trademarks or service marks of ERYTECH Pharma S.A. appearing in this prospectus are the property of ERYTECH Pharma S.A. or its subsidiary, ERYTECH Pharma, Inc. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their right thereto. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners. We do not intend to use or display other companies’ trademarks and trade names to imply any relationship with, or endorsement or sponsorship of us by, any other companies.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our ordinary shares (including ordinary shares in the form of ADSs). You should read the entire prospectus carefully, including "Risk Factors" and our financial statements and the related notes appearing elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in the sections of this prospectus titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" before making an investment decision. Unless otherwise indicated, "ERYTECH," "the company," "our company," "we," "us" and "our" refer to ERYTECH Pharma S.A. and its consolidated subsidiary.

Overview

We are a biopharmaceutical company developing innovative therapies for rare forms of cancer and orphan diseases. Leveraging our proprietary ERYCAPS platform, which uses a novel technology to encapsulate therapeutic drug substances inside erythrocytes, or red blood cells, we have developed a pipeline of product candidates targeting both solid and liquid tumors for patients with high unmet medical needs. Our lead product candidate, which we refer to as eryaspase or GRASPA, targets the metabolism of cancers by depriving tumor cells of asparagine, an amino acid necessary for their survival and critical in maintaining the cells' rapid growth rate. We are developing eryaspase for the treatment of solid tumors, including pancreatic cancer. Based on the initial feedback we received from the U.S. Food and Drug Administration, or FDA, at our pre-IND meeting in October 2017, we plan to initiate a pivotal Phase 3 clinical trial of eryaspase for pancreatic cancer in the United States and Europe during the third quarter of 2018. We are also developing eryaspase for the treatment of liquid tumors, including acute lymphoblastic leukemia, or ALL, and acute myeloid leukemia, or AML. We expect to commence a pivotal Phase 3 clinical trial of eryaspase as a first-line treatment for adults with ALL by the end of the third quarter of 2018. Depending on the outcome of our discussions with the European Medicines Agency, or EMA, we intend to resubmit a Marketing Authorization Application, or MAA, for eryaspase for relapsed or refractory ALL later in October 2017. With respect to eryaspase for the treatment of AML, we are conducting a Phase 2b clinical trial in Europe and expect to report initial results from this trial by the end of 2017.

Recent Developments—Phase 2b Clinical Trial for Eryaspase for the Treatment of Second-Line Metastatic Pancreatic Cancer

We recently announced the full results from our Phase 2b clinical trial of eryaspase combined with chemotherapy in 141 patients suffering from second-line metastatic pancreatic cancer. The trial met its pre-specified co-primary endpoints of improvement in overall survival rates and progression-free survival rates. The hazard ratio for overall survival in the entire patient population was 0.60, meaning that treatment with eryaspase reduced the risk of death rate by 40% compared to treatment with chemotherapy alone. Our clinical trial represents the first time an asparaginase-based therapy has been reported to have a survival benefit in a solid tumor indication. We presented these results at the European Society for Medical Oncology Congress in Madrid, Spain in September 2017.

Eryaspase—Our Lead Cancer Metabolism–Targeting Product Candidate

Eryaspase consists of the enzyme L-asparaginase encapsulated in red blood cells. L-asparaginase cleaves and reduces intracellular asparagine, a naturally occurring amino acid essential for the survival and proliferation of cells within the body, including cancer cells, and, through osmosis via the treated red blood cells, depletes this protein building block from circulating blood plasma. Unlike normal cells, cancer cells often lack the enzymes necessary to produce asparagine internally and, therefore, must obtain this nutrient from circulating blood. While L-asparaginase injections have been used for decades as a cancer metabolism treatment, the toxicity profiles of current commercially available forms of unencapsulated, or free-form, L-asparaginases have generally limited their use to pediatric ALL patients. Encapsulation of L-asparaginase utilizing our proprietary ERYCAPS platform is designed to shield the body from the side effects of L-asparaginase, which we believe

broadens the potential use of L-asparaginase outside the pediatric ALL setting, including for the treatment of aggressive solid and liquid tumors. Eryaspase has been tested in over 320 patients to date. In our clinical trials, patients treated with eryaspase have achieved improvements in efficacy endpoints compared to treatment with free-form L-asparaginase or standard of care chemotherapy, and treatment has generally been well tolerated. We are currently developing eryaspase for the treatment of pancreatic cancer, ALL and AML.

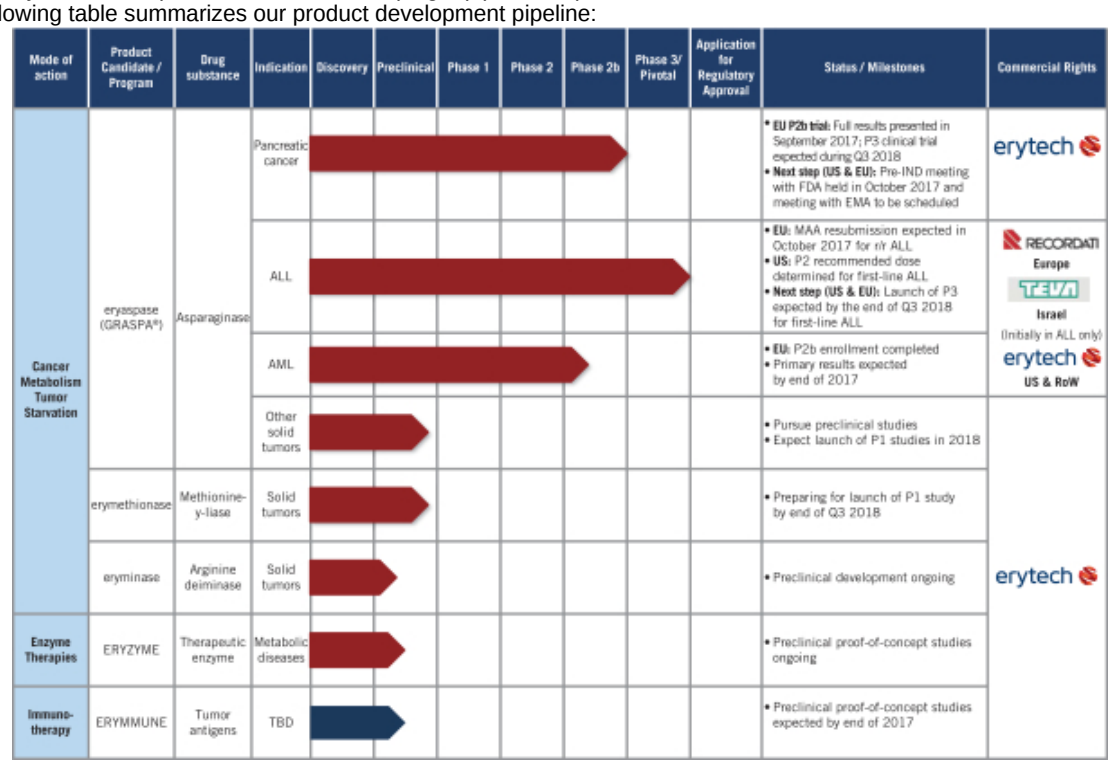
We have not yet obtained approval for any of our products and, as a result, we have not yet generated significant revenues and have incurred significant losses since our inception as we continue to invest in the development of our ERYCAPS platform. Please refer to "—Summary Risk Factors" in this prospectus summary as well as "Risk Factors" for more information about these and other risks we face.

Our ERYCAPS Platform Technology

Our proprietary technology uses transfusion-grade, standard packed red blood cells of all four blood groups (O, A, B and AB), which we obtain from blood banks. We match the red blood cells used to the blood type of the patient receiving treatment. The red blood cells are subjected to osmotic stress, which opens and reseals pores on the surface of the cells and allows therapeutic compounds to be added and then trapped inside the cells. Encapsulation offers a number of benefits as compared to free-form compounds. By protecting the therapeutic substance from detection and clearance by the body's immune system, encapsulation is designed to reduce the potential for allergic reactions and to allow the therapeutic substance to remain in the body longer. The cellular membranes of the red blood cells also protect the body against the direct toxicity of the drug substance, which results in a decreased incidence of side effects. In the case of L-asparaginase, encapsulation has been shown to extend the half-life of free-form L-asparaginase from one day to approximately 30 days, which should lead to fewer injections required for treatment and a lower overall dose. Another form of L-asparaginase derived from the bacteria *E. coli*, currently marketed under the brand name Oncaspar, has a half-life of eight days. We believe that these features make eryaspase a promising therapy for patients who may not be able to tolerate currently available free-form L-asparaginases.

Our Product Development Pipeline

Using our proprietary ERYCAPS platform, we are developing a pipeline of product candidates to treat rare forms of cancer and other orphan diseases. The following table summarizes our product development pipeline:



We are currently developing eryaspase for the treatment of the following types of cancer:

Pancreatic Cancer

Pancreatic cancer is a disease in which solid tumors form in the tissues of the pancreas. We estimate there are approximately 150,000 new cases of pancreatic cancer diagnosed each year in the United States and Europe. Pancreatic cancer is a particularly aggressive cancer, with a five-year survival rate of less than 10%, and is one of the fastest growing cancer indications. According to estimates published by the American Cancer Society, pancreatic cancer is currently the fourth largest cause of cancer deaths in the United States. According to an article published in the scientific journal *Cancer Research*, pancreatic cancer is projected to surpass colon and breast cancer to become the second largest cause of cancer deaths by 2030.

In early October 2017, we met with the FDA to discuss further development of eryaspase for the pancreatic cancer indication and we intend to meet with the Committee for Medicinal Products for Human Use, or CHMP, of the EMA later in 2017. Based on the initial feedback we received from the FDA at our pre-IND meeting in October 2017, we plan to initiate a pivotal Phase 3 clinical trial of eryaspase for pancreatic cancer in the United States and Europe during the third quarter of 2018. We retain worldwide rights to commercialize eryaspase for the pancreatic cancer indication.

Acute Lymphoblastic Leukemia

ALL is a blood cancer affecting the lymphoid progenitor cells. ALL patients have excess cells derived from the lymphoid lineage, such as lymphoblasts, B-cells, T-cells and natural killer cells. The American Cancer Society estimates that approximately 5,970 new cases of ALL will be diagnosed in the United States in 2017, resulting in approximately 1,440 deaths. Based on incidence data published in scientific literature, we estimate that there are at least as many new cases of ALL diagnosed each year in Europe as in the United States.

In 2014, we completed a multi-center, open-label pivotal Phase 2/3 clinical trial in 80 children and adults with relapsed or refractory ALL in which we evaluated the safety and efficacy of GRASPA compared to free-form L-asparaginase derived from the bacteria *E. coli*, also known as native L-asparaginase. In this European trial, patients without a history of allergies to native L-asparaginase treatments were randomized to receive standard chemotherapy plus either GRASPA or native L-asparaginase. Patients with a known allergy to native L-asparaginase treatments were treated with standard chemotherapy plus GRASPA. The patients treated with GRASPA experienced a mean duration of L-asparaginase activity that was more than twice as long as for patients receiving native L-asparaginase. None of the non-allergic patients who received GRASPA experienced an allergic reaction, as compared to 46% of non-allergic patients who received native L-asparaginase. Only 12% of patients with a prior L-asparaginase allergy experienced a new allergic reaction after receiving GRASPA, with no patients in the trial experiencing a severe allergic reaction. Patients in the GRASPA treatment arm also had overall higher complete remission rates during induction, and GRASPA was also associated with fewer drug-related adverse events. After three years of follow-up, a nominal improvement in overall survival rates was observed. We expect to commence a pivotal Phase 3 clinical trial of eryaspase as a first-line treatment for adults with ALL by the end of the third quarter of 2018.

Depending on the outcome of our discussions with regulatory authorities, we intend to resubmit an MAA to the EMA for GRASPA for the treatment of relapsed or refractory ALL later in October 2017. If approved for the treatment of relapsed or refractory ALL, GRASPA is expected to be marketed in Europe by our commercial partner Orphan Europe, a subsidiary of Recordati S.p.A., an Italian-based pharmaceutical company, and in Israel by Teva Pharmaceuticals, Ltd., an Israeli pharmaceutical company, or Teva. In the United States, we are conducting a Phase 1 clinical trial of eryaspase as a first-line treatment for which we expect to enroll between 12 and 18 adult ALL patients, and we expect to complete this trial by the end of 2018. We retain rights to commercialize eryaspase for the treatment of ALL outside of Europe and Israel, including in the United States.

Acute Myeloid Leukemia

AML is an aggressive cancer of the blood and bone marrow that is particularly fatal if left untreated. The American Cancer Society estimates that approximately 21,000 new cases of AML will be diagnosed in the United States in 2017, resulting in over 10,000 deaths. Based on incidence data published in scientific literature, we estimate that there are at least as many new cases of AML diagnosed each year in Europe as there are in the United States. AML is generally a disease of older people and is uncommon before the age of 45, with approximately 95% of new AML cases in the United States occurring in patients over the age of 19. The median age of a patient with AML is approximately 67 years.

We believe the safety profile of eryaspase may also allow it to be developed as a potential treatment for AML patients, many of whom may respond to asparaginase but cannot be treated with L-asparaginase due to its side effects. We are conducting a multinational, randomized Phase 2b clinical trial in Europe of 123 elderly AML patients, which we refer to as the ENFORCE 1 trial. We completed enrollment of the ENFORCE 1 trial in August 2016 and expect to report primary results by the end of 2017. If approved for the treatment of AML, we expect eryaspase to be marketed in Europe by our commercial partner Orphan Europe and in Israel by Teva. We retain rights to commercialize eryaspase for the treatment of AML outside of Europe and Israel, including in the United States.

Both the FDA and EMA have granted orphan drug designation for eryaspase or GRASPA, as the case may be, for the treatment of pancreatic cancer, ALL and AML. Orphan drug designation provides manufacturers with research grants, tax credits and eligibility for marketing exclusivity of up to seven years in the United States and 10 years in Europe.

Our Additional ERYCAPS Product Candidates

In addition to our product pipeline centered on L-asparaginase treatment, we believe that our ERYCAPS platform has broad potential application and can be used to encapsulate within red blood cells a wide range of therapeutic agents for which long-circulating therapeutic activity or rapid and specific targeting is desired.

- **Cancer Metabolism.** We have received funding from BPI France for a research program, known as the TEDAC program, and have identified two other enzymes, methionine-g-lyase, or MGL, and arginine

deiminase, or ADI, that degrade amino acids necessary for tumor survival. We believe these enzymes can be encapsulated within red blood cells in order to induce tumor starvation. We expect to commence a Phase 1 clinical trial in Europe by the end of the third quarter of 2018 evaluating the safety of erymethionase, our MGL product candidate, and we are currently conducting preclinical studies on eryminase, our ADI product candidate, as a potential treatment for various cancers.

- **Enzyme Replacement.** Outside of the oncology field, we also are studying the use of our ERYCAPS platform to promote long-acting enzyme activity and targeting of specific cells, which we believe may result in attractive product development opportunities for enzyme therapies in the field of metabolic diseases. We refer to this program under the name ERYZYME. We believe that encapsulation of the therapeutic enzymes may reduce the potential for allergic reactions and allow the therapeutic substance to remain in the body longer when compared to non-encapsulated enzymes. In March 2017, we announced our entry into a research collaboration with the Fox Chase Cancer Center to advance the preclinical development of erymethionase for the treatment of homocystinuria, a rare and severe metabolic disorder of methionine metabolism. In July 2017, we announced our entry into a research collaboration with Queen's University to advance the preclinical development of eryminase specifically for the treatment of arginase-1 deficiency, a rare and severe metabolic disorder related to arginine metabolism.
- **Immunotherapy.** We have also initiated ERYMMUNE, a preclinical development program designed to explore the use of our ERYCAPS platform to encapsulate tumor antigens within red blood cells as an innovative approach to cancer immunotherapy. Based on our preclinical research, we believe that encapsulated tumor antigens can be targeted to key organs, such as the liver or spleen, in order to induce an immune response, resulting in sustained activation of the body's immune system to fight cancers. We expect to complete preclinical proof-of-concept studies of ERYMMUNE by the end of 2017.

Our Strategy

Our goal is to become a leading biopharmaceutical company focused on developing, manufacturing and commercializing innovative therapies to treat rare forms of cancer and other orphan diseases. The key elements of our strategy to achieve this goal include the following:

- Rapidly advance the clinical development of eryaspase for the treatment of pancreatic cancer in the United States and in Europe.
- Complete the development of, obtain regulatory approval for and commercialize eryaspase in Europe and the United States for the treatment of ALL.
- Continue to develop eryaspase for the treatment of other liquid and solid tumor indications.
- Leverage our ERYCAPS platform to develop additional innovative and novel therapeutics targeting rare forms of cancer and other orphan diseases.
- Execute on research and development and commercialization opportunities that maximize the value of our proprietary ERYCAPS platform.

Our Collaborations for ALL and AML

In November 2012, we entered into an exclusive license and distribution agreement with Orphan Europe to market and distribute GRASPA for the treatment of ALL and AML in 38 countries in Europe, including all of the countries in the European Union. Under the license and distribution agreement, we received an upfront payment of €5 million and are entitled to receive up to an aggregate of €37.5 million upon the achievement of specified regulatory and sales milestones. In addition, Orphan Europe is contributing to the development costs of GRASPA for the treatment of AML, and we are also eligible to receive up to 45% of net product sales by Orphan Europe, representing a combined transfer price and royalties. In March 2011, we entered into an exclusive distribution agreement with Abic Marketing Limited, an affiliate of Teva, which we refer to in this prospectus as Teva. Under the distribution agreement, Teva acquired the exclusive rights to GRASPA in Israel. Teva will seek regulatory approval of GRASPA for the treatment of ALL in Israel and will be responsible for the marketing and distribution of GRASPA, if it is approved. Net profits from sales of GRASPA in Israel will be shared equally between us and Teva.

We retain the rights to commercialize eryaspase for the treatment of ALL and AML outside of Europe and Israel, including in the United States, and for the treatment of all other indications outside of Israel. We retain the worldwide development and commercialization rights to all of our other product candidates, including eryaspase for the pancreatic cancer indication.

Summary Risk Factors

An investment in our ordinary shares (including ordinary shares in the form of ADSs) involves a high degree of risk. Any of the factors set forth under "Risk Factors" may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under "Risk Factors" in deciding whether to invest in our securities. Among these important risks are the following:

- We have no approved products, which makes it difficult to assess our future prospects.
- We are heavily dependent on the success of our most advanced product candidate, eryaspase.
- We may not be successful in our efforts to use and expand our ERYCAPS platform to develop marketable products.
- We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.
- To date, we have relied primarily on the sale of equity securities and convertible bonds, conditional advances, and reimbursements of research tax credit claims to fund our ongoing cash needs. We may need to raise additional funding, which may not be available on acceptable terms, or at all, and failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.
- Our product candidates will need to undergo clinical trials that are time-consuming and expensive, the outcomes of which are unpredictable, and for which there is a high risk of failure. If clinical trials of our product candidates fail to satisfactorily demonstrate safety and efficacy to the EMA, FDA and other regulators, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of these product candidates.
- Administration of our product candidates could present risks that exist in relation to blood transfusions.
- We will be largely dependent on Orphan Europe and Teva for the marketing of GRASPA for the treatment of ALL and AML in Europe and Israel, respectively.
- Our production capacity could prove insufficient for our needs. In particular, our inability to produce and supply adequate amounts of GRASPA to Orphan Europe and Teva under our distribution agreements would give rise to potential financial liability and termination of our agreements, which would harm our business and financial condition.
- We face substantial competition from companies with considerably more resources and experience than we have, which may result in others discovering, developing, receiving approval for, or commercializing products before or more successfully than us.
- Our ability to compete may decline if we do not adequately protect our proprietary rights.
- There has been no market for our ADSs prior to the U.S. offering and an active and liquid market for our securities may fail to develop, which could harm the market price of our ADSs.
- The rights of shareholders in companies subject to French corporate law differ in material respects from the rights of shareholders of corporations incorporated in the United States.
- As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company, which may limit the information available to holders of ADSs and ordinary shares.
- We are an "emerging growth company" under the JOBS Act and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ADSs less attractive to investors.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- the ability to present only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced disclosure in management's discussion and analysis of financial condition and results of operations in the registration statement for the global offering of which this prospectus forms a part;
- exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002; and
- to the extent that we no longer qualify as a foreign private issuer, (1) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (2) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these provisions for up to five years or such earlier time that we no longer qualify as an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in total annual gross revenue, have more than $700 million in market value of our capital stock held by non-affiliates or issue more than $1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced burdens. For example, we have presented only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in this prospectus, and have taken advantage of the exemption from auditor attestation on the effectiveness of our internal control over financial reporting. To the extent that we take advantage of these reduced burdens, the information that we provide stockholders may be different than you might obtain from other public companies in which you hold equity interests.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. Since International Financial Reporting Standards make no distinction between public and private companies for purposes of compliance with new or revised accounting standards, the requirements for our compliance as a private company and as a public company are the same.

Implications of Being a Foreign Private Issuer

We are also considered a "foreign private issuer" under U.S. securities laws. In our capacity as a foreign private issuer, we are exempt from certain rules under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our securities. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We will remain a foreign private issuer until such time that more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (1) the majority of our executive officers or directors are U.S. citizens or residents; (2) more than 50% of our assets are located in the United States; or (3) our business is administered principally in the United States.

We have taken advantage of certain reduced reporting and other requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold equity securities.

Corporate Information

We were incorporated as a *société par actions simplifiée*, or S.A.S., on October 26, 2004 and became a *société anonyme*, or S.A., on September 29, 2005. Our principal executive offices are located at Bâtiment Adénine, 60 Avenue Rockefeller, 69008 Lyon, France. We are registered at the Register of Commerce and Companies of Lyon (*Registre du commerce et des sociétés*) under the number 479 560 013. In April 2014, we incorporated our wholly-owned U.S. subsidiary, ERYTECH Pharma, Inc. In February 2016, we opened our U.S. office in Cambridge, Massachusetts. In May 2013, we completed the initial public offering of our ordinary shares on Euronext Paris, raising €17.7 million in gross proceeds. In October 2014, December 2015, December 2016 and April 2017, we raised €30.0 million, €25.4 million, €9.9 million and €70.5 million, respectively, in gross proceeds from the issuances of additional ordinary shares. Our telephone number at our principal executive offices is +33 4 78 74 44 38. Our agent for service of process in the United States is CorpoMax Inc. Our website address is www.erytech.com. The reference to our website is an inactive textual reference only and information contained in, or that can be accessed through, our website or any other website cited in this prospectus is not part of this prospectus.

THE GLOBAL OFFERING

Global offering	ordinary shares offered by us, consisting of ordinary shares in the form of ADSs offered in the U.S. offering and ordinary shares offered in the European private placement. The closings of the U.S. offering and the European private placement will occur simultaneously. The total number of ordinary shares (including in the form of ADSs) in the U.S. offering and European private placement is subject to reallocation between these offerings as permitted under the applicable laws and regulations.
U.S. offering	ADSs, each representing one ordinary share
European private placement	ordinary shares
Ordinary shares (including ordinary shares in the form of ADSs) to be outstanding after the global offering	ordinary shares
Option to purchase additional ADSs and/or ordinary shares in the global offering	We have agreed to issue, at the option of the underwriters, within 30 days after the date of the underwriting agreement, up to an aggregate of additional ADSs and/or ordinary shares.
American Depositary Shares	Each ADS represents one ordinary share, nominal value €0.10 per share. Purchasers of ADSs in the U.S. offering will have the rights of an ADS holder as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs issued thereunder. To better understand the terms of the ADSs, purchasers of ADSs should carefully read the section in this prospectus titled “Description of American Depositary Shares.” We also encourage purchasers of ADSs to read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Depositary	The Bank of New York Mellon
Use of proceeds	We estimate that we will receive net proceeds from the global offering of approximately € ($) million, assuming an offering price of $ per ADS in the U.S. offering and € per ordinary share in the European private placement, the closing price of our ordinary shares on Euronext Paris on , 2017, after deducting estimated underwriting commissions and estimated offering expenses payable by us. We intend to use the net proceeds from the global offering, together with our existing resources, to fund the clinical development of eryaspase through preclinical and clinical development and the overall development of our ERYCAPS platform technology, and for working capital and for general corporate purposes. See “Use of Proceeds” for more information.

Dividend policy	We do not expect to pay any dividends on the ordinary shares or ADSs in the foreseeable future.
Risk factors	You should read the “Risk Factors” section of this prospectus for a discussion of factors to consider carefully before deciding to invest in the ordinary shares or ADSs.
Proposed Nasdaq Global Market symbol for our ADSs	“ERYP”
Euronext Paris trading symbol for our ordinary shares	“ERYP”

The number of ordinary shares (including ordinary shares in the form of ADSs) that will be outstanding after the global offering is based on 11,744,448 ordinary shares outstanding as of June 30, 2017 and excludes:

- 825,527 ordinary shares issuable upon the exercise of founder’s share warrants (BSPCE), share purchase warrants (BSA), free shares and stock options granted but not exercised as of June 30, 2017 at a weighted average exercise price of €10.2563 ($11.7035) per ordinary share based on the exchange rate in effect as of June 30, 2017 (this weighted average exercise price does not include the 209,388 ordinary shares issuable upon the vesting of outstanding free shares that may be issued for free with no exercise price paid);
- 357,913 ordinary shares reserved for future issuance under our share-based compensation plans and other delegations of authority from our shareholders; and
- 13,000,000 ordinary shares reserved to date pursuant to a delegation of authority from our shareholders for share capital increases by us through rights issuances and public or private offerings.

Except as otherwise noted, the information in this prospectus assumes no exercise by the underwriters of their option to purchase additional ADSs and/or ordinary shares in the global offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statement of income (loss) data for the years ended December 31, 2015 and 2016 and summary consolidated statement of financial position data as of December 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our audited consolidated financial statements as of and for the years ended December 31, 2015 and 2016 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The following summary consolidated statement of income (loss) data for the six months ended June 30, 2016 and 2017 and summary consolidated statement of financial position data as of June 30, 2017 have been derived from our unaudited interim condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017. The unaudited interim condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017 were prepared in accordance with IAS 34, *Interim Financial Reporting*, the standard of the International Financial Reporting Standards, or IFRS, applicable to interim financial statements.

Our historical results and the results for the six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2017 or in the future. You should read this summary data together with our consolidated financial statements and related notes beginning on page F-1, as well as the section of this prospectus titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Summary Consolidated Statement of Income (Loss) Data:

	YEAR ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	2015	2016	2016	2017
	(in thousands, except share and per share data)			
Revenues	€ —	€ —	€ —	€ —
Other income	2,929	4,138	2,403	1,788
Total operating income	2,929	4,138	2,403	1,788
Operating expenses:				
Research and development	(10,776)	(19,720)	(8,800)	(12,082)
General and administrative	(7,736)	(6,808)	(4,222)	(3,895)
Total operating expenses	(18,512)	(26,528)	(13,022)	(15,977)
Operating loss	(15,583)	(22,390)	(10,618)	(14,189)
Financial income	567	488	260	113
Income tax	3	(10)	9	(5)
Net loss	€ (15,013)	€ (21,913)	€ (10,349)	€ (14,081)
Basic and diluted loss per share	€ (2.16)	€ (2.74)	€ (1.31)	€ (1.42)
Weighted number of shares used for computing basic and diluted loss per share (1)	6,957,654	7,983,642	7,929,309	9,937,252

(1) This number represents the average weighted number of shares in circulation during the relevant period.

Summary Condensed Consolidated Statement of Financial Position Data:

	AS OF JUNE 30, 2017	
	ACTUAL	AS ADJUSTED (1) (2)
	(in thousands)	
Cash and cash equivalents	€88,551	€
Total assets	99,307	
Total shareholders' equity	87,671	
Total non-current liabilities	2,596	
Total current liabilities	9,040	
Total liabilities	11,636	
Total liabilities and shareholders' equity	99,307	

(1) The as adjusted condensed consolidated statement of financial position data reflects our issuance and sale of ADSs and ordinary shares in the global offering at an assumed offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, after deducting underwriting commissions and estimated offering expenses payable by us.

(2) The as adjusted condensed consolidated statement of financial position data is illustrative only and will change based on the actual offering price and other terms of the global offering determined at pricing. Each €1.00 ($) increase or decrease in the assumed offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, would increase or decrease the as adjusted amount of each of cash and cash equivalents, total assets and total shareholders' equity by € ($), assuming that the number of ordinary shares offered by us (including ordinary shares in the form of ADSs), as set forth on the cover page of this prospectus, remains the same and after deducting underwriting commissions and estimated offering expenses payable by us. Subject to applicable law, we may also increase or decrease the number of ordinary shares (including ordinary shares in the form of ADSs) we are offering. Each increase or decrease of 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us would increase or decrease the as adjusted amount of each of cash and cash equivalents, total assets and total shareholders' equity by € ($), assuming that the assumed offering price per ADS or ordinary share remains the same, and after deducting underwriting commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our ordinary shares (including ordinary shares in the form of ADSs) involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before deciding whether to purchase our securities. If any of the following risks are realized, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of our securities could decline, and you could lose part or all of your investment.

Risks Related to Our Business Strategy

We have no approved products, which makes it difficult to assess our future prospects.

A key element of our strategy is to use and expand our proprietary ERYCAPS platform to build a pipeline of innovative product candidates and to progress these drug candidates through clinical development for the treatment of rare forms of cancer and other orphan diseases. The discovery of therapeutic drugs based on encapsulating molecules inside red blood cells is an emerging field, and the scientific discoveries that form the basis for our efforts to discover and develop drug candidates are relatively new. The scientific evidence to support the feasibility of developing drug candidates based on these discoveries is both preliminary and limited. Although our research and development efforts to date have resulted in a pipeline of product candidates, we have not yet obtained approval for any products, we have not yet generated any revenues from the sale of approved products and we may not be able to develop product candidates that are considered to be safe and effective. Our operations to date have been limited to developing our ERYCAPS platform technology and undertaking preclinical studies and clinical trials of our product candidates, including our lead product candidate, eryaspase, which is known under the trade name GRASPA in Europe and Israel. However, we have not yet demonstrated an ability to overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the pharmaceutical industry. Consequently, the ability to predict our future operating results or business prospects is more limited than if we had a longer operating history or approved products on the market.

We are heavily dependent on the success of our most advanced product candidate, eryaspase.

Our business and future success depends on our ability to obtain regulatory approval for and, together with third-party collaborators, to successfully commercialize our lead product candidate, eryaspase, which is under clinical development for oncology indications. Eryaspase is our only product candidate in late-stage clinical development, and our business currently depends heavily on its successful development. Eryaspase will require additional clinical and non-clinical development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before we can generate any revenue from product sales. We cannot be certain eryaspase will receive regulatory approval or be successfully commercialized even if we receive regulatory approval. In addition, because eryaspase is our most advanced product candidate, and because our other product candidates are based on the same ERYCAPS platform technology, if eryaspase encounters safety or efficacy problems, developmental delays or regulatory issues or other problems, our development plans and business would be significantly harmed.

We may be unable to provide the data necessary to support the resubmission of an MAA to the EMA for GRASPA for the treatment of relapsed or refractory ALL on the timeline we expect, or at all.

We submitted an MAA to the EMA for GRASPA for the treatment of relapsed or refractory ALL in September 2015. The Committee for Medicinal Products for Human Use, or CHMP, is the EMA committee responsible for reviewing the MAA. In September 2016, we received from CHMP a Day 180 List of Outstanding Issues. Following discussions with the EMA, we determined that the collection of the additional information requested by CHMP would take more time than allowed in the regulatory approval procedures. Accordingly, we decided to withdraw the MAA in November 2016. We have completed activities that are designed to provide data regarding immunogenicity and pharmacodynamics of eryaspase, as well as comparability of eryaspase produced with native versus recombinant asparaginase, and we intend to use the data obtained to resubmit the MAA later in October 2017. The data from these activities may not be sufficient to support regulatory approval, and we may need to conduct additional preclinical studies or clinical trials to support resubmission of the MAA. The process of conducting preclinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming, and we may never succeed in achieving marketing approval for GRASPA.

We may not be successful in our efforts to use and expand our ERYCAPS platform to develop marketable products.

We believe that our ERYCAPS platform has broad potential application and can be used to encapsulate a wide range of therapeutic agents within red blood cells for which long-circulating therapeutic activity and rapid and specific targeting is desired. However, we are at an early stage of development and our platform has not yet, and may never, lead to approved or marketable products. Even if we are successful in continuing to build our product pipeline, the potential product candidates that we identify may not be suitable for clinical development, including for reasons related to their harmful side effects, limited efficacy or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. Use of red blood cells as the basis for our ERYCAPS platform may result in similar risks that affect the ability of our products to receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize product candidates based upon our technological approach, we may not be able to obtain product or collaboration revenues in future periods, which would harm our business and our prospects.

We face substantial competition from companies with considerably more resources and experience than we have, which may result in others discovering, developing, receiving approval for, or commercializing products before or more successfully than us.

The biopharmaceuticals industry is highly competitive. Numerous biopharmaceutical laboratories, biotechnology companies, institutions, universities and other research entities are actively involved in the discovery, research, development and marketing of therapeutics to treat rare forms of cancer and orphan diseases, making it a highly competitive field. We have competitors in a number of jurisdictions, many of which have substantially greater name recognition, commercial infrastructures and financial, technical and personnel resources than we have.

L-asparaginase is currently available in four forms, and the current market primarily includes several products marketed by large pharmaceutical companies, including Jazz Pharmaceuticals PLC and Shire plc. In addition to currently available forms of L-asparaginase and new forms in development, our product candidates also compete with other products that could be used in the treatment of ALL or AML. These potential treatments include monoclonal antibodies, bispecific monoclonal antibodies and chimeric antigen receptor T-cells approaches. Several large pharmaceutical and biotechnology companies, including Amgen Inc., Pfizer Inc., Cellectis S.A., Kite Pharma, Inc. and Novartis AG, are developing these types of therapies for the treatment of AML and ALL.

Established competitors may invest heavily to quickly discover and develop novel compounds that could make our product candidates obsolete or uneconomical. Any new product that competes with an approved product may need to demonstrate compelling advantages in efficacy, convenience, tolerability and safety to be commercially successful. Any of our product candidates that are approved in the future will also face other competitive factors, including generic competition, which could force us to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to our product candidates. If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will suffer.

Administration of our product candidates could present risks that exist in relation to blood transfusions.

Our product candidates must be intravenously injected and are therefore subject to risks associated with blood transfusions and the blood type compatibility of the donor. We currently acquire red blood cells from blood donations prepared and tested by blood banks, notably the Établissement Français du Sang and the American Red Cross. However, using donor-derived red blood cells presents risks associated with the potential transmission of infectious agents, such as viruses, bacteria, prions and parasites, as well as risks associated with the development of allergies or other complications, such as post-transfusion graft-versus-host disease, anaphylactic shock or death. Risks associated with the encapsulation of molecules inside red blood cells may vary and will depend on their toxicity. Although the blood banks that supply our red blood cells follow a strict preparation process, approved by health authorities, to detect and reduce possible risks for contamination by infectious agents, we cannot guarantee that our product candidates will not be contaminated, which could be detrimental to our product development and commercialization efforts.

Risks Related to our Financial Position and Capital Needs

We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.

We have not yet generated significant revenues and have incurred significant operating losses since our inception. We incurred net losses of €14.1 million, €15.0 million and €21.9 million for the six months ended June 30, 2017 and the years ended December 31, 2015 and 2016, respectively; and these losses have adversely impacted, and will continue to adversely impact, our equity attributable to shareholders and net assets. These losses are principally the result of our research expenditures and development costs for conducting preclinical studies and clinical trials, as well as general and administrative expenses associated with our operations. We anticipate that our operating losses will continue for at least the next several years as we continue our research and development activities and until we generate substantial revenues from approved product candidates. As of June 30, 2017, we had an accumulated deficit of €83.6 million.

We have devoted most of our financial resources to research and development, including our clinical and preclinical development activities. To date, we have financed our operations primarily through the sale of equity securities and convertible bonds, obtaining public assistance in support of innovation, such as conditional advances and subsidies from the Banque Publique d'Investissement, or BPI France, and reimbursements of research tax credit claims. The amount of our future net losses will depend, in part, on the pace and amount of our future expenditures and our ability to obtain funding through equity or debt financings, strategic collaborations or additional grants or tax credits until such time, if ever, as we can generate substantial product revenue. We have not yet received marketing approval for any of our product candidates. Even if we obtain regulatory approval to market a product candidate, our future revenues will depend upon the size of any markets in which our product candidates have received approval, and our ability to achieve sufficient market acceptance, reimbursement from third-party payors and adequate market share for our product candidates in those markets.

We anticipate that our expenses will increase substantially as we:

- continue the preclinical and clinical development of our product candidates;
- expand the scope of our current clinical trials for our product candidates;
- expand our commercial manufacturing capabilities for our product candidates;
- seek regulatory and marketing approvals for our product candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval, especially in North America, for which we have not entered into a third-party collaboration;
- seek to identify and validate additional product candidates;
- acquire or in-license other product candidates and technologies;
- make milestone, royalty or other payments under in-license or collaboration agreements;
- maintain, protect and expand our intellectual property portfolio;
- attract new and retain existing skilled personnel; and
- create additional infrastructure to support our operations as a U.S. reporting company with foreign private issuer status.

Our operating results may fluctuate significantly from year to year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. In any particular period or periods, our operating results could be below the expectations of securities analysts or investors, which could cause the price of the ordinary shares and ADSs to decline.

We may need to raise additional funding, which may not be available on acceptable terms, or at all, and failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

We are currently advancing our product candidates through preclinical and clinical development. Developing product candidates is expensive, lengthy and risky, and we expect our research and development expenses to increase substantially in connection with our ongoing activities, particularly as we advance our product candidates toward commercialization.

As of June 30, 2017, our cash and cash equivalents were €88.6 million. We estimate that the net proceeds from the global offering will be approximately € ($) million, assuming an offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, after deducting underwriting commissions and estimated offering expenses payable by us. We expect that the net proceeds from the global offering and our existing cash and cash equivalents will be sufficient to fund our current operations for at least the next 12 months. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements or a combination of these approaches. In any event, we will require additional capital to pursue preclinical and clinical activities, obtain regulatory approval for and commercialize our product candidates. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our shareholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of the ADSs or ordinary shares to decline. The sale of additional equity or convertible securities would be dilutive to our shareholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us. If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could impair our growth prospects.

We may be forced to repay conditional advances prematurely if we fail to comply with our contractual obligations under certain innovation grant agreements.

Since inception through June 30, 2017, we have received €2.7 million in non-refundable grants and €2.0 million in conditional advances from BPI France. If we fail to comply with our contractual obligations under the applicable innovation grant agreements, including if we lose our exclusive right to commercially develop our product candidates, we could be forced to repay the conditional advances (amounting to €1.2 million at June 30, 2017) ahead of schedule. Such premature repayment could adversely affect our ability to finance our research and development projects, in which case we would need to locate alternative sources of capital, which may not be available on commercially reasonable terms or at all.

Risks Related to the Discovery and Development of and Obtaining Regulatory Approval for our Product Candidates

If our product candidates are not approved for marketing by applicable government authorities, we will be unable to commercialize them.

The European Commission (following review by the EMA) in Europe, the FDA in the United States and comparable regulatory authorities in other jurisdictions must approve new drug or biologic candidates before they can be commercialized, marketed, promoted or sold in those territories. We must provide these regulatory authorities with data from preclinical studies and clinical trials that demonstrate that our product candidates are safe and effective for a defined indication before they can be approved for commercial distribution. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is inherently uncertain as to outcome. We must provide data to ensure the identity, strength, quality and purity of the drug substance and drug product. Also, we must assure the regulatory authorities that the characteristics and performance of the clinical batches will be replicated consistently in the commercial batches. We have focused our development and planned

commercialization efforts on Europe and the United States. In September 2015, we submitted an MAA to the EMA for the approval of GRASPA as a treatment for ALL. However, we announced our withdrawal of the MAA for GRASPA in November 2016. Depending on the outcome of our discussions with regulatory authorities, we intend to resubmit our MAA for GRASPA to the EMA later in October 2017. Further, the processes by which regulatory approvals are obtained from the EMA and FDA to market and sell a new product are complex, require a number of years and involve the expenditure of substantial resources. We cannot assure you that GRASPA, eryaspase or any of our future product candidates will receive EMA or FDA approval. Even if we obtain marketing approval of any of our product candidates in a major pharmaceutical market such as the United States or Europe, we may never obtain approval or commercialize our products in other major markets, due to varying approval procedures or otherwise, which would limit our ability to realize their full market potential.

Our product candidates will need to undergo clinical trials that are time-consuming and expensive, the outcomes of which are unpredictable, and for which there is a high risk of failure. If clinical trials of our product candidates fail to satisfactorily demonstrate safety and efficacy to the EMA, FDA and other regulators, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of these product candidates.

Preclinical testing and clinical trials are long, expensive and unpredictable processes that can be subject to extensive delays. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. It may take several years to complete the preclinical testing and clinical development necessary to commercialize a product candidate, and delays or failure can occur at any stage. Interim results of clinical trials do not necessarily predict final results, and success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful. A number of companies in the pharmaceutical, biopharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials even after promising results in earlier trials, and we cannot be certain that we will not face similar setbacks. The design of a clinical trial can determine whether its results will support approval of a product, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. An unfavorable outcome in one or more trials would be a major setback for our product candidates and for us. Due to our limited financial resources, an unfavorable outcome in one or more trials may require us to delay, reduce the scope of, or eliminate one or more product development programs, which could have a material adverse effect on our business and financial condition and on the value of our securities.

In connection with clinical testing and trials, we face a number of risks, including risks that:

- a product candidate is ineffective, inferior to existing approved medicines, unacceptably toxic, or has unacceptable side effects;
- patients may die or suffer other adverse effects for reasons that may or may not be related to the product candidate being tested;
- extension studies on long-term tolerance could invalidate the use of our product;
- the results may not confirm the positive results of earlier testing or trials; and
- the results may not meet the level of statistical significance required by the EMA, FDA or other regulatory agencies to establish the safety and efficacy of our product candidates.

The results of preclinical studies do not necessarily predict clinical success, and larger and later-stage clinical trials may not produce the same results as earlier-stage clinical trials. Our clinical trials of eryaspase conducted to date have generated favorable safety and efficacy data; however, we may have different enrollment criteria in our future clinical trials. As a result, we may not observe a similarly favorable safety or efficacy profile as in our prior clinical trials. In addition, we cannot assure you that in the course of potential widespread use in future, we will not suffer setbacks in maintaining production quality or stability. Frequently, product candidates developed by pharmaceutical, biopharmaceutical and biotechnology companies have shown promising results in early preclinical studies or clinical trials, but have subsequently suffered significant setbacks or failed in later clinical trials. In addition, clinical trials of potential products often reveal that it is not possible or practical to continue development efforts for these product candidates.

If we do not successfully complete preclinical and clinical development, we will be unable to market and sell our product candidates and generate revenues. Even if we do successfully complete clinical trials, those results are not

necessarily predictive of results of additional trials that may be needed before marketing applications may be submitted to the EMA or FDA, as applicable. Although there are a large number of drugs and biologics in development in Europe, the United States and other countries, only a small percentage result in the submission of a marketing application, even fewer are approved for commercialization, and only a small number achieve widespread physician and consumer acceptance following regulatory approval. If our clinical trials are substantially delayed or fail to prove the safety and effectiveness of our product candidates in development, we may not receive regulatory approval of any of these product candidates and our business and financial condition will be materially harmed.

Delays, suspensions and terminations in our clinical trials could result in increased costs to us and delay or prevent our ability to generate revenues.

Human clinical trials are very expensive, time-consuming, and difficult to design, implement and complete. The completion of trials for eryaspase or our other product candidates may be delayed for a variety of reasons, including delays in:

- demonstrating sufficient safety and efficacy to obtain regulatory approval to commence a clinical trial;
- reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites;
- validating test methods to support quality testing of the drug substance and drug product;
- obtaining sufficient quantities of the drug substance or other materials necessary to conduct clinical trials;
- manufacturing sufficient quantities of a product candidate;
- obtaining approval of applications from regulatory authorities for the commencement of a clinical trial;
- obtaining institutional review board, or IRB, approval to conduct a clinical trial at a prospective clinical trial site;
- determining dosing and clinical trial design; and
- patient enrollment, which is a function of many factors, including the size of the patient population, the nature of the protocol, the proximity of patients to clinical trial sites, the availability of effective treatments for the relevant disease and the eligibility criteria for the clinical trial.

For example, in our ongoing Phase 1 clinical trial in the United States in adult ALL patients, patient enrollment has taken longer than expected.

The commencement and completion of clinical trials for our product candidates may be delayed, suspended or terminated due to a number of factors, including:

- lack of effectiveness of product candidates during clinical trials;
- adverse events, safety issues or side effects relating to the product candidates or their formulation;
- inability to raise additional capital in sufficient amounts to continue clinical trials or development programs, which are very expensive;
- the need to sequence clinical trials as opposed to conducting them concomitantly in order to conserve resources;
- our inability to enter into collaborations relating to the development and commercialization of our product candidates;
- our failure to conduct clinical trials in accordance with regulatory requirements;
- our inability to manufacture or obtain from third parties materials sufficient for use in preclinical studies and clinical trials;
- governmental or regulatory delays and changes in regulatory requirements, policy and guidelines, including mandated changes in the scope or design of clinical trials or requests for supplemental information with respect to clinical trial results;
- delays in patient enrollment, variability in the number and types of patients available for clinical trials, and lower-than anticipated retention rates for patients in clinical trials;
- difficulty in patient monitoring and data collection due to failure of patients to maintain contact after treatment; and
- varying interpretations of our data, and regulatory commitments and requirements by the EMA, FDA and similar regulatory agencies.

For example, our Investigational New Drug application, or IND, submitted to the FDA for eryaspase was on clinical hold from its original submission in July 2011 until March 21, 2013, and we cannot assure you that our current IND for eryaspase or any future IND will not be subject to clinical holds.

Many of these factors may also ultimately lead to denial of our marketing application for eryaspase or our other product candidates. If we experience delay, suspensions or terminations in a clinical trial, the commercial prospects for the related product candidate will be harmed, and our ability to generate product revenues will be delayed or such revenues could be reduced or fail to materialize.

Changes in regulatory requirements, guidance from regulatory authorities or unanticipated events during our clinical trials of our product candidates could necessitate changes to clinical trial protocols or additional clinical trial requirements, which would result in increased costs to us and could delay our development timeline.

Changes in regulatory requirements, FDA guidance or guidance from the EMA or other European regulatory authorities, or unanticipated events during our clinical trials, may force us to amend clinical trial protocols. The regulatory authorities could also impose additional clinical trial requirements. Amendments to our clinical trial protocols would require resubmission to the FDA, EMA, national clinical trial regulators and IRBs for review and approval, which may adversely impact the cost, timing or successful completion of a clinical trial. If we experience delays completing, or if we terminate, any of our clinical trials, or if we are required to conduct additional clinical trials, the commercial prospects for our product candidates may be harmed and our ability to generate product revenue will be delayed.

The United States and European formulations of eryaspase differ, and regulatory authorities in each jurisdiction may not accept data from alternative eryaspase formulations in other jurisdiction(s), which may result in delays and additional costs in order to conduct additional comparability studies or the need to repeat nonclinical and clinical studies in order to obtain approval in each jurisdiction in which we intend to commercialize eryaspase.

We use different formulations of eryaspase in our United States and European manufacturing processes, including the use of different preservative solutions for the storage and transportation of red blood cells and L-asparaginase encapsulated in red blood cells, an additional washing step that is used in our United States formulation in order to meet lower free hemoglobin standards in the United States, and separate sourcing of the active substance starting material of L-asparaginase. Although we have conducted in vitro comparability studies designed to demonstrate the equivalence of both formulations, additional comparability studies may be required by regulatory authorities. Even with additional comparability studies, regulatory authorities may not accept nonclinical or clinical data generated using an alternative formulation of eryaspase which may result in delays and costly requirements to repeat nonclinical and clinical studies in order to obtain marketing approval.

In the United States, our product candidates will be regulated as biological products, or biologics, which may subject them to competition sooner than we currently anticipate.

The Biologics Price Competition and Innovation Act of 2009, or BPCIA, was enacted as part of the 2010 enactments of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, to establish an abbreviated licensure pathway for biological products shown to be biosimilar to, or interchangeable with, an FDA-licensed biological reference product. “Biosimilarity” means that the biological product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and there are no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency of the product. To meet the higher standard of “interchangeability,” an applicant must provide sufficient information to show biosimilarity and demonstrate that the biological product can be expected to produce the same clinical result as the reference product in any given patient and, if the biological product is administrated more than once to an individual, the risk in terms of safety or diminished efficacy of alternating or switching between the use of the biological product and the reference product is not greater than the risk of using the reference product without such alternation or switch.

Under the BPCIA, an application for a biosimilar or interchangeable product cannot be approved by the FDA until 12 years after the reference product was first licensed, and the FDA will not even accept an application for review until four years after the date of first licensure. The law is evolving, complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products.

We believe that any of our product candidates approved as a biological product under a Biologics License Application, or BLA, should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, potentially creating the opportunity for biosimilar or interchangeable competition sooner than we currently anticipate. Moreover, the process by which an interchangeable product, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products, such as drugs, is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing and subject to interpretation.

In the European Union, GRASPA contains a known active substance, which would undermine its data and marketing exclusivities; however, this will not affect GRASPA's orphan product exclusivity.

Data exclusivity refers to the period of time during which another company cannot refer to our data held in the authority's files in support of its marketing authorization. The subsequent market exclusivity refers to the period of time during which another company may use our data in support of its marketing authorization for a generic, hybrid or biosimilar product, but the product in question may not be placed on the market. For products containing new active substances, this effectively prevents certain products, such as generics and similar biological products, from being placed on the market during the combined data and marketing exclusivity period. This combined period usually lasts for 10 years from the date of approval of the product containing the new active substance.

Because the active ingredient in GRASPA is not a new active substance, the 10-year period of protection against generics and similar biological products is undermined. Competitors developing such products could receive European Union marketing authorizations and place their products on the European Union market within 10 years of GRASPA's own marketing authorization, if obtained.

However, if we still have orphan drug designation for GRASPA at the time we receive marketing approval from the EMA, we would still benefit from the independent period of market exclusivity afforded to orphan products. In the European Union, this is usually a period of 10 years from the date of marketing approval. The exclusivity period can be reduced to six years if a drug no longer meets the criteria for orphan drug designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. The exclusivity period may increase to 12 years if, among other things, the MAA includes the results of studies from an agreed pediatric investigation plan. During the orphan exclusivity period, regulators should not accept or approve applications for the approval of a similar medicine for the same therapeutic indication, unless the second product is demonstrably safer, more effective or otherwise clinically superior. Regulators may approve different products for the same condition as GRASPA.

We rely on third parties to assist in our discovery and development activities, and the loss of any of our relationships with research institutions could hinder our product development prospects.

We currently have and expect to continue to depend on collaborations with public and private research institutions to conduct some of our early-stage drug discovery activities. If we are unable to enter into research collaborations with these institutions, or if any one of these institutions fails to work efficiently with us, the research, development or marketing of our product candidates planned as part of the research collaboration could be delayed or canceled. In the event a research agreement is terminated or we become no longer in a position to renew the arrangement under acceptable conditions, our drug discovery and development activities may also be delayed.

We rely on third parties to conduct our clinical trials and perform data collection and analysis, which may result in costs and delays that prevent us from successfully commercializing our product candidates.

We rely, and will rely in the future, on medical institutions, clinical investigators, CROs, contract laboratories and collaborators to perform data collection and analysis and to carry out our clinical trials. Our development activities or clinical trials conducted in reliance on third parties may be delayed, suspended, or terminated if:

- the third parties do not devote a sufficient amount of time or effort to our activities or otherwise fail to successfully carry out their contractual duties or to meet regulatory obligations or expected deadlines;
- we replace a third party; or
- the quality or accuracy of the data obtained by third parties is compromised due to their failure to adhere to clinical protocols, regulatory requirements, or for other reasons.

We generally would not have the ability to control the performance of third parties in their conduct of development activities. In the event of a default, bankruptcy or shutdown of, or a dispute with, a third party, we may be unable to enter into a new agreement with another third party on commercially acceptable terms. Further, third-party

performance failures may increase our development costs, delay our ability to obtain regulatory approval, and delay or prevent the commercialization of our product candidates. In addition, our third-party agreements usually contain a clause limiting such third party's liability, such that we may not be able to obtain full compensation for any losses we may incur in connection with the third party's performance failures. While we believe that there are numerous alternative sources to provide these services, in the event that we seek such alternative sources, we may not be able to enter into replacement arrangements without incurring delays or additional costs.

We have entered, and may in the future enter into, collaboration agreements with third parties for the development and commercialization of our product candidates, which may affect our ability to generate revenues.

We have limited capabilities for product development and may seek to enter into collaborations with third parties for the development and potential commercialization of our product candidates. Should we seek to collaborate with a third party with respect to a prospective development program, we may not be able to locate a suitable collaborator and may not be able to enter into an agreement on commercially reasonable terms or at all. Even if we succeed in securing collaborators for the development and commercialization of our product candidates, such as the arrangements we have entered into related to the commercialization of GRASPA for the treatment of ALL and AML in Europe and Israel, we have limited control over the amount and timing that our collaborators may dedicate to the development or commercialization of our product candidates. These collaborations pose a number of risks, including the following:

- collaborators may not have sufficient resources or decide not to devote the necessary resources due to internal constraints such as budget limitations, lack of human resources, or a change in strategic focus;
- collaborators may believe our intellectual property is not valid or is unenforceable or the product candidate infringes on the intellectual property rights of others;
- collaborators may dispute their responsibility to conduct development and commercialization activities pursuant to the applicable collaboration, including the payment of related costs or the division of any revenues;
- collaborators may decide to pursue a competitive product developed outside of the collaboration arrangement;
- collaborators may not be able to obtain, or believe they cannot obtain, the necessary regulatory approvals; or
- collaborators may delay the development or commercialization of our product candidates in favor of developing or commercializing another party's product candidate.

Thus, collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all.

Some collaboration agreements are terminable without cause on short notice. Once a collaboration agreement is signed, it may not lead to commercialization of a product candidate. We also face competition in seeking out collaborators. If we are unable to secure new collaborations that achieve the collaborator's objectives and meet our expectations, we may be unable to advance our product candidates and may not generate meaningful revenues.

Due to our limited resources and access to capital, our decisions to prioritize development of certain product candidates may adversely affect our business prospects.

Because we have limited resources and access to capital to fund our operations, we must decide which product candidates to pursue and the amount of resources to allocate to each. As such, we are currently primarily focused on the development of eryaspase for the treatment of pancreatic cancer, ALL and AML. Our decisions concerning the allocation of research, collaboration, management and financial resources toward particular compounds, product candidates or therapeutic areas may not lead to the development of viable commercial products and may divert resources away from more promising opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties with respect to some of our product development programs may also prove not to be optimal and could cause us to miss valuable opportunities. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights. If we make incorrect determinations regarding the market potential of our product candidates or misread trends in the pharmaceutical industry, our business prospects could be harmed.

Risks Related to the Commercialization of Our Product Candidates

We will be largely dependent on Orphan Europe and Teva for the marketing of GRASPA for the treatment of ALL and AML in Europe and Israel, respectively.

We have entered into exclusive distribution agreements with Orphan Europe and Teva with respect to the commercialization of GRASPA for the treatment of ALL and AML in Europe and Israel, respectively. If approved, the marketing and commercial success of GRASPA in these countries will be largely driven by the efforts of Orphan Europe and Teva and will depend on marketing and commercial efforts deployed by these third parties.

Our exclusive license and distribution agreement with Orphan Europe requires Orphan Europe to commercialize GRASPA for the treatment of ALL and AML in 38 countries in Europe, including every country in the European Union. In addition, Orphan Europe is responsible for seeking regulatory approval for GRASPA in the treatment of ALL in the 10 countries that are not part of the European Union. Although our agreement requires Orphan Europe to submit periodic marketing plans to estimate the future sales of GRASPA, Orphan Europe is not subject to any minimum sales requirements, and we cannot assure you that they will be successful in commercializing GRASPA, if it is approved. In addition, if Orphan Europe's sales of GRASPA fail to meet our expectations, we have limited recourse and may be subject to a substantial penalty should we choose not to renew our agreement at the end of its term.

Our exclusive distribution agreement with Teva requires Teva to seek regulatory approval for GRASPA in Israel for the treatment of ALL and, if approved, to market and distribute GRASPA within Israel. Although our agreement requires Teva to meet minimum sales objectives each year after GRASPA's launch, our only remedy for Teva's failure to meet those objectives is termination of the agreement, which would require us to spend considerable time and resources either developing our own marketing capabilities in Israel or identifying a suitable alternative distributor, if one exists. We cannot guarantee that Teva will be successful in obtaining regulatory approval for or commercializing GRASPA, and any failure of Teva to do so would negatively impact our business and our future revenues.

In addition to our dependence on the marketing efforts of Orphan Europe and Teva, we also face the risk of noncompliance by these and other future distributors with local anti-corruption laws, the U.S. Foreign Corrupt Practices Act, and other local and international regulations, and we have limited ability to control their actions to ensure they are in compliance. Noncompliance by these or future distributors could expose us to civil or criminal liability, fines and/or prohibitions on selling our products in certain countries.

We expect that our product revenues would be adversely impacted with the loss or transition of these or any future distributors of our products. If we choose to terminate any of our distribution agreements, we would either need to reach agreement with, qualify, train and supply a replacement distributor or supply and service customer accounts in those territories ourselves. Although our existing distribution agreements generally provide that the distributor will promptly and efficiently transfer its existing customer agreements to us, there can be no assurance that this will happen in a timely manner or at all. These factors may be disruptive for our customers, and our reputation may be damaged as a result. Our distributors may have more established relationships with potential customers than a new distributor or we may have in particular territories, which could adversely impact our ability to successfully commercialize GRASPA in these territories. In addition, it may take longer for us to be paid if payment timing and terms in these new arrangements are less favorable to us than those in our existing distribution arrangements. If we service customers directly rather than through distributors, we will incur additional expense and our working capital may be negatively impacted due to longer periods from cash collection from direct sales customers when compared to the timing of cash collection from distributors. Current or transitioning distributors may irreparably harm relationships with local existing and prospective customers and our standing with the biopharmaceutical community in general. In the event that we are unable to find alternative distributors or mobilize our own sales efforts in the territories in which a particular distributor operates, customer supply, our reputation and our operating results may be negatively impacted.

Even if we successfully complete clinical trials of our product candidates, those candidates may not be commercialized successfully for other reasons.

Even if we successfully complete clinical trials for one or more of our product candidates and obtain relevant regulatory approvals, those candidates may not be commercialized for other reasons, including:

- failing to receive regulatory clearances required to market them as drugs;
- being subject to proprietary rights held by others;
- failing to obtain clearance from regulatory authorities on the manufacturing of our products;
- being difficult or expensive to manufacture on a commercial scale;
- having adverse side effects that make their use less desirable;
- failing to compete effectively with products or treatments commercialized by competitors; or
- failing to show that the long-term benefits of our products exceed their risks.

Even if any of our product candidates are commercialized, they may fail to achieve the degree of market acceptance by physicians, patients, third-party payors or the medical community in general necessary for commercial success.

Even if the medical community accepts a product as safe and efficacious for its indicated use, physicians may choose to restrict the use of the product if we are unable to demonstrate that, based on experience, clinical data, side-effect profiles and other factors, our product is preferable to any existing drugs or treatments. We cannot predict the degree of market acceptance of any product candidate that receives marketing approval, which will depend on a number of factors, including, but not limited to:

- the demonstration of the clinical efficacy and safety of the product;
- the approved labeling for the product and any required warnings;
- the advantages and disadvantages of the product compared to alternative treatments;
- our ability to educate the medical community about the safety and effectiveness of the product;
- the experience of clinicians with other potential treatments that use red blood cells to deliver therapeutics;
- the coverage and reimbursement policies of government and commercial third-party payors pertaining to the product; and
- the market price of our product relative to competing treatments.

If we are unable to establish sales, marketing and distribution capabilities for our product candidates, whether it be an internal infrastructure or an arrangement with a commercial partner such as the ones that we have entered into for commercialization of GRASPA for the treatment of ALL and AML in Europe and Israel, we may not be successful in commercializing those product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical drugs. Under our arrangements with Orphan Europe and Teva, these third parties are responsible for the commercialization of eryaspase under the brand name GRASPA for the treatment of ALL and AML in Europe and Israel, respectively, if GRASPA receives regulatory approval in such territory. To achieve commercial success for eryaspase outside of those countries, including in the United States, for the treatment of pancreatic cancer, ALL and AML, as well as eryaspase for the treatment of other indications and any other product candidates for which we may obtain marketing approval, we will need to establish a sales and marketing organization to market or co-promote those products. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future products;

- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more products; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own sales, marketing and distribution capabilities and enter into arrangements with third parties to perform these services, our revenue and our profitability, if any, are likely to be lower than if we were to sell, market and distribute any products that we develop ourselves.

Even though we have obtained orphan drug designation from the EMA for eryaspase for the treatment of pancreatic cancer, ALL and AML and from the FDA for eryaspase for the same indications, we may not be able to obtain orphan drug marketing exclusivity for eryaspase or any of our other product candidates for other indications.

Regulatory authorities in some jurisdictions, including the United States and the European Union, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. Similarly, in Europe, a medicinal product may receive orphan designation under Article 3 of Regulation (EC) 141/2000. This applies to products that are intended for a life-threatening or chronically debilitating condition and either the condition affects no more than five in 10,000 persons in the European Union when the application is made or the product, without the benefits derived from orphan status, would unlikely generate sufficient return in the European Union to justify the necessary investment. Moreover, in order to obtain orphan designation in the European Union, it is necessary to demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition authorized for marketing in the European Union, or if such a method exists, that the product will be of significant benefit to those affected by the condition. The EMA will reassess whether GRASPA continues to meet the criteria for orphan drug designation in the European Union at the time it reviews a marketing authorization application for the product. If the EMA considers that GRASPA no longer meets these criteria, for example, because it does not offer a significant benefit over existing therapies, it may revoke GRASPA's orphan drug designation prior to approval.

The EMA has granted orphan drug designation for GRASPA for the treatment of pancreatic cancer, ALL and AML, and the FDA has granted orphan drug designation for eryaspase for the same indications. We may seek orphan drug designation for our other product candidates, and with respect to other indications. Generally, if a drug with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug for that time period or the EMA or any other medicines regulator in the European Union from approving a similar medicinal product. The applicable period is seven years in the United States and usually 10 years in the European Union. The European Union exclusivity period can be reduced to six years if a drug no longer meets the criteria for orphan drug designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

Even if we obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the candidate from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the applicable regulatory authority can subsequently approve another drug for the same condition if it concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. Similarly, if our competitors are able to obtain orphan product exclusivity for their products in the same indications for which we are developing our product candidates, we may not be able to have our products approved by the applicable regulatory authority for a significant period of time.

Even if we obtain marketing approvals for our product candidates, the terms of approvals and ongoing regulation of our products may limit how we or they market our products, which could materially impair our ability to generate revenues.

Even if we receive regulatory approval for a product candidate, this approval may carry conditions that limit the market for the product or put the product at a competitive disadvantage relative to alternative therapies. For instance, a regulatory approval may limit the indicated uses for which we can market a product or the patient population that may utilize the product, or may be required to carry a warning in its labeling and on its packaging.

Products with boxed warnings are subject to more restrictive advertising regulations than products without such warnings. These restrictions could make it more difficult to market any product candidate effectively. Accordingly, assuming we receive marketing approval for one or more of our product candidates, we will continue to expend time, money and effort in all areas of regulatory compliance.

Government restrictions on pricing and reimbursement, as well as other healthcare payor cost-containment initiatives, may negatively impact our ability to generate revenues even if we obtain regulatory approval to market a product.

Our ability to commercialize any products successfully also will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, determine which medications they will cover and establish reimbursement levels. Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement is critical to new product acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available.

Government authorities and other third-party payors are developing increasingly sophisticated methods of controlling healthcare costs, such as by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices as a condition of coverage, are using restrictive formularies and preferred drug lists to leverage greater discounts in competitive classes, and are challenging the prices charged for medical products. In addition, in the United States, federal programs impose penalties on drug manufacturers in the form of mandatory additional rebates and/or discounts if commercial prices increase at a rate greater than the Consumer Price Index-Urban, and these rebates and/or discounts, which can be substantial, may impact our ability to raise commercial prices. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

The continuing efforts of governments, insurance companies, managed care organizations and other payors of healthcare costs to contain or reduce costs of healthcare may negatively affect our commercialization prospects, including:

- our ability to set a price we believe is fair for our products, if approved;
- our ability to obtain and maintain market acceptance by the medical community and patients;
- our ability to generate revenues and achieve profitability; and
- the availability of capital.

We cannot be sure that coverage and reimbursement will be available for any potential product candidate that we may commercialize and, if reimbursement is available, what the level of reimbursement will be. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not successfully commercialize any product candidate for which we obtain marketing approval.

In the United States, the ACA is significantly impacting the provision of, and payment for, healthcare. Various provisions of the ACA were designed to expand Medicaid eligibility, subsidize insurance premiums, provide incentives for businesses to provide healthcare benefits, prohibit denials of coverage due to pre-existing conditions, establish health insurance exchanges, and provide additional support for medical research. With regard to pharmaceutical products specifically, the ACA, among other things, expanded and increased industry rebates for

drugs covered under Medicaid programs and made changes to the coverage requirements under the Medicare prescription drug benefit. Since its enactment there have been judicial and Congressional challenges to certain aspects of the ACA. As a result, there have been delays in the implementation of, and action taken to repeal or replace, certain aspects of the ACA. For example, in May 2017, the U.S. House of Representatives passed legislation known as the American Health Care Act of 2017, and in June 2017, a bill titled the Better Care Reconciliation Act of 2017 was released by U.S. Senate Republicans, but was not passed by the full Senate. The prospects for further Congressional action remain uncertain. We continue to evaluate the effect that the ACA and its possible repeal and replacement has on our business.

In addition, both the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012, or the ATRA, have instituted, among other things, mandatory reductions in Medicare payments to certain providers. Additional legislative proposals to reform healthcare and government insurance programs, along with the trend toward managed healthcare in the United States, could influence the purchase of medicines and reduce reimbursement and/or coverage of our product candidates, if approved. Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. For example, there have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. These legislative proposals and initiatives could harm our ability to market any product candidates and generate revenues. Cost containment measures that healthcare payors and providers are instituting and the effect of further healthcare reform could significantly reduce potential revenues from the sale of any of our product candidates approved in the future, and could cause an increase in our compliance, manufacturing, or other operating expenses.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved product candidate. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our drugs. Moreover, we cannot predict what healthcare reform initiatives may be adopted in the future.

In some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. In addition, in some foreign markets, the pricing of prescription drugs is subject to government control and reimbursement may in some cases be unavailable. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product, may refuse to reimburse a product at the price set by the manufacturer or may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for biopharmaceutical products will allow favorable reimbursement and pricing arrangements for eryaspase or any of our other product candidates that may be approved. Historically, biopharmaceutical products launched in the European Union do not follow price structures of the United States and generally tend to have significantly lower prices.

We believe that pricing pressures at the federal and state levels in the United States, as well as internationally, will continue and may increase, which may make it difficult for us to sell our potential product candidates that may be approved in the future at a price acceptable to us or any third parties with whom we may choose to collaborate.

Any of our product candidates for which we obtain marketing approval could be subject to post-marketing restrictions or withdrawal from the market, and we may be subject to substantial penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products following approval.

Any of our product candidates for which we obtain marketing approval, as well as the manufacturing processes, post-approval studies and measures, labeling, advertising and promotional activities for such products, among other things, will be subject to continual requirements of and review by the EMA, FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing

requirements, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including the FDA requirement to implement a REMS to ensure that the benefits of a drug or biological product outweigh its risks.

The EMA and FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a product, such as long term observational studies on natural exposure. The FDA and other agencies, including the Department of Justice, closely regulate and monitor the post-approval marketing and promotion of products to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The EMA and FDA impose stringent restrictions on manufacturers' communications regarding off-label use and if we do not market any of our product candidates for which we receive marketing approval for only their approved indications, we may be subject to warnings or enforcement action for off-label marketing. Violation of the Federal Food, Drug and Cosmetic Act, or FDCA, and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations or allegations of violations of federal and state health care fraud and abuse laws and state consumer protection laws.

The EMA, FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of drugs for off-label uses. If we are found to have improperly promoted off-label use, we may become subject to significant liability.

The EMA, FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription drug products, such as our product candidates, if approved. In particular, a product may not be promoted for uses that are not approved by the EMA, FDA or such other regulatory agencies as reflected in the product's approved labeling. For example, if we receive marketing approval for eryaspase for ALL, physicians, in their professional medical judgment, may nevertheless prescribe eryaspase to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label use, we may become subject to significant liability under the FDCA and other statutory authorities, such as laws prohibiting false claims for reimbursement. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion of our products, if approved, we could become subject to significant liability, which would harm our reputation and negatively impact our financial condition.

Our future growth depends, in part, on our ability to penetrate foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability will depend, in part, on our ability to commercialize our product candidates in markets within and without the United States and Europe. If we commercialize our product candidates in foreign markets, we would be subject to additional risks and uncertainties, including:

- economic weakness, including inflation, or political instability in particular economies and markets;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements, many of which vary between countries;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- tariffs and trade barriers;
- other trade protection measures, import or export licensing requirements or other restrictive actions by U.S. or foreign governments;
- longer accounts receivable collection times;
- longer lead times for shipping;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- workforce uncertainty in countries where labor unrest is common;
- language barriers for technical training;

- reduced protection of intellectual property rights in some foreign countries, and related prevalence of generic alternatives to therapeutics;
- foreign currency exchange rate fluctuations and currency controls;
- differing foreign reimbursement landscapes;
- uncertain and potentially inadequate reimbursement of our products; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our products could also be adversely affected by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

Adverse market and economic conditions may exacerbate certain risks associated with commercializing our product candidates.
Future sales of our product candidates, it they are approved, will be dependent on purchasing decisions of and reimbursement from government health administration authorities, distributors and other organizations. As a result of adverse conditions affecting the global economy and credit and financial markets, including disruptions due to political instability or otherwise, these organizations may defer purchases, may be unable to satisfy their purchasing or reimbursement obligations, or may delay payment for eryaspase or any of our product candidates that are approved for commercialization in the future. In addition, there have been concerns for the overall stability and suitability of the euro as a single currency given the economic and political challenges facing individual Eurozone countries. Continuing deterioration in the creditworthiness of Eurozone countries, the withdrawal of one or more member countries from the European Union, or the failure of the euro as a common European currency or an otherwise diminished value of the euro could materially and adversely affect our future product revenue from European sales of our products.

Risks Related to the Production and Manufacturing of our Product Candidates

Our production capacity could prove insufficient for our needs. In particular, our inability to produce and supply adequate amounts of GRASPA to Orphan Europe and Teva under our distribution agreements would give rise to potential financial liability and termination of our agreements, which would harm our business and financial condition.
Our production capacity may prove insufficient in the future to meet the growth of our business, including producing sufficient quantities of product candidates for preclinical studies, clinical trials and, ultimately, our customers and distributors. For instance, we plan to initiate a Phase 3 clinical trial in Europe in patients with metastatic pancreatic cancer during the third quarter of 2018, and our production capacity may be insufficient to timely commence and conduct that trial. Also, if we must increase production capacity for any reason, we may need to make considerable investments that could lead to significant financing needs or require us to enter into subcontracting agreements in order to outsource part of the production. Our distribution agreement with Teva provides that if we are unable to supply Teva with sufficient quantities of GRASPA for specified lengths of time, after notice and cure periods, Teva will be able to terminate our agreement and we could be required to reimburse Teva for all milestone payments we received prior to termination. Our distribution agreement with Orphan Europe requires us to use commercially reasonable efforts to supply them with their requested quantities of GRASPA, and our failure to do so could result in Orphan Europe’s ability to terminate our agreement. Termination of either agreement, including any financial penalties associated with termination, would negatively impact our financial condition.

We may not have access to the raw materials and other components necessary for the manufacturing of our product candidates.
We are dependent on third parties for the supply of various materials that are necessary to produce our product candidates for clinical trials. With respect to eryaspase, we rely on medac GmbH, or Medac, for the supply of asparaginase and on the American Red Cross in the United States and the Établissement Français du Sang in Europe for the supply of red blood cells. The Établissement Français du Sang is the sole operator in its territory for blood transfusions and is in charge of satisfying national needs for blood products. Although we have entered into agreements with the American Red Cross and the Établissement Français du Sang related to the supply of those materials, the supply could be reduced or interrupted at any time. In such case, we may not be able to find other suppliers of acceptable materials in appropriate quantities at an acceptable cost. If we lose key suppliers or the supply of materials is diminished or discontinued, or in the event of a major or international crisis impacting blood banks and the practice of blood donation, we may not be able to continue to develop, manufacture and market our

product candidates or products in a timely and competitive manner. In addition, these materials are subject to stringent manufacturing processes and rigorous testing. Delays in the completion and validation of facilities and manufacturing processes of these materials could adversely affect our ability to complete trials and commercialize our products in a cost-effective and timely manner. If we encounter difficulties in the supply of these materials, chemicals or biological products, or if we were not able to maintain our supply agreements or establish new supply agreements in the future, our product development and our business prospects could be significantly compromised.

Our manufacturing facilities are subject to significant government regulations and approvals. If we or our third-party manufacturers fail to comply with these regulations or maintain these approvals, our business will be materially harmed.

We currently manufacture our product candidates for use in Europe in our facility in Lyon, France. In addition, we have entered into an agreement with the American Red Cross to produce eryaspase for use in our clinical trials in the United States, and we have an agreement with Medac to provide us with L-asparaginase for use in our production of eryaspase. We and our third-party manufacturers are subject to ongoing regulation and periodic inspection by the EMA, FDA and other regulatory bodies to ensure compliance with current Good Manufacturing Practices, or cGMP. Any failure to follow and document our or their adherence to such cGMP regulations or other regulatory requirements may lead to significant delays in the availability of products for commercial sale or clinical trials, may result in the termination of or a hold on a clinical trial, or may delay or prevent filing or approval of marketing applications for our products.

Failure to comply with applicable regulations could also result in the EMA, FDA or other applicable regulatory authorities taking various actions, including:

- levying fines and other civil penalties;
- imposing consent decrees or injunctions;
- requiring us to suspend or put on hold one or more of our clinical trials;
- suspending or withdrawing regulatory approvals;
- delaying or refusing to approve pending applications or supplements to approved applications;
- requiring us to suspend manufacturing activities or product sales, imports or exports;
- requiring us to communicate with physicians and other customers about concerns related to actual or potential safety, efficacy, and other issues involving our products;
- mandating product recalls or seizing products;
- imposing operating restrictions; and
- seeking criminal prosecutions.

Any of the foregoing actions could be detrimental to our reputation, business, financial condition or operating results. Furthermore, our key suppliers may not continue to be in compliance with all applicable regulatory requirements, which could result in our failure to produce our products on a timely basis and in the required quantities, if at all. In addition, before any additional products would be considered for marketing approval in the United States, Europe or elsewhere, our suppliers will have to pass an audit by the applicable regulatory agencies. We are dependent on our suppliers' cooperation and ability to pass such audits, and the audits and any audit remediation may be costly. Failure to pass such audits by us or any of our suppliers would affect our ability to commercialize our product candidates in the United States, Europe or elsewhere.

Our production costs may be higher than we currently estimate.

We manufacture our product candidates according to manufacturing best practices applicable to drugs for clinical trials and to specifications approved by the applicable regulatory authorities. If any of our products are found to be non-compliant, we would be required to manufacture the product again, which would entail additional costs and may prevent delivery of the product to patients on time.

Other risks inherent in the production process may have the same effect, such as:

- contamination of the controlled atmosphere area;
- unusable premises and equipment;

- new regulatory requirements requiring a partial and/or extended stop to the production unit to meet the requirements;
- unavailable qualified personnel;
- power failure of extended duration;
- logistical error; and
- rupture in the cold chain, which is a system for storing and transporting blood and blood products within the correct temperature range and conditions.

In addition, a rise in direct or indirect energy rates may increase product manufacturing and logistical costs. Any of these risks, should they occur, could disrupt our activities and compromise our financial position, results, reputation or growth.

Risks Related to Our Operations

We may encounter difficulties in managing our growth, which could disrupt our operations.

As of June 30, 2017, we had 92 full-time employees, and we expect to increase our number of employees and the scope of our operations. To manage our anticipated development and expansion, including the potential commercialization of our product candidates in Europe and the United States, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of our product candidates. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our product candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

We depend on qualified management personnel and our business could be harmed if we lose key personnel and cannot attract new personnel.

Our success depends to a significant degree upon the technical and management skills of our senior management team, including, in particular, Gil Beyen, our chairman and chief executive officer, Iman El-Hariry, our chief medical officer, and Jérôme Bailly, our director of pharmaceutical operations and qualified person. The loss of the services of any of these individuals would likely have a material adverse effect on us. Our success also will depend upon our ability to attract and retain additional qualified management, marketing, technical, and sales executives and personnel. We compete for key personnel against numerous companies, including larger, more established companies with significantly greater financial resources than we possess. There can be no assurance that we will be successful in attracting or retaining such personnel, and the failure to do so, could harm our operations and our growth prospects.

Our failure to maintain certain tax benefits applicable to French biopharmaceutical companies may adversely affect our results of operations.

As a French biopharmaceutical company, we have benefited from certain tax advantages, including, for example, the CIR, which is a French tax credit aimed at stimulating research and development. The CIR can be offset against French corporate income tax due and the portion in excess, if any, may be refunded. The CIR is calculated based on our claimed amount of eligible research and development expenditures in France and represented €2.2 million and €3.3 million as of December 31, 2015 and 2016, respectively. The French tax authorities, with the assistance of the Research and Higher Education Ministry, may audit each research and development program in respect of which a CIR benefit has been claimed and assess whether such program qualifies in its view for the CIR benefit. The French tax authorities may challenge our eligibility for, or our calculation of, certain tax reductions or deductions in respect of our research and development activities and, should the French tax authorities be successful, our credits

may be reduced, which would have a negative impact on our results of operations and future cash flows. We believe, due to the nature of our business operations, that we will continue to be eligible to receive the CIR tax credit. In 2017, our CIR authorization from the Research and Higher Education Ministry was renewed. However, if the French Parliament decides to eliminate, or to reduce the scope or the rate of, the CIR benefit, either of which it could decide to do at any time, our results of operations could be adversely affected.

Our business may be exposed to foreign exchange risks.

We incur some of our expenses, and may in the future derive revenues, in currencies other than the euro. In particular, as we expand our operations and conduct clinical trials in the United States, we will incur expenses in U.S. dollars. As a result, we are exposed to foreign currency exchange risk as our results of operations and cash flows are subject to fluctuations in foreign currency exchange rates. We currently do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the euro. Therefore, for example, an increase in the value of the euro against the U.S. dollar could have a negative impact on our revenue and earnings growth as U.S. dollar revenue and earnings, if any, are translated into euros at a reduced value. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows. The ADSs being sold in the U.S. offering will be quoted in U.S. dollars on the Nasdaq Global Market, while our ordinary shares (including those being sold in the European private placement and the underlying ordinary shares of the ADSs being sold in the U.S. offering) trade in euros on the Euronext Paris exchange. Our financial statements are prepared in euros. Therefore, fluctuations in the exchange rate between the euro and the U.S. dollar will also affect, among other matters, the value of our ordinary shares and ADSs.

We may use hazardous chemicals and biological materials in our business. Any claims relating to improper handling, storage or disposal of these materials could be time-consuming and costly.

Our research and development processes involve the controlled use of hazardous materials, including chemicals and biological materials. We cannot eliminate the risk of accidental contamination or discharge and any resultant injury from these materials. We may be sued for any injury or contamination that results from our use or the use by third parties of these materials, and our liability may exceed any insurance coverage and our total assets. French and U.S. federal, state, local or foreign laws and regulations govern the use, manufacture, storage, handling and disposal of these hazardous materials and specified waste products, as well as the discharge of pollutants into the environment and human health and safety matters. Compliance with environmental laws and regulations may be expensive and may impair our research and development efforts. If we fail to comply with these requirements, we could incur substantial costs, including civil or criminal fines and penalties, clean-up costs or capital expenditures for control equipment or operational changes necessary to achieve and maintain compliance. In addition, we cannot predict the impact on our business of new or amended environmental laws or regulations or any changes in the way existing and future laws and regulations are interpreted and enforced.

Product liability and other lawsuits could divert our resources, result in substantial liabilities and reduce the commercial potential of our product candidates.

The risk that we may be sued on product liability claims is inherent in the development and commercialization of biopharmaceutical products. Side effects of, or manufacturing defects in, products that we develop could result in the deterioration of a patient's condition, injury or even death. For example, our liability could be sought after by patients participating in the clinical trials in the context of the development of the therapeutic products tested and unexpected side effects resulting from the administration of these products. Once a product is approved for sale and commercialized, the likelihood of product liability lawsuits increases. Criminal or civil proceedings might be filed against us by patients, regulatory authorities, biopharmaceutical companies and any other third party using or marketing our products. These actions could include claims resulting from acts by our partners, licensees and subcontractors, over which we have little or no control. These lawsuits may divert our management from pursuing our business strategy and may be costly to defend. In addition, if we are held liable in any of these lawsuits, we may incur substantial liabilities and may be forced to limit or forgo further commercialization of the affected products.

We maintain product liability insurance coverage for our clinical trials at levels which we believe are appropriate for our clinical trials. Nevertheless, our insurance coverage may be insufficient to reimburse us for any expenses or losses we may suffer. In addition, in the future, we may not be able to obtain or maintain sufficient insurance coverage at an acceptable cost or to otherwise protect against potential product or other legal or administrative

liability claims by us or our collaborators, licensees or subcontractors, which could prevent or inhibit the commercial production and sale of any of our product candidates that receive regulatory approval. Product liability claims could also harm our reputation, which may adversely affect our ability to commercialize our products successfully.

Our internal computer systems, or those of our third-party contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs. For example, the loss of clinical trial data for our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the lost data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of our product candidates could be delayed.

We may acquire businesses or products, or form strategic alliances, in the future, and we may not realize the benefits of such acquisitions.

Our current growth strategy does not involve plans to acquire companies or technologies facilitating or enabling us to access to new medicines, new research projects, or new geographical areas, or enabling us to express synergies with our existing operations. However, if such acquisitions were to become necessary in the future, we may not be able to identify appropriate targets or make acquisitions under satisfactory conditions, in particular, satisfactory price conditions. In addition, we may be unable to obtain the financing for these acquisitions on favorable terms, which could require us to finance these acquisitions using our existing cash resources that could have been allocated to other purposes. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

Risks Related to Other Legal Compliance Matters

We are subject to healthcare laws and regulations which may require substantial compliance efforts and could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings, among other penalties.

Healthcare providers, physicians and others will play a primary role in the recommendation and prescription of our products, if approved. Our business operations in the United States and our arrangements with clinical investigators, healthcare providers, consultants, third party payors and patients may expose us to broadly applicable federal and state fraud and abuse and other healthcare laws. These laws may impact, among other things, our research, proposed sales, marketing and education programs of our product candidates that obtain marketing approval. Restrictions under applicable U.S. federal, state and foreign healthcare laws and regulations include, but are not limited to, the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, including any kickback, bribe or rebate, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase or lease, order or recommendation of, any item, good, facility or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid;
- U.S. federal civil and criminal false claims laws and civil monetary penalties laws, including the civil False Claims Act, which impose criminal and civil penalties, including those from civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment that are false or fraudulent or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government;
- the U.S. federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that impose criminal and civil liability for, among other things, executing

or attempting to execute a scheme to defraud any healthcare benefit program or knowingly and willingly falsifying, concealing or covering up a material fact or making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, which impose certain requirements on covered entities and their business associates that perform functions or activities that involve HIPAA Protected Health Information on their behalf, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- U.S. federal transparency requirements under the Physician Payments Sunshine Act, enacted as part of the ACA, that require applicable manufacturers of covered drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to track and annually report to the Centers for Medicare & Medicaid Services, or CMS, payments and other transfers of value provided to physicians and teaching hospitals, and certain ownership and investment interests held by physicians or their immediate family members; and
- analogous state or foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers, state marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements, state laws that require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect as HIPAA, thus complicating compliance efforts.

Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could substantially disrupt our operations. If the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Our employees may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with legal requirements or the requirements of CMS, EMA, FDA and other government regulators, provide accurate information to applicable government authorities, comply with fraud and abuse and other healthcare laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of, including trading on, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. In connection with the global offering, we intend to adopt a Code of Business Conduct and Ethics, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Risks Related to Intellectual Property

Our ability to compete may decline if we do not adequately protect our proprietary rights.

Our commercial success depends on obtaining and maintaining proprietary rights to our product candidates and defending these rights against third-party challenges. We will only be able to protect our product candidates and their uses from unauthorized use by third parties to the extent that valid and enforceable patents, or effectively protected trade secrets, cover them. Our ability to obtain patent protection for our product candidates is uncertain due to a number of factors, including:

- we or our licensors may not have been the first to make the inventions covered by pending patent applications or issued patents;
- we or our licensors may not have been the first to file patent applications for our product candidates or the compositions we developed or for their uses;
- others may independently develop identical, similar or alternative products or compositions and uses thereof;
- our or our licensors' disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
- any or all of our or our licensors' pending patent applications may not result in issued patents;
- we or our licensors may not seek or obtain patent protection in countries that may eventually provide us a significant business opportunity;
- any patents issued to us or our licensors may not provide a basis for commercially viable products, may not provide any competitive advantages, or may be successfully challenged by third parties;
- our or our licensors' compositions and methods may not be patentable;
- others may design around our patent claims to produce competitive products which fall outside of the scope of our patents; or
- others may identify prior art or other bases which could invalidate our or our licensors' patents.

Even if we have or obtain patents covering our product candidates or compositions, we may still be barred from making, using and selling our product candidates or technologies because of the patent rights of others. Others may have filed, and in the future may file, patent applications covering compositions or products that are similar or identical to ours. There are many issued U.S. and foreign patents relating to chemical compounds and therapeutic products, and some of these relate to compounds we intend to commercialize. Numerous U.S. and foreign issued patents and pending patent applications owned by others exist in the cancer treatment field in which we are developing products. These could materially affect our ability to develop our product candidates or sell our products if approved. Because patent applications can take many years to issue, there may be currently pending applications unknown to us that may later result in issued patents that our product candidates or compositions may infringe. These patent applications may have priority over patent applications filed by us.

Obtaining and maintaining a patent portfolio entails significant expense and resources. Part of the expense includes periodic maintenance fees, renewal fees, annuity fees, various other governmental fees on patents and/or applications due in several stages over the lifetime of patents and/or applications, as well as the cost associated with complying with numerous procedural provisions during the patent application process. We may not choose to pursue or maintain protection for particular inventions. In addition, there are situations in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we choose to forgo patent protection or allow a patent application or patent to lapse purposefully or inadvertently, our competitive position could suffer.

Legal actions to enforce our patent rights can be expensive and may involve the diversion of significant management time. In addition, these legal actions could be unsuccessful and could also result in the invalidation of our patents or a finding that they are unenforceable. We may or may not choose to pursue litigation or other actions against those that have infringed on our patents, or used them without authorization, due to the associated expense and time commitment of monitoring these activities. If we fail to protect or to enforce our intellectual property rights successfully, our competitive position could suffer, which could harm our results of operations.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court.

If we initiate legal proceedings against a third party to enforce a patent covering our product candidate or technology, the defendant could counterclaim that the patent covering our product candidate or technology is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and unenforceability are commonplace. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review and/or inter partes review and equivalent proceedings in foreign jurisdictions, and opposition proceedings. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates.

Biopharmaceutical patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions. The interpretation and breadth of claims allowed in some patents covering biopharmaceutical compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The standards of the U.S. Patent and Trademark Office, or USPTO, are evolving and could change in the future. Consequently, we cannot predict the issuance and scope of patents with certainty. Patents, if issued, may be challenged, invalidated or circumvented. U.S. patents and patent applications may also be subject to interference proceedings, and U.S. patents may be subject to reexamination proceedings, post-grant review and/or inter partes review in the USPTO. Foreign patents may be subject also to opposition or comparable proceedings in the corresponding foreign patent office, which could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, reexamination, post-grant review, inter partes review and opposition proceedings may be costly. Accordingly, rights under any issued patents may not provide us with sufficient protection against competitive products or processes.

In addition, changes in or different interpretations of patent laws in the United States and foreign countries may permit others to use our or our licensors' discoveries or to develop and commercialize our technology and products without providing any compensation to us, or may limit the number of patents or claims we can obtain. The laws of some countries do not protect intellectual property rights to the same extent as U.S. laws and those countries may lack adequate rules and procedures for defending our intellectual property rights.

If we fail to obtain and maintain patent protection and trade secret protection for our product candidates, we could lose our competitive advantage and competition we face would increase, reducing any potential revenues and adversely affecting our ability to attain or maintain profitability.

Developments in patent law could have a negative impact on our business.

From time to time, the U.S. Supreme Court, other federal courts, the U.S. Congress, the USPTO or similar foreign authorities may change the standards of patentability and any such changes could have a negative impact on our business. In addition, the Leahy-Smith America Invents Act, or the America Invents Act, which was signed into law in 2011, includes a number of significant changes to U.S. patent law. These changes include a transition from a "first-to-invent" system to a "first-to-file" system, changes to the way issued patents are challenged, and changes to the way patent applications are disputed during the examination process. These changes may favor larger and more established companies that have greater resources to devote to patent application filing and prosecution. The USPTO has developed new regulations and procedures to govern the full implementation of the America Invents Act, and many of the substantive changes to patent law associated with the America Invents Act, and, in particular, the first-to-file provisions, became effective on March 16, 2013. Substantive changes to patent law associated with the America Invents Act, or any subsequent U.S. legislation regarding patents, may affect our ability to obtain patents,

and if obtained, to enforce or defend them. Accordingly, it is not clear what, if any, impact the America Invents Act will have on the cost of prosecuting our U.S. patent applications, our ability to obtain U.S. patents based on our discoveries and our ability to enforce or defend any patents that may issue from our patent applications, all of which could have a material adverse effect on our business.

If we do not obtain protection under the Hatch-Waxman Amendments and similar non-U.S. legislation for extending the term of patents covering each of our product candidates, our business may be materially harmed.

Depending upon the timing, duration and conditions of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments, and similar legislation in the European Union. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced, possibly materially.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to patent protection, because we operate in the highly technical field of development of therapies, we rely in part on trade secret protection in order to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We have entered into confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party's relationship with us. These agreements also generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us.

In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on our product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States, assuming that rights are obtained in the United States. Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as the federal and state laws in the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biopharmaceuticals or biotechnologies. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Third parties may assert ownership or commercial rights to inventions we develop.

Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property. We have written agreements with collaborators that provide for the ownership of intellectual property arising from our collaborations. These agreements provide that we must negotiate certain commercial rights with collaborators with respect to joint inventions or inventions made by our collaborators that arise from the results of the collaboration. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise from a collaboration. If we cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from our use of a third-party collaborator's materials where required, or if disputes otherwise arise with respect to the intellectual property developed with the use of a collaborator's samples, we may be limited in our ability to capitalize on the market potential of these inventions. In addition, we may face claims by third parties that our agreements with employees, contractors, or consultants obligating them to assign intellectual property to us are ineffective, or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such inventions. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property, or may lose our exclusive rights in that intellectual property. Either outcome could have an adverse impact on our business.

If we fail to comply with our obligations under license or technology agreements with third parties, we could lose license rights that are critical to our business.

We license intellectual property that is critical to our business, including licenses underlying the technology in our diagnostic tests, and in the future we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. These licenses impose various royalty payments, milestones, and other obligations on us. If we fail to comply with any of these obligations, the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from distributing our current tests, or inhibit our ability to commercialize future test candidates. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

We employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, and no such claims against us are currently pending, we may be subject to claims that we or our employees, consultants or independent contractors have used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

A dispute concerning the infringement or misappropriation of our proprietary rights or the proprietary rights of others could be time-consuming and costly, and an unfavorable outcome could harm our business.

There is significant litigation in the biopharmaceutical industry regarding patent and other intellectual property rights. While we are not currently subject to any pending intellectual property litigation, and are not aware of any such threatened litigation, we may be exposed to future litigation by third parties based on claims that our product candidates, technologies or activities infringe the intellectual property rights of others. If our development activities are found to infringe any such patents, we may have to pay significant damages or seek licenses to such patents. A patentee could prevent us from using the patented drugs or compositions. We may need to resort to litigation to enforce a patent issued to us, to protect our trade secrets, or to determine the scope and validity of third-party proprietary rights. From time to time, we may hire scientific personnel or consultants formerly employed by other companies involved in one or more areas similar to the activities conducted by us. Either we or these individuals may be subject to allegations of trade secret misappropriation or other similar claims as a result of prior affiliations. If we become involved in litigation, it could consume a substantial portion of our managerial and financial resources, regardless of whether we win or lose. We may not be able to afford the costs of litigation. Any adverse ruling or perception of an adverse ruling in defending ourselves against these claims could have a negative impact on our cash position. Any legal action against us or our collaborators could lead to:

- payment of damages, potentially treble damages, if we are found to have willfully infringed a party's patent rights;
- injunctive or other equitable relief that may effectively block our ability to further develop, commercialize, and sell products; or
- us or our collaborators having to enter into license arrangements that may not be available on commercially acceptable terms, if at all.

Any of these outcomes could hurt our cash position and financial condition and our ability to develop and commercialize our product candidates.

If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we will need to build name recognition by potential partners or customers in our markets of interest. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively.

Risks Related to the Global Offering, Ownership of our Ordinary Shares and ADSs and Our Status as a Non-U.S. Company with Foreign Private Issuer Status

There has been no market for the ADSs prior to the U.S. offering and an active and liquid market for our securities may fail to develop, which could harm the market price of the ADSs.

Prior to the U.S. offering, while our ordinary shares have been traded on Euronext Paris since May 2013 and we have ADRs that trade on the U.S. over-the-counter market, there has been no public market on a U.S. national securities exchange for the ADSs or our ordinary shares in the United States. Although we anticipate our ADSs will be approved

for listing on the Nasdaq Global Market, an active trading market for our ADSs may never develop or be sustained following the U.S. offering. The offering price of our ADSs will be determined through negotiations between us and the underwriters based on a number of factors. This offering price may not be indicative of the market price of our ADSs or ordinary shares after the global offering. In the absence of an active trading market for our ADSs or ordinary shares, investors may not be able to sell their ADSs at or above the offering price or at the time that they would like to sell.

The market price of our equity securities may be volatile, and purchasers of our ordinary shares or ADSs could incur substantial losses.

The market price for our ADSs and ordinary shares may be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their ADSs or ordinary shares at or above the price originally paid for the security. The market price for our ADSs and ordinary shares may be influenced by many factors, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations, or capital commitments;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- additions or departures of key management or scientific personnel;
- lawsuits threatened or filed against us, disputes or other developments related to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- changes to coverage policies or reimbursement levels by commercial third-party payors and government payors and any announcements relating to coverage policies or reimbursement levels;
- announcement or expectation of additional debt or equity financing efforts;
- sales of our ordinary shares or ADSs by us, our insiders or our other shareholders; and
- general economic and market conditions.

These and other market and industry factors may cause the market price and demand for our ordinary shares and ADSs to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ordinary shares or ADSs and may otherwise negatively affect the liquidity of the trading market for the ordinary shares and ADSs.

If we do not achieve our projected development and commercialization goals in the timeframes we announce and expect, our business will be harmed and the price of our securities could decline as a result.

We sometimes estimate for planning purposes the timing of the accomplishment of various scientific, clinical, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies, clinical trials, the submission of regulatory filings, or commercialization objectives. From time to time, we may publicly announce the expected timing of some of these
milestones, such as the completion of an ongoing clinical trial, the initiation of other clinical programs, receipt of marketing approval, or a commercial launch of a product. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions which may cause the timing of achievement of the milestones to vary considerably from our estimates, including:

- our available capital resources or capital constraints we experience;
- the rate of progress, costs and results of our clinical trials and research and development activities, including the extent of scheduling conflicts with participating clinicians and collaborators, and our ability to identify and enroll patients who meet clinical trial eligibility criteria;

- our receipt of approvals by the EMA, FDA and other regulatory agencies and the timing thereof;
- other actions, decisions or rules issued by regulators;
- our ability to access sufficient, reliable and affordable supplies of compounds and raw materials used in the manufacture of our product candidates;
- the efforts of our collaborators with respect to the commercialization of our products; and
- the securing of, costs related to, and timing issues associated with, product manufacturing as well as sales and marketing activities.

If we fail to achieve announced milestones in the timeframes we expect, the commercialization of our product candidates may be delayed, our business and results of operations may be harmed, and the trading price of the ordinary shares and ADSs may decline as a result.

After the completion of the global offering, we may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies have experienced significant share price volatility in recent years. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

After the global offering, our ownership will remain concentrated in the hands of our principal shareholders and ADS holders and management, who will continue to be able to exercise a direct or indirect controlling influence on us.

We anticipate that our executive officers, directors, current 5% or greater shareholders and affiliated entities, including Auriga Ventures III FCPR and Baker Bros. Advisors LP, will together beneficially own approximately % of our ordinary shares (including ordinary shares in the form of ADSs) outstanding after the global offering, assuming no exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares in the global offering. As a result, these shareholders, acting together, will have significant influence over all matters that require approval by our shareholders, including the election of directors and approval of significant corporate transactions. Corporate action might be taken even if other shareholders, including those who purchase ordinary shares or ADSs in the global offering, oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other shareholders may view as beneficial.

We have broad discretion in the use of the net proceeds from the global offering and may use them in ways with which you do not agree and in ways that may not increase the value of your investment.

Our management will have broad discretion in the application of the net proceeds that we receive from the global offering. We may spend or invest these proceeds in a way with which our shareholders disagree. The failure by our management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds from the global offering in a manner that does not produce income or that loses value. These investments may not yield a favorable return to our investors.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the price of the ordinary shares and ADSs and their trading volume could decline.

The trading market for the ADSs and ordinary shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If no or few securities or industry analysts cover our company, the trading price for the ADSs and ordinary shares would be negatively impacted. If one or more of the analysts who covers us downgrades our equity securities or publishes incorrect or unfavorable research about our business, the price of the ordinary shares and ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades our securities, demand for the ordinary shares and ADSs could decrease, which could cause the price of the ordinary shares and ADSs or their trading volume to decline.

We do not currently intend to pay dividends on our securities and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ordinary shares and ADSs. In addition, French law may limit the amount of dividends we are able to distribute.

We have never declared or paid any cash dividends on our ordinary shares and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your ordinary shares or ADSs for the foreseeable future and the success of an investment in ordinary shares or ADSs will depend upon any future appreciation in its value. Consequently, investors may need to sell all or part of their holdings of ordinary shares or ADSs after price appreciation, which may

never occur, as the only way to realize any future gains on their investment. There is no guarantee that the ordinary shares or ADSs will appreciate in value or even maintain the price at which our shareholders have purchased them. Investors seeking cash dividends should not purchase the ADSs or ordinary shares.

Further, under French law, the determination of whether we have been sufficiently profitable to pay dividends is made on the basis of our statutory financial statements prepared and presented in accordance with accounting standards applicable in France. In addition, payment of dividends may subject us to additional taxes under French law. Please see the section of this prospectus titled "Description of Share Capital—Key Provisions of Our Bylaws and French Law Affecting Our Ordinary Shares—Rights, Preferences and Restrictions Attaching to Ordinary Shares" for further details on the limitations on our ability to declare and pay dividends and the taxes that may become payable by us if we elect to pay a dividend. Therefore, we may be more restricted in our ability to declare dividends than companies not based in France.

In addition, exchange rate fluctuations may affect the amount of euros that we are able to distribute, and the amount in U.S. dollars that our shareholders receive upon the payment of cash dividends or other distributions we declare and pay in euros, if any. These factors could harm the value of the ADSs, and, in turn, the U.S. dollar proceeds that holders receive from the sale of the ADSs.

If you purchase ordinary shares or ADSs in the global offering, you will experience substantial and immediate dilution.

If you purchase ordinary shares or ADSs in the global offering, you will experience substantial and immediate dilution of $ per ADS and € per ordinary share in net tangible book value after giving effect to the global offering at an assumed offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, because the price that you pay will be substantially greater than the net tangible book value per ADS or ordinary share, as applicable, that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the offering price when they purchased their ordinary shares. You will experience additional dilution upon exercise of any outstanding warrants to purchase ordinary shares or if we otherwise issue additional ordinary shares or ADSs below the offering price. For a further description of the dilution that you will experience immediately after the global offering, see the section of this prospectus titled "Dilution."

Future sales of ordinary shares or ADSs by existing shareholders could depress the market price of the ADSs and ordinary shares.

If our existing shareholders or holders of ADSs sell, or indicate an intent to sell, substantial amounts of ordinary shares or ADSs in the public market after the 90-day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of the ADSs and ordinary shares could decline significantly and could decline below the offering price. Upon completion of the global offering, we will have outstanding ordinary shares (including ordinary shares in the form of ADSs) assuming the underwriters do not exercise their option to purchase additional ADSs and/or ordinary shares, approximately of which are subject to a contractual restriction on selling for up to 90 days, subject to customary exceptions. The underwriters may permit our officers, directors, employees and current shareholders to sell ADSs or ordinary shares prior to the expiration of the lock-up agreements. See the section of this prospectus titled "Underwriting."

After the lock-up agreements pertaining to the global offering expire, and based on the number of ordinary shares outstanding upon completion of the global offering (including ordinary shares in the form of ADSs), additional ordinary shares will be eligible for sale in the public market, all of which shares are held by directors, executive officers and other affiliates and will be subject to volume limitations under Rule 144 under the Securities Act. In addition, the ordinary shares subject to outstanding warrants will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. Following the global offering and expiration of the lock-up period, we intend to file one or more registration statements with the SEC covering the ordinary shares issuable upon exercise of outstanding warrants. Upon effectiveness of such registration statements, any ordinary shares subsequently issued will be eligible for sale in the public market, except to the extent that they are restricted by the lock-up agreements referred to above and subject to compliance with Rule 144 in the case of our affiliates. Sales of a large number of the shares in the public market could have an adverse effect on the market price of the ADSs or ordinary shares. See the section of this prospectus titled "Shares and ADSs Eligible for Future

Sale" for a more detailed description of sales that may occur in the future. If these additional ordinary shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of the ADSs and ordinary shares could decline substantially.

The rights of shareholders in companies subject to French corporate law differ in material respects from the rights of shareholders of corporations incorporated in the United States.

We are a French company with limited liability. Our corporate affairs are governed by our bylaws and by the laws governing companies incorporated in France. The rights of shareholders and the responsibilities of members of our board of directors are in many ways different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. For example, in the performance of its duties, our board of directors is required by French law to consider the interests of our company, its shareholders, its employees and other stakeholders, rather than solely our shareholders and/or creditors. It is possible that some of these parties will have interests that are different from, or in addition to, your interests as a shareholder or holder of ADSs. See the sections of this prospectus titled "Management—Corporate Governance Practices" and "Description of Share Capital."

U.S. investors may have difficulty enforcing civil liabilities against our company and directors and senior management and the experts named in this prospectus.

Certain members of our board of directors and senior management and certain experts named in this prospectus are non-residents of the United States, and all or a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides. In particular, there is some doubt as to whether French courts would recognize and enforce certain civil liabilities under U.S. securities laws in original actions or judgments of U.S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France. An award for monetary damages under the U.S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered but is intended to punish the defendant. French law provides that a shareholder, or a group of shareholders, may initiate a legal action to seek indemnification from the directors of a corporation in the corporation's interest if it fails to bring such legal action itself. If so, any damages awarded by the court are paid to the corporation and any legal fees relating to such action may be borne by the relevant shareholder or the group of shareholders.

The enforceability of any judgment in France will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and France do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. See the section of this prospectus titled "Enforcement of Civil Liabilities."

Our bylaws and French corporate law contain provisions that may delay or discourage a takeover attempt.

Provisions contained in our bylaws and French corporate law could make it more difficult for a third-party to acquire us, even if doing so might be beneficial to our shareholders. In addition, provisions of our bylaws impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. These provisions include the following:

- under French law, the owner of 95% of voting rights of a public company listed on a regulated market in a Member State of the European Union or in a state party to the European Economic Area, or EEA, Agreement, including France, has the right to force out minority shareholders following a tender offer made to all shareholders;
- under French law, a non-resident of France as well as any French entity controlled by non-French residents may have to file an administrative notice with French authorities in connection with a direct or indirect

investment in us, as defined by administrative rulings; see the section of this prospectus titled “Limitations Affecting Shareholders of a French Company”;

- a merger (i.e., in a French law context, a stock for stock exchange following which our company would be dissolved into the acquiring entity and our shareholders would become shareholders of the acquiring entity) of our company into a company incorporated in the European Union would require the approval of our board of directors as well as a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting;
- a merger of our company into a company incorporated outside of the European Union would require 100% of our shareholders to approve it;
- under French law, a cash merger is treated as a share purchase and would require the consent of each participating shareholder;
- our shareholders have granted and may grant in the future our board of directors broad authorizations to increase our share capital or to issue additional ordinary shares or other securities, such as warrants, to our shareholders, the public or qualified investors, including as a possible defense following the launching of a tender offer for our shares;
- our shareholders have preferential subscription rights on a *pro rata* basis on the issuance by us of any additional securities for cash or a set-off of cash debts, which rights may only be waived by the extraordinary general meeting (by a two-thirds majority vote) of our shareholders or on an individual basis by each shareholder;
- our board of directors has the right to appoint directors to fill a vacancy created by the resignation or death of a director, for the remaining duration of such director’s term of office and subject to the approval by the shareholders of such appointment at the next shareholders’ meeting, which prevents shareholders from having the sole right to fill vacancies on our board of directors;
- our board of directors can be convened by our chairman or our managing director, if any, or, when no board meeting has been held for more than two consecutive months, by directors representing at least one third of the total number of directors;
- our board of directors meetings can only be regularly held if at least half of the directors attend either physically or by way of videoconference or teleconference enabling the directors’ identification and ensuring their effective participation in the board’s decisions;
- our shares are nominative or bearer, if the legislation so permits, according to the shareholder’s choice;
- approval of at least a majority of the votes held by shareholders present, represented by a proxy, or voting by mail at the relevant ordinary shareholders’ general meeting is required to remove directors with or without cause;
- advance notice is required for nominations to the board of directors or for proposing matters to be acted upon at a shareholders’ meeting, except that a vote to remove and replace a director can be proposed at any shareholders’ meeting without notice;
- our bylaws can be changed in accordance with applicable laws;
- the crossing of certain thresholds has to be disclosed and can impose certain obligations; see the section of this prospectus titled “Description of Share Capital—Declaration of Crossing of Ownership Thresholds”;
- transfers of shares shall comply with applicable insider trading rules and regulations and, in particular, with the Market Abuse Directive and Regulation dated April 16, 2014; and
- pursuant to French law, our bylaws, including the sections relating to the number of directors and election and removal of a director from office, may only be modified by a resolution adopted by two-thirds of the votes of our shareholders present, represented by a proxy or voting by mail at the meeting.

You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depositary shall distribute to the holders as of the record date (1) the notice of the

meeting or solicitation of consent or proxy sent by us and (2) a statement as to the manner in which instructions may be given by the holders.

Purchasers of ADSs in the U.S. offering may instruct the depositary of their ADSs to vote the ordinary shares underlying their ADSs. Otherwise, purchasers of ADSs in the U.S. offering will not be able to exercise voting rights, unless they withdraw the ordinary shares underlying the ADSs they hold. However, a holder of ADSs may not know about the meeting far enough in advance to withdraw those ordinary shares. If we ask for a holder of ADSs' instructions, the depositary, upon timely notice from us, will notify him or her of the upcoming vote and arrange to deliver our voting materials to him or her. We cannot guarantee to any holder of ADSs that he or she will receive the voting materials in time to ensure that he or she can instruct the depositary to vote his or her ordinary shares or to withdraw his or her ordinary shares so that he or she can vote them. If the depositary does not receive timely voting instructions from a holder of ADSs, it may give a proxy to a person designated by us to vote the ordinary shares underlying his or her ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that a holder of ADSs may not be able to exercise his or her right to vote, and there may be nothing he or she can do if the ordinary shares underlying his or her ADSs are not voted as he or she requested.

Purchasers of ADSs in the U.S. offering may not be directly holding our ordinary shares.

A holder of ADSs will not be treated as one of our shareholders and will not have direct shareholder rights. French law governs our shareholder rights. The depositary will be the holder of the ordinary shares underlying ADSs held by purchasers of ADSs in the U.S. offering. Purchasers of ADSs in the U.S. offering will have ADS holder rights. The deposit agreement among us, the depositary and purchasers of ADSs in the U.S. offering, as an ADS holder, and all other persons directly and indirectly holding ADSs, sets out ADS holder rights, as well as the rights and obligations of the depositary.

The right as a holder of ADSs to participate in any future preferential subscription rights or to elect to receive dividends in shares may be limited, which may cause dilution to the holdings of purchasers of ADSs in the U.S. offering.

According to French law, if we issue additional securities for cash, current shareholders will have preferential subscription rights for these securities on a pro rata basis unless they waive those rights at an extraordinary meeting of our shareholders (by a two-thirds majority vote) or individually by each shareholder. However, our ADS holders in the United States will not be entitled to exercise or sell such rights unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. In addition, the deposit agreement provides that the depositary will not make rights available to purchasers of ADSs in the U.S. offering unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. Further, if we offer holders of our ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depositary may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights.

Purchasers of ADSs in the U.S. offering may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs, which may be evidenced by ADRs, are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to a holder of ADSs' right to cancel his or her ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary

shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, a holder of ADSs may not be able to cancel his or her ADSs and withdraw the underlying ordinary shares when he or she owes money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See the section of this prospectus titled "Description of American Depositary Shares."

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of ADSs and ordinary shares.

We are a foreign private issuer, as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and semi-annual filings with respect to our listing on Euronext Paris and expect to file financial reports on an annual and semi-annual basis, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. public companies and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. Accordingly, there will be less publicly available information concerning our company than there would be if we were not a foreign private issuer.

As a foreign private issuer, we are permitted and we expect to follow certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq's corporate governance standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance standards of the Nasdaq Global Market.

As a foreign private issuer listed on the Nasdaq Global Market, we will be subject to Nasdaq's corporate governance standards. However, Nasdaq rules provide that foreign private issuers are permitted to follow home country corporate governance practices in lieu of Nasdaq's corporate governance standards as long as notification is provided to Nasdaq of the intention to take advantage of such exemptions. We intend to rely on exemptions for foreign private issuers and follow French corporate governance practices in lieu of Nasdaq's corporate governance standards, to the extent possible. Certain corporate governance practices in France, which is our home country, may differ significantly from Nasdaq corporate governance standards. For example, as a French company, neither the corporate laws of France nor our bylaws require a majority of our directors to be independent and we can include non-independent directors as members of our remuneration committee, and our independent directors are not required to hold regularly scheduled meetings at which only independent directors are present.

We are also exempt from provisions set forth in Nasdaq rules which require an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting stock. Consistent with French law, our bylaws provide that a quorum requires the presence of shareholders having at least (1) 20% of the shares entitled to vote in the case of an ordinary shareholders' general meeting or at an extraordinary shareholders' general meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, or (2) 25% of the shares entitled to vote in the case of any other extraordinary shareholders' general meeting.

As a foreign private issuer, we are required to comply with Rule 10A-3 of the Exchange Act, relating to audit committee composition and responsibilities. Under French law, the audit committee may only have an advisory role and appointment of our statutory auditors, in particular, must be decided by the shareholders at our annual meeting.

Therefore, our shareholders may be afforded less protection than they otherwise would have under Nasdaq's corporate governance standards applicable to U.S. domestic issuers. For an overview of our corporate governance practices, see "Management—Corporate Governance Practices."

We are an "emerging growth company" under the JOBS Act and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ADSs less attractive to investors.

We are an "emerging growth company," as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the U.S. Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. We will not take advantage of the extended transition period provided under Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Since IFRS makes no distinction between public and private companies for purposes of compliance with new or revised accounting standards, the requirements for our compliance as a private company and as a public company are the same.

We cannot predict if investors will find the ADSs less attractive because we may rely on these exemptions. If some investors find the ADSs less attractive as a result, there may be a less active trading market for the ADSs and the price of the ADSs may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenue of $1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of the global offering; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; and (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2018. In the future, we would lose our foreign private issuer status if we fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if more than 50% of our securities are held by U.S. residents and more than 50% of our executive officers or members of our board of directors are residents or citizens of the United States, we could lose our foreign private issuer status. Immediately following the closing of the global offering, approximately % of our outstanding ordinary shares will likely be held by U.S. residents (assuming that all purchasers in the U.S. offering are residents of the United States).

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP, rather than IFRS, and modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP would involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

U.S. holders of ADSs may suffer adverse tax consequences if we are characterized as a passive foreign investment company.

Generally, if, for any taxable year, at least 75% of our gross income is passive income, or at least 50% of the value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of these tests, passive income includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received

from unrelated parties in connection with the active conduct of a trade or business. If we are characterized as a PFIC, U.S. holders of the ADSs may suffer adverse tax consequences, including having gains realized on the sale of the ADSs treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on the ADSs by individuals who are U.S. holders, and having interest charges apply to distributions by us and the proceeds of sales of the ADSs. See "Material United States Federal Income and French Tax Considerations—Certain Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations."

Our status as a PFIC will depend on the composition of our income (including whether we receive certain non-refundable grants or subsidies and whether such amounts and reimbursements of certain refundable research tax credits will constitute gross income for purposes of the PFIC income test) and the composition and value of our assets, which may be determined in large part by reference to the market value of the ADSs and our ordinary shares, which may be volatile, from time to time. Our status may also depend, in part, on how quickly we utilize the cash proceeds from the global offering in our business. Based on certain estimates of our gross income and assets, and on the nature of our business, we do not expect to be characterized as a PFIC for our taxable year ending December 31, 2017; however, there can be no assurance that we will not be considered a PFIC for any taxable year.

We must maintain effective internal control over financial reporting, and if we are unable to do so, the accuracy and timeliness of our financial reporting may be adversely affected, which could hurt our business, lessen investor confidence and depress the market price of our securities.

We must maintain effective internal control over financial reporting in order to accurately and timely report our results of operations and financial condition. In addition, as a public company listed in the United States, the Sarbanes-Oxley Act will require, among other things, that we assess the effectiveness of our internal control over financial reporting at the end of each fiscal year. We anticipate being first required to issue management's annual report on internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act, in connection with issuing our consolidated financial statements as of and for the year ending December 31, 2018 and the filing of our second annual report with the SEC.

The rules governing the standards that must be met for our management to assess our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act are complex and require significant documentation, testing and possible remediation. These stringent standards require that our audit committee be advised and regularly updated on management's review of internal control over financial reporting. We are in the process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation. This process is time-consuming, costly, and complicated. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal controls over financial reporting beginning with our annual report following the date on which we are no longer an "emerging growth company," which may be up to five fiscal years following the date of the global offering. Our management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that will be applicable to us as a public company listed in the United States. If we fail to staff our accounting and finance function adequately or maintain internal control over financial reporting adequate to meet the demands that will be placed upon us as a public company listed in the United States, our business and reputation may be harmed and the price of our ordinary shares and ADSs may decline. Furthermore, investor perceptions of us may be adversely affected, which could cause a decline in the market price of our securities.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, particularly the sections of this prospectus titled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains forward-looking statements. All statements other than present and historical facts and conditions contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy, plans and our objectives for future operations, are forward-looking statements. When used in this prospectus, the words “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “is designed to,” “may,” “might,” “plan,” “potential,” “predict,” “objective,” “should,” or the negative of these and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our ability to attain, maintain and expand marketing approval for eryaspase, which is known under the trade name GRASPA in Europe and Israel;
- the initiation, timing, progress and results of our preclinical studies and clinical trials;
- our ability to successfully develop our ERYCAPS platform and advance our pipeline of product candidates;
- our ability to develop sales and marketing capabilities;
- the regulatory and commercialization goals for GRASPA in our agreements with Orphan Europe and Teva, including the timing and amount of anticipated milestone and royalty payments;
- our ability to produce adequate supplies of our product candidates for preclinical and clinical testing and to fulfill our contractual obligations to third-party distributors;
- the effects of increased competition as well as innovations by new and existing competitors in our industry;
- our ability to obtain funding for our operations;
- our ability to maintain, protect and enhance our intellectual property rights and propriety technologies and to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- regulatory developments in the United States, Europe and other foreign countries;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance;
- the uncertainty of economic conditions in certain countries in Europe and Asia such as related to the United Kingdom’s referendum in June 2016 in which voters approved an exit from the European Union, commonly referred to as “Brexit,” and general economic conditions;
- our expected use of proceeds of the global offering; and
- other risks and uncertainties, including those listed under the caption “Risk Factors.”

You should refer to the section of this prospectus titled “Risk Factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act do not protect any forward-looking statements that we make in connection with the global offering.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

MARKET INFORMATION

Our ordinary shares have been trading on Euronext Paris under the symbol “ERYP” since May 2013.

The following table sets forth for the periods indicated the reported high and low sale prices per ordinary share on Euronext Paris in euros as well as the average daily trading volume for these periods.

PERIOD	HIGH	LOW	AVERAGE DAILY TRADING VOLUME
Annual			
2013	€12.07	€ 8.58	5,086
2014	34.97	10.16	39,665
2015	40.20	23.04	42,280
2016	28.18	11.50	26,417
Quarterly			
First Quarter 2015	32.99	25.20	58,926
Second Quarter 2015	37.00	25.93	51,097
Third Quarter 2015	40.20	28.15	37,287
Fourth Quarter 2015	32.80	23.04	22,804
First Quarter 2016	26.90	17.62	36,674
Second Quarter 2016	28.18	15.44	19,287
Third Quarter 2016	24.42	18.51	15,877
Fourth Quarter 2016	18.56	11.50	34,593
First Quarter 2017	29.82	12.10	120,436
Second Quarter 2017	30.20	23.81	112,977
Third Quarter 2017	27.96	22.44	40,349
Fourth Quarter 2017 (through October 3, 2017)	24.90	23.05	65,840
Monthly			
May 2017	29.97	23.81	117,237
June 2017	29.93	25.58	59,407
July 2017	27.10	24.06	23,500
August 2017	26.73	22.44	42,441
September 2017	27.96	22.70	54,909
October 2017 (through October 3, 2017)	24.90	23.05	65,840

On October 3, 2017, the last reported sale price of our ordinary shares on Euronext Paris was €24.70 per share.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the global offering of approximately € ($) million, assuming an offering price $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, after deducting underwriting commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares. If the underwriters exercise in full their option to purchase additional ADSs and/or ordinary shares in the global offering, we estimate that we will receive net proceeds from the global offering of approximately € ($) million, assuming an offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, after deducting underwriting commissions and estimated offering expenses payable by us.

Each €1.00 ($) increase or decrease in the assumed offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, would increase or decrease our net proceeds from the global offering by € ($) million, assuming the number of ordinary shares offered by us (which may be in the form of ADSs), as set forth on the cover page of this prospectus, remains the same and after deducting underwriting commissions and estimated offering expenses payable by us. Subject to applicable law, we may also increase or decrease the number of ordinary shares (including ordinary shares in the form of ADSs) we are offering. An increase or decrease of 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us in the global offering would increase or decrease the net proceeds to us by approximately € ($) million, assuming that the assumed offering price per ADS or ordinary share remains the same and after deducting underwriting commissions and estimated offering expenses payable by us. The actual net proceeds payable to us will adjust based on the actual number of ordinary shares (including ordinary shares in the form of ADSs) offered by us in the global offering, the actual offering price per ADS and ordinary share and other terms of the global offering determined at pricing.

We currently expect to use the net proceeds from the global offering as follows:

- approximately € ($) million to conduct our planned pivotal Phase 3 clinical trial of eryaspase for the treatment of pancreatic cancer in the United States and Europe;
- approximately € ($) million to complete additional pivotal clinical trials of eryaspase for the treatment of ALL in the United States and Europe;
- approximately € ($) million to advance the development of eryaspase and potential follow-on products for other indications;
- approximately € ($) million to fund overall development of our ERYCAPS platform technology and other preclinical development programs; and
- the remainder, if any, for working capital and other general corporate purposes.

Even with the expected net proceeds from the global offering, we may need to raise additional capital in the future to conduct additional clinical developments with eryaspase, including to fund our planned pivotal Phase 3 clinical trial, and to complete the clinical development of other product candidates. However, we believe that our existing cash, cash equivalents and short-term investments will be sufficient to fund our clinical trials that have already commenced, including our Phase 1 clinical trial in the United States of eryaspase for the treatment of ALL, our Phase 2 clinical trial in Europe of eryaspase in ALL patients allergic to pegylated asparaginase and our Phase 2b clinical trial in Europe of eryaspase for the treatment of AML. We have based these estimates on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect.

This expected use of the net proceeds from the global offering represents our intentions based upon our current plans and business conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of the global offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of our

development efforts, the status of and results from preclinical studies and any ongoing clinical trials or clinical trials we may commence in the future, as well as any collaborations that we may enter into with third parties for our product candidates and any unforeseen cash needs. As a result, our future financing needs remain uncertain and our management will retain broad discretion over the allocation of the net proceeds from the global offering.

Pending our use of the net proceeds from the global offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid any dividends on our ordinary shares. We do not anticipate paying cash dividends on our equity securities in the foreseeable future and intend to retain all available funds and any future earnings for use in the operation and expansion of our business, given our state of development.

Subject to the requirements of French law and our bylaws, dividends may only be distributed from our distributable profits, plus any amounts held in our available reserves which are reserves other than legal and statutory and revaluation surplus. See the section of this prospectus titled “Description of Share Capital—Key Provisions of Our Bylaws and French Law Affecting Our Ordinary Shares—Rights, Preferences and Restrictions Attaching to Ordinary Shares” for further details on the limitations on our ability to declare and pay dividends. Dividend distributions, if any in the future, will be made in euros and converted into U.S. dollars with respect to the ADSs, as provided in the deposit agreement.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2017:

- on an actual basis; and
- on an as adjusted basis to reflect (i) the issuance and sale of (a) ADSs in the U.S. offering at an assumed offering price of $ per ADS (assuming an exchange rate of € per U.S. dollar) and (b) ordinary shares in the European private placement at an assumed offering price of € per ordinary share, the closing price of our ordinary shares on Euronext Paris on , 2017, after deducting underwriting commissions and estimated offering expenses payable by us and (ii) the application of net proceeds from the global offering described under "Use of Proceeds."

Our capitalization following the global offering will be adjusted based on the actual offering price and other terms of the global offering determined at pricing, including the amount by which actual offering expenses are higher or lower than estimated. The table should be read in conjunction with the information contained in "Use of Proceeds," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as our consolidated financial statements and the related notes included elsewhere in this prospectus.

	AS OF JUNE 30, 2017	
	ACTUAL	AS ADJUSTED (1)
	(in thousands)	
Cash and cash equivalents	€ 88,551	€
Conditional advances	€ 1,182	€
Debt and capital lease obligations including current portion	2,061	
Total debt	3,242	
Equity attributable to shareholders:		
Ordinary shares, €0.10 nominal value: 11,744,448 shares issued and outstanding, actual; shares issued and outstanding, as adjusted	1,174	
Additional paid-in capital	170,159	
Reserves	(69,581)	
Net loss for the period	(14,081)	
Total equity attributable to shareholders	87,671	
Total capitalization	€ 90,913	€

(1) Each €1.00 ($) increase or decrease in the assumed offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, would increase or decrease each of as adjusted total equity attributable to our shareholders and as adjusted total capitalization by approximately € ($) million, assuming that the number of ordinary shares offered by us (including ordinary shares in the form of ADSs), as set forth on the cover page of this prospectus, remains the same and after deducting underwriting commissions and estimated offering expenses payable by us. Subject to applicable law, we may also increase or decrease the number of ordinary shares (including ordinary shares in the form of ADSs) we are offering. Each increase or decrease of 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us would increase or decrease each of as adjusted total equity attributable to our shareholders and as adjusted total capitalization by approximately € ($) million, assuming that the assumed offering price per ADS or ordinary share remains the same, and after deducting underwriting commissions and estimated offering expenses payable by us. Each increase of 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us together with an associated €1.00 ($) increase in the assumed offering price of $ per ADS (assuming an exchange rate of € per U.S. dollar) and assumed offering price of € per ordinary share, the closing price of our ordinary shares on Euronext Paris on , 2017, would increase each of as adjusted total equity attributable to our shareholders and as adjusted total capitalization by approximately € ($) million, after deducting underwriting commissions and estimated offering expenses payable by us. Each decrease of 1,000,000 ordinary shares (including shares in the form of ADSs) offered by us together with an associated €1.00 ($) decrease in the assumed offering price of $ per ADS (assuming an exchange rate of € per U.S. dollar) and of € per ordinary share, the closing price of our ordinary shares on Euronext Paris on , 2017, would decrease each of as adjusted total equity attributable to our shareholders and as adjusted total capitalization by approximately € ($) million, after deducting underwriting commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and will adjust based on the actual offering price, the actual number of ordinary shares offered by us (including ordinary shares in the form of ADSs), and other terms of the global offering determined at pricing.

The number of ordinary shares (including ordinary shares in the form of ADSs) that will be outstanding after the global offering is based on 11,744,448 ordinary shares outstanding as of June 30, 2017 and excludes:

- 825,527 ordinary shares issuable upon the exercise of founder's share warrants (BSPCE), share purchase warrants (BSA), free shares and stock options granted but not exercised as of June 30, 2017 at a weighted average exercise price of €10.2563 ($11.7035) per ordinary share based on the exchange rate in effect as of June 30, 2017 (this weighted average exercise price does not include the 209,388 ordinary shares issuable upon the vesting of outstanding free shares that may be issued for free with no exercise price paid);
- 357,913 ordinary shares reserved for future issuance under our share-based compensation plans and other delegations of authority from our shareholders; and
- 13,000,000 ordinary shares reserved to date pursuant to a delegation of authority from our shareholders for share capital increases by us through rights issuances and public or private offerings.

DILUTION

If you invest in our ADSs or ordinary shares in the global offering, your ownership interest will be diluted to the extent of the difference between the offering price per ADS or ordinary share paid by purchasers in the global offering and the as adjusted net tangible book value per ADS or ordinary share after completion of the global offering. Our net tangible book value as of June 30, 2017 was €87.6 million ($100.0 million), or €7.46 per ordinary share (equivalent to $8.51 per ADS), based on the exchange rate in effect as of June 30, 2017. Net tangible book value per ordinary share is determined by dividing (1) our total assets less our intangible assets and our total liabilities by (2) the number of ordinary shares outstanding as of June 30, 2017, or 11,744,448 ordinary shares.

After giving effect to our sale of (i) ADSs in the U.S. offering and (ii) ordinary shares in the European private placement, assuming an offering price of $ per ADS (assuming an exchange rate of € per U.S. dollar) and assumed offering price of € per ordinary share, the closing price of our ordinary shares on Euronext Paris on , 2017, and after deducting underwriting commissions and estimated offering expenses payable by us, and the application of the estimated net proceeds from the global offering as described under “Use of Proceeds,” our as adjusted net tangible book value at June 30, 2017 would have been € ($), or € per ordinary share (equivalent to $ per ADS). This represents an immediate increase in net tangible book value of € per ordinary share (equivalent to $ per ADS) to existing shareholders and an immediate dilution in net tangible book value of € per ordinary share (equivalent to $ per ADS) to new investors.

The following table illustrates this dilution to new investors on a per ordinary share and per ADS basis:

	AS OF JUNE 30, 2017	
	PER ORDINARY SHARE	PER ADS
Assumed offering price	€	$
Historical net tangible book value per ordinary share or ADS as of June 30, 2017	€7.46	$8.51
Increase in net tangible book value per ordinary share or ADS attributable to new investors participating in the global offering		
As adjusted net tangible book value per ordinary share or ADS after the global offering		
Dilution in as adjusted net tangible book value per ordinary share or ADS to new investors participating in the global offering	€	

The dilution information discussed above is illustrative only and will change based on the actual offering price and other terms of the global offering determined at pricing. Each €1.00 ($) increase or decrease in the assumed offering price of $ per ADS (assuming an exchange rate of € per U.S. dollar) and assumed offering price of € per ordinary share, the closing price of our ordinary shares on Euronext Paris on , 2017, would increase or decrease our as adjusted net tangible book value by approximately € ($) million, or approximately € per ordinary share (equivalent to $ per ADS), and the dilution to new investors participating in the global offering would be approximately € per ordinary share (equivalent to $ per ADS), assuming that the number of ordinary shares offered by us (including ordinary shares in the form of ADSs), as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting commissions and estimated offering expenses payable by us. Subject to applicable law, we may also increase or decrease the number of ordinary shares (including ordinary shares in the form of ADSs) we are offering. An increase of 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us would increase the as adjusted net tangible book value by approximately € ($) million, or € per ordinary share (equivalent to $ per ADS), and the dilution to new investors participating in the global offering would be € per ordinary share (equivalent to $ per ADS), assuming that the assumed offering price per ADS or ordinary share remains the same, and after deducting underwriting commissions and estimated offering expenses payable by us. Similarly, a decrease of 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us would decrease the as adjusted net tangible book value by approximately € ($) million, or € per ordinary share (equivalent to $ per

ADS), and the dilution to new investors participating in the global offering would be € per ordinary share (equivalent to $ per ADS), assuming that the assumed offering price per ADS or ordinary share remains the same, and after deducting underwriting commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and will be adjusted based on the actual offering price, the actual number of ordinary shares offered by us (including ordinary shares in the form of ADSs), and other terms of the global offering determined at pricing.

If the underwriters exercise their option to purchase additional ADSs and/or ordinary shares in full, the as adjusted net tangible book value after the global offering would be € per ordinary share (equivalent to $ per ADS), the increase in the as adjusted net tangible book value to existing shareholders would be € per ordinary share (equivalent to $ per ADS), and the dilution to new investors participating in the global offering would be € per ordinary share (equivalent to $ per ADS).

The following table sets forth, as of , 2017, consideration paid to us in cash for ordinary shares (including ordinary shares in the form of ADSs) purchased from us by our existing shareholders and by new investors participating in the global offering based on an assumed offering price of $ per ADS (assuming an exchange rate of € per U.S. dollar) and € per ordinary share, the closing price of our ordinary shares on Euronext Paris on , 2017, and before deducting underwriting commissions and estimated offering expenses payable by us.

	ORDINARY SHARES PURCHASED [1]		TOTAL CONSIDERATION		AVERAGE PRICE PER ORDINARY SHARE	AVERAGE PRICE PER ADS
	NUMBER	PERCENT	AMOUNT	PERCENT		
Existing shareholders		%	€	%	€	$
New investors						
Total		%	€	%		

(1) Including ordinary shares in the form of ADSs.

Each €1.00 ($) increase or decrease in the assumed offering price of $ per ADS in the U.S. offering corresponding to € per ordinary share in the European private placement (assuming an exchange rate of € per U.S. dollar), the closing price of our ordinary shares on Euronext Paris on , 2017, would increase or decrease the total consideration paid by new investors participating in the global offering by € ($) million, assuming that the number of ordinary shares offered by us (including ordinary shares in the form of ADSs), as set forth on the cover page of the prospectus, remains the same and before deducting underwriting commissions and estimated offering expenses payable by us. Subject to applicable law, we may also increase or decrease the number of ordinary shares (including ordinary shares in the form of ADSs) we are offering. Each increase or decrease in 1,000,000 ordinary shares (including ordinary shares in the form of ADSs) offered by us would increase or decrease the total consideration paid by new investors participating in the global offering by € ($) million, assuming that the assumed offering price per ADS or ordinary share remains the same and before deducting underwriting commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and will be adjusted based on the actual offering price, the actual number of ordinary shares offered by us (including ordinary shares in the form of ADSs) and other terms of the global offering determined at pricing.

The table above assumes no exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares and ADSs in the global offering. If the underwriters exercise their option to purchase additional ADSs and/or ordinary shares in full, the number of ordinary shares (including ordinary shares in the form of ADSs) held by the existing shareholders after the global offering would be reduced to , or % of the total number of ordinary shares (including ordinary shares in the form of ADSs) outstanding after the global offering, and the number of ordinary shares (including ordinary shares in the form of ADSs) held by new investors participating in the global offering would increase to , or % of the total number of ordinary shares (including ordinary shares in the form of ADSs) outstanding after the global offering.

The tables and calculations above are based on the number of ordinary shares (including ordinary shares in the form of ADSs) that will be outstanding after the global offering, which is based on 11,744,448 ordinary shares outstanding as of June 30, 2017 and excludes:

- 825,527 ordinary shares issuable upon the exercise of founder's share warrants (BSPCE), share purchase warrants (BSA), free shares and stock options granted but not exercised as of June 30, 2017 at a weighted average exercise price of €10.2563 ($11.7035) per ordinary share based on the exchange rate in effect as of June 30, 2017 (this weighted average exercise price does not include the 209,388 ordinary shares issuable upon the vesting of outstanding free shares that may be issued for free with no exercise price paid);
- 357,913 ordinary shares reserved for future issuance under our share-based compensation plans and other delegations of authority from our shareholders; and
- 13,000,000 ordinary shares reserved to date pursuant to a delegation of authority from our shareholders for share capital increases by us through rights issuances and public or private offerings.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statement of income (loss) data for the years ended December 31, 2015 and 2016 and selected consolidated statement of financial position data as of December 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our audited consolidated financial statements as of and for the years ended December 31, 2015 and 2016 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The following selected consolidated statement of income (loss) data for the six months ended June 30, 2016 and 2017 and selected consolidated statement of financial position data as of June 30, 2017 have been derived from our unaudited interim condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017. The unaudited interim condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017 were prepared in accordance with IAS 34, *Interim Financial Reporting*, the standard of IFRS applicable to interim financial statements.

The following selected financial data for the periods and as of the dates indicated are qualified by reference to and should be read in conjunction with our consolidated financial statements and related notes beginning on page F-1 of this prospectus, as well as the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus. Our historical results and the results for the six months ended June 30, 2017 are not necessarily indicative of our results to be expected for the full year ending December 31, 2017 or any future period.

Selected Consolidated Statement of Income (Loss) Data:

	YEAR ENDED DECEMBER 31,		SIX MONTHS ENDED JUNE 30,	
	2015	2016	2016	2017
	(in thousands, except share and per share data)			
Revenues	€ —	€ —	€ —	€ —
Other income	2,929	4,138	2,403	1,788
Total operating income	2,929	4,138	2,403	1,788
Operating expenses:				
Research and development	(10,776)	(19,720)	(8,800)	(12,082)
General and administrative	(7,736)	(6,808)	(4,222)	(3,895)
Total operating expenses	(18,512)	(26,528)	(13,022)	(15,977)
Operating loss	(15,583)	(22,390)	(10,618)	(14,189)
Financial income	567	488	260	113
Income tax	3	(10)	9	(5)
Net loss	€ (15,013)	€ (21,913)	€ (10,349)	€ (14,081)
Basic and diluted loss per share	€ (2.16)	€ (2.74)	€ (1.31)	€ (1.42)
Weighted number of shares used for computing basic and diluted loss per share (1)	6,957,654	7,983,642	7,929,309	9,937,252

(1) This number represents the average weighted number of shares in circulation during the relevant period.

Selected Consolidated Statement of Financial Position Data:

	AS OF DECEMBER 31,		AS OF JUNE 30,
	2015	2016	2017
		(in thousands)	
Cash and cash equivalents	€45,634	€37,646	€ 88,551
Total assets	53,004	44,967	99,307
Total shareholders' equity	47,132	35,638	87,671
Total non-current liabilities	251	2,982	2,596
Total current liabilities	5,621	6,347	9,040
Total liabilities	5,872	9,329	11,636
Total liabilities and shareholders' equity	53,004	44,967	99,307

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes thereto included elsewhere in this prospectus. In addition to historical information, the following discussion and analysis contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements." The audited consolidated financial statements as of and for the years ended December 31, 2015 and 2016 were prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The unaudited interim condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017 were prepared in accordance with IAS 34, Interim Financial Reporting, the standard of IFRS applicable to interim financial statements. As permitted by the rules of the SEC for foreign private issuers, we do not reconcile our financial statements to U.S. generally accepted accounting principles.

Overview

We are a biopharmaceutical company developing innovative therapies for rare forms of cancer and orphan diseases. Leveraging our proprietary ERYCAPS platform, which uses a novel technology to encapsulate therapeutic drug substances inside erythrocytes, or red blood cells, we have developed a pipeline of product candidates targeting both solid and liquid tumors for patients with high unmet medical needs. We are developing our lead product candidate, eryaspase, for the treatment of solid tumors, including pancreatic cancer. Based on the initial feedback we received from the U.S. Food and Drug Administration, or FDA, at our pre-IND meeting in October 2017, we plan to initiate a pivotal Phase 3 clinical trial of eryaspase for pancreatic cancer in the United States and Europe during the third quarter of 2018. We are also developing eryaspase for the treatment of liquid tumors, including acute lymphoblastic leukemia, or ALL, and acute myeloid leukemia, or AML. We expect to commence a pivotal Phase 3 clinical trial of eryaspase as a first-line treatment for adults with ALL by the end of the third quarter of 2018. Depending on the outcome of our discussions with the European Medicines Agency, or EMA, we intend to resubmit a Marketing Authorization Application, or MAA, for eryaspase for relapsed or refractory ALL later in October 2017. With respect to eryaspase for the treatment of AML, we are conducting a Phase 2b clinical trial in Europe and expect to report initial results from this trial by the end of 2017.

Recent Developments—Phase 2b Clinical Trial for Eryaspase for the Treatment of Second-Line Metastatic Pancreatic Cancer

We recently announced preliminary data from our Phase 2b clinical trial of eryaspase combined with chemotherapy in 141 patients suffering from second-line metastatic pancreatic cancer. The trial met its pre-specified co-primary endpoints of improvement in overall survival rates and progression-free survival rates. The hazard ratio for overall survival in the entire patient population was 0.60, meaning that treatment with eryaspase reduced the risk of death rate by 40% compared to treatment with chemotherapy alone. Our clinical trial represents the first time an asparaginase-based therapy has been reported to have a survival benefit in a solid tumor indication. We presented these results at the European Society for Medical Oncology Congress in Madrid, Spain in September 2017.

Eryaspase - Our Lead Cancer Metabolism-Targeting Product Candidate

Eryaspase consists of the enzyme L-asparaginase encapsulated in red blood cells. L-asparaginase cleaves and reduces intracellular asparagine, a naturally occurring amino acid essential for the survival and proliferation of cells within the body, including cancer cells, and, through osmosis via the treated red blood cells, depletes this protein building block from circulating blood plasma. Unlike normal cells, cancer cells often lack the enzymes necessary to produce asparagine internally and therefore, must obtain this nutrient from circulating blood. While L-asparaginase injections have been used for decades as a cancer metabolism treatment, the toxicity profiles of current commercially available forms of unencapsulated, or free-form, L-asparaginases have generally limited their use to

pediatric ALL patients. Encapsulation of L-asparaginase, utilizing our proprietary ERYCAPS platform, is designed to shield the body from the side effects of L-asparaginase, which we believe broadens the potential use of L-asparaginase outside the pediatric ALL setting, including for the treatment of aggressive solid and liquid tumors. Eryaspase has been tested in over 320 patients to date. In our clinical trials, patients treated with eryaspase have achieved improvements in efficacy endpoints compared to treatment with free-form L-asparaginase or standard of care chemotherapy, and treatment has generally been well tolerated.

In addition to our product candidates based on L-asparaginase treatment, we believe that our ERYCAPS platform has broad potential application and can be used to encapsulate within red blood cells a wide range of therapeutic agents for which long-circulating therapeutic activity or rapid and specific targeting is desired.

In 2012, we entered into an exclusive license and distribution agreement with Orphan Europe, a subsidiary of Recordati S.p.A., for the exclusive commercialization and distribution rights to GRASPA for the treatment of ALL and AML in 38 European countries. Under this agreement, we received an upfront payment of €5 million and are entitled to receive up to an aggregate of €37.5 million upon the achievement of specified regulatory and sales milestones. In addition, Orphan Europe is contributing to the development costs of GRASPA for the treatment of AML, and we are also eligible to receive up to 45% of net product sales by Orphan Europe, representing a combined transfer price and royalties. In 2011, we entered into an exclusive distribution agreement with Abic Marketing Limited, a subsidiary of Teva Pharmaceutical Industries Ltd., under which Teva acquired the exclusive rights to GRASPA in Israel for the treatment of ALL.

We maintain a commercial-scale, cGMP-certified production facility in Lyon, France that we believe will be sufficient to supply our commercial requirements for at least two years following sales launch in Europe for an ALL indication. We also maintain a smaller production facility in Philadelphia, Pennsylvania, on the premises of the American Red Cross, which is currently used for clinical trial production. Depending on the design of our potential Phase 3 trial in patients with metastatic pancreatic cancer, we will likely require additional funds to continue to develop our clinical strategy and increase production capacity in Europe and in the United States.

We have retained the rights to commercialize eryaspase for the treatment of ALL and AML outside of Europe and Israel, including in the United States, and for the treatment of all other indications outside of Israel. We retain the worldwide development and commercialization rights to all of our other product candidates.

We have never generated any revenues from product sales. We do not expect to generate material revenue from product sales unless and until we successfully complete development of, obtain marketing approval for and commercialize our product candidates. Clinical development, regulatory approval and commercial launch of a product candidate can take several years and are subject to significant uncertainty. Historically, we have financed our operations and growth through issuances of share capital and convertible bonds and through conditional advances and subsidies from Bpifrance Financement (formerly Oséo), part of BPI France, a French public investment bank and from research tax credits. In May 2013, we completed the initial public offering of our ordinary shares on Euronext Paris, from which we raised €17.7 million in cash proceeds, and in October 2014, we raised an additional €30 million in gross proceeds from the issuance of additional ordinary shares. We also conducted three private placements with institutional investors in the United States and in Europe in December 2015, December 2016 and April 2017, raising €25.4 million, €9.9 million and €70.5 million in gross proceeds, respectively.

Since our inception in 2004, we have incurred significant operating losses. Our net loss was €15.0 million and €21.9 million for the years ended December 31, 2015 and 2016, respectively, and €10.3 million and €14.1 million for the six months ended June 30, 2016 and 2017, respectively. We had an accumulated deficit of €83.6 million as of June 30, 2017, and we expect to incur significant expenses and substantial operating losses over the next several years as we continue our research and development efforts and advance our clinical development program for AML, ALL and in pancreatic cancer in Europe and the United States. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the timing of our clinical trials, the receipt of milestone payments, if any, under our collaborations with Orphan Europe and Teva, and our expenditures on other research and development activities. We anticipate that our expenses will increase substantially in connection with our ongoing activities, as we:

- initiate and conduct our planned clinical trials of eryaspase in Europe and in the United States;
- continue the research and development of our other product candidates, including planned and future clinical trials;

- seek to discover and develop additional product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- scale-up our manufacturing capabilities to support the launch of additional clinical studies and the commercialization of our product candidates, if approved;
- establish a sales and marketing infrastructure for the commercialization of our product candidates, if approved;
- maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, quality control and scientific personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and commercialization efforts and our operations as a public company listed in the United States.

Until such time that we can generate substantial revenue from product sales, we expect to finance these expenses and our operating activities through a combination of our existing liquidity and the proceeds of the global offering. If we are unable to generate revenue from product sales, in particular from GRASPA for ALL in Europe, in accordance with our expected timeframes, we will need to raise additional capital through the issuance of our shares, through other equity or debt financings or through collaborations or partnerships with other companies. However, we may be unable to raise additional funds or enter into other funding arrangements when needed on favorable terms, or at all, which would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our development programs or commercialization efforts or grant others rights to develop or market product candidates that we would otherwise prefer to develop and market ourselves.

Although it is difficult to predict future liquidity requirements, we believe that our existing cash and cash equivalents as at June 30, 2017, together with interest thereon, will be sufficient to fund our operations for at least the next 12 months. However, our ability to successfully transition to profitability will be dependent upon achieving a level of revenues adequate to support our cost structure. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

As indicated in Note 3 of our consolidated financial statements for the years ended December 31, 2015 and 2016, due to the listing of our ordinary shares on Euronext Paris and in accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, statutory consolidated financial statements were prepared in accordance with IFRS, as adopted by the European Union for the years ended December 31, 2015 and 2016 and were approved and authorized for issuance by our board of directors on February 19, 2016 and March 1, 2017, respectively.

The consolidated financial statements as of and for the years ended December 31, 2015 and 2016 included in this prospectus have been prepared in accordance with IFRS as issued by the IASB with no difference with the statutory consolidated financial statements and were approved and authorized for issuance by our board of directors on May 16, 2017.

The unaudited interim condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and were approved and authorized for issuance by our board of directors on September 7, 2017.

Financial Operations Overview

Operating Income

Our operating income consists of other income.

Revenues

To date, we have not generated any revenue from the sale of products. Our ability to generate product revenue and to become profitable will depend upon our ability to successfully develop and commercialize GRASPA and our other product candidates. Because of the numerous risks and uncertainties associated with product development and regulatory approval, we are unable to predict the amount or timing of product revenue.

Other Income

Our other income consists of research tax credits, grants from BPI France for our preclinical research programs and reimbursements from Orphan Europe for some of the internal costs we incur under our distribution agreement with them.

Research Tax Credit

The research tax credit (*crédit d'impôt recherche*), or CIR, is granted to companies by the French tax authorities in order to encourage them to conduct technical and scientific research. Companies demonstrating that they have expenses that meet the required criteria, including research expenses located in France or, since January 1, 2005, within the European Union or in another state that is a party to the agreement in the European Economic Area that has concluded a tax treaty with France that contains an administrative assistance clause, receive a tax credit which can be used against the payment of the corporate tax due the fiscal year in which the expenses were incurred and during the next three fiscal years, or, as applicable, can be reimbursed for the excess portion. The expenses taken into account for the calculation of the CIR only involve research expenses.

The main characteristics of the CIR are the following:

- the CIR results in a cash inflow from the tax authorities paid directly to us as we are not subject to corporate income tax;
- a company's corporate income tax liability does not limit the amount of the CIR—a company that does not pay any corporate income tax can request direct cash payment of the research tax credit; and
- the CIR is not included in the determination of the corporate income tax.

As a result, we have concluded that the CIR meets the definition of a government grant as defined in IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance,* and, as a result, it has been classified as other income within operating income in our statement of income (loss).

We have requested the reimbursement of the 2016 CIR under the community tax rules for small and medium firms in compliance with the current regulations.

Subsidies and Conditional Advances

We have received financial assistance from BPI France and other governmental organizations in connection with the development of our product candidates. BPI France's mission is to provide assistance and support to emerging French enterprises to facilitate the development and commercialization of innovative technologies. Such funding, in the form of non-refundable subsidies and conditional advances, is intended to finance our research and development efforts and the recruitment of specific personnel.

We account for non-refundable subsidies as other income ratably over the duration of the funded project. Funds are recognized in other income in our consolidated statement of income (loss) for the fiscal year in which the financed expenses were recorded. Since our inception in 2004 through December 31, 2016, we have received €3,189 thousand in nonrefundable subsidies, mainly from BPI France. For the six months ended June 30, 2016, we recorded €463 thousand as other income in the condensed consolidated statement of income (loss) based on research and development expenses incurred for the period. We had no similar income for the six months ended June 30, 2017. We record the remaining balance of subsidies received but not yet expended as deferred revenue on our consolidated statement of financial position. There was no deferred revenue balance as of June 30, 2017.

Funds received from BPI France in the form of conditional advances are recognized as financial liabilities, as we are obligated to reimburse BPI France for such conditional advances in cash based on a repayment schedule if specified conditions are met. Our advances from BPI France are summarized below under "Liquidity and Capital Resources— Non-refundable Subsidies and Conditional Advances from BPI France."

Reimbursements from Orphan Europe

Under our distribution agreement with Orphan Europe, we are reimbursed by Orphan Europe for some of our internal clinical costs, such as personnel costs associated with the management of clinical trials, or personnel involved in the production of batches necessary for our ongoing clinical trial of GRASPA for AML patients and for the NOPHO clinical trial. These invoiced internal costs are classified as "other income" in our consolidated statement of income and amounted to €154 thousand and €52 thousand for the six months ended June 30, 2016 and 2017, respectively.

Operating Expenses

Since our inception in 2004, our operating expenses have consisted primarily of research and development activities and general and administrative costs.

Research and Development

We engage in substantial research and development efforts to develop innovative pharmaceutical product candidates. Research and development expense consists primarily of:

- sub-contracting, collaboration and consultant expenses, that primarily include the cost of third-party contractors such as contract research organizations, or CROs, who conduct our non-clinical studies and clinical trials;
- personnel costs, including salaries, related benefits and share-based compensation, for our employees engaged in scientific research and development functions;
- licensing and intellectual property costs;
- purchases, real-estate leasing costs as well as conferences and travel costs; and
- depreciation and amortization.

Since 2015, our research and development efforts have been related primarily to our completed and ongoing clinical trials of eryaspase for the treatment of pancreatic cancer, ALL and AML.

Our direct research and development expenses consist principally of external costs, such as manufacturing expenses, non-clinical studies, fees paid to consultants, laboratories and CROs in connection with our clinical trials, and costs related to our collaborations, which we allocate to our specific research programs. We also allocate some personnel-related costs, depreciation and other indirect costs to specific programs, although costs for some scientific personnel associated with the development of our ERYCAPS platform generally are not allocated to specific programs.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase in the foreseeable future as we initiate clinical trials for certain product candidates and pursue later stages of clinical development of other product candidates.

We cannot determine with certainty the duration or costs of the current or future clinical trials of our product candidates or if, when, or to what extent we will generate revenue from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress and expense of our ongoing, as well as any additional, non-clinical studies, clinical trials and other research and development activities;
- clinical trial and early-stage results;
- the terms and timing of regulatory approvals;
- the expense of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights; and
- the ability to market, commercialize and achieve market acceptance for GRASPA or any other product candidate that we may develop in the future.

A change in the outcome of any of these variables with respect to the development of product candidates that we are developing could mean a significant change in the costs and timing associated with the development of such product candidates. For example, if the FDA, the EMA or other regulatory authority were to require us to conduct non-clinical and clinical studies beyond those which we currently anticipate will be required for the completion of clinical development, or if we experience significant delays in enrollment in any clinical trials, we could be required to spend significant additional financial resources and time on the completion of clinical development.

Agreement with Orphan Europe

Under our exclusive license and distribution agreement with Orphan Europe related to the development of GRASPA for the treatment of AML, we re-invoice, with no margin, some of the clinical costs that we incur from external providers. In application of IAS 18, *Revenue*, we consider that, within the context of our agreement with Orphan Europe, we act as agent regarding these re-invoiced external costs, as:

- We do not have primary responsibility for provision of the goods or services, and the majority of services are provided by third parties. Costs of CROs are the most significant external costs, and such costs are directly invoiced to Orphan Europe. We are directly invoiced only for secondary services.
- We bear no inventory risk.
- We have no capacity to determine prices, all of the external costs are re-invoiced for the exact amount of the initial invoice, with no margin, and we are not affected by any price changes applied by the suppliers.
- We bear a credit risk that we do not consider to be significant.

Consequently, the re-invoicing of these external costs to Orphan Europe is presented as a decrease in corresponding research and development expenses incurred by us. For the years ended December 31, 2015 and 2016, the amount of external costs re-invoiced within the context of our agreement with Orphan Europe totaled €341 thousand and €358 thousand, respectively. For the six months ended June 30, 2016 and 2017, this amounted to €154 thousand and €52 thousand, respectively.

General and Administrative

General and administrative expense consists primarily of personnel costs including share-based compensation for personnel other than employees engaged in scientific research and development functions. General and administrative expense also consists of fees for professional services, mainly related to audit, IT, accounting, recruitment and legal services, communication and travel costs, real-estate leasing costs, office furniture and equipment costs, allowance for amortization and depreciation, directors' attendance fees, insurance costs and overhead costs, such as postal and telecommunications expenses.

We anticipate that our general and administrative expenses will increase in the future as we grow our support functions for the expected increase in our research and development activities and the potential commercialization of our product candidates. We also anticipate increased expenses associated with being a public company in the United States, including costs related to audit, legal, regulatory and tax-related services associated with maintaining compliance with U.S. exchange listing and SEC requirements, director and officer insurance premiums, and investor relations costs.

Financial Income (Expense)

Financial income (expense) relates primarily to interest and other expense for loans and other financial debts, including leases, offset by income received from cash and cash equivalents, as well as foreign exchange gains and losses related to our purchases of services in U.S. dollars.

Our cash and cash equivalents have been deposited primarily in cash accounts, money market funds and term deposit accounts with short maturities and therefore generate only a modest amount of interest income. We expect to continue this investment philosophy in the future. Interest income from short-term deposits was €523 thousand and €545 thousand for the years ended December 31, 2015 and 2016, respectively. Other financial income was €108 thousand and €13 thousand for the years ended December 31, 2015 and 2016, respectively. Financial income was €292 thousand and €160 thousand for the six months ended June 30, 2016 and 2017, respectively.

Results of Operations

Comparisons of the Six Months Ended June 30, 2016 and 2017

Operating Income

We generated operating income of €2,403 thousand in the six months ended June 30, 2016 and €1,788 thousand in the six months ended June 30, 2017, representing a decrease of 25.6%. The components of our operating income are set forth in the table below. Other income was primarily generated by the CIR and by subsidies received from BPI France for our research projects.

	FOR THE SIX MONTHS ENDED JUNE 30,	
	2016	2017
	(in thousands)	
Revenues	€ —	€ —
Other income		
Research Tax Credit	1,787	1,736
Subsidies	463	—
Other income	154	52
Total operating income	€2,403	€1,788

As no research and development expenditure is capitalized before obtaining a marketing authorization, the CIR related to a research program is entirely recognized as operating income.

Grants recorded in operating income represent non-reimbursable subsidies. The amounts recorded in 2016 relate to grants associated with the preclinical research programs in partnership with BPI France.

Other income totaled €154 thousand and €52 thousand in the six months ended June 30, 2016 and 2017, respectively. These amounts represent the sum of internal costs incurred by us within the context of our clinical studies, which were re-invoiced to Orphan Europe.

Research and Development Expenses

From the six months ended June 30, 2016 compared to the six months ended June 30, 2017, our research and development expenses increased from €8,800 thousand to €12,082 thousand, an increase of 37.3%. The increase in research and development expenses was primarily due to the completion of our Phase 2b clinical trial for the treatment of metastatic pancreatic cancer and the preparation of the resubmission of the MAA for eryaspase for relapsed or refractory ALL.

Our research and development expenses are broken down by nature as follows:

	FOR THE SIX MONTHS ENDED JUNE 30,		% CHANGE
	2016	2017	
	(in thousands)		
ERYASPASE / GRASPA	€2,172	€ 3,771	73%
TEDAC (ERYMETHIONASE / ERYMINASE)	1,536	1,331	(13)%
ERYMMUNE	16	52	225%
ERYZYME	—	49	—
Total direct research and development expenses	3,725	5,203	40%
Consumables	626	442	(29)%
Rental and maintenance	280	384	37%
Services, subcontracting, and consulting fees	758	2,236	195%
Personnel expenses (1)	3,002	3,669	22%
Depreciation and amortization expense	129	119	(8)%
Other	280	29	(90)%
Total indirect research and development expenses	5,075	6,879	36%
Total research and development expenses (2)	€8,800	€12,082	37%

(1) Includes €441 thousand and €376 thousand related to share-based compensation expense for the six month periods ended June 30, 2016 and 2017, respectively.
(2) Of which €6,168 thousand and €9,101 thousand related to clinical studies for the six month periods ended June 30, 2016 and 2017, respectively.

The increase in research and development expenses from the six months ended June 30, 2016 to the six months ended June 30, 2017 was primarily the result of a €1,600 thousand increase in eryaspase costs due to additional work as requested by the EMA in the MAA and the positive results of our Phase 2b clinical trial for the treatment of metastatic pancreatic cancer. Personnel expenses increased from €3,002 thousand to €3,669 thousand from the six months ended June 30, 2016 to the six months ended June 30, 2017. The increase of €667 thousand was mainly due to wages and share-based payments issued to research and development personnel. Services, subcontracting and consulting fees include third-party fees for CROs and other service providers for our manufacturing and clinical trials conducted in the six months ended June 30, 2017 and increased by €1,478 thousand compared to the six months ended June 30, 2016.

General and Administrative Expenses

From the six months ended June 30, 2016 compared to the six months ended June 30, 2017, our general and administrative expenses decreased from €4,222 thousand to €3,895 thousand, a decrease of approximately 7.7%. The decrease of €327 thousand in general and administrative expenses was primarily due to a decrease of €473 thousand in services, subcontracting and fees associated with the development of our clinical strategy in the United States, as well as lower third-party legal, accounting and advisory fees.

Our general and administrative expenses are broken down by nature as follows:

	FOR THE SIX MONTHS ENDED JUNE 30,		%
	2016	2017	CHANGE
	(in thousands)		
Consumables	€ 31	€ 31	—%
Rental and maintenance	195	281	44
Services, subcontracting, and consulting fees	1,716	1,243	(28)
Personnel expenses (1)	1,487	1,922	29
Other	144	140	(3)
Depreciation and amortization expense	649	278	(57)
Total general and administrative expenses	€ 4,222	€ 3,895	(7)%

(1) Includes €262 thousand and €362 thousand related to share-based compensation expense for 2016 and 2017, respectively.

Financial Income (Loss)

Our financial income resulted in a profit of €114 thousand for the six months ended June 30, 2017, as compared to a profit of €260 thousand for the six months ended June 30, 2016 and is broken down as follows:

	FOR THE SIX MONTHS ENDED JUNE 30,	
	2016	2017
	(in thousands)	
Financial expense	€ (32)	€ (47)
Financial income	292	160
Net financial income (loss)	€ 260	€ 114

In the six months ended June 30, 2016 and 2017, our financial income consisted primarily of (i) interest earned on interest-bearing accounts as well as (ii) foreign exchange gains related to purchases of services in U.S. dollars.

Comparisons of the Years Ended December 31, 2015 and 2016

Operating Income

We generated operating income of €2,929 thousand in 2015 and €4,138 thousand in 2016, an increase of 41.3%. The components of our operating income are set forth in the table below. Other income was primarily generated by the CIR and by subsidies received from BPI France for our research projects.

	FOR THE YEAR ENDED DECEMBER 31,	
	2015	2016
	(in thousands)	
Revenues	€ —	€ —
Other income		
Research Tax Credit	2,219	3,347
Subsidies	368	463
Other income	341	327
Total operating income	€ 2,929	€ 4,138

As no research and development expenditure is capitalized before obtaining a marketing authorization, the CIR related to a research program is entirely recognized as operating income.

The CIR recognized for the year ended December 31, 2016 is expected to be received in cash in 2017.

Grants recorded in operating income represents non-reimbursable subsidies. The amounts recorded in 2015 and 2016 relate to grants associated with the preclinical research programs in partnership with BPI France.

Other income totaled €341 thousand and €327 thousand in 2015 and 2016, respectively. These amounts represent the sum of internal costs incurred by us within the context of our clinical studies, which were re-invoiced to Orphan Europe.

Research and Development Expenses

Between 2015 and 2016, the total amount recorded by us for research and development expenses increased from €10,776 thousand to €19,720 thousand, an increase of 83.0%. While most of our research and development expenses related to completed and ongoing clinical trials of eryaspase, we have also incurred preclinical costs in connection with the discovery of additional enzymes beyond L-asparaginase for development as potential therapies to treat cancers. This research program, known as TEDAC, has resulted in the identification of our early-stage product candidate, erymethionase. We are pursuing the preclinical development of erymethionase and are preparing for the launch of a Phase 1 clinical trial of the product candidate by the end of the third quarter of 2018, subject to receipt of the appropriate funding.

Our research and development expenses are broken down as set forth in the table below. Our direct research and development expenses consist principally of external costs, such as startup fees paid to investigators, consultants, central laboratories and CROs in connection with our clinical studies, and costs related to acquiring and manufacturing clinical study materials. We do not allocate personnel-related costs, costs associated with our general platform improvements, depreciation or other indirect costs to specific projects, as they are deployed across multiple projects under development.

	FOR THE YEAR ENDED DECEMBER 31,		%
	2015	2016	CHANGE
	(in thousands)		
ERYASPASE / GRASPA	€ 1,805	€ 5,636	212%
TEDAC (ERYMETHIONASE / ERYMINASE)	1,523	3,120	105
ERYMMUNE	—	139	—
ERYZYME	—	15	—
Total direct research and development expenses	3,328	8,910	168
Consumables	805	2,071	157
Rental and maintenance	304	645	112
Services, subcontracting and consulting fees	1,896	2,499	32
Personnel expenses (1)	3,977	5,282	33
Depreciation and amortization expense	250	277	11
Other	216	35	(84)
Total indirect research and development expenses	7,448	10,810	45
Total research and development expenses (2)	€10,776	€19,720	83

(1) Includes €822 thousand and €688 thousand related to share-based compensation expense for 2015 and 2016, respectively.
(2) Of which €6,745 thousand and €14,397 thousand are related to clinical studies for 2015 and 2016, respectively.

The increase in research and development expenditures from 2015 to 2016 was primarily the result of a €1,597 thousand increase in costs related to the TEDAC program and a €3,831 thousand increase in costs related to eryaspase due to additional work as requested by the EMA in connection with its review of the MAA we submitted for GRASPA in September 2015. Personnel expenses increased from €3,977 thousand to €5,282 thousand from 2015

to 2016. The increase of €1,305 thousand was mainly due to wages of research and development personnel. Services, subcontracting and consulting fees, including third-party fees and other service provider fees for our manufacturing and clinical trials, resulted in an increase of €603 thousand as compared to 2015. We also experienced a €1,266 thousand increase in consumables costs, which was primarily the result of increased production batches for use in clinical development.

General and Administrative Expenses

Between 2015 and 2016, our general and administrative expenses decreased from €7,736 thousand to €6,808 thousand, a decrease of 12%. The decrease of €928 thousand in general and administrative expenses was primarily due to a decrease of €2,050 thousand in other costs, as a result of a decrease in share-based compensation for warrants allocated to directors (€37 thousand in 2016, compared to €1,593 thousand in 2015). The decrease in our general and administrative costs was also due to a decrease in the amount of services, subcontracting and consulting fees we incurred related to the development of our clinical strategy in the United States.

Our general and administrative expenses are broken down as follows:

	FOR THE YEAR ENDED DECEMBER 31,		% CHANGE
	2015	2016	
	(in thousands)		
Consumables	€ 36	€ 66	83%
Rental and maintenance	304	511	68
Services, subcontracting, and consulting fees	3,022	2,793	(8)
Personnel expenses (1)	1,627	2,713	67
Depreciation and amortization expense	120	148	23
Other (2)	2,627	577	(78)
Total general and administrative expenses	€ 7,736	€ 6,808	(12)

(1) Includes €301 thousand and €490 thousand related to share-based compensation expense for 2015 and 2016, respectively.
(2) Includes €1,593 thousand related to share-based compensation expense (warrants allocated to directors) for 2015.

The significant decrease in our general and administrative costs is primarily due to a decrease in the amount of services, subcontracting and consulting fees we incurred related to the development of our clinical strategy in the United States, as well as other legal expenses, together with a decrease in other costs, primarily the result of a decrease in share-based compensation for warrants allocated to directors in 2015, which amounted to €1,593 thousand.

Financial Income (Loss)

Our financial income resulted in a profit of €488 thousand in 2016, as compared to a profit of €567 thousand in 2015 and is broken down as follows:

	FOR THE YEAR ENDED DECEMBER 31,	
	2015	2016
	(in thousands)	
Financial expense	€ (64)	€ (70)
Financial income	631	558
Net financial income (loss)	€ 567	€ 488

In 2015 and 2016, our financial income consisted primarily of (i) interest earned on interest-bearing accounts as well as (ii) foreign exchange gains related to purchases of services in U.S. dollars.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with IFRS. Some of the accounting methods and policies used in preparing our consolidated financial statements under IFRS are based on complex and subjective assessments by our management or on estimates based on past experience and assumptions deemed realistic and reasonable based on the circumstances concerned. The actual value of our assets, liabilities and shareholders' equity and of our earnings could differ from the value derived from these estimates if conditions change and these changes had an impact on the assumptions adopted. We believe that the most significant management judgments and assumptions in the preparation of our consolidated financial statements for the year ended December 31, 2016 and our condensed consolidated financial statements for the six months ended June 30, 2017 are described below. See Note 4 to our consolidated financial statements and Note 3 to our condensed consolidated financial statements for a description of our other significant accounting policies.

Share-Based Compensation

We have four share-based compensation plans for employees and non-employees, the 2012 Plan, the 2014 Plan, the 2016 Plan and the 2017 Plan.

As of December 31, 2016, we have granted share-based compensation under these plans to certain employees as well as to members of our board of directors in the form of free shares (*Actions gratuites*, or AGA), stock options, or SOs, share warrants (*Bons de Souscription d'Actions*, or BSA) and founder's share warrants (*Bons de Souscription de Parts de Créateur d'Entreprise*, or BSPCE) with the following exercise prices and on each of the grant dates reflected below as of June 30, 2017.

WARRANTS	GRANT DATE	NUMBER OF WARRANTS GRANTED	EXERCISE PRICE PER SHARE	ORDINARY SHARE FAIR MARKET VALUE PER SHARE AT GRANT DATE (1)
BSA 2012	May 31, 2012	2,027	€7.362	—
BSPCE 2012	May 31,2012	7,434	€7.362	—
BSA 2012	August 3, 2012	1,539	€7.362	—
BSA 2012	July 18, 2013	459	€7.362	€10.27
BSPCE 2012	July 18, 2013	13,177	€7.362	€10.27
BSPCE 2014	January 22, 2014	12,000	€12.250	€12.77
BSA 2012	July 17, 2014	1,000	€7.362	€14.90
BSPCE 2012	July 17, 2014	13,176	€7.362	€14.90
BSA 2012	April 29, 2015	2,150	€7.362	€31.19
BSPCE 2014	June 23, 2015	2,500	€12.250	€32.75
BSA 2014	June 23, 2015	3,000	€12.250	€32.75
BSA 2012	August 31, 2015	3,585	€7.362	€37.52
BSPCE 2014	May 6, 2016	5,000	€12.250	€24.75
AGA 2016	October 3, 2016	111,261	—	€18.52
SO 2016	October 3, 2016	44,499	€18.520	€18.52
BSA 2016	October 3, 2016	45,000	€18.520	€18.52
AGA 2016	January 8, 2017	15,000	—	€13.60
BSA 2016	January 8, 2017	15,000	€13.60	€13.60
SO 2016	January 8, 2017	3,000	€15.65	€15.65
AGA 2016	June 27, 2017	8,652	—	€26.47
SOP 2016	June 27, 2017	18,000	€26.47	€26.47
AGA 2017	June 27, 2017	74,475	—	€26.47
SOP 2017	June 27, 2017	22,200	€26.47	€26.47
BSA 2017	June 27, 2017	55,000	€26.47	€26.47

The share-based compensation granted under the 2016 Plan by our board of directors at a meeting held on January 8, 2017 was valued using the same methods as the share-based compensation granted under the 2016 Plan during 2016. Assumptions were updated at the grant date.

Following the resignation of Yann Godfrin, our former Chief Scientific Officer, in January 2016, 1,000 $BSPCE_{2014}$ of the 3,000 $BSPCE_{2014}$ initially allocated on January 22, 2014 were not granted.

We account for share-based compensation in accordance with the authoritative guidance on share-based compensation, IFRS 2 *Share-based payment*, or IFRS 2. Under the fair value recognition provisions of IFRS 2, share-based compensation is measured at the grant date based on the fair value of the award and is recognized as an expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award.

Determining the fair value of share-based awards at the grant date requires judgment. We use the Black-Scholes option-pricing model to determine the fair value of certain warrants and for our stock options. We use the Monte-Carlo and Cox-Ross-Rubinstein option-pricing models to determine the fair value of free shares and certain warrants, respectively. The determination of the grant date fair value of warrants using an option-pricing model is affected by assumptions regarding a number of complex and subjective variables. These variables include the fair value of our ordinary shares on the date of grant, the expected term of the awards, our share price volatility, risk-free interest rates and expected dividends. We estimate these items as follows:

Fair Value of Our Ordinary Shares. As our ordinary shares are publicly traded on Euronext Paris, for purposes of determining the fair value of our ordinary shares we have established a policy of using the closing sales price per ordinary share as quoted on Euronext Paris on the date of the grant by the *Conseil d'Administration* or the shareholders' meeting.

Expected Term. The expected term represents the period that our share-based awards are expected to be outstanding. As we do not have sufficient historical experience for determining the expected term of the warrant awards granted, we have based our expected term on the simplified method, which represents the average period from vesting to the expiration of the award.

Expected Volatility. We use the historical volatility of the Next Biotech index observed on Euronext Paris for the 2012 Plan and the 2014 Plan and the historical volatility of our ordinary shares on Euronext Paris for the 2016 Plan.

Risk-Free Interest Rate. The risk-free interest rate is based on the yields of French government bonds with maturities similar to the expected term of the warrants for each warrant group.

Dividend Yield. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we have used an expected dividend yield of zero.

If any of the assumptions used in the Black-Scholes, Monte-Carlo and Cox-Ross-Rubinstein models change significantly, share-based compensation for future awards may differ materially compared with the awards granted previously.

The following table presents the weighted-average assumptions used to estimate the fair value of options granted during the periods presented:

	2012 PLAN	2014 PLAN		2016 PLAN	2017 PLAN
	YEAR ENDED DECEMBER 31,	YEAR ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	SIX MONTHS ENDED JUNE 30,
	2015	2015	2016	2016	2017
Volatility	20.5% - 22.5%	19.59% - 21.55%	21.25% - 22.27%	45%	48%
Risk free interest rate	(0.07)% - (0.08)%	0.21% - 0.40%	(0.18)% - (0.11)%	0%	0%
Expected life (in years)	2.4 - 2.5	4.3 - 5.3	5 - 5.51	6 - 6.5	—
Dividend yield	0%	—	—	—	—

For the years ended December 31, 2015 and 2016, we recorded share-based compensation expense of €2,716 thousand and €1,178 thousand, respectively.

For the six months ended June 30, 2016 and 2017, we recorded share-based compensation expense of €703 thousand and €738 thousand, respectively.

Liquidity and Capital Resources

We have financed our operations since our inception through several rounds of public and private financings. Through 2012, we raised an aggregate of €17.7 million from the issuance of ordinary and preference shares and an additional €9.0 million from the issuance of convertible bonds. In 2013, we issued ordinary shares in our initial public offering on Euronext Paris, raising net proceeds of €14.7 million and in 2014, we issued additional ordinary shares, raising net proceeds of €28.4 million. In 2015, we raised €23.5 million of net proceeds through the issuance of ordinary shares in our December 2015 offering. In December 2016, we raised an additional €9.2 million of net proceeds through the issuance of ordinary shares. In April 2017, we raised an additional €65.2 million of net proceeds through the issuance of ordinary shares.

We have also financed our operations through an aggregate of €9.2 million in research tax credits since our inception in 2004 through December 31, 2016, as well as €2.7 million in non-refundable grants from BPI France since 2005 and €2.0 million in conditional advances received from BPI France since our inception in 2004 through June 30, 2017.

In 2016, we entered into an unsecured bank loan with Société Générale for a total amount of €1.9 million. The outstanding amount drawn at June 30, 2017 was €1.9 million.

We are potentially eligible to earn a significant amount of milestone payments and royalties under our agreement with Orphan Europe in the event that we are able to obtain European marketing approval for GRASPA. However, our ability to earn these payments and their timing will, in part, be dependent upon the outcome of Orphan Europe's activities which is uncertain at this time.

Cash Flows

The table below summarizes our sources and uses of cash for the six months ended June 30, 2016 and 2017:

	FOR THE SIX MONTHS ENDED JUNE 30,	
	2016	2017
	(in thousands)	
Net cash flows used in operating activities	€ (8,527)	€ (14,088)
Net cash flows used in investing activities	(683)	(720)
Net cash flows from financing activities	47	65,743
Net increase (decrease) in cash and cash equivalents	€ (9,163)	€ 50,905

Our net cash flows used in operating activities were €8,527 thousand and €14,088 thousand for the six months ended June 30, 2016 and 2017, respectively. During the six months ended June 30, 2017, our net cash flows used in operating activities increased due to our efforts to advance our research and development programs in both preclinical and clinical research.

The table below summarizes our sources and uses of cash for the years ended December 31, 2015 and 2016:

	FOR THE YEAR ENDED DECEMBER 31,	
	2015	2016
	(in thousands)	
Net cash flows used in operating activities	€ (14,578)	€ (17,614)
Net cash flows used in investing activities	(284)	(1,786)
Net cash flows from financing activities	23,524	11,393
Net increase (decrease) in cash and cash equivalents	€ 8,646	€ (7,988)

Our net cash flows used in operating activities were €14,578 thousand and €17,614 thousand for the years ended December 31, 2015 and 2016, respectively. During 2016, our net cash flows used in operating activities increased due to our efforts in advancing our research and development programs in both preclinical and clinical research.

Our net cash flows used in investing activities were €284 thousand and €1,786 thousand in 2015 and 2016, respectively. The increase for 2016 mainly reflected fixtures and fittings acquired for our offices in Cambridge and Lyon together with our project to develop and optimize our second-generation production facility.

Our net cash flows from financing activities decreased to €11.4 million in 2016 from €23.5 million in 2015. The amounts in both years were primarily the result of capital raises through the issuance of ordinary shares. We continue to hold 2,500 shares as treasury shares from our former liquidity account.

Our net cash flows used in investing activities were €683 thousand and €720 thousand for the six months ended June 30, 2016 and 2017, respectively. The increase during the six months ended June 30, 2017 mainly reflected our new project to improve our production facility.

Our net cash flows from financing activities increased to €65.7 million for the six months ended June 30, 2017 from €47 thousand for the six months ended June 30, 2016. The increase during the six months ended June 30, 2017 was primarily due to capital raises through issuance of our ordinary shares. We still hold 2,500 shares as treasury shares, which will be cancelled.

Non-refundable Subsidies and Conditional Advances from BPI France

Since our inception in 2004 through June 30, 2017, we have received non-refundable subsidies from BPI France in the amount of €2.7 million in connection with our preclinical research programs.

Since our inception in 2004 through December 31, 2016, we have also received three conditional advances from BPI France in relation to the development of our encapsulation platform technology. These conditional advances are recorded under the “proceeds from borrowings” line item in our consolidated statements of cash flows. The TEDAC research program, which is funded by one of these three conditional advances, will be funded according to a specified schedule set forth in the contract, subject to completion of milestones. As the program advances, we will provide BPI France with interim progress reports and a final report when the funded project ends. Based on these reports, we are entitled to conditional advances, each award of an advance being made to help fund a specific development milestone. The total amount of the conditional advances to be granted is €5,711 thousand, of which we have received an aggregate of €1,998 thousand through June 30, 2017. During the years ended December 31, 2015 and 2016, we repaid advances in the amount of €9 thousand and €508 thousand, respectively. During the six months ended June 30, 2016 and 2017, we repaid advances in the amount of €23 thousand and €0, respectively. We recognize advances as current or non-current liabilities, as applicable, in the statement of financial position, based on the repayment schedule.

The remaining milestones that we may achieve generally relate to development of product candidates such as erymethionase and eryminase under the TEDAC research program. If and to the extent that we earn these conditional advances, we will be obligated to make repayments based on the achievement of specified sales levels as well as a percentage of sales.

Contractual Obligations

The following table discloses aggregate information about our material contractual obligations and the periods in which payments are due as of June 30, 2017. Future events could cause actual payments and timing of payments to differ from the contractual cash flows set forth below.

	LESS THAN 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
			(in thousands)		
Bank loans	€ 733	€ 1,167	€ —	€ —	€1,900
Conditional advances	—	—	—	1,182	1,182
Pension and employee benefits	—	—	—	167	167
Operating lease agreements	571	571	—	—	1,142
Finance lease agreements	84	77	—	—	161
Total	**€ 1,388**	**€ 1,815**	**€ —**	**€ 1,349**	**€4,552**

The amounts of contractual obligations set forth in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

Operating Capital Requirements

We believe that the net proceeds of the global offering, together with our existing cash and cash equivalents at December 31, 2016, will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. In addition, we raised €70.5 million in gross proceeds in April 2017 in a private placement to U.S. and European institutional investors. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Until we can generate a sufficient amount of revenue from our product candidates, if ever, we expect to finance our operating activities through our existing liquidity and the proceeds of the global offering.

Our present and future funding requirements will depend on many factors, including, among other things:

- the size, progress, timing and completion of our clinical trials for eryaspase or GRASPA and any other current or future product candidates;
- the number of potential new product candidates we identify and decide to develop;
- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims of infringement raised by third parties;
- the time and costs involved in obtaining regulatory approval for our product candidates and any delays we may encounter as a result of evolving regulatory requirements or adverse results with respect to any of these product candidates;
- selling and marketing activities undertaken in connection with the anticipated commercialization of eryaspase or GRASPA and any other current or future product candidates, including other product candidates in preclinical development, together with the costs involved in the creation of an effective sales and marketing organization; and
- the amount of revenues, if any, we may derive either directly, or in the form of royalty payments from any future potential collaboration agreements, from our ERYCAPS platform or relating to our other product candidates.

For more information as to the risks associated with our future funding needs, see the section of this prospectus titled “Risk Factors.”

Capital Expenditures

Our main capital expenditures in 2015 and 2016 and as of June 30, 2017 were related primarily to the buildup of our fixed assets for our pharmaceutical facility and laboratory and to a lesser extent to the purchase of office and computer equipment. We do not capitalize clinical research and development costs until we obtain marketing authorization for a product candidate.

Our non-current assets are broken down as follows:

	AS OF DECEMBER 31,		AS OF JUNE 30,
	2015	2016	2017
	(in thousands)		
Intangible assets	€ 61	€ 57	€ 43
Property, plant and equipment	918	2,245	2,730
Other non-current financial assets	97	132	130
Total	**€ 1,076**	**€ 2,434**	**€ 2,903**

For the year ended December 31, 2016, we capitalized costs related to our new production facility project in the amount of €830 thousand, which have been recognized as tangible assets in progress as of December 31, 2016 and fixtures, fittings and office equipment for our offices in Lyon, France and Cambridge, Massachusetts in the amount of €864 thousand.

For the six months ended June 30, 2017, we capitalized costs mainly related to the development of a new prototype in our production facility.

Non-current financial assets relate to deposits paid on the operating leases for our premises in Lyon, France and in Cambridge, Massachusetts for all periods presented.

Off-Balance Sheet Arrangements

During the periods presented, we did not and do not currently have any off-balance sheet arrangements as defined under Securities and Exchange Commission rules, such as relationships with other entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheet.

The off-balance sheet commitments related to operating leases as of December 31, 2016 amounted to €442 thousand, of which €295 thousand is due within a year and the balance between one and five years. These commitments relate primarily to leases of buildings. As of June 30, 2017, there have been no new significant off-balance sheet arrangements since December 31, 2016.

Quantitative and Qualitative Disclosures about Market Risk

Liquidity Risk

We do not believe that we are exposed to short-term liquidity risk, considering the cash and cash equivalents that we had available as of June 30, 2017, amounting to €88.6 million, which was primarily cash and term deposits that are convertible into cash in approximately 30 days without penalty. Management believes that the amount of cash and cash equivalents available at June 30, 2017 is sufficient to fund our planned operations through the next 12 months.

Historically, we have financed our growth by strengthening our shareholders' equity in the form of capital increases and the issuance of convertible bonds. We believe that the capital increase associated with our initial public offering on Euronext Paris in May 2013, as well as the capital increases we completed in 2014, 2015, 2016 and 2017, will enable us to continue as a going concern.

Foreign Currency Exchange Risk

We use the euro as our functional currency for our financial communications. However, a portion of our operating expenses is denominated in U.S. dollars as a result of our clinical trials performed in the United States at our office based in Cambridge, Massachusetts and our production facility in Philadelphia, Pennsylvania in conjunction with the American Red Cross. For the years ended December 31, 2015 and 2016, these expenses in U.S. dollars totaled $3,149 thousand and $6,242 thousand, respectively, based on the exchange rate in effect at December 31, 2015 and 2016, respectively, or 16% and 23% of our operating expenses for the periods presented. For the six months ended June 30, 2017, these expenses in U.S. dollars totaled $3,989 thousand based on the exchange rate in effect at June 30, 2017, or approximately 25% of our operating expenses for the period presented. As a result, we are exposed to foreign exchange risk inherent in operating expenses incurred. Following our analyses and given the level of these expenditures, the exposure to foreign exchange risk is unlikely to have a material adverse impact on our results of operations or financial position. In addition, we do not currently have revenues in euros, dollars or any other currency. As we advance our clinical development in the United States and potentially commercialize our product candidates in that market, we expect to face greater exposure to exchange rate risk and would then consider using exchange rate hedging techniques at that time.

Interest Rate Risk

We believe we have very low exposure to interest rate risk. Such exposure primarily involves our money market funds and time deposit accounts. Changes in interest rates have a direct impact on the rate of return on these investments and the cash flows generated.

We have no loans or other credit facilities. The repayment flows of the conditional advances from BPI France are not subject to interest rate risk.

Credit Risk

We believe that the credit risk related to our cash and cash equivalents is not significant in light of the quality of the financial institutions at which such funds are held.

JOBS Act Exemptions and Foreign Private Issuer Status

We qualify as an “emerging growth company” as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. This includes an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002. We may take advantage of this exemption for up to five years or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company if we have more than $1.07 billion in total annual gross revenue, have more than $700.0 million in market value of our ordinary shares held by non-affiliates or issue more than $1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced burdens.

We will not take advantage of the extended transition period provided under Section 7(a)(2)(B) of the U.S. Securities Act of 1933, as amended for complying with new or revised accounting standards. Since IFRS makes no distinction between public and private companies for purposes of compliance with new or revised accounting standards, the requirements for our compliance as a private company and as a public company are the same.

Upon consummation of the global offering, we will report under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events; and
- Regulation FD, which regulates selective disclosures of material information by issuers.

BUSINESS

Overview

We are a biopharmaceutical company developing innovative therapies for rare forms of cancer and orphan diseases. Leveraging our proprietary ERYCAPS platform, which uses a novel technology to encapsulate therapeutic drug substances inside erythrocytes, or red blood cells, we have developed a pipeline of product candidates targeting both solid and liquid tumors for patients with high unmet medical needs. Our lead product candidate, which we refer to as eryaspase or GRASPA, targets the metabolism of cancers by depriving tumor cells of asparagine, an amino acid necessary for their survival and critical in maintaining the cells' rapid growth rate. We are developing eryaspase for the treatment of solid tumors, including pancreatic cancer. Based on the initial feedback we received from the U.S. Food and Drug Administration, or FDA, at our pre-IND meeting in October 2017, we plan to initiate a pivotal Phase 3 clinical trial of eryaspase for pancreatic cancer in the United States and Europe during the third quarter of 2018. We are also developing eryaspase for the treatment of liquid tumors, including acute lymphoblastic leukemia, or ALL, and acute myeloid leukemia, or AML. We expect to commence a pivotal Phase 3 clinical trial of eryaspase as a first-line treatment for adults with ALL by the end of the third quarter of 2018. Depending on the outcome of our discussions with the European Medicines Agency, or EMA, we intend to resubmit a Marketing Authorization Application, or MAA, for eryaspase for relapsed or refractory ALL later in October 2017. With respect to eryaspase for the treatment of AML, we are conducting a Phase 2b clinical trial in Europe and expect to report initial results from this trial by the end of 2017.

Eryaspase—Our Lead Cancer Metabolism-Targeting Product Candidate

Eryaspase consists of the enzyme L-asparaginase encapsulated in red blood cells. L-asparaginase cleaves and reduces intracellular asparagine, a naturally occurring amino acid essential for the survival and proliferation of cells within the body, including cancer cells, and, through osmosis via the treated red blood cells, depletes this protein building block from circulating blood plasma. Unlike normal cells, cancer cells often lack the enzymes necessary to produce asparagine internally and, therefore, must obtain this nutrient from circulating blood. While L-asparaginase injections have been used for decades as a cancer metabolism treatment, the toxicity profiles of current commercially available forms of unencapsulated, or free-form, L-asparaginases have generally limited their use to pediatric ALL patients. Encapsulation of L-asparaginase, utilizing our proprietary ERYCAPS platform, is designed to shield the body from the side effects of L-asparaginase, which we believe broadens the potential use of L-asparaginase outside the pediatric ALL setting, including for the treatment of aggressive solid and liquid tumors. Eryaspase has been tested in over 320 patients to date. In our clinical trials, patients treated with eryaspase have achieved improvements in efficacy endpoints compared to treatment with free-form L-asparaginase or standard of care chemotherapy, and treatment has generally been well tolerated.

We are currently developing eryaspase for the treatment of the following types of cancer:

Pancreatic Cancer

Pancreatic cancer is a disease in which solid tumors form in the tissues of the pancreas. We estimate there are approximately 150,000 new cases of pancreatic cancer diagnosed each year in the United States and Europe. Pancreatic cancer is a particularly aggressive cancer, with a five-year survival rate of less than 10%, and is one of the fastest growing cancer indications. According to estimates published by the American Cancer Society, pancreatic cancer is currently the fourth largest cause of cancer deaths in the United States. According to an article published in the scientific journal *Cancer Research*, pancreatic cancer is projected to surpass colon and breast cancer to become the second largest cause of cancer deaths by 2030.

We recently announced the full results from our Phase 2b clinical trial of eryaspase combined with chemotherapy in 141 patients suffering from second-line metastatic pancreatic cancer. The trial met its pre-specified co-primary endpoints of improvement in overall survival rates and progression-free survival rates, which we defined as achieving hazard ratios of less than 0.85 in patients with no or low asparaginase synthetase expression (ASNS 0/1) irrespective of statistical significance. The hazard ratio for overall survival in the entire patient population was 0.60 (nominal p-value = 0.009), meaning that treatment with eryaspase reduced the risk of death rate by 40% compared to treatment with chemotherapy alone. Our clinical trial represents the first time an asparaginase-based therapy has been reported to have a survival benefit in a solid tumor indication. We presented these results at the European Society for Medical Oncology, or ESMO, Congress in Madrid, Spain in September 2017.

In early October, we met with the FDA to discuss further development of eryaspase for the pancreatic cancer indication and we also intend to meet with the Committee for Medicinal Products for Human Use, or CHMP, of the EMA later in 2017 to discuss our plans. Based on the initial feedback we received from the FDA at our pre-IND meeting in October 2017, we plan to initiate a pivotal Phase 3 clinical trial of eryaspase for pancreatic cancer in the United States and Europe during the third quarter of 2018. We retain worldwide rights to commercialize eryaspase for the pancreatic cancer indication.

Acute Lymphoblastic Leukemia

ALL is a blood cancer affecting the lymphoid progenitor cells. ALL patients have excess cells derived from the lymphoid lineage, such as lymphoblasts, B-cells, T-cells and natural killer cells. The American Cancer Society estimates that approximately 5,970 new cases of ALL will be diagnosed in the United States in 2017, resulting in approximately 1,440 deaths. Based on incidence data published in scientific literature, we estimate that there are at least as many new cases of ALL diagnosed each year in Europe as in the United States.

In 2014, we completed a multi-center, open-label pivotal Phase 2/3 clinical trial in 80 children and adults with relapsed or refractory ALL in which we evaluated the safety and efficacy of GRASPA compared to free-form L-asparaginase derived from the bacteria *E. coli*, also known as native L-asparaginase. In this European trial, patients without a history of allergies to native L-asparaginase treatments were randomized to receive standard chemotherapy plus either GRASPA or native L-asparaginase. Patients with a known allergy to native L-asparaginase treatments were treated with standard chemotherapy plus GRASPA. The patients treated with GRASPA experienced a mean duration of L-asparaginase activity that was more than twice as long as for patients receiving native L-asparaginase. None of the non-allergic patients who received GRASPA experienced an allergic reaction, compared to 46% of non-allergic patients who received native L-asparaginase. Only 12% of patients with a prior L-asparaginase allergy experienced a new allergic reaction after receiving GRASPA, with no patients in the trial experiencing a severe allergic reaction. Patients in the GRASPA treatment arm also had overall higher complete remission rates during induction, and GRASPA was also associated with fewer drug-related adverse events. After three years of follow-up, a nominal improvement in overall survival rates was observed.

Responding to feedback from the EMA, we are currently conducting activities that are designed to provide data regarding immunogenicity and pharmacodynamics of eryaspase, as well as comparability of eryaspase produced with native versus recombinant asparaginase. Depending on the outcome of our discussions with regulatory authorities, we intend to resubmit an MAA to the EMA for GRASPA for the treatment of relapsed or refractory ALL later in October 2017. If approved for the treatment of relapsed or refractory ALL, GRASPA is expected to be marketed in Europe by our commercial partner Orphan Europe, a subsidiary of Recordati S.p.A., an Italian-based pharmaceutical company, and in Israel by Teva Pharmaceuticals, Ltd., an Israeli pharmaceutical company, which we refer to in this prospectus as Teva. In the United States, we are conducting a Phase 1 clinical trial of eryaspase as a potential first-line treatment for adult ALL patients, and we expect to complete this trial by the end of 2018. We have retained the rights to commercialize eryaspase for the treatment of ALL outside of Europe and Israel, including in the United States.

Acute Myeloid Leukemia

AML is an aggressive cancer of the blood and bone marrow that is particularly fatal if left untreated. The American Cancer Society estimates that approximately 21,000 new cases of AML will be diagnosed in the United States in 2017, resulting in over 10,000 deaths. Based on incidence data published in scientific literature, we estimate that there are at least as many new cases of AML diagnosed each year in Europe as there are in the United States. AML is generally a disease of older people and is uncommon before the age of 45, with approximately 95% of new AML cases in the United States occurring in patients over the age of 19. The median age of a patient with AML is approximately 67 years.

We believe the safety profile of eryaspase may also allow it to be developed as a potential treatment for AML patients, many of whom may respond to asparaginase but cannot be treated with L-asparaginase due to its side effects. We are conducting a multinational, randomized Phase 2b clinical trial in Europe of 123 elderly AML patients, which we refer to as the ENFORCE 1 trial. We completed enrollment of the ENFORCE 1 trial in August 2016 and expect to report primary results by the end of 2017. If approved for the treatment of AML, we expect eryaspase to be marketed in Europe by our commercial partner Orphan Europe and in Israel by Teva. We have retained the rights to commercialize eryaspase for the treatment of AML outside of Europe and Israel, including in the United States.

Both the FDA and EMA have granted orphan drug designation for eryaspase or GRASPA, as the case may be, for the treatment of pancreatic cancer, ALL and AML. Orphan drug designation provides manufacturers with research grants, tax credits and eligibility for marketing exclusivity of up to seven years in the United States and 10 years in Europe.

Our Additional ERYCAPS Product Candidates

In addition to our product candidates based on L-asparaginase treatment, we believe that our ERYCAPS platform has broad potential application and can be used to encapsulate within red blood cells a wide range of therapeutic agents for which long-circulating therapeutic activity or rapid and specific targeting is desired.

- **Cancer Metabolism.** We have received funding from BPI France for a research program, known as the TEDAC program, and have identified two other enzymes, methionine-g-lyase, or MGL, and arginine deiminase, or ADI, that degrade amino acids necessary for tumor survival. We believe these enzymes can be encapsulated within red blood cells in order to induce tumor starvation. We expect to commence a Phase 1 clinical trial in Europe by the end of the third quarter of 2018 evaluating the safety of erymethionase, our MGL product candidate, and we are currently conducting preclinical studies on eryminase, our ADI product candidate, as a potential treatment for various cancers.
- **Enzyme Replacement.** Outside of the oncology field, we also are studying the use of our ERYCAPS platform to promote long-acting enzyme activity and targeting of specific cells, which we believe may result in attractive product development opportunities for enzyme therapies in the field of metabolic diseases. We refer to this program under the name ERYZYME. We believe that encapsulation of the therapeutic enzymes may reduce the potential for allergic reactions and allow the therapeutic substance to remain in the body longer when compared to non-encapsulated enzymes. In March 2017, we announced our entry into a research collaboration with the Fox Chase Cancer Center to advance the preclinical development of erymethionase for the treatment of homocystinuria, a rare and severe metabolic disorder of methionine metabolism. In July 2017, we announced our entry into a research collaboration with Queen's University to advance the preclinical development of eryminase specifically for the treatment of arginase-1 deficiency, a rare and severe metabolic disorder related to arginine metabolism.
- **Immunotherapy.** We have also initiated ERYMMUNE, a preclinical development program designed to explore the use of our ERYCAPS platform to encapsulate tumor antigens within red blood cells as an innovative approach to cancer immunotherapy. Based on our preclinical research, we believe that encapsulated tumor antigens can be targeted to key organs, such as the liver or spleen, in order to induce an immune response, resulting in sustained activation of the body's immune system to fight cancers. We expect to complete preclinical proof-of-concept studies of ERYMMUNE by the end of 2017.

Our ERYCAPS Platform Technology

Our proprietary technology uses transfusion-grade, standard packed red blood cells of all four blood groups (O, A, B and AB), which we obtain from blood banks. We match the red blood cells used to the blood type of the patient receiving treatment. The red blood cells are subjected to osmotic stress, which opens and reseals pores on the surface of the cells and allows therapeutic compounds to be added and then trapped inside the cells. Encapsulation offers a number of benefits as compared to free-form compounds. By protecting the therapeutic substance from detection and clearance by the body's immune system, encapsulation is designed to reduce the potential for allergic reactions and to allow the therapeutic substance to remain in the body longer. The cellular membranes of the blood cells also protect the body against the direct toxicity of the drug substance, which results in a decreased incidence of side effects. In the case of L-asparaginase, encapsulation has been shown to extend the half-life of free-form L-asparaginase from one day to approximately 30 days, which should lead to fewer injections required for treatment and a lower overall dose. Another form of L-asparaginase derived from the bacteria *E. coli*, currently marketed under the brand name Oncaspar, has a half-life of eight days. We believe that these features make eryaspase a promising therapy for patients who may not be able to tolerate currently available free-form L-asparaginases.

We have automated our encapsulation process to allow for rapid turnaround and high reproducibility. The process for delivering eryaspase to patients, including the encapsulation of L-asparaginase into red blood cells, typically takes less than 24 hours from end of production to delivery of the product candidate to the hospital. We maintain a commercial-scale, cGMP-certified production facility in Lyon, France that we believe will be sufficient to supply our commercial requirements for approximately the first two years following the sales launch and commercialization of

GRASPA in Europe for the treatment of ALL, if it is approved. We also maintain a smaller production facility in Philadelphia, Pennsylvania, on the premises of the American Red Cross, which is currently used for our clinical trial production requirements.

Our intellectual property portfolio contains issued patents and patent applications in the United States and internationally, including 13 patent families directed to our production process, our ERYCAPS platform, our product candidates and related diagnostic tests. Our core patent covers eryaspase in the United States until 2030, with potential extension to 2035, and in Europe until 2025, with potential extension to 2030.

Corporate Information

We were incorporated as a *société par actions simplifiée,* or S.A.S., on October 26, 2004 and became a *société anonyme,* or S.A., on September 29, 2005. In April 2014, we incorporated our wholly-owned U.S. subsidiary, ERYTECH Pharma, Inc. In February 2016, we opened our U.S. office in Cambridge, Massachusetts. In May 2013, we completed the initial public offering of our ordinary shares on Euronext Paris, raising €17.7 million in gross proceeds. In October 2014, December 2015, December 2016 and April 2017, we raised €30.0 million, €25.4 million, €9.9 million and €70.5 million, respectively, in gross proceeds from the issuances of additional ordinary shares. Our shares are listed on Euronext Paris under the ticker symbol “ERYP.”

Our Strategy

Our goal is to become a leading biopharmaceutical company focused on developing, manufacturing and commercializing innovative therapies to treat rare forms of cancer and other orphan diseases. The key elements of our strategy to achieve this goal include the following:

- ***Rapidly advance the clinical development of eryaspase for the treatment of pancreatic cancer in the United States and in Europe*.** In March 2017, we reported positive top-line results from our Phase 2b clinical trial for the second-line treatment of metastatic pancreatic cancer. We presented the full results of this trial at the ESMO Congress in Madrid, Spain in September 2017. In early October, we met with the FDA to discuss further development of eryaspase for the pancreatic cancer indication and we also intend to meet with EMA later in 2017 to discuss our plans. Based on the initial feedback we received from the FDA at our pre-IND meeting in October 2017, we plan to initiate a pivotal Phase 3 clinical trial of eryaspase for pancreatic cancer in the United States and Europe during the third quarter of 2018.
- ***Complete the development of, obtain regulatory approval for and commercialize eryaspase in Europe and the United States for the treatment of ALL.*** We are evaluating the potential to broaden the application and use of GRASPA to include first-line treatment of patients with ALL. We have commenced Phase 1 clinical trials of eryaspase in the United States as a potential first-line therapy for the treatment of adults with ALL. We intend to meet with the FDA to discuss our planned pivotal Phase 3 trial in first-line adult ALL patients, including our recommended dose of eryaspase for the trial. Depending on the outcome of our discussions with regulatory authorities, we intend to resubmit an MAA for GRASPA for the treatment of relapsed or refractory ALL to the EMA later in October 2017.
- ***Continue to develop eryaspase for the treatment of other liquid and solid tumor indications*.** We have completed enrollment of our Phase 2b clinical trial for the treatment of AML in Europe, and we expect to report primary results from this trial by the end of 2017. If the results are positive, we may pursue a pivotal Phase 3 clinical trial and seek regulatory approval of eryaspase for AML. We also expect to initiate additional clinical trials and seek regulatory approval of eryaspase in the United States and Europe for other cancer indications, including specific forms of lymphoma and other solid tumors.
- ***Leverage our ERYCAPS platform to develop additional innovative and novel therapeutics targeting rare forms of cancer and other orphan diseases*.** In addition to encapsulating L-asparaginase, the active ingredient in eryaspase, we plan to leverage the broad applicability of our ERYCAPS platform to develop additional product candidates that use other therapeutic drug substances. Based on our preclinical research, we have identified two other enzymes, MGL and ADI, which can be encapsulated within red blood cells in order to induce tumor starvation. We expect to commence a Phase 1 clinical trial in Europe by the end of the third quarter of 2018 evaluating the safety of administering encapsulated MGL in cancer patients, and to commence clinical trials of our product candidate eryminase, which consists of ADI encapsulated inside red blood cells, after the completion of preclinical studies. We also plan to expand our product pipeline to

include other therapeutic approaches, such as cancer immunotherapy and enzyme replacement therapies. To support this strategy, we intend to continue to seek robust worldwide intellectual property protection for our ERYCAPS platform and our resulting product candidates.

- ***Execute on research and development and commercialization opportunities that maximize the value of our proprietary ERYCAPS platform*.** We will seek to maximize shareholder value from our proprietary platform technology through a combination of in-house development and well-selected partnering opportunities. In some instances, we may elect to continue development and commercialization activities through the expansion of our in-house capabilities, but we will also evaluate and pursue collaborative arrangements with third parties for the development and commercialization of our product candidates for specified indications and in specified territories where appropriate. We believe that we will benefit in this regard from our prior experience negotiating distribution arrangements with Orphan Europe and Teva for ALL and AML in Europe and Israel, respectively. We may also explore co-development or out-licenses of our platform technology to third parties and the creation of spin-out companies. As we move our product candidates through development toward regulatory approval in the United States and Europe, we will evaluate several options for each product candidate's commercialization strategy, as we have retained all rights to commercialize our product candidates in the United States. These options include building our own internal, targeted sales force for commercialization in the United States or entering into collaborations with third parties for the distribution and marketing of any approved products.

Our ERYCAPS Platform Technology

Our ERYCAPS platform uses our proprietary technology to entrap active drug substances inside red blood cells using reversible hypotonic and hypertonic osmotic stress. Our platform technology uses transfusion-grade, standard packed red blood cells of all four blood groups (O, A, B and AB), taken from blood donors with a specific blood type and compatible with the blood type of the patient to be treated. To allow the therapeutic compounds to enter into the red blood cells, we subject the red blood cells to a hypotonic solution that causes water movement into the cells, which leads to swelling and opening of the pores on the cellular membrane. Once the desired concentration of molecules is reached inside the red blood cells, we subject the red blood cells to a hypertonic solution to restore the osmotic pressure to normal. This step causes water to flow out of the cell and the pores to close, rendering the cellular membrane impermeable to molecules above a specific size, including the molecules that have been trapped inside the cell.

The extent to which a red blood cell can swell, known as osmotic fragility, is not uniform and varies between packages of red blood cells. When we obtain a package of red blood cells from a blood bank, we identify a number of key hematological parameters, including the osmotic fragility of the particular sample. Based on the level of osmotic fragility measured, we are able to calculate the specific amount of osmotic pressure to apply in order to achieve the desired concentration of drug substance in each production batch. This patent-protected process allows us to reduce variations in the amount of drug substance to be encapsulated, which ensures that quantifiable amounts of drug substance can be captured in each batch. Our expertise in understanding osmotic fragility and optimizing the red blood cell encapsulation parameters is the cornerstone of our proprietary ERYCAPS platform.

We believe that our ERYCAPS platform technology is an innovative approach that offers several key benefits:

- ***Prolonged duration of activity***. Red blood cells are biocompatible carriers that have a half-life of approximately one month in the body. This long half-life, coupled with the protection from the cellular membrane, allows encapsulated therapeutic drug substances to remain in the body longer, thereby increasing the duration of their therapeutic activity and their potential efficacy with lower dosages and fewer injections.
- ***Decreased risk of side effects***. The red blood cell membrane protects the body from toxicities associated with the trapped drug substance, which reduces the potential for adverse side effects from the drug.
- ***High reproducibility with rapid turnaround on commercial scale***. Our encapsulation process is automated and is designed to produce batches of loaded red blood cells in a highly reproducible, reliable and rapid manner, regardless of the initial characteristics and origin of the red blood cells used. At our cGMP-certified production facility, we can deliver the product candidate to the hospital typically within 24 hours of

initiating production. We have produced over 1,500 bags of eryaspase to date for use in clinical trials, and we estimate our current production facility will be sufficient for approximately the first two years of commercial-scale production of GRASPA following the sales launch and commercialization of GRASPA in Europe for the treatment of ALL, if it is approved.

- ***Stability and ease of administration***. Once shipped from our production facility to the hospital, eryaspase has been shown to remain stable for 72 hours in refrigeration followed by six hours at room temperature. This allows hospital staff to administer the required blood transfusion at an optimal time and to retain control over the administration process. Based on stability studies we have performed, we believe we may be able to extend the shelf life of eryaspase to at least five days.
- ***Broad applicability***. Our initial efforts have focused on encapsulating enzymes, such as L-asparaginase, that deplete nutrients necessary for the growth and proliferation of tumor cells, resulting in their starvation and death. Based on our preclinical studies and initial clinical experience in the area of hemato-oncology, we believe that a variety of additional therapeutic molecules can be encapsulated within red blood cells to induce tumor starvation, both for blood cancers and solid tumors, and to develop cancer immunotherapy and enzyme replacement therapies.

Our Product Development Pipeline

Using our proprietary ERYCAPS platform, we are developing a pipeline of product candidates to treat rare forms of cancer and other orphan diseases. The following table summarizes our product development pipeline:

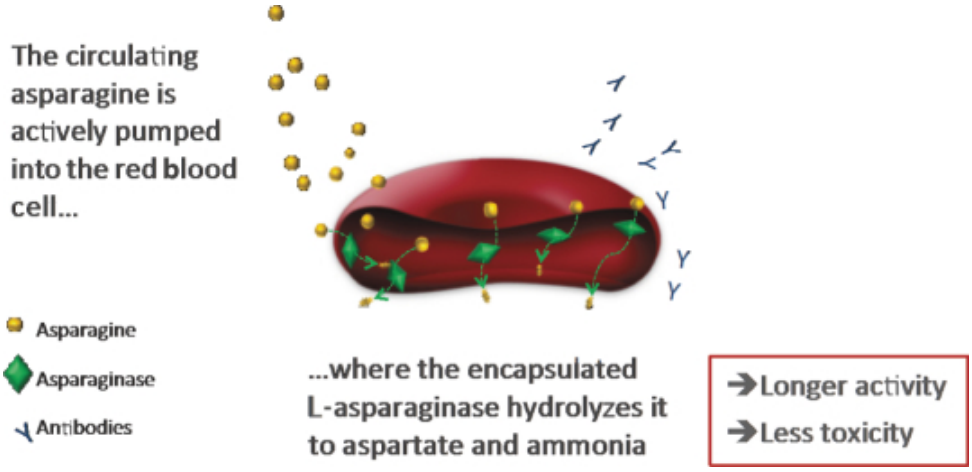
Mode of action	Product Candidate / Program	Drug substance	Indication	Discovery	Preclinical	Phase 1	Phase 2	Phase 2b	Phase 3/ Pivotal	Application for Regulatory Approval	Status / Milestones	Commercial Rights
Cancer Metabolism Tumor Starvation	eryaspase (GRASPA®)	Asparaginase	Pancreatic cancer								• **EU P2b trial:** Full results presented in September 2017; P3 clinical trial expected during Q3 2018 • **Next step (US & EU):** Pre-IND meeting with FDA held in October 2017 and meeting with EMA to be scheduled	erytech
			ALL								• **EU:** MAA resubmission expected in October 2017 for r/r ALL • **US:** P2 recommended dose determined for first-line ALL • **Next step (US & EU):** Launch of P3 expected by the end of Q3 2018 for first-line ALL	RECORDATI Europe TEVA Israel (Initially in ALL only) erytech US & RoW
			AML								• **EU:** P2b enrollment completed • Primary results expected by end of 2017	
			Other solid tumors								• Pursue preclinical studies • Expect launch of P1 studies in 2018	
	erymethionase	Methionine-γ-liase	Solid tumors								• Preparing for launch of P1 study by end of Q3 2018	
	eryminase	Arginine deiminase	Solid tumors								• Preclinical development ongoing	erytech
Enzyme Therapies	ERYZYME	Therapeutic enzyme	Metabolic diseases								• Preclinical proof-of-concept studies ongoing	
Immuno-therapy	ERYMMUNE	Tumor antigens	TBD								• Preclinical proof-of-concept studies expected by end of 2017	

Our Lead Product Candidate Eryaspase—A Unique Approach to Cancer Treatment

Eryaspase, our first product candidate developed using our proprietary ERYCAPS platform, is known under the trade name GRASPA in Europe and Israel and consists of the enzyme L-asparaginase encapsulated inside an erythrocyte, or a red blood cell. L-asparaginase breaks down asparagine, a naturally occurring amino acid, into L-aspartic acid and ammonia. Asparagine is produced by healthy cells in the body for their own use in protein synthesis. Cancer cells also need asparagine to grow and proliferate, even more than normal cells, but most cancer cells do not produce asparagine and must rely on circulating asparagine in order to survive. Because L-asparaginase is capable of catalyzing circulating asparagine, thereby depriving cancer cells of a key nutrient and causing them to die, the use of L-asparaginase to deplete asparagine has become a well-established treatment for ALL patients, and L-asparaginase has been a common component of pediatric ALL treatment protocols for several decades. However, the use of L-asparaginase outside of the pediatric ALL setting is limited, due primarily to the toxicity of and allergies associated with free-form asparaginases, which inhibits their use in adult and elderly ALL patients, as well as in children with relapsed ALL. We believe that encapsulating L-asparaginase in red blood cells will expand the population of cancer patients that may be able to be treated with L-asparaginase to include adult or elderly pancreatic cancer, ALL and AML patients.

Eryaspase is administered by intravenous infusion. Once administered, the red blood cells containing L-asparaginase circulate in the bloodstream and remove asparagine through a mechanism of active transportation of asparagine into the red blood cells. Normal red blood cells contain two to three times more asparagine than in the surrounding plasma. When L-asparaginase is encapsulated in the red blood cells, it causes the inner concentration of asparagine to decrease, which activates a natural mechanism of the red blood cell to draw asparagine circulating in the blood plasma into the red blood cell. The asparagine is rapidly degraded inside the red blood cells as well. When maintained long enough, this pumping and degradation activity leads to a systemic depletion of asparagine levels in the bloodstream that induces starvation of the cancer cells without releasing L-asparaginase into the bloodstream. The red blood cell membrane also protects the encapsulated L-asparaginase from antibodies present in the patient's blood that would substantially lessen or neutralize the enzyme's activity or cause an allergic reaction. As a result, the enzyme can remain active and potentially effective in the red blood cell for a longer period of time, while at the same time reducing the potential for toxicity and related side effects. Our research indicates that the encapsulation process does not significantly alter the life span of the red blood cell.

The following diagram illustrates the main mode of action of eryaspase:



Clinical Development of Eryaspase

The table below sets forth summary information regarding our clinical trials of eryaspase conducted to date.

COMPLETED CLINICAL TRIALS

PHASE	TRIAL REFERENCE	# OF PATIENTS	AGE	INDICATION	PRIMARY ENDPOINTS	DOSE	REGION	DESIGN
Metastatic Pancreatic Cancer								
2b	GRASPANC 2013-03	141	18+	Second-line	• Efficacy (progression-free survival or overall survival) of eryaspase in patients with low ASNS expression levels	100 U/kg	EU	Randomized, open label, controlled
1	GRASPANC 2008-02	12	18+	Second-line	• Determination of the maximum tolerated dose (MTD) and recommended Phase 2 dosing	25 / 50 / 100 / 150 U/kg	EU	Non-randomized, open label
Acute Lymphoblastic Leukemia								
2/3	GRASPALL 2009-06	80	1 to 55	Relapsed/refractory	• Mean duration (days) of ASNase activity >100 U/L • Incidence of allergic reactions (induction phase)	150 U/kg	EU	Randomized, open label
2a	GRAALL SA2-2008	30	55+	First-line	• Efficacy and safety of eryaspase with combination therapy and determination of the MTD in elderly	50 / 100 / 150 U/kg	EU	Non-randomized, open label
1/2	GRASPALL 2005-01	24	1 to 55	Relapsed/refractory	• Determination of the MTD and recommended Phase 2 dosing	50 / 100 / 150 U/kg	EU	Randomized, open label

ONGOING CLINICAL TRIALS

PHASE	TRIAL REFERENCE	# OF PATIENTS	AGE	INDICATION	PRIMARY ENDPOINTS	DOSE	REGION	DESIGN
Acute Lymphoblastic Leukemia								
2	NOPHO	30	1 to 45	Second-line post PEG-asparaginase	• PK / PD, safety and immunogenicity	150 U/kg	EU	Single arm, open label
1	GRASPALL 2012-09	12 to 18	18+	First-line	• Determination of the MTD and recommended Phase 2 dosing	50 /100 / 150 / 200 U/kg	US	Non-randomized, open label
	GRASPALL 2012-10-EAP	17	Up to 55	At risk - all lines	• Safety of eryaspase in combination with polychemotherapy	150 U/kg	EU	Non-randomized, open label
Acute Myeloid Leukemia								
2b	ENFORCE 1	123	65 to 85	First-line, unfit	• Overall survival	100 U/kg	EU	Multicenter, open label, randomized, controlled

Eryaspase for the Treatment of Pancreatic Cancer and Other Solid Tumors

Researchers have investigated the potential to target asparagine metabolism in solid tumor indications, and based on the observation that many solid tumors, like lymphoblasts, lack the asparagine synthetase, or ASNS, enzyme, a rationale for the use of asparaginase in solid tumors exists. The toxicity profile of existing asparaginase products has, however, been prohibitive for their use in patients. Historically, Phase 1 clinical trials conducted by researchers have been modified or halted because of excess toxicity.

We selected pancreatic cancer as the first solid tumor indication for clinical development of eryaspase. We commenced a Phase 2b clinical trial of eryaspase combined with chemotherapy in 141 patients suffering from second-line metastatic pancreatic cancer in 2014. In March 2017, we reported that the trial met its pre-specified co-primary endpoints, showing improvement in survival rates for patients treated with eryaspase in combination with chemotherapy as compared to treatment with eryaspase alone, with hazard ratios of less than 0.85 in patients with no or low asparaginase synthetase expression (ASNS 0/1) irrespective of statistical significance. We presented the full results of this trial at the ESMO Congress in Madrid, Spain in September 2017. This clinical trial represents the first time an asparaginase-based therapy has been reported to have a survival benefit in a solid tumor indication. This trial forms the basis for our strategy to explore the further development of eryaspase for the treatment of pancreatic cancer and other solid tumor indications.

Background and Potential for L-asparaginase as a Treatment for Pancreatic Cancer

We estimate there are approximately 150,000 new cases of pancreatic cancer diagnosed each year in Europe and the United States. Pancreatic cancer is a particularly aggressive cancer, with a five-year survival rate of less than 10%, and is one of the fastest growing cancer indications. According to estimates published by the American Cancer Society, pancreatic cancer is currently the fourth largest cause of cancer deaths in the United States. According to an article published in the scientific journal *Cancer Research*, pancreatic cancer is projected to surpass colon and breast cancer to become the second largest cause of cancer deaths by 2030. The following table summarizes the number of estimated cases and deaths in the United States in 2017 and 2030 in various solid tumor indications, as well as the five-year survival rate of each type of cancer for the years 2006 through 2012.

INDICATION	CASES *(U.S., IN THOUSANDS)*		DEATHS *(U.S., IN THOUSANDS)*		5-YEAR SURVIVAL RATE
	2017	2030	2017	2030	
Lung and bronchus	223	225	156	156	19%
Pancreas	54	88	43	63	9
Liver	41	83	29	51	18
Colon and rectum	135	114	50	47	66
Breast	255	294	41	37	91(1)
Prostate	161	228	27	24	99
Bladder	79	113	17	22	79
Brain and other nervous system	24	N/A	17	17	35
Oesophagus	17	N/A	16	17	21
Kidney	64	69	14	16	75
Ovary	22	N/A	14	14	46

(1) Refers to female survival rate.

From over 600 tumor biopsies analyzed in our preclinical studies, approximately 70% of pancreatic tumors had no or low expression of ASNS, indicating that they may be sensitive to L-asparaginase depletion. Our preclinical studies also suggested the potentially positive impact of administering L-asparaginase to pancreatic tumors in mouse models. Based on these preclinical studies and the existence of this important unmet medical need, we began a clinical development program in pancreatic cancer.

Phase 2b Clinical Trial for Eryaspase for the Treatment of Second-Line Metastatic Pancreatic Cancer

In 2014, we commenced a multi-center, open-label, randomized Phase 2b clinical trial to evaluate the efficacy of eryaspase as a second-line treatment for patients with metastatic pancreatic cancer. The trial was conducted at 16 sites in France and performed in collaboration with the Groupe Coopérateur Multidisciplinaire en Oncologie. Professor Pascal Hammel, a gastroenterologist-oncologist at Beaujon Hospital in Paris, was the principal investigator of the trial. The original recruitment objective was 90 patients. In February 2016, we elected to continue to enroll patients to increase the statistical power of the trial. In September 2016, we completed enrollment of 141 patients in this trial. In March 2017, we reported positive top-line results from this trial, which also included three data safety monitoring board, or DSMB, safety reviews. In September 2017, we presented the full results of this trial at the ESMO Congress in Madrid, Spain.

Trial Design

In this trial, patients in the active arm were treated with eryaspase in addition to the current standard of chemotherapy, consisting of either gemcitabine or FOLFOX, depending on which treatment the patient had received

as first-line therapy. Patients in the control arm were patients treated with chemotherapy alone. Patients were randomized at a 2:1 ratio. Prior to enrolling each patient in this trial, we used a diagnostic test to assess the level of ASNS expression in such patient's cancer cells, indicating whether the cells were likely to respond to treatment with eryaspase. We included both patients with no or low ASNS expression levels and patients with normal or high ASNS expression levels in the trial.

Endpoints

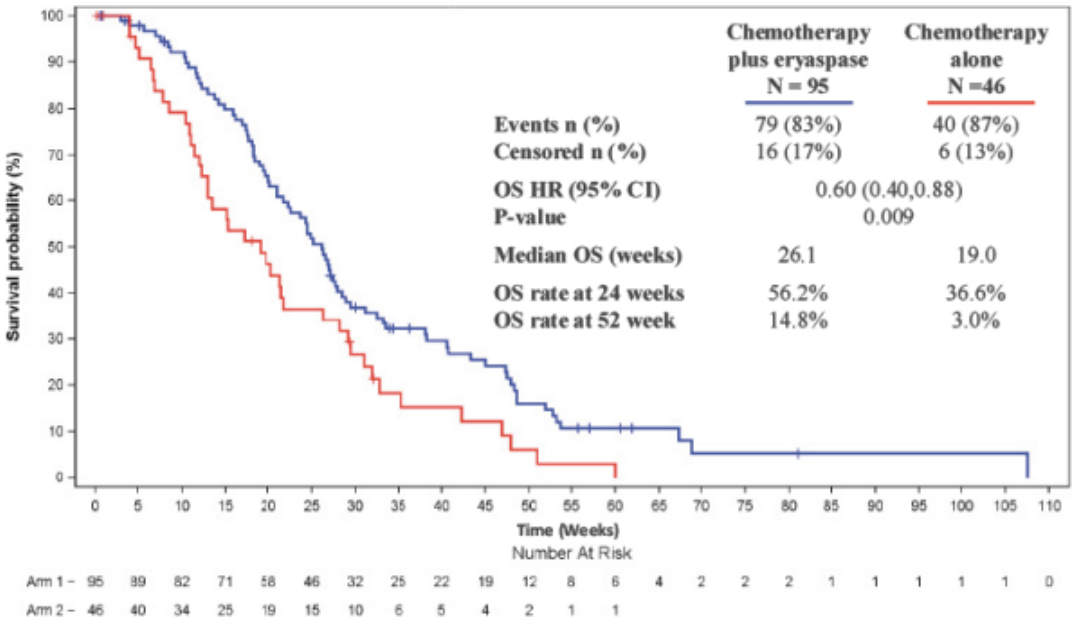
The co-primary endpoints of the Phase 2b clinical trial were progression-free survival and overall survival rates, as measured by the hazard ratio, or HR, for the patients that were enrolled with no or low ASNS expression levels. The HR represents the chance of events occurring in the treatment arm relative to the chance of events occurring in the control arm. An HR of one means that there is no difference in survival between the two groups, while an HR of greater than one or less than one means that survival was better in one of the groups. The outcome of the trial would be considered positive if the HR was below 0.85 for the low or no ASNS expression group, irrespective of statistical significance. The secondary endpoints of the clinical trial included overall progression-free survival and overall survival rates, as measured by HR, in the entire patient population and for the patients enrolled with normal or high ASNS expression levels, as well as objective response rates and safety outcomes.

Efficacy Results

The primary objectives of the trial were met, with an overall survival HR of 0.65 and a progression-free survival HR of 0.72 in the patient population with no or low ASNS expression levels. This sub-group of the patient population constituted approximately 70% of the trial population.

There was also an overall survival benefit in the entire patient population, with a statistically significant overall survival HR of 0.60 (nominal p-value = 0.009), meaning that a reduction in risk of death rate of 40% was observed.

The graph below shows the Kaplan-Meier overall survival curve of the trial. A Kaplan-Meier plot is a graphical statistical method commonly used to describe survival characteristics. Similar results were observed for progression-free survival.



The baseline characteristics and demographics in the patient population were balanced, and overall survival and progression-free survival results appeared to be consistent across different sub-groups, including age, gender and prior treatment.

An unexpected finding from these results was that the ASNS expression level in the patients did not appear to be predictive of treatment efficacy. The top-line results do not indicate that patients with no or low ASNS expression levels are responding more favorably to asparaginase treatment than the patients with normal or high expression levels, as we originally hypothesized. However, ASNS does appear to be a prognostic factor. Patients with high ASNS expression levels appear to have a worse prognosis, and their relative response to eryaspase seems to be relatively higher in this group than the patients with no, low or normal ASNS expression levels. Based on this finding, we believe future clinical trials may be conducted in the entire patient population, independent of ASNS expression levels.

Completed Phase 1 Clinical Trial of Eryaspase for the Treatment of Pancreatic Cancer

In 2011, we completed an open-label Phase 1 clinical trial in 12 patients with pancreatic cancer at four sites in France. The enrolled patients were separated into four cohorts of three subjects each. Eryaspase was administered as one injection of four different doses, 25 Units, or U, per kilogram, 50 U per kilogram, 100 U per kilogram or 150 U per kilogram. The primary endpoint of the trial was the determination of the maximum tolerated dose. Secondary endpoints included assessments of safety and exploratory measures of efficacy. No dose-limiting toxicities were reported, even at the highest dose administered in the trial. The treatment led to L-asparagine depletion, and there was a trend toward longer depletion with an increasing dose.

Next Steps

We presented the full results of our Phase 2b trial at the ESMO 2017 Congress in Madrid, Spain in September 2017. In early October, we met with the FDA to discuss further development of eryaspase for the pancreatic cancer indication and we intend to meet with the EMA to discuss our findings, including the design of a potential Phase 3 clinical trial to be initiated during the third quarter of 2018. We have also initiated further preclinical work to assess compatibility with other compounds used in the treatment of pancreatic cancer patients.

Planned Clinical Development Program in Other Solid Tumors

We believe the proof-of-concept that we have established with eryaspase in the treatment of metastatic pancreatic cancer can be applied to other solid tumor indications based on eryaspase's mechanism of action and reduced toxicity. Preclinical work is ongoing to identify the most relevant indications including a review of the use of the product candidate in combination with chemotherapy and immunotherapy compounds, and we plan to launch clinical feasibility studies in the future in one or more indications with a goal of initiating clinical trials in the selected indication in 2018.

Eryaspase for the Treatment of Acute Lymphoblastic Leukemia (ALL)

We are developing eryaspase for the treatment of children and adults with ALL in combination with chemotherapy. We have completed three clinical trials in Europe in which a total of 134 patients with ALL enrolled, of which 102 patients were ultimately treated with eryaspase. We are also conducting additional clinical trials in Europe and in the United States to potentially broaden the application and use of GRASPA to include first-line treatment of patients with ALL.

Based on the positive efficacy and safety results from our Phase 2/3 pivotal trial, we submitted an MAA to the EMA for GRASPA for the treatment of relapsed or refractory ALL in September 2015. CHMP is the EMA committee responsible for reviewing the MAA. In September 2016, we received from CHMP a Day 180 List of Outstanding Issues. Following discussions with the EMA, we determined that the collection of the additional information requested by CHMP would take more time than allowed in the regulatory approval procedures. Accordingly, we decided to withdraw the MAA in November 2016. We are currently conducting activities that are designed to provide data regarding immunogenicity and pharmacodynamics of eryaspase, as well as comparability of eryaspase produced with native versus recombinant asparaginase. Depending on the outcome of these activities and discussions with regulatory authorities, we intend to resubmit our MAA later in October 2017.

The EMA and the FDA have granted orphan drug designation for GRASPA for the treatment of ALL, providing us with the potential for marketing exclusivity for up to seven and 10 years, respectively, upon receipt of marketing approval.

Background and Market for ALL

Leukemia is a cancer of the bone marrow cells, sometimes called cancer of the blood. Leukemia is characterized by an abnormal and excessive proliferation of blood components that, in the absence of treatment, invade the bone marrow and then the blood. Leukemia characterized by a rapid proliferation of abnormal cells in the bone marrow and requiring urgent treatment is known as acute leukemia. On the other hand, chronic leukemia has a slow proliferation, with a clinical tolerance of cancer cells and a development that may take place over months or years.

ALL is a blood cancer affecting the lymphoid progenitor cells. ALL patients have excess cells derived from the lymphoid lineage, such as lymphoblasts, B-cells, T-cells and natural killer cells. Some mutations in bone marrow progenitors have been directly linked to the development of ALL, although the exact molecular alteration responsible for the disease is often unknown. In general, the development of ALL is difficult to anticipate and few major risk factors are known.

ALL is most prevalent for children between the ages of two and five, although adults are also affected. The American Cancer Society estimates that approximately 5,970 new cases of ALL will be diagnosed in the United States in 2017, resulting in approximately 1,440 deaths. Based on incidence data published in scientific literature, we estimate that there are at least as many new cases of ALL diagnosed each year in Europe as in the United States. The risk for developing ALL declines slowly after the age of five until the mid-20s and then begins to rise again slowly after the age of 50. Overall, approximately 40% of ALL cases occur in adults. Although most cases of ALL occur in children, approximately 80% of deaths from ALL occur in adults. Pediatric ALL patients have a five-year survival rate of approximately 90%, while the five-year survival rate for adults drops to approximately 30% and for seniors, to approximately 15%.

L-asparaginase for the Treatment of ALL

The treatment of childhood ALL relies heavily on chemotherapy regimens and the use of L-asparaginase due to a high rate of complete responses observed with these therapies. Adults are also treated with chemotherapy, but L-asparaginase use has generally been limited due to its toxicity, and elderly patients especially cannot tolerate L-asparaginase treatment. Children typically respond better to ALL treatment due to differences in the disease itself and the ability to better handle aggressive treatment regimens. Treatment of children with modern chemotherapy regimens can lead to complete response rates in the 90% range, although that rate significantly drops as patients age. The identification of chromosomal translocations can also narrow down the exact disease subtype and lead to more targeted treatment options. One of these genetic anomalies, known as the Philadelphia chromosome, is present in approximately 5% of children with ALL and 20% to 25% of adults and seniors. For Philadelphia-negative patients, the administration of L-asparaginase has become the standard of care and is used as first-line treatment in conjunction with traditional chemotherapy regimens.

L-asparaginase is currently available in four forms, each described below. The use of each form depends upon the risk profile and age of the patient as well as the availability of a product in a specific market.

- *Native and recombinant L-asparaginase.* L-asparaginase purified from *E. coli* bacteria, also known as native L-asparaginase, has been part of the standard treatment for pediatric ALL patients since the 1970s. Native L-asparaginase has a half-life of about one day and is typically administered twice per week during the induction phase of chemotherapy treatment. In 2016, a new form of L-asparaginase purified from *E. coli* bacteria, known as recombinant L-asparaginase and marketed under the brand name Spectrila, was approved in Europe. Native and recombinant L-asparaginase remain the first-line, first-intention treatments for newly diagnosed pediatric ALL patients in many European countries.
- *PEG-asparaginase.* PEG-asparaginase is *E. coli* L-asparaginase that has been pegylated in order to reduce its toxicity and increase its half-life. In some countries, including the United States and the United Kingdom, PEG-asparaginase, marketed under the brand name Oncaspar, has almost completely replaced native L-asparaginase as the first-line, first-intention treatment for pediatric ALL patients, although its use for adults in conjunction with chemotherapy regimens is less universal due to toxicity concerns.
- *Chrysantaspase.* L-asparaginase can also be produced from the bacteria *E. chrysanthemi*. This form of L-asparaginase, marketed under the brand names Erwinase and Erwinaze, is typically used as an alternative treatment option in cases of hypersensitivity reactions to either the native or pegylated forms of *E. coli*

L-asparaginase. This product was approved in the United Kingdom in 1985 and was approved in the United States in 2011.

Worldwide sales of the above free-form L-asparaginase products totaled approximately $400 million in 2016.

Limitations of Free-Form L-asparaginase Administration

Despite its long history as a treatment for ALL, the direct administration of free-form L-asparaginase suffers from several limitations, including:

- *Allergic reactions*. The use of native L-asparaginase has been associated with the onset of serious and potentially fatal allergic reactions. In addition to safety concerns, allergies can lead to medical costs associated with treating the allergic reaction and switching to another L-asparaginase product. Oncaspar and Erwinaze were created to reduce the incidence of allergic reactions. Allergic reactions have been reported in up to 32% and 37% of patients who received Oncaspar or Erwinaze, respectively. While these products have reduced the frequency of allergic reactions, they have not eliminated them completely.
- *Multiple injections required*. With a half-life of approximately one day, native L-asparaginase requires up to eight injections per month at high doses. In addition, free-form L-asparaginase is often attacked by the body's immune system before it has had the opportunity to significantly deplete L-asparagine levels, thereby limiting the duration of its therapeutic activity. With its longer half-life, PEG-asparaginase has reduced the number of necessary injections to approximately two injections per month. However, despite its longer treatment duration, Oncaspar has not achieved progression-free survival rates that are superior to native L-asparaginase. The half-life of Erwinaze is less than that of native L-asparaginase, requiring up to 12 injections each month.
- *Toxicities and other side effects*. A significant number of ALL patients suffer from other adverse effects from administration of free-form L-asparaginase, including clotting disorders, pancreatitis, liver damage and brain damage.

In addition to the above limitations, current L-asparaginase treatment options effectively target only a small portion of ALL patients. Eryaspase has been designed to reduce the potential for allergic reactions and other side effects, and to allow the therapeutic substance to remain in the body longer. The encapsulation of L-asparaginase has also been shown to extend the half-life of free-form L-asparaginase from one day to approximately 30 days, which should lead to fewer injections required for treatment and a lower overall dose. Accordingly, we believe eryaspase has the potential to overcome some of the limitations of free-form L-asparaginase and that a large number of additional patients would benefit from an improved L-asparaginase product.

Clinical Development of Eryaspase for the Treatment of ALL

In addition to our three completed clinical trials evaluating eryaspase for the treatment of ALL summarized below, we are currently conducting additional clinical trials in Europe and in the United States to potentially broaden the application and use of GRASPA to include first-line treatment of patients with ALL.

Completed Pivotal Phase 2/3 Clinical Trial in Europe in Adults and Children with Relapsed or Refractory ALL

In 2014, we completed an open-label, randomized, multi-center pivotal Phase 2/3 clinical trial known as the GRASPIVOTALL trial in 80 children and adults with relapsed ALL. The trial began in 2009 and was transitioned into a Phase 3 portion in 2013 upon the positive review by an independent DSMB of the safety results from the first 60 patients. The trial was conducted at 58 investigator sites in France, Belgium and Spain.

Trial Design

Patients between the ages of one year and 55 years who had experienced a first relapse of Philadelphia-negative ALL after treatment with native L-asparaginase were eligible to participate in the trial. There were 52 males and 28 females enrolled. The 80 patients in the trial were divided into three treatment arms, depending on whether or not the patients had a known allergy to native L-asparaginase. The 26 patients enrolled in the trial with a known allergy were treated with chemotherapy plus GRASPA. Of the remaining 54 patients in the trial, 26 patients were treated with chemotherapy plus GRASPA, while a control group consisting of the other 28 patients received chemotherapy plus Kidrolase, a native L-asparaginase. The chemotherapy regimen for all patients was a standard protocol known as COOPRALL. During the induction phase of chemotherapy, patients received one or two injections of GRASPA, depending on the severity of disease. During the consolidation phase of chemotherapy, patients received an injection

of GRASPA at each time that a block of chemotherapy was given, for up to eight cycles. For patients randomized to the control group, native L-asparaginase was administered up to eight times per month during the induction phase of chemotherapy, and up to four times per month during the consolidation phase, for up to eight cycles.

Endpoints

The primary endpoints of the trial were the duration of L-asparagine activity and the incidence of allergic reactions with GRASPA as compared to the native L-asparaginase control group. The threshold for L-asparaginase activity was established at 100 U per liter, and the number of continuous days with at least that level of activity in the blood was measured. Secondary efficacy endpoints included complete remission rates, existence of minimal residual disease, progression-free survival rates and overall survival rates.

Efficacy Results

After one year of patient monitoring, researchers concluded that GRASPA had achieved both of its primary endpoints for the trial:

- ***Lower Incidence of Allergic Reactions***. Among the non-allergic patients, none of the 26 patients treated with GRASPA experienced an allergic reaction during the induction phase, compared to 13 patients out of 28, or 46%, of those treated with native L-asparaginase in the control group. This result had a statistically significant p-value of less than 0.001. P-value is a conventional statistical method for measuring the statistical significance of clinical trial results. A p-value of less than 0.05 is generally considered to represent statistical significance, meaning that there is a less than five percent likelihood that the observed results occurred by chance. Among the 26 patients with known allergies to L-asparaginase, only three patients, or 12%, experienced an allergy, none of which was determined to be at or above Grade 3 severity.
- ***Superior Duration of L-Asparaginase Activity***. Among the non-allergic patients, the patients treated with GRASPA maintained a mean duration of L-asparaginase activity above 100 U per liter for 20.5 days, and a standard deviation of 5.2 days, with at most two injections during the first month of treatment. This result compared to a mean duration of activity of 9.4 days, with a standard deviation of 7.4 days, in the control group, who received up to eight injections of native L-asparaginase. This comparative result was also statistically significant, with a p-value of less than 0.001. The duration of activity was similar in the allergic patient group, with those patients receiving GRASPA having a mean duration of activity of 18.6 days, with a standard deviation of 6.3 days.

GRASPA was also observed to have an improved clinical benefit as compared to native L-asparaginase based on its achievement of the secondary efficacy endpoints:

- ***Higher Complete Remission Rate***. At the end of the induction phase, 17 of the 26 non-allergic patients in the GRASPA treatment arm, or 65%, had achieved complete remission, or the disappearance of all signs of cancer in response to treatment, as compared to 11 patients, or 39%, of the non-allergic patients in the control arm. Among the allergic patients, 14 of 26, or 54%, achieved complete remission after treatment with GRASPA.
- ***Improved Minimal Residual Disease Rate***. Among the non-allergic patients, nine out of 26, or 35%, achieved low levels of residual leukemic cells classified as minimal residual disease, or MRD, at the end of the induction phase, as compared to seven out of 28, or 25%, of those in the control group. Among the allergic patients, six out of 26, or 23%, achieved MRD after treatment with GRASPA.
- ***Improved Overall Survival Rates***. 12-month overall survival rates among the non-allergic patients treated with GRASPA were 76.9%, compared to 67.9%, for those in the control group. 12-month overall survival in the allergic group of patients was 50%. Based on three years of follow-up, a nominal improvement of overall survival was observed (HR = 0.73).
- ***Improved Progression-Free Survival Rates***. 12-month progression-free survival rates among the non-allergic patients treated with GRASPA were 64.9%, compared to 48.6% for those in the control group.

Safety Results

Treatment with GRASPA was generally well tolerated. Drug-related adverse events generally consisted of allergic reactions, clotting problems, liver toxicities and pancreas disorders. None of the 52 patients receiving GRASPA during the trial had an adverse event leading to discontinuation of the trial, as compared to 12 out of the

28 patients, or 43%, in the control arm. A total of three patients out of the 52 patients treated with GRASPA during the trial experienced serious adverse events determined to be drug-related.

Among the non-allergic patients in the GRASPA treatment arm, nine out of 26, or 35%, experienced study drug-related clotting problems, compared to 23 out of 28, or 82%, in the non-allergic patients in the control group. Similarly, only nine out of the 26 allergic patients, or 35%, experienced clotting problems. Among the non-allergic patients in the GRASPA treatment arm, seven out of 26, or 27%, experienced study drug-related pancreatitis events, compared to 14 out of 28, or 50%, in the non-allergic patients in the control group. Similarly, only seven out of the 26 allergic patients, or 27%, experienced pancreatitis. Among the non-allergic patients in the GRASPA treatment arm, five out of 26, or 19%, experienced study drug-related liver problems, compared to 12 out of 28, or 43%, of the non-allergic patients in the control group. Similarly, only seven out of the 26 allergic patients, or 27%, experienced liver problems.

We believe the safety and efficacy profile of GRASPA, as observed in the Phase 2/3 clinical trial, offers an attractive alternative option for patients who have received prior L-asparaginase therapy and were unable to tolerate it or who have a hypersensitivity to free-form L-asparaginase. Based on the results of our clinical development program, we submitted an MAA in September 2015 for GRASPA for the treatment of relapsed or refractory ALL in Europe. We announced the withdrawal of our MAA for GRASPA in November 2016. Depending on the outcome of our discussions with regulatory authorities, we intend to resubmit our MAA for GRASPA to the EMA later in October 2017.

Completed Phase 1/2 Clinical Trial in Europe in Adults and Children with Relapsed or Refractory ALL

Between 2006 and 2009, we conducted an open-label, multi-center, randomized Phase 1/2 clinical trial of GRASPA in 24 children and adults up to age 55 with relapsed ALL. The trial was conducted at 24 investigator sites in Europe and was designed to evaluate the efficacy of GRASPA compared to native L-asparaginase in terms of duration of L-asparagine depletion, as well as the safety of GRASPA by examining the side effects associated with treatment. Based on these results, we selected a GRASPA dose of 150 U per kilogram for further clinical evaluation in subsequent clinical trials. The results of this Phase 1/2 clinical trial supported our hypothesis that GRASPA could deplete circulating L-asparagine at a similar level as free-form L-asparaginase but with fewer injections and potentially reduced side effects.

Completed Phase 2 Clinical Trial in France in Elderly ALL Patients as First-Line Treatment

In 2009, we commenced a Phase 2, open-label, dose-escalation clinical trial of GRASPA as a first-line treatment in 30 patients over the age of 55 with newly diagnosed, Philadelphia-negative ALL. This trial was conducted at 20 sites in France and was completed in 2012. The main objective of this trial was to determine the maximum tolerated and effective dose of GRASPA in combination with chemotherapy. The trial also evaluated the side effects related to treatment with GRASPA, as well as its pharmacokinetic and pharmacodynamic parameters and the rate of complete remission after treatment. We observed in the trial that GRASPA was generally well tolerated and the frequency of adverse events was similar to what was expected in this fragile population of senior patients. The most frequently reported adverse events were elevated pancreatic enzyme levels and coagulation disorders. No allergic reactions were reported in any of the GRASPA treatment groups.

Ongoing Expanded Access Program in Europe for Allergic ALL Patients

In the course of conducting our European clinical trials in pediatric and adult ALL patients, several clinical investigators identified ALL patients who were unable to be treated in our clinical trials due to allergies to other asparaginase formulations (native L-asparaginase, Oncaspar, or Erwinaze). After discussion with French regulatory authorities, in 2014, we commenced a clinical trial in France to allow these allergic patients to be treated with GRASPA as part of an expanded access program, or EAP. Patients up to 55 years of age, with either newly diagnosed or relapsed or refractory ALL, are eligible to participate in the EAP. Patients in the EAP receive GRASPA in conjunction with a standard chemotherapy regimen and are followed for 12 months after completion of chemotherapy. We have enrolled 17 patients to date in the EAP and have received a favorable review by an independent DSMB of the first seven patients treated. We expect to keep enrollment open in the EAP until we receive regulatory approval and commercialize GRASPA for the treatment of ALL.

Ongoing Phase 2 Clinical Trial in the Nordic Countries of Europe for Treatment of Patients Allergic to Pegylated Asparaginase

In April 2017, we commenced an investigator-initiated Phase 2 clinical trial to evaluate GRASPA in patients with ALL, which is expected to enroll approximately 30 patients at 23 sites across seven Nordic and Baltic countries, including Denmark, Finland, Norway, Sweden, Iceland, Lithuania and Estonia. This trial will be conducted in collaboration with the Nordic Society of Pediatric Hematology and Oncology, or NOPHO. The main objectives of this trial are to evaluate the pharmacokinetic and pharmacodynamic activity, safety and immunogenicity profile of eryaspase in combination with NOPHO's 2008 multi-agent chemotherapy protocol for ALL, administered as second-intention treatment for children or adult ALL patients, one to 45 years of age, who experience hypersensitivity reactions to PEG-asparaginase or silent inactivation. This trial is expected to continue for approximately two years.

Ongoing Phase 1 Clinical Trial in the United States in Adult ALL Patients as First-Line Treatment

In March 2013, our Investigational New Drug application with the FDA became effective and we initiated a Phase 1 clinical trial in the United States evaluating eryaspase in escalating doses as a potential first-line therapy in patients over the age of 18 with Philadelphia-negative ALL. We expect to enroll between 12 and 18 patients at approximately five sites. In this trial, eryaspase is being administered starting at 50 U per kilogram, and the dose will increase to 100 U per kilogram and 150 U per kilogram in later cohorts. The primary endpoint of this trial is the number of dose-limiting toxicities. Secondary endpoints include safety, tolerability and serum concentrations of L-asparagine and L-asparaginase.

In June 2015, safety data of the first cohort of three patients dosed at 50 U per kilogram was reviewed by a steering committee consisting of members of the DSMB and investigators in the trial. No safety concerns were identified, and the steering committee recommended escalating the dose to 100 U per kilogram. Further, the trial was amended to lower the age for patient inclusion from 40 to 18 years of age and to remove the waiting periods between each patient. In August 2015, we submitted the protocol amendments to the respective institutional review boards for approval. We determined a recommended dose in September 2017 and we intend to meet with the FDA to discuss our further clinical development plans.

Future Development and Commercialization Plans

Based on the results of our completed clinical trials for the treatment of ALL, we submitted an MAA to the EMA in September 2015 for GRASPA. We announced the withdrawal of our MAA for GRASPA in November 2016. Depending on the outcome of our discussions with regulatory authorities, we intend to resubmit our MAA for GRASPA to the EMA later in October 2017. If approved, we believe that GRASPA can become the form of asparaginase of choice for the treatment of fragile ALL patients, including elderly and other high-risk patients, as well as pediatric and adult ALL patients that have either relapsed or failed first-line treatment or who have an allergic hypersensitivity to free-form L-asparaginases.

In 2012, we entered into an exclusive license and distribution agreement with Orphan Europe for the exclusive commercialization and distribution rights to GRASPA for the treatment of ALL and AML in 38 European countries. In 2011, we entered into an exclusive distribution agreement under which Teva acquired the exclusive rights to GRASPA in Israel. We retain the rights to commercialize eryaspase for the treatment of ALL and AML outside Europe and Israel, including in the United States, and for the treatment of all other indications outside of Israel.

We determined a recommended dose of eryaspase in our ongoing Phase 1 clinical trial in first-line adult ALL patients in September 2017. Pending regulatory approval, we expect to commence a pivotal clinical trial in the same population that could become the basis for seeking approval of eryaspase in the United States and broadening our proposed MAA for the approval of GRASPA in Europe to include first-line treatment of patients with ALL.

Eryaspase for the Treatment of Acute Myeloid Leukemia (AML)

We believe that the safety profile of eryaspase may also allow it to be developed as a potential treatment for AML, which is believed to be sensitive to asparaginase but is typically not treated with L-asparaginase due to intolerance among the predominantly elderly AML population. We are conducting the ENFORCE 1 trial, a multinational, randomized Phase 2b clinical trial in Europe in AML patients over the age of 65 who are unfit for treatment with intensive chemotherapy. In August 2016, we completed enrollment of a total of 123 patients in the ENFORCE 1 trial. We expect to report primary results from the ENFORCE 1 trial by the end of 2017.

Background and Market for AML

AML is an aggressive cancer of the blood and bone marrow that is particularly fatal if left untreated. AML patients have an outgrowth of cells from the myeloid lineage that accumulate in the bone marrow. The myeloid cells are predominantly immature platelet cells called myeloblasts, or blasts, which are the leukemia cells. Bone marrow cell dysfunction is caused by genetic mutations that impact the normal differentiation of stem cells. Previous treatment with cytotoxic chemotherapeutic agents and radiation exposure are common factors associated with AML, since exposure to mutagenic agents may induce genetic alterations in bone marrow stem cells.

The American Cancer Society estimates that approximately 21,000 new cases of AML will be diagnosed in the United States in 2017, resulting in over 10,000 deaths. Based on incidence data published in scientific literature, we estimate that there are at least as many new cases of AML diagnosed each year in Europe as there are in the United States. AML is generally a disease of older people and is uncommon before the age of 45, with approximately 95% of new AML cases in the United States occurring in patients over the age of 19. The median age of a patient with AML is approximately 67 years.

Treatment programs for AML patients are highly individualized and depend on several variables, including age, AML subtype and whether the disease is newly formed, recurrent or resistant. The first-line treatment for AML, which has not changed for three decades, is a chemotherapy regimen intended to reduce leukemic blasts and return the bone marrow to functionality. Due to the damaging effects of induction therapy, mortality from high-intensity chemotherapy ranges from 5% to 15% in younger AML patients to as high as 20% to 50% in elderly patients. Because of the harsh nature of the treatment, a substantial number of patients over 65 years of age opt for palliative care only, underscoring the unmet need for safe and effective therapies in AML. The ultimate goal with current AML treatment protocols is to bridge patients to a hematopoietic stem cell transplant, or HSCT. However, not all patients are eligible for HSCT or matching donors cannot be found. The process of identifying eligible patients and matching donors is so rigorous that the treatment is not feasible for most AML patients.

L-asparaginase as a Potential Treatment for AML

Even though AML blasts are not considered to be as widely responsive to L-asparaginase as ALL blasts, a significant portion of AML blasts are deficient in ASNS, the enzyme necessary to produce asparagine internally, and have been observed in research studies to be sensitive to L-asparaginase as an adjunct therapy to chemotherapy. However, the use of L-asparaginase for the treatment of AML patients has been very limited, primarily due to the product's potential toxicity in this fragile patient population. We believe that encapsulated L-asparaginase in the form of eryaspase might be a potentially effective combination treatment with low-dose chemotherapy for AML patients who are unfit to receive intensive chemotherapy, and we have commenced a clinical development program for this indication.

Ongoing Phase 2b Clinical Trial in Europe in Elderly AML Patients

In 2013, we initiated the ENFORCE 1 trial, a Phase 2b, open-label, randomized, multi-center clinical trial in newly diagnosed patients with AML over 65 years of age and who are unable to receive intensive chemotherapy. The primary objective of the ENFORCE 1 trial is to evaluate the efficacy of GRASPA when added to a low dose of the standard chemotherapy cytarabine. To accomplish this, we expect to compare overall survival rates between patients receiving GRASPA in combination with low-dose cytarabine against those of patients receiving only low-dose cytarabine. In August 2016, we completed enrollment of a total of 123 patients in the ENFORCE 1 trial, at over 20 sites in Europe, two-thirds of whom will be treated with GRASPA. Patients in the treatment arm will receive one injection of GRASPA per cycle of chemotherapy treatment. The primary overall survival endpoint will be measured after one year of follow-up. All patients in the ENFORCE 1 trial will undergo follow-up for up to 24 months.

Three safety reviews by an independent DSMB have been performed. The first review was performed in November 2013 after the first 30 patients were treated; the second review in August 2014 after 60 patients were treated; and the third review in December 2015 after 105 patients were treated. No safety concerns have been identified. We expect to report primary results from the ENFORCE 1 trial by the end of 2017.

Depending on the results of the ENFORCE 1 trial, we will determine the next steps for the development of this clinical program. The EMA and the FDA have each granted orphan drug designation to eryaspase for the treatment of AML, offering us the potential for marketing exclusivity upon obtaining marketing approval.

Other ERYCAPS Development Programs

In addition to our product pipeline centered on L-asparaginase treatment, we are using our proprietary patent-protected ERYCAPS platform to identify additional enzymes that could induce tumor starvation. We have received funding from BPI France for a research program, known as the TEDAC program, intended to identify additional tumor starvation agents and to identify companion diagnostic tests. In preclinical studies performed under the TEDAC program, we have identified two other amino acids, methionine and arginine, and their respective enzymes, methionine-g-lyase, or MGL, and arginine deiminase, or ADI, that we believe may be promising treatments when encapsulated inside red blood cells.

In 2017, we presented preclinical data with our product candidate erymethionase, which consists of MGL in red blood cells, at the American Society of Clinical Oncology Gastrointestinal Cancers Symposium and the American Association for Cancer Research conferences. We are performing preclinical toxicology studies and are planning to start a Phase 1 clinical trial by the end of the third quarter of 2018 with erymethionase. We are also conducting preclinical studies with eryminase, which consists of ADI encapsulated inside red blood cells, and plan to initiate clinical trials for this product candidate.

In addition, we currently have two other preclinical development programs ongoing. ERYZYME is a preclinical development program which is designed to use our proprietary ERYCAPS platform for enzyme-based therapies beyond oncology. We encapsulate therapeutic enzymes inside donor-derived red blood cells using our proprietary ERYCAPS platform in order to create ERYZYME product candidates. We believe that the encapsulation of the therapeutic enzymes in the red blood cells may be able to reduce the potential for allergic reactions and to allow the therapeutic substance to remain in the body longer as compared to non-encapsulated enzymes. We have performed preclinical research with enzymes like phenylalanine hydroxylase in phenylketonuria in collaboration with Genzyme, and we are investigating other potential ERYZYME applications as collaboration opportunities. In 2017, we entered into a research collaboration with Fox Chase Cancer Center to advance the preclinical development of erymethionase for the treatment of homocystinuria.

ERYMMUNE is a preclinical development program exploring the use of our proprietary ERYCAPS platform to encapsulate tumor antigens within red blood cells as an innovative approach to cancer immunotherapy. Based on our preclinical research, we believe that encapsulated tumor antigens can be targeted to key organs, such as the liver or spleen, in order to induce an immune response, resulting in sustained activation of the body's immune system to fight cancers. In preclinical studies with three different antigens loaded in red blood cells, we have observed promising proof-of-concept data in three different tumor models. In these studies, we observed significantly increased antigen-specific CD8 and CD4 T-cell responses and delays in tumor growth when the encapsulated antigens, modified to target the liver or spleen, were injected in mice with tumors, as compared to the injection of the unloaded antigens alone. We plan to continue incubating this platform in order to confirm our earlier preclinical data and to determine our development strategy for these earlier-stage programs. We expect to complete preclinical proof-of-concept studies of ERYMMUNE by the end of 2017. Among other possibilities, we may consider the creation of a spin-off company for this technology if we believe it can optimize shareholder value.

Manufacturing and Supply

We currently operate two manufacturing facilities to manufacture our product candidates. Our primary production facility is based in Lyon, France. This production facility complies with European cGMP. We estimate that our current manufacturing capacity in Lyon is approximately four thousand bags annually, which we believe will be adequate for approximately the first two years after commercial launch of GRASPA in Europe for the treatment of ALL. For our current and future clinical trials to be conducted in the United States, we use a qualified production unit in Philadelphia, Pennsylvania in conjunction with the American Red Cross. Our operations at our U.S. production facility are similar to those at our French production facility and are in compliance with FDA regulations. We oversee production and controls for this unit jointly with the American Red Cross. In Europe, we purchase packed red blood cells from Établissement Français du Sang, the French Blood Establishment. In the United States, we buy the packed red blood cells from the American Red Cross.

In the case of eryaspase, we have the manufacturing and logistics in place to deliver our product candidate to hospitals or other treatment centers typically within 24 hours of commencing production. Once a prescription is written, we receive an order for eryaspase from the hospital. We then purchase a pack of red blood cells compatible

with the patient's blood type from a blood bank. We identify the key parameters of the red blood cell sample, including number of cells, blood type, osmotic fragility and other hematological parameters, in order to achieve the desired concentration of L-asparaginase. We encapsulate the L-asparaginase into the red blood cells using an automated process that takes three to eight hours, depending on the number of washing steps required. Before release, the product must meet a number of quality control specifications, including the number of red blood cells in the packed product, the level of L-asparaginase activity, the amount of extracellular L-asparaginase in the blood and the integrity of the container holding the red blood cells. We then deliver the product to the hospital using a third-party commercial overnight delivery service. We ship the product at a refrigerated temperature of between two and eight degrees Celsius, or approximately 36 to 46 degrees Fahrenheit. At this temperature, the product has been shown to remain stable for three days. Once removed and ready for administration, the product remains stable for six hours at room temperature. Based on stability studies we have performed, we believe we may be able to extend the shelf life of eryaspase to at least five days.

For the supply of the L-asparaginase, we entered into a worldwide supply agreement with medac GmbH, or Medac, in December 2008, as subsequently amended on August 19, 2009 and July 25, 2016, which we refer to as the 2008 Medac Agreement. The 2008 Medac Agreement has a term of 20 years and provides for the supply of free-form L-asparaginase at tiered pricing, including a maximum annual number of units at a reduced price for use in our clinical trials. Pursuant to the July 2016 amendment, as of January 1, 2018, Medac may suspend its performance under the 2008 Medac Agreement in the event its supplier of L-asparaginase discontinues supply to Medac and may terminate the 2008 Medac Agreement upon a complete denial of our MAA for GRASPA, upon withdrawal of our MAA for GRASPA or if we substitute L-asparaginase for a recombinant formulation of L-asparaginase.

In May 2011, we entered into a second worldwide supply agreement, as subsequently amended on April 4, 2014 and July 25, 2016, which we refer to as the 2011 Medac Agreement, under which Medac has agreed to supply us with a new, recombinant free-form L-asparaginase that Medac is developing. The 2011 Medac Agreement includes an exclusivity period, starting from the date of commercial authorization of eryaspase/GRASPA for a duration of five years. The term of the 2011 Medac Agreement is until December 2028, provided, that Medac is entitled, upon expiration of the five-year exclusivity period, to terminate the agreement, upon five-years' notice, in the event its supplier of the recombinant formulation of L-asparaginase discontinues supplying to Medac. The July 2016 amendment nullified the clauses providing that we could have been forced to refrain from any form of promotion of eryaspase/GRASPA if such product was produced from a new formulation of asparaginase registered and marketed prior to eryaspase/GRASPA as a first-line treatment. We have begun using this new recombinant formulation of L-asparaginase in eryaspase for new indications, including our ongoing clinical trials for pancreatic cancer.

Additionally, pursuant to the July 2016 amendment of the 2011 Medac Agreement, we granted Medac a second negotiation right for the marketing of GRASPA in the indications of ALL and AML and in certain territories such as Turkey and Russia, assuming Orphan Europe fails to exercise its right of negotiation or we and Orphan Europe do not enter into a subsequent agreement.

In January 2017, we entered into a collaboration agreement with Invetech, developer of cGMP manufacturing solutions for cell and advanced therapies, under which Invetech is assisting us in the development of certain systems to improve the efficiency of the future commercial-scale manufacture of product candidates based on our proprietary ERYCAPS platform and to accommodate production volume needs for commercialization of our product candidates following the receipt of the necessary regulatory approvals.

Commercialization

We have not yet established a sales, marketing or product distribution infrastructure. With the exception of eryaspase under the brand name GRASPA in Europe and Israel, to which we have granted certain marketing and distribution rights to Orphan Europe and Teva, respectively, as described below, we generally expect to retain commercial rights to our product candidates.

Subject to receiving marketing approvals, we expect to commence commercialization activities by building a focused sales and marketing organization in the United States and abroad to sell our products. We believe that such an organization will be able to target the community of physicians who are the key specialists in treating the patient

populations for which our product candidates are being developed. We may enter into additional marketing and distribution agreements with third parties in select geographic territories for any of our product candidates that obtain marketing approval.

We also plan to build a marketing and sales management organization to create and implement marketing strategies for any products that we market through our own sales organization and to oversee and support our sales force. The responsibilities of the marketing organization would include developing educational initiatives with respect to approved products and establishing relationships with thought leaders in relevant fields of medicine.

Agreement with Orphan Europe

In November 2012, we entered into an exclusive license and distribution agreement with Orphan Europe to market and distribute GRASPA for the treatment of ALL and AML in 38 countries in Europe, including all of the countries in the European Union. Under this agreement, we are responsible for obtaining regulatory approval for GRASPA for the treatment of ALL in the European Union, and Orphan Europe is responsible for regulatory activities for the 10 countries not part of the European Union. In addition, Orphan Europe will seek marketing approval for GRASPA in the treatment of AML in all 38 countries. If GRASPA is approved, Orphan Europe will be responsible for obtaining pricing and reimbursement approvals, subject to our reasonable input. Orphan Europe has agreed to, at its expense, use commercially reasonable efforts to market and promote GRASPA after it has been approved. We have agreed to use commercially reasonable efforts to manufacture and supply GRASPA in the quantities requested by Orphan Europe, based on forecasts that Orphan Europe will provide to us. We are responsible for delivering GRASPA to the customers directly.

We received a payment of €5 million upon signing the agreement. In addition, in 2012, we issued €5 million in convertible bonds to Recordati S.p.A. which, along with accrued interest, converted into 945,018 of our ordinary shares at the time of our 2013 initial public offering on Euronext Paris. Our agreement with Orphan Europe provides for sharing in the development costs for GRASPA in AML, and we may be entitled to receive future payments of up to €37.5 million, subject to our achievement of specified clinical, regulatory and commercial milestones. Once on the market, we will receive a combined supply price and royalties up to 45% of net product sales.

We have granted Orphan Europe rights of first negotiation for the commercialization of GRASPA in additional indications beyond ALL and AML in Europe, and for the commercialization of GRASPA in all indications in additional territories consisting of Turkey, Russia, specified countries in the Middle East and all countries in Africa. Orphan Europe has agreed not to be involved in the development or marketing of any competing products containing L-asparaginase for the treatment of ALL and AML.

The term of the agreement varies on a country-to-country basis. For countries that are part of the European Union, the term is 10 years from the date of marketing approval for GRASPA for the treatment of ALL, and will automatically be extended to 10 years from the date of marketing approval for the treatment of AML if that occurs by the end of 2019. For countries that are not part of the European Union, the term is 10 years from the date of marketing approval for GRASPA in the treatment of either ALL or AML, but not longer than three years after the expiration of the term for the countries in the European Union. At the end of the term, Orphan Europe is entitled to request additional 10-year renewals as long as it is in material compliance with the agreement. If we refuse to renew the agreement in specified circumstances, we may be subject to financial penalties as set forth in the agreement. In addition, the agreement provides that Orphan Europe may automatically terminate the agreement, recoup certain expenses and reduce milestone payments in the event that the intellectual property we license to them under the agreement is deemed invalid.

Agreement with Teva

In March 2011, we entered into an exclusive distribution agreement with Abic Marketing Limited, an affiliate of Teva Pharmaceutical Industries Ltd., an Israeli pharmaceutical company, which we refer to in this prospectus as Teva. We granted Teva an exclusive license to seek regulatory approval for and commercialize GRASPA in Israel. We are responsible for the manufacturing and for transporting any products directly to the customer. Teva is responsible for all regulatory and commercial efforts and has agreed to reimburse us for part of our transportation expenses. We do not expect Teva to pursue regulatory approval in Israel until we have obtained marketing approval for GRASPA in the European Union. If we receive European marketing approval for GRASPA in indications other than ALL, Teva may choose to extend its commercial rights within Israel to those additional indications.

Under the agreement, we received an upfront payment of €40,000 upon signing the agreement and are eligible to earn up to €45,000 in potential milestone payments upon achievement of specified regulatory milestones as well as a share of Teva's operating profit if Teva extends its distribution rights to other indications. We will receive a transfer price equal to half of total sales of GRASPA in Israel, calculated as set forth in the agreement. The agreement has a term of 10 years and will automatically renew for successive five-year terms unless either party gives at least six months' notice of non-renewal.

Intellectual Property

Our patent portfolio includes pending patent applications and issued patents in the United States and foreign countries. These patents and applications include 13 patent families we own in our own name, summarized below:

TECHNOLOGY	NUMBER OF PATENT FAMILIES	EXPIRATION YEARS FOR EACH PATENT FAMILY *	COUNTRIES IN WHICH PATENTS ARE ISSUED
Our production process	2	2024 - 2030 2033 - 2034	Japan, Europe, Australia, China, United States, Korea, India, Canada
Eryaspase	3	2027 - 2029 2032 - 2033 2028 - 2029	Europe, United States, Australia, Singapore, Israel, Japan, Korea, China, India
Other tumor starvation enzymes	3	2026 2034 - 2035 2035 - 2036	Europe, Japan, China, Canada, Korea, Australia, United States
Immune modulation platform	2	2030 2027 - 2028	Australia, Singapore, France, China, Israel, Korea, Europe, United States, Japan
Other technologies/candidates	3	2028 2028 - 2029 2033 - 2034	Europe, Israel, China, Australia, Singapore, Korea, Canada

* *This expiration year does not take into account supplementary patent protection that could be obtained for some of our patents in the United States, Europe and other countries. Expiration dates for U.S. patents not yet granted may be subject to patent term adjustment.*

Of our 13 patent families, ten currently include at least one issued patent.

The term of a U.S. patent may be eligible for patent term restoration under the Hatch-Waxman Act to account for at least some of the time the drug or method of manufacture is under development and regulatory review after the patent is granted. With regard to a drug or method of manufacture for which FDA approval is the first permitted marketing of the active ingredient, the Hatch-Waxman Act allows for extension of the term of one U.S. patent. The extended patent term cannot exceed the shorter of five years beyond the non-extended expiration of the patent or 14 years from the date of the FDA approval of the drug or method of manufacture. Some foreign jurisdictions have analogous patent term extension provisions that allow for extension of the term of a patent that covers a device approved by the applicable foreign regulatory agency. In the future, if and when our product candidates receive FDA approval, we expect to apply for patent term extensions on the patents that we believe will provide the best exclusivity position if extended.

In addition to patent protection, we have trademark protection in many countries for our name, logo and several product candidates. None of our trademarks are subject to a third-party license, except under our distribution agreements with Teva and Orphan Europe with respect to the trademark GRASPA.

Patent License from U.S. Public Health Service

In August 2012, we entered into a license agreement with the Public Health Service of the Department of Health and Human Services of the United States, or PHS, under which PHS has granted us an exclusive license to a patent family including two U.S. patents directed to ASNS and asparaginase therapies in the United States. We intend to

use the patent rights licensed from PHS to develop a companion diagnostic test for eryaspase and other product candidates we may develop based on our ERYCAPS platform.

Competition

The biotechnology and pharmaceutical industries are highly competitive and subject to significant and rapid technological change as researchers learn more about diseases and develop new technologies and treatments. Significant competitive factors in our industry include product efficacy and safety; quality and breadth of an organization's technology; skill of an organization's employees and its ability to recruit and retain key employees; timing and scope of regulatory approvals; government reimbursement rates for, and the average selling price of, products; the availability of raw materials and qualified manufacturing capacity; manufacturing costs; intellectual property and patent rights and their protection; and sales and marketing capabilities. We cannot ensure you that any of our products that we successfully develop will be clinically superior or scientifically preferable to products developed or introduced by our competitors.

Our competitors may also succeed in obtaining EMA, FDA or other regulatory approvals for their product candidates more rapidly than we are able to do, which could place us at a significant competitive disadvantage or deny us marketing exclusivity rights. Market acceptance of our product candidates will depend on a number of factors, including:

- potential advantages over existing or alternative therapies or tests;
- the actual or perceived safety of similar classes of products;
- the effectiveness of our sales, marketing, and distribution capabilities; and
- the scope of any approval provided by the FDA or foreign regulatory authorities.

Although we believe our product candidates possess attractive attributes, we cannot ensure that our product candidates will achieve regulatory or market acceptance, or that we will be able to compete effectively in the biopharmaceutical drug markets. If our product candidates fail to gain regulatory approvals and acceptance in their intended markets, we may not generate meaningful revenues or achieve profitability.

L-asparaginase is currently available in four forms, each described below.

Native L-asparaginase

Native L-asparaginase has been part of the standard treatment for pediatric ALL patients since the 1970s. Native L-asparaginase remains the first-line, first-intention treatment for newly diagnosed pediatric ALL patients in many European countries. However, because of its general toxicity, this native form is rarely used in fragile patients. In the United States, the native form, with the brand name Elspar, was removed from the market in 2013 due to production problems and competition from other forms of L-asparaginase.

Recombinant L-asparaginase

In 2016, recombinant L-asparaginase was approved in Europe. The product was developed by our partner Medac as a bioequivalent product to native L-asparaginase, and is being launched by Medac under the brand name Spectrila. Recombinant L-asparaginase has a half-life of about one day and is also typically administered twice per week, similar to native L-asparaginase.

PEG-asparaginase

PEG-asparaginase is *E. coli* L-asparaginase that has been pegylated in order to reduce its toxicity and increase its half-life. Pegylation refers to the attachment of a polyethylene glycol group to the enzyme, which creates a protective shell around the enzyme to partially protect it from immune cell destruction. This pegylation extends the half-life of the L-asparaginase from one day to approximately five to seven days. PEG-asparaginase, currently marketed under the brand name Oncaspar, was approved by the FDA in 1994 and was granted EU marketing authorization in 2016 for the treatment of ALL patients with a hypersensitivity to native L-asparaginase. Oncaspar is typically administered twice per month, with one injection replacing four injections of native L-asparaginase. The label was expanded in 2006 to include first-line treatment of ALL in combination with chemotherapy. In some countries, including the United States and the United Kingdom, PEG-asparaginase has almost completely replaced native L-asparaginase as the first-line, first-intention treatment for pediatric ALL patients, although its use for adults in conjunction with

chemotherapy regimens is less universal due to toxicity concerns. We estimate that worldwide sales of Oncaspar were approximately $204 million in 2016.

Erwinaze

L-asparaginase can also be produced from the bacteria *E. chrysanthemi*. This form of L-asparaginase, marketed under the brand names Erwinase and Erwinaze, is typically considered as an alternative treatment in cases of hypersensitivity reactions to either the native or pegylated forms of *E. coli* L-asparaginase. The product was approved in the United Kingdom in 1985 and was approved in the United States in 2011. Worldwide sales of Erwinaze were approximately $200 million in 2016.

The current market for free-form L-asparaginase primarily includes the following products:

- native and recombinant L-asparaginase, marketed under the brand names Kidrolase, Leunase and Spectrila, all of which are produced by the Japanese pharmaceutical company Kyowa Hakko Kirin and distributed in Europe by Jazz Pharmaceuticals Inc. and Medac, as applicable;
- PEG-asparaginase, marketed under the brand name Oncaspar by Baxalta International, now part of Shire plc; and
- L-asparaginase expressed in *E. chrysanthemi* bacteria, marketed under the brand names Erwinase and Erwinaze by Jazz Pharmaceuticals Inc.

Each of these products corresponds to a different formulation or different production process and, as a result, has a separate profile, particularly in terms of activity duration, frequency of injections and side effects. We currently do not intend to compete directly with native L-asparaginase or Oncaspar where such treatments are prescribed as first-line treatments for newly diagnosed or relapsed or refractory patients. Our initial target market is for patients who have either relapsed or failed first-line treatment with current forms of asparaginases or who have developed an allergic hypersensitivity to those forms of L-asparaginase.

Medac has developed a recombinant L-asparaginase that has been granted marketing approval in Europe. Medac's recombinant product was observed in late-stage clinical trials to have efficacy, a life span and a side effect profile similar to that of native L-asparaginase. Medac is also developing a PEG-asparaginase product candidate that is currently in early clinical trials. In addition, Jazz Pharmaceuticals Inc. is developing a pegylated form of Erwinaze, although its clinical development is currently on hold.

In addition to currently available forms of L-asparaginase or new forms in development, our product candidates also compete with other products that could be used in the treatment of ALL or AML. These potential treatments include monoclonal antibodies, bispecific monoclonal antibodies and chimeric antigen receptor, or CAR, T-cells approaches. Several large pharmaceutical and biotechnology companies, including Amgen Inc., Pfizer, Inc. and Novartis AG, are developing these types of therapies for the treatment of AML and ALL. In December 2014, the FDA granted accelerated approval of Amgen Inc.'s product candidate BLINCYTO (blinatumomab), for the treatment of Philadelphia-negative patients with relapsed or refractory B-cell precursor ALL. Continued approval for this indication may be contingent upon verification of clinical benefit in subsequent trials. Amgen Inc. has also recently been granted a conditional MAA from the EMA for BLINCYTO. Other products in later-stage clinical trials include immunotherapy drugs targeting multiple immune mechanisms, such as inotuzumab, an antibody-drug conjugate from Pfizer Inc., and CAR T-cells products from Cellectis S.A., Kite Pharma, Inc. and Novartis AG. These product candidates consist of patients' own immune cells, engineered to recognize and attack their tumors. These new treatments have yielded positive results when used as salvage therapy, but their use has been restricted to small clinical trials to date.

Many of the companies against which we are competing, or against which we may compete in the future, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and

establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of drug and biological products, or biologics, such as our product candidates. Generally, before a new drug or biologic can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific to each regulatory authority, submitted for review and approved by the regulatory authority.

U.S. Biological Product Development

In the United States, the FDA regulates biologics under the Federal Food, Drug, and Cosmetic Act, or FDCA, and the Public Health Service Act, or PHSA, and their implementing regulations. Biologics are also subject to other federal, state and local statutes and regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recalls or withdrawals from the market, product seizures, total or partial suspension of production or distribution injunctions, fines, refusals of government contracts, restitution, disgorgement, reputational harm, and/or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us.

Our product candidates must be approved by the FDA through the Biologics License Application, or BLA, process before they may be legally marketed in the United States. The process required by the FDA before a biologic may be marketed in the United States generally involves the following:

- completion of extensive nonclinical, sometimes referred to as preclinical laboratory tests, preclinical animal studies and formulation studies in accordance with applicable regulations, including the FDA's Good Laboratory Practice, or GLP, regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials in accordance with applicable IND and other clinical trial-related regulations, sometimes referred to as good clinical practices, or GCPs, to establish the safety and efficacy of the proposed product candidate for its proposed indication;
- submission to the FDA of a BLA;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities where the product is produced to assess compliance with the FDA's cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality, purity and potency;
- potential FDA audit of the preclinical and clinical trial sites that generated the data in support of the BLA; and
- FDA review and approval of the BLA prior to any commercial marketing or sale of the product in the United States.

The data required to support a BLA is generated in two distinct development stages: preclinical and clinical. The preclinical development stage generally involves laboratory evaluations of drug chemistry, formulation and stability, as well as studies to evaluate toxicity in animals, which support subsequent clinical testing. The conduct of the preclinical studies must comply with federal regulations, including GLPs. The sponsor must submit the results of the preclinical studies, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND. An IND is a request for authorization from the FDA to administer an investigational drug product to humans. The central focus of an IND submission is on the general

investigational plan and the protocol(s) for human trials. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions regarding the proposed clinical trials and places the IND on clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. The FDA may also impose clinical holds on a product candidate at any time before or during clinical trials due to safety concerns or non-compliance. Accordingly, we cannot be sure that submission of an IND will result in the FDA allowing clinical trials to begin, or that, once begun, issues will not arise that could cause the trial to be suspended or terminated.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor subject safety and assess efficacy. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Further, each clinical trial must be reviewed and approved by an independent institutional review board, or IRB, at or servicing each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and considers such items as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed.

There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Sponsors of clinical trials of FDA-regulated products, including biologics, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved.

Clinical trials are generally conducted in three sequential phases that may overlap, known as Phase 1, Phase 2 and Phase 3 clinical trials. Phase 1 clinical trials generally involve a small number of healthy volunteers who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect tolerability and safety of the product candidate and, if possible, to gain early evidence on effectiveness. Phase 2 clinical trials typically involve studies in disease-affected patients to determine the dose required to produce the desired benefits. At the same time, safety and further pharmacokinetic and pharmacodynamic information is collected, as well as identification of possible adverse effects and safety risks and preliminary evaluation of efficacy. Phase 3 clinical trials generally involve large numbers of patients at multiple sites, in multiple countries, from several hundred to several thousand subjects, and are designed to provide the data necessary to demonstrate the efficacy of the product for its intended use and its safety in use, and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product approval. Phase 3 clinical trials may include comparisons with placebo and/or other comparator treatments. The duration of treatment is often extended to mimic the actual use of a product during marketing. Generally, two adequate and well-controlled Phase 3 clinical trials are required by the FDA for approval of a BLA.

Post-approval trials, sometimes referred to as Phase 4 clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In some instances, FDA may condition approval of a BLA on the sponsor's agreement to conduct additional clinical trials to further assess the biologic's safety and effectiveness after BLA approval.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and written IND safety reports must be submitted to the FDA and the investigators for serious and unexpected suspected adverse events or any finding from tests in laboratory animals that suggests a significant risk for human subjects. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, if at all. The FDA, the IRB, or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB

can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated intervals based on access to certain data from the trial. We may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate. Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product candidate as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

BLA and FDA Review Process

Following trial completion, trial data is analyzed to assess safety and efficacy. The results of preclinical studies and clinical trials are then submitted to the FDA as part of a BLA, along with proposed labeling for the product and information about the manufacturing process and facilities that will be used to ensure product quality, results of analytical testing conducted on the chemistry of the product candidate, and other relevant information. The BLA is a request for approval to market the biologic for one or more specified indications and must contain proof of safety, purity, potency and efficacy, which is demonstrated by extensive preclinical and clinical testing. The application includes both negative or ambiguous results of preclinical and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA approval of a BLA must be obtained before a biologic may be offered for sale in the United States.

Under the Prescription Drug User Fee Act, or PDUFA, as amended, each BLA must be accompanied by a significant user fee, which is adjusted on an annual basis. PDUFA also imposes an annual product fee for human drugs and an annual establishment fee on facilities used to manufacture prescription drugs. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business.

Once a BLA has been accepted for filing, which occurs, if at all, 60 days after the BLA's submission, the FDA's goal is to review BLAs within 10 months of the filing date for standard review or six months of the filing date for priority review, if the application is for a product intended for a serious or life-threatening disease or condition and the product, if approved, would provide a significant improvement in safety or effectiveness. The review process is often significantly extended by FDA requests for additional information or clarification.

After the BLA submission is accepted for filing, the FDA reviews the BLA to determine, among other things, whether the proposed product candidate is safe and effective for its intended use, and whether the product candidate is being manufactured in accordance with cGMP to assure and preserve the product candidate's identity, strength, quality, purity and potency. The FDA may refer applications for novel drug product candidates or drug product candidates which present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions. The FDA will likely re-analyze the clinical trial data, which could result in extensive discussions between the FDA and us during the review process. The review and evaluation of a BLA by the FDA is extensive and time consuming and may take longer than originally planned to complete, and we may not receive a timely approval, if at all.

Before approving a BLA, the FDA will conduct a pre-approval inspection of the manufacturing facilities for the new product to determine whether they comply with cGMPs. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure

consistent production of the product within required specifications. In addition, before approving a BLA, the FDA may also audit data from clinical trials to ensure compliance with GCP requirements. After the FDA evaluates the application, manufacturing process and manufacturing facilities, it may issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. A Complete Response Letter usually describes all of the specific deficiencies in the BLA identified by the FDA. The Complete Response Letter may require additional clinical data and/or an additional pivotal Phase 3 clinical trial(s), and/or other significant and time-consuming requirements related to clinical trials, preclinical studies or manufacturing. If a Complete Response Letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information is submitted, the FDA may ultimately decide that the BLA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data.

There is no assurance that the FDA will ultimately approve a product for marketing in the United States, and we may encounter significant difficulties or costs during the review process. If a product receives marketing approval, the approval may be significantly limited to specific populations, severities of allergies, and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling or may condition the approval of the BLA on other changes to the proposed labeling, development of adequate controls and specifications, or a commitment to conduct post-market testing or clinical trials and surveillance to monitor the effects of approved products. For example, the FDA may require Phase 4 testing, which involves clinical trials designed to further assess the product's safety and effectiveness and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized. The FDA may also place other conditions on approvals including the requirement for a Risk Evaluation and Mitigation Strategy, or REMS, to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS. The FDA will not approve the NDA without an approved REMS, if required. A REMS could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for non-compliance with regulatory standards or if problems occur following initial marketing.

Other U.S. Regulatory Matters

Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in addition to the FDA, including, in the United States, the Centers for Medicare & Medicaid Services, or CMS, other divisions of the Department of Health and Human Services, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments. In the United States, sales, marketing and scientific or educational programs must comply with state and federal fraud and abuse laws, data privacy and security laws, transparency laws, and pricing and reimbursement requirements in connection with governmental payor programs, among others. The handling of any controlled substances must comply with the U.S. Controlled Substances Act and Controlled Substances Import and Export Act. Products must meet applicable child-resistant packaging requirements under the U.S. Poison Prevention Packaging Act. Manufacturing, sales, promotion and other activities are also potentially subject to federal and state consumer protection and unfair competition laws. The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

The failure to comply with regulatory requirements subjects entities to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, or refusal to allow an entity to enter into supply contracts, including government contracts. In addition, even if an entity complies with FDA and other regulatory requirements, new information regarding the safety or efficacy of a product could lead the FDA to modify or withdraw product approval. Prohibitions

or restrictions on sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements, and/or our commercial operations; (ii) additions or modifications to product labeling; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping and/or documentation requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

U.S. Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of the FDA approval of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of a BLA plus the time between the submission date of a BLA and the approval of that application. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we may apply for restoration of patent term for our currently owned or licensed patents to add patent life beyond their current expiration dates, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant BLA.

An abbreviated approval pathway for biological products shown to be similar to, or interchangeable with, an FDA-licensed reference biological product was created by the Biologics Price Competition and Innovation Act of 2009, which was part of the Affordable Care Act. This amendment to the PHSA attempts to minimize duplicative testing. Biosimilarity, which requires that the biological product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and that there be no clinically meaningful differences between the product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical trial or trials. Interchangeability requires that a biological product is biosimilar to the reference product and the product can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the product and the reference product may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biological product. However, complexities associated with the larger, and often more complex, structure of biological products, as well as the process by which such products are manufactured, pose significant hurdles to implementation that are still being worked out by the FDA.

A reference biological product is granted 12 years of exclusivity from the time of first licensure of the reference product. The first biological product submitted under the abbreviated approval pathway that is determined to be interchangeable with the reference product has exclusivity against other biologics submitting applications under the abbreviated approval pathway for the lesser of one year after the first commercial marketing, 18 months after approval if there is no legal challenge, 18 months after the resolution in the applicant's favor of a lawsuit challenging the biologic's patents if an application has been submitted, or 42 months after the application has been approved if a lawsuit is ongoing within the 42-month period.

Pediatric exclusivity is another type of regulatory market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric trial in accordance with an FDA-issued "Written Request" for such a trial.

European Union Drug Development

In the European Union, our product candidates may also be subject to extensive regulatory requirements. As in the United States, medicinal products can only be marketed if a marketing authorization from the competent regulatory agencies has been obtained.

Similar to the United States, the various phases of preclinical and clinical research in the European Union are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC has sought to harmonize the European Union clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the European Union, the EU Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the Member State regimes. To improve the current system, Regulation (EU) No 536/2014 on clinical trials on medicinal products for human use, which repealed Directive 2001/20/EC, was adopted on April 16, 2014 and published in the European Official Journal on May 27, 2014. The Regulation aims at harmonizing and streamlining the clinical trials authorization process, simplifying adverse event reporting procedures, improving the supervision of clinical trials, and increasing their transparency. Although the Regulation entered into force on June 16, 2014, it will not be applicable until six months after the full functionality of the IT portal and database envisaged in the Regulation is confirmed. This is not expected to occur until 2019. Until then the Clinical Trials Directive 2001/20/EC will still apply.

Under the current regime, before a clinical trial can be initiated it must be approved in each of the EU Member States where the trial is to be conducted by two distinct bodies: the National Competent Authority, or NCA, and one or more Ethics Committees, or ECs. Under the current regime all suspected unexpected serious adverse reactions, or SUSARs, to the investigated drug that occur during the clinical trial have to be reported to the NCA and ECs of the Member State where they occurred.

European Union Drug Review and Approval

In the European Economic Area, or EEA (which is comprised of the 28 Member States of the European Union plus Norway, Iceland and Liechtenstein), medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. Marketing Authorizations may be granted either centrally (Community MA) or nationally (National MA).

The Community MA is issued centrally by the European Commission through the Centralized Procedure, based on the opinion of the CHMP of the EMA and is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the European Union.

National MAs are issued nationally by the competent authorities of the Member States of the EEA and only cover their respective territory. National MAs are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in other Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the Decentralized Procedure an identical dossier is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State, or RMS. The competent authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics, or SmPC, and a draft of the labeling and package leaflet, which are sent to the other Member States, referred to as the Concerned Member States, or CMSs, for their approval. If the CMSs raise no objections, based on a potential serious risk to public health, to the assessment, SmPC, labeling, or packaging proposed by the RMS, the product is subsequently granted a national MA in all the Member States (i.e. in the RMS and the CMSs).

Under the above-described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

Orphan Drugs

In the European Union, Regulation (EC) No 141/2000, as amended, states that a drug will be designated as an orphan drug if its sponsor can establish:

- that it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the European Union when the application is made, or that it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the drug in the European Union would generate sufficient return to justify the necessary investment; and
- that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the European Union or, if such method exists, that the drug will be of significant benefit to those affected by that condition.

Regulation (EC) No 847/2000 sets out further provisions for implementation of the criteria for designation of a drug as an orphan drug. An application for the designation of a drug as an orphan drug must be submitted at any stage of development of the drug before filing of a MA application.

If a Community MA in respect of an orphan drug is granted pursuant to Regulation (EC) No 726/2004, regulatory authorities will not, for a period of usually 10 years, accept another application for a MA, or grant a MA or accept an application to extend an existing MA, for the same therapeutic indication, in respect of a similar drug. This period may however be reduced to six years if, at the end of the fifth year, it is established, in respect of the drug concerned, that the criteria for orphan drug designation are no longer met, in other words, when it is shown on the basis of available evidence that the product is sufficiently profitable not to justify maintenance of market exclusivity. The exclusivity period may increase to 12 years if, among other things, the MAA includes the results of studies from an agreed pediatric investigation plan. Notwithstanding the foregoing, a MA may be granted, for the same therapeutic indication, to a similar drug if:

- the holder of the MA for the original orphan drug has given its consent to the second applicant;
- the holder of the MA for the original orphan drug is unable to supply sufficient quantities of the drug; or
- the second applicant can establish in the application that the second drug, although similar to the orphan drug already authorized, is safer, more effective or otherwise clinically superior.

Regulation (EC) No 847/2000 lays down definitions of the concepts ‘similar drug’ and ‘clinical superiority’. Other incentives available to orphan drugs in the European Union include financial incentives such as a reduction of fees or fee waivers and protocol assistance. Orphan drug designation does not shorten the duration of the regulatory review and approval process.

Other European Regulatory Matters

French Regulatory Framework

In the European Union, the regulation governing clinical trials is currently based on Directive 2001/20/EC of April 4, 2001 relative to the implementation of good clinical practices in the conduct of clinical trials on medicinal products for human use. Each Member State of the European Union had to transpose this Directive into national law, which resulted in Member States adapting it to their own regulatory framework.

In France, for example, Directive No. 2001/20/EC has been implemented by Act Law 2004-806 of August 9, 2004 regarding the public health policy and Decree 2006-477 of April 26, 2006, modifying the section of the Public Health Code, or PHC, on biomedical research. Law No. 2012-300 of March 5, 2012, or the “Loi Jardé,” related to biomedical research involving human subjects, and French Order No. 2016-800 related to clinical trials of medicinal products for human use have recently adapted French law to the new provisions of Regulation No. 536/2014 of the European Parliament and of the Council of April 16, 2014 related to clinical trials of medicinal products for human use, which repealed Directive 2001/20/EC. Law 2004-806 abolishes the prior notification procedure introduced by the Law Huriet-Sérusclat of December 20, 1988. Indeed, Article L. 1121-4 of the PHC, as amended by Law 2004-806, establishes a system of prior authorization. This authorization is granted by the French Medicines Agency, or ANSM, provided that the competent Ethics Committee issued a favorable opinion. All research now requires a prior favorable opinion from an ethics committee. Under Article L. 1123-7 of the PHC, the Ethics

Committee shall assess whether the conditions in which the trial will be conducted are valid. This assessment should be based on whether: adequate protection is offered to individuals, in particular to participants; adequate information is provided to the participants and appropriate procedure is in place to obtain their informed consent; the project is relevant; the benefits/risks assessment is satisfactory; the objectives of the trial are adequate to the means implemented; the qualification of the investigator(s) is satisfactory; the conditions and amount of patients' remuneration is compliant; and the method for recruiting participants is adequate. The ANSM, after submission of the complete file containing not only information on the clinical protocol, but also specific product data and its quality control, as well as results of preclinical studies, may inform the sponsor that it objects to the implementation of the research. The sponsor can then modify the contents of its research project and submit this amended or supplemented request to the ANSM; this procedure may not, however, be applied more than once. If the sponsor does not alter the content of its request, the request is considered rejected. Under Article R. 1123-38 of the PHC, the time limit for the examination of a request for authorization cannot exceed 60 days from the receipt of the complete file. Finally, under Article L. 1123-11, in the event of risk to public health or if the ANSM considers that the conditions in which the research is implemented no longer correspond to the conditions indicated in the request for authorization or does not comply with the provisions of the Public Health Code, it may at any time request changes to procedures for the realization of research, and suspend or ban this research. The decision of November 24, 2006 sets the rules for Good Clinical Practice, or GCPs, for clinical trials on medicines for human use as referred to in Article L. 1121-3 of the PHC. GCPs aim to ensure both the reliability of data arising from clinical trials and the protection of the persons participating in these clinical trials. GCPs apply to all clinical trials, including pharmacokinetics, bioavailability and bioequivalence studies in healthy volunteers as well as Phase 2 to Phase 4 clinical trials.

Personal data collected during clinical trials should be declared in simplified form to the French Data Protection Agency (*Commission Nationale de l'Informatique et des Libertés*, or CNIL) pursuant to a reference methodology (MR-001). Patients then have a right to access and rectify this data pursuant to Law 78-17 of January 6, 1978, as amended, on data protection.

The main French legislative and regulatory texts relating to the conduct of clinical trials are as follows (which are mainly codified in the French Public Health Code (Articles L. 1121-1 to L. 1126-12 and Articles R. 1121-1 to R. 1125-26)):

- Decree No. 2017/884 of May 9, 2017 modifying regulatory provisions related to research involving human subjects;
- Decree No. 2016-1538 of November 16, 2016 on the Unique Agreement for the implementation of commercial clinical trials involving human beings in health care institutions;
- Decree No. 2016-1537 of November 16, 2016 related to research involving human beings;
- Order No. 2016-800 of June 16, 2016 related to research involving human beings;
- Loi Jardé, Law No. 2012-300 of March 5, 2012, related to biomedical research involving human subjects;
- Law 2004-806 of August 9, 2004 related to the public health policy;
- Decision of December 29, 2015 establishing the rules of Good Manufacturing Practice;
- Law 78-17 of January 6, 1978, as amended, on data protection and its implementing decrees;
- Law 2002-303 of March 4, 2002 and its implementing decrees regarding patient's rights and the quality of the healthcare system;
- Decision No. 2016-262 of July 21, 2016 concerning the standard methodology for the processing of personal data carried out within the context of clinical trials (standard methodology MR-001);
- Decision No. 2016-263 of July 21, 2016 concerning the approval of a standard methodology for processing personal data in the context of research in the field of health, which does not require the express consent of the person involved (methodology MR-003);
- Law 2011-2012 of December 29, 2011 strengthening the safety of medicines and health products;
- Law 2000-230 of March 13, 2000, Decree 2001-272 of March 30, 2001 as amended, and Decree 2002-535 of April 18, 2002, relating to electronic signatures;
- Decree No. 2016-1871 of December 28, 2016 concerning the processing of personal data on the new "National Health Data System" of France; and
- Decision of November 24, 2006 establishing the rules for Good Clinical Practice.

Protection of Clinical Trial Subjects

Under French law, a clinical trial may be undertaken only if (i) it is based on the latest stage of scientific knowledge and on sufficient preclinical testing, (ii) the foreseeable risk incurred by the subjects is outweighed by the benefit expected for these persons or the interest of the research, (iii) it aims at expanding scientific knowledge and the means possible to improve the human condition and (iv) the research was designed to reduce the pain, inconveniences, fear and other predictable inconvenience connected to the disease or to the research, by taking into account in particular the degree of maturity of minors and the capacity of understanding of adults unable to express an informed consent. All these conditions must be fulfilled in order to start a clinical trial. A clinical trial may be undertaken under the following technical conditions: (a) under the direction and the supervision of a qualified physician and (b) under adapted material and technical conditions, compatible with the rigorous imperatives of science and the safety of the clinical trial subjects. Two documents must be provided to clinical trial subjects before the conduct of the trial. First, the patient must receive a patient information sheet which must contain in particular a description of the objective, the methodology and the time period of the research, as well as a description of the alternative treatments, the number of subjects expected to take part in the study, the anticipated benefits, the constraints and the foreseeable risks resulting from the administration of the products that are the object of the clinical trials but also the favorable opinion of the ethics committee and the authorization of the ANSM, and information on processing of personal data. The information communicated must be summarized in a written document delivered to the patient prior to any administration of products by the investigator or a physician. Second, the patient must confirm his or her agreement to participate in the clinical study by signing an informed consent form. For each study, patient information must include a right to refuse to participate and to withdraw consent at any time and by any means without further consequences or prejudice. A clinical trial on a minor may be undertaken only if, in particular, the informed consent of the parents or legal representative has been obtained. Furthermore, a clinical trial on adults under guardianship requires the informed consent of the adult's legal representative.

Declaration of Financial Interests

Act No. 2011-2012 of December 29, 2011, aimed at strengthening the health safety of medicinal and health products, as amended (and its implementing decrees), introduced into French law certain provisions regarding transparency of fees received by some healthcare professionals from industries, i.e. companies manufacturing or marketing health products that are reimbursed under the French social security system (Article L.4113-6 of the French Public Health Code). These provisions have been recently extended and redefined by Decree No. 2016-1939 of December 28, 2016, which clarified French "Sunshine" regulations. The decree notably provides that companies manufacturing or marketing health care products (medicinal products, medical devices, etc.) in France shall publicly disclose (mainly on a specific public website available at: https://www.entreprises-transparence.sante.gouv.fr) the advantages and fees paid to healthcare professionals amounting to 10 euros or above, as well as the agreements concluded with the latter, along with detailed information about each agreement (the precise subject matter of the agreement, the date of signature of the agreement, its end date, the total amount paid to the healthcare professional, etc.). Act No. 2011-2012 also reinforced the French anti-gift rules and Order No. 2017-49 of January 19, 2017 amended the law and expanded the scope of the general prohibition of payments from pharmaceutical and device manufacturers to healthcare professionals. The changes of the anti-gift rules will only enter into force after the publication of implementing measures, which is expected to occur by July 2018.

French Pharmaceutical Company Status

We have the regulated status of pharmaceutical establishment and operating company, which allows us to manufacture and market our product candidates. Obtaining a pharmaceutical establishment license, either as a distributor or as a manufacturer requires the submission of an application dossier to the ANSM. The application package will vary depending on the type of application (distribution license or manufacturing license). The ANSM grants such license after verifying that the company has adequate premises, the necessary personnel and adequate procedures to carry out the proposed pharmaceutical activities.

Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we obtain regulatory approval. In the case of GRASPA, we have entered into distribution arrangements with Orphan Europe and Teva for marketing in Europe and Israel, respectively, and those third parties will be responsible for obtaining coverage and reimbursement for GRASPA in those territories if it is approved. Sales of our products will depend, in part, on the extent to which our products, once approved, will be covered and reimbursed by third-party

payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly reducing reimbursement levels for medical products and services. The process for determining whether a third-party payor will provide coverage for a drug product typically is separate from the process for setting the price of a drug product or for establishing the reimbursement rate that a payor will pay for the drug product once coverage is approved. Third-party payors may limit coverage to specific drug products on an approved list, also known as a formulary, which might not include all of the approved drugs for a particular indication.

To secure coverage and reimbursement for any product candidate that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product candidate, in addition to the costs required to obtain FDA or other comparable regulatory approvals. Whether or not we conduct such studies, our product candidates may not be considered medically necessary or cost-effective. A third-party payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage, and adequate reimbursement, for the product. Third-party reimbursement may not be sufficient to enable us to maintain price levels high enough to realize an appropriate return on our investment in product development.

The containment of healthcare costs has become a priority of federal and state governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement, utilization management and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results. Decreases in third-party reimbursement for our product candidates or a decision by a third-party payor to not cover our product candidates could reduce physician usage of the product candidates and could have a material adverse effect on our sales, results of operations and financial condition.

For example, the Patient Protection and Affordable Care Act, or ACA, enacted in the United States in March 2010, has already had, and is expected to continue to have, a significant impact on the health care industry. The ACA has expanded coverage for the uninsured while at the same time containing overall healthcare costs. With regard to pharmaceutical products, among other things, the ACA expanded and increased industry rebates for drugs covered under Medicaid programs and made changes to the coverage requirements under the Medicare Part D program. Since its enactment there have been judicial and Congressional challenges to certain aspects of the ACA. As a result, there have been delays in the implementation of, and action taken to repeal or replace, certain aspects of the ACA. For example, in May 2017, the U.S. House of Representatives passed legislation known as the American Health Care Act of 2017, and in June 2017, a bill titled the Better Care Reconciliation Act of 2017 was released by U.S. Senate Republicans, but was not passed by the full Senate. The prospects for further Congressional action remain uncertain. We continue to evaluate the effect that the ACA and its possible repeal and replacement has on our business. We cannot predict the full impact of the ACA on pharmaceutical companies, as many of the ACA reforms require the promulgation of detailed regulations implementing the statutory provisions, which has not yet occurred.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, on August 2, 2011, the Budget Control Act of 2011 among other things, created measures for spending reductions by Congress. Specifically, the Joint Select Committee on Deficit Reduction was created to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction of at least $1.2 trillion for the years 2012 through 2021, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, started in April 2013 and which, due to subsequent legislative amendments, will stay in effect through 2025 unless additional Congressional action is taken. Additionally, on January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, or the ATRA, which delayed for another two months the budget cuts mandated by these sequestration provisions of the Budget Control Act of 2011. The ATRA, among other things, also reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. For example,

there have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare and reform government program reimbursement methodologies for drug products. We expect that additional federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, and in turn could significantly reduce the projected value of certain development projects and reduce our profitability.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. For example, in France, effective market access will be supported by agreements with hospitals and products may be reimbursed by the Social Security Fund. The price of medicines is negotiated with the Economic Committee for Health Products, or CEPS. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.

Other Healthcare Laws and Compliance Requirements

Our business operations in the United States and our arrangements with clinical investigators, healthcare providers, consultants, third party payors and patients may expose us to broadly applicable federal and state fraud and abuse and other healthcare laws. These laws may impact, among other things, our research, proposed sales, marketing and education programs of our product candidates that obtain marketing approval. The laws that may affect our ability to operate include, among others:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying remuneration (including any kickback, bribe or rebate), directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order, or recommendation of, an item, good, facility or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs;
- federal civil and criminal false claims laws and civil monetary penalty laws, including the federal civil False Claims Act, which impose penalties and provide for civil whistleblower or qui tam actions against individuals and entities for, among other things, knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payers that are false or fraudulent, or making a false statement or record material to payment of a false claim or avoiding, decreasing, or concealing an obligation to pay money to the federal government, including for example, providing inaccurate billing or coding information to customers or promoting a product off-label;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit knowingly and willfully executing or attempting to execute a scheme to defraud any healthcare benefit program, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willingly falsifying, concealing or covering up a material fact or making materially false statements, fictitious, or fraudulent statements in connection with the delivery of or payment for healthcare benefits, items, or services;
- the federal Physician Payments Sunshine Act, enacted as part of the ACA, which requires applicable manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to track and annually report to CMS payments and other transfers of value provided to physicians and teaching hospitals and certain ownership and investment interests held by physicians or their immediate family members;
- HIPAA, as amended by the Health Information Technology and Clinical Health Act, or HITECH, and its implementing regulations, which imposes certain requirements on covered entities and their business

associates that perform functions or activities that involve HIPAA Protected Health Information on their behalf relating to the privacy, security and transmission of individually identifiable health information; and

- State and/or foreign equivalents of each of the above federal laws and regulations, such as: state anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers; state marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements; state laws that require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; and state and/or foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect as HIPAA, thus complicating compliance efforts.

The ACA broadened the reach of the federal fraud and abuse laws by, among other things, amending the intent requirement of the federal Anti-Kickback Statute and certain federal criminal healthcare fraud statutes. Pursuant to the statutory amendment, a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the ACA provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act or the civil monetary penalties statute.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to, for example, significant administrative, civil, and/or criminal penalties, damages, fines, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, individual imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations. If the physicians or other healthcare providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to administrative, civil, and/or criminal sanctions, including exclusions from government funded healthcare programs.

Employees

At June 30, 2017, we had 92 full-time employees. We consider our labor relations to be positive. At each date shown, we had the following full-time equivalents, broken out by department and geography:

	AT DECEMBER 31,			AT JUNE 30,
	2014	2015	2016	2017
Function:				
Research and preclinical development	14	17	21	22
Clinical, medical and regulatory affairs	5	9	17	23
Manufacturing operations	9	14	21	24
Management and administration	15	16	25	23
Total	43	56	84	92
Geography:				
France	43	52	76	82
United States	—	4	8	10

Facilities

We lease office and laboratory space, which together consist of approximately 1,800 square meters, in Lyon, France. The lease for this facility expires in June 2024, and we have the ability to terminate the lease early in either June 2019 or June 2021. We believe our current leased space is sufficient to meet our current needs in Europe. In addition, we have an agreement with the American Red Cross that provides us with a production facility in Philadelphia, Pennsylvania. We lease 2,152 square feet of office space in Cambridge, Massachusetts under a lease that expires in 2019. We anticipate leasing additional office and manufacturing space in the United States in connection with the expansion of our clinical trials and preparing for commercialization activities.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information concerning our executive officers and directors as of August 31, 2017:

NAME	AGE	POSITION(S)
Executive Officers		
Gil Beyen	56	Chief Executive Officer and Chairman of the Board
Eric Soyer	51	Chief Financial Officer and Chief Operating Officer
Jean-Sébastien Cleiftie	44	Chief Business Officer
Iman El-Hariry, M.D., Ph.D. (1)	57	Chief Medical Officer
Alexander Scheer, Ph.D.	55	Chief Scientific Officer
Jérôme Bailly, Pharm.D.	38	Vice President and Director of Pharmaceutical Operations and Qualified Person
Non-Employee Directors		
Sven Andréasson (2)(3)(4)	64	Director
Philippe Archinard, Ph.D. (2)(3)(5)	57	Director
Allene Diaz (3)(5)	53	Director
Luc Dochez, Pharm.D. (2)(5)	42	Director
Martine Ortin George, M.D. (5)	69	Director
Hilde Windels (2)(6)	51	Director

(1) Employee of our wholly-owned U.S. subsidiary, ERYTECH Pharma, Inc.

(2) Member of the audit committee.

(3) Member of the remunerations and appointment committee.

(4) As representative of Galenos SPRL, the legal entity that holds this board seat.

(5) Member of the clinical strategy committee.

(6) As representative of BVBA Hilde Windels, the legal entity that hold this board seat.

Executive Officers

Gil Beyen has served as our Chief Executive Officer since May 2013 and Chairman of the Board since August 2013. Prior to his appointment as Chief Executive Officer, he assisted our company in a consulting role as of 2012 and also served as Chairman of our supervisory board from August 2012 until May 2013. Between 2000 and 2013, Mr. Beyen was Chief Executive Officer and director of TiGenix, a company he co-founded. He previously served as the head of the Life Sciences division of Arthur D. Little, an international management consulting firm, in Brussels. Mr. Beyen received an M.S. in Bioengineering from the University of Leuven (Belgium) and an M.B.A. from the University of Chicago.

Eric Soyer has served as our Chief Financial Officer and Chief Operating Officer since September 2015. Prior to his appointment as our Chief Financial Officer, he served for eight years as Chief Financial Officer of EDAP TMS S.A., a French therapeutic ultrasound company. He also was Managing Director of the French affiliate of EDAP TMS from May 2012 to August 2015, and previously was EDAP TMS's Executive Vice President of Finance, Human Resources and Administration from December 2006 to May 2012. From 2005 to 2006, he served as Chief Financial Officer for Medica, a company operating nursing homes and post-care clinics throughout France and Italy. From 1999 to 2005, he served in various positions of increasing responsibility for April Group, an insurance services company. He has international experience as a controller and cost accountant for Michelin Group in France, the United States and Africa. Mr. Soyer graduated from the ESC Clermont School of Management (France) and holds an M.B.A. from the University of Kansas and an Executive M.B.A. from the HEC Paris School of Management (France).

Jean-Sébastien Cleiftie has served as our Chief Business Officer since October 2016. Prior to joining us, he served as Associate Vice-President, Global Business Development & Licensing at Sanofi in Paris, France from October 2010 to August 2016. Prior to joining Sanofi, Mr. Cleiftie served as a principal at Innoven Partners, a European venture capital firm focused on investments in the healthcare and information technology industries in Europe and the

United States, from February 2004 to October 2010. From 1997 to 1999, Mr. Cleiftie was a research scientist with Aventis (now Sanofi) in the fields of immunotherapy and gene therapy for cancer. Mr. Cleiftie holds an M.S. in Biological & Medical Sciences and an M.S. in Immunology from the University of Paris V, and received his M.B.A from Cornell University.

Iman El-Hariry, M.D., Ph.D. has served as our Chief Medical Officer and employee of our wholly-owned U.S. subsidiary, ERYTECH Pharma, Inc., since June 2015. Prior to her appointment as Chief Medical Officer, she served as President of Azure Oncology Consulting from July 2014 to June 2015 and also assisted us in a consulting role from November 2014 to June 2015. Dr. El-Hariry served as Vice President of Clinical Research at Synta Pharmaceuticals from November 2010 to July 2014 and as Global Head of Oncology at Astellas Pharma, Inc. from June 2009 to July 2010. From 2001 to 2009, she served as Director of Clinical Development, Oncology at Glaxo Smith Kline. Dr. El-Hariry is a licensed oncologist with an M.D. from Alexandria Medical School (Egypt) and a Ph.D. in Cancer Research from Imperial College of Science and Medicine (United Kingdom).

Alexander Scheer, Ph.D. has served as our Chief Scientific Officer since October 2016. Prior to joining us, he served as the Head of Research at Pierre Fabre Laboratories, a pharmaceutical company, in France from 2014 to 2016, and also served as a Deputy Head of Research at Pierre Fabre from 2012 to 2014. Prior to joining Pierre Fabre, Dr. Scheer served as a Director, Global Research Informatics & Knowledge Management R&D and Project Leader, Neglected Diseases at Merck Serono in Switzerland from 2007 to 2012. From 2001 to 2007, Dr. Scheer served as Head of Molecular Screening and Cellular Pharmacology Department, Group Leader of Biochemical Pharmacology and Research Scientist at Merck Serono. Dr. Scheer holds a B.Sc. in Natural Sciences and M.Sc. in Chemistry, both from the University of Gottingen (Germany), and a Ph.D. in Chemistry and Biochemistry from the German Cancer Research Center.

Jérôme Bailly, Pharm.D. has served as our Qualified Person since December 2011, as our Director of Pharmaceutical Operations since 2007 and as a Vice President and *Directeur Général Délégué*, or Deputy General Manager, since 2017. Prior to 2007, he was the Director of QA/Production at Skyepharma and Laboratoire Aguettant. Dr. Bailly holds a Pharm.D. and a degree in Chemical Engineering, specializing in Biopharmaceutical Engineering and Cellular Production from École Polytechnique de Montréal (Canada).

Non-Employee Directors

Sven Andréasson has served as a member of our board of directors since 2013 and has served as representative of Galenos SPRL, the legal entity that holds this board seat, since 2014. He also served as a member of our supervisory board from 2009 to May 2013. Mr. Andréasson has served as Senior Vice President, Corporate Development for Novavax, Inc., a pharmaceutical company, since June 2014. From 2012 to 2013, he served as Chief Executive Officer of Isconova AB, a leading international vaccine adjuvant company acquired by Novavax in 2013, currently operating as Novavax AB. Prior to his role at Novavax AB, he served as Chief Executive Officer of Beta-Cell N.V. from 2008 to 2012 and as Chief Executive Officer of Active Biotech AB from 1999 to 2008. Mr. Andréasson spent a number of years in roles at Pharmacia Corporation (merged with Pfizer Inc.), including President of Pharmacia SA, France, President of KabiPharmacia International and President of Pharmacia Arzneimittel GmbH. Mr. Andréasson received his B.S. in Business Administration and Economics from the Stockholm School of Economics (Sweden).

Philippe Archinard, Ph.D. has served as a member of our board of directors since 2013. Dr. Archinard was appointed General Manager, Chief Executive Officer and director of Transgene in December 2004, after spending 15 years in various senior positions with bioMérieux, a multinational biotechnology company, including directing its U.S. subsidiary. He has served as a member of bioMérieux's board of directors since 2005. He also serves as Chief Executive Officer of Innogenetics N.V., a position he has held since March 2000. Dr. Archinard is a chemical engineer, holds a Ph.D. in biochemistry from the University of Lyon (France), and completed Harvard Business School's Program of Management PMD.

Allene Diaz has served as a member of our board of directors since 2017. She currently serves as Senior Vice President, Global Commercial Development at TESARO, Inc., a biopharmaceutical company, a position she has held since May 2015. Prior to joining TESARO, Ms. Diaz served as Senior Vice President, Managed Markets at EMD Serono, an affiliate of Merck KGaA, Darmstadt, Germany, from October 2013 to May 2015. Previously from June

2008 to October 2013, Ms. Diaz also held the positions of Senior Vice President, Head of Oncology Commercial, U.S. and Vice President, Oncology Marketing at EMD Serono, where she oversaw the commercial pre-launch efforts for EMD Serono's oncology products. Ms. Diaz has held executive, management and/or line positions at other companies including Amylin Pharmaceuticals, Cancervax Corporation, Biogen Idec, Pfizer Inc. and Parke-Davis Pharmaceuticals. Ms. Diaz received her B.Sc. from Florida State University. She has also attended executive education programs at the London School of Business and Finance, University of Michigan School of Business, China Europe International Business School (Shanghai, China), Stanford University School of Business and INSEAD (Fontainebleau, France).

Luc Dochez, *Pharm.D.* has served as a member of our board of directors since 2015. He serves as Chief Executive Officer of Tusk Therapeutics N.V. and Ltd., a private company focused on developing novel immuno-oncology products. Mr. Dochez has over 15 years of experience in the biotechnology industry. He served as the Chief Business Officer and Senior Vice President of Business Development of Prosensa Holding N.V., a biotechnology company, from November 2008 until its acquisition by BioMarin Pharmaceutical Inc. in January 2015. Before joining Prosensa, he served as Vice President of Business Development at TiGenix, Director Business Development at Methexis Genomics, and a consultant at Arthur D. Little. Mr. Dochez holds a Pharm.D. degree and a postgraduate degree in business economics from the University of Leuven (Belgium) and an M.B.A. degree from Vlerick Management School (Belgium).

Martine Ortin George, M.D. has served as a member of our board of directors since 2014. She currently serves as principal and senior executive consultant-life sciences for Global Development Inc. Dr. George most recently held the position of Vice President in charge of Global Medical Affairs for Oncology at Pfizer Inc. from 2010 to 2015. Previously, Dr. George held the positions of Senior Vice President and Chief Medical Officer at GPC Biotech and Senior Vice President, Head of the Oncology Department at Johnson & Johnson. She is a qualified gynecologist and oncologist, trained in France and in Montreal. Dr. George began her career as Chief of Service at the Institut Gustave Roussy (France), was a visiting professor at the Memorial Sloan Kettering Cancer Center, and then held positions of increasing responsibility at Lederle Laboratories (a predecessor company to Pfizer Inc.), Sandoz (now a division of Novartis AG) and Rhône-Poulenc Rorer (today part of Sanofi).

Hilde Windels has served as a member of our board of directors since 2014 and has served as the representative of BVBA Hilde Windels, the legal entity that holds this seat, since 2017. She serves as Chief Executive Officer, ad interim, of Biocartis, a molecular diagnostics company based in Belgium. Ms. Windels served as Chief Financial Officer of Devgen from 1999 to 2008 and as a member of its board of directors from 2001 to 2008. From early 2009 to mid-2011, she worked as an independent chief financial officer for several private biotechnology companies and served as a director of MDxHealth from June 2010 until August 2011. She holds a degree in Economics from the University of Leuven (Belgium).

Family Relationships

There are no family relationships among any of our executive officers or directors.

Board Composition

Until May 2013, our company had a two-tier corporate governance system: an executive board was responsible for managing the company and a supervisory board oversaw and advised the executive board. We have now established a board of directors. Our board of directors currently consists of seven members, less than a majority of whom are citizens or residents of the United States. As permitted by French law, two of our directors, Galenos SPRL and BVBA Hilde Windels, are legal entities. Each of these entities has designated an individual, Sven Andréasson and Hilde Windels, respectively, to represent it and to act on its behalf at meetings of our board of directors. These representatives have the same responsibilities to us and to our shareholders as he or she would have if he or she had been elected to our board of directors in his or her individual capacity.

Under French law and our bylaws, our board of directors must be comprised of between three and 18 members, without prejudice to the derogation established by law in the event of merger. Since January 1, 2017, the number of directors of each gender may not be less than 40%. Any appointment made in violation of this limit that is not remedied within six months of this appointment will be null and void. Within these limits, the number of directors is

determined by our shareholders. Directors are appointed, reappointed to their position, or removed by the company's ordinary general meeting, and in particular, any appointment which remedies a violation of the 40% limit must be ratified by our shareholders at the next ordinary general meeting. Their term of office, in accordance with our bylaws, is three years. Directors chosen or appointed to fill a vacancy must be elected by our board of directors for the remaining duration of the current term of the vacant director. The appointment must then be ratified at the next shareholders' general meeting. In the event the board of directors would be comprised of less than three directors as a result of a vacancy, the remaining directors shall immediately convene a shareholders' general meeting to elect one or several new directors so there are at least three directors serving on the board of directors, in accordance with French law.

The following table sets forth the names of our directors, the years of their initial appointment as directors of the board and the expiration dates of their current term.

	CURRENT POSITION	YEAR OF INITIAL APPOINTMENT	TERM EXPIRATION YEAR
Gil Beyen	Chairman	2013	2019
Galenos SPRL represented by Sven Andréasson (1)	Director	2014	2019
Philippe Archinard	Director	2013	2019
Allene Diaz (2)	Director	2017	2020
Luc Dochez	Director	2015	2019
Martine Ortin George	Director	2014	2020
BVBA Hilde Windels represented by Hilde Windels (3)	Director	2017	2020

(1) Galenos SPRL has designated an individual, Sven Andréasson, to represent it and to act on its behalf at meetings of our board of directors. Mr. Andréasson previously served as a member of our board from 2013 to 2014. Galenos SPRL is a company controlled by Mr. Andréasson.

(2) Ms. Diaz was initially appointed to our board of directors as a non-voting member (*censeur*) in September 2016 and was subsequently appointed by our board of directors as a voting board member of the board in January 2017. Her appointment was ratified by our shareholders at our combined general meeting in June 2017.

(3) BVBA Hilde Windels was appointed as a director by our shareholders at our combined general meeting in June 2017. BVBA Hilde Windels has designated an individual, Hilde Windels, to represent it and to act on its behalf at meetings of our board of directors. She served as a member of the board of directors in her individual capacity from 2014 to 2017. BVBA Hilde Windels is a company controlled by Ms. Windels.

Director Independence

As a foreign private issuer, under the listing requirements and rules of the Nasdaq Global Market, we are not required to have independent directors on our board of directors, except to the extent that our audit committee is required to consist of independent directors, subject to certain phase-in schedules. Nevertheless, our board of directors has undertaken a review of the independence of the directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from, and provided by, each director concerning such director's background, employment and affiliations, including family relationships, our board of directors determined that all of our directors, except for Mr. Beyen, qualify as "independent directors" as defined under applicable rules of the Nasdaq Global Market and the independence requirements contemplated by Rule 10A-3 under the Exchange Act. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our ordinary shares by each non-employee director and his or her affiliated entities (if any).

Role of the Board in Risk Oversight

Our board of directors is primarily responsible for the oversight of our risk management activities and has delegated to the audit committee the responsibility to assist our board in this task. The audit committee also monitors our system of disclosure controls and procedures and internal control over financial reporting and reviews contingent financial liabilities. The audit committee, among other things, examines our balance sheet commitments and risks and the relevance of risk monitoring procedures. While our board oversees our risk management, our management is responsible for day-to-day risk management processes. Our board of directors expects our management to consider

risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the board of directors. We believe this division of responsibilities is the most effective approach for addressing the risks we face.

Corporate Governance Practices

As a French *société anonyme*, we are subject to various corporate governance requirements under French law. In addition, as a foreign private issuer listed on the Nasdaq Global Market, we will be subject to Nasdaq corporate governance listing standards. However, the corporate governance standards provide that foreign private issuers are permitted to follow home country corporate governance practices in lieu of Nasdaq rules, with certain exceptions. We intend to rely on these exemptions for foreign private issuers and follow French corporate governance practices in lieu of the Nasdaq corporate governance rules, which would otherwise require that (1) a majority of our board of directors consist of independent directors; (2) we establish a nominating and corporate governance committee; and (3) our remuneration committee be composed entirely of independent directors.

As a foreign private issuer, we are required to comply with Rule 10A-3 of the Exchange Act, relating to audit committee composition and responsibilities. Rule 10A-3 provides that the audit committee must have direct responsibility for the nomination, compensation and choice of our auditors, as well as control over the performance of their duties, management of complaints made, and selection of consultants. However, if the laws of a foreign private issuer's home country require that any such matter be approved by the board of directors or the shareholders, the audit committee's responsibilities or powers with respect to such matter may instead be advisory. Under French law, the audit committee may only have an advisory role and appointment of our statutory auditors, in particular, must be decided by the shareholders at our annual meeting.

In addition, Nasdaq rules require that a listed company specify that the quorum for any meeting of the holders of common stock be at least 33 1/3% of the outstanding shares of the company's voting stock. Consistent with French law, our bylaws provide that a quorum requires the presence of shareholders having at least (1) 20% of the shares entitled to vote in the case of an ordinary shareholders' general meeting or at an extraordinary shareholders' general meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, or (2) 25% of the shares entitled to vote in the case of any other extraordinary shareholders' general meeting. If a quorum is not present, the meeting is adjourned. There is no quorum requirement when an ordinary general meeting is reconvened, but the reconvened meeting may consider only questions which were on the agenda of the adjourned meeting. When an extraordinary general meeting is reconvened, the quorum required is 20% of the shares entitled to vote, except where the reconvened meeting is considering capital increases through capitalization of reserves, profits or share premium. For these matters, no quorum is required at the reconvened meeting. If a quorum is not present at a reconvened meeting requiring a quorum, then the meeting may be adjourned for a maximum of two months. See the section of this prospectus titled "Description of Share Capital—Key Provisions of Our Bylaws and French Law Affecting Our Ordinary Shares."

Board Committees

The board of directors has established an audit committee and a remuneration and appointments committee, which operate pursuant to rules of procedure adopted by our board of directors. The board of directors has also established a clinical strategy committee, which is responsible for analyzing and reviewing our clinical and regulatory strategy. Subject to available exemptions, the composition and functioning of all of our committees will comply with all applicable requirements of the French Commercial Code, the Exchange Act, the Nasdaq Global Market and SEC rules and regulations.

In accordance with French law, committees of our board of directors will only have an advisory role and can only make recommendations to our board of directors. As a result, decisions will be made by our board of directors taking into account non-binding recommendations of the relevant board committee.

Audit Committee. Our audit committee assists our board of directors in its oversight of our corporate accounting and financial reporting and submits the selection of our statutory auditors, their remuneration and independence for approval. Mr. Andréasson, Dr. Archinard, Ms. Windels and Mr. Dochez currently serve on our audit committee. Ms. Windels is the chairperson of our audit committee. Our board has determined that each of Mr. Andréasson, Dr. Archinard, Ms. Windels and Mr. Dochez is independent within the meaning of the applicable listing rules and the

independence requirements contemplated by Rule 10A-3 under the Exchange Act. Our board of directors has further determined that Ms. Windels is an "audit committee financial expert" as defined by SEC rules and regulations and that each of the members qualifies as financially sophisticated under the applicable exchange listing rules. The principal responsibility of our audit committee is to monitor the existence and efficacy of the company's financial audit and risk control procedures on an ongoing basis.

Our board of directors has specifically assigned the following duties to the audit committee:

- examining the corporate and consolidated annual and interim financial statements;
- validating the relevance of the company's accounting methods and choices;
- verifying the relevance of financial information published by the company;
- ensuring the implementation of internal control procedures;
- verifying the correct operation of internal controls with the assistance of internal quality audits;
- examining the schedule of work for internal and external audits;
- examining any subject likely to have a significant financial and accounting impact;
- examining the state of significant disputes;
- examining off-balance sheet commitments and risks;
- examining the relevance of risk monitoring procedures;
- establishing and overseeing procedures for the treatment of complaints or submissions identifying concerns regarding accounting, internal accounting controls, or auditing matters;
- examining any regulated agreements;
- directing the selection of statutory auditors, their remuneration, and ensuring their independence;
- ensuring proper performance of the statutory auditors' mission; and
- establishing the rules for the use of statutory auditors for work other than auditing of the accounts and verifying the correct execution thereof.

Remuneration and Appointments Committee. Mr. Andréasson, Dr. Archinard and Ms. Diaz currently serve on our remuneration and appointments committee. Dr. Archinard is the chairperson of our remuneration and appointments committee.

Our board of directors has specifically assigned the following duties to the remuneration and appointments committee:

- formulating recommendations and proposals concerning (i) the various elements of the remuneration, pension and health insurance plans for executive officers and directors, (ii) the procedures for establishing the terms and conditions for setting the variable portion of their remunerations, and (iii) a general policy for awarding share warrants and founder's warrants;
- examining the amount of attendance fees and the system for distributing such fees amongst the directors, taking into account their dedication and the tasks performed within the board of directors;
- advising and assisting the board of directors as necessary in the selection of senior executives and the establishment of their remuneration;
- assessing any increases in capital reserved for employees;
- assisting the board of directors in the selection and recruitment of new directors;
- ensuring the implementation of structures and procedures to allow the application of good governance practices within the company;
- preventing conflicts of interest within the board of directors; and
- implementing the procedure for evaluating the board of directors.

Code of Business Conduct and Ethics

In connection with the global offering, we intend to adopt a Code of Business Conduct and Ethics, or the Code of Conduct, applicable to all of our employees, executive officers and directors. Following the closing of the global

offering, the Code of Conduct will be available on our website at www.erytech.com. The audit committee of our board of directors is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for employees, executive officers and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website.

Compensation of Directors and Executive Officers

The aggregate compensation paid and benefits in kind granted by us to our current executive officers and directors, including share-based compensation, for the year ended December 31, 2016 was €1.4 million. For the year ended December 31, 2016, we did not allocate any amounts to be set aside or accrued to provide pension, retirement or similar benefits to our directors or executive officers.

Director Compensation

At our combined general meetings of shareholders held on June 24, 2016 and June 27, 2017, shareholders set the total annual attendance fees (*jetons de présence*) to be distributed among non-employee directors at €240,000 and €280,000, respectively. The following table sets forth information regarding the compensation earned by our non-employee directors for service on our board of directors during the year ended December 31, 2016.

NAME	FEES EARNED (€)	WARRANTS (€)	TOTAL (€)
Galenos SPRL	46,000	39,690	85,690
Philippe Archinard	46,000	39,690	85,690
Martine Ortin George	30,000	39,690	69,690
Hilde Windels	34,000	39,690	73,690
Luc Dochez	28,000	39,690	67,690

Executive Director Compensation

The following table sets forth information regarding compensation earned by Gil Beyen, our Chairman and Chief Executive Officer, and by Jérôme Bailly, our Vice President and Director of Pharmaceutical Operations and Qualified Person, during the year ended December 31, 2016.

NAME AND PRINCIPAL POSITION	SALARY (€)	BONUS (€)	EQUITY AWARDS (€)	ALL OTHER COMPENSATION (€)	TOTAL (€)
Gil Beyen *Chief Executive Officer and Chairman of the Board*	276,000 (1)	135,000 (2)	192,491 (3)	7,899 (4)	611,390
Jérôme Bailly *Vice President and Director of Pharmaceutical Operations and Qualified Person*	130,000 (1)	9,000 (2)	255,746 (5)	24,720 (6)	419,466

(1) Reflects gross remuneration before taxes.
(2) Reflects compensation received for achievement of strategic goals related to (i) the advancement of clinical trials with eryaspase, (ii) the advancement of other development programs and (iii) building the organization and securing additional financing.
(3) Reflects €192,491 for the valuation of 21,999 performance shares granted during the year ended December 31, 2016.
(4) Reflects vehicle rental, gas cards and an unemployment insurance policy with the *Garantie Sociale des Chefs et Dirigeants d'Entreprise*.
(5) Reflects (i) €159,487 for the valuation of 1,600 warrants granted during the year ended December 31, 2016 and (ii) €96,259 for the valuation of 11,001 free shares granted during the year ended December 31, 2016.
(6) Reflects (i) gross remuneration before taxes of €21,000 for exceptional compensation and vehicle lease and (ii) €3,720 for gas cards and an unemployment insurance policy with *Garantie Sociale de Chefs et Dirigeants d'Enterprise.*

Executive Compensation Arrangements and Change of Control and Severance Benefits

For a discussion of our employment arrangements with our executive officers, see the section of this prospectus titled "Certain Relationships and Related Person Transactions—Arrangements with Our Directors and Executive Officers." Except for the arrangements described in such section, there are no arrangements or understanding

between us and any of our other executive officers that provide for benefits upon termination of their employment, other than as required by applicable law.

Limitations on Liability and Indemnification Matters

Under French law, provisions of bylaws that limit the liability of directors are ineffective. However, French law allows *sociétés anonymes* to contract for and maintain liability insurance against civil liabilities incurred by any of their directors and officers involved in a third-party action, provided that they acted in good faith and within their capacities as directors or officers of the company. Criminal liability cannot be indemnified under French law, whether directly by the company or through liability insurance.

We have liability insurance for our directors and officers, and intend to obtain insurance coverage for liability under the Securities Act. We also intend to enter into agreements with our directors and executive officers to provide contractual indemnification. With certain exceptions and subject to limitations on indemnification under French law, these agreements will provide for indemnification for damages and expenses including, among other things, attorneys' fees, judgments and settlement amounts incurred by any of these individuals in any action or proceeding arising out of his or her actions in that capacity. We believe that this insurance and these agreements are necessary to attract qualified directors and executive officers.

Certain of our non-employee directors may, through their relationships with their employers or partnerships, be insured against certain liabilities in their capacity as members of our board of directors.

These agreements may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and executive officers, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these insurance agreements.

Equity Incentives

We believe our ability to grant equity incentives is a valuable and necessary compensation tool that allows us to attract and retain the best available personnel for positions of substantial responsibility, provides additional incentives to employees and promotes the success of our business. Due to French corporate law and tax considerations, we have historically granted several different equity incentive instruments to our directors, executive officers, employees and other service providers, including:

- founder's share warrants (otherwise known as *bons de souscription de parts de créateurs d'entreprise*, or BSPCE), which are granted to our officers and employees;
- share warrants (otherwise known as *bons de souscription d'actions*, or BSA), which have historically only been granted to non-employee directors;
- restricted, or free, shares (otherwise known as *actions gratuites*); and
- stock options (otherwise known as *options de souscription et/ou dachat d'actions*).

Our board of directors' authority to grant these equity incentive instruments and the aggregate amount authorized to be granted under these instruments must be approved by a two-thirds majority of the votes held by our shareholders present, represented or voting by authorized means, at the relevant extraordinary shareholders' meeting. Once approved by our shareholders, our board of directors can grant share warrants (BSA) for up to 18 months, and restricted (free) shares and stock options for up to 38 months from the date of the applicable shareholders' approval. The authority of our board of directors to grant equity incentives may be extended or increased only by extraordinary shareholders' meetings. As a result, we typically request that our shareholders authorize new pools of equity incentive instruments at every annual shareholders' meeting.

We have four share-based compensation plans for our executive officers, non-employee directors and employees, the 2012 Plan, the 2014 Plan, the 2016 Plan and the 2017 Plan. In general, founder's share warrants and share warrants no longer continue to vest following termination of the employment, office or service of the holder and all vested shares must be exercised within post-termination exercise periods set forth in the grant documents. In the

event of certain changes in our share capital structure, such as a consolidation or share split or dividend, French law and applicable grant documentation provides for appropriate adjustments of the numbers of shares issuable and/or the exercise price of the outstanding warrants.

As of June 30, 2017, employee warrants, non-employee warrants, employee stock options and free shares were outstanding allowing for the purchase of an aggregate of 825,527 ordinary shares at a weighted average exercise price of €10.2563 ($11.7035) per ordinary share based on the exchange rate in effect as of such date (this weighted average exercise price does not include 209,388 ordinary shares issuable upon the vesting of outstanding free shares that may be issued for free with no exercise price being paid).

Founder's Share Warrants (BSPCE)

Founder's share warrants have traditionally been granted to certain of our employees who were French tax residents because the warrants carry favorable tax and social security treatment for French tax residents. Similar to options, founder's share warrants entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by our board of directors and at least equal to the fair market value of an ordinary share on the date of grant. However, unlike options, the exercise price per share is fixed as of the date of implementation of the plans pursuant to which the warrants may be granted, rather than as of the date of grant of the individual warrants.

We have issued two types of founder's share warrants as follows:

Plan Title	BSPCE 2014	BSPCE 2012
Meeting date	April 2, 2013	May 21, 2012
Dates of allocation	January 22, 2014 June 23, 2015 May 6, 2016	May 31, 2012 July 18, 2013 July 17, 2014
Total number of BSPCEs authorized	19,500 (1)	33,787
Total number of BSPCEs granted	18,410 (2)	33,787
Start date for the exercise of the BSPCEs	For senior management, one-third was vested in T2 2015 and two-thirds were vested in T2 2016; for other employees, immediately upon each grant except for 6,500 BSPCE$_{2014}$ which could not be exercised before July 1, 2017	From May to July 2012, 2013 and 2014
BSPCE expiry date	January 22, 2024	May 20, 2020
BSPCE exercise price per share	€12.250	€7.362
Number of shares subscribed as of June 30, 2017	9,600	168,110
Total number of BSPCEs granted but not exercised as of June 30, 2017	17,450	16,976
Total number of shares available for subscription as of June 30, 2017	174,500	169,760
Maximum number of new shares that can be issued	174,500	169,760

(1) 22,500 BSPCE$_{2014}$ were originally allocated by the board of directors on January 22, 2014. On December 4, 2014, the board of directors approved the conversion of 3,000 BSPCE$_{2014}$ into 3,000 BSA$_{2014}$.

(2) Excludes 1,000 BSPCE initially allocated to Yann Godfrin which were forfeited following his resignation in January 2016 and 90 BSPCE allocated to a former employee which were forfeited.

Our shareholders, or pursuant to delegations granted by our shareholders, our board of directors, determines the recipients of the warrants, the dates of grant, the number and exercise price of the founder's share warrants to be granted, the number of shares issuable upon exercise and certain other terms and conditions of the founder's share warrants, including the period of their exercisability and their vesting schedule. However, notwithstanding any shareholder authorization, under applicable law, we are no longer eligible to issue any further founders' share warrants (BSPCE).

Share Warrants (BSA)

Share warrants have historically only been granted to our non-employee directors. Similar to options, share warrants entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by

our board of directors and at least equal to the fair market value of an ordinary share on the date of grant. However, unlike options, the exercise price per share is fixed as of the date of implementation of the plans pursuant to which the warrants may be granted, rather than as of the date of grant of the individual warrants.

We have issued four types of share warrants as follows:

Plan title	BSA 2017	BSA 2016	BSA 2014	BSA 2012
Meeting date	June 27, 2017	June 24, 2016	April 2, 2013	May 21, 2012
Dates of allocation	June 27, 2017	October 3, 2016 January 8, 2017	June 23, 2015	May 31, 2012 August 3, 2012 July 18, 2013 July 17, 2014 April 29, 2015 August 31, 2015
Total number of BSAs authorized	55,000	60,000	3,000(1)	11,263
Total number of BSAs granted	55,000	60,000	3,000	10,760
Start date for the exercise of the BSAs	(5)	(2)	One-third vested in T2 2015 and two-thirds vested in T2 2016 for senior management	From May to July 2012, 2013, 2014 and 2015
BSA expiry date	(6)	(3)	January 22, 2024	May 20, 2020
BSA exercise price per share	€26.47	(4)	€12.25	€7.362
Number of shares subscribed as of June 30, 2017	0	0	1,000	67,420
Total number of BSAs granted but not exercised as of June 30, 2017	0	60,000	2,900	4,018
Total number of shares available for subscription as of June 30, 2017	0	0	29,000	40,180
Maximum number of new shares that can be issued	55,000	60,000	29,000	40,180

(1) Reflects conversion of 3,000 BSPCE2014 into 3,000 BSA2014 pursuant to a decision of the board of directors on December 4, 2014.
(2) For the 45,000 BSA2016 granted on October 3, 2016, half can be exercised as from October 4, 2017. The remainder can be exercised as from October 4, 2018. For the 15,000 BSA2016 granted on January 8, 2017, one-third can be exercised as from January 8, 2018, one-third as from January 8, 2019 and the remainder as from January 8, 2020.
(3) October 3, 2021 for the 45,000 BSA granted on October 3, 2016. January 8, 2022 for the 15,000 BSA granted on January 8, 2017.
(4) €18.52 for the 45,000 BSA granted on October 3, 2016. €13.60 for the 15,000 BSA granted on January 8, 2017.
(5) Approximately one-third can be exercised as from June 27, 2018, approximately one-third can be exercised as from June 27, 2019 and the remainder can be exercised as from June 27, 2020.
(6) June 27, 2022.

Our shareholders, or pursuant to delegations granted by our shareholders, our board of directors, determines the recipients of the warrants, the dates of grant, the number and exercise price of the share warrants to be granted, the number of shares issuable upon exercise and certain other terms and conditions of the share warrants, including the period of their exercisability and their vesting schedule.

Free Shares (AGA)

Under our 2016 Free Share Plan, which was adopted by our board of directors on October 3, 2016, we have granted free shares to certain of our employees and officers.

Free shares may be granted to any individual employed by us or by any affiliated company. Free shares may also be granted to our Chairman and our Chief Executive Officer. However, no free share may be granted to a beneficiary holding more than 10% of our share capital or to a beneficiary who would hold more than 10% of our share capital as a result of such grant. The maximum number of shares that may be granted or issued under the 2016 Free Share Plan is 250,000. In addition, under French law, the maximum number of shares that may be granted shall not exceed 10% of the share capital as at the date of grant of the free shares (30% if the allocation benefits all employees).

Our board of directors has the authority to administer the 2016 Free Share Plan. Subject to the terms of the 2016 Free Share Plan, our board of directors determines the recipients, the dates of grant, the number of free shares to be granted and the terms and conditions of the free shares, including the length of their vesting period (starting on the grant date, during which the beneficiary holds a right to acquire shares for free but has not yet acquired any shares) and holding period (starting when the shares are issued and definitively acquired but may not be transferred by the recipient) within the limits determined by the shareholders. Our shareholders have determined that the vesting period should be set by the board of directors and should not be less than one year from the date of grant and that the optimal holding period should be set by the board of directors. From the beginning of the vesting period, the cumulated vesting and holding period should not be less than two years.

The board of directors has the authority to modify awards outstanding under our 2016 Free Share Plan, subject to the consent of the beneficiary for any modification adverse to such beneficiary. For example, the board has the authority to release a beneficiary from the continued service condition during the vesting period after the termination of the employment.

The free shares granted under our 2016 Free Share Plan will be definitively acquired at the end of the vesting period as set by our board of directors subject to continued service during the vesting period, except if the board releases a given beneficiary from this condition upon termination of his or her employment contract. At the end of the vesting period, the beneficiary will be the owner of the shares. However, the shares may not be sold, transferred or pledged during the holding period. In the event of disability before the end of the vesting period, the free shares shall be definitively acquired by the beneficiary on the date of disability. In the event the beneficiary dies during the vesting period, the free shares shall be definitively acquired at the date of the request of allocation made by his or her beneficiaries in the framework of the inheritance provided that such request is made within six months from the date of death.

In 2016, the board granted an aggregate of 111,261 free shares under the 2016 Free Share Plan which will vest as follows:

			HOLDING PERIOD			
	NUMBER OF FREE SHARES	VESTING PERIOD	FOR NON-CORPORATE OFFICERS	FOR CORPORATE OFFICERS		EXERCISABLE (SUBJECT TO PERFORMANCE CONDITIONS)
AGA Tranche 1	37,087	One year	One year	One year	10% of the	October 3, 2018
AGA Tranche 2	37,087	Two years	None		cumulated free shares	October 3, 2018
AGA Tranche 3	37,087	Three years	None		until termination of office	October 3, 2019

As of December 31, 2016, 111,261 free shares granted under the 2016 Free Share Plan were acquired on October 3, 2016 and are under the holding period of one year, of which 59,001 free shares are held by our directors and officers.

On January 8, 2017, our board of directors granted an additional aggregate of 15,000 free shares under the 2016 Free Share Plan to Alexander Scheer, which will vest in three tranches of 5,000 free shares, on January 8, 2018, January 8, 2019 and January 8, 2020.

On June 27, 2017, our Chief Executive Officer and Chairman granted an additional aggregate of 8,652 free shares under the 2016 Free Share Plan to certain employees.

On June 27, 2017, our board of directors adopted the 2017 Free Share Plan and granted 45,000 free shares to certain employees. On the same date, our Chief Executive Officer and Chairman granted 29,475 free shares to certain employees. The free shares will vest in three equal tranches, on June 27, 2018, June 27, 2019 and
June 27, 2020.

Stock Options (SO)

On October 3, 2016, our board of directors adopted our 2016 Stock Option Plan which will expire on October 3, 2026. Stock options issued pursuant to the 2016 Stock Option Plan provide the holder with the right to purchase a specified number of ordinary shares from us at a fixed exercise price payable at the time the stock option is exercised, as determined by our board of directors. The 2016 Stock Option Plan generally provides that the exercise price for any stock option will be no less than 95% of the average of the closing sales prices per ordinary share during the 20 market trading days prior to the day of the board of directors' decision to grant the options. The maximum number of ordinary shares subject to stock options issued is 250,000 ordinary shares under the 2016 Stock Option Plan. Incentive stock options and non-statutory stock options may be granted under the 2016 Stock Option Plan.

Stock options may be granted to any individual employed by us or by any affiliated company. Stock options may also be granted to our Chairman, our general manager and to our deputy general managers. In addition, incentive stock options may not be granted to owners of shares possessing 10% or more of the share capital of the company.

Our board of directors has the authority to administer and interpret the 2016 Stock Option Plan. Subject to the terms and conditions of the 2016 Stock Option Plan, our board of directors determines the recipients, dates of grant, exercise price, number of stock options to be granted and the terms and conditions of the stock options, including the length of their vesting schedules. Our board of directors is not required to grant stock options with vesting and exercise terms that are the same for every participant. The term of each stock option granted under the 2016 Stock Option Plan will generally be 10 years from the date of grant. Further, stock options will generally terminate on the earlier of when the beneficiary ceases to be an employee of our company or upon certain transactions involving our company.

The board of directors has the authority to modify awards outstanding under our 2016 Stock Option Plan, subject to the written consent of the beneficiary for any modification adverse to such beneficiary. For example, the board or directors has the authority to extend a post-termination exercise period.

Stock options granted under the 2016 Stock Option Plan generally may not be sold, transferred or pledged in any manner other than by will or by the laws of descent or distribution. In the event of disability, unless otherwise resolved by our board of directors, the beneficiary's right to exercise the vested portion of his or her stock option generally terminates six months after the last day of such beneficiary's service, but in any event no later than the expiration of the maximum term of the applicable stock options. In the event the beneficiary dies during the vesting period, then, unless otherwise resolved by our board of directors, the beneficiary's estate or any recipient by inheritance or bequest may exercise any portion of the stock option vested at the time of the beneficiary's death within the six months following the date of death, but in any event no later than the expiration of the maximum term of the applicable stock options.

As of December 31, 2016, a maximum of 250,000 stock options may be issued under the 2016 Stock Option Plan. This figure includes 44,499 stock options granted under the 2016 Stock Option Plan on October 3, 2016 with an exercise price of €18.520 per ordinary share, of which 21,999 were granted to certain of our directors and executive officers.

On January 8, 2017, our Chief Executive Officer and Chairman granted 3,000 stock options to certain employees with an exercise price of €15.65 per ordinary share.

On June 27, 2017, our board of directors adopted the 2017 Stock Option Plan and granted 12,000 stock options to certain employees. On the same date, our Chief Executive Officer and Chairman granted 10,200 stock options to certain employees with an exercise price of €26.47 per ordinary share. On June 27, 2017, our Chief Executive Officer and Chairman granted 18,000 stock options under the 2016 Stock Option Plan to certain employees with an exercise price of €26.47 per ordinary share.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Since January 1, 2014, we have engaged in the following transactions with our directors, executive officers and holders of more than 5% of our outstanding voting securities and their affiliates, which we refer to as our related parties.

Transactions with Our Principal Shareholders

December 2015 Offering

In December 2015, we issued an aggregate of 940,000 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €27.00 per share for a total aggregate purchase price of €25.4 million. Baker Brothers Advisors LP, a holder of more than 5% of our outstanding voting securities, purchased 90,678 ordinary shares in the offering for an aggregate purchase price of €2,448,306. No other securities were purchased in the offering by our executive officers, directors or a holder of more than 5% of our outstanding voting securities.

December 2016 Offering

In December 2016, we issued an aggregate of 793,877 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €12.50 per share for a total aggregate purchase price of €9.9 million. Baker Brothers Advisors LP, a holder of more than 5% of our outstanding voting securities, purchased 78,000 ordinary shares in the offering for an aggregate purchase price of €975,000. No other securities were purchased in the offering by our executive officers, directors or a holder of more than 5% of our outstanding voting securities.

April 2017 Offering

In April 2017, we issued an aggregate of 3,000,000 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €23.50 per share for a total aggregate purchase price of €70.5 million. Baker Brothers Advisors LP, a holder of more than 5% of our outstanding voting securities, purchased 462,000 ordinary shares in the offering for an aggregate purchase price of €10.9 million. No other securities were purchased in the offering by our executive officers, directors or a holder of more than 5% of our outstanding voting securities.

Arrangements with our Directors and Executive Officers

Severance Pay

On May 24, 2013, the board of directors approved terms for severance pay to be awarded under certain conditions to our then-executive officers: Gil Beyen, Pierre-Olivier Goineau and Yann Godfrin. Mr. Goineau resigned effective January 11, 2015 and Dr. Godfrin resigned effective January 18, 2016. The agreement provided that, in the event of expiration of the executive's term of office (except where renewal is rejected by the executive) or in the event of revocation (unless the executive has been revoked for gross negligence or willful misconduct as that term is defined by the labour chamber of the French Supreme Court), the executive is entitled to severance equal to 12 times the average of monthly remuneration (bonuses included) received during the 12 months preceding the revocation decision or the expiration of the executive's term of office. The payment of the compensation shall be subject to the performance of the following conditions: (i) respect of our company's budget and expenditures and (ii) at least one of the following conditions: (a) an agreement of collaboration or a current license, and (b) one product in an active phase of clinical development by the company. No related expense has been recorded to date.

Profit-Sharing Agreement

On November 29, 2013, we implemented a profit-sharing agreement covering the period from January 1, 2014 to December 31, 2016 for the benefit of certain employees and for the benefit of Messrs. Beyen and Goineau and Dr. Godfrin. Mr. Goineau resigned effective January 11, 2015 and Dr. Godfrin resigned effective January 18, 2016. They are no longer participants in such plan. Under the terms of the agreement, a percentage of each executive's gross annual remuneration at December 31 of each year is distributed (i) to the executive's beneficiaries (subject to certain ceilings) and (ii) upon completion of certain performance objectives. The profit-sharing percentage of the gross annual remuneration was set at 2.5% for 2014 and was subsequently increased to 4% in 2015 and to 5% in 2016.

Employment Agreements with Eric Soyer, Jean-Sebastien Cleiftie and Alexander Scheer

In September 2015, October 2016, and November 2016, respectively, we entered into employment agreements with Messrs. Soyer, Cleiftie and Scheer. Each employment agreement provides for an annual base salary and variable compensation in amounts ranging from 30% to 35% of the executive's current base salaries, based upon achievement of specified performance objectives. These employment agreements also provide for severance pay in specified situations. In the event of the executive's termination in the absence of gross negligence or willful misconduct, the executive will be entitled to an amount equal to six months' base salary, plus an additional three months' base salary for each full year such executive has worked for us, up to a maximum of 12 months' base salary in total, including any additional indemnity as provided for by French law. In connection with a change of control of our company, if the executive is terminated in the absence of gross negligence or willful misconduct or resigns pursuant to suffering a diminution of the executive's job duties, or in the event of a mutually agreed termination (*rupture conventionnelle*) under French law, such executive will be entitled to an amount equal to 12 times the average of monthly remuneration, including bonuses, received during the 12 months preceding the termination. If a change of control of our company occurs within 24 months of the granting of bonus shares, such executive will be entitled to an amount intended to compensate for the potential loss of compensation in the event of cancellation of bonus shares granted or for the potential loss of favorable tax treatment in the event of the sale of such shares, in the context of this change of control. These agreements also provide for a 12-month non-compete clause (18 months in the case of Mr. Soyer), whereby the executive is entitled to an amount equal to 33% of his average monthly remuneration over the last three months (12 months in the case of Mr. Soyer).

Employment Agreement with Iman El-Hariry

In June 2015, our U.S. subsidiary, ERYTECH Pharma, Inc., entered into an employment agreement with Dr. El-Hariry that provides for an annual base salary and variable compensation in an amount up to 35% of her base salary, based upon achievement of specified performance objectives. The agreement also provides for severance pay in specified situations. In the event of Dr. El-Hariry's termination without cause (as defined in Dr. El-Hariry's employment agreement), she will be entitled to an amount equal to six months' base salary, plus an additional three months' base salary for each full year she has worked for us, up to a maximum of 12 months' base salary in total. If Dr. El-Hariry resigns as a result of (i) a diminution of her job duties, (ii) a change in reporting or (iii) a relocation, she will be entitled to an amount up to 12 months' base salary compensation depending upon the length of her employment with us. In connection with a change of control, if Dr. El-Hariry is terminated within 12 months (a) by us, (b) by mutual agreement or (c) by her decision to resign after receiving an offer that is not at least equivalent to her position prior to the change in control, she will be entitled to a lump sum payment equal to one year's salary plus bonus (under the condition that she would not be eligible for the other severance benefits described above). Upon termination for any reason, our company may request Dr. El-Hariry to execute a non-competition agreement for a period of 12 months, whereby Dr. El-Hariry will be entitled to severance pay.

Employment Agreement with Jérôme Bailly

In January 2007, we entered into an employment agreement with Dr. Bailly, which was amended as of January 2017. He is entitled to an annual base salary set at €159,996, and variable compensation, in an amount up to 25% of his base salary, upon achievement of specified performance objectives. If a change of control of our company occurs within 24 months of the granting of bonus shares, Dr. Bailly will be entitled to an amount intended to compensate for the potential loss of compensation in the event of cancellation of bonus shares granted or for the potential loss of favorable tax treatment in the event of the sale of such shares.

Other Arrangements

We have entered into other compensatory arrangements with certain of our executive officers, which have been ratified by our board of directors. The primary arrangements are summarized in the table below.

NAME	SAVINGS PLAN (PEE)	RETIREMENT SAVINGS PLAN (PERCO)	FINANCIAL ASSISTANCE FOR THE MANAGEMENT OF SECURITIES	TAX ASSISTANCE	TRAINING
Gil Beyen	X	X	X	X	
Eric Soyer	X	X	X		
Jean-Sébastien Cleiftie	X	X	X		
Iman El-Hariry			X		
Alexander Scheer	X	X	X		
Jérôme Bailly	X	X	X		X
Pierre-Olivier Goineau (1)			X		
Yann Godfrin (2)	X	X	X		

(1) Mr. Goineau resigned effective January 11, 2015 and no longer receives the benefits of the above arrangements.
(2) Dr. Godfrin resigned effective January 18, 2016 and no longer receives the benefits of the above arrangements.

Indemnification Agreements

In connection with the global offering, we intend to enter into indemnification agreements with each of our directors and executive officers. See the section of this prospectus titled “Management—Limitations on Liability and Indemnification Matters.”

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related Person Transaction Policy

We comply with French law regarding approval of transactions with related parties. Prior to the closing of the global offering, we expect to adopt a related person transaction policy that sets forth our procedures for the identification, review, consideration and approval or ratification of related person transactions. The policy will become effective immediately upon the closing of the global offering. For purposes of our policy only, a related person transaction is defined as (i) any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any related person are, were or will be participants in and the amount involved exceeds $120,000, or (ii) any agreement or similar transaction under French law which falls within the scope of Article L. 225-38 of the French Commercial Code. A related person is any executive officer, director or beneficial owner of more than 5% of any class of our voting securities, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, if a transaction has been identified as a related person transaction, including any transaction that was not a related person transaction when originally consummated or any transaction that was not initially identified as a related person transaction prior to consummation, our management must present information regarding the related person transaction to our board of directors for review, consideration and approval or ratification. The presentation must include a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to us of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to or from employees generally. Under the policy, we will collect information that we deem reasonably necessary from each director, executive officer and, to the extent feasible, significant shareholder to enable us to identify any existing or potential related-person transactions and to effectuate the terms of the policy.

In addition, under our Code of Business Conduct and Ethics, which we intend to adopt in connection with the global offering, our employees and directors have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

In considering related person transactions, our board of directors will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event that the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify or reject a related person transaction, our board of directors must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, our best interests and those of our shareholders, as our board of directors determines in the good faith exercise of its discretion.

All of the transactions described above were entered into prior to the adoption of the written policy, but all were approved by our board of directors to the extent required by, and in compliance with, French law.

PRINCIPAL SHAREHOLDERS

The following table and accompanying footnotes sets forth, as of August 31, 2017, information regarding beneficial ownership of our ordinary shares by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our ordinary shares;
- each of our executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including options and warrants that are currently exercisable or exercisable within 60 days of August 31, 2017. Shares subject to warrants currently exercisable or exercisable within 60 days of August 31, 2017 are deemed to be outstanding for computing the percentage ownership of the person holding these warrants and the percentage ownership of any group of which the holder is a member, but are not deemed outstanding for computing the percentage of any other person.

Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares shown that they beneficially own, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

Our calculation of the percentage of beneficial ownership prior to the global offering is based on 11,744,148 of our ordinary shares outstanding as of August 31, 2017. We have based our calculation of the percentage of beneficial ownership after the global offering of of our ordinary shares (including ordinary shares in the form of ADSs) outstanding immediately after the closing of the global offering, assuming no exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares in the global offering.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o ERYTECH Pharma S.A., Bâtiment Adénine, 60 Avenue Rockefeller, 69008 Lyon, France.

NAME OF BENEFICIAL OWNER	NUMBER OF ORDINARY SHARES BENEFICIALLY OWNED BEFORE GLOBAL OFFERING	PERCENTAGE OF SHARES BENEFICIALLY OWNED	
		BEFORE GLOBAL OFFERING	AFTER GLOBAL OFFERING
5% Shareholders:			
Baker Bros. Advisors LP (1)	1,808,268	15.4%	
Auriga Ventures III FCPR (2)	1,147,522	9.8	
Directors and Executive Officers:			
Gil Beyen (3)	138,630	1.2	
Eric Soyer (3)	20,000	*	
Jean-Sébastien Cleiftie	—	—	
Iman El-Hariry (3)	29,000	*	
Alexander Scheer	—	—	
Jérôme Bailly (4)	27,280	*	
Galenos SPRL (5)	11,671	*	
Philippe Archinard (6)	14,800	*	
Allene Diaz	—	—	
Luc Dochez (3)	13,170	*	
Martine Ortin George (7)	16,671	*	
BVBA Hilde Windels (7)	16,671	*	
All directors and executive officers as a group (12 persons) (8)	287,893	2.5	

* Represents beneficial ownership of less than 1%.

(1) The address of Baker Bros. Advisors LP is 667 Madison Ave., 21st Floor, New York, NY 10065. Julian C. Baker and Felix J. Baker are the managing partners of Baker Bros. Advisors LP and may be deemed to be beneficial owners of securities of the company directly held by Baker Bros. Advisors LP, and may be deemed to have the power to vote or direct the vote of and the power to dispose or direct the disposition of such securities. Julian C. Baker and Felix J. Baker disclaim beneficial ownership of the securities held directly by Baker Bros. Advisors LP, except to the extent of their pecuniary interest.

(2) Jacques Chatain, Bernard Daugeras and Patrick Bamas are managers of Auriga Ventures III FCPR, or Auriga, and exercise voting and investment power with respect to shares held by Auriga. The managers disclaim beneficial ownership of all shares held by Auriga Ventures, III FCPR, except to the extent of their pecuniary interest therein. The address of Auriga is c/o Auriga Partners, 18 avenue Matignon 75008 Paris, France.

(3) Consists of shares issuable upon exercise of warrants that are exercisable within 60 days of August 31, 2017.

(4) Consists of 280 ordinary shares and 27,000 ordinary shares issuable upon exercise of warrants that are exercisable within 60 days of August 31, 2017.

(5) Consists of one ordinary share and 11,670 ordinary shares issuable upon exercise of warrants that are exercisable within 60 days of August 31, 2017.

(6) Consists of 10,300 ordinary shares and 4,500 ordinary shares issuable upon exercise of warrants that are exercisable within 60 days of August 31, 2017.

(7) Consists of one ordinary share and 16,670 ordinary shares issuable upon exercise of warrants that are exercisable within 60 days of August 31, 2017.

(8) Consists of 10,583 ordinary shares and 277,310 ordinary shares issuable upon exercise of warrants that are exercisable within 60 days of August 31, 2017.

DESCRIPTION OF SHARE CAPITAL

General

The following description of our share capital summarizes certain provisions of our bylaws. Such summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our bylaws, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

As of December 31, 2016, our outstanding share capital consisted of a total of 8,732,648 ordinary shares, with nominal value €0.10 per share.

As of April 30, 2017, to the best of our knowledge, approximately 2,959,807, or 25%, of our outstanding ordinary shares as of such date were held by 23 shareholders of record in the United States.

Under French law, our bylaws set forth only our issued and outstanding share capital as of the date of the bylaws. Our fully diluted share capital represents all issued and outstanding shares, as well as all potential shares which may be issued upon exercise of outstanding founder's share warrants and share warrants, as approved by our shareholders and granted by our board of directors.

Upon closing of the global offering, our outstanding share capital will consist of ordinary shares (including ordinary shares in the form of ADSs), nominal value €0.10 per share (or if the underwriters exercise their option to purchase additional ADSs and/or ordinary shares in the global offering in full).

Reconciliation of the Shares Outstanding Prior to the Global Offering

Shares outstanding at December 31, 2015	7,924,611
Number of shares issued in connection with the exercise of founder's share warrants and share warrants	14,160
Number of ordinary shares issued on December 9, 2016 in connection with the share capital increase authorized on December 6, 2016	793,877
Shares outstanding at December 31, 2016	8,732,648
Number of shares issued in connection with the exercise of founder's share warrants and share warrants	11,800
Number of ordinary shares issued on April 19, 2017, in connection with the share capital increase authorized on April 12, 2017	3,000,000
Shares outstanding at June 30, 2017	11,744,448

History of Securities Issuances

From January 1, 2013 through August 31, 2017, the following events have changed the number and classes of our issued and outstanding shares:

- On April 30, 2013, in connection with our initial public offering in France, we issued an aggregate of 1,524,334 ordinary shares at a purchase price of €11.60 per share, of which 83,750 shares were issued as compensation for interest on outstanding bonds. In addition, bonds previously issued were converted into an aggregate of 862,068 ordinary shares.
- On October 22, 2014, we issued an aggregate of 1,224,489 ordinary shares in connection with a public offering at a purchase price of €24.50 per share.
- On December 7, 2015, we issued an aggregate of 940,000 ordinary shares in a private placement at a purchase price of €27.00 per share.
- On December 9, 2016, we issued an aggregate of 793,877 ordinary shares in a private placement at a purchase price of €12.50 per share.
- On April 19, 2017, we issued an aggregate of 3,000,000 ordinary shares in a private placement at a purchase price of €23.50 per share.

- From April 30, 2013 to August 31, 2017, founder's share warrants and share warrants were exercised at a weighted average exercise price of €7.57 per share. Pursuant to these exercises, we issued an aggregate of 246,130 ordinary shares.

Key Provisions of Our Bylaws and French Law Affecting Our Ordinary Shares

The description below reflects the terms of our bylaws and summarizes the material rights of holders of our ordinary shares under French law. Please note that this is only a summary and is not intended to be exhaustive. For further information, please refer to the full text of our bylaws, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Corporate Purpose (Article 3 of the Bylaws)

Our corporate purpose in France and abroad includes the research, manufacturing, importation, distribution and marketing of investigational drugs, devices and medical equipment, and the provision of advisory services associated with these activities. We are authorized to engage in all financial, commercial, industrial, civil, property or security-related transactions that directly or indirectly relate to accomplishing the purposes stated above.

Our company may act directly or indirectly and do all these operations in all countries, for or on behalf of third parties, either alone or with partnership with third parties, association, group or creation of new companies, contribution, sponsorship, subscription, purchase of shares or rights, mergers, alliances, undeclared partnership or taking or giving in lease or in management of all property and rights or otherwise.

Directors (Articles 17-22 of the Bylaws)

Duties of the Board. Except for powers given to our shareholders by law and within the limit of the corporate purpose, our board of directors is responsible for all matters relating to the successful operations of our company and, through its resolutions, governs matters involving the company.

Appointment and Term. Our board of directors must be composed of at least three members, but may not exceed 18 members, subject to the dispensation established by law in the event of merger. In appointing and electing directors, we seek a balanced representation of women and men. The term of a director is 3 years, and directors may be re-elected at our annual ordinary share meetings; however, a director over the age of 75 may not be appointed if such appointment would result in the number of directors over the age of 75 constituting more than one-third of the board. The number of directors who are also our employees cannot exceed one-third of the board. Directors may be natural persons or legal entities except for the chairman of the board who must be a natural person. Legal entities appointed to the board must designate a permanent representative. If a director dies or resigns between annual meetings, the board may appoint a temporary director to fill the vacancy, subject to ratification at the next ordinary general meeting, or, if such vacancy results in a number of directors below three, the board must call an ordinary general meeting to fill the vacancy. If a director is absent at more than four consecutive meetings, he or she will be deemed to have automatically resigned.

Organization. The board must elect a chairman from among the board members. The chairman must be a natural person, age 75 or younger, and may be removed by the board at any time. The board may also elect a natural person as vice president to preside in the chairman's absence and may designate up to two non-voting board observers.

Deliberations. At least half of the number of directors in office must be present to constitute a quorum. Decisions are made by a majority of the directors present or represented and, if there is a tie, the vote of the chairman will carry the decision. Meetings may be held as often as required; however, the chairman is required to call a meeting with a determined agenda upon the request of at least one-third of the directors if the board has not met for more than two months. French law and our charter and bylaws allow directors to attend meetings in person or, to the extent permitted by applicable law and with specified exceptions in our bylaws, by videoconference or other telecommunications arrangements.

Directors' Voting Powers on Proposal, Arrangement or Contract in which any Director is Materially Interested. Under French law, any agreement entered into, directly or through an intermediary, between us and any director that is not entered into in the ordinary course of our business and upon standard market terms is subject to the prior authorization of the board of directors. The interested director cannot vote on such decision. The same provision applies to

agreements between us and another company, except where such company is our wholly owned subsidiary, if one of our directors is the owner or a general partner, manager, director, general manager or member of the executive or supervisory board of the other company, as well as to agreements in which one of our directors has an indirect interest.

Directors' Compensation. Director compensation for attendance at board meetings (*jetons de présence*) is determined at the annual ordinary general meeting. Independent directors have a right to a fixed amount of compensation for their duties as director and, if applicable, as member or chair of one or more board committees and to a variable amount of compensation depending on their actual participation at board meetings and, if applicable, committee meetings. See the section of this prospectus titled "Management—Compensation of Directors and Executive Officers—Director Compensation" for a description of our compensation policy for our non-employee directors.

Board of Directors' Borrowing Powers. There are currently no limits imposed on the amounts of loans or borrowings that the board of directors may approve.

Directors' Share Ownership Requirements. Our directors are not required to own any of our shares.

Rights, Preferences and Restrictions Attaching to Ordinary Shares (Articles 9, 16, 30, 33 and 34 of the Bylaws)

Dividends. We may only distribute dividends out of our distributable profits, plus any amounts held in our reserves that the shareholders decide to make available for distribution, other than those reserves that are specifically required by law.

"Distributable Profits" consist of our statutory net profit in each fiscal year, calculated in accordance with accounting standards applicable in France, as increased or reduced by any profit or loss carried forward from prior years, less any contributions to the reserve accounts pursuant to French law.

Legal Reserve. Pursuant to French law, we must allocate 5% of our statutory net profit for each year to our legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the aggregate par value of the issued and outstanding share capital.

Approval of Dividends. Pursuant to French law, our board of directors may propose a dividend for approval by the shareholders at the annual ordinary general meeting.

Upon recommendation of our board of directors, our shareholders may decide to allocate all or part of any distributable profits to special or general reserves, to carry them forward to the next fiscal year as retained earnings or to allocate them to the shareholders as dividends. However, dividends may not be distributed when our net assets are or would become as a result of such distribution lower than the amount of the share capital plus the amount of the legal reserves which, under French law, may not be distributed to shareholders. The amount of our share capital plus the amount of our legal reserves which may not be distributed was equal to €1,174,444.80 at June 27, 2017.

Our board of directors may distribute interim dividends after the end of the fiscal year but before the approval of the financial statements for the relevant fiscal year when the interim balance sheet, established during such year and certified by an auditor, reflects that we have earned distributable profits since the close of the last financial year, after recognizing the necessary depreciation and provisions and after deducting prior losses, if any, and the sums to be allocated to reserves, as required by law or the bylaws, and including any retained earnings. The amount of such interim dividends may not exceed the amount of the profit so defined.

Pursuant to French legislation, if a dividend is declared we may be required to pay a dividend tax in an amount equal to 3% of the aggregate dividend paid by us. However, the European Court of Justice, or ECJ, has ruled that the 3% dividend tax may not be applied to redistribution of dividends we receive from our subsidiaries established in another Member State of the EU, in that it creates double taxation of profits made within the EU as prohibited by Article 9 of the Parent-Subsidiary directive (ECJ, 1st ch. May 17, 2017, case C-365/16 AFEP).

Distribution of Dividends. Dividends are distributed to shareholders *pro rata* according to their respective holdings of shares. In the case of interim dividends, distributions are made to shareholders on the date set by our board of directors during the meeting in which the distribution of interim dividends is approved. The actual dividend payment date is decided by the shareholders at an ordinary general shareholders' meeting or by our board of directors in the absence of such a decision by the shareholders. Shareholders that own shares on the actual payment date are entitled to the dividend.

Shareholders may be granted an option to receive dividends in cash or in shares, in accordance with legal conditions. The conditions for payment of dividends in cash shall be set at the shareholders' meeting or, failing this, by the board of directors.

Timing of Payment. Pursuant to French law, dividends must be paid within a maximum of nine months after the close of the relevant fiscal year, unless extended by court order. Dividends not claimed within five years after the payment date shall be deemed to expire and revert to the French state.

Voting Rights. Each share shall entitle its holder to vote and be represented in the shareholders' meetings in accordance with the provisions of French law and of our bylaws. Ownership of one share implies, ipso jure, adherence to our bylaws and the decisions of the shareholders' meeting.

In general, each shareholder is entitled to one vote per share at any general shareholders' meeting. Pursuant to our bylaws, however, a double voting right is attached to each registered share which is held in the name of the same shareholder for at least two years.

Under French law, treasury shares or shares held by entities controlled by us are not entitled to voting rights and do not count for quorum purposes.

Rights to Share in Our Profit. Each share entitles its holder to a portion of the corporate profits and assets proportional to the amount of share capital represented thereby.

Rights to Share in the Surplus in the Event of Liquidation. If we are liquidated, any assets remaining after payment of the debts, liquidation expenses and all of the remaining obligations will first be used to repay in full the par value of our shares. Any surplus will be distributed pro rata among shareholders in proportion to the number of shares respectively held by them, taking into account, where applicable, of the rights attached to shares of different classes.

Repurchase and Redemption of Shares. Under French law, we may acquire our own shares. Such acquisition may be challenged on the ground of market abuse regulations. However, Regulation 596/2014 of April 16, 2014 provides for safe harbor exemptions when the acquisition is made for one of the following purposes:

- to decrease our share capital, provided that such a decision is not driven by losses and that a purchase offer is made to all shareholders on a pro rata basis, with the approval of the shareholders at an extraordinary general meeting; in this case, the shares repurchased must be cancelled within one month from the expiry of the purchase offer;
- to meet obligations arising from debt securities that are exchangeable into equity instruments;
- to provide shares for distribution to employees or managers under a profit-sharing, free share or share option plan; in this case the shares repurchased must be distributed within 12 months from their repurchase failing which they must be cancelled; or
- we benefit from a simple exemption when the acquisition is made under a liquidity contract complying with the general regulations of, and market practices accepted by the French Financial Markets Authority (AMF).

All other purposes, and especially share buy-backs made for external growth operations in pursuance of Article L. 225-209 of the French Commercial Code, while not forbidden, must be pursued in strict compliance of market manipulation and insider dealing rules.

Under the Market Abuse Regulation 596/2014 of August 16, 2014 (MAR) and in accordance with the General Regulations of the AMF, a corporation shall report to the competent authority of the trading value on which the shares have been admitted to trading or are traded, no later than by the end of the seventh daily market session following the date of the execution of the transaction, all the transactions relating to the buy-back program, in a detailed form and in an aggregated form.

No such repurchase of shares may result in us holding, directly or through a person acting on our behalf, more than 10% of our issued share capital. Shares repurchased by us continue to be deemed "issued" under French law but are not entitled to dividends or voting rights so long as we hold them directly or indirectly, and we may not exercise the preemptive rights attached to them.

Sinking Fund Provisions. Our bylaws do not provide for any sinking fund provisions.

Liability to Further Capital Calls. Shareholders are liable for corporate liabilities only up to the par value of the shares they hold; they are not liable to further capital calls.

Requirements for Holdings Exceeding Certain Percentages. None, except as described below under the section of this prospectus titled "Form, Holding and Transfer of Shares (Article 13 of the Bylaws)—Ownership of Shares by Non-French Persons."

Actions Necessary to Modify Shareholders' Rights

Shareholders' rights may be modified as allowed by French law. Only the extraordinary shareholders' meeting is authorized to amend any and all provisions of our bylaws. It may not, however, increase shareholder commitments without the prior approval of each shareholder.

Special Voting Rights of Warrant Holders

Under French law, the holders of warrants of the same class (i.e., warrants that were issued at the same time and with the same rights), including founder's warrants, are entitled to vote as a separate class at a general meeting of that class of warrant holders under certain circumstances, principally in connection with any proposed modification of the terms and conditions of the class of warrants or any proposed issuance of preferred shares or any modification of the rights of any outstanding class or series of preferred shares.

Rules for Admission to and Calling Annual Shareholders' Meetings and Extraordinary Shareholders' Meetings (Section IV of the Bylaws)

Access to, Participation in and Voting Rights at Shareholders' Meetings. Shareholders' meetings are composed of all shareholders, regardless of the number of shares they hold. Each shareholder has the right to attend the meetings and participate in the discussions (1) personally; (2) by granting proxy to any individual or legal entity of his choosing; (3) by sending a proxy to the company without indication of the mandate; (4) by voting by correspondence; or (5) at the option of the board of directors at the time the meeting is called, by videoconference or another means of telecommunication, including internet, in accordance with applicable laws that allow identification. The board of directors organizes, in accordance with legal and regulatory requirements, the participation and vote of these shareholders at the meeting, assuring, in particular, the effectiveness of the means of identification.

Participation in shareholders' general meetings, in any form whatsoever, is subject to registration or registration of shares under the conditions and time limits provided for applicable laws.

The final date for returning voting ballots by correspondence is set by the board of directors and disclosed in the notice of meeting published in the French Journal of Mandatory Statutory Notices, or BALO *(Bulletin des Annonces Légales Obligatoires)*. This date cannot be earlier than three days prior to the meeting unless otherwise provided in the bylaws. Our bylaws provide that the board of directors has the option to accept the voting ballots by correspondence beyond the limit set by applicable laws.

A shareholder who has voted by correspondence will no longer be able to participate directly in the meeting or to be represented. In the case of returning the proxy form and the voting by correspondence form, the proxy form is taken into account, subject to the votes cast in the voting by correspondence form.

A shareholder may be represented at meetings by any individual or legal entity by means of a proxy form which we send to such shareholder either at the shareholder's request or at our initiative. A shareholder's request for a proxy form must be received at the registered office at least five days before the date of the meeting. The proxy is only valid for a single meeting or for successive meetings convened with the same agenda. It can also be granted for two meetings, one ordinary, and the other extraordinary, held on the same day or within a period of fifteen days.

A shareholder may vote by correspondence by means of a voting form, which we send to such shareholder either at the shareholder's request or at our initiative, or which we include in an appendix to a proxy voting form under the conditions provided for by current laws and requirements. A shareholder's request for a voting form must be received at the registered office at least six days before the date of the meeting. The voting form is also available on our website at least 21 days before the date of the meeting. The voting form must be recorded by us three days prior to the shareholders' meeting, in order to be taken into consideration. The voting by correspondence form addressed by a shareholder is only valid for a single meeting or for successive meetings convened with the same agenda.

To better understand the voting rights of the ADSs, you should carefully read the section in this prospectus titled “Description of American Depositary Shares—Voting Rights.”

Notice of Annual Shareholders’ Meetings. Shareholders’ meetings are convened by our board of directors, or, failing that, by the statutory auditors, or by a court appointed agent or liquidator in certain circumstances. Meetings are held at our registered offices or at any other location indicated in the meeting announcement (*avis de réunion*). A meeting announcement is published in the BALO at least 35 days prior to a meeting, as well as on our website at least 21 days prior to the meeting. In addition to the particulars relative to the company, it indicates, notably, the meeting’s agenda and the draft resolutions that will be presented. The requests for recording of issues or draft resolutions on the agenda must be addressed to the company under the conditions provided for in the current legislation.

Subject to special legal provisions, the convening notice (*avis de convocation*) is sent out at least 15 days prior to the date of the meeting, by means of a notice inserted both in a legal announcement bulletin of the registered office department and in the BALO. Further, the holders of registered shares for at least a month at the time of the latest of the insertions of the convening notice shall be summoned individually, by regular letter (or by registered letter if they request it and include an advance of expenses) sent to their last known address. This notice may also be transmitted by electronic means of telecommunication, in lieu of any such mailing, to any shareholder requesting it beforehand by registered letter with acknowledgment of receipt in accordance with legal and regulatory requirements, specifying his e-mail address. The latter may at any time expressly request by registered letter to the Company with acknowledgment of receipt that the aforementioned means of telecommunication should be replaced in the future by a mailing.

The convening notice must also indicate the conditions under which the shareholders may vote by correspondence and the places and conditions in which they can obtain voting forms by mail.

The convening notice may be addressed, where appropriate, with a proxy form and a voting by correspondence form, under the conditions specified in our bylaws, or with a voting by correspondence form alone, under the conditions specified in our bylaws. When the shareholders’ meeting cannot deliberate due to the lack of the required quorum, the second meeting must be called at least ten days in advance in the same manner as used for the first notice.

Agenda and Conduct of Annual Shareholders’ Meetings. The agenda of the shareholders’ meeting shall appear in the convening notice of the meeting and is set by the author of the notice. The shareholders’ meeting may only deliberate on the items on the agenda except for the removal of directors and the appointment of their successors which may be put to vote by any shareholder during any shareholders’ meeting. Pursuant to French law and our current share capital, one or more shareholders representing 5% of our share capital may request the inclusion of items or proposed resolutions on the agenda. Such request must be received at the latest on the 25th day preceding the date of the shareholders’ meeting, and in any event no later than the 20th day following the date of the shareholders’ meeting announcement.

Shareholders’ meetings shall be chaired by the Chairman of the board of directors or, in his or her absence, by a Deputy Chairman or by a director elected for this purpose. Failing that, the meeting itself shall elect a Chairman. Vote counting shall be performed by the two members of the meeting who are present and accept such duties, who represent, either on their own behalf or as proxies, the greatest number of votes.

Ordinary Shareholders’ Meeting. Ordinary shareholders’ meetings are those meetings called to make any and all decisions that do not amend our bylaws. An ordinary meeting shall be convened at least once a year within six months of the end of each fiscal year in order to approve the annual and consolidated accounts for the relevant fiscal year or, in case of postponement, within the period established by court order. Upon first notice, the meeting may validly deliberate only if the shareholders present or represented by proxy or voting by mail represent at least one-fifth of the shares entitled to vote. Upon second notice, no quorum is required. Decisions are made by a majority of the votes held by the shareholders present, or represented by proxy, or voting by mail. Abstentions will have the same effect of a “no” vote. In addition, pursuant to a recent AMF recommendation, French listed companies may be required to conduct a consultation of the ordinary shareholders meeting prior to the disposal of the majority of their assets, under certain circumstances.

Extraordinary Shareholders' Meeting. Our bylaws may only be amended by approval at an extraordinary shareholders' meeting. Our bylaws may not, however, be amended to increase shareholder commitments without the approval of each shareholder. Subject to the legal provisions governing share capital increases from reserves, profits or share premiums, the resolutions of the extraordinary meeting shall be valid only if the shareholders present, represented by proxy or voting by mail represent at least one-fourth of all shares entitled to vote upon first notice, or one-fifth upon second notice. If the latter quorum is not reached, the second meeting may be postponed to a date no later than two months after the date for which it was initially called. Decisions are made by a two-thirds majority of the votes held by the shareholders present, represented by proxy, or voting by mail. Abstentions will have the same effect of a "no" vote.

Provisions Having the Effect of Delaying, Deferring or Preventing a Change in Control of Our Company

Provisions contained in our bylaws and French corporate law could make it more difficult for a third-party to acquire us, even if doing so might be beneficial to our shareholders. These provisions include the following:

- under French law, the owner of 95% of voting rights of a public company listed on a regulated market in a Member State of the European Union or in a state party to the EEA Agreement, including from the main French Stock Exchange, has the right to force out minority shareholders following a tender offer made to all shareholders;
- under French law, a non-resident of France as well as any French entity controlled by non-French residents may have to file an administrative notice with French authorities in connection with a direct or indirect investment in us, as defined by administrative rulings; see the section of this prospectus titled "Limitations Affecting Shareholders of a French Company";
- a merger (i.e., in a French law context, a share for share exchange following which our company would be dissolved into the acquiring entity and our shareholders would become shareholders of the acquiring entity) of our company into a company incorporated in the European Union would require the approval of our board of directors as well as a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting;
- a merger of our company into a company incorporated outside of the European Union would require 100% of our shareholders to approve it;
- under French law, a cash merger is treated as a share purchase and would require the consent of each participating shareholder;
- our shareholders have granted and may grant in the future our board of directors broad authorizations to increase our share capital or to issue additional ordinary shares or other securities, such as warrants, to our shareholders, the public or qualified investors, including as a possible defense following the launching of a tender offer for our shares;
- our shareholders have preferential subscription rights on a *pro rata* basis on the issuance by us of any additional securities for cash or a set-off of cash debts, which rights may only be waived by the extraordinary general meeting (by a two-thirds majority vote) of our shareholders or on an individual basis by each shareholder;
- our board of directors has the right to appoint directors to fill a vacancy created by the resignation or death of a director, subject to the approval by the shareholders of such appointment at the next shareholders' meeting, which prevents shareholders from having the sole right to fill vacancies on our board of directors;
- our board of directors can be convened by our chairman or our managing director, if any, or, when no board meeting has been held for more than two consecutive months, by directors representing at least one third of the total number of directors;
- our board of directors meetings can only be regularly held if at least half of the directors attend either physically or by way of videoconference or teleconference enabling the directors' identification and ensuring their effective participation in the board's decisions;
- our shares are nominative or bearer, if the legislation so permits, according to the shareholder's choice;
- approval of at least a majority of the votes held by shareholders present, represented by a proxy, or voting by mail at the relevant ordinary shareholders' general meeting is required to remove directors with or without cause;

- advance notice is required for nominations to the board of directors or for proposing matters to be acted upon at a shareholders' meeting, except that a vote to remove and replace a director can be proposed at any shareholders' meeting without notice;
- our bylaws can be changed in accordance with applicable laws;
- the crossing of certain thresholds has to be disclosed and can impose certain obligations; see the section of this prospectus titled "Declaration of Crossing of Ownership Thresholds";
- transfers of shares shall comply with applicable insider trading rules and regulations, and in particular with the Market Abuse Directive and Regulation dated April 16, 2014; and
- pursuant to French law, the sections of the bylaws relating to the number of directors and election and removal of a director from office may only be modified by a resolution adopted by two-thirds of the votes of our shareholders present, represented by a proxy or voting by mail at the meeting.

Declaration of Crossing of Ownership Thresholds (Article 9 of the Bylaws)

Set forth below is a summary of certain provisions of the French Commercial Code applicable to us. This summary is not intended to be a complete description of applicable rules under French law.

Any individual or legal entity referred to in Articles L. 233-7, L. 233-9 and L. 223-10 of the French Commercial Code coming to directly or indirectly own, or cease to own, alone or in concert, a number of shares representing a fraction of the Company's capital or voting rights greater or equal to 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% and 95% shall inform the Company as well as the French Financial Market Authority (AMF) of the total number of shares and voting rights and of securities giving access to the capital or voting rights that it owns immediately or over time within a period of four trading days from the crossing of the said holding thresholds.

This obligation applies when crossing each of the above-mentioned thresholds in a downward direction.

In case of failure to declare shares or voting rights exceeding the fraction that should have been declared, such shares shall be deprived of voting rights at General Meetings of Shareholders for any meeting that would be held until the expiry of a period of two years from the date of regularization of the notification in accordance with Article L. 233-14 of the French Commercial Code.

In addition, any shareholder crossing, alone or acting in concert, the 10%, 15%, 20% or 25% threshold shall file a declaration with the AMF pursuant to which it shall expose its intention over the following 6 months, including notably whether it intends to continue acquiring shares of the company, it intends to acquire control over the company, its intended strategy for the company.

Further, and subject to certain exemptions, any shareholder crossing, alone or acting in concert, the 30% threshold shall file a mandatory public tender offer with the AMF. Also, any shareholder holding directly or indirectly a number between 30% and 50% of the capital or voting rights and who, in less than 12 consecutive months, increases his/her/its holding of capital or voting rights by at least 1% company's capital or voting rights, shall file a mandatory public tender offer.

Changes in Share Capital

Increases in Share Capital (Article 10 of the Bylaws). Pursuant to French law, our share capital may be increased only with shareholders' approval at an extraordinary general shareholders' meeting following the recommendation of our board of directors. The shareholders may delegate to our board of directors either the authority (*délégation de compétence*) or the power (*délégation de pouvoir*) to carry out any increase in share capital.

Increases in our share capital may be effected by:

- issuing additional shares;
- increasing the par value of existing shares;
- creating a new class of equity securities; and
- exercising the rights attached to securities giving access to the share capital.

Increases in share capital by issuing additional securities may be effected through one or a combination of the following:

- in consideration for cash;

- in consideration for assets contributed in kind;
- through an exchange offer;
- by conversion of previously issued debt instruments;
- by capitalization of profits, reserves or share premium; and
- subject to certain conditions, by way of offset against debt incurred by us.

Decisions to increase the share capital through the capitalization of reserves, profits and/or share premium require shareholders' approval at an extraordinary general shareholders' meeting, acting under the quorum and majority requirements applicable to ordinary shareholders' meetings. Increases effected by an increase in the par value of shares require unanimous approval of the shareholders, unless effected by capitalization of reserves, profits or share premium. All other capital increases require shareholders' approval at an extraordinary general shareholders' meeting acting under the regular quorum and majority requirements for such meetings.

Reduction in Share Capital. Pursuant to French law, any reduction in our share capital requires shareholders' approval at an extraordinary general shareholders' meeting following the recommendation of our board of directors. The share capital may be reduced either by decreasing the par value of the outstanding shares or by reducing the number of outstanding shares. The number of outstanding shares may be reduced by the repurchase and cancellation of shares. Holders of each class of shares must be treated equally unless each affected shareholder agrees otherwise.

Preferential Subscription Right. According to French law, if we issue additional securities for cash, current shareholders will have preferential subscription rights to these securities on a *pro rata* basis. Preferential subscription rights entitle the individual or entity that holds them to subscribe *pro rata* based on the number of shares held by them to the issuance of any securities increasing, or that may result in an increase of, our share capital by means of a cash payment or a set-off of cash debts. The preferential subscription rights are transferable during the subscription period relating to a particular offering. Pursuant to recent legislation that went into effect on October 1, 2016, the preferential subscription rights will be transferable during a period starting two days prior to the opening of the subscription period and ending two days prior to the closing of the subscription period.

The preferential subscription rights with respect to any particular offering may be waived at an extraordinary general meeting by a two-thirds vote of our shareholders or individually by each shareholder. Our board of directors and our independent auditors are required by French law to present reports to the shareholders' meeting that specifically address any proposal to waive the preferential subscription rights.

Our current shareholders waived their preferential subscription rights with respect to the global offering at our combined general shareholders' meeting held on June 27, 2017.

In the future, to the extent permitted under French law, we may seek shareholder approval to waive preferential subscription rights at an extraordinary general shareholders' meeting in order to authorize the board of directors to issue additional shares and/or other securities convertible or exchangeable into shares.

Form, Holding and Transfer of Shares (Articles 13 and 15 of the Bylaws)

Form of Shares. The shares are in registered form, until their full payment. When they are fully paid up, they may be in registered form or bearer, at the option of the shareholders.

Further, in accordance with applicable laws, we may request at any time from the central depository responsible for holding our shares, the information referred to in Article L. 228-2 of the French Commercial Code. Thus, we are, in particular and at any time, entitled to request the name and year of birth or, in the case of a legal entity, the name and the year of incorporation, nationality and address of holders of securities conferring immediate or long-term voting rights at its general meetings of shareholders and the amount of securities owned by each of them and, where applicable, the restrictions that the securities could be affected by.

Holding of Shares. In accordance with French law concerning the "dematerialization" of securities, the ownership rights of shareholders are represented by book entries instead of share certificates. Shares issued are registered in individual accounts opened by us or any authorized intermediary, in the name of each shareholder and kept according to the terms and conditions laid down by the legal and regulatory provisions.

Ownership of Shares by Non-French Persons. Neither French law nor our bylaws limit the right of non-residents of France or non-French persons to own or, where applicable, to vote our securities. However, non-residents of France may have to file an administrative notice with the French authorities in connection with certain direct or indirect investments in us, including through ownership of ADSs. In addition, acquisitions of 10% of the share capital or voting rights of a French resident company or a non-French resident company by a non-French resident or by a French resident, respectively, are subject to statistical reporting requirements to the French National Bank.

Assignment and Transfer of Shares. Shares are freely negotiable, subject to applicable legal and regulatory provisions. French law notably provides for standstill obligations and prohibition of insider trading.

Securities Exercisable for Ordinary Shares

Equity Incentives

See the section of this prospectus titled "Management—Equity Incentives" for a description of securities granted by our board of directors to our founders, directors, executive officers, employees and other service providers.

Differences in Corporate Law

We are a *société anonyme*, or S.A. incorporated under the laws of France. The laws applicable to French *sociétés anonymes* differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the French Commercial Code applicable to us and the Delaware General Corporation Law relating to shareholders' rights and protections. This summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and French law.

	FRANCE	DELAWARE
Number of Directors	Under French law, a *société anonyme* must have at least three and may have up to 18 directors. The number of directors is fixed by or in the manner provided in the bylaws. Since January 1, 2017, the number of directors of each gender may not be less than 40%. Any appointment made in violation of this limit that is not remedied will be null and void.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the bylaws.
Director Qualifications	Under French law, a corporation may prescribe qualifications for directors under its bylaws. In addition, under French law, members of a board of directors of a corporation may be legal entities, and such legal entities may designate an individual to represent them and to act on their behalf at meetings of the board of directors.	Under Delaware law, a corporation may prescribe qualifications for directors under its certificate of incorporation or bylaws.
Removal of Directors	Under French law, directors may be removed from office, with or without cause, at any shareholders' meeting without notice or justification, by a simple majority vote.	Under Delaware law, unless otherwise provided in the certificate of incorporation, directors may be removed from office, with or without cause, by a majority stockholder vote, though in the case of a corporation whose board is classified, stockholders may effect such removal only for cause.

	FRANCE	DELAWARE
Vacancies on the Board of Directors	Under French law, vacancies on the board of directors resulting from death or a resignation, provided that at least three directors remain in office, may be filled by a majority of the remaining directors pending ratification by the shareholders by the next shareholders' meeting.	Under Delaware law, vacancies on a corporation's board of directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors.
Annual General Meeting	Under French law, the annual general meeting of shareholders shall be held at such place, on such date and at such time as decided each year by the board of directors and notified to the shareholders in the convening notice of the annual meeting, within six months after the close of the relevant fiscal year unless such period is extended by court order.	Under Delaware law, the annual meeting of stockholders shall be held at such place, on such date and at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the bylaws.
General Meeting	Under French law, general meetings of the shareholders may be called by the board of directors or, failing that, by the statutory auditors, or by a court appointed agent or liquidator in certain circumstances, or by the majority shareholder in capital or voting rights following a public tender offer or exchange offer or the transfer of a controlling block on the date decided by the board of directors or the relevant person	Under Delaware law, special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.
Notice of General Meetings	A meeting announcement is published in the French Journal of Mandatory Statutory Notices (BALO) at least 35 days prior to a meeting and made available on the website of the company at least twenty-one day prior to the meeting. Subject to limited exceptions provided by French law, additional convening notice is sent out at least fifteen days prior to the date of the meeting, by means of a notice inserted both in a legal announcement bulletin of the registered office department and in the French Journal of Mandatory Statutory Notices (BALO). Further, shareholders holding registered shares for at least a month at the	Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than 10 nor more than 60 days before the date of the meeting and shall specify the place, date, hour, and purpose or purposes of the meeting.

	FRANCE	DELAWARE
	time latest insertions of the notices shall be summoned individually, by regular letter (or by registered letter if they request it and include an advance of expenses) sent to their last known address. This notice to registered shareholders may also be transmitted by electronic means of telecommunication, in lieu of any such mailing, to any shareholder requesting it beforehand by registered letter with acknowledgment of receipt in accordance with legal and regulatory requirements, specifying his e-mail address. When the shareholders' meeting cannot deliberate due to lack of required quorum, the second meeting must be called at least ten calendar days in advance in the same manner as used for the first notice. The notice shall specify the name of the company, its legal form, share capital, registered office address, registration number with the French Registry of Commerce and Companies, the place, date, hour and agenda of the meeting and its nature (ordinary or extraordinary meeting). The convening notice must also indicate the conditions under which the shareholders may vote by correspondence and the places and conditions in which they can obtain voting forms by mail.	
Proxy	Each shareholder has the right to attend the meetings and participate in the discussions (i) personally, or (ii) by granting proxy to his/her spouse, his/her partner with whom he/she has entered into a civil union or to another shareholder or to any individual or legal entity of his choosing; or (iii) by sending a proxy to the company without indication of the mandate, or (iv) by voting by correspondence, or (v) by videoconference or another means of telecommunication in	Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

	FRANCE	DELAWARE
	accordance with applicable laws that allow identification. The proxy is only valid for a single meeting or for successive meetings convened with the same agenda. It can also be granted for two meetings, one ordinary, and the other extraordinary, held on the same day or within a period of fifteen days.	
Shareholder action by written consent	Under French law, shareholders' action by written consent is not permitted in a *société anonyme*.	Under Delaware law, a corporation's certificate of incorporation (1) may permit stockholders to act by written consent if such action is signed by all stockholders, (2) may permit stockholders to act by written consent signed by stockholders having the minimum number of votes that would be necessary to take such action at a meeting or (3) may prohibit actions by written consent.
Preemptive Rights	Under French law, in case of issuance of additional shares or other securities for cash or set-off against cash debts, the existing shareholders have preferential subscription rights to these securities on a *pro rata* basis unless such rights are waived by a two-thirds majority of the votes held by the shareholders present at the extraordinary meeting deciding or authorizing the capital increase, voting in person or represented by proxy or voting by mail. In case such rights are not waived by the extraordinary general meeting, each stockholder may individually either exercise, assign or not exercise its preferential subscription rights. Beginning on October 1, 2016, preferential subscription rights may only be exercised two business days prior to the day on which the subscription is opened until the second business day prior to its closing. Thus, the preferential subscription rights are transferable during the same period as their period of exercise.	Under Delaware law, unless otherwise provided in a corporation's certificate of incorporation, a stockholder does not, by operation of law, possess preemptive rights to subscribe to additional issuances of the corporation's stock.

	FRANCE	DELAWARE
Sources of Dividends	Under French law, dividends may only be paid by a French *société anonyme* out of "*distributable profits*," plus any distributable reserves and "*distributable premium*" that the shareholders decide to make available for distribution, other than those reserves that are specifically required by law. "*Distributable profits*" consist of the unconsolidated net profits of the relevant corporation for each fiscal year, as increased or reduced by any profit or loss carried forward from prior years. "*Distributable premium*" refers to the contribution paid by the stockholders in addition to the par value of their shares for their subscription that the stockholders decide to make available for distribution. Except in case of a share capital reduction, no distribution can be made to the stockholders when the net equity is, or would become, lower than the amount of the share capital plus the reserves which cannot be distributed in accordance with the law or the bylaws.	Under Delaware law, dividends may be paid by a Delaware corporation either out of (1) surplus or (2) in case there is no surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, except when the capital is diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of capital represented by issued and outstanding stock having a preference on the distribution of assets.
Repurchase of Shares	Under French law, a corporation may acquire its own shares. Such acquisition may be challenged on the ground of market abuse regulations. However, the Market Abuse Regulation 596/2014 of April 16, 2014 (MAR) provides for safe harbor exemptions when the acquisition is made for the following purposes: ▪ to decrease its share capital, provided that such decision is not driven by losses and that a purchase offer is made to all shareholders on a *pro rata* basis, with the approval of the shareholders at the	Under Delaware law, a corporation may generally redeem or repurchase shares of its stock unless the capital of the corporation is impaired or such redemption or repurchase would impair the capital of the corporation.

FRANCE	DELAWARE
extraordinary general meeting deciding the capital reduction, in which case, the shares repurchased must be cancelled within one month from the expiry of the purchase offer; ▪ with a view to distributing within one year of their repurchase the relevant shares to employees or managers under a profit-sharing, free share or share option plan; not to exceed 10% of the share capital, in which case the shares repurchased must be distributed within 12 months from their repurchase failing which they must be cancelled; or ▪ to meet obligations arising from debt securities, that are exchangeable into equity instruments. A simple exemption is provided when the acquisition is made under a buy-back program to be authorized by the shareholders in accordance with the provisions of Article L. 225-209 of the French Commercial Code and in accordance with the general regulations of the Financial Markets Authority (AMF). All other purposes, and especially share buy-backs for external growth operations by virtue of Article L. 225-209 of the French Commercial Code, while not forbidden, must be pursued in strict compliance of market manipulations and insider dealing rules. Under the Market Abuse Regulation 596/2014 of April 16, 2014 (MAR) and in accordance with the General Regulations of the French Financial Markets Authority, a corporation	

	FRANCE	DELAWARE
	shall report to the competent authority of the trading venue on which the shares have been admitted to trading or are traded, no later than by the end of the seventh daily market session following the date of the execution of the transaction, all the transactions relating to the buy-back program, in a detailed form and in an aggregated form.	
Liability of Directors and Officers	Under French law, the bylaws may not include any provisions limiting the liability of directors.	Under Delaware law, a corporation's certificate of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation and its stockholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for: ▪ any breach of the director's duty of loyalty to the corporation or its stockholders; ▪ acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; ▪ intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or ▪ any transaction from which the director derives an improper personal benefit.
Voting Rights	French law provides that, unless otherwise provided in the bylaws, each shareholder is entitled to one vote for each share of capital stock held by such shareholder. As from April 2016, double voting rights are automatically granted to the shares being registered since more than two years, unless the bylaws are modified in order to provide otherwise.	Delaware law provides that, unless otherwise provided in the certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder.

	FRANCE	DELAWARE
Shareholder Vote on Certain Transactions	Generally, under French law, completion of a merger, dissolution, sale, lease or exchange of all or substantially all of a corporation's assets requires: ▪ the approval of the board of directors; and ▪ approval by a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting or, in the case of a merger with a non-EU company, approval of all shareholders of the corporation.	Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock, completion of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires: ▪ the approval of the board of directors; and ▪ approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.
Dissent or Dissenters' Appraisal Rights	French law does not provide for any such right but provides that a merger is subject to shareholders' approval by a two-thirds majority vote as stated above.	Under Delaware law, a holder of shares of any class or series has the right, in specified circumstances, to dissent from a merger or consolidation by demanding payment in cash for the stockholder's shares equal to the fair value of those shares, as determined by the Delaware Chancery Court in an action timely brought by the corporation or a dissenting stockholder. Delaware law grants these appraisal rights only in the case of mergers or consolidations and not in the case of a sale or transfer of assets or a purchase of assets for stock. Further, no appraisal rights are available for shares of any class or series that is listed on a national securities exchange or held of record by more than 2,000 stockholders, unless the agreement of merger or consolidation requires the holders to accept for their shares anything other than: ▪ shares of stock of the surviving corporation;

	FRANCE	DELAWARE
		▪ shares of stock of another corporation that are either listed on a national securities exchange or held of record by more than 2,000 stockholders; ▪ cash in lieu of fractional shares of the stock described in the two preceding bullet points; or ▪ any combination of the above. In addition, appraisal rights are not available to holders of shares of the surviving corporation in specified mergers that do not require the vote of the stockholders of the surviving corporation.
Standard of Conduct for Directors	French law does not contain specific provisions setting forth the standard of conduct of a director. However, directors have a duty to act without self-interest, on a well-informed basis and they cannot make any decision against a corporation's corporate interest (*intérêt social*).	Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the stockholders.
Shareholder Suits	French law provides that a shareholder, or a group of shareholders, may initiate a legal action to seek indemnification from the directors of a corporation in the corporation's interest if it fails to bring such legal action itself. If so, any damages awarded by the court are paid to the corporation and legal fees relating to such action may be borne by the relevant shareholder or the group of shareholders. The plaintiff must remain a shareholder through the duration of the legal action. There is no other case where shareholders may initiate a derivative action to enforce a right of a corporation.	Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must: ▪ state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiff's shares thereafter devolved on the plaintiff by operation of law; and ▪ allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's

	FRANCE	DELAWARE
	A shareholder may alternatively or cumulatively bring individual legal action against the directors, provided he has suffered distinct damages from those suffered by the corporation. In this case, any damages awarded by the court are paid to the relevant shareholder.	failure to obtain the action; or ▪ state the reasons for not making the effort. Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.
Amendment of Certificate of Incorporation	Under French law, corporations are not required to file a certificate of incorporation with the French Registry of Commerce and Companies and only have by-laws (*statuts*) as organizational documents.	Under Delaware law, generally a corporation may amend its certificate of incorporation if: ▪ its board of directors has adopted a resolution setting forth the amendment proposed and declared its advisability; and ▪ the amendment is adopted by the affirmative votes of a majority (or greater percentage as may be specified by the corporation) of the outstanding shares entitled to vote on the amendment and a majority (or greater percentage as may be specified by the corporation) of the outstanding shares of each class or series of stock, if any, entitled to vote on the amendment as a class or series.
Amendment of Bylaws	Under French law, only the extraordinary shareholders' meeting is authorized to adopt or amend the bylaws.	Under Delaware law, the stockholders entitled to vote have the power to adopt, amend or repeal bylaws. A corporation may also confer, in its certificate of incorporation, that power upon the board of directors.

Listing

We have applied to have our ADSs listed on the Nasdaq Global Market under the symbol "ERYP." Our ordinary shares are currently listed on Euronext Paris under the symbol "ERYP."

Transfer Agent and Registrar

Upon the closing of the U.S. offering, the transfer agent and registrar for the ADSs will be The Bank of New York Mellon. Our share register is currently maintained by Société Générale. The share register reflects only record owners of our ordinary shares. Holders of our ADSs will not be treated as one of our shareholders and their names will therefore not be entered in our share register. The depositary, the custodian or their nominees will be the holder of the shares underlying our ADSs. Holders of our ADSs have a right to receive the ordinary shares underlying their ADSs. For discussion on our ADSs and ADS holder rights, see "Description of American Depositary Shares" in this prospectus.

LIMITATIONS AFFECTING SHAREHOLDERS OF A FRENCH COMPANY

Ownership of ADSs or Shares by Non-French Residents

Neither the French Commercial Code nor our bylaws presently impose any restrictions on the right of non-French residents or non-French shareholders to own and vote shares. However, residents outside of France, as well as any French entity controlled by non-French residents, may have to file an administrative notice with French authorities in connection with their direct and indirect foreign investments in us, including through ownership of ADSs. In addition, acquisitions of 10% of the share capital or voting rights of a French resident company or a non-French resident company by a non-French resident or by a French resident, respectively, are subject to statistical reporting requirements. Violation of the statistical reporting requirement may be sanctioned by five years imprisonment and a fine of a maximum amount equal to the double of the sum not reported.

Foreign Exchange Controls

Under current French foreign exchange control regulations there are no limitations on the amount of cash payments that we may remit to residents of foreign countries. Laws and regulations concerning foreign exchange controls do, however, require that all payments or transfers of funds made by a French resident to a non-resident such as dividend payments be handled by an accredited intermediary. All registered banks and substantially all credit institutions in France are accredited intermediaries.

Availability of Preferential Subscription Rights

Our shareholders will have the preferential subscription rights described under “Description of Share Capital—Key Provisions of Our Bylaws and French Law Affecting Our Ordinary Shares—Changes in Share Capital—Preferential Subscription Right.” Under French law, shareholders have preferential rights to subscribe for cash issues of new shares or other securities giving rights to acquire additional shares on a pro rata basis. Holders of our securities in the United States (which may be in the form of shares or ADSs) may not be able to exercise preferential subscription rights for their securities unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements imposed by the Securities Act is available. We may, from time to time, issue new shares or other securities giving rights to acquire additional shares (such as warrants) at a time when no registration statement is in effect and no Securities Act exemption is available. If so, holders of our securities in the United States will be unable to exercise any preferential subscription rights and their interests will be diluted. We are under no obligation to file any registration statement in connection with any issuance of new shares or other securities. We intend to evaluate at the time of any rights offering the costs and potential liabilities associated with registering the rights, as well as the indirect benefits to us of enabling the exercise by holders of shares and holders of ADSs in the United States of the subscription rights, and any other factors we consider appropriate at the time, and then to make a decision as to whether to register the rights. We cannot assure you that we will file a registration statement.

For holders of our ordinary shares in the form of ADSs, the depositary may make these rights or other distributions available to ADS holders. If the depositary does not make the rights available to ADS holders and determines that it is impractical to sell the rights, it may allow these rights to lapse. In that case ADS holders will receive no value for them. The section of this prospectus titled “Description of American Depositary Shares—Dividends and other Distributions” explains in detail the depositary’s responsibility in connection with a rights offering. See also “Risk Factors—The right as a holder of ADSs to participate in any future preferential subscription rights or to elect to receive dividends in shares may be limited, which may cause dilution to the holdings of purchasers of ADSs in the U.S. offering.”

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

The Bank of New York Mellon has agreed to act as the depositary for the American Depositary Shares. The Bank of New York Mellon's depositary offices are located at 101 Barclay Street, New York, N.Y. 10286. American Depositary Shares are frequently referred to as ADSs and represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as American Depositary Receipts, or ADRs. The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Société Générale.

We have appointed The Bank of New York Mellon as depositary pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333-201279 when retrieving such copy.

You may hold ADSs either (1) directly (a) by having an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (b) by having uncertificated ADSs registered in your name in the Direct Registration System, or DRS, or (2) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in the Depository Trust Company, or DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

DRS is a system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership is confirmed by periodic statements sent by the depositary to the registered holders of uncertificated ADSs.

As an ADS holder, you will not be treated as one of our shareholders and you will not have shareholder rights. French law governs shareholder rights. The depositary will be the holder of the ordinary shares underlying your ADSs. As a holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and all other persons directly and indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADRs. In the event of any discrepancy between the ADRs and the deposit agreement, the deposit agreement governs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. For directions on how to obtain copies of those documents, see the section of this prospectus titled "Where You Can Find More Information." Unless otherwise indicated or the context otherwise requires, references to "you" in this section refer to purchasers of ADSs in the U.S. offering.

Dividends and Other Distributions

How will you receive dividends and other distributions on the ordinary shares?

The depositary has agreed to pay or distribute to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent.

Cash. After completion of the global offering, we do not expect to declare or pay any cash dividends or cash distributions on our ordinary shares for the foreseeable future. The depositary will convert any cash dividend or other cash distribution we pay on the ordinary shares or any net proceeds from the sale of any ordinary shares, rights, securities or other entitlements into U.S. dollars if it can do so on a reasonable basis and at the then prevailing market rate, and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest. Before making a distribution, any withholding taxes or other governmental charges, together

with fees and expenses of the depositary that must be paid, will be deducted. See the section of this prospectus titled “Material United States Federal Income and French Tax Considerations.” It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.*

Ordinary Shares. The depositary may distribute additional ADSs representing any ordinary shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell ordinary shares which would require it to deliver a fractional ADS, or ADSs representing those ordinary shares, and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new ordinary shares. The depositary may sell a portion of the distributed ordinary shares, or ADSs representing those shares, sufficient to pay its fees and expenses in connection with that distribution.

Rights to Purchase Additional Ordinary Shares. If we offer holders of our securities any rights to subscribe for additional ordinary shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse unexercised. *In that case, you will receive no value for them*.

The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary makes rights available to you, it will exercise the rights and purchase the ordinary shares on your behalf and in accordance with your instructions. The depositary will then deposit the ordinary shares and deliver ADSs to you. It will only exercise rights if you pay it the exercise price and any other charges the rights require you to pay and comply with other applicable instructions. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

Other Distributions. The depositary will send to you anything else we distribute on deposited securities by any means it determines is legal, fair and practical. If it cannot make the distribution in that way, the depositary may adopt another method. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. In addition, the depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

Neither we nor the depositary are responsible for any failure to determine that it may be lawful or feasible to make a distribution available to any ADS holders. We have no obligation to register ADSs, ordinary shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. *This means that you may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you.*

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposits ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or share transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs at the depositary’s office. Upon payment of its fees and expenses and of any taxes or governmental charges payable in connection with such surrender or withdrawal, the depositary will deliver the ordinary shares and any other deposited securities underlying the ADSs to you or a person designated by you at the office of the custodian or through a book-entry delivery. Alternatively, at your request, risk and expense, the depositary will, if feasible, deliver the amount of deposited securities represented by the surrendered ADSs for

delivery at the depositary's office or to another address you may specify. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How can ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADRs to the depositary for the purpose of exchanging your ADRs for uncertificated ADSs. The depositary will cancel the ADRs and will send you a statement confirming that you are the owner of uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depositary to vote the number of whole deposited ordinary shares your ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of shareholders' meetings or other solicitations of consents and arrange to deliver our voting materials to you. Those materials will describe the matters to be voted on and explain how you may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary.

The depositary will endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited ordinary shares represented by those ADSs in accordance with the instructions set forth in your request. The depositary will only vote, or attempt to vote, according to the instruction given by you and received by the depositary. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ordinary shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise your right to vote and there may be nothing you can do if your ordinary shares are not voted as you requested.*

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we will give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date except where under French law the notice period for such meeting is less than 30 days. If we request that the depositary act less than 30 days in advance of a meeting date, the depositary shall use commercially reasonable efforts to distribute the information and otherwise comply with the voting provisions described above.

Except as described above, you will not be able to exercise your right to vote unless you withdraw the ordinary shares. However, you may not know about the shareholder meeting enough in advance to withdraw the ordinary shares.

Fees and Expenses

What fees and expenses will you be responsible for paying?

Pursuant to the terms of the deposit agreement, the holders of ADSs will be required to pay the following fees:

Persons depositing or withdrawing ordinary shares or ADSs must pay:	*For:*
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	▪ Issue of ADSs, including issues resulting from a distribution of ordinary shares or rights ▪ Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

$0.05 (or less) per ADS A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the shares had been deposited for issue of ADSs	▪ Any cash distribution to you ▪ Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to you
$0.05 (or less) per ADS per calendar year Registration or transfer fees	▪ Depositary services ▪ Transfer and registration of ordinary shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	▪ Cable (including SWIFT) and facsimile transmissions as expressly provided in the deposit agreement ▪ Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, share transfer taxes, stamp duty or withholding taxes	▪ As necessary
Any charges payable by the depositary, custodian or their agents in connection with the servicing of deposited securities	▪ As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide for-fee services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse or share revenue from the fees collected from ADS holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency or other service providers that are affiliates of the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert foreign currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as an agent, fiduciary or broker on behalf of any other person and earns revenue, including, without limitation, fees and spreads that it will retain for its own account. The spread is the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives in an offsetting foreign currency trade. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or as to the method by which that rate will be determined, subject to its obligations under the deposit agreement.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number

of ADSs registered in your name to reflect the sale and pay you any net proceeds, or send you any property, remaining after it has paid the taxes. Your obligation to pay taxes and indemnify us and the depository against any tax claims will survive the transfer or surrender of your ADSs, the withdrawal of the deposited ordinary shares as well as the termination of the deposit agreement.

Reclassifications, Recapitalizations and Mergers

If we:	***Then:***
▪ Change the nominal value of our ordinary shares	The cash, ordinary shares or other securities received by the depositary will become deposited securities.
▪ Reclassify, split up or consolidate any of the deposited securities	Each ADS will automatically represent its equal share of the new deposited securities.
▪ Distribute securities on the ordinary shares that are not distributed to you	The depositary may also deliver new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities. The depositary may also sell the new deposited securities and distribute the net proceeds if we are unable to assure the depositary that the distribution (a) does not require registration under the Securities Act or (b) is exempt from registration under the Securities Act.
▪ Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action	Any replacement securities received by the depositary shall be treated as newly deposited securities and either the existing ADSs or, if necessary, replacement ADSs distributed by the depositary will represent the replacement securities. The depositary may also sell the replacement securities and distribute the net proceeds if the replacement securities may not be lawfully distributed to all ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges, registration fees, facsimile costs, delivery costs or other such expenses, or that would otherwise prejudice a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended*.

How may the deposit agreement be terminated?

The depositary will terminate the deposit agreement if we ask it to do so, in which case the depositary will give notice to you at least 90 days prior to termination. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign and we have not appointed a new depositary within 60 days. In such case, the depositary must notify you at least 90 days before termination. In addition, the depositary may initiate termination of the deposit agreement if (i) we delist our shares from an exchange on which they were listed and do not list the shares on another exchange; (ii) we appear to be insolvent or enter insolvency proceedings; (iii) all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities; (iv) there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or (v) there has been a replacement of deposited securities.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect dividends and other distributions on the deposited securities, sell rights and other property, and deliver

ordinary shares and other deposited securities upon cancellation of ADSs. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the *pro rata* benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADS holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary to ADS holders. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if either of us is prevented or delayed by law or circumstances beyond our control from performing our obligations under the deposit agreement;
- are not liable if either of us exercises, or fails to exercise, discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- are not liable for any tax consequences to any holders of ADSs on account of their ownership of ADSs;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper person.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances. Additionally, we, the depositary and each owner and holder waives the right to a jury trial in an action against us or the depositary arising out of or relating to the deposit agreement.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of an ADS, make a distribution on an ADS, or permit withdrawal of ordinary shares, the depositary may require:

- payment of any tax or other governmental charges and any stock transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs generally when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Ordinary Shares Underlying Your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying ordinary shares at any time except:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our ordinary shares;
- when you owe money to pay fees, taxes and similar charges; and
- when it is necessary to prohibit withdrawals in order to comply with any U.S. or foreign laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal is not limited by any other provision of the deposit agreement.

Pre-release of ADSs

The deposit agreement permits the depositary to deliver ADSs before deposit of the underlying ordinary shares. This is called a pre-release of the ADSs. The depositary may also deliver ordinary shares upon surrender of pre-released ADSs (even if the ADSs are surrendered before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying ordinary shares are delivered to the depositary. The depositary may receive ADSs instead of ordinary shares to close out a pre-release. The depositary may pre-release ADSs only under the following conditions: (1) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depositary in writing that it or its customer owns the ordinary shares or ADSs to be deposited; (2) the pre-release is at all times fully collateralized with cash or other collateral that the depositary considers appropriate; (3) the depositary must be able to close out the pre-release on not more than five business days' notice; and (4) subject to all indemnities and credit regulations that the depositary deems appropriate. The number of ADSs outstanding at any time as a result of pre-release will not normally exceed 30% of all ADSs outstanding, although the depositary may change or disregard this limit from time to time, if it thinks it is appropriate to do so.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC under which the depositary may register the ownership of uncertificated ADSs and such ownership will be evidenced by periodic statements sent by the depositary to the registered holders of uncertificated ADSs. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile System and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder Communications; Inspection of Register of Holders of ADSs; ADS Holder Information

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Each holder of ADSs will be required to provide certain information, including proof of taxpayer status, residence and beneficial ownership (as applicable), from time to time and in a timely manner as we, the depositary or the custodian may deem necessary or proper to fulfill obligations under applicable law.

SHARES AND ADSs ELIGIBLE FOR FUTURE SALE

Prior to the U.S. offering, while our ordinary shares have been traded on Euronext Paris since May 2013 and we have ADRs that trade on the U.S. over-the-counter market, there has been no public market on a U.S. national securities exchange for the ADSs or our ordinary shares in the United States. Future sales of ADSs in the public market after the U.S. offering, and the availability of ADSs for future sale, could adversely affect the market price of the ADSs prevailing from time to time. As described below, a significant number of currently outstanding ordinary shares will not be available for sale shortly after the global offering due to contractual restrictions on transfers of ordinary shares and ADSs. Accordingly, sales of substantial amounts of the ADSs or the ordinary shares, or the perception that these sales could occur, could adversely affect prevailing market prices for the ADSs and could impair our future ability to raise equity capital.

Based on the number of ordinary shares outstanding on , 2017, upon completion of the global offering, ordinary shares and ADSs will be outstanding, assuming no outstanding warrants are exercised. All of the ADSs sold in the U.S. offering will be freely tradable without restrictions or further registration under the Securities Act, except for any ADSs sold to our "affiliates," as that term is defined under Rule 144 under the Securities Act. The ordinary shares held by existing shareholders are "restricted securities," as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if registered or if their resale qualifies for exemption from registration described below under Rule 144 or 701 promulgated under the Securities Act.

Additionally, of the warrants to purchase ordinary shares outstanding as of , 2017 and assuming no outstanding warrants are exercised and no exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares, warrants exercisable for ordinary shares will be vested and eligible for sale 90 days after the date of this prospectus subject to French law, as described below.

Under the lock-up and market stand-off agreements described below and the provisions of Rules 144 and 701 under the Securities Act and French law, and assuming no exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares, these restricted securities will be available for sale in the public market as follows:

- approximately ordinary shares (including ordinary shares in the form of ADSs) will be eligible for immediate sale on the date of this prospectus; and
- ordinary shares (including ordinary shares in the form of ADSs) will be eligible for sale upon the expiration of the lock-up and market stand-off agreements 90 days after the date of this prospectus, provided that shares held by our affiliates will remain subject to volume, manner of sale, and other resale limitations set forth in Rule 144 and subject to French law, both as described below.

Rule 144

In general, a person who has beneficially owned restricted ordinary shares for at least six months would be entitled to sell their securities pursuant to Rule 144 under the Securities Act provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (2) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted ordinary shares for at least six months, but who are our affiliates at the time of, or at any time during the 90 days preceding a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1.0% of the number of ordinary shares then outstanding, which will equal approximately ordinary shares immediately after the completion of the global offering based on the number of ordinary shares outstanding as of , 2017; and
- the average weekly trading volume of the ADSs on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares subject also to French law, as described below.

Lock-up Agreements

We and our executive officers and directors have agreed that, without the prior written consent of Jefferies LLC and Cowen and Company, LLC, we and they will not, subject to customary exceptions, during the period ending 90 days after the date of this prospectus, directly or indirectly, sell, offer, contract or grant any option to sell, pledge or otherwise transfer or dispose of any ordinary shares, ADSs or any securities convertible into, exercisable or exchangeable for our ordinary shares or ADSs or publicly announce an intent to do any of the foregoing. Jefferies LLC and Cowen and Company, LLC, on behalf of the underwriters, will have discretion in determining if and when to release any ordinary shares or ADSs subject to lock-up agreements.

We do not currently expect any release of ordinary shares or ADSs subject to lock-up agreements prior to the expiration of the applicable lock-up periods. Upon the expiration of the applicable lock-up periods, substantially all of the ordinary shares and ADSs subject to such lock-up restrictions will become eligible for sale, subject to the limitations described above.

French Law

Under French law, and in particular under the General Regulation issued by the French Stock Exchange Authority (*Réglement Général de l'AMF*), as well as under Market Abuse Regulation 596/2014 of 16 April 2014 (MAR), any person that holds insider information shall, until such information is made public, refrain from (1) carrying out any transactions relating to securities issued by the company, (2) recommending that another person engage in insider dealing or induce another person to engage in insider dealing, (3) unlawfully disclosing inside information outside of the normal exercise of an employment, profession or duties. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information, shall also be considered to be insider dealing. These rules apply to all persons who hold insider information as a result of (1) their status as board member, executive officer, manager, employee of the company, third parties acting on behalf of the company and having access to privileged information as party of their professional relations with the company during the preparation or the completion of a particular transaction, such as investor services providers, lawyers or public relations agencies, (2) their holding of securities in the share capital of the issuer, and/or (3) their access to information because of their employment, profession or duties or their participation in the preparation of a financial transaction.

Under MAR and the General Regulation of the French Stock Exchange Authority (*Réglement Général de l'AMF*), it is also prohibited for a person to engage or attempt to engage in market manipulation.

Prohibited transactions include all transactions related to securities (stocks, bonds, securities convertible, options and warrants), and in particular, the (1) transfer of securities, (2) exercise of options and warrants (including founder's share warrants) and exercise of any securities giving access to the capital, (3) transfer of free shares and (4) acquisition of securities.

MATERIAL UNITED STATES FEDERAL INCOME AND FRENCH TAX CONSIDERATIONS

The following describes material U.S. federal income tax and French tax considerations relating to the acquisition, ownership and disposition of ADSs by a U.S. holder (as defined below). This summary addresses these tax considerations only for U.S. holders that are initial purchasers of the ADSs pursuant to the global offering and that will hold such ADSs as capital assets. This summary does not address all U.S. federal income tax and French tax matters that may be relevant to a particular U.S. holder. This summary does not address tax considerations applicable to a holder of ADSs that may be subject to special tax rules including, without limitation, the following:

- banks, financial institutions or insurance companies;
- brokers, dealers or traders in securities, currencies, commodities, or notional principal contracts;
- tax-exempt entities or organizations, including an “individual retirement account” or “Roth IRA” as defined in Section 408 or 408A of the Code (as defined below), respectively;
- real estate investment trusts, regulated investment companies or grantor trusts;
- persons that hold the ADSs as part of a “hedging,” “integrated,” “wash sale” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- S corporations;
- certain former citizens or long term residents of the United States;
- persons that received ADSs as compensation for the performance of services;
- persons acquiring ADSs in connection with a trade or business conducted outside of the United States, including a permanent establishment in France;
- holders that own directly, indirectly, or through attribution 10% or more of the voting power or value of our ADSs and shares or, in the case of the discussion of French tax consequences, 5% or more of the voting stock or our share capital; and
- holders that have a “functional currency” other than the U.S. dollar.

For the purposes of this description, a “U.S. holder” is a beneficial owner of ADSs that is (or is treated as), for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a domestic corporation;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or if such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds ADSs, the U.S. federal income tax consequences relating to an investment in the ADSs will depend in part upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor regarding the U.S. federal income tax considerations of acquiring, owning and disposing of the ADSs in its particular circumstances.

The discussion in this section is based in part upon the representations of the Depositary and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

Persons considering an investment in the ADSs should consult their own tax advisors as to the particular tax consequences applicable to them relating to the acquisition, ownership and disposition of the ADSs, including the applicability of U.S. federal, state and local tax laws, French tax laws and other non-U.S. tax laws.

Material French Tax Considerations

The following describes the material French income tax consequences to U.S. holders of purchasing, owning and disposing of our ADSs and, unless otherwise noted, this discussion is the opinion of Gide Loyrette Nouel A.A.R.P.I, our French tax counsel, insofar as it relates to matters of French tax law and legal conclusions with respect to those matters.

This discussion does not purport to be a complete analysis or listing of all potential tax effects of the acquisition, ownership or disposition of our ADSs to any particular investor, and does not discuss tax considerations that arise from rules of general application or that are generally assumed to be known by investors. All of the following is subject to change. Such changes could apply retroactively and could affect the consequences described below.

The description of the French income tax and wealth tax consequences set forth below is based on the Convention Between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital of August 31, 1994, or the Treaty, which came into force on December 30, 1995 (as amended by any subsequent protocols, including the protocol of January 13, 2009), and the tax guidelines issued by the French tax authorities in force as of the date of this prospectus.

This discussion applies only to investors that are entitled to Treaty benefits under the “Limitation on Benefits” provision contained in the Treaty.

In 2011, France introduced a comprehensive set of new tax rules applicable to French assets that are held by or in foreign trusts. These rules provide inter alia for the inclusion of trust assets in the settlor’s net assets for the purpose of applying the French wealth tax, for the application of French gift and death duties to French assets held in trust, for a specific tax on capital on the French assets of foreign trusts not already subject to the French wealth tax and for a number of French tax reporting and disclosure obligations. The following discussion does not address the French tax consequences applicable to securities (including ADSs) held in trusts. If ADSs are held in trust, the grantor, trustee and beneficiary are urged to consult their own tax advisor regarding the specific tax consequences of acquiring, owning and disposing of securities (including ADSs).

U.S. holders are urged to consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of securities in light of their particular circumstances, especially with regard to the “Limitations on Benefits” provision.

Estate and Gift Taxes and Transfer Taxes

In general, a transfer of securities by gift or by reason of death of a U.S. holder that would otherwise be subject to French gift or inheritance tax, respectively, will not be subject to such French tax by reason of the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, dated November 24, 1978, unless (i) the donor or the transferor is domiciled in France at the time of making the gift or at the time of his or her death, or (ii) the securities were used in, or held for use in, the conduct of a business through a permanent establishment or a fixed base in France.

Pursuant to Article 235 ter ZD of the Code général des impôts (French Tax Code, or FTC), purchases of shares or ADSs of a French company listed on a regulated market of the European Union or on a foreign regulated market formally acknowledged by the French Financial Market Authority (AMF) are subject to a 0.3% French tax on financial transactions provided that the issuer’s market capitalization exceeds 1 billion euros as of December 1 of the year preceding the taxation year. The Nasdaq Global Market is not currently acknowledged by the French AMF but this may change in the future. A list of French relevant companies whose market capitalization exceeds 1 billion euros as of December 1 of the year preceding the taxation year is published annually and at least once a year, by the French State. As at December 1, 2016, our market capitalization did not exceed 1 billion euros.

Following the global offering, purchases of our securities may be subject to such tax provided that its market capitalization exceeds 1 billion euros and that the Nasdaq Global Market is acknowledged by the French AMF.

In the case where Article 235 ter ZD of the FTC is not applicable, transfers of shares issued by a listed French company are subject to uncapped registration duties at the rate of 0.1% if the transfer is evidenced by a written statement ("acte") executed either in France or outside France. Although there is no case law or official guidelines published by the French tax authorities on this point, transfers of ADSs should remain outside of the scope of the aforementioned 0.1% registration duties.

Tax on Sale or Other Disposition

As a matter of principle, under French tax law, a U.S. holder should not be subject to any French tax on any capital gain from the sale, exchange, repurchase or redemption by us of ordinary shares or ADSs, provided such U.S. holder is not a French tax resident for French tax purposes and has not held more than 25% of our dividend rights, known as *"droits aux benefices sociaux,"* at any time during the preceding five years, either directly or indirectly, and, as relates to individuals, alone or with relatives (as an exception, a U.S holder resident, established or incorporated in a non-cooperative State or territory as defined in Article 238-0 A of the FTC should be subject to a 75% withholding tax in France on any such capital gain, regardless of the fraction of the dividend rights it holds).

Under application of the Treaty, a U.S. holder who is a U.S. resident for purposes of the Treaty and entitled to Treaty benefit will not be subject to French tax on any such capital gain unless the ordinary shares or the ADSs form part of the business property of a permanent establishment or fixed base that the U.S. holder has in France. U.S. holders who own ordinary shares or ADSs through U.S. partnerships that are not resident for Treaty purposes are advised to consult their own tax advisors regarding their French tax treatment and their eligibility for Treaty benefits in light of their own particular circumstances. A U.S. holder that is not a U.S. resident for Treaty purposes or is not entitled to Treaty benefit (and in both cases is not resident, established or incorporated in a non-cooperative State or territory as defined in Article 238-0 A of the FTC) and has held more than 25% of our dividend rights, known as *"droits aux benefices sociaux,"* at any time during the preceding five years, either directly or indirectly, and, as relates to individuals, alone or with relatives will be subject to a levy in France at the rate of 45% (individuals may claim for a refund of the fraction of this levy exceeding the amount that would result from the application of the progressive rate of French individual income tax to these capital gains). Special rules apply to U.S. holders who are residents of more than one country.

Taxation of Dividends

Dividends paid by a French corporation to non-residents of France are generally subject to French withholding tax at a rate of 30%. Dividends paid by a French corporation in a non-cooperative State or territory, as defined in Article 238-0 A of the FTC, will generally be subject to French withholding tax at a rate of 75%. However, eligible U.S. holders entitled to Treaty benefits under the ''Limitation on Benefits'' provision contained in the Treaty who are U.S. residents, as defined pursuant to the provisions of the Treaty, will not be subject to this 30% or 75% withholding tax rate, but may be subject to the withholding tax at a reduced rate (as described below).

Under the Treaty, the rate of French withholding tax on dividends paid to an eligible U.S. holder who is a U.S. resident as defined pursuant to the provisions of the Treaty and whose ownership of the ordinary shares or ADSs is not effectively connected with a permanent establishment or fixed base that such U.S. holder has in France, is generally reduced to 15%, or to 5% if such U.S. holder is a corporation and owns directly or indirectly at least 10% of the share capital of the issuer; such U.S. holder may claim a refund from the French tax authorities of the amount withheld in excess of the Treaty rates of 15% or 5%, if any.

For U.S. holders that are not individuals but are U.S. residents, as defined pursuant to the provisions of the Treaty, the requirements for eligibility for Treaty benefits, including the reduced 5% or 15% withholding tax rates contained in the ''Limitation on Benefits'' provision of the Treaty, are complex, and certain technical changes were made to these requirements by the protocol of January 13, 2009. U.S. holders are advised to consult their own tax advisors regarding their eligibility for Treaty benefits in light of their own particular circumstances. Dividends paid to an eligible U.S. holder may immediately be subject to the reduced rates of 5% or 15% provided that:

- such holder establishes before the date of payment that it is a U.S. resident under the Treaty by completing and providing the depositary with a treaty form (Form 5000); or

- the depositary or other financial institution managing the securities account in the U.S. of such holder provides the French paying agent with a document listing certain information about the U.S. holder and its ordinary shares or ADSs and a certificate whereby the financial institution managing the U.S. holder's securities account in the United States takes full responsibility for the accuracy of the information provided in the document.

Otherwise, dividends paid to a U.S. holder will be subject to French withholding tax at the rate of 30%, or 75% if paid in a non-cooperative State or territory (as defined in Article 238-0 A of the FTC), and then reduced at a later date to 5% or 15%, provided that such holder duly completes and provides the French tax authorities with the treaty forms Form 5000 and Form 5001 before December 31 of the second calendar year following the year during which the dividend is paid.

Certain qualifying pension funds and certain other tax-exempt entities are subject to the same general filing requirements as other U.S. holders except that they may have to supply additional documentation evidencing their entitlement to these benefits.

Form 5000 and Form 5001, together with instructions, will be provided by the depositary to all U.S. holders registered with the depositary. The depositary will arrange for the filing with the French tax authorities of all such forms properly completed and executed by U.S. holders of ordinary shares or ADSs and returned to the depositary in sufficient time so that they may be filed with the French tax authorities before the distribution in order to immediately obtain a reduced withholding tax rate. Otherwise, the depositary must withhold tax at the full rate of 30% or 75% as applicable. In that case, the U.S. holders may claim a refund from the French tax authorities of the excess withholding tax.

Wealth Tax

The French wealth tax (*impôt de solidarité sur la fortune*) applies only to individuals and does not generally apply to securities held by an eligible U.S. holder who is a U.S. resident, as defined pursuant to the provisions of the Treaty, provided that such U.S. holder does not own directly or indirectly more than 25% of the issuer's financial rights and that the ADSs do not form part of the business property of a permanent establishment or fixed base in France.

Material U.S. Federal Income Tax Considerations

This section discusses the material U.S. federal income tax considerations relating to the acquisition, ownership and disposition of ADSs by a U.S. holder. This description does not address the U.S. federal estate, gift, or alternative minimum tax considerations, or any U.S. state, local, or non-U.S. tax considerations of the acquisition, ownership and disposition of the ADSs.

This description is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, existing, proposed and temporary U.S. Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, in each case as in effect and available on the date hereof. All the foregoing is subject to change, which change could apply retroactively, and to differing interpretations, all of which could affect the tax considerations described below. There can be no assurances that the U.S. Internal Revenue Service, or the IRS, will not take a position concerning the tax consequences of the acquisition, ownership and disposition of the ADSs or that such a position would not be sustained by a court. Holders should consult their own tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the ADSs in their particular circumstances.

As indicated below, this discussion is subject to U.S. federal income tax rules applicable to a "passive foreign investment company," or a PFIC.

In general, and taking into account the earlier assumptions, for U.S. federal income and French tax purposes, a U.S. holder holding ADRs evidencing ADSs will be treated as the owner of the shares presented by the ADRs. Exchanges of shares for ADRs, and ADRs for shares, generally will not be subject to U.S. federal income or to French tax.

Distributions. Subject to the discussion under "*—Passive Foreign Investment Company Considerations,*" below, the gross amount of any distribution (including any amounts withheld in respect of foreign tax) actually or constructively received by a U.S. holder with respect to ADSs will be taxable to the U.S. holder as a dividend to the extent of the U.S. holder's pro rata share of our current and accumulated earnings and profits as determined under U.S. federal income tax principles. Distributions in excess of earnings and profits will be non-taxable to the U.S. holder to the extent of, and will be applied against and reduce, the U.S. holder's adjusted tax basis in the ADSs. Distributions in excess of earnings and profits and such adjusted tax basis will generally be taxable to the U.S. holder as either long-term or short-term capital gain depending upon whether the U.S. holder has held the ADSs for more than one year as of the time such distribution is received. However, since we do not calculate our earnings and profits under U.S. federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. Non-corporate U.S. holders may qualify for the preferential rates of taxation with respect to dividends on ADSs applicable to long-term capital gains (i.e., gains from the sale of capital assets held for more than one year) applicable to qualified dividend income (as discussed below) if we are a "qualified foreign corporation" and certain other requirements (discussed below) are met. A non-U.S. corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information provision, or (b) with respect to any dividend it pays on ADSs which are readily tradable on an established securities market in the United States. We have applied to list our ADSs on the Nasdaq Global Market, which is an established securities market in the United States, and we expect the ADSs to be readily tradable on the Nasdaq Global Market. There can be no assurance that the ADSs will be considered readily tradable on an established securities market in the United States in later years. The Company, which is incorporated under the laws of France, believes that it qualifies as a resident of France for purposes of, and is eligible for the benefits of, the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed on August 31, 1994, as amended and currently in force, or the U.S.-France Tax Treaty, although there can be no assurance in this regard. Further, the IRS has determined that the U.S.-France Tax Treaty is satisfactory for purposes of the qualified dividend rules and that it includes an exchange-of-information program. Therefore, subject to the discussion under "*—Passive Foreign Investment Company Considerations*," below, such dividends will generally be "qualified dividend income" in the hands of individual U.S. holders, provided that a holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) and certain other requirements are met. The dividends will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders.

A U.S. holder generally may claim the amount of any French withholding tax as either a deduction from gross income or a credit against its U.S. federal income tax liability. However, the foreign tax credit is subject to numerous complex limitations that must be determined and applied on an individual basis. Generally, the credit cannot exceed the proportionate share of a U.S. holder's U.S. federal income tax liability that such U.S. holder's taxable income bears to such U.S. holder's worldwide taxable income. In applying this limitation, a U.S. holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. The amount of a distribution with respect to the ADSs that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for French income tax purposes, potentially resulting in a reduced foreign tax credit for the U.S. holder. Each U.S. holder should consult its own tax advisors regarding the foreign tax credit rules.

In general, the amount of a distribution paid to a U.S. holder in a foreign currency will be the dollar value of the foreign currency calculated by reference to the spot exchange rate on the day the Depositary receives the

distribution, regardless of whether the foreign currency is converted into U.S. dollars at that time. Any foreign currency gain or loss a U.S. holder realizes on a subsequent conversion of foreign currency into U.S. dollars will be U.S. source ordinary income or loss. If dividends received in a foreign currency are converted into U.S. dollars on the day they are received, a U.S. holder should not be required to recognize foreign currency gain or loss in respect of the dividend.

Sale, Exchange or Other Taxable Disposition of the ADSs. A U.S. holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale, exchange or other taxable disposition of ADSs in an amount equal to the difference between the U.S. dollar value of the amount realized from such sale or exchange and the U.S. holder's tax basis in those ADSs, determined in U.S. dollars. Subject to the discussion under "— *Passive Foreign Investment Company Considerations*" below, this gain or loss will generally be a capital gain or loss. The adjusted tax basis in the ADSs generally will be equal to the cost of such ADSs. Capital gain from the sale, exchange or other taxable disposition of ADSs of a non-corporate U.S. holder is generally eligible for a preferential rate of taxation applicable to capital gains, if the non-corporate U.S. holder's holding period determined at the time of such sale, exchange or other taxable disposition for such ADSs exceeds one year (i.e., such gain is long-term taxable gain). The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations. Any such gain or loss that a U.S. holder recognizes generally will be treated as U.S. source gain or loss for foreign tax credit limitation purposes.

For a cash basis taxpayer, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. In that case, no foreign currency exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of such a purchase or sale. An accrual basis taxpayer, however, may elect the same treatment required of cash basis taxpayers with respect to purchases and sales of the ADSs that are traded on an established securities market, provided the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. For an accrual basis taxpayer who does not make such election, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the trade date of the purchase or sale. Such an accrual basis taxpayer may recognize exchange gain or loss based on currency fluctuations between the trade date and the settlement date. Any foreign currency gain or loss a U.S. Holder realizes will be U.S. source ordinary income or loss.

Medicare Tax. Certain U.S. holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their dividend income and net gains from the disposition of ADSs. Each U.S. holder that is an individual, estate or trust is urged to consult its tax advisors regarding the applicability of the Medicare tax to its income and gains in respect of its investment in the ADSs.

Passive Foreign Investment Company Considerations. If we are classified as a PFIC in any taxable year, a U.S. holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

We will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules with respect to the income and assets of our subsidiaries, either: (i) at least 75% of the gross income is "passive income" or (ii) at least 50% of the average quarterly value of our total gross assets (which would generally be measured by fair market value of our assets, and for which purpose the total value of our assets may be determined in part by the market value of the ADSs and our ordinary shares, which are subject to change) is attributable to assets that produce "passive income" or are held for the production of "passive income."

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of the ADSs. If a non-U.S. corporation owns directly or indirectly at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income. If we are classified as a PFIC in any year with respect to which a U.S. holder owns the ADSs, we will continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ADSs, regardless of whether we continue to meet the tests described above.

The market value of our assets may be determined in large part by reference to the market price of the ADSs and our ordinary shares, which is likely to fluctuate after the global offering. In addition, the composition of our income and assets will be affected by how, and how quickly, we use the cash proceeds from the global offering in our business. Whether we are a PFIC for any taxable year will depend on our assets and income (including whether we receive certain non-refundable grants or subsidies and whether such amounts and reimbursements of certain refundable research tax credits will constitute gross income for purposes of the PFIC income test) in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC in any taxable year. Based on the composition of our gross income and assets in 2016, certain estimates of our gross income and assets for 2017, and the nature of our business, we do not believe that we were characterized as a PFIC in our 2016 taxable year and do not expect to be characterized as a PFIC for our taxable year ending December 31, 2017; however, there can be no assurance that we will not be considered a PFIC for any future taxable year. Our U.S. counsel expresses no opinion regarding our conclusions or our expectations regarding our PFIC status.

If we are a PFIC, and you are a U.S. holder that does not make one of the elections described below, a special tax regime will apply to both (a) any "excess distribution" by us to you (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or your holding period for the ADSs) and (b) any gain realized on the sale or other disposition of the ADSs. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period, (b) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would be subject to tax at the U.S. holder's regular ordinary income rate for the current year and would not be subject to the interest charge discussed below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to you will not qualify for the lower rates of taxation applicable to qualified dividends discussed above under "Distributions."

Certain elections may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment of the ADSs. If a U.S. holder makes a mark-to-market election, the U.S. holder generally will recognize as ordinary income any excess of the fair market value of the ADSs at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the ADSs will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). The mark-to-market election is available only if we are a PFIC and the ADSs are "regularly traded" on a "qualified exchange." The ADSs will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter (subject to the rule that trades that have as one of their principal purposes the meeting of the trading requirement as disregarded). The Nasdaq Global Market is a qualified exchange for this purpose and, consequently, if the ADSs are regularly traded, the mark-to-market election will be available to a U.S. holder.

We do not currently intend to provide the information necessary for U.S. holders to make qualified electing fund elections if we were treated as a PFIC for any taxable year. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

If we are determined to be a PFIC, the general tax treatment for U.S. Holders described in this section would apply to indirect distributions and gains deemed to be realized by U.S. Holders in respect of any of our subsidiaries that also may be determined to be PFICs.

If a U.S. holder owns ADSs during any taxable year in which we are a PFIC, the U.S. holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or

Qualified Electing Fund) with respect to the company, generally with the U.S. holder's federal income tax return for that year. If our company were a PFIC for a given taxable year, then you should consult your tax advisor concerning your annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. investors are urged to consult their own tax advisers with respect to the acquisition, ownership and disposition of the ADSs, the consequences to them of an investment in a PFIC, any elections available with respect to the ADSs and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of the ADSs.

Backup Withholding and Information Reporting. U.S. holders generally will be subject to information reporting requirements with respect to dividends on ADSs and on the proceeds from the sale, exchange or disposition of ADSs that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an "exempt recipient." In addition, U.S. holders may be subject to backup withholding on such payments, unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Certain Reporting Requirements With Respect to Payments of Offer Price. U.S. holders paying more than U.S. $100,000 for the ADSs generally may be required to file IRS Form 926 reporting the payment of the Offer Price for the ADSs to us. Substantial penalties may be imposed upon a U.S. holder that fails to comply. Each U.S. holder should consult its own tax advisor as to the possible obligation to file IRS Form 926.

Foreign Asset Reporting. Certain individual U.S. holders are required to report information relating to an interest in the ADSs, subject to certain exceptions (including an exception for shares held in accounts maintained by U.S. financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. U.S. holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the ADSs.

THE DISCUSSION ABOVE IS A SUMMARY OF THE MATERIAL FRENCH AND U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN OUR ADSs OR ORDINARY SHARES AND IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS PROSPECTUS, ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ADSs OR ORDINARY SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

ENFORCEMENT OF CIVIL LIABILITIES

We are a corporation organized under the laws of France. The majority of our directors are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. We have appointed an agent for service of process in the United States; however, it may be difficult for investors:

- to obtain jurisdiction over us or our non-U.S. resident officers and directors in U.S. courts in actions predicated on the civil liability provisions of the U.S. federal securities laws;
- to enforce in U.S. courts judgments obtained in such actions against us or our non-U.S. resident officers and directors;
- to bring an original action in a French court to enforce liabilities based upon the U.S. federal securities laws against us or our non-U.S. resident officers or directors; and
- to enforce in U.S. courts against us or our directors in non-U.S. courts, including French courts, judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal securities laws.

Nevertheless, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would be recognized and enforced in France provided that a French judge considers that this judgment meets the French legal requirements concerning the recognition and the enforcement of foreign judgments and is capable of being immediately enforced in the United States. A French court is therefore likely to grant the enforcement of a foreign judgment without a review of the merits of the underlying claim, only if (1) that judgment resulted from legal proceedings compatible with French standards of due process, (2) that judgment does not contravene international public order and public policy of France and (3) the jurisdiction of the U.S. federal or state court has been based on principles of French private international law. The French court would also require that the U.S. judgment is not tainted with fraud and is not incompatible with a judgment rendered by a French court in the same matter, or with an earlier judgment rendered by a foreign court in the same matter.

In addition, French law guarantees full compensation for the harm suffered but is limited to the actual damages, so that the victim does not suffer or benefit from the situation. Such system excludes damages such as, but not limited to, punitive and exemplary damages.

As a result, the enforcement, by U.S. investors, of any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities law against us or members of our board of directors, officers or certain experts named herein who are residents of France or countries other than the United States would be subject to the above conditions.

Finally, there may be doubt as to whether a French court would impose civil liability on us, the members of our board of directors, our officers or certain experts named herein in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in France against us or such members, officers or experts, respectively.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated , 2017, among us, Jefferies LLC, 520 Madison Avenue, New York, NY 10022, Cowen and Company, LLC, 599 Lexington Avenue, New York, NY 10022 and Oddo BHF SCA, 12, Boulevard de la Madeleine, 75440 Paris Cedex 09, as the representatives of the underwriters named below, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us on a pro rata basis up to the respective number of ADSs and/or ordinary shares, as the case may be, shown opposite its name below. Jefferies LLC is acting as global coordinator and joint book-runner for the global offering. Cowen and Company, LLC is acting as joint book-runner and JMP Securities LLC is acting as lead manager with respect to the offering of ADSs in the United States. Oddo BHF SCA is acting as joint book-runner with respect to the offering of ordinary shares in Europe.

UNDERWRITER	NUMBER OF ADSs	NUMBER OF ORDINARY SHARES
Jefferies LLC		
Cowen and Company, LLC		
Oddo BHF SCA		
JMP Securities LLC		
Total		

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated without liability. We have agreed to indemnify the underwriters, their affiliates, directors, officers, employees and agents and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act or the Exchange Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that, following the completion of the global offering, they currently intend to make a market in the ADSs and ordinary shares as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading markets for the ADSs or ordinary shares, that you will be able to sell any of the ADSs or ordinary shares held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the ADSs and ordinary shares subject to their acceptance of the ADSs and ordinary shares from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commission and Expenses

The following table shows the offering price, the underwriting commissions that we are to pay the underwriters and the proceeds, before expenses, to us in connection with the global offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs and/or ordinary shares.

	PER ADS		PER ORDINARY SHARE		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL ADSs	WITH OPTION TO PURCHASE ADDITIONAL ADSs	WITHOUT OPTION TO PURCHASE ADDITIONAL ORDINARY SHARES	WITH OPTION TO PURCHASE ADDITIONAL ORDINARY SHARES	WITHOUT OPTION TO PURCHASE ADDITIONAL ADSs & ORDINARY SHARES	WITH OPTION TO PURCHASE ADDITIONAL ADSs & ORDINARY SHARES
Offering price	$	$	$	$	$	$
Underwriting commissions	$	$	$	$	$	$
Proceeds to us, before expenses	$	$	$	$	$	$

We estimate expenses payable by us in connection with the global offering, other than the underwriting commissions referred to above, will be approximately $. We also have agreed to reimburse the underwriters for up to $ for their FINRA counsel fee. In accordance with FINRA Rule 5110, this reimbursed fee is deemed underwriting compensation for the global offering.

Determination of Offering Price

Prior to the U.S. offering, while our ordinary shares have been traded on Euronext Paris since May 2013 and we have ADRs that trade on the U.S. over-the-counter market, there has been no public market on a U.S. national securities exchange for the ADSs or our ordinary shares in the United States. Consequently, the offering price for our ADSs will be determined by negotiations between us and the representatives. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant. The offering price per ordinary share will be determined by reference to the prevailing market prices of our ordinary shares on Euronext Paris after taking into account market conditions, any restrictions imposed under the authority granted by our shareholders to conduct the global offering and other factors deemed relevant.

We offer no assurances that the offering price will correspond to the price at which the ADSs will trade in the public market subsequent to the U.S. or global offering or that an active trading market for the ADSs will develop and continue after the U.S. or global offering.

Listing

We have submitted an application for our ADSs to be listed on the Nasdaq Global Market under the trading symbol "ERYP." Our ordinary shares are listed on Euronext Paris under the symbol "ERYP."

Stamp Taxes

If you purchase ADSs or ordinary shares offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price set forth on the cover page of this prospectus.

Option to Purchase Additional ADSs and/or Ordinary Shares in the Global Offering

We have agreed to issue, at the option of the underwriters, up to an aggregate of additional ADSs and/or ordinary shares in the global offering to be sold to the several underwriters at the applicable offering price set forth on the cover page of this prospectus. The option granted may

be exercised at any time and from time to time in whole or in part by the underwriters within 30 days from the date of the underwriting agreement. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional ADSs and/or ordinary shares, as the case may be, proportionate to that underwriter's initial purchase commitment as indicated in the table above.

No Sales of Similar Securities

We and our executive officers and directors have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act or enter into any swap, hedge or similar arrangement;
- otherwise dispose of any share capital, options or warrants to acquire share capital, or securities exchangeable or exercisable for or convertible into share capital currently or hereafter owned either of record or beneficially; or
- publicly announce an intention to do any of the foregoing for a period of 90 days after the date of this prospectus, in each case, without the prior written consent of Jefferies LLC and Cowen and Company, LLC.

This restriction terminates after the close of trading of the ADSs and ordinary shares on and including the 90th day after the date of this prospectus.

Jefferies LLC and Cowen and Company, LLC may, in their sole discretion and at any time or from time to time before the termination of the lock-up period described above, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our shareholders who will execute a lock-up agreement providing consent to the sale of our share capital prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that, pursuant to Regulation M under the Exchange Act, certain persons participating in the global offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with the global offering. Furthermore, stabilization transactions will also need to comply with European Union laws and notably the Market Abuse Regulation. These activities may have the effect of stabilizing or maintaining the market price of the ADSs and ordinary shares at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either "covered" short sales or "naked" short sales.

"Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional ADSs and/or ordinary shares in the global offering. The underwriters may close out any covered short position by either exercising their option to purchase additional ADSs and/or ordinary shares or purchasing our ADSs and/or ordinary shares in the open market. In determining the source of ADSs and/or ordinary shares to close out the covered short position, the underwriters will consider, among other things, the price of ADSs and ordinary shares available for purchase in the open market as compared to the price at which they may purchase ADSs and ordinary shares through the option to purchase additional ADSs and/or ordinary shares.

"Naked" short sales are sales in excess of the option to purchase additional ADSs and/or ordinary shares. The underwriters must close out any naked short position by purchasing ADSs and/or ordinary shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our ADSs and/or ordinary shares in the open market after pricing that could adversely affect investors who purchase in the global offering.

A stabilizing bid is a bid for the purchase of ADSs and ordinary shares on behalf of the underwriters for the purpose of fixing or maintaining the price of the ADSs and ordinary shares. A syndicate covering transaction is the bid for or the purchase of ADSs and ordinary shares on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the global offering. Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our ADSs and ordinary shares or preventing or retarding a decline in the market price of our ADSs and ordinary shares.

As a result, the price of our ADSs and ordinary shares may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the global offering if the ADSs and ordinary shares originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we, nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our ADSs and ordinary shares. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

The underwriters may also engage in passive market making transactions in our ADSs on the Nasdaq Global Market in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of our ADSs in the U.S. offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of ADSs and ordinary shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information contained in, or that can be accessed through links on, the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters, is not part of this prospectus, has not been approved or endorsed by us or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the ADSs and ordinary shares offered hereby. Any such short positions could adversely affect future trading prices of the ADSs and ordinary shares offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

NOTICE TO INVESTORS

Canada

Resale Restrictions

The distribution of the securities in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the securities in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers

By purchasing the securities in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the securities without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—*Prospectus Exemptions*,
- the purchaser is a "permitted client" as defined in National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations*,
- where required by law, the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under Resale Restrictions.

Conflicts of Interest

Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—*Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of the securities should consult their own legal and tax advisors with respect to the tax consequences of an investment in the securities in their particular circumstances and about the eligibility of the securities for investment by the purchaser under relevant Canadian legislation.

Australia

This prospectus is not a disclosure document for the purposes of Australia's Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

You confirm and warrant that you are either:

- a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
- a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with us under section 708(12) of the Corporations Act; or
- a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the securities issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive, each referred to as a Relevant Member State, an offer to the public of any securities which are the subject of the global offering contemplated by this prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any securities may be made at any time under the following exemptions under the Prospectus Directive:

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the underwriters for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall require us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe to the securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

France

The ADSs and the ordinary shares have not been and will not be offered or sold to the public in the Republic of France, and no offering or this prospectus or any marketing materials relating to the ADSs and the ordinary shares must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in the Republic of France.

The ADSs and the ordinary shares may only be offered or sold in the Republic of France pursuant to article L. 411-2-II of the French *Code monétaire et financier* 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 *Code monétaire et financier*.

Prospective investors are informed that:

- neither this prospectus nor any other offering materials relating to the ADSs and the ordinary shares described in this prospectus has been submitted for clearance to the French financial market authority (*Autorité des marchés financiers*);
- neither this prospectus, nor any offering material relating to the ADSs and the ordinary shares has been or will be released, issued, distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the ADSs and the ordinary shares to the public in France within the meaning of article L. 411-1 of the French *Code monétaire et financier*.
- individuals or entities referred to in article L. 411-II-2 of the French *Code monétaire et financier* may participate in the global offering for their own account, as provided under articles D.411-1, D.411-2, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*; and
- the direct and indirect distribution or sale to the public of the ADSs and the ordinary shares acquired by them may only be made in compliance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

Hong Kong

No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, or SFO, and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, or CO, (Cap. 32) of Hong Kong or which do not constitute an offer or invitation to the public for the purpose of the CO or SFO. No document, invitation or advertisement relating to the securities has been issued or may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Japan

The global offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended), or FIEL, and the underwriters will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means, unless otherwise provided herein, any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus has not been and will not be lodged or registered with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or the invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities

be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the securities or the global offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the global offering, the Company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, referred to herein as the Order, and/or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated. Each such person is referred to herein as a Relevant Person.

This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this document or any of its contents.

EXPENSES RELATING TO THE GLOBAL OFFERING

The following table sets forth the costs and expenses, other than underwriting commissions, payable in connection with the sale of ordinary shares and ADSs in the global offering. All amounts are estimated except the SEC registration fee, the Nasdaq initial listing fee and the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee. Except as otherwise noted, all the expenses below will be paid by us.

ITEM	AMOUNT
SEC registration fee	$ 12,450
FINRA filing fee	15,500
Nasdaq initial listing fee	125,000
Legal fees and expenses	*
Accounting fees and expenses	*
Printing expenses	*
Miscellaneous fees and expenses	*
Total	$ *

* To be completed by amendment.

LEGAL MATTERS

The validity of the ordinary shares and ADSs and certain other matters of French law will be passed upon for us by Gide Loyrette Nouel A.A.R.P.I., including matters of French income tax law. Certain matters of U.S. federal law will be passed upon for us by Cooley LLP, Boston, Massachusetts. Legal counsel to the underwriters in connection with the global offering are Linklaters LLP with respect to French law and Covington & Burling LLP, New York, New York, with respect to U.S. federal law.

EXPERTS

The consolidated financial statements of ERYTECH Pharma S.A. as of December 31, 2015 and 2016 and for each of the years in the two year period ended December 31, 2016 have been included herein in reliance upon the report of KPMG S.A., an independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The offices of KPMG S.A. are located at Tour Eqho, 2 avenue Gambetta, CS 60055, 92066 Paris la Défense Cedex.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form F-1 under the Securities Act with respect to the shares to be in the form of ADSs offered in this prospectus. A related registration statement on Form F-6 has been filed with the Securities and Exchange Commission to register the ADSs. This prospectus, which forms a part of the registration statement, does not contain all of the information included in the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits for that information. With respect to references made in this prospectus to any contract or other document of ERYTECH Pharma S.A., such references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document.

You may review a copy of the registration statement, including exhibits and any schedule filed therewith, and obtain copies of such materials at prescribed rates, at the Securities and Exchange Commission's Public Reference Room in Room 1580, 100 F Street, NE, Washington, D.C. 20549-0102. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, such us, that file electronically with the Securities and Exchange Commission.

Upon completion of the U.S. offering, we will be subject to the information reporting requirements of the Exchange Act applicable to foreign private issuers and under those requirements will file reports with the SEC. Those reports may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at www.erytech.com. The reference to our website is an inactive textual reference only and information contained in, or that can be accessed through, our website or any other website cited in this prospectus is not part of this prospectus.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
ERYTECH Pharma S.A.

We have audited the accompanying consolidated statements of financial position of ERYTECH Pharma S.A. and its subsidiary ("the Company") as of December 31, 2015 and 2016, and the related consolidated statements of income (loss), comprehensive income (loss), changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Erytech Pharma S.A. and its subsidiary as of December 31, 2015 and 2016, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2016, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Lyon, France
July 5, 2017

KPMG S.A.

/s/ Sara Righenzi de Villers
Sara Righenzi de Villers
Partner

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Amounts in thousands of euros, except per share amounts)

	NOTES	YEAR ENDED DECEMBER 31, 2015 €	2016 €
Operating income			
Revenues		—	—
Other income	**5.1**	2,929	4,138
Total operating income	**5.1**	**2,929**	**4,138**
Operating expenses			
Research and development	**5.2, 5.3**	(10,776)	(19,720)
General and administrative	**5.2, 5.3**	(7,736)	(6,808)
Total operating expenses		**(18,512)**	**(26,528)**
Operating loss		**(15,583)**	**(22,390)**
Financial income	**5.5**	631	558
Financial expenses	**5.5**	(64)	(70)
Financial income		**567**	**488**
Income tax	**5.6**	3	(10)
Net loss		**(15,013)**	**(21,913)**
Basic / diluted loss per share (€/share)	**6.8**	**(2.16)**	**(2.74)**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Amounts in thousands of euros)

	YEAR ENDED DECEMBER 31,	
	2015	2016
	€	€
Net loss	**(15,013)**	**(21,913)**
Elements that may be reclassified subsequently to income (loss)		
Foreign subsidiary—currency translation adjustment	(9)	21
Elements that may not be reclassified subsequently to income (loss)		
Actuarial gains on defined benefits liability	8	(30)
Tax effect	(3)	10
Other comprehensive income	**(3)**	**1**
Total comprehensive loss	**(15,017)**	**(21,912)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands of euros)

	NOTES	AS OF DECEMBER 31, 2015 €	2016 €
ASSETS			
Non-current assets			
Intangible assets	**6.1**	61	57
Property, plant and equipment, net	**6.2**	918	2,245
Other non-current financial assets	**6.3**	97	132
Total non-current assets		**1,076**	**2,434**
Current assets			
Inventories	**6.4**	166	145
Trade and other receivables	**6.5**	424	218
Other current assets	**6.6**	5,705	4,524
Cash and cash equivalents	**6.7**	45,634	37,646
Total current assets		**51,929**	**42,533**
TOTAL ASSETS		**53,004**	**44,967**

	NOTES	AS OF DECEMBER 31, 2015 €	2016 €
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		792	873
Premiums related to the share capital		95,931	105,090
Reserves		(34,578)	(48,412)
Net loss for the period		(15,013)	(21,913)
Total shareholders' equity	**6.8**	**47,132**	**35,638**
Non-current liabilities			
Long-term provisions	**6.9**	100	163
Financial liabilities—non-current portion	**6.10**	151	2,816
Deferred tax		—	3
Total non-current liabilities		**251**	**2,982**
Current Liabilities			
Provisions—current portion	**6.9**	81	—
Financial liabilities—current portion	**6.10**	557	50
Trade and other payables		3,672	4,832
Other current liabilities	**6.11**	1,311	1,465
Total current liabilities		**5,621**	**6,347**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**53,004**	**44,967**

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in thousands of euros, except for number of shares)

	SHARE CAPITAL					
	NUMBERS OF SHARES	AMOUNT	PREMIUMS RELATED TO THE SHARE CAPITAL	RESERVES	NET (INCOME) LOSS	TOTAL SHAREHOLDERS' EQUITY
At January 1, 2015	**6,882,761**	**688**	**72,427**	**(28,431)**	**(8,860)**	**35,824**
Net loss for the year	—	—	—	—	(15,013)	(15,013)
Other comprehensive income	—	—	—	(3)	—	(3)
Total comprehensive income (loss)	**—**	**—**	**—**	**(3)**	**(15,013)**	**(15,017)**
Allocation of prior period loss	—	—	—	(8,860)	8,860	—
Issue of ordinary shares(1)	1,041,850	104	23,440	—	—	23,544
Treasury shares (2)	—	—	64	—	—	64
Share-based payment	—	—	—	2,716	—	2,716
At January 1, 2016	**7,924,611**	**792**	**95,931**	**(34,578)**	**(15,013)**	**47,132**
Net loss for the year	—	—	—	—	(21,913)	(21,913)
Other comprehensive income	—	—	—	1	—	1
Total comprehensive income (loss)	**—**	**—**	**—**	**1**	**(21,913)**	**(21,912)**
Allocation of prior period loss	—	—	—	(15,013)	15,013	—
Issue of ordinary shares (1)	808,037	81	9,158	—	—	9,239
Treasury shares (2)	—	—	—	—	—	—
Share-based payment	—	—	—	1,178	—	1,178
At December 31, 2016	**8,732,648**	**873**	**105,090**	**(48,412)**	**(21,913)**	**35,638**

(1) The Company completed a follow-on offering of €25.4 million (on a gross basis before deducting costs of issuing the equity instruments) in December 2015 and a private placement of 793,877 ordinary shares for €9.9 million (on a gross basis before deducting costs of issuing the equity instruments) was completed in December 2016 with institutional investors in the United States and in Europe.

(2) At December 31, 2016, the Company held 2,500 treasury shares.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of euros)

	NOTES	YEAR ENDED DECEMBER 31, 2015 €	2016 €
Cash flows from operating activities			
Net loss		(15,013)	(21,913)
Reconciliation of net loss and the cash used for operating activities			
Amortization and depreciation		288	425
Provision—non-current portion		20	31
Expense related to share-based payments	**5.3**	2,716	1,178
Interest expense		30	13
Income tax expense	**5.6**	(3)	10
Operating cash flow before change in working capital		**(11,962)**	**(20,255)**
Increase in inventories	**6.4**	32	21
Increase in trade and other receivables		(319)	206
Increase in other current assets	**6.6**	(3,470)	1,181
Increase in trade and other payables		1,588	1,160
Increase in other current liabilities	**6.10**	(528)	154
Increase in provision—current portion		81	(81)
Change in working capital		**(2,616)**	**2,641**
Net cash flow used in operating activities		**(14,578)**	**(17,614)**
Cash flows from investing activities:			
Acquisition of property, plant and equipment	**6.2**	(220)	(1,726)
Acquisitions of intangible assets	**6.1**	(49)	(25)
Acquisition of other non-current financial assets	**6.3**	(15)	(40)
Disposal of non-current financial assets	**6.3**	—	5
Net cash flow used in investing activities		**(284)**	**(1,786)**
Cash flows from financing activities:			
Capital increases, net of transaction costs	**6.8**	23,544	9,239
Proceeds from borrowings	**6.10**	—	2,717
Repayment of borrowings	**6.10**	(85)	(563)
Treasury shares		64	—
Net cash flow from financing activities		**23,524**	**11,393**
Change rate effect on cash in foreign currency		(16)	19
Increase / Decrease in cash and cash equivalents	**6.7**	**8,646**	**(7,988)**
Cash and cash equivalents at the beginning of the period	**6.7**	36,988	45,634
Cash and cash equivalents at the close of the period	**6.7**	45,634	37,646
Supplemental disclosure of cash flows information:			
Cash paid for interest		34	72
Cash paid for income tax		—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands of euros, except for numbers of shares and per share amounts)

The notes are an integral part of the accompanying consolidated financial statements.

1. DESCRIPTION OF THE BUSINESS

ERYTECH Pharma S.A. ("**ERYTECH**," and together with its subsidiary, the "**Company**") is incorporated in Lyon, France, and was founded in 2004 to develop and market innovative therapies for acute leukemia and other orphan diseases. The Company's most advanced product candidates are being developed for the treatment of pancreatic cancer, acute lymphoblastic leukemia, or ALL, and acute myeloid leukemia, or AML.

The Company completed its initial public offering on Euronext Paris in May 2013, raising €17.7 million (on a gross basis before deducting offering expenses) and a follow-on offering of €30.0 million (on a gross basis before deducting offering expenses) in October 2014. The initial public offering triggered the conversion of the totality of the convertible bonds previously issued. Two private placements of 940,000 and 793,877 ordinary shares for €25.4 million and €9.9 million (on a gross basis before deducting offering expenses) were completed in December 2015 and 2016, respectively, with institutional investors in the United States and in Europe.

The Company has incurred losses and negative cash flows from operations since its inception and had shareholders' equity of €35.6 million at December 31, 2016 as a result of several financing rounds, including an initial public offering on Euronext Paris.

The Company anticipates incurring additional losses until such time, if ever, that it can generate significant revenue from its product candidates in development. Substantial additional financing will be needed by the Company to fund its operations and to commercially develop its product candidates.

The Company's future operations are highly dependent on a combination of factors, including: (i) the success of its research and development; (ii) regulatory approval and market acceptance of the Company's proposed future products; (iii) the timely and successful completion of additional financing; and (iv) the development of competitive therapies by other biotechnology and pharmaceutical companies. As a result, the Company is and should continue, in the short to mid-term, to be financed through partnership agreements for the development and commercialization of its drug candidates and through the issuance of new equity instruments.

The accompanying consolidated financial statements and related notes (the "**Consolidated Financial Statements**") present the operations of ERYTECH Pharma S.A. and its subsidiary, ERYTECH Pharma, Inc. ERYTECH Pharma, Inc. was incorporated in April 2014 and its headquarters are located in Cambridge, Massachusetts, United States of America.

2. BASIS OF PREPARATION

The Consolidated Financial Statements as of December 31, 2015 and 2016 have been prepared under the responsibility of the management of the Company in accordance with the underlying assumptions of going concern as 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 accordance with the underlying assumptions namely (i) going concern, (ii) permanence of accounting methods from one year to the next and (iii) independence of financial years, and in conformity with the general rules for the preparation and presentation of consolidated financial statements in accordance with IFRS, as defined below.

All amounts are expressed in thousands of euros, unless stated otherwise.

3. STATEMENT OF COMPLIANCE

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and were approved and authorized for issuance by the Board of Directors of the Company on May 16, 2017. These Consolidated Financial Statements were approved by the Company's shareholders at its Combined General Meeting in June 2017.

Due to the listing of ordinary shares of the Company on Euronext Paris and in accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the Consolidated Financial Statements of the Company are also prepared in accordance with IFRS, as adopted by the European Union (EU).

As of December 31, 2016, all IFRS that the IASB had published and that are mandatory are the same as those endorsed by the EU and mandatory in the EU, with the exception of:

- IAS 39 *Financial Instruments: Recognition and Measurement* (revised December 2003), which the EU only partially adopted. The part not adopted by the EU has no impact on the Consolidated Financial Statements of the Company.
- Annual improvements to IFRS 2010-2012 cycle: these amendments were already applicable in IFRS as published by the IASB as at December 31, 2015, but not in IFRS as adopted by the EU.

As a result, the Consolidated Financial Statements comply with IFRS as published by the IASB and as adopted by the EU.

IFRS include International Financial Reporting Standards (IFRS), International Accounting Standards ("**IAS**"), as well as the interpretations issued by the Standing Interpretations Committee ("**SIC**"), and the International Financial Reporting Interpretations Committee ("**IFRIC**"). The main accounting methods used to prepare the Consolidated Financial Statements are described below.

The accounting policies are consistent with those of the annual financial statements for the year ended December 31, 2015, with the exception of the adoption as of January 1, 2016 of the amendments and interpretations described below. None of these amendments and interpretations has had an impact on the Consolidated Financial Statements of the Company.

The Company adopted the following standards, amendments and interpretations whose application is mandatory as at January 1, 2016:

- Annual improvements to IFRS 2012-2014 cycle;
- Amendments to IAS 1 *Presentation of Financial Statements* regarding the application of concepts of materiality and the application of personal judgment;
- Amendments to IAS 16 *Tangible Assets* and IAS 38 *Intangible Assets* regarding the acceptable methods of amortization. The IASB stated that amortization methods based on revenue are not an appropriate reflection of the pattern of consumption of the expected future economic benefits embodied in an intangible asset. This presumption may be refuted in certain circumstances; and
- Amendments to IFRS 11 *Joint Agreements* regarding the acquisition of a shareholding in joint operations.

The standards and interpretations that are optionally applicable as at December 31, 2016 were not applied. The Company, however, does not anticipate any significant impact associated with the application of these new texts.

The Company has not applied recently issued accounting pronouncements that may be relevant to the Company's operations but are not yet effective:

- Amendments to IAS 7 *Disclosure Initiative*;
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealized Losses;*
- IFRS 15 and Amendments—*Revenue from Contracts with Customers;*
- IFRS 9 *Financial Instruments*;
- Annual improvements to the IFRS 2014-2016 cycle;
- Amendments to IAS 40 *Transfers of Investment Property*;

- IFRS 14 *Regulatory Deferral Accounts*;
- IFRS 16 *Leases*;
- Amendments to IFRS 2 *Clarifications of Classification and Measurement of Share-Based Payment*; and
- Amendments to IFRS 10 and IAS 28—*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

The Company anticipates that the above-mentioned standards and interpretations will not have a significant impact on the financial statements of the Company in the period of initial application except for IFRS 16, for which the impact is currently being investigated.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

In accordance with IFRS 10 *Consolidated Financial Statements*, an entity is consolidated when it is controlled by the Company. The Company controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intra-company balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full. As of December 31, 2016, the Company has one subsidiary for which no non-controlling interest is recognized.

Details of the Company's subsidiary as of December 31, 2016 are as follows:

	DATE OF INCORPORATION	PERCENT OF OWNERSHIP INTEREST	ACCOUNTING METHOD
ERYTECH Pharma, Inc.	April 2014	100%	Fully consolidated

4.2 Intercompany transactions

Transactions involving reciprocal assets and liabilities, as well as income and expense, between ERYTECH and ERYTECH Pharma, Inc. are eliminated in the Consolidated Financial Statements.

4.3 Foreign currencies

Functional Currency and Translation of Financial Statements in Foreign Currency

The Consolidated Financial Statements are presented in euros, which is also the functional currency of the parent company, ERYTECH Pharma S.A. (the "**Parent Company**"). The statements of financial position of the consolidated entity having a functional currency different from the euro are translated into euros at the closing exchange rate (spot exchange rate at the statement of financial position date) and the statements of income, statements of comprehensive income and statements of cash flow of such consolidated entity are translated at the average exchange rate for the period, except if exchange rates fluctuate significantly. The resulting translation adjustment is included in other comprehensive income as a cumulative translation adjustment whose impact is not significant as of December 31, 2015 and 2016.

Conversion of Foreign Currency Transactions

Foreign currency transactions are converted to functional currency at the rate of exchange applicable on the transaction date. At period-end, foreign currency monetary assets and liabilities are converted at the rate of exchange prevailing on that date. The resulting exchange gains or losses are recorded in the Consolidated Statements of Income in "Financial income (loss)".

4.4 Consolidated statements of cash flows

The consolidated statements of cash flows are prepared using the indirect method and separately presents the cash flows associated with operating, investment, and financing activities.

Operating activities correspond to the Company primary income-generating activities and all the other activities that do not meet the investment or financing criteria. The Company has decided to classify grants received such as the Research Tax Credit (*Crédit d'Impôt Recherche*) as an operating activity in the consolidated statements of cash flows.

Cash flows associated with investing activities correspond to cash flows associated with the purchase of property, plant and equipment, net of asset supplier payables, and with the disposal of assets and other investments.

Financing activities are operations that result in changes in the amount and composition of the share capital and borrowings of the entity. Capital increases and the obtaining or repayment of loans are classified under this category. The Company has chosen to classify the conditional advances under this category.

The increases in assets and liabilities with non-cash effects are eliminated. As such, the assets financed through a finance lease are not included in the investments for the period presented. The decrease in financial liability associated with leases is therefore included under the line item “repayment of borrowings” for the period.

4.5 Use of estimates and judgments

Preparation of the financial statements in accordance with the rules prescribed by the IFRS requires the use of estimates and the formulation of assumptions having 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 use of estimates and judgment relate primarily to the measurement of share-based payments (Note 4.15 and Note 5.3).

4.6 Intangible assets

Internally generated intangible assets—Research and development costs

In accordance with IAS 38 *Intangible Assets* (“**IAS 38**”), research expenditures are accounted for in the period during which they are incurred.

An internally generated intangible asset relating to a development project is recorded as an asset if, and only if, the following criteria are met:

(a) it is technically feasible to complete the development project;
(b) intention on the part of the Company to complete the project and to utilize it;
(c) capacity to utilize the intangible asset;
(d) proof of the probability of future economic benefits associated with the asset;
(e) availability of the technical, financial, and other resources for completing the project; and
(f) reliable evaluation of the development expenses.

The initial measurement of the asset is the sum of expenses incurred starting on the date on which the development project meets the above criteria.

Because of the risks and uncertainties related to regulatory authorizations and to the research and development process, the Company believes that the six criteria stipulated by IAS 38 have not been fulfilled to date and the application of this principle has resulted in all development costs being expensed as incurred in all periods presented.

Other intangible assets

The costs related to the acquisition of software licenses are recognized as assets on the basis of the costs incurred to acquire and to implement the software.

They are amortized using the straight-line method over a period of one to five years depending on the anticipated period of use.

An impairment is recorded when the asset’s carrying amount is greater than its recoverable value (see Note 4.8).

4.7 Property, plant and equipment

Property, plant and equipment are recorded at their acquisition cost, comprised of their purchase price and all the direct costs incurred to bring the asset to the location and working condition for its use as intended by the Company’s management.

Property, plant, and equipment are depreciated on the basis of the straight-line method over the estimated useful life of the property. The fixtures of property rented are depreciated over the term of their own lifetime or of the term of the rental agreement, whichever is shorter.

The depreciation periods used are the following:

PROPERTY, PLANT, AND EQUIPMENT ITEM	DEPRECIATION PERIOD
Industrial equipment	1 to 5 years
Fixtures and improvements in structures	3 to 10 years
Office equipment	3 years
Furniture	3 to 5 years

The useful lives of property, plant and equipment as well as any residual values are reviewed at each year end and, in the event of a significant change, result in a prospective revision of the depreciation pattern.

4.8 Impairment tests

According to IAS 36 *Impairment of Assets* ("**IAS 36**"), a loss in value must be recognized where the carrying value or the cash generating unit to which the asset belongs (if it is not possible to estimate the recoverable amount of the individual asset) is lower than its recoverable value.

The property, plant, and equipment and intangible assets that have a finite life are subject to an impairment test when the recoverability of their carrying value is called into question by the existence of indications of impairment. An impairment is recognized in the Consolidated Financial Statements up to the amount of the excess of the value over the recoverable value of the asset. The recoverable value of an asset corresponds to its fair value less costs to sell or its value in use, whichever is higher.

4.9 Financial assets and liabilities—Measurement and Presentation

The valuation and the accounting treatment of the financial assets and liabilities are defined by IAS 39 *Financial Instruments: Recognition and Measurement* ("**IAS 39**"). The Company does not use derivative instruments to hedge its currency exposure.

Loans and receivables

These instruments are initially recognized in the Consolidated Financial Statements at their fair value and then at the amortized cost calculated with the effective interest rate ("**EIR**") method. The short-term receivables without an interest rate are valued at the amount of the original invoice, unless the application of an implicit interest rate has a material effect.

The loans and receivables are monitored for any objective indication of impairment. A financial asset is impaired if its carrying value is greater than its recoverable amount. The impairment is recognized in the statement of income (loss).

Assets at fair value through the statement of income (loss)

Financial assets are classified as at fair value through the statement of income (loss) when the financial asset is either held for trading or it is designated as such.

The assets considered to be held for trading purposes include the assets that the Company intends to resell in the near future in order to realize a capital gain, which is part of a managed portfolio of financial instruments classified as cash and cash equivalents for which there exists a practice of selling in the short term. The assets held for trading may also include assets voluntarily classified in this category, in a manner that is independent of the criteria listed above, in accordance with the fair value option accounting principle under IFRS.

Assets available for sale

The assets available for sale include, primarily, securities that do not meet the criteria of the definition of the other categories of financial assets. They are valued at their fair value, and the changes in value are recognized in other comprehensive income within shareholders' equity.

The fair value corresponds to the market price for those securities that are listed on a stock exchange or to an estimate of the value for unlisted securities, determined on the basis of the financial criteria most appropriate for the specific security. When there is an objective indication of a significant or prolonged decline in the fair value, the accumulated impairment is recognized in the statement of income (loss).

Financial liabilities at the amortized cost

Loans and other financial liabilities are initially measured at their fair value less transaction costs directly attributable, and then at the amortized cost, calculated using the EIR method.

Presentation of financial assets and financial liabilities measured at fair value

In accordance with IFRS 13 *Financial Statements: Disclosures*, financial instruments are presented in three categories based on a hierarchical method used to determine their fair value:

- level 1: fair value calculated using quoted prices in an active market for identical assets and liabilities;
- level 2: fair value calculated using valuation techniques based on observable market data such as prices of similar assets and liabilities or parameters quoted in an active market; and
- level 3: fair value calculated using valuation techniques based wholly or partly on unobservable inputs such as prices in an inactive market or a valuation based on multiples for unlisted securities.

4.10 Inventories

In compliance with the IAS 2 *Inventories*, inventories are recognized at their cost or at their net realizable value, whichever is lower. Cost is determined on a *First-In First-Out* (FIFO) cost basis. Management periodically reviews the inventory for obsolescence and adjusts as necessary.

4.11 Cash and cash equivalents

The item “cash and cash equivalents” in the consolidated statement of financial position includes highly liquid securities for which the initial maturity is equal to or less than three months, considered equivalent to liquid assets. Cash equivalents are owned for the purpose of meeting short-term cash commitments rather than for the objective of investment or for other purposes. They are readily convertible into a known amount of cash and are subject to a negligible risk of change in value. Cash and cash equivalents are liquid assets that are available immediately, investments that can be liquidated immediately without a penalty and money market funds, which are readily convertible into a known amount of cash.

Cash equivalents are measured at their fair value, and the changes in value are recognized through financial income or loss.

4.12 Provisions

A provision is recognized where the Company has a current or implicit legal obligation resulting from a past event, where the obligation can be reliably estimated, and where it is probable that an outflow of resources representing economic benefits will be necessary to settle the obligation. The portion of a provision that becomes due in less than one year is recorded under current liabilities, and the balance under non-current liabilities. The provisions are discounted when the impact is material.

Provisions recognized in the consolidated statement of financial position mainly include obligations pertaining to retirement indemnities and provisions for risks.

Disclosure is made in the detailed notes on any contingent assets and liabilities where the impact is expected to be material, except where the probability of occurrence is low.

Provisions for retirement indemnities—defined benefit plans

The employees of the Company receive the retirement benefits stipulated by law in France:

- compensation paid by the Company to employees upon their retirement (defined-benefit plan); and
- a payment of retirement pensions by the social security agencies, which are financed by the contributions made by companies and employees (defined contribution plans in France).

For the defined-benefit plans, the costs of the retirement benefits are estimated by using the projected credit unit method. According to this method, the cost of the retirement benefit is recognized in the statement of income (loss) so that it is distributed uniformly over the term of the services of the employees. The retirement benefit commitments are valued at the current value of the future payments estimated using, for discounting, the market rate for high quality corporate bonds with a term that corresponds to the estimated term for the payment of the benefits.

The Company appoints external actuaries to conduct an annual review of the valuation of these plans.

The difference between the amount of the provision at the beginning of a period and at the close of that period is recognized through profit or loss for the portion representing the costs of services rendered and the net interest costs, and through other comprehensive income for the portion representing the actuarial gains and losses.

The Company's payments for the defined-contribution plans are recognized as expenses on the statement of income (loss) of the period in which they become payable.

Provisions for risks

The provisions for risks correspond to the commitments resulting from litigations and various risks whose due dates and amounts are uncertain.

The amount recognized in the Consolidated Financial Statements as a provision is the best estimate of the expenses necessary to extinguish the obligation.

4.13 Lease agreements

The leases involving property, plant, and equipment are classified as finance lease agreements when the Company bears substantially all the benefits and risks inherent in the ownership of the property. The assets that are covered under finance lease agreements are capitalized as of the beginning date of the rental agreement on the basis of the fair value of the rented asset or the discounted values of the future minimum payments, whichever is lower. Each rental payment is distributed between the debt and the financial cost in such a manner to determine a constant interest rate on the principal that remains due. The corresponding rental obligations, net of the financial expenses, are classified as financial liabilities. The property, plant, or equipment acquired within the framework of a finance lease agreement is amortized over the useful life or the term of the lease agreement, whichever is shorter.

The rental agreements for which a significant portion of the risks and advantages is preserved by the lessor are classified as operating leases. The payments made for these operating leases, net of any incentive measures, are recognized as expenses on the consolidated statement of income (loss) on a straight-line basis over the term of the agreement.

4.14 Share capital

Common shares are classified under shareholders' equity. The costs of share capital transactions that are directly attributable to the issue of new shares or options are recognized in shareholders' equity as a deduction from the proceeds from the issue, net of tax.

4.15 Share-based payment

The Company has applied IFRS 2 *Share-based payment* ("**IFRS 2**") to all equity instruments e.g. free shares ("**AGA**"), stock options ("**SO**"), share subscription warrants ("**BSA**") and founder subscription warrants ("**BSPCE**") granted since inception to its employees, members of the Board of Directors or other individuals. Pursuant to IFRS 2, the cost of the remuneration paid with equity instruments is recognized as an expense in exchange for an increase in the shareholders' equity for the vesting period during which the rights to be enjoyed from the equity instruments are acquired. As such, changes in value subsequent to the grant date have no effect on this initial measurement.

Fair value is estimated using the Black-Scholes valuation model (for BSA 2014, BSPCE and SO valuation), Monte- Carlo valuation model (for AGA valuation) and Cox-Ross-Rubinstein valuation model (for BSA 2016 valuation). This allows the Company to take into account the characteristics of the plan (vesting price, vesting period), the market data at the grant date (risk-free rate, volatility, expected dividends), and recipient behavior assumptions.

4.16 Other income

Research tax credit

The research tax credit (*Crédit d'Impôt Recherche* or "**CIR**") (the "**Research Tax Credit**") is granted to companies by the French tax authorities in order to encourage them to conduct technical and scientific research. Companies that prove that they have expenditures that meet the required criteria (research expenditures located in France or, since January 1, 2005, within the European Union or in another State that is a party to the Agreement on the European Economic Area that has concluded a tax treaty with France that contains an administrative assistance clause) receive a tax credit that can be used for the payment of the corporate tax due for the fiscal year in which the expenditures

were made and the next three fiscal years, or, as applicable, can be reimbursed in cash. The expenses taken into account for the calculation of the Research Tax Credit involve only research expenses.

The Company has received the Research Tax Credit since its inception.

The receivable in the consolidated statement of financial position as at December 31, 2016 includes the CIR for 2016 (see Note 6.6).

The CIR is presented under other income in the consolidated statement of income (loss) as it meets the definition of government grant as defined in IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

Subsidies and conditional advances

Due to the innovative nature of its product candidate development programs, the Company has benefited from certain sources of financial assistance from *Banque Publique d'Investissement* ("**BPI France**"). BPI France provides financial assistance and support to emerging French enterprises to facilitate the development and commercialization of innovative technologies.

The funds received by the Company are intended to finance its research and development efforts and the recruitment of specific personnel. The Company has received such funding in the form of non-refundable subsidies and conditional advances.

Subsidies

Subsidies received are grants that are not repayable by the Company and are recognized in the financial statements as operating income where there exists reasonable assurance that the Company will comply with the conditions attached to the subsidies and the subsidies will be received.

Subsidies that are upfront payments are presented as deferred revenue and recognized ratably through income over the duration of the research program to which the subsidy relates. A public subsidy that is to be received either as compensation for expenses or for losses already incurred, or for immediate financial support of the Company without associated future costs, is recognized in the Consolidated Financial Statements as other income when there exists reasonable assurance that the subsidies will be received.

Conditional advances

Funds received from BPI France in the form of conditional advances are recognized as financial liabilities, as the Company has a contractual obligation to reimburse BPI France for such conditional advances in cash based on a repayment schedule provided the conditions are complied with. Each award of an advance is made to help fund a specific development milestone. The details concerning the conditional advances are provided in Note 6.10. Receipts or reimbursements of conditional advances are reflected as financing transactions in the statement of cash flows.

The amount resulting from the benefit of conditional advances that do not bear interest at market rates is considered a subsidy. This benefit is determined by applying a discount rate equal to the rate the Company would have to pay for a bank borrowing over a similar maturity.

The implicit interest rate resulting from taking into account all the repayments plus the additional payments due in case of commercial success as described in Note 6.10 is used to determine the amount recognized annually as a finance cost.

In the event of a change in payment schedule of the stipulated repayments of the conditional advances, the Company recalculates the net book value of the debt resulting from the discounting of the anticipated new future cash flows at the initial effective interest rate. The adjustment that results therefrom is recognized in the consolidated statement of income (loss) for the period during which the modification is recognized.

The conditional advances that can be subject to this type of modification are the advances received from BPI France, presented in Note 6.10.

Partnership with Orphan Europe

As a result of its partnership agreement with Orphan Europe related to the development of AML, the Company re-invoices, with no margin, certain clinical costs incurred and invoiced to the Company by external providers.

In application of IAS 18 *Revenue*, the Company considers that, within the context of this partnership, it acts as agent regarding these reinvoiced external costs, as:

- The Company does not have primary responsibility for provision of the goods or service, the majority of services being provided by third parties, the most significant of which, the Contract Research Organization ("**CRO**"), directly invoices Orphan Europe. The Company is directly invoiced only for the secondary services.
- The Company bears no inventory risk.
- The Company has no capacity to determine prices, all of the external costs being reinvoiced for the exact amount of the initial invoice, with no margin, and it is not affected by any price changes applied by the suppliers.
- The Company bears a credit risk considered to be not significant.

Consequently, the re-invoicing of these external costs to Orphan Europe is presented as a decrease in corresponding research and development expenses incurred by the Company. For the years ended December 31, 2015 and 2016, the amount of external costs re-invoiced within the context of this partnership totaled €341 thousand and €358 thousand, respectively.

Within the context of this same agreement, the Company also invoiced certain internal clinical costs, such as personnel costs associated with the management of clinical trials, or personnel involved in the production of batches necessary for the AML clinical trial. These invoiced internal costs are classified by the Company as "other income" in the consolidated statement of income (loss) and amounted to €341 thousand and €237 thousand for the years ended December 31, 2015 and 2016, respectively.

4.17 Financial income and expense

Financial results relate to loans and other financial debts (notably overdrafts and finance leases) and includes interest expenses incurred on financial liabilities and the related amortization of debt issuance costs, and income received from cash and cash equivalents.

4.18 Income taxes

Current taxes

Considering the level of tax loss carryforwards not recognized, no current tax expense is recognized.

Deferred taxes

Except in specific cases, deferred taxes are calculated for the temporary differences between the carrying value of an asset or a liability and its tax value. Changes in the tax rates are recorded in the results of the financial year during which the rate change is decided. Deferred tax assets resulting from temporary differences or tax losses carried forward are limited to the deferred tax liabilities with the same maturity, except where their allocation on future taxable income is probable. Deferred taxes are calculated based on the most recent tax rates adopted at the date of each financial year-end.

Deferred tax assets and liabilities are not discounted and are classified in the consolidated statement of financial position under non-current assets and liabilities.

In addition, the Parent Company, as an entity incorporated in France, is subject to the territorial economic contribution (*Contribution Economique Territoriale—CET*), which combines the corporate real estate contribution (*cotisation foncière des entreprises—CFE*) and the corporate value added contribution (*cotisation sur la valeur ajoutée des entreprises—CVAE*):

- the corporate real estate contribution, the amount of which depends on property rental values and which can, where applicable, have a ceiling at a percentage of the value added, presents significant similarities to the former business tax and is recognized under operating expenses; and

- the corporate value added contribution meets, based on the Company's analysis, the definition of an income tax as established under IAS 12 *Income Taxes* ("**IAS 12**") paragraph 2 ("taxes owing based on taxable income"). To enter within the scope of IAS 12, a tax must be calculated based on a net amount of income and expenses, and this net amount can be different from the net book results. The Company has judged that the corporate value added contribution satisfies the characteristics outlined in this conclusion, insofar as the value added constitutes the intermediate level of income that systematically serves as the basis, according to French tax law, for determining the amount owing in relation to the corporate value added contribution.

In conformity with the provisions of IAS 12, qualification of the corporate value added contribution as an income tax leads to the recognition of deferred taxes relative to temporary differences existing at year end, with a contra-entry of a net expense in that year's statement of net income (loss). Where applicable, this deferred tax expense is presented on the line income tax. For the moment, the Company does not pay the CVAE.

4.19 Earnings per share

The basic earnings per share are calculated by dividing the Company's net income (loss) by the weighted average number of shares in circulation during the corresponding period.

The diluted earnings per share are calculated by dividing the results by the weighted average number of common shares in circulation, increased by all dilutive potential common shares. The dilutive potential common shares include, in particular, the share subscription warrants, stock options, free shares and founder subscription warrants as detailed in note 5.3 and 6.8.

Dilution is defined as a reduction of earnings per share or an increase of loss per share. When the exercise of outstanding share options and warrants decreases loss per share, they are considered to be anti-dilutive and excluded from the calculation of loss per share. Thus, basic and diluted loss per share are equal as all equity instruments, representing 626,000 potential additional ordinary shares issued have been considered anti-dilutive.

4.20 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 based on internal reporting used by the chief operating decision maker (the Company's Chief Executive Officer and Chairman of the Board of Directors) to allocate resources and to assess performance.

The Company operates in a single operating segment: the conducting of research and development in the area of treatment of acute leukemia and other orphan diseases in order to market them in the future. The assets, liabilities, and operating loss realized are primarily located in France.

4.21 Off-balance sheet commitments

The Company has defined and implemented monitoring for its off-balance sheet commitments so as to know their nature and object. Off-balance sheet items identified mainly relate to:

- future costs relate to clinical trials for which recruitment has begun; and
- operating leases, purchase and investment commitments.

4.22 Events After the Reporting Period

The consolidated statement of financial position and the consolidated statement of income (loss) of the Company are adjusted to reflect the subsequent events that alter the amounts related to the situations that exist as of the closing date. The adjustments are made until the date the Consolidated Financial Statements are approved and authorized for issuance by the Board of Directors.

The Company evaluated subsequent events that occurred after December 31, 2016 through the date of approval and authorization of issuance of the Consolidated Financial Statements and determined that there are no significant events that require adjustments or disclosure in such Consolidated Financial Statements.

In April 2017, the Company conducted a private placement with institutional investors in the United States and in Europe, raising €70.5 million (in gross proceeds).

5. NOTES RELATED TO THE CONSOLIDATED STATEMENT OF INCOME (LOSS)

5.1 Operating income

Operating income consists of the following:

(Amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2016
Research Tax Credit	2,219	3,347
Subsidies	368	463
Other income	341	327
Total	**2,929**	**4,138**

The operating income was primarily generated by the CIR research tax credit, and the subsidies associated with the preclinical research programs in partnership with BPI France.

Other income totaled €341 thousand and €327 thousand in 2015 and 2016, respectively, representing the re-invoicing to Orphan Europe of the certain internal costs incurred by the Company within the context of the Company's AML clinical studies in 2015 and 2016.

The increase of Research Tax Credit and subsidies are related to the increase in research and development activities and costs over the two periods.

The Company received an additional subsidy for the TEDAC program as of December 31, 2016 in the amount of €463 thousand.

5.2 Operating expenses by nature

FOR THE YEAR ENDED DECEMBER 31, 2015 (Amounts in thousands of euros)	RESEARCH AND DEVELOPMENT EXPENSES	OF WHICH OTHER R&D EXPENSES	OF WHICH CLINICAL STUDIES	OF WHICH INTELLECTUAL PROPERTY	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL
Consumables	**1,040**	244	796	—	**36**	**1,076**
Rental and maintenance	**462**	204	259	—	**304**	**767**
Services, subcontracting, and fees	**4,475**	1,539	2,570	366	**3,022**	**7,497**
Personnel expenses	**3,977**	1,506	2,384	87	**1,627**	**5,603**
Other	**572**	56	513	3	**2,627**	**3,200**
Depreciation and amortization expense	**250**	26	224	—	**120**	**369**
Total	**10,776**	**3,575**	**6,745**	**456**	**7,736**	**18,512**

FOR THE YEAR ENDED DECEMBER 31, 2016 (Amounts in thousands of euros)	RESEARCH AND DEVELOPMENT EXPENSES	OF WHICH OTHER R&D EXPENSES	OF WHICH CLINICAL STUDIES	OF WHICH INTELLECTUAL PROPERTY	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL
Consumables	**2,071**	917	1,153	—	**66**	**2,136**
Rental and maintenance	**645**	161	484	—	**511**	**1,156**
Services, subcontracting, and fees	**11,409**	2,547	8,410	453	**2,793**	**14,203**
Personnel expenses	**5,282**	1,173	4,070	39	**2,713**	**7,995**
Other	**35**	8	27	—	**577**	**613**
Depreciation and amortization expense	**277**	25	252	—	**148**	**425**
Total	**19,720**	**4,831**	**14,397**	**491**	**6,808**	**26,528**

The increase in research and development expenses in 2016 of €8,944 thousand is primarily related to:

- the increase of external services amounting to €6,934 thousand for the development of the TEDAC program and costs incurred in relation with the MAA submission; and
- the increase of personnel expenses by €1,305 thousand (see below Note 5.3).

The decrease in general and administrative expenses for an amount of €928 thousand is due to warrants (BSA_{2014}) granted to the Board of Directors, which amounted to €1,593 thousand in 2015.

5.3 Personnel expenses

The personnel expenses are detailed as follows:

FOR THE YEAR ENDED DECEMBER 31, 2015 (Amounts in thousands of euros)	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	**2,235**	953	1,238	43	**896**	**3,131**
Share-based payments	**822**	126	678	19	**301**	**1,124**
Social security expenses	**920**	427	468	25	**429**	**1,349**
Total personnel expenses	**3,977**	**1,506**	**2,384**	**87**	**1,627**	**5,603**

FOR THE YEAR ENDED DECEMBER 31, 2016 (Amounts in thousands of euros)	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	**3,371**	688	2,670	13	**1,486**	**4,857**
Share-based payments	**688**	136	532	6	**490**	**1,178**
Social security expenses	**1,224**	350	868	19	**736**	**1,960**
Total personnel expenses	**5,282**	**1,173**	**4,070**	**39**	**2,713**	**7,995**

The increase in personnel expenses of €2,392 thousand is mainly due to the increase in wages and salaries of the subsidiary ERYTECH Pharma, Inc. in the amount of €1,194 thousand and the Parent Company in the amount of €1,198 thousand following the increase in headcount (73 employees in 2016 and 49 employees in 2015).

Share-based payments (IFRS 2)

Share-based awards have been granted to the senior management, to certain employees, as well as to members of the Board of Directors in the form of BSAs, SOs, AGAs or BSPCEs. The Board of Directors has been authorized by the general meeting of the shareholders to grant warrants in the form of AGA, SO, BSA and BSPCE through the following three plans:

2012 Plan

Within the scope of the BSA_{2012} plan, the Board of Directors meetings of April 29, 2015 and August 3, 2015 allocated respectively 2,150 and 3,585 BSA_{2012} to the directors without acquisition conditions.

Allocation of 2,150 BSA on April 29, 2015.

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €31.19 (based on the quoted market price of the ordinary shares of the Company as of the date of the meeting of the Board of Directors that granted the BSA);
- Risk-free rate: (0.07)% (in line with the zero coupon government bond rates curve);
- Expected dividends: 0%;
- Volatility: 20.5% based on the historical volatility observed on the NextBiotech index; and
- Expected maturity: 2.5 years.

The fair value of warrants allocated in April 2015 in relation to the 2012 plan was valued at €512 thousand and was fully recognized in the consolidated statement of income (loss) for 2015 (G&A expenses) in the absence of vesting conditions.

Allocation of 3,585 BSA on August 31, 2015.

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €37.52 (based on the quoted market price of the ordinary shares of the Company as of the date of the meeting of the Board of Directors that granted the BSA);
- Risk-free rate: (0.08)% (in line with the zero coupon government bond rates curve);
- Expected dividends: 0%;
- Volatility: 22.5% based on the historical volatility observed on the NextBiotech index; and
- Expected maturity: 2.36 years.

The fair value of warrants allocated in August 2015 in relation to the 2012 plan was valued at €1,081 thousand and was fully recognized in the consolidated statement of income (loss) for 2015 (G&A expenses) in the absence of vesting conditions.

At the end of 2015, the subscription warrants for the 2012 plan are as follows:

TYPES OF SECURITIES	BSPCE2012	BSA2012
Number of warrants that the Company is authorized to issue, for all types of warrants	45,050	
Number of warrants granted	33,788	10,760
Number of warrants exercised	16,352	5,525
Date of General Meeting	May 21, 2012	
Exercise price per new share subscribed (in €)	€ 7.362	
Final date for exercising warrants	May 20, 2020	
Parity	1 warrant for 10 shares	
General conditions of exercise	The warrants are exercisable as of their acquisition date	
Maximum number of new shares that can be issued	231,730	

2014 Plan

On January 22, 2014, the Board of Directors used the delegation granted by the mixed general shareholders meeting of April 2, 2013, to grant a free allocation of 22,500 founder share subscription warrants (hereinafter entitled $BSPCE_{2014}$) to ERYTECH senior management (12,000) and to certain employees (10,500). 3,000 $BSPCE_{2014}$ were converted to BSA_{2014}.

Within the scope of the $BSPCE_{2014}$ / BSA_{2014} plans, the Board of Directors at its meeting on May 6, 2016 allocated 5,000 $BSPCE_{2014}$ to its employees.

At the end of 2016, the subscription warrants for the 2014 plan are as follows:

TYPES OF SECURITIES	BSPCE2014	BSA2014
Number of warrants that the Company is authorized to issue, for all types of warrants	22,500	
Number of warrants granted	19,500	3,000
Number of warrants exercised	195	0
Number of obsolete warrants	1,090	0
Date of General Meeting	January 22, 2014 and May 6, 2016	
Exercise price per new share subscribed (in €)	€12.250	
Final date for exercising warrants	January 22, 2024	
Parity	1 warrant for 10 shares	
General conditions of exercise	The warrants are exercisable as of their acquisition date	
Maximum number of new shares that can be issued	212,150	

In the event of a beneficiary departure from the Company for any reason whatsoever, this beneficiary shall retain the $BSPCE_{2014}$ to which he or she subscribed prior to his or her departure. However, in the event of a beneficiary departure from the Company, for any reason whatsoever, prior to subscription of the $BSPCE_{2014}$ to which the beneficiary has a right, the $BSPCE_{2014}$ will be forfeited. In this situation, the $BSPCE_{2014}$ not subscribed may be re-allocated to other beneficiaries within the same category and/or replacing the person who left the Company.

Following the resignation of Yann Godfrin in January 2016, 1,000 $BSPCE_{2014}$ of the 3,000 $BSPCE_{2014}$ initially allocated has been forfeited.

In compliance with IFRS 2, the Company performed a valuation of the $BSPCE_{2014}$ granted to senior management, and used the Black-Scholes measurement model to perform this valuation.

The main assumptions used to determine the fair value of the 5,000 $BSPCE_{2014}$ allocated to employees are:

- Price of the underlying share: €24.75 (based on the quoted market price of the ordinary shares of the Company as of the date of the meeting of the Board of Directors that granted the BSPCE);
- Risk-free rate: between (0.18)% and (0.11)% according to the tranches (according to the zero coupon government bond rates curve);
- Expected dividends: 0%;
- Volatility: 21.25% to 22.27% based on the historical volatility observed on the NextBiotech index; and
- Expected maturity: between 5 and 5.51 years in function of the tranches allocated.

The residual fair value of the plan was estimated at €636 thousand. This expense will be recorded gradually over the duration of the two-year plan in accordance with IFRS 2 (graded vesting method). A personnel expense of €498 thousand was recognized in the consolidated statement of income (loss) (R&D expense for €417 thousand and G&A expense for €81 thousand), for the year ended December 31, 2016.

2016 Plan

On October 3, 2016, the Board of Directors used the delegation granted by the mixed general shareholders' meeting of June 24, 2016, to grant a free allocation including a service condition of 111,261 free shares (hereinafter entitled AGA_{2016}) to ERYTECH senior management and employees, 44,499 stock options (hereinafter entitled SO_{2016}) to ERYTECH Pharma, Inc. employees and 45,000 share subscription warrants (hereinafter entitled BSA_{2016}) to members of the Board of Directors.

At the end of 2016, the subscription warrants, stock options and free shares for the 2016 plan are as follows:

TYPES OF SECURITIES	AGA2016	SO2016	BSA2016
Number of shares that the Company is authorized to issue		350,000	
Number of free shares / stock options / warrants granted	111,261	44,499	45,000
Date of General Meeting		October 3, 2016	
Number of tranches	3	2	2
Vesting period	Tranche 1: 1 year Tranche 2: 2 years Tranche 3: 3 years	Tranche 1: 2 years Tranche 2: 3 years	Tranche 1: 1 year Tranche 2: 2 years
General conditions of exercise	Tranche 1: 1 year Tranche 2 and 3: NA	NA	NA
Maximum number of new shares that can be issued	111,261	44,499	45,000

Allocation of 111,261 free shares (AGA2016) on October 3, 2016

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €18.52 (based on the quoted market price of the ordinary shares of the Company as of the date of the meeting of the Board of Directors that granted the AGA);
- Attrition rate: 0%;
- Expected dividends: 0%;
- Volatility: 45% based on the historical volatility observed on the ERYP index; and
- Repo margin: 5%.

The fair value of the free share plan was estimated at €974 thousand. This expense will be recorded gradually over the duration of the three-year free share plan in accordance with IFRS 2 (graded vesting method). An expense of €151 thousand was recognized in the consolidated statement of income (loss), under R&D personnel expenses for €61 thousand and under G&A personnel expenses for €90 thousand, for the year ended December 31, 2016.

Allocation of 44,499 stock options (SO2016) on October 3, 2016

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €18.52 (based on the quoted market price of the ordinary shares of the Company as of the date of the meeting of the Board of Directors that granted the AGA);
- Attrition rate: 0%;
- Expected dividends: 0%;
- Volatility: 45% based on the historical volatility observed on the ERYP index; and
- Repo margin: 5%.

The fair value of the plan was estimated at €202 thousand. This expense will be recorded gradually over the duration of the three-year plan in accordance with IFRS 2 (graded vesting method). An expense of €22 thousand was recognized in the consolidated statement of income (loss) under R&D personnel expenses for the year ended December 31, 2016.

Allocation of 45,000 share subscription warrants (BSA_{2016}) on October 3, 2016

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €18.52 (based on the quoted market price of the ordinary shares of the Company as of the date of the meeting of the Board of Directors that granted the AGA);
- Attrition rate: 0%;
- Expected dividends: 0%;
- Volatility: 45% based on the historical volatility observed on the ERYP index; and
- Repo margin: 5%.

The fair value of the plan was estimated at €198 thousand. This expense will be recorded gradually over the duration of the two-year plan in accordance with IFRS 2 (graded vesting method). An expense of €37 thousand was recognized in the consolidated statement of income (loss) under G&A expenses for the year ended December 31, 2016.

5.4 Depreciation and amortization expense

(Amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2016
Clinical studies	224	252
Other research and development expenses	26	25
Research and development expenses	250	277
General and administrative expenses	39	148
Total	**288**	**425**

5.5 Financial income and expense

(Amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2016
Interest expense on finance leases	(5)	(4)
Interest expense related to conditional advances	(25)	—
Other financial expenses	(34)	(66)
Total financial expense	**(64)**	**(70)**
Income from short term deposits	523	545
Other financial income	108	13
Total financial income	**631**	**558**
	567	**488**

Other financial expenses are related to foreign exchange losses related to purchases of services in U.S. dollars.

Financial income consists of interest accrued on short term deposits as well as foreign exchange gains related to purchases of services in U.S. dollars.

5.6 Income tax

Reconciliation of effective tax rate

(Amounts in thousands of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2016
Loss before tax	(15,016)	(21,902)
Theoretical tax expense or income	5,170	7,541
Current year loss not capitalized	(5,001)	(8,303)
CICE (employment and competitiveness tax credit) not included in taxable income	18	24
Research tax credits	764	1,144
Tax rate differences	(7)	(51)
Share-based compensation expense	(935)	(398)
Other differences	(6)	33
Effective tax (loss)/income	**3**	**(10)**

Net operating losses are recognized as a deferred tax asset to the extent that a deferred tax liability exists.

Loss carryforwards are recorded in the limit of deferred tax liabilities.

As of December 31, 2015 and 2016, the amount of accumulated tax loss carryforwards since inception was €59,682 thousand and €80,281 thousand, respectively with no expiration date.

6. NOTES RELATED TO THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

6.1 Intangible assets

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Other intangible assets	184	209
Total historical cost	**184**	**209**
Accumulated amortization of other intangible assets	(122)	(152)
Total accumulated amortization and depreciation	**(122)**	**(152)**
Total, net	**61**	**57**

6.2 Property, plant and equipment

At December 31, 2016, property, plant and equipment are composed as follows:

(Amounts in thousands of euros)	AS OF JANUARY 1, 2016	INCREASE	DECREASE	AS OF DECEMBER 31, 2016
Laboratory equipment	974	—	—	974
Assets under construction	44	862	(44)	862
Plant, equipment, and tooling	727	123	—	850
General equipment, fixtures and fittings	1,079	387	—	1,466
Office equipment and computers	134	397	—	531
Total gross value	**2,958**	**1,770**	**(44)**	**4,684**
Accumulated depreciation of laboratory equipment	(831)	(51)	—	(882)
Accumulated depreciation of plant, equipment and tooling	(426)	(98)	—	(523)
Accumulated depreciation of general equipment, fixtures and fittings	(733)	(175)	—	(909)
Accumulated depreciation of office equipment and computers	(51)	(74)	—	(125)
Total accumulated depreciation	**(2,041)**	**(398)**	**—**	**(2,439)**
Total net value	**918**	**1,372**	**(44)**	**2,245**

Property, plant and equipment held under finance leases amounted to €143 thousand and €203 thousand as of December 31, 2015 and 2016, respectively. The Company has initiated an improvement in its manufacturing process. This project has completed a new engineering level and related costs incurred amounted to €1,480 thousand in 2016, of which €830 thousand were capitalized as an asset.

At December 31, 2015, property, plant and equipment are composed as follows:

(Amounts in thousands of euros)	AS OF JANUARY 1, 2015	INCREASE	DECREASE	AS OF DECEMBER 31, 2015
Laboratory equipment	974			974
Assets under construction	112	29	(98)	44
Plant, equipment, and tooling	617	110	—	727
General equipment, fixtures and fittings	959	120	—	1,079
Office equipment and computers	76	59	—	134
Total gross value	**2,738**	**318**	**(98)**	**2,958**
Accumulated depreciation of laboratory equipment	(753)	(78)	—	(831)
Accumulated depreciation of plant, equipment and tooling	(346)	(79)	—	(426)
Accumulated depreciation of general equipment, fixtures and fittings	(636)	(98)	—	(733)
Accumulated depreciation of office equipment and computers	(36)	(15)	—	(51)
Total accumulated depreciation	**(1,771)**	**(270)**		**(2,041)**
Total net value	**967**	**48**	**(98)**	**918**

6.3 Other non-current financial assets

The other non-current financial assets correspond to deposits paid in relation to the rental of the Company's premises for €97 thousand and €132 thousand as of December 31, 2015 and 2016, respectively.

6.4 Inventories

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Production inventory	79	71
Laboratory inventory	87	74
Total inventory	**166**	**145**

6.5 Trade and other receivables

The receivables relate mainly to the receivables on Orphan Europe in regards to the re-invoicing by the Company of costs incurred by the Company related to the clinical studies of AML 2012-10 and NOPHO and amounted to €424 thousand and €218 thousand as of December 31, 2015 and 2016, respectively.

6.6 Other current assets

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Research Tax Credit	3,743	3,321
Tax receivables (e.g.VAT) and other receivables	1,190	863
Cash to be received from bank related to exercise of warrants	553	—
Prepayments	220	339
Total	**5,705**	**4,524**

Research Tax Credit

The Company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code related to the Research Tax Credit. In compliance with the principles described in Note 4.16, the Research Tax Credit is recognized in the consolidated statement of income (loss) in “other income” during the year in which the eligible research expenditures are incurred.

The tax authorities commenced a tax audit in October 2015, related to the tax receivables and the 2014 and 2015 CIR. The tax audit was concluded in February 2016 with no major reassessment from the tax authorities. The Company collected the 2014 and 2015 CIR receivables in 2016. The amount as of December 31, 2016 is the CIR receivable for the 2016 period.

Prepayments relate to the Company’s building leases through the first quarter of 2017.

6.7 Cash and cash equivalents

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Cash and cash equivalents	45,634	37,646
Total cash and cash equivalents as reported in statement of financial position	**45,634**	**37,646**
Bank overdrafts	—	—
Total cash and cash equivalents as reported in statement of cash flow	**45,634**	**37,646**

At December 31, 2015, the cash position is composed of the following items: (i) €20.2 million in current accounts and (ii) €25.4 million in term deposits, with maturities of one month to three years, but readily available without penalty subject to a 32-day notice.

At December 31, 2016, the cash position is composed of the following items: (i) €10.6 million in current accounts and (ii) €27.0 million in term deposits, with maturities of one month to three years, but readily available without penalty subject to a 32-day notice.

6.8 Shareholders' equity

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's capital structure consists of financial liabilities as detailed in Notes 6.10 offset by cash and bank balances and equity (comprising issued capital, reserves and retained earnings). The Company is not subject to any externally imposed capital requirements.

As of December 31, 2015, the capital of the Parent Company consisted of 7,924,611 shares, fully paid up, with a nominal value of €0.10. Following the private placement completed in December 2016, as well as the exercise of subscription warrants, the capital was increased to 8,732,648 shares with a nominal value of €0.10 as at December 31, 2016.

Share Capital Roll-Forward (In Number of Shares)

NATURE OF TRANSACTIONS	NUMBER OF SHARES
Balance as of January 1, 2015	**6,882,761**
Exercise of share warrants	101,850
Private placement with institutional investors	940,000
Balance as of January 1, 2016	**7,924,611**
Exercise of share warrants	14,160
Private placement with institutional investors	793,877
Total as of December 31, 2016	**8,732,648**

The costs of issuing ordinary shares amounted to €94 thousand and were deducted from the share premium increase. These costs were related to bank fees, legal counsels, advisors and auditors fees.

At December 31, 2016, the Company held 2,500 treasury shares at a weighted price of €13.00, i.e., €34 thousand (2,500 treasury shares at a weighted price of €28.40, i.e., €71 thousand at December 31, 2015).

Basic earnings per share and diluted earnings (loss) per share

	FOR THE YEAR ENDED DECEMBER 31,	
	2015	2016
Net loss (in thousands of euros)	(15,013)	(21,913)
Weighted number of shares for the period	6,957,654	7,983,642
Basic loss per share (€/share)	(2.16)	(2.74)
Diluted loss per share (€/share)	**(2.16)**	**(2.74)**

At December 31, 2015 and 2016, the potential shares that could be issued within the context of exercising warrants issued (455,330 and 626,000 as at December 31, 2015 and 2016, respectively) were not taken into consideration in the calculation of the diluted earnings, as their effect would be anti-dilutive.

6.9 Provisions

The provisions can be broken down as follows:

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Provision for retirement indemnities	100	163
Provisions for disputes	81	—
Total	**181**	**163**

The regime for retirement indemnities applicable at the Parent Company, is defined by the collective agreement for the pharmaceutical industry in France.

The Company recognizes actuarial differences in other comprehensive income. The pension commitments are not covered by plan assets. The portion of the provision for which the maturity is less than one year is not significant.

As part of the estimate of the retirement commitments, the following assumptions were used for all categories of employees:

	2015	2016
Discount rate	2.03%	1.36%
Wage increase	2%	2%
Social welfare contribution rate	Non-executive 44% Executive 54%	Non-executive 44% Executive 54%
Expected staff turnover	0-10%	0-10%
Age of retirement:	65-67 years	65-67 years
Mortality table	INSEE 2014	INSEE 2014

The Company has settled a dispute with BPI France related to the GR-SIL subsidy for €81 thousand as well as the residual conditional advance for €23 thousand. The reimbursement was made in January 2016 for €104 thousand.

The breakdown of provisions is as follows:

(Amounts in thousands of euros)	OPENING	OTHER (1)	PROVISIONS	REVERSALS	CLOSING
Period from January 1 to December 31, 2015					
Retirement indemnity provision	89	8	20		100
Provision for disputes	—	—	81	—	81
Net closing balance	**89**	**8**	**101**	**—**	**181**
Period from January 1 to December 31, 2016					
Retirement indemnity provision	100	30	33	—	163
Provision for disputes	81	—	—	81	—
Net closing balance	**181**	**30**	**33**	**81**	**163**

(1) The “Other” differences relate to actuarial gains and losses.

6.10 Financial liabilities

Financial liabilities by type

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Financial liabilities related to finance leases	144	204
Bank overdrafts	—	—
Conditional advances	563	1,182
Bank loans	—	1,480
Total financial liabilities	**708**	**2,865**

Financial liabilities by maturity

Maturity dates of financial liabilities as of December 31, 2015 are as follows:

(Amounts in thousands of euros)	LESS THAN ONE YEAR	ONE TO THREE YEARS	THREE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Financial liabilities					
Conditional advances	501	63	—	—	563
Liabilities related to leases	56	88	—	—	144
Total financial liabilities	**557**	**151**	**—**	**—**	**708**

Maturity dates of financial liabilities as of December 31, 2016 are as follows:

(Amounts in thousands of euros)	LESS THAN ONE YEAR	ONE TO THREE YEARS	THREE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Financial liabilities					
Bank loans	—	1,480	—	—	1,480
Conditional advances	—	—	—	1,182	1,182
Liabilities related to leases	50	154	—	—	204
Total financial liabilities	**50**	**1,634**	**—**	**1,182**	**2,865**

The Company has received a bank loan amounting to €1,900 thousand with Societe Generale with a 0.4% interest rate and 36-monthly repayment terms to finance its investments.

The conditional advances from public authorities relate to contracts with BPI France. The Company has three contracts related to conditional advances with BPI France. These advances are not interest-bearing and are 100% repayable (nominal value) in the event of technical and/or commercial success.

Under IFRS, the fact that a conditional advance does not require an annual interest payment is akin to obtaining a zero-interest loan, i.e., more favorable than market conditions. The difference between the amount of the advance at its historical cost and that of the advance discounted at the risk-free rate (10 year forward bonds) increased by an estimated credit spread is considered to be a grant received from the State. These grants are recognized in the consolidated statement of net income (loss) over the estimated duration of the projects financed by these advances.

The portion of the conditional advances due in more than one year is recorded under financial debts—non-current portion, while the portion due in less than one year is recorded under financial debts—current portion.

Since its creation, the Company has received 3 conditional advances from BPI France, repayable under certain conditions. The main terms of the agreements as well as the balances as of December 31, 2015 and 2016, respectively are presented below:

CONDITIONAL ADVANCES (Amounts received/paid in thousands of euros)	€
Conditional advance granted by BPI France / Pancreas project	735
Conditional advance granted by BPI France / GR-SIL project	81
Conditional advance granted by BPI France / TEDAC project	63
Total conditional advances granted by BPI France as of December 31, 2012 (nominal value)	**879**
Effect of the discount	(122)
Total conditional advances granted by BPI France as of December 31, 2012 (present value)	**757**
Repayment in 2013	**(115)**
Of which BPI France / Pancreas project	(100)
Of which GR-SIL project	(15)
Interest capitalized in 2013	**52**
Conditional advances due as of December 31, 2013	**694**
Repayment in 2014	**(184)**
Of which BPI France / Pancreas project	(150)
Of which GR-SIL project	(34)
Interest capitalized in 2014	**39**
Conditional advances due as of December 31, 2014	**549**
Repayment in 2015	**(9)**
Interest capitalized in 2015	**23**
Conditional advances due as of December 31, 2015	**563**
Repayment in 2016	**(508)**
Of which BPI France / Pancreas project	(485)
Of which GR-SIL project	(23)
Conditional advance granted by BPI France / TEDAC project	1,119
Interest capitalized in 2016	**7**
Conditional advances due as of December 31, 2016	**1,182**

BPI France / Pancreas

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

This conditional advance was received in 3 phases:

- €294 thousand upon signature of the agreement (paid in 2008);
- €294 thousand upon calls for funds (paid in 2010); and
- balance upon completion of work after acceptance of the finalization of the program by BPI France (paid in 2011).

The repayment of this conditional advance was according to a fixed payment schedule that ended on June 30, 2016.

The Company has undertaken to repay the entire conditional advance according to the following payment schedule:

- €100 thousand at the latest on June 30, 2013;
- €150 thousand at the latest on June 30, 2014;
- €225 thousand at the latest on June 30, 2015; and
- €260 thousand at the latest on June 30, 2016.

As at December 31, 2016, all the amounts due had been reimbursed.

BPI France / GR-SIL

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

This conditional advance provided for payment in 4 phases:

- €40.5 thousand upon signature of the agreement (paid in 2009);
- €40.5 thousand upon calls for funds (paid in 2010);
- €27 thousand upon calls for funds; and
- balance upon completion of work with acceptance of the finalization of the program by BPI France.

The Company has received €81 thousand from BPI France under this program. As the work corresponding to this program is currently terminated, the Company will not receive the last two payments of €27 thousand.

The repayment of this conditional advance was made according to a fixed payment schedule that ended on June 30, 2016.

The Company has undertaken to repay the entire conditional advance according to the following payment schedule:

- €7.5 thousand at the latest on September 30, 2013;
- €7.5 thousand at the latest on December 31, 2013;
- €7.5 thousand at the latest on March 31, 2014;
- €7.5 thousand at the latest on June 30, 2014;
- €9.25 thousand at the latest on September 30, 2014;
- €9.25 thousand at the latest on December 31, 2014;
- €9.25 thousand at the latest on March 31, 2015;
- €9.25 thousand at the latest on June 30, 2015; and
- €14 thousand at the latest on September 30, 2015.

The Company has reimbursed the entire amount of the conditional advance in January 2016 for €23 thousand and also reimbursed the related subsidy of €81 thousand to settle the dispute with BPI France.

BPI France / TEDAC

The third conditional advance, granted by BPI France within the scope of the TEDAC project, is for a total amount of €4,895 thousand. This conditional advance is paid upon completion of the following key milestones:

- €62,607 upon signature of the agreement (paid in 2012);
- €1,118,928 upon the achievement of milestone number four; and
- the remainder upon calls for funds when key milestones are reached (not yet received).

The Company undertakes to repay BPI France initially:

a) an amount of €5,281 thousand upon achieving cumulative sales (excluding VAT) equal to or greater than €10 million, according to the following payment schedule:
   - €500 thousand at the latest on June 30 of the first year in which the cumulative sales condition is achieved;
   - €750 thousand at the latest on June 30 of the second year;
   - €1,500 thousand at the latest on June 30 of the third year; and
   - €2,531 thousand at the latest on June 30 of the fourth year.

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

In a second phase, when the cumulative sales reach €60 million, the Company undertakes to pay BPI France 2.5% of sales generated by the products developed within the project, limited to a total amount of €15 million over 15 years.

6.11 Other current liabilities

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Taxation and social security	1,241	1,465
Deferred revenue	—	—
Other payables	71	—
Total other current liabilities	**1,311**	**1,465**

6.12 Related parties

Gil Beyen is the Chief Executive Officer of the Company and Jérome Bailly is the Company's chief pharmacist and the Qualified Person. The other related parties are members of the Board of Directors. Eric Soyer became the Company's Chief Financial Officer and Chief Operating Officer in September 2015 and took over from Pierre-Olivier Goineau as treasurer and secretary of the Company's subsidiary, ERYTECH Pharma, Inc.

The remuneration of directors and other members of key management personnel during the year was as follows:

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2015	2016
Short term benefits	1,144	702
Post-employment benefits	—	—
Other long-term benefits	—	—
Share-based payments	1,994	226
Termination benefits	—	—
Total	**3,138**	**928**

The Company has no other related parties.

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

AS OF DECEMBER 31, 2015 (Amounts in thousands of euros)	CARRYING AMOUNT ON THE STATEMENT OF FINANCIAL POSITION (1)	FAIR VALUE THROUGH PROFIT AND LOSS	LOANS AND RECEIVABLES	DEBT AT AMORTIZED COST	FAIR VALUE
Non-current financial assets	97	—	97	—	97
Trade and other receivables	424	—	424	—	424
Other current assets	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 (3)	151	—	—	151	151
Financial liabilities—current portion (3)	557	—	—	557	557
Trade payables and related accounts	3,672	—	—	3,672	3,672
Total financial liabilities	**4,380**	**—**	**—**	**4,380**	**4,380**

(1) The carrying amount of these assets and liabilities is a reasonable approximation of their fair value.
(2) Cash and cash equivalents are comprised of money market funds and time deposit accounts, which are measured using level 1 and level 2 measurements, respectively.
(3) The fair value of financial liabilities is determined using level 2 measurements.

AS OF DECEMBER 31, 2016 (Amounts in thousands of euros)	CARRYING AMOUNT ON THE STATEMENT OF FINANCIAL POSITION (1)	FAIR VALUE THROUGH PROFIT AND LOSS	LOANS AND RECEIVABLES	DEBT AT AMORTIZED COST	FAIR VALUE
Non-current financial assets	132	—	132	—	132
Trade and other receivables	218	—	218	—	218
Other current assets	4,524	—	4,524	—	4,524
Cash and cash equivalents (2)	37,646	37,646	—	—	37,646
Total financial assets	**42,520**	**37,646**	**4,874**	**—**	**42,520**
Financial liabilities—non-current portion (3)	2,816	—	—	2,816	2,816
Financial liabilities—current portion (3)	50	—	—	50	50
Trade payables and related accounts	4,832	—	—	4,832	4,832
Total financial liabilities	**7,697**	**—**	**—**	**7,697**	**7,697**

(1) The carrying amount of these assets and liabilities is a reasonable approximation of their fair value.
(2) Cash and cash equivalents are comprised of money market funds and time deposit accounts, which are measured using level 1 and level 2 measurements, respectively.
(3) The fair value of financial liabilities is determined using level 2 measurements.

7. MANAGEMENT OF FINANCIAL RISKS

The principal financial instruments held by the Company are securities that are classified as cash and cash equivalents. The purpose of holding these instruments is to finance the ongoing business activities of the Company. It is not the Company's policy to invest in financial instruments for speculative purposes. The Company does not utilize derivatives.

The principal risks to which the Company is exposed are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk.

Liquidity risk

The Company has been structurally loss-generating since its creation. The net cash flows used by the Company's operating activities were €15 million and €18 million for the years ended December 31, 2015 and 2016, respectively.

The Company does not believe that it is exposed to short-term liquidity risk, considering the cash and cash equivalents that it had available as of December 31, 2016, amounting to €37.6 million which was primarily cash at hand and term deposits that are convertible into cash immediately without penalty. Management believes that the amount of cash and cash equivalents available is sufficient to fund the Company's planned operations through the next twelve months.

Historically, the Company has financed its growth by strengthening its shareholders' equity in the form of capital increases and the issue of convertible bonds. The Company believes that the capital increase associated with its initial public offering on Euronext Paris in May 2013, as well as the capital increases completed in 2014, 2015 and 2016, enable the Company to continue as a going concern for at least the twelve month period ending December 31, 2017.

The contractual cash flows of the financial liabilities as at December 31, 2015 and 2016 are as follows:

		CONTRACTUAL CASH FLOWS		
AS OF DECEMBER 31, 2015 **(Amounts in thousands of euros)**	**BOOK VALUE**	**TOTAL**	**LESS THAN ONE YEAR**	**ONE TO FIVE YEARS**
Financial liabilities				
Conditional advances	563	570	507	63
Liabilities related to finance leases	144	149	59	91
Trade payables and related accounts	3,672	3,672	3,672	—
Total financial liabilities	**4,380**	**4,392**	**4,238**	**153**

		CONTRACTUAL CASH FLOWS		
AS OF DECEMBER 31, 2016 **(Amounts in thousands of euros)**	**BOOK VALUE**	**TOTAL**	**LESS THAN ONE YEAR**	**ONE TO FIVE YEARS**
Financial liabilities				
Bank loans	1,480	1,480	—	1,480
Conditional advances	1,182	1,182	—	1,182
Liabilities related to finance leases	204	218	95	123
Trade payables and related accounts	4,832	4,832	4,832	—
Total financial liabilities	**7,697**	**7,712**	**4,927**	**2,785**

Foreign currency exchange risk

The Company's functional currency is the euro. However, a significant portion of about 23% of its operating expenses is denominated in U.S. dollars (agency office in Cambridge, Massachusetts, cooperation relating to the production of clinical batches with the American Red Cross, business development consultants, consultants for the development of clinical trials in the United States, and various collaborations relating to tests and clinical projects in the United States). As a result, the Company is exposed to foreign exchange risk inherent in operating expenses

incurred. The Company does not currently have revenues in euros, dollars nor in any other currency. Due to the relatively low level of these expenditures, the exposure to foreign exchange risk is unlikely to have a material adverse impact on the results of operations or financial position of the Company. However, this dependency is expected to increase, as the Company expects to perform clinical trials in the United States and, in the longer term, sell on this market. The Company will opt to use exchange rate hedging techniques.

Expenses in U.S. dollars totaled $6,242 thousand during 2016. However, the EUR/USD rate fell considerably at the period end, reaching $1.0541 per €1 at December 31, 2016. As noted in Note 4.9, the Company does not use derivative financial instruments to hedge the foreign currency exchange risk.

As the Company further increases its business, particularly in the United States, the Company expects to face greater exposure to exchange rate risk.

Interest rate risk

The Company has very low exposure to interest rate risk. Such exposure primarily involves money market funds and time deposit accounts. Changes in interest rates have a direct impact on the rate of return on these investments and the cash flows generated.

The Company's currently outstanding bank loan bears interest at a fixed rate, and therefore the Company is not subject to interest rate risk with respect to this loan.

The repayment flows of the conditional advances from BPI France are not subject to interest rate risk.

Credit risk

The credit risk related to the Company's cash and cash equivalents is not significant in light of the quality of the co-contracting financial institutions.

Inflation risk

The Company does not believe that inflation has had a material effect on its business, financial condition or results of operations. If its costs were to become subject to significant inflationary pressures, it may not be able to fully offset such higher costs through price increases. The Company's inability or failure to do so could harm its business, financial condition and results of operations.

Fair value

The fair value of financial instruments traded on an active market, such as the securities available for sale, is based on the market rate as of the reporting date. The market prices used for the financial assets owned by the Company are the bid prices in effect on the market as of the valuation date. The nominal value, less the provisions for depreciation, of the accounts receivable and current liabilities, is presumed to approximate the fair value of those items.

8. OFF-BALANCE SHEET COMMITMENTS

Operating leases

The off-balance sheet commitments relating to operating leases amount to €442 thousand and essentially correspond to the lease of buildings. The maturities on these expenses are as follows:

Less than 1 year: €295 thousand
Between 1 year and 5 years: €147 thousand
More than 5 years: €0

Collaborative arrangements

Agreement with Orphan Europe

In November 2012, the Company entered into an exclusive license and distribution agreement with Orphan Europe, a subsidiary of Recordati Group, to market and distribute GRASPA for the treatment of ALL and AML in 38 countries in Europe, including all of the countries in the European Union. The Company received a payment of €5 million on signing the agreement, which provides for sharing in the development costs for GRASPA in AML. The Company may be entitled to receive future payments of up to €37.5 million, subject to the achievement of specified clinical, regulatory and commercial milestones. Orphan Europe will invest in the development costs for GRASPA in AML, and the Company will receive a payment for product delivered and royalties on the sales for a total of up to 45% of the

sale price. The agreement provides that Orphan Europe may automatically terminate the agreement, recoup certain expenses, and reduce milestone payments in the event that the intellectual property the Company would license to them under the agreement is deemed to be counterfeited or invalid.

Agreement with the Teva Group

In March 2011, the Company entered into an exclusive distribution agreement with Abic Marketing Limited, an affiliate of Teva Pharmaceutical Industries Ltd., an Israeli pharmaceutical company, ("**Teva**"), under which Teva acquired the exclusive rights to GRASPA in Israel for the treatment of ALL. Under the terms of the agreement, Teva will submit the request for approval of GRASPA for ALL in Israel and is responsible for the marketing and distribution of GRASPA in Israel. Teva will pay interim payments to the Company and will share net earnings of product sales in Israel with the Company. Early termination of the agreement may be requested by either party in the event of a change in control in the other party.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Amounts in thousands of euros, except per share amounts)

	NOTES	SIX MONTHS ENDED JUNE 30, 2016	2017
		€	€
Operating income			
Revenues			
Other income	**5.1**	2,403	1,788
Total operating income	**5.1**	**2,403**	**1,788**
Operating expenses			
Research and development	**5.2, 5.3**	(8,800)	(12,082)
General and administrative	**5.2, 5.3**	(4,222)	(3,895)
Total operating expenses		**(13,022)**	**(15,977)**
Operating loss		**(10,618)**	**(14,189)**
Financial income	**5.5**	292	160
Financial expenses	**5.5**	(32)	(47)
Financial income		**260**	**113**
Income tax		9	(5)
Net loss		**(10,349)**	**(14,081)**
Basic / diluted loss per share (€/share)		**(1.31)**	**(1.42)**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Amounts in thousands of euros)

	SIX MONTHS ENDED JUNE 30,	
	2016	2017
	€	€
Net loss	**(10,349)**	**(14,081)**
Elements that may be reclassified subsequently to income (loss)		
Foreign subsidiary—currency translation adjustment	5	(30)
Elements that may not be reclassified subsequently to income (loss)		
Remeasurement of defined benefits liabilities	25	54
Tax effect	(9)	(19)
Other comprehensive income (loss)	**21**	**6**
Total comprehensive income (loss)	**(10,328)**	**(14,075)**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands of euros)

	NOTES	AS OF DECEMBER 31, 2016	AS OF JUNE 30, 2017
		€	€
ASSETS			
Non-current assets			
Intangible assets	**6.1**	57	43
Property, plant and equipment, net	**6.1**	2,245	2,730
Other non-current financial assets	**6.1**	132	130
Total non-current assets		**2,434**	**2,903**
Current assets			
Inventories		145	170
Trade and other receivables	**6.2**	218	336
Other current assets	**6.3**	4,524	7,348
Cash and cash equivalents	**6.4**	37,646	88,551
Total current assets		**42,533**	**96,405**
TOTAL ASSETS		**44,967**	**99,307**

	NOTES	AS OF DECEMBER 31, 2016	AS OF JUNE 30, 2017
		€	€
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		873	1,174
Premiums related to share capital		105,090	170,159
Reserves		(48,412)	(69,581)
Net loss for the period		(21,913)	(14,081)
Total shareholders' equity	**6.5**	**35,638**	**87,671**
Non-current liabilities			
Long-term provisions	**6.6**	163	167
Financial liabilities—non-current portion	**6.7**	2,816	2,426
Deferred tax		3	3
Total non-current liabilities		**2,982**	**2,596**
Current liabilities			
Financial liabilities—current portion	**6.7**	50	817
Trade and other payables		4,832	6,164
Other current liabilities	**6.8**	1,465	2,059
Total current liabilities		**6,347**	**9,040**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**44,967**	**99,307**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in thousands of euros, except for share amounts)

	NUMBERS OF SHARES	AMOUNT	PREMIUMS RELATED TO THE SHARE CAPITAL	RESERVES	TRANSLATION RESERVE	NET (INCOME) LOSS	TOTAL SHAREHOLDERS' EQUITY
At January 1, 2016	**7,924,611**	**792**	**95,931**	**(34,578)**	**—**	**(15,013)**	**47,132**
Net loss for the period	—	—	—	—	—	(10,349)	(10,349)
Other comprehensive income	—	—	—	16	—	—	16
Currency translation adjustment	—	—	—	—	5	—	5
Total comprehensive income (loss)	**—**	**—**	**—**	**16**	**5**	**(10,349)**	**(10,328)**
Allocation of prior period loss	—	—	—	(15,013)	—	15,013	
Issue of ordinary shares(1)	12,720	1	95	—	—	—	96
Treasury shares(2)	—	—	—	—	—	—	—
Share-based payment	—	—	—	703	—	—	703
At June 30, 2016	**7,937,331**	**793**	**96,026**	**(48,875)**	**5**	**(10,349)**	**37,601**
At January 1, 2017	**8,732,648**	**873**	**105,090**	**(48,247)**	**(165)**	**(21,913)**	**35,638**
Net loss for the period	—	—	—	—	—	(14,081)	(14,081)
Other comprehensive income	—	—	—	36	—	—	36
Currency translation adjustment	—	—	—	—	(30)	—	(30)
Total comprehensive income (loss)	**—**	**—**	**—**	**36**	**(195)**	**(14,081)**	**(14,075)**
Allocation of prior period loss	—	—	—	(21,913)	—	21,913	—
Issue of ordinary shares(1)	3,011,800	301	65,069	—	—	—	65,370
Treasury shares(2)	—	—	—	—	—	—	—
Share-based payment	—	—	—	738	—	—	738
At June 30, 2017	**11,744,448**	**1,174**	**170,159**	**(69,386)**	**(195)**	**(14,081)**	**87,672**

(1) The Company completed a follow-on offering of €70.5 million (on a gross basis before deducting costs of issuing the equity instruments) in April 2017, with institutional investors in the United States and in Europe.

(2) At each of December 31, 2016 and June 30, 2017, the Company held 2,500 treasury shares.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of euros)

	NOTES	SIX MONTHS ENDED JUNE 30, 2016	2017
		€	€
Cash flows from operating activities			
Net loss		(10,349)	(14,081)
Reconciliation of net loss and the cash used for operating activities			
Amortization and depreciation		188	252
Provision—non-current portion		158	57
Expense related to share-based payments		703	738
Interest expense		12	7
Income tax expense		(9)	(19)
Operating cash flow before change in working capital		**(9,298)**	**(13,047)**
Increase in inventories		(35)	(25)
Increase in trade and other receivables		20	(118)
Increase in other current assets	**6.3**	(25)	(2,824)
Increase in trade and other payables		848	1,331
Increase in other current liabilities	**6.8**	128	594
Decrease in provision—current portion		(81)	—
Change in working capital		**770**	**(1,041)**
Net cash flow used in operating activities		**(8,527)**	**(14,088)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	**6.1**	(664)	(722)
Acquisitions of intangible assets	**6.1**	(19)	(1)
Disposal of non-current financial assets	**6.1**	—	2
Net cash flow used in investing activities		**(683)**	**(720)**
Cash flows from financing activities			
Capital increases, net of transaction costs	**6.5**	96	65,370
Proceeds from borrowings	**6.7**	—	420
Repayment of borrowings	**6.7**	(49)	(47)
Net cash flow from financing activities		**47**	**65,743**
Change rate effect on cash in foreign currency		—	(30)
Increase / decrease in cash and cash equivalents		**(9,163)**	**50,905**
Cash and cash equivalents at the beginning of the period	**6.10**	45,634	37,646
Cash and cash equivalents at the close of the period	**6.10**	36,471	88,551
Supplemental disclosure of cash flows information			
Cash paid for interest		72	34
Cash paid for income tax		—	—

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands of euros, except for number of shares and per share amounts)

These notes are an integral part of the accompanying unaudited interim condensed consolidated financial statements.

1. DESCRIPTION OF THE BUSINESS

ERYTECH Pharma S.A. ("**ERYTECH**" and together with its subsidiary, ERYTECH Pharma, Inc., the "**Company**") is incorporated in Lyon, France, and was founded in 2004 to develop and market innovative therapies for acute leukemia and other orphan diseases. The Company's most advanced product candidates are being developed for the treatment of pancreatic cancer and for the two most common forms of acute leukemia, acute lymphoblastic leukemia, or ALL, and acute myeloid leukemia, or AML.

The Company has incurred losses and negative cash flows from operations since its inception and had shareholders' equity of €87,672 thousand as at June 30, 2017 as a result of several financing rounds, including its initial public offering on Euronext Paris.

The Company anticipates incurring additional losses until such time, if ever, that it can generate significant revenue from its product candidates in development. Substantial additional financing will be needed by the Company to fund its operations and to commercially develop its product candidates.

The Company's future operations are highly dependent on a combination of factors, including: (i) the success of its research and development; (ii) regulatory approval and market acceptance of the Company's proposed future products; (iii) the timely and successful completion of additional financings; and (iv) the development of competitive therapies by other biotechnology and pharmaceutical companies. As a result, the Company is and should continue, in the short to mid-term, to be financed through partnership agreements for the development and commercialization of its drug candidates and through the issuance of new equity instruments.

Major events of the first six months of 2017

In March 2017, the Company announced positive top-line results from its Phase 2b clinical trial evaluating its product candidate, eryaspase (GRASPA®), in combination with chemotherapy for the treatment of second-line metastatic pancreatic cancer.

In April 2017, the Company commenced an investigator-initiated Phase 2 clinical trial to evaluate eryaspase, also known by the trade name GRASPA®, in patients with ALL. The study will take place in seven Nordic and Baltic countries and will be conducted in collaboration with the Nordic Society of Pediatric Hematology and Oncology (NOPHO).

In April 2017, the Company issued an aggregate of 3,000,000 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €23.50 per share, including share premium, for a total aggregate purchase price of €70.5 million, representing approximately 34.4% of the share capital of the Company prior to the issuance of such shares. The issue price of the new shares represented a discount of 5.62% from the closing price on April 12, 2017 and 6.37% from the weighted average share price of the Company's shares on the regulated market of Euronext Paris during the 20 trading days preceding the determination of the issue price on April 12, 2017.

At a meeting of the Company's Board of Directors (the "**Board**") held on January 8, 2017, the following share-based payments were approved by the Board:

- 15,000 AGA_{2016} free shares to Alexander Scheer; and
- 15,000 BSA_{2017} to Allene Diaz, an independent member of the Board.

The Chief Executive Officer, acting by subdelegation of the Board, subsequently awarded:

- 3,000 SO_{2016} to an employee of ERYTECH Pharma, Inc. on January 8, 2017;
- 18,000 SO_{2016} to employees of ERYTECH Pharma, Inc. on June 27, 2017; and
- 8,652 AGA_{2016} to employees of ERYTECH Pharma S.A. on June 27, 2017.

By virtue of the delegations of authority granted by the Company's annual general meeting of June 27, 2017, the Board, at a meeting held on June 27, 2017, approved the following share-based payments:

- 55,000 BSA_{2017} to independent members of the Board;
- 74,475 AGA_{2017} to employees of ERYTECH Pharma S.A.; and
- 22,200 SO_{2017} to employees of ERYTECH Pharma, Inc.

2. Basis of preparation and statement of compliance

The Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2017 and for the six months ended June 30, 2016 and 2017 and the related notes (together, the "**Unaudited Interim Condensed Consolidated Financial Statements**") have been prepared under the responsibility of the management of the Company in accordance with the underlying assumptions of going concern as 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 Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("**IASB**") and were approved and authorized for issuance by the Board on September 7, 2017.

The general accounting conventions were applied in accordance with the underlying assumptions, namely (i) going concern, (ii) permanence of accounting methods from one year to the next and (iii) independence of financial years, and in conformity with the general rules for the preparation and presentation of consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). The Unaudited Interim Condensed Consolidated Financial Statements do not include all disclosures required for annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

The Company is not subject to significant seasonal effects as no revenue has been generated so far from its product candidates. Operating expenses may vary significantly from a quarter to another depending on the progress of its research and development activities.

Except for number of share and per share amounts, all amounts are expressed in thousands of euros, unless stated otherwise. Some amounts may be rounded for the calculation of financial information contained in the Unaudited Interim Condensed Consolidated Financial Statements. Accordingly, the totals in some tables may not be the exact sum of the preceding figures.

3. Significant accounting policies

These Unaudited Interim Condensed Consolidated Financial Statements have been prepared using the same accounting policies and methods as those applied by the Company as of and for the year ended December 31, 2016, except for the adoption of the following specific accounting principles that are of mandatory application as at June 30, 2017:

- Amendments to IAS 7—Disclosure initiative;
- Amendments to IAS 12—Income taxes; and
- Amendments to IFRSs 2014-2016 Cycle, effective for annual periods beginning on or after January 1, 2017.

These amendments have had no impact on the Unaudited Interim Condensed Consolidated Financial Statements.

Standards issued but not yet effective

The Company did not apply the following new standards which have been issued but are not yet effective:

- IFRS 9—*Financial Instruments* will be effective for the Company on January 1, 2018, with early adoption permitted. The Company does not plan to early adopt this standard and does not expect its adoption to have a material impact on its consolidated financial statements.

- IFRS 15—*Revenue from Contracts with Customers* will be effective for the Company on January 1, 2018, with early adoption permitted. The Company does not plan to early adopt this standard and does not expect its adoption to have a material impact on its consolidated financial statements.
- IFRS 16—*Leases* will be effective for the Company on January 1, 2019, with early adoption permitted if applied at the same time as IFRS 15. The Company does not plan to early adopt this standard and is assessing the potential impact of IFRS 16 on its consolidated financial statements.

Use of judgments and estimates

Preparation of the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the rules prescribed by the IFRS requires the use of estimates and the formulation of assumptions having an impact on the Unaudited Interim Condensed Consolidated 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 use of estimates and judgments relate primarily to the measurement of share-based payments (see Note 5.3).

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 based on internal reporting used by the chief operating decision maker (the Company's Chairman of the Board and Chief Executive Officer) to allocate resources and to assess performance.

The Company operates in a single operating segment: the conducting of research and development in the area of treatment of pancreatic cancer, acute leukemia and other orphan diseases in order to market them in the future. The assets, liabilities, and operating losses realized are primarily located in France.

5. NOTES RELATED TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

5.1 *Operating income*

Operating income consists of the following:

(Amounts in thousands of euros)	FOR THE SIX MONTHS ENDED JUNE 30, 2016	2017
Research Tax Credit	1,787	1,736
Subsidies	463	—
Other income	154	52
Total	**2,403**	**1,788**

The Company's operating income was primarily generated by the research tax credit (*Crédit d'Impôt Recherche* (the "**Research Tax Credit**")), and by the subsidies associated with the pre-clinical research programs in partnership with *Banque Publique d'Investissement* ("**BPI France**").

Other income totaled €52 thousand and €154 thousand in the six months ended June 30, 2017 and 2016, respectively, representing the re-invoicing to Orphan Europe of certain internal costs incurred by the Company within the context of the Company's AML clinical studies and NOPHO clinical trial in 2017 and 2016.

The decrease of subsidies for the six months ended June 30, 2017 compared to the same period in 2016 is mainly related to a milestone for the TEDAC program which was not achieved as of June 30, 2017. The TEDAC program is a research program for which the Company has received funding from BPI France.

5.2 Operating expenses by nature

FOR THE SIX MONTHS ENDED JUNE 30, 2016 (Amounts in thousands of euros)	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 expense	**129**	9	120	—	**144**	**273**
Total	**8,800**	**2,435**	**6,168**	**197**	**4,222**	**13,022**

FOR THE SIX MONTHS ENDED JUNE 30, 2017 (Amounts in thousands of euros)	RESEARCH AND DEVELOPMENT EXPENSES	OF WHICH OTHER R&D EXPENSES	OF WHICH CLINICAL STUDIES	OF WHICH INTELLECTUAL PROPERTY	GENERAL AND ADMINISTRATIVE EXPENSES	TOTAL
Consumables	**821**	463	358	—	**31**	**852**
Rental and maintenance	**388**	92	296	—	**281**	**669**
Services, subcontracting and fees	**7,056**	1,286	5,627	143	**1,243**	**8,299**
Personnel expenses	**3,669**	951	2,686	32	**1,922**	**5,591**
Other	**29**	2	28	—	**278**	**307**
Depreciation and amortization expense	**119**	13	106	—	**140**	**259**
Total	**12,082**	**2,806**	**9,101**	**175**	**3,895**	**15,977**

5.3 Personnel expenses

The personnel expenses are detailed as follows:

FOR THE SIX MONTHS ENDED JUNE 30, 2016 (Amounts in thousands of euros)	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 ENDED JUNE 30, 2017 (Amounts in thousands of euros)	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	**2,354**	537	1,801	16	**1,034**	**3,388**
Share-based payments	**376**	106	262	8	**362**	**738**
Social security expenses	**939**	308	622	8	**526**	**1,465**
Total personnel expenses	**3,669**	**951**	**2,686**	**32**	**1,922**	**5,591**

The increase in personnel expenses of €1,102 thousand was mainly due to the increase in wages and salaries following the increase in employee staff (76 headcount as of June 30, 2016 to 94 as of June 30, 2017).

Share-based payments (IFRS 2)

Share-based awards have been granted to the Company's senior management, employees, and members of the Board in the form of share subscription warrants ("**BSAs**"), stock options ("**SOs**"), free shares ("**AGAs**") or founder subscription warrants ("**BSPCEs**"). The Board has been authorized by the general meeting of the Company's shareholders to grant warrants in the form of AGA, SO and BSA through the following equity plan:

2017 Plan

On June 27, 2017, the Board used the delegation granted by the mixed general shareholders meeting of June 24, 2016, to grant a free allocation including a service condition of 83,127 free shares (hereinafter entitled AGA_{2017}) to ERYTECH Pharma S.A. senior management and employees, 40,200 stock options (hereinafter entitled SO_{2017}) to ERYTECH Pharma, Inc. employees and 55,000 share subscription warrants (hereinafter entitled BSA_{2017}) to members of the Board.

At June 30, 2017, the BSAs, SOs and AGAs for the 2017 Plan were as follows:

TYPES OF SECURITIES	AGA2017	SO2017	BSA2017
Number of shares that the Company is authorized to issue		350,000	
Number of free shares / stock options / warrants granted	83,127	40,200	55,000
Date of General Meeting		June 27, 2017	
Number of tranches	3	2	3
Vesting period	Tranche 1: 1 year Tranche 2: 2 years Tranche 3: 3 years	Tranche 1: 2 years Tranche 2: 3 years	Tranche 1: 1 year Tranche 2: 2 years Tranche 3: 3 years
General conditions of exercise	Tranche 1: 1 year Tranches 2 and 3: NA	NA	NA
Maximum number of new shares that can be issued	83,127	40,200	55,000

Allocation of 83,127 free shares (AGA_{2017}) on June 27, 2017

The assumptions used to determine the fair value of these instruments are as follows:

- Price of the underlying share: €26.47 (based on the quoted market price of the ordinary shares of the Company as of the meeting date on which the Board granted the AGAs);
- Attrition rate: 0%;
- Expected dividends: 0%;
- Volatility: 48% based on the historical volatility observed of the Company's share price on Euronext Paris; and
- Repo margin: 5%.

The fair value of the AGAs granted in June 2017 under the 2017 Plan was estimated at €1,081 thousand. This expense will be recorded gradually over the duration of the 3-year plan in accordance with IFRS 2 (graded vesting method). An expense of €6 thousand was recognized in the consolidated statement of income (loss), under research and development (R&D) personnel costs for €3 thousand and under general and administrative (G&A) personnel costs for €3 thousand, for the six months ended June 30, 2017.

Allocation of 40,200 stock options (SO_{2017}) on June 27, 2017

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €26.47 (based on the quoted market price of the ordinary shares of the Company as of the meeting date on which the Board granted the SOs);
- Attrition rate: 0%;
- Expected dividends: 0%;

- Volatility: 48% based on the historical volatility observed of the Company's share price on Euronext Paris; and
- Repo margin: 5%.

The fair value of the SOs granted in June 2017 under the 2017 Plan was estimated at €308 thousand. This expense will be recorded gradually over the duration of the 3-year plan in accordance with IFRS 2 (graded vesting method). An expense of €1 thousand was recognized in the consolidated statement of income (loss) under R&D personnel costs for the six months ended June 30, 2017.

Allocation of 55,000 share subscription warrants (BSA_{2017}) on June 27, 2017

The assumptions used to determine the fair value of these instruments are:

- Price of the underlying share: €26.47 (based on the quoted market price of the ordinary shares of the Company as of the meeting date on which the Board granted the BSA);
- Attrition rate: 0%;
- Expected dividends: 0%;
- Volatility: 48% based on the historical volatility observed of the Company's share price on Euronext Paris; and
- Repo margin: 5%.

The fair value of the BSAs issued in June 2017 under the 2017 Plan was estimated at €394 thousand. This expense will be recorded gradually over the duration of the 3-year plan in accordance with IFRS 2 (graded vesting method). An expense of €3 thousand was recognized in the consolidated statement of income (loss) under G&A costs for the six months ended June 30, 2017.

5.4 Depreciation and amortization expense

(Amounts in thousands of euros)	FOR THE SIX MONTHS ENDED JUNE 30, 2016	2017
Clinical studies	9	106
Other research and development expenses	120	13
Research and development expenses	129	119
General and administrative expenses	144	140
Total	**273**	**259**

5.5 Financial income and expense

(Amounts in thousands of euros)	FOR THE SIX MONTHS ENDED JUNE 30, 2016	2017
Interest expense on finance leases	(2)	(5)
Interest expense related to conditional advances and loans	(12)	(3)
Other financial expenses	(18)	(39)
Total financial expense	**(32)**	**(47)**
Income from short-term deposits	284	111
Other financial income	8	49
Total finance income	**292**	**160**
	260	**114**

Other financial expenses were related to foreign exchange losses related to purchases of services in U.S. dollars.

Other financial income consisted of interest accrued on short-term deposits as well as foreign exchange gains related to purchases of services in U.S. dollars.

6 NOTES RELATED TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

6.1 Non-current assets

Intangible assets

For the six months ended June 30, 2017, the Company's investments related to intangible assets corresponded to the acquisition of software. As of December 31, 2016, the main investments in intangible assets also corresponded to the acquisition of software.

Property, plant and equipment

The increase in the Company's property, plant and equipment was mainly related to the development costs of the Company's new production facility, which started in 2016.

At June 30, 2017, the Company's property, plant and equipment were composed as follows:

	AS OF JANUARY 1, 2016	INCREASE	DECREASE	AS OF DECEMBER 31, 2016
Laboratory equipment	974			974
Assets under construction	44	862	(44)	862
Plant, equipment, and tooling	727	123	—	850
General equipment, fixtures and fittings	1,079	387	—	1,466
Office equipment and computers	134	397	—	531
Total gross value	**2,958**	**1,770**	**(44)**	**4,684**
Accumulated depreciation of laboratory equipment	(831)	(51)	—	(882)
Accumulated depreciation of plant, equipment and tooling	(426)	(98)	—	(523)
Accumulated depreciation of general equipment, fixtures and fittings	(733)	(175)	—	(909)
Accumulated depreciation of office equipment and computers	(51)	(74)	—	(125)
Total accumulated depreciation	**(2,041)**	**(398)**	**—**	**(2,439)**
Total net value	**918**	**1,372**	**(44)**	**2,245**

	AS OF JANUARY 1, 2017	INCREASE	DECREASE	AS OF JUNE 30, 2017
Laboratory equipment	974			974
Assets under construction	862	602	(31)	1,433
Plant, equipment, and tooling	850	57	—	907
General equipment, fixtures and fittings	1,466	72	—	1,538
Office equipment and computers	531	22	—	553
Total gross value	**4,684**	**753**	**(31)**	**5,406**
Accumulated depreciation of laboratory equipment	(882)	(24)	—	(906)
Accumulated depreciation of plant, equipment and tooling	(523)	(52)	—	(575)
Accumulated depreciation of general equipment, fixtures and fittings	(909)	(99)	—	(1,008)
Accumulated depreciation of office equipment and computers	(125)	(62)	—	(187)
Total accumulated depreciation	**(2,439)**	**(237)**	**—**	**(2,676)**
Total net value	**2,245**	**516**	**(31)**	**2,730**

Property, plant and equipment held under finance leases amounted to €159 thousand as of June 30, 2017 and €203 thousand as of December 31, 2016.

Other non-current financial assets

The Company's other non-current financial assets corresponded to deposits paid for the leasing of ERYTECH Pharma, Inc.'s office, located in Cambridge, Massachusetts.

6.2 Trade and other receivables

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2016	AS OF JUNE 30, 2017
Trade receivables	218	336
Other receivables	—	—
Total trade and other receivables	**218**	**336**

The trade receivables related mainly to the the re-invoicing by the Company to Orphan Europe of certain clinical expenses incurred by the Company related to its AML and NOPHO clinical studies.

6.3 Other current assets

(Amounts in thousands of euros)	AS OF DECEMBER 31, 2016	AS OF JUNE 30, 2017
Research Tax Credit	3,321	5,057
Tax receivables (e.g. VAT) and other receivables	863	954
Cash to be received from bank related to exercise of warrants	—	4
Prepayments	339	1,333
Total	**4,524**	**7,348**

Research Tax Credit

The Company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code related to the Research Tax Credit. The Research Tax Credit is recognized in the unaudited interim condensed consolidated statements of income (loss) in "other income" during the year in which the eligible research expenditures are incurred.

The amount as of June 30, 2017 is the Research Tax Credit receivable for the 2016 period and includes the estimate for the Research Tax Credit for the six months ended June 30, 2017.

6.4 Cash and cash equivalents

	AS OF	
(Amounts in thousands of euros)	**DECEMBER 31, 2016**	**JUNE 30, 2017**
Cash and cash equivalents	37,646	88,551
Total cash and cash equivalents as reported in statements of financial position	**37,646**	**88,551**
Bank overdrafts	—	—
Total cash and cash equivalents as reported in statements of cash flows	**37,646**	**88,551**

At June 30, 2017, the Company's cash position was composed of the following items: (i) €60.6 million in current accounts and (ii) €27.0 million in term deposits, with maturities of 5 months to 18 months, but readily available without penalty with a 32-day notice and the Company will not receive a significant charge or penalty on the interest rate.

At December 31, 2016, the Company's cash position was composed of the following items: (i) €10.6 million in current accounts and (ii) €27.0 million in term deposits, with maturities of 1 month to 3 years, but readily available without penalty subject to a 32-day notice and without significant risk in change for the interest amount to be received.

6.5 Shareholders' equity

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the Company's debt and equity balance. The Company's capital structure consists of financial liabilities as detailed in Notes 6.7 and 6.10, offset by cash and bank balances and equity (comprising issued capital, reserves and retained earnings). The Company is not subject to any externally imposed capital requirements.

As of December 31, 2016, the capital of ERYTECH Pharma S.A. consisted of 8,732,648 shares, fully paid up, with a nominal value of 0.10 euros per share. Following the private placement completed in April 2017, as well as the exercise of subscription warrants, ERYTECH Pharma S.A.'s capital was increased to 11,744,448 shares with a nominal value of 0.10 euros per share as at June 30, 2017.

At each of December 31, 2016 and June 30, 2017, the Company held 2,500 treasury shares at a weighted average price of €28.40 i.e. €71 thousand.

6.6 Provisions

The provisions can be detailed as follows:

	AS OF	
(Amounts in thousands of euros)	**DECEMBER 31, 2016**	**JUNE 30, 2017**
Provision for retirement indemnities	163	167
Other provisions	—	—
Total	**163**	**167**

The regime for retirement indemnities applicable to ERYTECH Pharma S.A. is defined by the collective agreement for the pharmaceutical industry in France.

The Company recognizes actuarial differences in other comprehensive income. The pension commitments are not covered by plan assets. The portion of the provision for which the maturity is less than one year is not significant.

6.7 Financial liabilities

Financial liabilities by type

	AS OF	
	DECEMBER 31, 2016	JUNE 30, 2017
Financial liabilities related to finance leases	204	161
Bank overdrafts	—	
Conditional advances	1,182	1,182
Bank loans	1,480	1,900
Total financial liabilities	**2,865**	**3,242**

Financial liabilities by maturity

Maturity dates of financial liabilities as of December 31, 2016 are as follows:

	LESS THAN ONE YEAR	ONE TO THREE YEARS	THREE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Financial liabilities					
Bank loans	—	1,480	—	—	1,480
Conditional advances	—	—	—	1,182	1,182
Liabilities related to leases	50	154	—	—	204
Total financial liabilities	**50**	**1,634**	**—**	**1,182**	**2,865**

Maturity dates of financial liabilities as of June 30, 2017 are as follows:

	LESS THAN ONE YEAR	ONE TO THREE YEARS	THREE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Financial liabilities					
Bank loans	733	1,167	—	—	1,900
Conditional advances	—	—	—	1,182	1,182
Liabilities related to leases	84	77	—	—	161
Total financial liabilities	**817**	**1,244**	**—**	**1,182**	**3,242**

The Company received a 36-month bank loan in December 2016 amounting to €1,900 thousand with Société Générale with a 0.4% interest rate and with 6-months' postponed repayment terms to finance its investments.

6.8 Other current liabilities

	AS OF	
	DECEMBER 31, 2016	JUNE 30, 2017
Taxation and social security	1,465	1,923
Deferred revenue	—	136
Other payables	—	—
Total other current liabilities	**1,465**	**2,059**

6.9 Related parties

Gil Beyen is the Chief Executive Officer of the Company and Chairman of the Board; Jérôme Bailly is the Company's Vice President and Director of Pharmaceutical Operations and Qualified Person. The other related parties are members of the Board.

The Company has no other related parties.

6.10 Financial instruments recognized in the unaudited interim condensed consolidated statements of financial position and effect on net income (loss)

AS OF DECEMBER 31, 2016 (Amounts in thousands of euros)	CARRYING AMOUNT ON THE STATEMENTS OF FINANCIAL POSITION (1)	FAIR VALUE THROUGH PROFIT AND LOSS	LOANS AND RECEIVABLES	DEBT AT AMORTIZED COST	FAIR VALUE
Non-current financial assets	132	—	132	—	132
Trade and other receivables	218	—	218	—	218
Other current assets	4,524	—	4,524	—	4,524
Cash and cash equivalents(2)	37,646	37,646	—	—	37,646
Total financial assets	**42,520**	**37,646**	**4,874**	**—**	**42,520**
Financial liabilities—Non-current portion(3)	2,816	—	—	2,816	2,816
Financial liabilities—Current portion(3)	50	—	—	50	50
Trade payables and related accounts	4,832	—	—	4,832	4,832
Total financial liabilities	**7,697**	**—**	**—**	**7,698**	**7,698**

AS OF JUNE 30, 2017 (Amounts in thousands of euros)	CARRYING AMOUNT ON THE STATEMENTS OF FINANCIAL POSITION(1)	FAIR VALUE THROUGH PROFIT AND LOSS	LOANS AND RECEIVABLES	DEBT AT AMORTIZED COST	FAIR VALUE
Non-current financial assets	130	—	130	—	130
Trade and other receivables	336	—	336	—	336
Other current assets	7,348	—	7,348	—	7,348
Cash and cash equivalents(2)	88,551	88,551	—	—	88,551
Total financial assets	**96,365**	**88,551**	**7,814**	**—**	**96,365**
Financial liabilities—Non-current portion(3)	2,426	—	—	2,426	2,426
Financial liabilities—Current portion(3)	817	—	—	817	817
Trade payables and related accounts	6,164	—	—	6,164	6,164
Total financial liabilities	**9,406**	**—**	**—**	**9,406**	**9,406**

(1) The carrying amount of these assets and liabilities is a reasonable approximation of their fair value.
(2) Cash and cash equivalents are comprised of money market funds and time deposit accounts, which are measured using Level 1 and Level 2 measurements, respectively.
(3) The fair value of financial liabilities is determined using Level 2 measurements.

Financial assets are not subject to reassessment. In the same way, financial liabilities are not concerned by assets and liabilities assessment.

Trade payables and related accounts amount to €6,164 thousand, of which €4,194 thousand was accrued expenses, and reflect the Company's increased research and development activity during the first half of 2017.

7 Off-balance sheet commitments

There have been no significant changes in off-balance sheet commitments since December 31, 2016.

8 Events after balance sheet date

The consolidated statements of financial position and the consolidated statements of income (loss) of the Company are adjusted to reflect the subsequent events that occurred after the reporting date, but before the Unaudited Interim Condensed Consolidated Financial Statements are authorized for issue, if they provide evidence of conditions that existed at the reporting date.

The Company evaluated subsequent events that occurred after June 30, 2017, through the date of approval and authorization of issuance of the Unaudited Interim Condensed Consolidated Financial Statements and determined that there were no significant events that require adjustments or disclosure in such Unaudited Interim Condensed Consolidated Financial Statements.

ERYTECH Pharma S.A.

Ordinary Shares
(including Ordinary Shares in the form of American Depositary Shares)

PRELIMINARY PROSPECTUS

, 2017

Global Coordinator and Joint Book-Runner

Jefferies

U.S. Joint Book-Runner

Cowen

European Joint Book-Runner

Oddo BHF

U.S. Lead Manager

JMP Securities

Through and including , 2017 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in the global offering, may be required to deliver a prospectus. This is in addition to the dealers' obligations to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. Indemnification of Directors and Officers.

Under French law, provisions of bylaws that limit the liability of directors are prohibited. However, French law allows *sociétés anonymes* to contract for and maintain liability insurance against civil liabilities incurred by any of their directors and officers involved in a third-party action, provided that they acted in good faith and within their capacities as directors or officers of the company. Criminal liability cannot be indemnified under French law, whether directly by the company or through liability insurance.

We have liability insurance for our directors and officers, and intend to obtain coverage for insurance against liability under the Securities Act. We also intend to enter into agreements with our directors and executive officers to provide contractual indemnification. With certain exceptions and subject to limitations on indemnification under French law, these agreements will provide for indemnification for damages and expenses including, among other things, attorneys' fees, judgments and settlement amounts incurred by any of these individuals in any action or proceeding arising out of his or her actions in that capacity.

These agreements may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and executive officers, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these insurance agreements.

ITEM 7. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold since January 1, 2014.

- In October 2014, we issued 1,224,489 ordinary shares in a follow-on offering to investors at an issue price of €24.50 per share for an aggregate purchase price of €30 million. 80% of the offering was conducted outside of France, with 68% of the offering sold in the United States. Bryan, Garnier & Co. served as global coordinator and bookrunner and LifeSci Capital acted as U.S. placement agent, and the total sales commissions were €1,434,999.
- In December 2015, we issued an aggregate of 940,000 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €27.00 per share for a total aggregate purchase price of €25.4 million. 15% of the offering was sold in a private placement in the United States and 85% of the offering was sold in a private placement in Europe. Jefferies International Limited, Leerink Partners LLC and Bryan, Garnier & Co. Limited acted as placement agents and LifeSci Capital LLC acted as a co-manager. The total sales commissions were €2,592,269.
- In December 2016, we issued an aggregate of 793,877 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €12.50 per share for a total aggregate purchase price of €9.9 million. Jefferies International Limited acted as sole bookrunner. The total sales commissions were €694,642.
- In April 2017, we issued an aggregate of 3,000,000 ordinary shares in an offering to institutional investors in the United States and Europe at an issue price of €23.50 per share for a total aggregate purchase price of €70.5 million. Jefferies International Limited served as sole global coordinator and acted together with Cowen and Company, LLC and Oddo BHF SCA (formerly known as Oddo & Cie) as joint bookrunners. The total sales commissions were €4,957,630.
- Since January 1, 2014 through August 31, 2017, we have granted 31,676 founder's warrants, or BSPCEs, consisting of 13,176 warrants at an exercise price of €73.62 per warrant and 18,500 warrants at an exercise price of €122.50 per warrant. In the same period, 18,271 BSPCEs have been exercised, resulting in the issuance of 182,710 shares for aggregate proceeds to us of €1.4 million.
- Since January 1, 2014 through August 31, 2017, we have granted 6,735 share warrants, or BSAs, to non-employee directors at an exercise price per warrant of €73.62, 3,000 BSAs at an exercise price per warrant of

€122.50, 45,000 BSAs at an exercise price per warrant of €18.52 and 15,000 BSAs at an exercise price per warrant of €13.60 and 55,000 BSA at an exercise price of €26.47. In the same period, 4,442 BSAs have been exercised, resulting in the issuance of 44,420 shares for aggregate proceeds to us of €331,908.

The offers, sales and issuances of the securities described in the preceding paragraphs were exempt from registration either (a) under Section 4(a)(2) of the Securities Act and the rules and regulations promulgated thereunder (including Regulation D and Rule 506), in that the transactions were between an issuer and sophisticated investors or members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2), (b) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States, (c) under Rule 144A under the Securities Act in that the shares were offered and sold by the initial purchasers to qualified institutional buyers or (d) under Rule 701 promulgated under the Securities Act in that the transactions were under compensatory benefit plans and contracts relating to compensation.

ITEM 8. Exhibits and Financial Statement Schedules.

(a) Exhibits

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
1.1#	Form of Underwriting Agreement
3.1#	Bylaws *(statuts)* of the registrant (English translation)
4.1	Form of Amended and Restated Deposit Agreement
4.2	Form of American Depositary Receipt (included in Exhibit 4.1)
5.1#	Opinion of Gide Loyrette Nouel A.A.R.P.I.
8.1#	Tax Opinion of Gide Loyrette Nouel A.A.R.P.I.
10.1	Lease Agreement by and between the registrant and PFO2 SCPI (represented by PERIAL Asset Management SASU), dated June 9, 2015 (English translation)
10.2	Addendum #1 to the Lease Agreement by and between the registrant and PF02 SCPI (represented by PERIAL Asset Management SASU), dated December 30, 2016 (English translation)
10.3†	Exclusive License and Distribution Agreement by and between the registrant and Orphan Europe, dated as of November 22, 2012, First Amendment to the Exclusive License and Distribution Agreement, dated as of February 22, 2013 and Second Amendment to the Exclusive License and Distribution Agreement, dated as of August 4, 2014
10.4†	Addendum #3 to the Exclusive License and Distribution Agreement by and between the registrant and Orphan Europe, dated July 21, 2016
10.5†	Exclusive Distribution Agreement by and between the registrant and Abic Marketing Limited, dated as of March 28, 2011
10.6†	Exclusive Supply Agreement for L-asparaginase by and between the registrant and medac GmbH, dated as of December 12, 2008 and Addendum #1 to the Exclusive Supply Agreement for L-Asparaginase, dated August 19, 2009
10.7†	Exclusive Supply Agreement for recombinant L-asparaginase by and between the registrant and medac GmbH, dated as of May 3, 2011 and Addendum #1 to the Exclusive Supply Agreement for recombinant L-asparaginase, dated April 4, 2014
10.8	Addendum #2 to the Exclusive Supply Agreement for L-asparaginase by and between the registrant and medac GmbH, dated July 25, 2016
10.9†	Addendum #2 to the Exclusive Supply Agreement for recombinant L-asparaginase by and between the registrant and medac GmbH, dated July 25, 2016

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.10†	Patent License Agreement by and between the registrant and the Public Health Service, dated as of June 19, 2012
10.11+	Form of indemnification agreement between the registrant and each of its executive officers and directors
10.12+	Summary of BSA Plans
10.13+	Summary of BSPCE Plans
10.14+	2016 Share Option Plan (English translation)
10.15+	2016 Free Share Plan (English translation)
21.1	List of subsidiaries of the registrant
23.1	Consent of KPMG S.A.
23.2#	Consent of Gide Loyrette Nouel A.A.R.P.I. (included in Exhibits 5.1 and 8.1)
24.1	Power of Attorney (included on signature page to the filing of this Registration Statement on Form F-1)

To be filed by amendment.
+ Indicates a management contract or any compensatory plan, contract or arrangement.
† Confidential treatment requested as to portions of the exhibit. Confidential materials omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

All schedules have been omitted because the information required to be set forth therein is not applicable or has been included in the consolidated financial statements and notes thereto.

ITEM 9. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Lyon, France, on the 6th day of October, 2017.

ERYTECH PHARMA S.A.

By: /s/ Gil Beyen
Gil Beyen
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Gil Beyen and Eric Soyer, and each of them, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Gil Beyen Gil Beyen	Chief Executive Officer and Chairman of the Board of Directors *(Principal Executive Officer)*	October 6, 2017
/s/ Eric Soyer Eric Soyer	Chief Financial Officer and Chief Operating Officer *(Principal Financial and Accounting Officer)*	October 6, 2017
/s/ Sven Andréasson Sven Andréasson	Director	October 6, 2017
/s/ Philippe Archinard Philippe Archinard, Ph.D.	Director	October 6, 2017
/s/ Allene Diaz Allene Diaz	Director	October 6, 2017
/s/ Luc Dochez Luc Dochez, Pharm.D.	Director	October 6, 2017
/s/ Martine Ortin George Martine Ortin George, M.D.	Director	October 6, 2017
/s/ Hilde Windels Hilde Windels	Director	October 6, 2017

SIGNATURE OF AUTHORIZED U.S. REPRESENTATIVE OF REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of ERYTECH Pharma S.A. has signed this registration statement on the 6th day of October, 2017.

Puglisi & Associates

By: /s/ Donald J. Puglisi
Name: Donald J. Puglisi
Title: Managing Director

EXHIBIT 4.1

ERYTECH PHARMA S.A.

AND

THE BANK OF NEW YORK MELLON

As Depositary

AND

OWNERS AND HOLDERS OF AMERICAN DEPOSITARY SHARES

Amended and Restated Deposit Agreement

Dated as of , 2017

TABLE OF CONTENTS

AMENDED AND RESTATED DEPOSIT AGREEMENT dated as of , 2017 among ERYTECH PHARMA S.A., a company incorporated under the laws of France (herein called the Company), THE BANK OF NEW YORK MELLON, a New York banking corporation (herein called the Depositary), and all Owners and Holders (each as hereinafter defined) from time to time of American Depositary Shares issued hereunder.

W I T N E S S E T H:

WHEREAS, the Company and the Depositary entered into a deposit agreement dated as of January 9, 2015 (the "Prior Deposit Agreement") for the purposes stated in that agreement;

WHEREAS, the Company and the Depositary now wish to amend the Prior Deposit Agreement and the form of Receipt to reflect that the American Depositary Shares are listed on the Nasdaq Global Market and the Company has become a reporting company under the Securities Exchange Act of 1934 and to provide additional disclosure language regarding the conversion of foreign currency;

WHEREAS, the Company desires to provide, as set forth in this Amended and Restated Deposit Agreement (herein called this Deposit Agreement), for the deposit of Shares (as hereinafter defined) of the Company from time to time with the Depositary or with the Custodian (as hereinafter defined) under this Deposit Agreement, for the creation of American Depositary Shares representing the Shares so deposited and for the execution and delivery of American Depositary Receipts evidencing the American Depositary Shares; and

WHEREAS, the American Depositary Receipts are to be substantially in the form of Exhibit A annexed to this Deposit Agreement, with appropriate insertions, modifications and omissions, as set forth in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, it is agreed by and between the parties hereto that the Prior Deposit Agreement is hereby amended and restated as follows:

ARTICLE 1. DEFINITIONS

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the respective terms used in this Deposit Agreement:

SECTION 1.1. American Depositary Shares.

The term "American Depositary Shares" shall mean the securities created under this Deposit Agreement representing rights with respect to the Deposited Securities. American Depositary Shares may be certificated securities evidenced by Receipts or uncertificated securities. The form of Receipt annexed as Exhibit A to this Deposit Agreement shall be the prospectus required under the Securities Act of 1933 for sales of both certificated and uncertificated American Depositary Shares. Except for those provisions of this Deposit Agreement that refer specifically to Receipts, all the provisions of this Deposit Agreement shall apply to both certificated and uncertificated American Depositary Shares.

Each American Depositary Share shall represent the number of Shares specified in Exhibit A to this Deposit Agreement, except that, if there is a distribution upon Deposited Securities covered by Section 4.3, a change in Deposited Securities covered by Section 4.8 with respect to which additional American Depositary Shares are not delivered or a sale of Deposited Securities under Section 3.2 or 4.8, each American Depositary Share shall thereafter represent the amount of Shares or other Deposited Securities that are then on deposit per American Depositary Share after giving effect to that distribution, change or sale.

SECTION 1.2. Commission.

The term "Commission" shall mean the Securities and Exchange Commission of the United States or any successor governmental agency in the United States.

SECTION 1.3. Company.

The term "Company" shall mean ERYTECH Pharma S.A., a company incorporated under the laws of France, and its successors.

SECTION 1.4. Custodian.

The term "Custodian" shall mean Société Générale, as custodian for the Depositary in Paris for the purposes of this Deposit Agreement, and any other firm or corporation the Depositary appoints under Section 5.5 as a substitute or additional custodian under this Deposit Agreement, and shall also mean all of them collectively.

SECTION 1.5. Delisting Event.

A "Delisting Event" occurs if the American Depositary Shares are delisted from a securities exchange on which the American Depositary Shares were listed and the Company has not listed or applied to list the American Depositary Shares on any other securities exchange.

SECTION 1.6. Deliver; Surrender.

(a) The term "deliver", or its noun form, when used with respect to Shares or other Deposited Securities, shall mean (i) book-entry transfer of those Shares or other Deposited Securities to an account maintained by an institution authorized under applicable law to effect transfers of such securities designated by the person entitled to that delivery or (ii) physical transfer of certificates evidencing those Shares or other Deposited Securities registered in the name of, or duly endorsed or accompanied by proper instruments of transfer to, the person entitled to that delivery.

(b) The term "deliver", or its noun form, when used with respect to American Depositary Shares, shall mean (i) registration of those American Depositary Shares in the name of DTC or its nominee and book-entry transfer of those American Depositary Shares to an account at DTC designated by the person entitled to that delivery, (ii) registration of those American Depositary Shares not evidenced by a Receipt on the books of the Depositary in the name requested by the person entitled to that delivery and mailing to that person of a statement confirming that registration or (iii) if requested by the person entitled to that delivery, execution and delivery at the Depositary's Office to the person entitled to that delivery of one or more Receipts evidencing those American Depositary Shares registered in the name requested by that person.

(c) The term "surrender", when used with respect to American Depositary Shares, shall mean (i) one or more book-entry transfers of American Depositary Shares to the DTC account of the Depositary, (ii) delivery to the Depositary at its Office of an instruction to surrender American Depositary Shares not evidenced by a Receipt or (iii) surrender to the Depositary at its Office of one or more Receipts evidencing American Depositary Shares.

SECTION 1.7. Deposit Agreement.

The term "Deposit Agreement" shall mean this Amended and Restated Deposit Agreement, as it may be amended from time to time in accordance with the provisions hereof.

SECTION 1.8. Depositary; Depositary's Office.

The term "Depositary" shall mean The Bank of New York Mellon, a New York banking corporation, and any successor as depositary under this Deposit Agreement. The term "Office", when used with respect to the Depositary, shall mean the office at which its depositary receipts business is administered, which, at the date of this Deposit Agreement, is located at 101 Barclay Street, New York, New York 10286.

SECTION 1.9. Deposited Securities.

The term "Deposited Securities" as of any time shall mean Shares at such time deposited or deemed to be deposited under this Deposit Agreement, including without limitation, Shares that have not been successfully delivered upon surrender of American Depositary Shares, and any and all other securities, property and cash received by the Depositary or the Custodian in respect of Deposited Securities and at that time held under this Deposit Agreement.

SECTION 1.10. Disseminate.

The term "Disseminate," when referring to a notice or other information to be sent by the Depositary to Owners, shall mean (i) sending that information to Owners in paper form by mail or another means or (ii) with the consent of Owners, another procedure that has the effect of making the information available to Owners, which may include (A) sending the information by electronic mail or electronic messaging or (B) sending in paper form or by electronic mail or messaging a statement that the information is available and may be accessed by the Owner on an Internet website and that it will be sent in paper form upon request by the Owner, when that information is so available and is sent in paper form as promptly as practicable upon request.

SECTION 1.11. Dollars.

The term "Dollars" shall mean United States dollars.

SECTION 1.12. DTC.

The term "DTC" shall mean The Depository Trust Company or its successor.

SECTION 1.13. Foreign Registrar.

The term "Foreign Registrar" shall mean the entity that carries out the duties of registrar for the Shares and any other agent of the Company for the transfer and registration of Shares, including, without limitation, any securities depository for the Shares.

SECTION 1.14. Holder.

The term "Holder" shall mean any person holding a Receipt or a security entitlement or other interest in American Depositary Shares, whether for its own account or for the account of another person, but that is not the Owner of that Receipt or those American Depositary Shares.

SECTION 1.15. Insolvency Event.

An "Insolvency Event" occurs if the Company institutes proceedings to be adjudicated as bankrupt or insolvent, consents to the institution of bankruptcy or insolvency proceedings against it, files a petition or answer or consent seeking reorganization or relief under any applicable law in respect of bankruptcy or insolvency, consents to the filing of any petition of that kind or to the appointment of a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of it or any substantial part of its property or makes an assignment for the benefit of creditors, or if information becomes publicly available indicating that unsecured claims against the Company are not expected to be paid.

SECTION 1.16. Owner.

The term "Owner" shall mean the person in whose name American Depositary Shares are registered on the books of the Depositary maintained for that purpose.

SECTION 1.17. Receipts.

The term "Receipts" shall mean the American Depositary Receipts issued under this Deposit Agreement evidencing certificated American Depositary Shares, as the same may be amended from time to time in accordance with the provisions of this Deposit Agreement.

SECTION 1.18. Registrar.

The term "Registrar" shall mean any corporation or other entity that is appointed by the Depositary to register American Depositary Shares and transfers of American Depositary Shares as provided in this Deposit Agreement.

SECTION 1.19. Replacement.

The term "Replacement" shall have the meaning assigned to it in Section 4.8.

SECTION 1.20. Restricted Securities.

The term "Restricted Securities" shall mean Shares that (i) are "restricted securities," as defined in Rule 144 under the Securities Act of 1933, except for Shares that could be resold in reliance on Rule 144 without any conditions, (ii) are beneficially owned by an officer, director (or person performing similar functions) or other affiliate of the Company, (iii) otherwise would require registration under the Securities Act of 1933 in connection with the public offer and sale thereof in the United States or (iv) are subject to other restrictions on sale or deposit under the laws of France, a shareholder agreement or the articles of association or similar document of the Company.

SECTION 1.21. Securities Act of 1933.

The term "Securities Act of 1933" shall mean the United States Securities Act of 1933, as from time to time amended.

SECTION 1.22. Shares.

The term "Shares" shall mean ordinary shares of the Company that are validly issued and outstanding, fully paid and nonassessable and that were not issued in violation of any pre-emptive or similar rights of the holders of outstanding securities of the Company; provided, however, that, if there shall occur any change in nominal or par value, a split-up or consolidation or any other reclassification or, upon the occurrence of an event described in Section 4.8, an exchange or conversion in respect of the Shares of the Company, the term "Shares" shall thereafter also mean the successor securities resulting from such change in nominal value, split-up or consolidation or such other reclassification or such exchange or conversion.

SECTION 1.23. SWIFT.

The term "SWIFT" shall mean the financial messaging network operated by the Society for Worldwide Interbank Financial Telecommunication, or its successor.

SECTION 1.24. Termination Option Event.

The term "Termination Option Event" shall mean an event of a kind defined as such in Section 4.1, 4.2 or 4.8.

ARTICLE 2. FORM OF RECEIPTS, DEPOSIT OF SHARES, DELIVERY, TRANSFER AND SURRENDER OF AMERICAN DEPOSITARY SHARES

SECTION 2.1. Form of Receipts; Registration and Transferability of American Depositary Shares.

Definitive Receipts shall be substantially in the form set forth in Exhibit A to this Deposit Agreement, with appropriate insertions, modifications and omissions, as permitted under this Deposit Agreement. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose, unless that Receipt has been (i) executed by the Depositary by the manual signature of a duly authorized officer of the Depositary or (ii) executed by the facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual signature of a duly authorized signatory of the Depositary or the Registrar or a co-registrar. The Depositary

shall maintain books on which (x) each Receipt so executed and delivered as provided in this Deposit Agreement and each transfer of that Receipt and (y) all American Depositary Shares delivered as provided in this Deposit Agreement and all registrations of transfer of American Depositary Shares, shall be registered. A Receipt bearing the facsimile signature of a person that was at any time a proper officer of the Depositary shall, subject to the other provisions of this paragraph, bind the Depositary, even if that person was not a proper officer of the Depositary on the date of issuance of that Receipt.

The Receipts and statements confirming registration of American Depositary Shares may have incorporated in or attached to them such legends or recitals or modifications not inconsistent with the provisions of this Deposit Agreement as may be required by the Depositary or required to comply with any applicable law or regulations thereunder or with the rules and regulations of any securities exchange upon which American Depositary Shares may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts and American Depositary Shares are subject by reason of the date of issuance of the underlying Deposited Securities or otherwise.

American Depositary Shares evidenced by a Receipt, when the Receipt is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York. American Depositary Shares not evidenced by Receipts shall be transferable as uncertificated registered securities under the laws of the State of New York. The Depositary, notwithstanding any notice to the contrary, may treat the Owner of American Depositary Shares as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes, and neither the Depositary nor the Company shall have any obligation or be subject to any liability under this Deposit Agreement to any Holder of American Depositary Shares (but only to the Owner of those American Depositary Shares).

SECTION 2.2. Deposit of Shares.

Subject to the terms and conditions of this Deposit Agreement, Shares or evidence of rights to receive Shares may be deposited under this Deposit Agreement by delivery thereof to any Custodian, accompanied by any appropriate instruments or instructions for transfer, or endorsement, in form satisfactory to the Custodian.

As conditions of accepting Shares for deposit, the Depositary may require (i) any certification required by the Depositary or the Custodian in accordance with the provisions of this Deposit Agreement, (ii) a written order directing the Depositary to deliver to, or upon the written order of, the person or persons stated in that order American Depositary Shares representing those deposited Shares, (iii) evidence satisfactory to the Depositary that those Shares have been re-registered in the books of the Company or the Foreign Registrar in the name of the Depositary, a Custodian or a

nominee of the Depositary or a Custodian, (iv) evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body in each applicable jurisdiction and (v) an agreement or assignment, or other instrument satisfactory to the Depositary, that provides for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property, that any person in whose name those Shares are or have been recorded may thereafter receive upon or in respect of those Shares, or, in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary.

At the request and risk and expense of a person proposing to deposit Shares, and for the account of that person, the Depositary may receive certificates for Shares to be deposited, together with the other instruments specified in this Section, for the purpose of forwarding those Share certificates to the Custodian for deposit under this Deposit Agreement.

The Depositary shall instruct each Custodian that, upon each delivery to a Custodian of a certificate or certificates for Shares to be deposited under this Deposit Agreement, together with the other documents specified in this Section, that Custodian shall, as soon as transfer and recordation can be accomplished, present that certificate or those certificates to the Company or the Foreign Registrar, if applicable, for transfer and recordation of the Shares being deposited in the name of the Depositary or its nominee or that Custodian or its nominee.

Deposited Securities shall be held by the Depositary or by a Custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

SECTION 2.3. Delivery of American Depositary Shares.

The Depositary shall instruct each Custodian that, upon receipt by that Custodian of any deposit pursuant to Section 2.2, together with the other documents or evidence required under that Section, that Custodian shall notify the Depositary of that deposit and the person or persons to whom or upon whose written order American Depositary Shares are deliverable in respect thereof. Upon receiving a notice of a deposit from a Custodian, or upon the receipt of Shares or evidence of the right to receive Shares by the Depositary, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall deliver, to or upon the order of the person or persons entitled thereto, the number of American Depositary Shares issuable in respect of that deposit, but only upon payment to the Depositary of the fees and expenses of the Depositary for the delivery of those American Depositary Shares as provided in Section 5.9, and of all taxes and governmental charges and fees payable in connection with that deposit and the transfer of the deposited Shares. However, the Depositary shall deliver only whole numbers of American Depositary Shares.

SECTION 2.4. Registration of Transfer of American Depositary Shares; Combination and Split-up of Receipts; Interchange of Certificated and Uncertificated American Depositary Shares.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall register a transfer of American Depositary Shares on its transfer books upon (i) in the case of certificated American Depositary Shares, surrender of the Receipt evidencing those American Depositary Shares, by the Owner or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer or (ii) in the case of uncertificated American Depositary Shares, receipt from the Owner of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.10), and, in either case, duly stamped as may be required by the laws of the State of New York and of the United States of America. Upon registration of a transfer, the Depositary shall deliver the transferred American Depositary Shares to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary, upon surrender of certificated American Depositary Shares for the purpose of exchanging for uncertificated American Depositary Shares, shall cancel the Receipt evidencing those certificated American Depositary Shares and send the Owner a statement confirming that the Owner is the owner of the same number of uncertificated American Depositary Shares. The Depositary, upon receipt of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.10) from the Owner of uncertificated American Depositary Shares for the purpose of exchanging for certificated American Depositary Shares, shall cancel those uncertificated American Depositary Shares and register and deliver to the Owner a Receipt evidencing the same number of certificated American Depositary Shares.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting registration of transfers of American Depositary Shares and combinations and split-ups of Receipts at designated transfer offices on behalf of the Depositary, and the Depositary shall notify the Company of any such appointment. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled to American Depositary Shares and will be entitled to protection and indemnity to the same extent as the Depositary.

SECTION 2.5. Surrender of American Depositary Shares and Withdrawal of Deposited Securities.

Upon surrender at the Depositary's Office of American Depositary Shares for the purpose of withdrawal of the Deposited Securities represented thereby and payment of the fee of the Depositary for the surrender of American Depositary Shares as provided in Section 5.9 and payment of all taxes and governmental charges payable in connection with that surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of this Deposit Agreement, the Owner of those American Depositary Shares shall be entitled to delivery (to the extent delivery can then be lawfully and practicably made), to or as instructed by that Owner, of the amount of Deposited Securities at the time represented by those American Depositary Shares, but not any money or other property as to which a record date for distribution to Owners has passed. That delivery shall be made, as provided in this Section, without unreasonable delay.

As a condition of accepting a surrender of American Depositary Shares for the purpose of withdrawal of Deposited Securities, the Depositary may require (i) that each surrendered Receipt be properly endorsed in blank or accompanied by proper instruments of transfer in blank and (ii) that the surrendering Owner execute and deliver to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be delivered to or upon the written order of a person or persons designated in that order.

Thereupon, the Depositary shall direct the Custodian to deliver, subject to Sections 2.6, 3.1 and 3.2, the other terms and conditions of this Deposit Agreement and local market rules and practices, to the surrendering Owner or to or upon the written order of the person or persons designated in the order delivered to the Depositary as above provided, the amount of Deposited Securities represented by the surrendered American Depositary Shares.

At the request, risk and expense of an Owner surrendering American Depositary Shares for withdrawal of Deposited Securities, and for the account of that Owner, the Depositary shall direct the Custodian to forward any cash or other property comprising, and forward a certificate or certificates, if applicable, and other proper documents of title, if any, for, the Deposited Securities represented by the surrendered American Depositary Shares to the Depositary for delivery at the Depositary's Office or to another address specified in the order received from the surrendering Owner.

The Depositary shall direct the Custodian to make delivery of Deposited Securities and may charge the surrendering Owner a fee and the Depositary's expenses for doing so.

SECTION 2.6. Limitations on Delivery, Transfer and Surrender of American Depositary Shares.

As a condition precedent to the delivery, registration of transfer or surrender of any American Depositary Shares or split-up or combination of any Receipt or withdrawal of any Deposited Securities, the Depositary, Custodian or Registrar may require payment from the depositor of Shares or the presenter of the Receipt or instruction for registration of transfer or surrender of American Depositary Shares not evidenced by a Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in this Deposit Agreement, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of this Deposit Agreement, including, without limitation, this Section 2.6.

The delivery of American Depositary Shares against deposit of Shares generally or against deposit of particular Shares may be suspended, or the registration of transfer of American Depositary Shares in particular instances may be refused, or the registration of transfer of outstanding American Depositary Shares generally may be suspended, during any period when the transfer books of the Depositary are closed, or if any such action is deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of this Deposit Agreement, or for any other reason. Notwithstanding anything to the contrary in this Deposit Agreement, the surrender of outstanding American Depositary Shares and withdrawal of Deposited Securities may not be suspended, subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the Foreign Registrar, if applicable, or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the American Depositary Shares or to the withdrawal of the Deposited Securities; in each case, the Depositary shall notify the Company as promptly as practicable of any such suspension or delay that is outside the ordinary course of business.

The Depositary shall not knowingly accept for deposit under this Deposit Agreement any Shares that, at the time of deposit, are Restricted Securities.

SECTION 2.7. Lost Receipts, etc.

If a Receipt is mutilated, destroyed, lost or stolen, the Depositary shall deliver to the Owner the American Depositary Shares evidenced by that Receipt in uncertificated form or, if requested by the Owner, execute and deliver a new Receipt of like tenor in exchange and substitution for such mutilated Receipt, upon surrender and

cancellation of that mutilated Receipt, or in lieu of and in substitution for that destroyed, lost or stolen Receipt. However, before the Depositary will deliver American Depositary Shares in uncertificated form or execute and deliver a new Receipt, in substitution for a destroyed, lost or stolen Receipt, the Owner must (a) file with the Depositary (i) a request for that replacement before the Depositary has notice that the Receipt has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfy any other reasonable requirements imposed by the Depositary.

SECTION 2.8. Cancellation and Destruction of Surrendered Receipts.

The Depositary shall cancel all Receipts surrendered to it and is authorized to destroy Receipts so cancelled.

SECTION 2.9. Pre-Release of American Depositary Shares.

Notwithstanding Section 2.3, and unless otherwise instructed in writing by the Company, the Depositary may deliver American Depositary Shares prior to the receipt of Shares pursuant to Section 2.2 (a "Pre-Release"). The Depositary may, pursuant to Section 2.5, deliver Shares upon the surrender of American Depositary Shares that have been Pre-Released, whether or not that surrender is prior to the termination of that Pre-Release or the Depositary knows that those American Depositary Shares have been Pre-Released. The Depositary may receive American Depositary Shares in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release must be (a) preceded or accompanied by a written representation from the person to whom American Depositary Shares or Shares are to be delivered, that such person, or its customer, owns the Shares or American Depositary Shares to be remitted, as the case may be, (b) at all times fully collateralized with cash or such other collateral as the Depositary deems appropriate, (c) terminable by the Depositary on not more than five (5) business days' notice, and (d) subject to all indemnities and credit regulations that the Depositary deems appropriate. The number of American Depositary Shares outstanding at any time as a result of Pre-Release will not normally exceed thirty percent (30%) of all American Depositary Shares outstanding; provided, however, that the Depositary reserves the right to change or disregard that limit from time to time as it deems appropriate.

The Depositary may retain for its own account any compensation received by it in connection with Pre-Release.

SECTION 2.10. DTC Direct Registration System and Profile Modification System.

(a) Notwithstanding the provisions of Section 2.4, the parties acknowledge that DTC's Direct Registration System ("DRS") and Profile Modification System ("Profile") apply to the American Depositary Shares upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC that facilitates interchange between registered holding of uncertificated securities and holding of security

entitlements in those securities through DTC and a DTC participant. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of an Owner of American Depositary Shares, to direct the Depositary to register a transfer of those American Depositary Shares to DTC or its nominee and to deliver those American Depositary Shares to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the Owner to register that transfer.

(b) In connection with DRS/Profile, the parties acknowledge that the Depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an Owner in requesting a registration of transfer and delivery as described in paragraph (a) above has the actual authority to act on behalf of that Owner (notwithstanding any requirements under the Uniform Commercial Code). For the avoidance of doubt, the provisions of Sections 5.3 and 5.8 apply to the matters arising from the use of the DRS/Profile. The parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through the DRS/Profile system and otherwise in accordance with this Deposit Agreement shall not constitute negligence or bad faith on the part of the Depositary.

ARTICLE 3. CERTAIN OBLIGATIONS OF OWNERS AND HOLDERS OF AMERICAN DEPOSITARY SHARES

SECTION 3.1. Filing Proofs, Certificates and Other Information.

Any person presenting Shares for deposit or any Owner or Holder may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper. The Depositary may withhold the delivery or registration of transfer of American Depositary Shares, the distribution of any dividend or other distribution or of the proceeds thereof or the delivery of any Deposited Securities until that proof or other information is filed or those certificates are executed or those representations and warranties are made.

Each Holder and Owner agrees to comply with requests from the Company pursuant to applicable law and regulations, the rules and requirements of the Euronext Paris stock exchange, the Nasdaq Global Market and of any other stock exchange on which the Shares or American Depositary Shares are, or may be, registered, traded or listed and any book-entry settlement system or the articles of association or similar document of the Company, which are made to provide information, inter alia, as to the capacity in which such Holder or Owner owns American Depositary Shares (and Shares, as the case may be) and regarding the identity of any other person(s) interested in such American Depositary Shares and the nature of such interest and various other matters, whether or not they are Holders or Owners at the time of such request. The Depositary agrees to use its reasonable efforts to forward, upon the request of the

Company and at the Company's expense (unless otherwise agreed between the Company and the Depositary), any such request from the Company to the Owners and to forward to the Company any such responses to such requests received by the Depositary, to the extent that disclosure is permitted under applicable law.

Holders and Owners of American Depositary Shares may be required from time to time, and in a timely manner, to file such proof of taxpayer status, residence and beneficial ownership (as applicable), to execute such certificates and to make such representations and warranties, or to provide any other information or documents, as the Company, the Depositary or the Custodian may deem necessary or proper to fulfill the Company's, the Depositary's or the Custodian's obligations under applicable law.

SECTION 3.2. Liability of Owner for Taxes.

If any tax or other governmental charge shall become payable by the Company, the Custodian or the Depositary with respect to or in connection with any American Depositary Shares or any Deposited Securities represented by any American Depositary Shares or in connection with a transaction to which Section 4.8 applies, that tax or other governmental charge shall be payable by the Owner of those American Depositary Shares to the Company or the Depositary (for further payment to the Custodian if applicable). The Depositary may refuse to register any transfer of those American Depositary Shares or any withdrawal of Deposited Securities represented by those American Depositary Shares until that payment is made, and may withhold any dividends or other distributions or the proceeds thereof, or may sell for the account of the Owner any part or all of the Deposited Securities represented by those American Depositary Shares and apply those dividends or other distributions or the net proceeds of any sale of that kind in payment of that tax or other governmental charge but, even after a sale of that kind, the Owner of those American Depositary Shares shall remain liable for any deficiency. The Depositary shall distribute any net proceeds of a sale made under this Section that are not used to pay taxes or governmental charges to the Owners entitled to them in accordance with Section 4.1. If the number of Shares represented by each American Depositary Share decreases as a result of a sale of Deposited Securities under this Section, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

Every Holder and Owner agrees to indemnify the Depositary, the Company, the Custodian, and any of their respective agents, directors, officers, employees and affiliates (as such term is defined in Regulation C under the Securities Act of 1933) for, and to hold each of them harmless from, any claims by any governmental authority or any other entity or person with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other

tax benefit obtained. The obligations of Holders and Owners of American Depositary Shares under this Section 3.2 of the Deposit Agreement shall survive any transfer of American Depositary Shares, any surrender of American Depositary Shares and withdrawal of Deposited Securities, as well as the termination of the Deposit Agreement.

SECTION 3.3. Warranties on Deposit of Shares.

Every person depositing Shares under this Deposit Agreement shall be deemed thereby to represent and warrant that those Shares and each certificate therefor, if applicable, are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive or similar rights of the holders of outstanding securities of the Company and that the person making that deposit is duly authorized so to do. Every depositing person shall also be deemed to represent that the Shares, at the time of deposit, are not Restricted Securities. All representations and warranties deemed made under this Section shall survive the deposit of Shares and delivery of American Depositary Shares.

SECTION 3.4. Disclosure of Interests.

In order to comply with applicable laws and regulations or the articles of association or similar document of the Company, the Company may from time to time request each Owner and Holder to provide to the Depositary information relating to: (a) the capacity in which it holds American Depositary Shares, (b) the identity of any Holders or other persons or entities then or previously interested in those American Depositary Shares and the nature of those interests and (c) any other matter where disclosure of such matter is required for that compliance. Each Owner and Holder agrees to provide all information known to it in response to a request made pursuant to this Section. Each Holder consents to the disclosure by the Owner or any other Holder through which it holds American Depositary Shares, directly or indirectly, of all information responsive to a request made pursuant to this Section relating to that Holder that is known to that Owner or other Holder. The Depositary agrees to use reasonable efforts, at the Company's expense (unless otherwise agreed between the Company and the Depositary), to comply with written instructions requesting that the Depositary forward any request authorized under this Section to the Owners and to forward to the Company any responses it receives in response to that request.

Each Owner and Holder of American Depositary Shares further agrees to comply with the laws and regulations of the United States and the Republic of France (if and to the extent applicable) with respect to the disclosure requirements regarding beneficial ownership of Shares, all as if the American Depositary Shares were the Shares represented thereby, which is deemed to include, inter alia, requirements to make notifications and filings within the required timeframes to the Company, to the Commission, to the French Autorité des Marchés Financiers and any other authorities in the United States or in the Republic of France. The Company reserves the right to instruct Holders to deliver their American Depositary Shares for cancellation and withdrawal of the Deposited Securities so as to permit the Company to deal directly with the Holder

thereof as a holder of Shares and Holders agree to comply with such instructions. The Depositary agrees to cooperate with the Company in its efforts to inform Holders of the Company's exercise of its rights under this paragraph and agrees to consult with, and provide reasonable assistance without risk, liability or expense on the part of the Depositary, to the Company on the manner or manners in which it may enforce such rights with respect to any Holder.

ARTICLE 4. THE DEPOSITED SECURITIES

SECTION 4.1. Cash Distributions.

Whenever the Depositary receives any cash dividend or other cash distribution on Deposited Securities, the Depositary shall, subject to the provisions of Section 4.5, convert that dividend or other distribution into Dollars and distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Section 5.9) to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing those Deposited Securities held by them respectively; provided, however, that if the Custodian or the Depositary shall be required to withhold and does withhold from that cash dividend or other cash distribution an amount on account of taxes or other governmental charges, the amount distributed to the Owners of the American Depositary Shares representing those Deposited Securities shall be reduced accordingly. However, the depositary will not pay any Owner a fraction of one cent, but will round each Owner's entitlement to the nearest whole cent.

The Company or its agent will remit to the appropriate governmental agency in each applicable jurisdiction all amounts withheld and owing to such agency. The Depositary will forward to the Company or its agent such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with governmental agencies.

If a cash distribution would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that cash distribution. A distribution of that kind shall be a Termination Option Event.

SECTION 4.2. Distributions Other Than Cash, Shares or Rights.

Subject to the provisions of Sections 4.11 and 5.9, whenever the Depositary receives any distribution other than a distribution described in Section 4.1, 4.3 or 4.4 on Deposited Securities (but not in exchange for or in conversion or in lieu of Deposited Securities), the Depositary shall cause the securities or property received by it

to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary and any taxes or other governmental charges, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, in any manner that the Depositary deems equitable and practicable for accomplishing that distribution (which may be a distribution of depositary shares representing the securities received); provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including, but not limited to, any requirement that the Company or the Depositary withhold an amount on account of taxes or other governmental charges or that securities received must be registered under the Securities Act of 1933 in order to be distributed to Owners or Holders) the Depositary, after consultation with the Company to the extent practicable, deems such distribution not to be lawful and feasible, the Depositary may adopt such other method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and distribution of the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Section 5.9) to the Owners entitled thereto, all in the manner and subject to the conditions set forth in Section 4.1. The Depositary may withhold any distribution of securities under this Section 4.2 if it has not received satisfactory assurances from the Company that the distribution does not require registration under the Securities Act of 1933. The Depositary may sell, by public or private sale, an amount of securities or other property it would otherwise distribute under this Section 4.2 that is sufficient to pay its fees and expenses in respect of that distribution.

If a distribution under this Section 4.2 would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that distribution. A distribution of that kind shall be a Termination Option Event.

SECTION 4.3. Distributions in Shares.

Whenever the Depositary receives any distribution on Deposited Securities consisting of a dividend in, or free distribution of, Shares, the Depositary may deliver to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing those Deposited Securities held by them respectively, an aggregate number of American Depositary Shares representing the amount of Shares received as that dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and issuance of American Depositary Shares, including withholding of any tax or governmental charge as provided in Section 4.11 and payment of the fees and expenses of the Depositary as provided in

Section 5.9 (and the Depositary may sell, by public or private sale, an amount of the Shares received (or American Depositary Shares representing those Shares) sufficient to pay its fees and expenses in respect of that distribution). In lieu of delivering fractional American Depositary Shares, the Depositary may sell the amount of Shares represented by the aggregate of those fractions (or American Depositary Shares representing those Shares) and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1. If and to the extent that additional American Depositary Shares are not so delivered and Shares or American Depositary Shares are not so sold, each American Depositary Share shall thenceforth also represent the additional Shares distributed on the Deposited Securities represented thereby.

If the Company declares a distribution in which holders of Deposited Securities have a right to elect whether to receive cash, Shares or other securities or a combination of those things, or a right to elect to have a distribution sold on their behalf, the Depositary may, after consultation with the Company, make that right of election available for exercise by Owners in any manner the Depositary considers to be lawful and practical. As a condition of making a distribution election right available to Owners, the Depositary may require satisfactory assurances from the Company that doing so does not require registration of any securities under the Securities Act of 1933.

SECTION 4.4. Rights.

(a) If rights are granted to the Depositary in respect of deposited Shares to purchase additional Shares or other securities, the Company and the Depositary shall endeavor to consult as to the actions, if any, the Depositary should take in connection with that grant of rights. The Depositary may, to the extent deemed by it to be lawful and practical (i) if requested in writing by the Company, grant to all or certain Owners rights to instruct the Depositary to purchase the securities to which the rights relate and deliver those securities or American Depositary Shares representing those securities to Owners, (ii) if requested in writing by the Company, deliver the rights to or to the order of certain Owners, or (iii) sell the rights to the extent practicable and distribute the net proceeds of that sale to Owners entitled to those proceeds. To the extent rights are not exercised, delivered or disposed of under (i), (ii) or (iii) above, the Depositary shall permit the rights to lapse unexercised.

(b) If the Depositary will act under (a)(i) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon instruction from an applicable Owner in the form the Depositary specified and upon payment by that Owner to the Depositary of an amount equal to the purchase price of the securities to be received upon the exercise of the rights, the Depositary shall, on behalf of that Owner, exercise the rights and purchase the securities. The purchased securities shall be delivered to, or as instructed by, the Depositary. The Depositary shall (i) deposit the purchased Shares under this Deposit Agreement and deliver American Depositary Shares representing

those Shares to that Owner or (ii) deliver or cause the purchased Shares or other securities to be delivered to or to the order of that Owner. The Depositary will not act under (a)(i) above unless the offer and sale of the securities to which the rights relate are registered under the Securities Act of 1933 or the Depositary has received an opinion of United States counsel that is satisfactory to it to the effect that those securities may be sold and delivered to the applicable Owners without registration under the Securities Act of 1933.

(c) If the Depositary will act under (a)(ii) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon (i) the request of an applicable Owner to deliver the rights allocable to the American Depositary Shares of that Owner to an account specified by that Owner to which the rights can be delivered and (ii) receipt of such documents as the Company and the Depositary agreed to require to comply with applicable law, the Depositary will deliver those rights as requested by that Owner.

(d) If the Depositary will act under (a)(iii) above, the Depositary will use reasonable efforts to sell the rights in proportion to the number of American Depositary Shares held by the applicable Owners and pay the net proceeds to the Owners otherwise entitled to the rights that were sold, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any American Depositary Shares or otherwise.

(e) Payment or deduction of the fees of the Depositary as provided in Section 5.9 and payment or deduction of the expenses of the Depositary and any applicable taxes or other governmental charges shall be conditions of any delivery of securities or payment of cash proceeds under this Section 4.4.

(f) The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make rights available to or exercise rights on behalf of Owners in general or any Owner in particular, or to sell rights.

SECTION 4.5. Conversion of Foreign Currency.

Whenever the Depositary or the Custodian receives foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted by sale or in any other manner that it may determine that foreign currency into Dollars, and those Dollars shall be distributed to the Owners entitled thereto. A cash distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners based on exchange restrictions, the date of delivery of any American Depositary Shares or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9.

If a conversion of foreign currency or the repatriation or distribution of Dollars can be effected only with the approval or license of any government or agency thereof, the Depositary may, but will not be required to, file an application for that approval or license.

If the Depositary, after consultation with the Company to the extent practicable, determines that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof that is required for such conversion is not filed or sought by the Depositary, or if any required approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make that conversion and distribution in Dollars to the extent practicable and permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold that balance uninvested and without liability for interest thereon for the account of, the Owners entitled thereto.

The Depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under this Deposit Agreement and the rate that the Depositary or its affiliate receives when buying or selling foreign currency for its own account. The Depositary makes no representation that the exchange rate used or obtained in any currency conversion under this Deposit Agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to Owners, subject to the Depositary's obligations under Section 5.3. The methodology used to determine exchange rates used in currency conversions is available upon request.

SECTION 4.6. Fixing of Record Date.

Whenever a cash dividend, cash distribution or any other distribution is made on Deposited Securities or rights to purchase Shares or other securities are issued with respect to Deposited Securities (which rights will be delivered to or exercised or sold on behalf of Owners in accordance with Section 4.4) or the Depositary receives notice that a distribution or issuance of that kind will be made, or whenever the Depositary receives notice that a meeting of holders of Shares will be held in respect of

which the Company has requested the Depositary to send a notice under Section 4.7, or whenever the Depositary will assess a fee or charge against the Owners, or whenever the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary otherwise finds it necessary or convenient, the Depositary shall fix a record date, which shall be the same as, or as near as practicable to, any corresponding record date set by the Company with respect to Shares, (a) for the determination of the Owners (i) who shall be entitled to receive the benefit of that dividend or other distribution or those rights, (ii) who shall be entitled to give instructions for the exercise of voting rights at that meeting or (iii) who shall be responsible for that fee or charge or (iv) for any other purpose for which the record date was set, or (b) on or after which each American Depositary Share will represent the changed number of Shares. Subject to the provisions of Sections 4.1 through 4.5 and to the other terms and conditions of this Deposit Agreement, the Owners on a record date fixed by the Depositary shall be entitled to receive the amount distributable by the Depositary with respect to such dividend or other distribution or such rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively, to give voting instructions or to act in respect of the other matter for which that record date was fixed, or be responsible for that fee or charge, as the case may be.

SECTION 4.7. Voting of Deposited Shares.

(a) Upon receipt of notice of any meeting of holders of Shares at which holders of Shares will be entitled to vote, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, Disseminate to the Owners a notice, the form of which shall be in the sole discretion of the Depositary, that shall contain (a) the information contained in the notice of meeting received by the Depositary from the Company, (b) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of French law and of the articles of association or similar documents of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the number of Shares represented by their respective American Depositary Shares, c) a statement as to the manner in which those instructions may be given and (d) the last date on which the Depositary will accept instructions (the "Instruction Cutoff Date").

(b) Upon the written request of an Owner of American Depositary Shares, as of the date of the request or, if a record date was specified by the Depositary, as of that record date, received on or before any Instruction Cutoff Date established by the Depositary, the Depositary may, and if the Depositary sent a notice under the preceding paragraph shall, endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance with the instructions set forth in that request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the deposited Shares other than in accordance with instructions given by Owners and received by the Depositary.

(c) There can be no assurance that Owners generally or any Owner in particular will receive the notice described in paragraph (a) above in time to enable Owners to give instructions to the Depositary prior to the Instruction Cutoff Date.

(d) In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Shares, if the Company will request the Depositary to Disseminate a notice under paragraph (a) above, the Company shall give the Depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of Shares in connection with the meeting not less than 30 days prior to the meeting date, except where under French law the notice period for such meeting is less than 30 days, in which case the Depositary shall upon receipt of the request use its commercially reasonable efforts to distribute to Owners the material described in the first paragraph of this Section 4.7 and carry out the further actions set forth in this Section 4.7.

Notwithstanding anything in this Section 4.7 to the contrary, the Depositary and the Company may modify, amend or adopt additional procedures from time to time as they determine may be necessary or appropriate.

Without prejudice to the Depositary's rights under Section 2.9, the Depositary will take no action to impair the ability of the Custodian to vote the number of Shares (including the Shares held by the Depositary in registered form) necessary to carry out the instructions of all Owners under this Section 4.7.

SECTION 4.8. Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities.

(a) The Depositary shall not tender any Deposited Securities in response to any voluntary cash tender offer, exchange offer or similar offer made to holders of Deposited Securities (a "Voluntary Offer") except when instructed in writing to do so by an Owner surrendering American Depositary Shares and subject to any conditions or procedures the Depositary may require.

(b) If the Depositary receives a written notice that Deposited Securities have been redeemed for cash or otherwise purchased for cash in a transaction that is mandatory and binding on the Depositary as a holder of those Deposited Securities (a "Redemption"), the Depositary, at the expense of the Company (unless otherwise agreed between the Company and the Depositary), shall (i) if required, surrender Deposited Securities that have been redeemed to the issuer of those securities or its agent on the redemption date, (ii) Disseminate a notice to Owners (A) notifying them of that Redemption, (B) calling for surrender of a corresponding number of American Depositary Shares and (C) notifying them that the called American Depositary Shares have been converted into a right only to receive the money received by the Depositary upon that Redemption and those net proceeds shall be the Deposited Securities to which Owners of those converted American Depositary Shares shall be entitled upon surrenders

of those American Depositary Shares in accordance with Section 2.5 or 6.2 and (iii) distribute the money received upon that Redemption to the Owners entitled to it upon surrender by them of called American Depositary Shares in accordance with Section 2.5 (and, for the avoidance of doubt, Owners shall not be entitled to receive that money under Section 4.1 or 4.2). If the Redemption affects less than all the Deposited Securities, the Depositary shall call for surrender a corresponding portion of the outstanding American Depositary Shares and only those American Depositary Shares will automatically be converted into a right to receive the net proceeds of the Redemption. The Depositary shall allocate the American Depositary Shares converted under the preceding sentence among the Owners pro-rata to their respective holdings of American Depositary Shares immediately prior to the Redemption, except that the allocations may be adjusted so that no fraction of a converted American Depositary Share is allocated to any Owner. A Redemption of all or substantially all of the Deposited Securities shall be a Termination Option Event.

(c) If the Depositary is notified of or there occurs any change in nominal value or any subdivision, combination or any other reclassification of the Deposited Securities or any recapitalization, reorganization, sale of assets substantially as an entirety, merger or consolidation affecting the issuer of the Deposited Securities or to which it is a party that is mandatory and binding on the Depositary as a holder of Deposited Securities and as a result securities or other property have been or will be delivered in exchange, conversion, replacement or in lieu of, Deposited Securities (a "Replacement"), then (i) the Depositary shall, if required surrender the old Deposited Securities affected by that Replacement of Shares and hold, as new Deposited Securities under this Deposit Agreement, the new securities or other property delivered to it in that Replacement. However, the Depositary may elect to sell those new Deposited Securities if in the opinion of the Depositary, after consultation with the Company or its successor entity to the extent practicable, it is not lawful or not practical for it to hold those new Deposited Securities under this Deposit Agreement because those new Deposited Securities may not be distributed to Owners without registration under the Securities Act of 1933 or for any other reason, at public or private sale, at such places and on such terms as it deems proper and proceed as if those new Deposited Securities had been Redeemed under paragraph (b) above. A Replacement shall be a Termination Option Event.

(d) In the case of a Replacement where the new Deposited Securities will continue to be held under this Deposit Agreement, the Depositary may call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing the new Deposited Securities and the number of those new Deposited Securities represented by each American Depositary Share. If the number of Shares represented by each American Depositary Share decreases as a result of a Replacement, the Depositary may, after consultation with the Company to the extent practicable, call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

(e) If there are no Deposited Securities with respect to American Depositary Shares, including if the Deposited Securities are cancelled, or the Deposited Securities with respect to American Depositary Shares have become apparently worthless, the Depositary may call for surrender of those American Depositary Shares or may cancel those American Depositary Shares, upon notice to Owners, and a Termination Option Event occurs.

SECTION 4.9. Reports.

The Depositary shall make available for inspection by Owners at its Office any reports and communications, including any proxy solicitation material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of those Deposited Securities by the Company. The Company shall furnish reports and communications, including any proxy soliciting material to which this Section applies, to the Depositary in English, to the extent those materials are required to be translated into English pursuant to any regulations of the Commission.

SECTION 4.10. Lists of Owners.

Upon written request by the Company, the Depositary shall, at the expense of the Company (unless otherwise agreed between the Company and the Depositary), furnish to it a list, as of a recent date, of the names, addresses and American Depositary Share holdings of all Owners.

SECTION 4.11. Withholding.

In the event that the Depositary determines that any distribution received or to be made by the Depositary (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge that the Depositary is obligated to withhold, the Depositary may sell, by public or private sale, all or a portion of the distributed property (including Shares and rights to subscribe therefor) in the amounts and manner the Depositary deems necessary and practicable to pay those taxes or charges, and the Depositary shall distribute the net proceeds of that sale, after deduction of those taxes or charges, to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

None of the Company, the Depositary or the Custodian shall be liable for the failure by any Holder or Owner to obtain the benefits of credits on the basis of any tax withheld or paid against such Holder’s or Owner’s tax liability.

ARTICLE 5. THE DEPOSITARY, THE CUSTODIANS AND THE COMPANY

SECTION 5.1. Maintenance of Office and Transfer Books by the Depositary.

Until termination of this Deposit Agreement in accordance with its terms, the Depositary shall maintain facilities for the execution and delivery, registration, registration of transfers and surrender of American Depositary Shares in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books for the registration of American Depositary Shares, which shall be open for inspection by the Owners at the Depositary's Office during regular business hours, provided that such inspection is not for the purpose of communicating with Owners in the interest of a business or object other than the business of the Company or a matter related to this Deposit Agreement or the American Depositary Shares.

The Depositary may close the transfer books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties under this Deposit Agreement (whereupon it shall notify the Company as promptly as practicable of any closure that is outside the ordinary course of business).

Subject to the provisions of Section 5.4, if the Company lists any American Depositary Shares on one or more stock exchanges in the United States, the Depositary shall act as Registrar or appoint a Registrar or one or more co-registrars for registry of those American Depositary Shares in accordance with any requirements of that exchange or those exchanges. The Depositary shall notify the Company of any such appointment.

SECTION 5.2. Prevention or Delay in Performance by the Depositary or the Company.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Owner or Holder (i) if by reason of any provision of any present or future law or regulation of the United States or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any provision, present or future, of the articles of association or similar document of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof, or by reason of any act of God or war or terrorism or other circumstances beyond its control, the Depositary or the Company is prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of this Deposit Agreement or the Deposited Securities, it is provided shall be done or performed, (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement (including any

determination by the Depositary to take, or not take, any action that this Deposit Agreement provides the Depositary may take), (iii) for the inability of any Owner or Holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Deposited Securities but is not, under the terms of this Deposit Agreement, made available to Owners or Holders, or (iv) for any special, consequential, indirect or punitive damages for any breach of the terms of this Deposit Agreement. Where, by the terms of a distribution to which Section 4.1, 4.2 or 4.3 applies, or an offering to which Section 4.4 applies, or for any other reason, that distribution or offering may not be made available to Owners, and the Depositary may not dispose of that distribution or offering on behalf of Owners and make the net proceeds available to Owners, then the Depositary shall not make that distribution or offering available to Owners, and shall allow any rights, if applicable, to lapse.

SECTION 5.3. Obligations of the Depositary and the Company.

The Company assumes no obligation nor shall it be subject to any liability under this Deposit Agreement to any Owner or Holder or any other persons (other than the Depositary), except that the Company agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

The Depositary assumes no obligation nor shall it be subject to any liability under this Deposit Agreement to any Owner or Holder (including, without limitation, liability with respect to the validity or worth of the Deposited Securities), except that the Depositary agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depositary nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the American Depositary Shares on behalf of any Owner or Holder or any other person.

Each of the Depositary and the Company may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Neither the Depositary nor the Company, nor any of their respective affiliates (as such term is defined in Regulation C under the Securities Act of 1933) or agents, shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or any other person believed by it in good faith to be competent to give such advice or information.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or

resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

The Depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of American Depositary Shares or Deposited Securities or otherwise.

In the absence of bad faith on its part, the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote.

Neither the Company nor the Depositary shall have any duty to make any determination or provide any information as to the tax status of the Company or any liability for any tax consequences that may be incurred by Owners or Holders as a result of owning or holding American Depositary Shares, including without limitation, tax consequences resulting from the Company (or any of its subsidiaries) being treated as a "Passive Foreign Investment Company" ("PFIC") (in each case as defined in the U.S. Internal Revenue Code and the regulations issued thereunder) or otherwise. The Company may have been in the past and may be in the future a PFIC for U.S. Federal income tax purposes. Owners must consult their own tax advisers as to the potential application of the PFIC rules.

No disclaimer of liability under the Securities Act of 1933 is intended by any provision of this Deposit Agreement.

SECTION 5.4. Resignation and Removal of the Depositary.

The Depositary may at any time resign as Depositary hereunder by written notice of its election so to do delivered to the Company, to become effective upon the appointment of a successor depositary and its acceptance of that appointment as provided in this Section. The effect of resignation if a successor depositary is not appointed is provided for in Section 6.2.

The Depositary may at any time be removed by the Company by 120 days' prior written notice of that removal, to become effective upon the later of (i) the 120th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of its appointment as provided in this Section.

In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and

thereupon such successor depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor; but such predecessor, nevertheless, upon payment of all sums due it and on the written request of the Company shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Deposited Securities to such successor and shall deliver to such successor a list of the Owners of all outstanding American Depositary Shares. Any such successor depositary shall promptly mail notice of its appointment to the Owners.

Any corporation or other entity into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

SECTION 5.5. The Custodians.

The Custodian shall be subject at all times and in all respects to the directions of the Depositary and shall be responsible solely to it. The Depositary in its discretion may at any time appoint a substitute or additional custodian or custodians, each of which shall thereafter be one of the Custodians under this Deposit Agreement. If the Depositary receives notice that a Custodian is resigning and, upon the effectiveness of that resignation there would be no Custodian acting under this Deposit Agreement, the Depositary shall, as promptly as practicable after receiving that notice, appoint a substitute custodian or custodians, each of which shall thereafter be a Custodian under this Deposit Agreement. The Depositary shall require any Custodian that resigns or is removed to deliver all Deposited Securities held by it to another Custodian.

SECTION 5.6. Notices and Reports.

On or before the first date on which the Company gives notice, by publication or otherwise, of any meeting of holders of Shares or other Deposited Securities, or of any adjourned meeting of those holders, or of the taking of any action in respect of any cash or other distributions or the granting of any rights, the Company agrees to transmit to the Depositary and the Custodian a copy of the notice thereof in English but otherwise in the form given or to be given to holders of Shares or other Deposited Securities.

The Company will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulations of the Commission, and the prompt transmittal by the Company to the Depositary and the Custodian of all notices and any other reports and communications which are made generally available by the Company to holders of its Shares. If requested in writing by the Company, the Depositary will Disseminate, at the Company’s expense unless otherwise agreed between the Company and the Depositary, those notices, reports and communications to all Owners or otherwise make them available to Owners in a manner that the Company

specifies as substantially equivalent to the manner in which those communications are made available to holders of Shares and compliant with the requirements of any securities exchange on which the American Depositary Shares are listed. The Company will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time, in order for the Depositary to effect that Dissemination.

The Company represents that as of the date of this Deposit Agreement, the statements in Article 11 of the Receipt with respect to the Company's obligation to file periodic reports under the United States Securities Exchange Act of 1934, as amended, are true and correct. The Company agrees to promptly notify the Depositary upon becoming aware of any change in the truth of any of those statements.

SECTION 5.7. Distribution of Additional Shares, Rights, etc.

If the Company or any affiliate of the Company determines to make any issuance or distribution of (1) additional Shares, (2) rights to subscribe for Shares, (3) securities convertible into Shares, or (4) rights to subscribe for such securities (each a "Distribution"), the Company shall notify the Depositary in writing in English as promptly as practicable and in any event before the Distribution starts and, if requested in writing by the Depositary, the Company shall promptly furnish to the Depositary either (i) evidence satisfactory to the Depositary that the Distribution is registered under the Securities Act of 1933 or (ii) a written opinion from U.S. counsel for the Company that is reasonably satisfactory to the Depositary, stating that the Distribution does not require, or, if made in the United States, would not require, registration under the Securities Act of 1933.

The Company agrees with the Depositary that neither the Company nor any company controlled by, controlling or under common control with the Company will at any time deposit any Shares that, at the time of deposit, are Restricted Securities.

SECTION 5.8. Indemnification.

The Company agrees to indemnify the Depositary, its directors, employees, agents and affiliates and each Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to any reasonable fees and expenses incurred in seeking, enforcing or collecting such indemnity and the fees and expenses of counsel) which may arise out of or in connection with (a) any registration with the Commission of American Depositary Shares or Deposited Securities or the offer or sale thereof in the United States or (b) acts performed or omitted, pursuant to the provisions of or in connection with this Deposit Agreement and the American Depositary Shares, as the same may be amended, modified or supplemented from time to time, (i) by either the Depositary or a Custodian or their respective directors, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of either of them, or (ii) by the Company or any of its directors, employees, agents and affiliates.

The Depositary agrees to indemnify the Company, its directors, officers, employees, agents and affiliates and hold them harmless from any liability or expense (including, but not limited to, the reasonable fees and expenses of counsel) which may arise out of acts performed or omitted by the Depositary or any Custodian or their respective directors, employees, agents and affiliates due to their negligence or bad faith.

The obligations set forth in this Section 5.8 shall survive the termination of this Deposit Agreement and the succession or substitution of any party hereto.

Any person seeking indemnification hereunder (an "indemnified person") shall notify the person from whom it is seeking indemnification (the "indemnifying person") of the commencement of any indemnifiable action or claim promptly after such indemnified person becomes aware of such commencement (provided that the failure to make such notification shall not affect such indemnified person's rights to seek indemnification except to the extent the indemnifying person is materially prejudiced by such failure) and shall consult in good faith with the indemnifying person as to the conduct of the defense of such action or claim that may give rise to an indemnity hereunder, which defense shall be reasonable in the circumstances. No indemnified person shall compromise or settle any action or claim that may give rise to an indemnity hereunder without the consent of the indemnifying person, which consent shall not be unreasonably withheld.

SECTION 5.9. Charges of Depositary.

The Company agrees to pay the fees and out-of-pocket expenses of the Depositary and those of any Registrar only in accordance with agreements in writing entered into between the Depositary and the Company from time to time or to the extent that the Company is a depositor of Shares or an Owner.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering American Depositary Shares or to whom American Depositary Shares are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the American Depositary Shares or Deposited Securities or a delivery of American Depositary Shares pursuant to Section 4.3), or by Owners, as applicable: (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable (including SWIFT) and facsimile transmission fees and expenses as are expressly provided in this Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency

pursuant to Section 4.5, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the delivery of American Depositary Shares pursuant to Section 2.3, 4.3 or 4.4 and the surrender of American Depositary Shares pursuant to Section 2.5 or 6.2, (6) a fee of $.05 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to this Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 and Section 4.8, (7) a fee for the distribution of securities pursuant to Section 4.2 or of rights pursuant to Section 4.4 (where the Depositary will not exercise or sell those rights on behalf of Owners), such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities under this Deposit Agreement (for purposes of this item 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) in addition to any fee charged under item 6 above, a fee of $.05 or less per American Depositary Share (or portion thereof) per annum for depositary services, which will be payable as provided in item 9 below, and (9) any other charges payable by the Depositary or the Custodian, any of the Depositary's or Custodian's agents or the agents of the Depositary's or Custodian's agents, in connection with the servicing of Shares or other Deposited Securities (which charges shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 and shall be payable at the sole discretion of the Depositary by billing those Owners for those charges or by deducting those charges from one or more cash dividends or other cash distributions).

The Depositary may collect any of its fees by deduction from any cash distribution payable, or by selling a portion of any securities to be distributed, to Owners that are obligated to pay those fees.

In performing its duties under this Deposit Agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

The Depositary, subject to Section 2.9, may own and deal in any class of securities of the Company and its affiliates and in American Depositary Shares.

SECTION 5.10. Retention of Depositary Documents.

The Depositary is authorized to destroy those documents, records, bills and other data compiled during the term of this Deposit Agreement at the times permitted by the laws or regulations governing the Depositary.

SECTION 5.11. Exclusivity.

Without prejudice to the Company's rights under Section 5.4, the Company agrees not to appoint any other depositary for issuance of depositary shares, depositary receipts or any similar securities or instruments (for the avoidance of doubt, other than instruments or securities issued directly by the Company) in the United States so long as The Bank of New York Mellon is acting as Depositary under this Deposit Agreement.

ARTICLE 6. AMENDMENT AND TERMINATION

SECTION 6.1. Amendment.

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Owners or Holders in any respect that they may deem necessary or desirable. Any amendment that would impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or that would otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding American Depositary Shares until the expiration of 30 days after notice of that amendment has been Disseminated to the Owners of outstanding American Depositary Shares. Every Owner and Holder, at the time any amendment so becomes effective, shall be deemed, by continuing to hold American Depositary Shares or any interest therein, to consent and agree to that amendment and to be bound by the Deposit Agreement as amended thereby. Upon the effectiveness of an amendment to the form of Receipt, including a change in the number of Shares represented by each American Depositary Share, the Depositary may call for surrender of Receipts to be replaced with new Receipts in the amended form or call for surrender of American Depositary Shares to effect that change of ratio. In no event shall any amendment impair the right of the Owner to surrender American Depositary Shares and receive delivery of the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

SECTION 6.2. Termination.

(a) The Company may terminate this Deposit Agreement by notice to the Depositary. The Depositary may terminate this Deposit Agreement if (i) at any time 60 days shall have expired after the Depositary delivered to the Company a written resignation notice and a successor depositary has not been appointed and accepted its appointment as provided in Section 5.4, (ii) an Insolvency Event or Delisting Event occurs with respect to the Company or (iii) a Termination Option Event has occurred or will occur. If a termination of the Deposit Agreement has been initiated by the Company or the Depositary, the Depositary shall Disseminate a notice of termination to the Owners of all American Depositary Shares then outstanding setting a date for termination (the "Termination Date"), which shall be at least 90 days after the date of that notice, and this Deposit Agreement shall terminate on that Termination Date.

(b) After the Termination Date, the Company shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9.

(c) At any time after the Termination Date, the Depositary may sell the Deposited Securities then held under this Deposit Agreement and may thereafter hold

uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of American Depositary Shares that remain outstanding, and those Owners will become general creditors of the Depositary with respect to those net proceeds. After making that sale, the Depositary shall be discharged from all obligations under this Deposit Agreement, except (i) to account for the net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of such American Depositary Shares in accordance with the terms and conditions of this Deposit Agreement and any applicable taxes or governmental charges) and (ii) for its obligations under Section 5.8 and (iii) to act as provided in the paragraph (d) below.

(d) After the Termination Date, the Depositary shall continue to receive dividends and other distributions pertaining to Deposited Securities (that have not been sold), may sell rights and other property as provided in this Deposit Agreement and shall deliver Deposited Securities (or sale proceeds) upon surrender of American Depositary Shares (after payment or upon deduction, in each case, of the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of those American Depositary Shares in accordance with the terms and conditions of this Deposit Agreement and any applicable taxes or governmental charges). However, after the Termination Date, (i) the Depositary may refuse to accept surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities (that have not been sold) if in its judgment the requested withdrawal would interfere with its efforts to sell the Deposited Securities, (ii) the Depositary will not be required to deliver cash proceeds of the sale of Deposited Securities until all Deposited Securities have been sold and (iii) the Depositary may discontinue the registration of transfers of American Depositary Shares and suspend the distribution of dividends and other distributions on Deposited Securities to the Owners and need not give any further notices or perform any further acts under this Deposit Agreement except as provided in this Section.

ARTICLE 7. MISCELLANEOUS

SECTION 7.1. Counterparts; Signatures.

This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of those counterparts shall constitute one and the same instrument. Copies of this Deposit Agreement shall be filed with the Depositary and the Custodians and shall be open to inspection by any Owner or Holder during regular business hours.

Any manual signature on this Deposit Agreement that is faxed, scanned or photocopied, and any electronic signature valid under the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001, *et. seq.*, shall for all purposes have the same validity, legal effect and admissibility in evidence as an original manual signature, and the parties hereby waive any objection to the contrary.

SECTION 7.2. No Third Party Beneficiaries.

This Deposit Agreement is for the exclusive benefit of the parties and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person.

SECTION 7.3. Severability.

In case any one or more of the provisions contained in this Deposit Agreement or in a Receipt should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Deposit Agreement or that Receipt shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.4. Owners and Holders as Parties; Binding Effect.

The Owners and Holders from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions of this Deposit Agreement and of the Receipts by acceptance of American Depositary Shares or any interest therein.

SECTION 7.5. Notices.

Any and all notices to be given to the Company shall be in writing and shall be deemed to have been duly given if personally delivered or sent by domestic first class or international air mail or air courier or sent by facsimile transmission or email attaching a pdf or similar bit-mapped image of a signed writing, provided that receipt of the facsimile transmission or email has been confirmed by the recipient, addressed to ERYTECH Pharma S.A., 60 avenue Rockefeller, Bâtiment Adénine, 4ème étage, 69008 Lyon, France, Attention: Gil Beyen, or any other place to which the Company may have transferred its principal office with notice to the Depositary.

Any and all notices to be given to the Depositary shall be in writing and shall be deemed to have been duly given if in English and personally delivered or sent by first class domestic or international air mail or air courier or sent by facsimile transmission or email attaching a pdf or similar bit-mapped image of a signed writing, addressed to The Bank of New York Mellon, 101 Barclay Street, New York, New York 10286, Attention: Depositary Receipt Administration, or any other place to which the Depositary may have transferred its Office with notice to the Company.

Delivery of a notice to the Company or Depositary by mail or air courier shall be deemed effected when deposited, postage prepaid, in a post-office letter box or

received by an air courier service. Delivery of a notice to the Company or Depositary sent by facsimile transmission or email shall be deemed effected when the recipient acknowledges receipt of that notice.

A notice to be given to an Owner shall be deemed to have been duly given when Disseminated to that Owner. Dissemination in paper form will be effective when personally delivered or sent by first class domestic or international air mail or air courier, addressed to that Owner at the address of that Owner as it appears on the transfer books for American Depositary Shares of the Depositary, or, if that Owner has filed with the Depositary a written request that notices intended for that Owner be mailed to some other address, at the address designated in that request. Dissemination in electronic form will be effective when sent in the manner consented to by the Owner to the electronic address most recently provided by the Owner for that purpose.

SECTION 7.6. Appointment of Agent for Service of Process; Submission to Jurisdiction; Jury Trial Waiver.

The Company hereby (i) designates and appoints the person named in Exhibit A to this Deposit Agreement, located in the United States, as the Company's U.S. registered agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement (a "Proceeding"), (ii) consents and submits to the jurisdiction of any state or federal court in the State of New York in which any Proceeding may be instituted and (iii) agrees that service of process upon said U.S. registered agent shall be deemed in every respect effective service of process upon the Company in any Proceeding. The Company agrees to deliver to the Depositary, upon the execution and delivery of this Deposit Agreement, a written acceptance by the above-named agent of its appointment as process agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue that designation and appointment in full force and effect, or to appoint and maintain the appointment of another process agent located in the United States as required above, and to deliver to the Depositary a written acceptance by that agent of that appointment, for so long as any American Depositary Shares or Receipts remain outstanding or this Deposit Agreement remains in force. In the event the Company fails to maintain the designation and appointment of a process agent in the United States in full force and effect, the Company hereby waives personal service of process upon it and consents that a service of process in connection with a Proceeding may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices under this Deposit Agreement, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

EACH PARTY TO THIS DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH OWNER AND HOLDER) HEREBY

IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE COMPANY AND/OR THE DEPOSITARY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE AMERICAN DEPOSITARY SHARES OR THE RECEIPTS, THIS DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF, INCLUDING, WITHOUT LIMITATION, ANY QUESTION REGARDING EXISTENCE, VALIDITY OR TERMINATION (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 7.7. Waiver of Immunities.

To the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any immunity of that kind and consents to relief and enforcement as provided above.

SECTION 7.8. Governing Law.

This Deposit Agreement and the Receipts shall be interpreted in accordance with and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, ERYTECH PHARMA S.A. and THE BANK OF NEW YORK MELLON have duly executed this Deposit Agreement as of the day and year first set forth above and all Owners and Holders shall become parties hereto upon acceptance by them of American Depositary Shares or any interest therein.

ERYTECH PHARMA S.A.

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as Depositary

By: _____
Name:
Title:

EXHIBIT A

AMERICAN DEPOSITARY SHARES
(Each American Depositary Share represents
one deposited Share)

THE BANK OF NEW YORK MELLON
AMERICAN DEPOSITARY RECEIPT
FOR ORDINARY SHARES OF
ERYTECH PHARMA S.A.
(INCORPORATED UNDER THE LAWS OF FRANCE)

The Bank of New York Mellon, as depositary (hereinafter called the "Depositary"), hereby certifies that , or registered assigns IS THE OWNER OF

AMERICAN DEPOSITARY SHARES

representing deposited ordinary shares (herein called "Shares") of ERYTECH Pharma S.A., incorporated under the laws of France (herein called the "Company"). At the date hereof, each American Depositary Share represents one Share deposited or subject to deposit under the Deposit Agreement (as such term is hereinafter defined) with a custodian for the Depositary (herein called the "Custodian") that, as of the date of the Deposit Agreement, was Société Générale located in Paris. The Depositary's Office is located at a different address than its principal executive office. Its Office is located at 101 Barclay Street, New York, N.Y. 10286, and its principal executive office is located at One Wall Street, New York, N.Y. 10286.

THE DEPOSITARY'S OFFICE ADDRESS IS
101 BARCLAY STREET, NEW YORK, N.Y. 10286

1. THE DEPOSIT AGREEMENT.

This American Depositary Receipt is one of an issue (herein called "Receipts"), all issued and to be issued upon the terms and conditions set forth in the Amended and Restated Deposit Agreement dated as of , 2017 (herein called the "Deposit Agreement") among the Company, the Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder, each of whom by accepting American Depositary Shares agrees to become a party thereto and become bound by all the terms and conditions thereof. The Deposit Agreement sets forth the rights of Owners and Holders and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other securities, property and cash from time to time received in respect of those Shares and held thereunder (those Shares, securities, property, and cash are herein called "Deposited Securities"). Copies of the Deposit Agreement are on file at the Depositary's Office in New York City and at the office of the Custodian.

The statements made on the face and reverse of this Receipt are summaries of certain provisions of the Deposit Agreement and are qualified by and subject to the detailed provisions of the Deposit Agreement, to which reference is hereby made. Capitalized terms defined in the Deposit Agreement and not defined herein shall have the meanings set forth in the Deposit Agreement.

2. SURRENDER OF RECEIPTS AND WITHDRAWAL OF SHARES.

Upon surrender at the Depositary's Office of American Depositary Shares for the purpose of withdrawal of the Deposited Securities represented thereby and payment of the fee of the Depositary for the surrender of American Depositary Shares as provided in Section 5.9 of the Deposit Agreement and payment of all taxes and governmental charges payable in connection with that surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of this Deposit Agreement, the Owner of those American Depositary Shares shall be entitled to delivery (to the extent delivery can then be lawfully and practicably made), to or as instructed by that Owner, of the amount of Deposited Securities at the time represented by those American Depositary Shares. That delivery will be made, at the office of the Custodian, except that, at the request, risk and expense of the surrendering Owner, and for the account of that Owner, the Depositary shall direct the Custodian to forward any cash or other property comprising, and forward a certificate or certificates, if applicable, and other proper documents of title, if any, for, the Deposited Securities represented by the surrendered American Depositary Shares to the Depositary for delivery at the Depositary's Office or to another address specified in the order received from the surrendering Owner. The Depositary shall direct the Custodian with respect to delivery of Deposited Securities and may charge the surrendering Owner a fee and its expenses for doing so.

3. REGISTRATION OF TRANSFER OF AMERICAN DEPOSITARY SHARES; COMBINATION AND SPLIT-UP OF RECEIPTS; INTERCHANGE OF CERTIFICATED AND UNCERTIFICATED AMERICAN DEPOSITARY SHARES.

The Depositary, subject to the terms and conditions of the Deposit Agreement, shall register a transfer of American Depositary Shares on its transfer books upon (i) in the case of certificated American Depositary Shares, surrender of the Receipt evidencing those American Depositary Shares, by the Owner or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer or (ii) in the case of uncertificated American Depositary Shares, receipt from the Owner of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.10 of that Agreement), and, in either case, duly stamped as may be required by the laws of the State of New York and of the United States of America. Upon registration of a transfer, the Depositary shall deliver the transferred American Depositary Shares to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of the Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary, upon surrender of certificated American Depositary Shares for the purpose of exchanging for uncertificated American Depositary Shares, shall cancel the Receipt evidencing those certificated American Depositary Shares and send the Owner a statement confirming that the Owner is the owner of the same number of uncertificated American Depositary Shares. The Depositary, upon receipt of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.10 of the Deposit Agreement) from the Owner of uncertificated American Depositary Shares for the purpose of exchanging for certificated American Depositary Shares, shall cancel those uncertificated American Depositary Shares and register and deliver to the Owner a Receipt evidencing the same number of certificated American Depositary Shares.

As a condition precedent to the delivery, registration of transfer, or surrender of any American Depositary Shares or split-up or combination of any Receipt or withdrawal of any Deposited Securities, the Depositary, the Custodian, or Registrar may require payment from the depositor of the Shares or the presenter of the Receipt or instruction for registration of transfer or surrender of American Depositary Shares not evidenced by a Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in the Deposit Agreement, may require the production of

proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of the Deposit Agreement.

The delivery of American Depositary Shares against deposit of Shares generally or against deposit of particular Shares may be suspended, or the registration of transfer of American Depositary Shares in particular instances may be refused, or the registration of transfer of outstanding American Depositary Shares generally may be suspended, during any period when the transfer books of the Depositary are closed, or if any such action is deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of the Deposit Agreement, or for any other reason. Notwithstanding anything to the contrary in the Deposit Agreement or this Receipt, the surrender of outstanding American Depositary Shares and withdrawal of Deposited Securities may not be suspended subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the Foreign Registrar, if applicable, or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the American Depositary Shares or to the withdrawal of the Deposited Securities; in each case, the Depositary shall notify the Company as promptly as practicable of any such suspension or delay that is outside the ordinary course of business.

The Depositary shall not knowingly accept for deposit under the Deposit Agreement any Shares that, at the time of deposit, are Restricted Securities.

4. LIABILITY OF OWNER FOR TAXES.

If any tax or other governmental charge shall become payable with respect to or in connection with any American Depositary Shares or any Deposited Securities represented by any American Depositary Shares or in connection with a transaction to which Section 4.8 of the Deposit Agreement applies, that tax or other governmental charge shall be payable by the Owner to the Company or the Depositary (for further payment to the Custodian if applicable). The Depositary may refuse to register any transfer of those American Depositary Shares or any withdrawal of Deposited Securities represented by those American Depositary Shares until that payment is made, and may withhold any dividends or other distributions or the proceeds thereof, or may sell for the account of the Owner any part or all of the Deposited Securities represented by those American Depositary Shares, and may apply those dividends or other distributions or the net proceeds of any sale of that kind in payment of that tax or other governmental charge but, even after a sale of that kind, the Owner shall remain liable for any deficiency. The Depositary shall distribute any net proceeds of a sale made under Section 3.2 of the Deposit Agreement that are not used to pay taxes or governmental charges to the Owners entitled to them in accordance with Section 4.1 of the Deposit Agreement. If the number

of Shares represented by each American Depositary Share decreases as a result of a sale of Deposited Securities under Section 3.2 of the Deposit Agreement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

Every Holder and Owner agrees to indemnify the Depositary, the Company, the Custodian, and any of their respective agents, directors, officers, employees and affiliates (as such term is defined in Regulation C under the Securities Act of 1933) for, and to hold each of them harmless from, any claims by any governmental authority or any other entity or person with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained. The obligations of Holders and Owners of American Depositary Shares under Section 3.2 of the Deposit Agreement shall survive any transfer of American Depositary Shares, any surrender of American Depositary Shares and withdrawal of Deposited Securities, as well as the termination of the Deposit Agreement

5. WARRANTIES ON DEPOSIT OF SHARES.

Every person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant, that those Shares and each certificate therefor, if applicable, are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive or similar rights of the holders of outstanding securities of the Company and that the person making that deposit is duly authorized so to do. Every depositing person shall also be deemed to represent that the Shares, at the time of deposit, are not Restricted Securities. All representations and warranties deemed made under Section 3.3 of the Deposit Agreement shall survive the deposit of Shares and delivery of American Depositary Shares.

6. FILING PROOFS, CERTIFICATES, AND OTHER INFORMATION.

Any person presenting Shares for deposit or any Owner or Holder may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper. The Depositary may withhold the delivery or registration of transfer of any American Depositary Shares, the distribution of any dividend or other distribution or of the proceeds thereof or the delivery of any Deposited Securities until that proof or other information is filed or those certificates are executed or those representations and warranties are made. Each Holder and Owner agrees to comply with requests from the Company pursuant to applicable law and regulations, the rules and requirements of the Euronext Paris stock exchange, the Nasdaq Global Market and of any

other stock exchange on which the Shares or American Depositary Shares are, or may be, registered, traded or listed and any book-entry settlement system or the articles of association or similar document of the Company, which are made to provide information, inter alia, as to the capacity in which such Holder or Owner owns American Depositary Shares (and Shares, as the case may be) and regarding the identity of any other person(s) interested in such American Depositary Shares and the nature of such interest and various other matters, whether or not they are Holders or Owners at the time of such request. The Depositary agrees to use its reasonable efforts to forward, upon the request of the Company and at the Company's expense (unless otherwise agreed between the Company and the Depositary), any such request from the Company to the Owners and to forward to the Company any such responses to such requests received by the Depositary, to the extent that disclosure is permitted under applicable law.

Holders and Owners of American Depositary Shares may be required from time to time, and in a timely manner, to file such proof of taxpayer status, residence and beneficial ownership (as applicable), to execute such certificates and to make such representations and warranties, or to provide any other information or documents, as the Company, the Depositary or the Custodian may deem necessary or proper to fulfill the Company's, the Depositary's or the Custodian's obligations under applicable law.

As conditions of accepting Shares for deposit, the Depositary may require (i) any certification required by the Depositary or the Custodian in accordance with the provisions of the Deposit Agreement, (ii) a written order directing the Depositary to deliver to, or upon the written order of, the person or persons stated in that order, the number of American Depositary Shares representing those Deposited Shares, (iii) evidence satisfactory to the Depositary that those Shares have been re-registered in the books of the Company or the Foreign Registrar in the name of the Depositary, a Custodian or a nominee of the Depositary or a Custodian, (iv) evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body in each applicable jurisdiction and (v) an agreement or assignment, or other instrument satisfactory to the Depositary, that provides for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property, that any person in whose name those Shares are or have been recorded may thereafter receive upon or in respect of those Shares, or, in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary.

7. CHARGES OF DEPOSITARY.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering American Depositary Shares or to whom American Depositary Shares are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the American Depositary Shares or Deposited Securities or a delivery of American Depositary Shares pursuant to Section 4.3 of the Deposit Agreement), or by Owners, as

applicable: (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable (including SWIFT) and facsimile transmission fees and expenses as are expressly provided in the Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5 of the Deposit Agreement, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the delivery of American Depositary Shares pursuant to Section 2.3, 4.3 or 4.4 of the Deposit Agreement and the surrender of American Depositary Shares pursuant to Section 2.5 or 6.2 of the Deposit Agreement, (6) a fee of $.05 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 and 4.8 of the Deposit Agreement, (7) a fee for the distribution of securities pursuant to Section 4.2 of the Deposit Agreement or of rights pursuant to Section 4.4 of that Agreement (where the Depositary will not exercise or sell those rights on behalf of Owners), such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities under the Deposit Agreement (for purposes of this item 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) in addition to any fee charged under item 6, a fee of $.05 or less per American Depositary Share (or portion thereof) per annum for depositary services, which will be payable as provided in item 9 below, and (9) any other charges payable by the Depositary or the Custodian, any of the Depositary's or Custodian's agents or the agents of the Depositary's or Custodian's agents, in connection with the servicing of Shares or other Deposited Securities (which charges shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 of the Deposit Agreement and shall be payable at the sole discretion of the Depositary by billing those Owners for those charges or by deducting those charges from one or more cash dividends or other cash distributions).

The Depositary may collect any of its fees by deduction from any cash distribution payable, or by selling a portion of any securities to be distributed, to Owners that are obligated to pay those fees.

In performing its duties under this Deposit Agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

The Depositary, subject to Article 8 hereof, may own and deal in any class of securities of the Company and its affiliates and in American Depositary Shares.

From time to time, the Depositary may make payments to the Company to reimburse the Company for costs and expenses generally arising out of establishment and maintenance of the American Depositary Shares program, waive fees and expenses for services provided by the Depositary or share revenue from the fees collected from Owners or Holders. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers or other service providers that are affiliates of the Depositary and that may earn or share fees and commissions.

8. PRE-RELEASE OF RECEIPTS.

Notwithstanding Section 2.3 of the Deposit Agreement, and unless otherwise instructed in writing by the Company, the Depositary may deliver American Depositary Shares prior to the receipt of Shares pursuant to Section 2.2 of the Deposit Agreement (a "Pre-Release"). The Depositary may, pursuant to Section 2.5 of the Deposit Agreement, deliver Shares upon the surrender of American Depositary Shares that have been Pre-Released, whether or not that surrender is prior to the termination of that Pre-Release or the Depositary knows that those American Depositary Shares have been Pre-Released. The Depositary may receive American Depositary Shares in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release must be (a) preceded or accompanied by a written representation from the person to whom American Depositary Shares or Shares are to be delivered, that such person, or its customer, owns the Shares or American Depositary Shares to be remitted, as the case may be, (b) at all times fully collateralized with cash or such other collateral as the Depositary deems appropriate, (c) terminable by the Depositary on not more than five (5) business days' notice, and (d) subject to all indemnities and credit regulations that the Depositary deems appropriate. The number of American Depositary Shares outstanding at any time as a result of Pre-Release will not normally exceed thirty percent (30%) of all American Depositary Shares outstanding; provided, however, that the Depositary reserves the right to change or disregard that limit from time to time as it deems appropriate.

The Depositary may retain for its own account any compensation received by it in connection with Pre-Release.

9. TITLE TO AMERICAN DEPOSITARY SHARES.

It is a condition of the American Depositary Shares, and every successive Owner and Holder of American Depositary Shares, by accepting or holding the same consents and agrees that American Depositary Shares evidenced by a Receipt, when the Receipt is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York, and that American Depositary Shares not evidenced by Receipts shall be transferable as uncertificated registered securities under the laws of the State of New York. The Depositary, notwithstanding any notice to the contrary, may treat the Owner of American Depositary Shares as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in the Deposit Agreement and for all other purposes, and neither the Depositary nor the Company shall have any obligation or be subject to any liability under the Deposit Agreement to any Holder of American Depositary Shares, but only to the Owner.

10. VALIDITY OF RECEIPT.

This Receipt shall not be entitled to any benefits under the Deposit Agreement or be valid or obligatory for any purpose, unless this Receipt shall have been (i) executed by the Depositary by the manual signature of a duly authorized officer of the Depositary or (ii) executed by the facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual signature of a duly authorized signatory of the Depositary or the Registrar or a co-registrar.

11. REPORTS; INSPECTION OF TRANSFER BOOKS.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and, accordingly, files certain reports with the Securities and Exchange Commission. Those reports will be available for inspection and copying through the Commission's EDGAR system or at public reference facilities maintained by the Commission in Washington, D.C.

The Depositary will make available for inspection by Owners at its Office any reports, notices and other communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of those Deposited Securities by the Company. The Company shall furnish reports and communications, including any proxy soliciting material to which Section 4.9 of the Deposit Agreement applies, to the Depositary in English, to the extent such materials are required to be translated into English pursuant to any regulations of the Commission.

The Depositary will keep books for the registration of American Depositary Shares and transfers of American Depositary Shares, which shall be open for inspection by the Owners at the Depositary's Office during regular business hours, provided that such inspection shall not be for the purpose of communicating with Owners in the interest of a business or object other than the business of the Company or a matter related to the Deposit Agreement or the American Depositary Shares.

12. DIVIDENDS AND DISTRIBUTIONS.

Whenever the Depositary receives any cash dividend or other cash distribution on Deposited Securities, the Depositary will, if at the time of receipt thereof any amounts received in a foreign currency can in the judgment of the Depositary be converted on a reasonable basis into Dollars transferable to the United States, and subject to the Deposit Agreement, convert that dividend or other cash distribution into Dollars and distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement) to the Owners entitled thereto; provided, however, that if the Custodian or the Depositary is required to withhold and does withhold from that cash dividend or other cash distribution an amount on account of taxes or other governmental charges, the amount distributed to the Owners of the American Depositary Shares representing those Deposited Securities shall be reduced accordingly. If a cash distribution would represent a return of all or substantially

all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that cash distribution. A distribution of that kind shall be a Termination Option Event.

Subject to the provisions of Section 4.11 and 5.9 of the Deposit Agreement, whenever the Depositary receives any distribution other than a distribution described in Section 4.1, 4.3 or 4.4 of the Deposit Agreement on Deposited Securities (but not in exchange for or in conversion or in lieu of Deposited Securities), the Depositary will cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary and any taxes or other governmental charges, in any manner that the Depositary deems equitable and practicable for accomplishing that distribution (which may be a distribution of depositary shares representing the securities received); provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners of Receipts entitled thereto, or if for any other reason the Depositary, after consultation with the Company to the extent practicable, deems such distribution not to be lawful and feasible, the Depositary may adopt such other method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and distribution of the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement) to the Owners entitled thereto all in the manner and subject to the conditions set forth in Section 4.1 of the Deposit Agreement. The Depositary may withhold any distribution of securities under Section 4.2 of the Deposit Agreement if it has not received satisfactory assurances from the Company that the distribution does not require registration under the Securities Act of 1933. The Depositary may sell, by public or private sale, an amount of securities or other property it would otherwise distribute under this Article that is sufficient to pay its fees and expenses in respect of that distribution. If a distribution under Section 4.2 of the Deposit Agreement would represent a return of all of substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that distribution. A distribution of that kind shall be a Termination Option Event.

Whenever the Depositary receives any distribution consisting of a dividend in, or free distribution of, Shares, the Depositary may deliver to the Owners entitled thereto, an aggregate number of American Depositary Shares representing the amount of Shares received as that dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and after deduction or upon

issuance of American Depositary Shares, including the withholding of any tax or other governmental charge as provided in Section 4.11 of the Deposit Agreement and the payment of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement (and the Depositary may sell, by public or private sale, an amount of Shares received (or American Depositary Shares representing those Shares) sufficient to pay its fees and expenses in respect of that distribution). In lieu of delivering fractional American Depositary Shares, the Depositary may sell the amount of Shares represented by the aggregate of those fractions (or American Depositary Shares representing those Shares) and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1 of the Deposit Agreement. If and to the extent that additional American Depositary Shares are not so delivered and Shares or American Depositary Shares are not sold, each American Depositary Share shall thenceforth also represent the additional Shares distributed on the Deposited Securities represented thereby.

If the Company declares a distribution in which holders of Deposited Securities have a right to elect whether to receive cash, Shares or other securities or a combination of those things, or a right to elect to have a distribution sold on their behalf, the Depositary may, after consultation with the Company, make that right of election available for exercise by Owners any manner the Depositary considers to be lawful and practical. As a condition of making a distribution election right available to Owners, the Depositary may require satisfactory assurances from the Company that doing so does not require registration of any securities under the Securities Act of 1933.

In the event that the Depositary determines that any distribution received or to be made by the Depositary (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge that the Depositary is obligated to withhold, the Depositary may sell, by public or private sale, all or a portion of the distributed property (including Shares and rights to subscribe therefor) in the amounts and manner the Depositary deems necessary and practicable to pay any those taxes or charges, and the Depositary shall distribute the net proceeds of that sale, after deduction of those taxes or charges, to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

None of the Company, the Depositary or the Custodian shall be liable for the failure by any Holder or Owner to obtain the benefits of credits on the basis of any tax withheld or paid against such Holder’s or Owner’s tax liability.

13. RIGHTS.

(a) If rights are granted to the Depositary in respect of deposited Shares to purchase additional Shares or other securities, the Company and the Depositary shall endeavor to consult as to the actions, if any, the Depositary should take in connection with that grant of rights. The Depositary may, to the extent deemed by it to be lawful and practical (i) if requested in writing by the Company, grant to all or certain Owners rights

to instruct the Depositary to purchase the securities to which the rights relate and deliver those securities or American Depositary Shares representing those securities to Owners, (ii) if requested in writing by the Company, deliver the rights to or to the order of certain Owners, or (iii) sell the rights to the extent practicable and distribute the net proceeds of that sale to Owners entitled to those proceeds. To the extent rights are not exercised, delivered or disposed of under (i), (ii) or (iii) above, the Depositary shall permit the rights to lapse unexercised.

(b) If the Depositary will act under (a)(i) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon instruction from an applicable Owner in the form the Depositary specified and upon payment by that Owner to the Depositary of an amount equal to the purchase price of the securities to be received upon the exercise of the rights, the Depositary shall, on behalf of that Owner, exercise the rights and purchase the securities. The purchased securities shall be delivered to, or as instructed by, the Depositary. The Depositary shall (i) deposit the purchased Shares under the Deposit Agreement and deliver American Depositary Shares representing those Shares to that Owner or (ii) deliver or cause the purchased Shares or other securities to be delivered to or to the order of that Owner. The Depositary will not act under (a)(i) above unless the offer and sale of the securities to which the rights relate are registered under the Securities Act of 1933 or the Depositary has received an opinion of United States counsel that is satisfactory to it to the effect that those securities may be sold and delivered to the applicable Owners without registration under the Securities Act of 1933.

(c) If the Depositary will act under (a)(ii) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon (i) the request of an applicable Owner to deliver the rights allocable to the American Depositary Shares of that Owner to an account specified by that Owner to which the rights can be delivered and (ii) receipt of such documents as the Company and the Depositary agreed to require to comply with applicable law, the Depositary will deliver those rights as requested by that Owner.

(d) If the Depositary will act under (a)(iii) above, the Depositary will use reasonable efforts to sell the rights in proportion to the number of American Depositary Shares held by the applicable Owners and pay the net proceeds to the Owners otherwise entitled to the rights that were sold, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any American Depositary Shares or otherwise.

(e) Payment or deduction of the fee of the Depositary as provided in Section 5.9 of the Deposit Agreement and payment or deduction of the expenses of the Depositary and any applicable taxes or other governmental charges shall be conditions of any delivery of securities or payment of cash proceeds under Section 4.4 of that Agreement.

(f) The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make rights available to or exercise rights on behalf of Owners in general or any Owner in particular , or to sell rights.

14. CONVERSION OF FOREIGN CURRENCY.

Whenever the Depositary or the Custodian receives foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted by sale or in any other manner that it may determine that foreign currency into Dollars, and those Dollars shall be distributed to the Owners entitled thereto. A cash distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners based on exchange restrictions, the date of delivery of any American Depositary Shares or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9 of the Deposit Agreement.

If a conversion of foreign currency or the repatriation or distribution of Dollars can be effected only with the approval or license of any government or agency thereof, the Depositary may, but will not be required to, file an application for that approval or license.

If the Depositary, after consultation with the Company to the extent practicable, determines that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof that is required for such conversion is not filed or sought by the Depositary, or if any required approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make that conversion and distribution in Dollars to the extent practicable and permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold that balance uninvested and without liability for interest thereon for the account of, the Owners entitled thereto.

The Depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the

exchange rate assigned to the currency conversion made under this Deposit Agreement and the rate that the Depositary or its affiliate receives when buying or selling foreign currency for its own account. The Depositary makes no representation that the exchange rate used or obtained in any currency conversion under this Deposit Agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to Owners, subject to the Depositary's obligations under Section 5.3. The methodology used to determine exchange rates used in currency conversions is available upon request.

15. RECORD DATES.

Whenever a cash dividend, cash distribution or any other distribution is made on Deposited Securities or rights to purchase Shares or other securities are issued with respect to Deposited Securities (which rights will delivered to or exercised or sold on behalf of Owners in accordance with Section 4.4 of the Deposit Agreement) or the Depositary receives notice that a distribution or issuance of that kind will be made, or whenever the Depositary receives notice that a meeting of holders of Shares will be held in respect of which the Company has requested the Depositary to send a notice under Section 4.7 of the Deposit Agreement, or whenever the Depositary will assess a fee or charge against the Owners, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary otherwise finds it necessary or convenient, the Depositary shall fix a record date, which shall be the same as, or as near as practicable to, any corresponding record date set by the Company with respect to Shares, (a) for the determination of the Owners (i) who shall be entitled to receive the benefit of that dividend or other distribution or those rights, (ii) who shall be entitled to give instructions for the exercise of voting rights at that meeting, (iii) who shall be responsible for that fee or charge or (iv) for any other purpose for which the record date was set, or (b) on or after which each American Depositary Share will represent the changed number of Shares. Subject to the provisions of Sections 4.1 through 4.5 of the Deposit Agreement and to the other terms and conditions of the Deposit Agreement, the Owners on a record date fixed by the Depositary shall be entitled to receive the amount distributable by the Depositary with respect to that dividend or other distribution or those rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively, to give voting instructions or to act in respect of the other matter for which that record date was fixed, or be responsible for that fee or charge, as the case may be.

16. VOTING OF DEPOSITED SHARES.

(a) Upon receipt of notice of any meeting of holders of Shares at which holders of Shares will be entitled to vote, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, Disseminate to the Owners a notice, the form of which shall be in the sole discretion of the Depositary, that shall contain (a) the information contained in the notice of meeting received by the Depositary from the Company, (b) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of French law and of the

articles of association or similar documents of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the number of Shares represented by their respective American Depositary Shares, (c) a statement as to the manner in which those instructions may be given and (d) the last date on which the Depositary will accept instructions (the "Instruction Cutoff Date").

(b) Upon the written request of an Owner of American Depositary Shares, as of the date of the request or, if a record date was specified by the Depositary, as of that record date, received on or before any Instruction Cutoff Date established by the Depositary, the Depositary may, and if the Depositary sent a notice under the preceding paragraph shall, endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance with the instructions set forth in that request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the deposited Securities other than in accordance with instructions given by Owners and received by the Depositary.

(c) There can be no assurance that Owners generally or any Owner in particular will receive the notice described in paragraph (a) above in time to enable Owners to give instructions to the Depositary prior to the Instruction Cutoff Date.

(d) In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Shares, if the Company will request the Depositary to Disseminate a notice under paragraph (a) above, the Company shall give the Depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of Shares in connection with the meeting not less than 30 days prior to the meeting date, in which case the Depositary shall upon receipt of the request use its commercially reasonable efforts to distribute to Owners the material described in the first paragraph of Section 4.7 of the Deposit Agreement and carry out the further actions set forth in Section 4.7 of the Deposit Agreement.

Notwithstanding anything in Section 4.7 of the Deposit Agreement to the contrary, the Depositary and the Company may modify, amend or adopt additional procedures from time to time as they determine may be necessary or appropriate.

Without prejudice to the Depositary's rights under Section 2.9, the Depositary will take no action to impair the ability of the Custodian to vote the number of Shares (including the Shares held by the Depositary in registered form) necessary to carry out the instructions of all Owners under this Section 4.7.

17. TENDER AND EXCHANGE OFFERS; REDEMPTION, REPLACEMENT OR CANCELLATION OF DEPOSITED SECURITIES.

(a) The Depositary shall not tender any Deposited Securities in response to any voluntary cash tender offer, exchange offer or similar offer made to holders of

Deposited Securities (a "Voluntary Offer") except (i) when instructed in writing to do so by an Owner surrendering American Depositary Shares and subject to any conditions or procedures the Depositary may require.

(b) If the Depositary receives a written notice that Deposited Securities have been redeemed for cash or otherwise purchased for cash in a transaction that is mandatory and binding on the Depositary as a holder of those Deposited Securities (a "Redemption"), the Depositary, at the expense of the Company (unless otherwise agreed between the Company and the Depositary), shall (i) if required, surrender Deposited Securities that have been redeemed to the issuer of those securities or its agent on the redemption date, (ii) Disseminate a notice to Owners (A) notifying them of that Redemption, (B) calling for surrender of a corresponding number of American Depositary Shares and (C) notifying them that the called American Depositary Shares have been converted into a right only to receive the money received by the Depositary upon that Redemption and those net proceeds shall be the Deposited Securities to which Owners of those converted American Depositary Shares shall be entitled upon surrenders of those American Depositary Shares in accordance with Section 2.5 or 6.2 of the Deposit Agreement and (iii) distribute the money received upon that Redemption to the Owners entitled to it upon surrender by them of called American Depositary Shares in accordance with Section 2.5 of that Agreement (and, for the avoidance of doubt, Owners shall not be entitled to receive that money or other property under Section 4.1 or 4.2 of that Agreement). If the Redemption affects less than all the Deposited Securities, the Depositary shall call for surrender a corresponding portion of the outstanding American Depositary Shares and only those American Depositary Shares will automatically be converted into a right to receive the net proceeds of the Redemption. The Depositary shall allocate the American Depositary Shares converted under the preceding sentence among the Owners pro-rata to their respective holdings of American Depositary Shares immediately prior to the Redemption, except that the allocations may be adjusted so that no fraction of a converted American Depositary Share is allocated to any Owner. A Redemption of all or substantially all of the Deposited Securities shall be a Termination Option Event.

(c) If the Depositary is notified of or there occurs any change in nominal value or any subdivision, combination or any other reclassification of the Deposited Securities or any recapitalization, reorganization, sale of assets substantially as an entirety, merger or consolidation affecting the issuer of the Deposited Securities or to which it is a party that is mandatory and binding on the Depositary as a holder of Deposited Securities and as a result securities or other property have been or will be delivered in exchange, conversion, replacement or in lieu of, Deposited Securities (a "Replacement"), then the Depositary shall, if required, surrender the old Deposited Securities affected by that Replacement of Shares and hold, as new Deposited Securities under the Deposit Agreement, the new securities or other property delivered to it in that Replacement. However, the Depositary may elect to sell those new Deposited Securities if in the opinion of the Depositary, after consultation with the Company or its successor

entity to the extent practicable, it is not lawful or not practical for it to hold those new Deposited Securities under the Deposit Agreement because those new Deposited Securities may not be distributed to Owners without registration under the Securities Act of 1933 or for any other reason, at public or private sale, at such places and on such terms as it deems proper and proceed as if those new Deposited Securities had been Redeemed under paragraph (b) above. A Replacement shall be a Termination Option Event.

(d) In the case of a Replacement where the new Deposited Securities will continue to be held under the Deposit Agreement, the Depositary may call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing the new Deposited Securities and the number of those new Deposited Securities represented by each American Depositary Share. If the number of Shares represented by each American Depositary Share decreases as a result of a Replacement, the Depositary may, after consultation with the Company to the extent practicable, call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

(e) If there are no Deposited Securities with respect to American Depositary Shares, including if the Deposited Securities are cancelled, or the Deposited Securities with respect to American Depositary Shares become apparently worthless, the Depositary may call for surrender of those American Depositary Shares or may cancel those American Depositary Shares, upon notice to Owners, and a Termination Option Event occurs.

18. LIABILITY OF THE COMPANY AND DEPOSITARY.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Owner or Holder, (i) if by reason of any provision of any present or future law or regulation of the United States or any other country, or of any governmental or regulatory authority, or by reason of any provision, present or future, of the articles of association or any similar document of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof, or by reason of any act of God or war or terrorism or other circumstances beyond its control, the Depositary or the Company is prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of the Deposit Agreement or Deposited Securities, it is provided shall be done or performed, (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement (including any determination by the Depositary to take, or not take, any action that the Deposit Agreement provides the Depositary may take), (iii) for the inability of any Owner or Holder to benefit from any distribution, offering, right or other benefit that is made

available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Owners or Holders, or (iv) for any special, consequential, indirect or punitive damages for any breach of the terms of the Deposit Agreement. Where, by the terms of a distribution to which Section 4.1, 4.2 or 4.3 of the Deposit Agreement applies, or an offering to which Section 4.4 of the Deposit Agreement applies, that distribution or offering may not be made available to Owners of Receipts, and the Depositary may not dispose of that distribution or offering on behalf of such Owners and make the net proceeds available to Owners, then the Depositary shall not make that distribution or offering available to Owners, and shall allow any rights, if applicable, to lapse.

Neither the Company nor the Depositary assumes any obligation or shall be subject to any liability under the Deposit Agreement to Owners or Holders, except that they agree to perform their obligations specifically set forth in the Deposit Agreement without negligence or bad faith. The Depositary shall not be subject to any liability with respect to the validity or worth of the Deposited Securities. Neither the Depositary nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit, or other proceeding in respect of any Deposited Securities or in respect of the American Depositary Shares, on behalf of any Owner or Holder or other person. Each of the Depositary and the Company may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Neither the Depositary nor the Company, nor any of their respective affiliates (as such term is defined in Regulation C under the Securities Act of 1933) or agents, shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or Holder, or any other person believed by it in good faith to be competent to give such advice or information. The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with a matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises, the Depositary performed its obligations without negligence or bad faith while it acted as Depositary. The Depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of American Depositary Shares or Deposited Securities or otherwise. In the absence of bad faith on its part, the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities or for the manner in which any such vote is cast or the effect of any such vote. Each of the Depositary and the Company may rely, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Neither the Company nor the Depositary shall have any duty to make any determination or provide any information as to the tax status of the Company or any liability for any tax consequences that may be incurred by Owners or Holders as a result of owning or holding American Depositary Shares,

including without limitation, tax consequences resulting from the Company (or any of its subsidiaries) being treated as a "Passive Foreign Investment Company" ("PFIC") (in each case as defined in the U.S. Internal Revenue Code and the regulations issued thereunder) or otherwise. The Company may have been in the past and may be in the future a PFIC for U.S. Federal income tax purposes. Owners must consult their own tax advisers as to the potential application of the PFIC rules. No disclaimer of liability under the Securities Act of 1933 is intended by any provision of the Deposit Agreement.

19. RESIGNATION AND REMOVAL OF THE DEPOSITARY; APPOINTMENT OF SUCCESSOR CUSTODIAN.

The Depositary may at any time resign as Depositary under the Deposit Agreement by written notice of its election so to do delivered to the Company, to become effective upon the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by 120 days' prior written notice of that removal, to become effective upon the later of (i) the 120th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of its appointment as provided in the Deposit Agreement. The Depositary in its discretion may at any time appoint a substitute or additional custodian or custodians.

20. AMENDMENT.

The form of the Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Owners or Holders in any respect which they may deem necessary or desirable. Any amendment that would shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or that would otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding American Depositary Shares until the expiration of 30 days after notice of that amendment has been Disseminated to the Owners of outstanding American Depositary Shares. Every Owner and Holder, at the time any amendment so becomes effective, shall be deemed, by continuing to hold American Depositary Shares or any interest therein, to consent and agree to that amendment and to be bound by the Deposit Agreement as amended thereby. Upon the effectiveness of an amendment to the form of Receipt, including a change in the number of Shares represented by each American Depositary Share, the Depositary may call for surrender of Receipts to be replaced with new Receipts in the amended form or call for surrender of American Depositary Shares to effect that change of ratio. In no event shall any amendment impair the right of the Owner to surrender American Depositary Shares and receive delivery of the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

21. TERMINATION OF DEPOSIT AGREEMENT.

(a) The Company may terminate the Deposit Agreement by notice to the Depositary. The Depositary may terminate this Deposit Agreement if (i) at any time 60 days shall have expired after the Depositary delivered to the Company a written resignation notice and a successor depositary has not been appointed and accepted its appointment as provided in Section 5.4 of that Agreement, (ii) an Insolvency Event or Delisting Event occurs with respect to the Company or (iii) a Termination Option Event has occurred or will occur. If a termination of the Deposit Agreement has been initiated by the Company or the Depositary, the Depositary shall Disseminate a notice of termination to the Owners of all American Depositary Shares then outstanding setting a date for termination (the "Termination Date"), which shall be at least 90 days after the date of that notice, and the Deposit Agreement shall terminate on that Termination Date.

(b) After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9 of that Agreement.

(c) At any time after the Termination Date, the Depositary may sell the Deposited Securities then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of American Depositary Shares that remain outstanding, and those Owners will become general creditors of the Depositary with respect to those net proceeds. After making that sale, the Depositary shall be discharged from all obligations under the Deposit Agreement, except (i) to account for the net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of such American Depositary Shares in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges) and (ii) for its obligations under Section 5.8 of that Agreement and (iii) to act as provided in the paragraph (d) below.

(d) After the Termination Date, the Depositary shall continue to receive dividends and other distributions pertaining to Deposited Securities (that have not been sold), may sell rights and other property as provided in the Deposit Agreement and shall deliver Deposited Securities (or sale proceeds) upon surrender of American Depositary Shares (after payment or upon deduction, in each case, of the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of those American Depositary Shares in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges). However, after the Termination Date, (i) the Depositary may refuse to accept surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities (that have not been sold) if in its judgment the requested withdrawal would interfere with its efforts to sell the Deposited Securities, (ii) the Depositary will not be required to deliver cash proceeds of the sale of Deposited Securities until all Deposited Securities have been sold and (iii) the Depositary may discontinue the registration of transfers of American

Depositary Shares and suspend the distribution of dividends and other distributions on Deposited Securities to the Owners and need not give any further notices or perform any further acts under the Deposit Agreement except as provided in Section 6.2 of that Agreement.

22. DTC DIRECT REGISTRATION SYSTEM AND PROFILE MODIFICATION SYSTEM.

(a) Notwithstanding the provisions of Section 2.4 of the Deposit Agreement, the parties acknowledge that DTC's Direct Registration System ("DRS") and Profile Modification System ("Profile") apply to the American Depositary Shares upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC that facilitates interchange between registered holding of uncertificated securities and holding of security entitlements in those securities through DTC and a DTC participant. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of an Owner of American Depositary Shares, to direct the Depositary to register a transfer of those American Depositary Shares to DTC or its nominee and to deliver those American Depositary Shares to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the Owner to register that transfer.

(b) In connection with DRS/Profile, the parties acknowledge that the Depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an Owner in requesting registration of transfer and delivery described in paragraph (a) above has the actual authority to act on behalf of that Owner (notwithstanding any requirements under the Uniform Commercial Code). For the avoidance of doubt, the provisions of Sections 5.3 and 5.8 of the Deposit Agreement apply to the matters arising from the use of the DRS/Profile. The parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through the DRS/Profile system and otherwise in accordance with the Deposit Agreement, shall not constitute negligence or bad faith on the part of the Depositary.

23. APPOINTMENT OF AGENT FOR SERVICE OF PROCESS; SUBMISSION TO JURISDICTION; JURY TRIAL WAIVER; WAIVER OF IMMUNITIES.

The Company has (i) appointed CorpoMax, Inc., 2915 Ogletown Road, Newark, DE 19713, as the Company's U.S. registered agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consented and submitted to the jurisdiction of any state or federal court in the State of New York in which any such suit or proceeding may be instituted, and (iii) agreed that service of process upon said U.S. registered agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding.

EACH PARTY TO THE DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH OWNER AND HOLDER) THEREBY

IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING AGAINST THE COMPANY AND/OR THE DEPOSITARY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE AMERICAN DEPOSITARY SHARES OR THE RECEIPTS, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF, INCLUDING WITHOUT LIMITATION ANY QUESTION REGARDING EXISTENCE, VALIDITY OR TERMINATION (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

To the extent that the Company or any of its properties, assets or revenues may have or hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or the Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

24. DISCLOSURE OF INTERESTS.

In order to comply with applicable laws and regulations or the articles of association or similar document of the Company, the Company may from time to time request each Owner and Holder to provide to the Depositary information relating to: (a) the capacity in which it holds American Depositary Shares, (b) the identity of any Holders or other persons or entities then or previously interested in those American Depositary Shares and the nature of those interests and (c) any other matter where disclosure of such matter is required for that compliance. Each Owner and Holder agrees to provide all information known to it in response to a request made pursuant to this Section. Each Holder consents to the disclosure by the Owner or other Holder through which it holds American Depositary Shares, directly or indirectly, of all information responsive to a request made pursuant to this Section relating to that Holder that is known to that Owner or other Holder. The Depositary agrees to use reasonable efforts, at the Company's expense (unless otherwise agreed between the Company and the Depositary), to comply with written instructions requesting that the Depositary forward any request authorized under this Section to the Owners and to forward to the Company any responses it receives in response to that request.

Each Owner and Holder of American Depositary Shares further agrees to comply with the laws and regulations of the United States and the Republic of France (if and to the extent applicable) with respect to the disclosure requirements regarding beneficial ownership of Shares, all as if the American Depositary Shares were the Shares represented thereby, which is deemed to include, inter alia, requirements to make notifications and filings within the required timeframes to the Company, to the Commision, to the French Autorité des Marchés Financiers and any other authorities in the United States or in the Republic of France. The Company reserves the right to instruct Holders to deliver their American Depositary Shares for cancellation and withdrawal of the Deposited Securities so as to permit the Company to deal directly with the Holder thereof as a holder of Shares and Holders agree to comply with such instructions. The Depositary agrees to cooperate with the Company in its efforts to inform Holders of the Company's exercise of its rights under this paragraph and agrees to consult with, and provide reasonable assistance without risk, liability or expense on the part of the Depositary, to the Company on the manner or manners in which it may enforce such rights with respect to any Holder.

(premises leased for exclusive use of offices – offices-laboratories)

PFO2

Real Estate Investment Trust (REIT) which has its registered office in PARIS 17th – 9 rue Jadin, registered in the Trade and Companies Register of Paris under no. D 513 811 638,

represented by PERIAL Asset Management, Sole Proprietor Simplified Joint Stock Company (SASU) with share capital of €495,840, which has its registered office in PARIS 17th – 9 Rue Jadin, registered in the Trade Register of PARIS, under number 775 696 446, Management Company of the "PFO2" company, under the bylaws filed with Mr. DECHIN, Notary in PARIS, on July 23, 2009.

The said PERIAL Asset Management company represented by its CEO, Mr. Jean-Christophe ANTOINE;

Hereinafter referred to as "The Lessor"

AND,

The **ERYTECH PHARMA** company, with share capital of € 688,276.10 which has its registered office in LYON 69008, 60 avenue Rockefeller – ADENINE Building, registered in the Trade and Companies Register of LYON under number 479 560 013,

Represented by Mr. Gil BEYEN in his capacity as Chairman and Chief Executive Officer

Hereinafter referred to as "The Lessee"

The Lessor and the Lessee being hereinafter together referred to as the "**Parties**" and individually as the "**Party**".

IT HAS BEEN AGREED AND DECIDED AS FOLLOWS:

The Lessor as owner leases and grants for rent to the Lessee, which accepts, by this commercial lease the leased premises designated in Article 1 under the conditions of Articles L. 145-1 through L. 145-60 forming chapter V of the Commercial Code and Articles R 145-1 et seq. of the same code, and under the specific and general conditions which have been expressly agreed in the following articles. It is specifically stated that the specific conditions prevail over the general conditions. As a result, in the event of any difficulty of interpretation or conflict between the general conditions and the specific conditions, the specific conditions shall prevail in all circumstances, which the Parties expressly acknowledge.

PREAMBLE

Under the terms of a private agreement with effect from September 24, 2007, LYON 2006 INVESTORS SAS granted a lease to the Lessee, ERYTECH PHARMA SA, in a housing complex named “ADENINE”, located at 60 avenue Rockefeller – 69008 LYON, the description of the premises of which is the following:

- **On the ground floor and on the 5th floor of the building, various rooms for use as offices and laboratories with a share of the common area included of approximately 924.10 m2, an area of 46 m2 for use for archives in the basement, and 2 outside parking spaces and nine parking spaces in the basement.**

Under an addendum No. 1 to the lease with effect from August 25, 2008, the lessor and the lessee agreed to lease additional premises, described as follows:

- **On the 4th floor of the building, various rooms for office use with a share of the common area included of approximately 399.23 m2 with 1 outside parking space and 4 parking spaces in the basement.**

Under an authentic instrument dated August 8, 2012, SCPI PFO2 acquired the “ADENINE” housing complex and due to this it became subrogated to the rights of the Lessor.

ERYTECH PHARMA recently informed JONES LANG LASSALLE of its interest in taking a lease of an additional surface area of approximately 430 m2 on the 1st floor of the “ADENINE” housing complex and 6 parking spaces in the basement and 1 outside parking space.

For this purpose, the Parties agree to sign at the same time an amicable early termination instrument as of 06/30/2015 related to the above-mentioned lease and to agree to this new lease with effect from 07/01/2015 on all of the surface areas.

I- DESCRIPTION

1) LEASED PREMISES

- Address: See Article 3 below

60 avenue Rockefeller – ADENINE Building – 69008 LYON

- Description:

The leased premises, (including a share of the common areas) consist of:

- **premises for office and office-laboratory use;**
  - **Ground floor: approximately 477.10 m2 leased (office-laboratories)**
  - **Ground+1: approximately 430 m2 leased (office-laboratories)**
  - **Ground+4: approximately 399.23 m2 leased**
  - **Ground+5: Attic: approximately 447 m2 leased (office-laboratories)**
  - **Archives areas in basement level -1 which is 46 m2 leased**
  - **Provision of a closed area specific to laboratory wastes, can be shared among the different tenants in the building and located on the ground floor**
- **Parking spaces:**
  - **19 parking spaces in the basement numbers 1 – 22 – 31 – 35 – 36 – 45 – 52 – 53 – 54 – 55 – 56 – 57 – 59 – 60 – 61 – 62 – 63 – 64 – 66**
  - **4 outside parking spaces numbers 73 – 74 – 75 - 81**

The common areas include the landings, entrance hall, elevators, stairways, toilets, and movement space on every level…

II- SPECIFIC CONDITIONS

The specific conditions apply by derogation from the general conditions.

2.1 – Term

See Article 4 below

- **Nine** years beginning from: **07/01/2015**
- Date of end of lease: **06/30/2024**

2.2 – Purpose – Authorized Activity

See Article 5 below

- **exclusive use of offices and offices-laboratories for the activities defined as of this date by its corporate purpose.**

2.3 – Annual Principal Rent (excluding taxes) **€ 321,760.**

(Three hundred and twenty one thousand seven hundred and sixty euros)

See Article 6 below

2.4. – Mobile Scale Clause

See Article 7 below

- Date of first annual indexing: **07/01/2016**
- Basic Index: TARI **4th quarter 2014 – 107.80**

2.5 – Fees

See Article 8 below

2.5.1 – Quarterly Provision for Current Fiscal Year: **€ 34,014.**

(THIRTY-FOUR THOUSAND FOURTEEN EUROS)

including Provisions on operating fees: € 20,591

Provisions on real estate tax and additional taxes: € 13,423

These provisions are calculated on an all taxes included budget and the VAT will be shown when fees and taxes are adjusted.

2.5.2 – Rules on Distribution of Fees and Taxes

The Lessee shall pay a share of fees and taxes in the following proportions:

See appendix related to the budget of provisional fees

2.6 – Tax Rules

See Article 9 below

VAT (Lessor's option-Article 260-2 General Tax Code)

2.7 – Security Deposit

See Article 10 below

Equal to three months of the rent, which is: **€ 80,440**

(EIGHTY THOUSAND FOUR HUNDRED FORTY EUROS)

2.8 – Transfer of Security Deposit

The amount of the security deposit currently held by the Lessor, which is € 73,684.89, for the lease with effect from September 24, 2007 related to the premises located in the housing complex named "ADENINE" and subject to an early termination with effect from June 30, 2015, shall be transferred to the new security deposit account to be established for this lease.

As a consequence, by derogation from Article 10.1, the Lessee shall pay an additional security deposit in an amount of € 6,755.11.

2.9 – Rent Exemption Excluding Tax/Excluding Fees

The Lessor grants to the Lessee an exemption from rent for 3 months excluding recoverable fees and taxes, establishing for the Lessee a rent reduction granted by the Lessor as an exception and purely commercial. As a consequence, the rent shall be due only beginning on October 1, 2015, the fees will be due beginning on July 1, 2015.

2.10 – Lease Term

By derogation from Article 4.3 of the General Conditions and by express derogation from Article L. 145-4, 1st paragraph of the New Commercial Code codified, the Lessee expressly and irrevocably waives the right to leave at the expiration of the first three year period.

The Lessee may then leave for the first time upon expiration of the fourth year, which is for June 30, 2019 then at the expiration of the sixth year and of the ninth year of this lease in the forms and time period set forth in Article 4.3 below.

2.11 – Construction Work at Expense of the Lessee

The Lessor authorizes the Lessee at this time to carry out, at its expense and under its responsibility, construction work on improvements and access in the premises, under the following conditions:

- Authorization granted to the Lessee to use the emergency staircase in access for the areas on the 1st floor, it being understood that such access shall comply with the regulations in effect, specifically in terms of fire safety.
- Creation of a freight elevator, with a reserved surface area of approximately 1 m^2 between the ground floor and the 1st floor of the leased premises. The Lessee agrees to bear all consequences of such construction work which might be harmful to the structure and solidity of the building, to any electrical and fluid connection, to hold the Lessor harmless from any damage of any nature whatsoever which is caused by the performance of such construction work.
- Creation of an access door for deliveries of the Lessee on the ground level of the real estate complex, including modification of the facade. The Lessor authorizes the Lessee to carry out all necessary administrative actions in order to obtain the legal and official authorization to modify the facade on the ground level.

The Lessee is reminded that, for all of the construction work referred to above, it shall provide to the Lessor, for approval, all technical descriptions, approved by an architect and a BET structure. In parallel, the authorizations of the Lessor cannot in any case render the Lessor liable or reduce the liability of the Lessee between the Parties as well as with respect to third parties. The construction work shall be done at the expense of the Lessee, under its responsibility and within the industrial practice. The Lessee, upon accepting the work, shall provide to the Lessor all DOEs and Records of acceptance of the work.

The Lessee shall also retain responsibility for cabling for computer technology and telephones.

2.12 – Negotiation Professional Fees

The parties acknowledge that this transaction was completed through the intermediary of the JONES LANG LASALLE company domiciled at 55 avenue Foch – 69006 LYON, and that the professional fees of this company, for which the Lessee is responsible totals 8% of the annual rent excl. taxes, which is the amount of € 25,740.80 + V.A.T. at the current rate of 20%. These professional fees shall be payable on the date of signature of the lease.

2.13 – Electric Service Contract

The Lessor shall take personal responsibility for any request to the service providers concerned regarding its request for a meter based on its electric power requirements, the service contract and the supply of fluids and the electrical connection of the leased premises.

The Lessee expressly agrees to provide to the Lessor and at its request the copy of its energy consumption bills.

2.14 – Premises and employees Consumption of fluids and waste production

The Lessee agrees to transmit to the Lessor, at least annually, the information on actual fluid consumption (water, electricity, gas, heating fuel, etc.) related to the leased premises and the quantities of wastes produced if known.

If applicable, the Lessee shall inform the Lessor of any accident, incident or event that occurred in the premises which is likely to explain any significant and exceptional increase or reduction found in the level of such consumption.

The Lessor shall be able to have communicated to it the average number of employees working in the Premises and the regular time slots of use of the Premises and the list of specific equipment with a capacity over or equal to 1000 W that it operated.

2.15 – Attached Documents

The following informational documents are sent by the Lessor to the Lessee, which acknowledges it:

- 1. The report on natural, technological and mining risks dated 01/14/2015.
- 2. The accurate and exhaustive inventory of categories of expenses, taxes, fees and payments with distribution between the Lessor and the Lessee
- 3. The provisional report of construction work planned by the Lessor in the first three years after the lease is entered into with a provisional budget and in the 3 years preceding the conclusion of the lease with their cost.
- 4. Plans of the premises and parking areas.

III – GENERAL CONDITIONS

3) DESCRIPTION AND REPORT ON CONDITION OF PREMISES ON ENTRY

3.1 – The Lessee declares that it has full knowledge of the leased premises described below in Article 1 because it has seen and visited the premises. The Lessee exempts the Lessor from giving a more specific description of it and accepts the premises in their current condition, as they exist and together with their easements and appurtenances.

The Lessee also agrees to not dispute the surface area which does not constitute an essential element of its consent.

It is expressly agreed that any error in the description of the leased premises shall not justify any reduction or increase of rent, which has been specifically set based on the overall evaluation and perfect knowledge of the premises leased by the Lessee.

Any difference between the surface areas indicated in the Specific Conditions or in annexes and the actual dimensions of the leased premises shall not justify any reduction or increase of the rent.

It is the mutual intention of the Parties that the leased premises expressly form an indivisible whole.

3.2 – In accordance with Article 145-40-1 of the Commercial Code, a report on the condition of the premises has now been drafted for the ground level, the ground level + 4 and +5, when the preceding lease was made. A report on the condition of the premises for the ground level + 1 shall be prepared when possession of the leased premises is taken in the presence of both parties and amicably by the Parties or by any third party authorized by the parties. One-half of the costs of this report shall be borne by each Party.

If there is no amicable report on the condition of the premises in the presence of both parties, it shall be drafted by a court bailiff, at the initiative of the most diligent Party, the other Party having been duly summoned to attend it. The cost billed by the court bailiff to draft this report shall be shared equally between the Lessor and the Lessee.

The report on the condition of the premises is attached to this lease or, if it is not, is kept by each of the Parties.

The Lessor may be represented at this inspection of the premises by its manager or by a specialized company or any other person of its choice.

3.3 – The Lessee agrees not to bring any action against the Lessor for defects, or apparent defects or failures.

4) TERM

4.1 – The lease is granted for a period of nine full and consecutive years, which will begin to run from the effective date set forth in Article 2.1 above.

4.2 – The lease shall terminate upon expiration by the effect of a notice given by registered letter with a request for acknowledgment of receipt or by extrajudicial instrument six months in advance by either Party in the forms and time periods in Article L. 145-9 of the Commercial Code. If it is not terminated, the lease shall continue beyond the fixed term and shall terminate only by the effect of a notice given by registered letter with a request for acknowledgment of receipt or by extrajudicial instrument at least six months in advance for the last day of the calendar quarter.

4.3 – The Lessee shall be solely authorized to terminate the lease at the expiration of each three year period, and the Lessee is responsible for giving notice to the Lessor six months in advance by registered letter with a request for acknowledgment of receipt or by extrajudicial instrument.

4.4 – When the notice is given by registered letter with a request for acknowledgment of receipt, the date of the notice is the date of the first submission of the letter in accordance with Article 145-1-1 of the Commercial Code.

4.5 – The Lessor may terminate this lease at any time without compensation in the case of construction work made mandatory by the Administration and/or by regulations requiring the total release of the leased premises or when the leased premises can no longer be used by the Lessee without danger.

5) INTENDED USE – AUTHORIZED ACTIVITY

5.1 – The Lessee shall use the leased premises in accordance with the intended use and exclusive assignment which have been given to them by the Lessor in Article 2.2 above.

5.2 – The Lessee shall take personal responsibility, at its expense, risk and peril, for any consequences that may result from the activity conducted in the premises; for this it agrees to:

- to comply with the regulations in effect at the time of the lease and throughout its performance,
- to obtain all administrative or other authorizations necessary to its activity, and their renewal throughout the term of the lease,
- to pay all taxes and fees,
- to carry out all construction work and improvements to comply with any applicable regulations as of the date when the lease is entered into or during its performance,
- and, generally to do what is necessary so that the Lessor is never held responsible or liable regarding its activity.

5.3 – The Lessee shall not conduct in the leased premises any activity which is of a hazardous or unsanitary nature, contrary to public order or good morals, or carried out in violation of legislation or regulations.

5.4 – The Lessor does not guarantee any exclusivity or non-competition of any kind whatsoever, specifically commercial.

The Lessee waives any right of action against the Lessor and its agent and specifically any claim for compensation and/or reduction and/or arrangement of rents and/or fees for this purpose.

6) RENT

6.1 – The principal annual rent set forth above in Article 2.3 shall be payable in advance and by quarter on the first day of each calendar quarter, at the address of the Lessor or its agent and for the first time, as of the effective date of the lease set forth in Article 2.1.

The first term shall be calculated on a prorata temporis basis between the effective date of the lease and the last day of the current calendar quarter on the effective date of the lease.

6.2 – The payment shall be made by check, by bank or postal wire transfer or by withdrawal from the Lessee's account, but in no case by using notes or commercial paper.

7) MOBILE SCALE

7.1 – The principal rent set forth in Article 2.3 above shall vary upon expiration of each lease year, higher or lower, automatically and without formalities, in the same proportions as the Tertiary Activities Rent Index (TARI) published by the INSEE (Institut national de la statistique et des études economiques [National Institute of Statistics and Economic Studies]).

7.2 – The base index is indicated above in Article 2.4. Upon expiration of the 1st lease year, the rent shall be indexed based on the most recent published index, compared to the base index. Then, upon expiration of each lease year, the rent shall be indexed based on the most recent published index, compared to the index used for the previous indexing.

7.3 – This mobile scale clause is an essential condition of the lease for the Lessor, without which it would not have been made, which is expressly accepted by the Lessee. As a consequence, if the index used is no longer published, the Parties decide to refer to the replacement index, or to any other index selected by them by mutual agreement; if not, the replacement index shall be determined by the competent Court.

7.4 – In the event that any of the provisions of this article is held to be void or inapplicable, such nullity shall not affect the other lease provisions or the rule on annual indexation of the rent.

8) CHARGES, TAXES AND FEES

8.1 – The Parties intend that the principal rent set forth above is stipulated net of all charges, fees, taxes, user fees and work for the Lessor, except for expenditures which due to their nature can be charged to the Lessor as exclusively listed in Article R. 145-35 of the Commercial Code and listed below:

1° Expenditures related to the large repairs referred to in Article 606 of the Civil Code and to professional fees related to the performance of such work, if any;

2° Expenditures related to construction work for the purpose of repairing obsolescence or to bring the leased property or the building in which it is located into compliance with regulations, when they are large repairs referred to in the preceding paragraph;

3° Taxes, specifically the territorial economic contribution, fees and user fees of which the person liable is the lessor or the owner of the premises or building; however, the real estate tax and taxes in addition to the real estate tax and taxes, fees and user fees related to use of the premises or the building or to a service from which the tenant benefits directly or indirectly may be charged to the tenant.

4° The professional fees of the lessor related to management of rents of the premises or building subject to the lease;

5° In a housing complex, the expenses, taxes, fees and user fees and cost of construction work related to vacant leased premises or which can be charged to other tenants.

Expenditures related to improvement construction work the amount of which exceeds the cost of identical replacement are not included in the expenditures referred to in 1° and 2°.

8.2 – As a result, the Lessee shall repay, specifically, to the Lessor:

8.2.1 – Local taxes, including the real estate tax and its additional fees, the fee for removal of household garbage, the sweeping fee and, if applicable, the annual tax on offices, and, generally all current, future or replacement taxes and fees related to the leased premises or to the building attached to the leased premises to the extent that they are connected to the use of the leased premises or building or to a service from which the Lessee benefits directly or indirectly, even when they would in principle be borne by the Lessor.

8.2.2 – The costs of supplies and individual consumption by the Lessee, in addition to those related to the share of common areas, water, electricity, gas, heating and air conditioning.

8.2.3 – The costs of services and provisions related to the building or leased premises, namely:

The costs of services and provisions of the building or leased premises, specifically: guard service – *access control – digital code, intercom, video monitoring, employee salaries and social security contributions and taxes* – cleaning and maintenance of common areas – *window cleaning, cleaning facades of the building, sanitation and cleaning supplies, employee salaries and social security contributions and taxes, rat extermination, disinfection, insect extermination, snow removal* – maintenance of green spaces – *replacement and planting of plants*-, maintenance of parking areas outside and in the basement, of courtyards, repainting and coating of floors and ceilings of common areas.

ASL, AFUL, co-tenancy, associations and RIE fees, if applicable, maintenance and partial restoration of roofs, maintenance and restoration of doors and doorways, sign maintenance, waste removal- *rental of waste dumpsters, supplies of bags, containers, employee salaries and social security contributions and taxes*, VMC contracts, lifting pumps, fluid consumption – *electricity, cold water, hot water, ice water, fuels*-, expenses related to maintenance, supply, renovation of heating, air conditioning installations, maintenance of columns – *cold water, hot water, ice water, gas* -, contracts – *extinguishers, smoke removal, RIA, dry column, BAES* -, maintenance of various pipework, networks for waste water evacuation, multi-technical contracts, mandatory inspections of installations and equipment, audits, insurance deductible in case of accidents in common areas, expenses related to maintenance, repairs, renovation of elevators, freight elevators, car elevators, partial repair of walls and vaults.

8.2.4 – All expenses common to the real estate complex of which the leased premises are a part, including costs and professional fees of technical management of the building or leased premises, costs and professional fees of audits and technical inspections incurred by the Lessor, insurance premiums and additional insurance premiums of the building, maintenance work, repairs, replacement and of checking of all equipment and installations of the leased premises and the building.

8.3 – An accurate and exhaustive inventory of these expenses, fees, taxes and user fees containing the indication of their division between the Lessor and the Lessee is attached to the lease in accordance with Article L. 145-40-2 of the Commercial Code. This inventory appearing in the annex is an integral part of the lease and binds the Parties.

This inventory shall give rise to an annual summary report sent by the Lessor to the Lessee no later than September 30 of the year following the year for which it is prepared or, for buildings in co-tenancy, within a period of three months from the statement of co-tenancy expenses for the annual fiscal year.

If applicable, invoices corresponding to this summary report may be sent by e-mail or consulted, upon request, at the domicile of the building manager.

During the lease, the Lessor shall inform the Lessee of any new charge, tax, fee and user fee.

The Lessee shall be liable for any new charge, taxes, user fee and fee.

The charges, taxes and fees shall be divided on a prorated basis of general fractions allocated to the leased premises, and if not, at the prorated surface area of the leased premises (including share of common areas) compared to the total surface area of the building.

The Lessor shall keep the Lessee informed during the term of the lease of any information which is likely to change the division of charges, taxes and fees.

8.4 – The provision on charges set forth above in Article 2.5 for the current fiscal year shall be paid each quarter in advance at the same time as the principal rent and in the same conditions.

The first term shall be calculated prorata temporis between the effective date of the lease and the last day of the current calendar quarter on the effective date of the lease.

The quarterly provision on expenses shall be calculated annually based on the provisional budget of expenses of the relevant fiscal year and based on the share of the leased premises leased by the lessee in the various codes for dividing such expenses.

The quarterly provision for real estate taxes and additional taxes shall be calculated annually based on the actual share of the leased premises of the preceding year leased by the lessee increased by a revaluation rate determined annually.

The quarterly provision for taxes on offices and parking spaces shall be calculated annually based on the actual share of premises leased in the preceding year leased by the lessee increased by a revaluation rate determined annually.

Provisions are called every quarter and payable quarterly in advance. They correspond to the share of surface areas leased (including share of common areas) in the annual provisional budget.

These provisions shall be deducted from the amounts of actual expenses and taxes calculated and collected annually.

8.5 – The Lessor shall prepare the accounting of expenses by calendar year. A breakdown shall be sent to the Lessee with attached documentation no later than September 30 of the year following the year during which the expense was incurred and within 3 months from the annual statement of co-tenancy charges for a building in co-tenancy. If applicable, the invoices may be consulted, by appointment, at the address of the building manager.

8.6 – The Lessor reserves the ability to modify the division of expenses and construction work, specifically in the event of any change in the use of the facilities, of elimination or any new facility, and in the event of modification of the building, of the division of lots among Lessees and co-owners or of legislation.

The Lessor agrees to inform the Lessee of any division modification.

In addition, the division among tenants of expenses, taxes, fees and user fees and of the cost of construction related to the real estate complex may be weighted by agreement. The Lessee is informed of such weightings.

8.7 – The construction work completed and planned by the Lessor is attached to the lease:

1° A provisional report of the construction work that the Lessor plans to carry out in the three years after the lease is concluded, with an attached provisional budget.

2° A summary report of the construction work that the Lessor completed in the three years prior to the conclusion of the lease, indicating their cost.

The Lessor shall communicate to the Lessee every 3 years within the period of 2 months beginning from the end of each three year term of the lease in accordance with Article R. 145-37 of the Commercial Code these two summary reports related to the work.

9) TAX RULES

9.1 – Rents, taxes, fees, expenses and related charges shall be increased by the VAT under the conditions and at the rate in effect on the date of each billing, as the Lessor has opted for the VAT tax rules in application of Article 260 – 2° of the General Tax Code.

9.2 – The Lessee shall pay to the Lessor, all other new, additional or replacement fees in the event that the option for the VAT rules cannot be maintained, or if the VAT is eliminated, as the rent is stipulated net of all charges.

10) SECURITY DEPOSIT

10.1 – In order to guarantee at all times the proper performance of payment obligations and the performance of all of the clauses and conditions of the lease for which the Lessee is responsible, the Lessee pays, upon signature of this lease, to the Lessor, a security deposit, which does not produce interest, the amount of which, equal to three months of the annual rent excluding taxes and excluding charges, is indicated in Article 2.7 above.

10.2 – This security deposit shall be kept during the entire lease term. The security deposit shall be increased or reduced upon any variation of the annual rent, in the same proportions, so that it is at all times equal to three months of such annual rent excluding taxes and excluding charges.

10.3 – The security deposit shall be returned at the end of possession, after the accounting of charges, taxes and repair work is approved, after deduction of any amounts which may be owed by the Lessee for rents, charges, taxes, fees, occupancy payment, related costs, work, penalties, late payment interest, repairs or for any others which the Lessee may owe to the Lessor, or for which the Lessor may be rendered liable for it for any reason whatsoever, during the lease and/or during any automatic extension and until the Lessee moves out and returns the keys, if this occurs after the lease expires.

The security deposit shall not in any case be applied by the Lessee, in full or in part, to any of the rent payments, occupancy payment, charges, taxes and/or to any other related costs owed for this lease.

10.4 – It is acknowledged by the Lessee that the security deposit paid constitutes a cash collateral with dispossession as provided in Articles 2 333 et seq. of the Civil Code and that as a consequence the Lessor shall be authorized, at any time whenever during the lease or upon expiration of the lease, to take and use the security deposit, without formality, for the payment by set off of amounts owned by the Lessee for rent, occupancy payment, charges, taxes, fees, related costs, penalties, construction work or other costs.

In this case, the Lessee shall be obligated to reestablish this deposit upon request by the Lessor within a period of 30 days except in the case of a serious dispute, the Lessee expressly agreeing to the set-off for this purpose.

10.5 – In the event that a safeguard proceeding, court-ordered restructuring or court-ordered liquidation is opened, it is acknowledged by the Lessee that the debt receivable by the Lessor for secured obligations in the case of non-payment and the debt receivable by the Lessee on the Lessor to return the security deposit are related. The Lessor may, if it deems it appropriate, automatically and without formality, set off from any debt prior to the decision to open the proceeding with all or part of the security deposit it holds, and in the amount due.

In this case, the continuation of the commercial lease by the court administrator or liquidator in that capacity under Articles L. 622-13 et seq. of the Commercial Code shall have as a mandatory and immediate consequence the obligation by the Lessee (or even by the court administrator or liquidator) or its successor to re-establish the security deposit, independent of the payment of rents, charges, fees, taxes, related costs or other costs, subject to the penalty of the termination clause in Article 19 below, if the Lessor deems it appropriate.

10.6 – In the case of termination of this lease by the Lessee other than expiration of a contractual term, whether the cause is judicial or under the effect of the termination clause in the lease, automatically or if it results from the application of a legal provision, the entire security deposit shall remain acquired by the Lessor solely due to such termination, without prejudice to any damages or compensation.

10.7 – In the case of assignment of the right to the lease or business assets, the security deposit shall be retained by the Lessor and shall be returned to the assignor only after payment of any amounts owed by the assignor. Thus, the assignee shall be obligated to pay to the Lessor, on the date of signature of the assignment, the amount of the security deposit due in performance of the lease.

10.8 – In the case of sale of the building of which the leased premises are a part, the security deposit shall be transferred by the Lessor to the purchaser of the Building which shall become the sole debtor to the Lessee which the Lessee acknowledges. The Lessee agrees to claim the return only from such purchaser.

11) LATE PAYMENT INTEREST

11.1 - By express agreement, any sums which owed by the Lessee under this lease not paid at their due date shall carry automatically interest payable to the Lessor, at the legal rate increased by five points, as from the date of the aforesaid due date, without it being necessary give prior formal notice.

The application of the preceding subparagraph, shall not at any time, be regarded as constituting authorization of any delayed payment. It shall not in any way prevent the termination action referred to in Articles 19.1 and 19.2 infra.

11.2 - However, such interest shall not be invoiced if the Lessee paid its debt within fifteen days of the due date.

12) USE OF THE PREMISES

12.1 - The premises shall be constantly furnished by the Lessee with pieces of furniture and materials in sufficient quantity and value to meet at any time the payment of the rents and related expenses as well as performance of the clauses and terms of the lease.

12.2 - The Lessee shall maintain the occupancy of the premises continuously, and ensure their permanent operation.

12.3 - The Lessee shall comply with all current and future laws, regulations and practices in effect and in particular all regulations on the roadway system, police, safety, town planning, health, environment, with the regulations of the labor law and the regulations relating to the establishments receiving the public.

The Lessee shall comply, as applicable, with the provisions of the joint ownership rules, the specifications of bylaws of associations or the building rules as well as with any decisions made in the general interest by the Lessor or the meetings of joint owners or shareholders.

The Lessee shall thus be responsible, at its sole expense, to respond to any administrative injunctions and regulations, so that the Lessor is never held liable.

12.4 - After obtaining the prior written consent and of the Lessor related to the site, quality, materials, dimensions and the methods of installation, the Lessee shall be able to affix at its expense signs, posters, banners, formwork, plates, signs, antennas, parabolas or others outside the lease premises, or visible from the exterior, only on the windows.

The Lessee shall take responsibility for all obligations, in particular administrative obligations and for the payment of any taxes.

The Lessee agrees to deposit them, at its expense and without delay, at the end of the lease or upon any request by the Lessor, in particular in the event of construction work and to carry out all necessary repairs.

12.5 - The Lessee shall not be able to deposit, even temporarily, in the common areas of the building, as they must remain permanently free. No encroachment on the common areas shall be authorized.

12.6 - The Lessee shall take all appropriate measures so that the exercise of its activities does not disturb the peace, good appearance or maintenance of the building, and does not cause any nuisance for neighbors. Particularly, the Lessee shall not be able to use any means of broadcasting (loudspeakers, etc.) which can be heard outside of the leased premises. Devices and installations which can cause any disturbances shall have to be “anti-parasitized” or isolated; “lost water” air-conditioners are prohibited.

The Lessee shall not bring inflammable, explosive, corrosive or dangerous materials into the leased premises, or use gas or slow combustion devices.

The Lessee shall pay attention to the proper conduct of its staff and visitors, it being understood that the Lessee shall be held responsible for any damage committed in the building and in the leased premises by its staff or visitors.

The Lessee shall indemnify and hold the Lessor harmless from any claim or action by any third party against the Lessor (in particular by neighbors) for any nuisance caused by the Lessee or its employee.

12.7 - The Lessee shall not be able to load the ground and floors with a weight over 250 kilos per m^2. Any load beyond this limit shall be subject to prior written authorization by the Lessor.

12.8 - The Lessee shall not be able to carry out in the premises any work, changes of distribution, demolitions, borings of walls or vaults, or construction without prior written consent of the Lessor. For this purpose, the Lessee shall send to the Lessor all useful documents, (plan, description, technical notes, etc.) and the work shall be carried out under the oversight of an architect or an engineering firm, approved by the Lessor, at the expense and risks of the Lessee.

12.9 - All work, improvements, facilities, installations and construction, including partitions, carried out by the Lessee at the time of entry into the premises or during the lease shall become the property of the Lessor in the end of this lease, by way of accession, without compensation, unless this requires the delivery of the premises in their original state, in whole or in part. The same shall apply to any equipment intended to be immovable.

12.10 - Public sales are rigorously prohibited in the leased premises and the common areas of the real property including as a part of a collective proceeding.

12.11 - In the event of necessity for the Lessor, the Lessor may temporarily or permanently limit or prohibit the access to all or part of surface area of common areas. This limitation or prohibition of use of common areas shall not cause a deduction of rent or compensation for the Lessee, except in the event of a substantial obstacle to the access to the leased premises.

13) MAINTENANCE

13.1 - The Lessee shall take the leased premises in as is condition, without being able to claim from the Lessor whether it is upon entry in the premises or during the lease any work, bringing into compliance, building out or installations of any kind whatsoever except for the work referred to in Article R. 145-35 of the Commercial Code in its subparagraphs 1 and 2.

13.2 - The Lessee shall maintain the leased premises in perfect condition for the length of lease and it shall make any necessary maintenance repairs regardless of the nature; the Lessor shall retain responsibility only for major repairs defined by Article 606 of the Civil Code except in cases where:

- they are due to a maintenance failure which is the responsibility of the Lessee
- they are related to improvement work the amount of which exceeds the cost of identical replacement within the meaning of Article R. 145-35 of the Commercial Code.

The Lessee shall particularly ensure the perfect operating condition and cleanliness of doors, closures, shutters, curtains, blinds, windows and frame, taps, drains, it shall repair their painting if necessary.

It shall also maintain and repair the walls, partitions, ceilings and coatings of the floors as often as necessary, so as to always keep them in a perfect state of cleanliness and maintenance, except if this work results from a failure of the Lessor as to its obligations for work for which it is responsible set forth in Article 606 of the Civil Code.

13.3 - The Lessee shall maintain the equipment and installations in the leased premises or serving them exclusively; it shall carry out as necessary their modification, repair or replacement or bringing them into compliance, even if it results from new standards or regulations, all at its expense and so that this equipment and installations are returned at the end of the lease in perfect compliance and operating condition. For this purpose, it shall subscribe all necessary service contracts and shall have periodic inspections of the proper operation of such equipment and installations, as well as their conformity to the standards in force and the provisions of the Labor Code, in particular regarding safety, carried out by licensed entities.

13.4 - In all the cases where the obligations above subject to Articles 13.1 to 13.3 are not met, the Lessor shall be able, one month after a formal notice remains without effect, to complete necessary work using any company of its choice and under the oversight of a project manager, to sign maintenance service contracts or to have inspections conducted, all at the expense of the Lessee.

13.5 - The Lessee shall bear the cost and allow any repair work, renovation, rebuilding, heightening and enlarging which the Lessor has to have carried out in the leased premises or the building of which the leased premises is a part without compensation, regardless of the disadvantages and duration even if they exceed a duration of 21 days notwithstanding the provisions of Article 1724 of the Civil Code.

The Lessee shall also pay the costs, if any, without compensation, of cabling, ducts, and channeling necessary for service of other leased premises in the building, and any installations intended to ensure the safety of the building or to improve the comfort of the building. However, in all the cases work shall be carried out with all necessary diligence.

13.6 - The Lessee shall allow the Lessor, its representatives and companies to enter the leased premises for the determination and to complete work deemed appropriate, in accordance with Articles 13.4 and 13.5 above, with 48 hours' notice, except in case of an emergency.

14) DOMICILIATION - SUBLEASING

14.1 - Any domiciliation is prohibited except with prior written consent of the Lessor.

14.2 - The Lessee shall not replace any person or company, even without consideration, in the leased premises, in whole or in part. The Lessee shall personally occupy the leased premises.

14.3 - The Lessee may to sub-lease the leased premises, in whole or in part, only with the prior written approval of the Lessor.

14.4 - In the case of authorized subleasing, it may take place only by an instrument in which the sub-tenant acknowledges the indivisible character of the principal lease and agrees jointly and severally with the Lessee, within the limit of its sub-lease, to the payment of the principal rent and the performance of the terms of the principal lessee. This sublease shall be notified to the Lessor at no cost to the Lessor in the month in which such sublease takes effect, at the latest.

14.5 – Non-compliance of these obligations and conditions subject to Articles 14.1 through 14.4 above shall immediately and automatically cause termination of the principal lease.

15) ASSIGNMENT

15.1 - The Lessee may assign its right to the lease only to the purchaser of the assets operated in the leased premises. The assignee shall be approved in advance by the Lessor.

15.2 - In this case, the assignment shall occur only to the extent that any sums billed and owed pursuant to this lease are paid in advance; moreover, the Lessee shall be obligated to notify at its expense by registered letter with a request for acknowledgment of receipt or by extrajudicial instrument to the Lessor, at least fifteen days in advance, the draft of the deed of sale constituting an assignment of the right to the lease. In addition, the Lessor shall be requested to concur in the instrument by the same notification. Finally, the assigning Lessee shall be liable to the Lessor for compensation representing the cost of the possible repair work or of bringing the leased premises into compliance as they shown by the report on the condition of the premises referred to in Article 15.3 below. This compensation shall represent the amount of the estimates of work corresponding to repairs or bringing the premises into compliance shown by comparison between the report on the condition of the premises of intermediate exit and the original report on the condition of the premises.

15.3 - In accordance with Article L. 145-40-1 of the Commercial Code, in the event of assignment of the right to the lease, assignment or transfer without consideration of business assets, a report on the condition of the premises shall be prepared in the presence of both parties and amicably between the parties or by a third party authorized by them before the entry into possession of the leased premises by the Assignee.

The Lessee shall be obligated to inform the Lessor by registered letter with a request for acknowledgement of receipt of the effective date of possession of the leased premises by the assignee at least 15 days before this date, so that the Lessor can usefully organize the inventory of fixtures of entry in the leased premises by the assignee.

One-half of the costs of this report on the condition of the premises shall be borne by each Party.

If there is no amicable report on the condition of the premises in the presence of both parties, it shall be prepared by a court bailiff, at the initiative of the most diligent party, with expenses shared equally between the Lessor and the Lessee.

The report of the condition of the premises on intermediate exit shall be attached to this lease or, if it is not, shall be kept by each Party.

The Lessor may be represented at this inspection by its manager or a specialized company or any other person of its choice.

15.4 - The Lessee in the event of assignment or transfer without consideration of the lease or the business assets, shall remain a joint and severally liable guarantor with respect to the Lessor for the payment of rents or occupancy compensation, for expenses, tax bills, taxes and any sum due pursuant to the lease as well as full performance of the clauses and terms of the lease, for 3 years from the signature of the instrument of assignment or transfer, provided that notice of it is given to the Lessor within 15 days of the assignment or transfer by registered letter with a request for acknowledgment of receipt. In addition, the assignee shall be with respect to the Lessor a joint and several guarantor of the Assigning Lessee for the payment of rents and expenses due until the date of the assignment, even if they are billed later. Any act of sale constituting an assignment of the right to the lease shall mention these obligations; these provisions shall apply to any successive assignments.

The Lessor shall be obligated to inform the Assignor of any failure by the Assignee to pay within a period of one month from the date on which the amount should have been paid by the Assignee.

15.5 - In the event of assignment, as in the event of merger or split of companies, of partial contribution of assets, of universal transfer of assets or transfer of more than 50% of the corporate shares, an original of the instrument shall be served on the Lessor at no cost to the Lessor, within the period of 15 days from the transaction.

15.6 - The Lessee shall grant in a financial lease the business assets operated in the leased premises only with the prior written authorization of the Lessor, which shall be granted in a reasonable time period. The refusal of the Lessor shall be based on fair reasons.

15.7 – Non-compliance with the obligations above subject to Articles 15.1 through 15.6 shall immediately and automatically cause termination of the lease.

16) INSURANCE

16.1 - The Lessor guarantees the financial consequences of civil liability that it may incur as owner. It insures the building of which the LEASED PREMISES are a part as well as all improvements and installations in the nature of real property which it owns, specifically against risks of fire, explosions and special risks such as:

- water damage,
- storm, wind, hail, weight of snow and ice
- riots, attacks, terrorism, sabotage,
- malice, vandalism, graffiti,
- land vehicle crashes,
- crashes of aircraft and space crafts,
- crossing of sound through walls,
- smoke,
- natural disasters.

16.2- The Lessee, for itself as well as for any occupants due to its actions, shall have coverage for the financial consequences of civil liability that it may incur due to its activities, in particular with respect to neighbors and any third parties.

The Lessee shall ensure its own property, equipment and all objects in the LEASED PREMISES and any improvements and installations it has made, specifically against risks of fire and explosions. It shall take responsibility for its operating losses and loss of enjoyment.

The Lessee shall obtain insurance against glass breakage and any real property damage resulting from thefts or attempted thefts.

16.3 - The Lessee for itself as well as for any occupants due to its actions, waives and shall have its insurers waive any recourse against the Lessor and its insurers for any tangible and intangible damage, including deprivation or disruption of enjoyment and operating losses, which may result from destruction or damage, in whole or in part, of the LEASED PREMISES due to fire, explosion and water damage.

Reciprocally, the Lessor for itself as well as for any occupants due to its actions, waives and shall have its insurers waive any recourse against the Lessee and its insurers for any tangible and intangible damage, including deprivation or disruption of enjoyment and operating losses, which may result from destruction or damage, in whole or in part, of the LEASED PREMISES due to fire, explosion and water damage. The Lessor waives and shall have its insurers waive any recourse they may be entitled to bring against the Lessee, its insurers and any occupants due to its actions legally authorized for all tangible and intangible damage which may result from fire, explosion and special risks which occurred in the building of which the leased premises are a part.

16.4 - The Lessee shall maintain and renew its insurance for the entire term of the LEASE and provide proof upon the first request by the Lessor. The policies obtained shall be with companies that are known to be solvent which have a domicile in France.

The Lessee shall be obligated to inform Lessor by registered letter with acknowledgment of delivery in the event of suspension or termination of their contracts, regardless of the cause.

16.5 - The Lessee shall transmit to its insurers any information about its activities in the LEASED PREMISES which may cause any change of the risk and premium rate. For this purpose, the Lessee shall be obligated to allow free access to the insurers of the lessor to enable them to properly evaluate the risks to be covered.

16.6 - The Lessee shall repay to the Lessor all insurance premiums accounts including all taxes contracted by the Lessor for the building of which the LEASED PREMISES are a part, on a prorated basis of the general fractions for dividing expenses or, if there are none, of the surface areas. The Lessee shall repay to interested parties, the Lessor, co-tenants or neighbors, any increases of premiums that may result from its activities.

16.7 - The Lessee and its insurers waive any recourse in liability against the Lessor and its insurers for any damage caused in the LEASED PREMISES, such damage must be considered by the insurance companies.

In particular, the Lessee specifically shall not claim that the Lessor is liable:

- in case of theft, burglary or any other act of which the Lessee might be a victim in the LEASED PREMISES or in the building of which the LEASED PREMISES are a part,
- in the event of interruption of building services unless they are directly due to the fault, negligence or lack of care of the Lessor,
- in the event of damage caused to the LEASED PREMISES, to equipment and objects there, as a consequence of floods, leakage, infiltration, moisture or another causes unless they are directly due to the fault, negligence or lack of care of the Lessor,
- in the event of accident which occurred in the LEASED PREMISES or in the building,

- in the event of actions engaging the liabilities of the neighbors, of their staff, suppliers or customers,
- in the event of illegal occupation of the building or LEASED PREMISES by third parties,
- in the event of expropriation due to public utility.

16.8 - The Lessee shall be obligated to report in the agreed time periods to its insurance company any accidents that occurred in the LEASED PREMISES. It shall send a copy of its report to the Lessor by the same letter.

17) END OF LEASE – RETURN OF THE PREMISES

17.1 - For the six months period preceding the end of the lease, the Lessor may have any potential buyer or tenant visit the leased premises, during business hours. During the same period, the Lessor shall be entitled to post outside of the leased premises any signs and posters that it deems necessary to advertise the sale or lease.

17.2 – Prior to any relocation, even partial of furniture and equipment, the Lessee shall provide proof, by submitting receipts of payment of all contributions for which it is responsible for which the Lessor may be liable for any reason. The Lessee also must have paid all rents, expenses and related fees.

17.3 - The leased premises shall be returned to the Lessor by the Lessee empty of any occupation and no later than the expiration date of the lease, in perfect condition of any lease repairs, maintenance and compliance. For this reason, the Lessee expressly waives the right to rely on wear and tear and/or obsolescence within the meaning of Article 1755 of the Civil Code.

The Lessee shall deliver to the Lessor at its expense and no later than the expiration date of the Lease, a certification of compliance of the electrical and fire control installations signed by an approved organization.

Three months before the end of the lease, the Lessor may request, at the shared expense of the Parties, the preparation of a pre-report of the conditions of the premises in the presence of both parties indicating any repairs, cleaning, restoration, replacement, painting work, restoration of floor coverings, that the Lessee may carry out at its expense before the leased premises are returned, without prejudice to any other work that is shown only after the report of the condition of the premises when the Lessee leaves the premises.

A report on the condition of the premises shall be prepared at the expense of the Lessee, amicably and in the presence of both Parties, or by a third party authorized by them after the Lessee has completely moved out, either on the expiration date of the lease, or on the closest date possible.

If there is no report on the condition of the premises, amicable and in the presence of both parties, it shall be prepared by a court bailiff, at the initiative of the most diligent party, and the costs shall be shared equally between the Lessor and the Lessee.

The report on the condition of the premises when the Lessee leaves the premises shall be kept by each Party. The evaluation of the obligations of the Lessee to repair the leased premises within the meaning of this article is done by comparison with the report at the beginning of the lease of the condition of the premises prepared no later than the effective date of the lease, including in the case that the Lease was subject to one or more assignments or transfers during the Lease with preparation of a report on the condition of the premises on the date of the assignment or transfer of the lease.

In any case, the keys shall be delivered no later than the expiration date of the lease.

The Lessor may be represented at the report on the condition of the premises and/or pre-report on the condition of the premises, by its manager or by a specialized company or any other person of its choice.

17.4 – In the event that repairs or restoration which are the responsibility of the Lessee were not completed before the expiration of the lease, the Lessee shall no longer have access to the leased premises and the Lessor shall have prepared by the companies and the project manager of its choice, estimates for cleaning, remaking, repairs, replacement, painting work and restoration made necessary in view of the findings that appear on the pre-report of the condition of the premises and/or the report on the condition of the premises when the Lessee leaves. The Lessee shall then be liable to the Lessor, whether such work or restoration is performed by the Lessor or not, for the amount of such estimates, for the professional fees of the project manager and for compensation for the unavailability of the premises, calculated on the same basis as the final rent, during any period necessary to complete the work, increased by fifteen days to request and obtain estimates.

The preparation of the pre-report on the condition of the premises within the meaning of Article 17.3 does not constitute any mandatory obligation of the Lessor, which is free to have or not to have it prepared and its absence does not exonerate the Lessee in any way from its obligation to repair the leased premises within the meaning of this article.

18) AMENDMENTS - TOLERANCE - INDIVISIBILITY

18.1 - The Lease shall be amended only by an amendment signed by the Parties or by exchanges of letters.

18.2 - No amendment may be inferred, either from the passivity of the Lessor, or from simple tolerance, regardless of the frequency or duration, the Lessor remaining free to require the strict application of the lease and its endorsements at any time.

18.3 - The lease is declared indivisible for the sole benefit of the Lessor in the event of any authorized sublease.

18.4 - The Lessee shall be obligated to give notice to the Lessor within one month of any significant changes in its civil status or of the bylaws of its company (change of name, transfer of registered office, change of form, etc.). The same shall apply in the case of provisional administration, any safeguard proceeding, placement in court-ordered restructuring, court-ordered liquidation or early dissolution, but in such case, the period shall be reduced to eight days and the set off of the security deposit with any sums that may be owed by the Lessee shall be immediate and shall be done without formality. The Lease shall not continue with immediate re-establishment of the contractual guarantees.

19) TERMINATION CLAUSE

19.1 - It is expressly agreed that if there is no payment of a single installment or term fraction of the rent, charges and related fees, upon its due date, in the case of non-performance of a single condition of the lease, three months after notice is given by extrajudicial instrument which remained ineffective, the lease shall be automatically terminated, if the Lessor deems it appropriate, even in the case of payment or performance after the expiration of the above period. If the Lessee refuses to leave the premises, it shall be sufficient to force it to leave by a simple injunction, enforceable by provision and without notice.

19.2 - The Lessee shall, in addition, be liable to the Lessor for all costs and professional fees before and during the dispute (specifically including costs and professional fees of attorneys and court bailiffs, costs of experts) resulting from its delayed payment of any amount due under the lease or resulting from non-performance or failure to comply with any of the clauses of the lease, which shall be added to any damages that the Lessor may claim from the Lessee.

19.3 - In the event of termination by acquisition of the termination clause, the rents and charges paid in advance and the amount of the security deposit shall be kept by the Lessor, without it constituting a waiver by the Lessor of the right to obtain compensation in court for all of its injury.

20) – OCCUPANCY COMPENSATION

If the leased premises are not returned after termination of the lease or after contractual expiration of the lease, the Lessee shall be indebted to the Lessor, an occupancy payment set, by day of delay, at 1/360th of the last annual rent increased by a lump sum of 20% and by the VAT at the rate in effect until the date when the leased premises are returned, in addition to charges and taxes.

21) - DESTRUCTION OF THE LEASED PREMISES

If the leased premises are completely destroyed (explosion, fire in particular) the lease would be automatically cancelled without compensation to either Party.

In the event of partial destruction of the leased premises, each Party shall be able to terminate the lease in accordance with article 1722 of the Civil Code.

If the lease is not terminated following partial destruction of the leased premises, the Lessor and the Lessee shall agree to calculate the amount of the reduction in rent corresponding to the destroyed surface area.

In the absence of an agreement, the most diligent party shall refer the matter the court of competent jurisdiction within the meaning of Article 23.4.

22) - LEASE RENEWAL

It is expressly agreed between the Parties that if the lease is renewed, it shall be renewed for one whole and consecutive 9 year period, with fixing of the rent of the lease renewed according to the rental value within the meaning of the Article L. 145-33 of the Commercial Code.

23) - EXPENSES - ELECTION OF DOMICILE

23.1 - The expenses, fees and professional fees of this lease, and those which shall be the result or the consequence, are the responsibility of the Lessee, which agrees to be responsible, subject to the penalty of the termination clause.

23.2 - The Lessor elects domicile at its Registered Office.

23.3 - The Lessee elects domicile at the leased premises.

23.4 - For any disputes relating to the performance, interpretation or validity of this lease, the court is the court of the leased premises.

Done in PARIS, in 2 originals, one for each Party.

On 06/9/2015

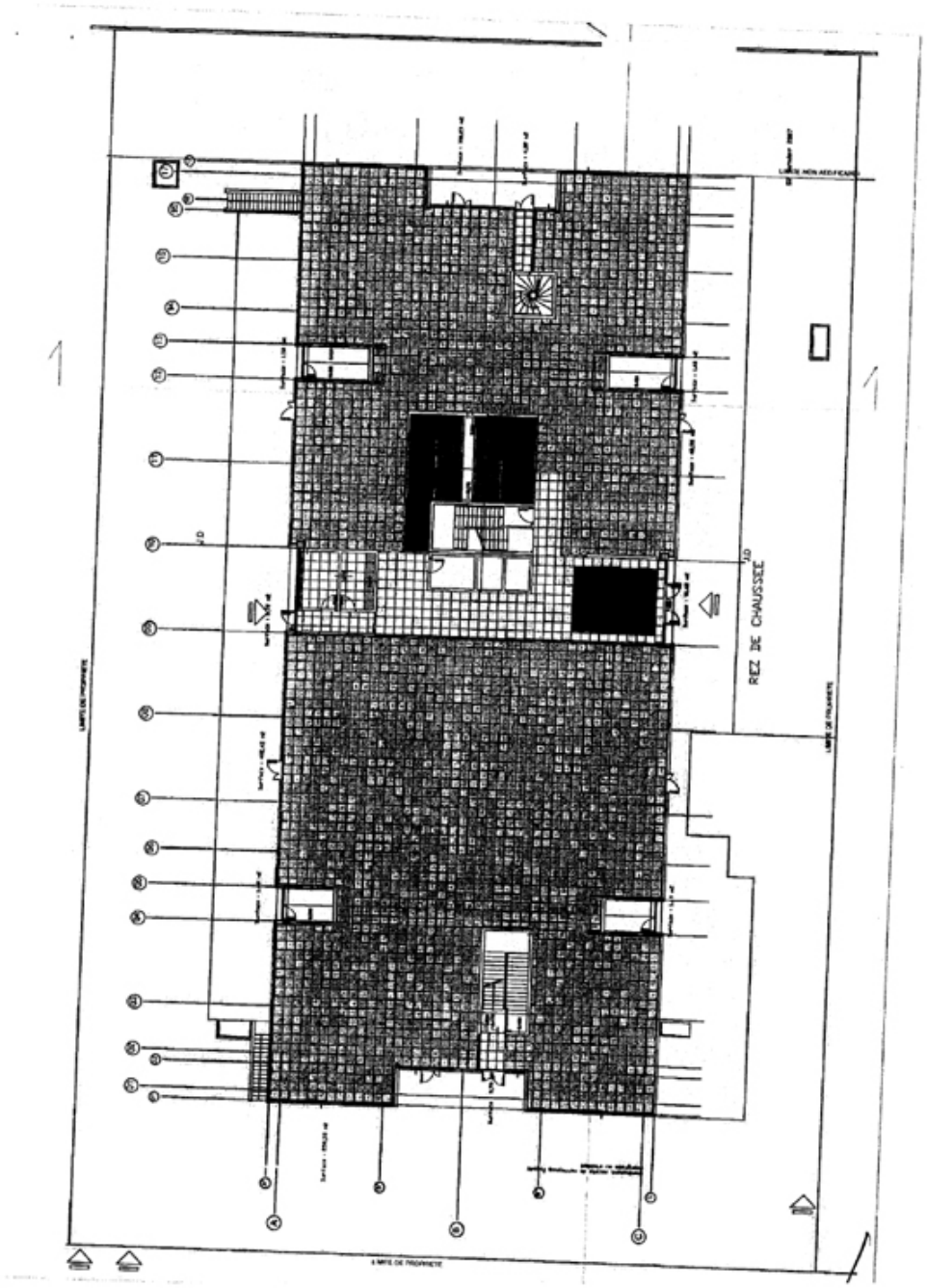
LESSEE

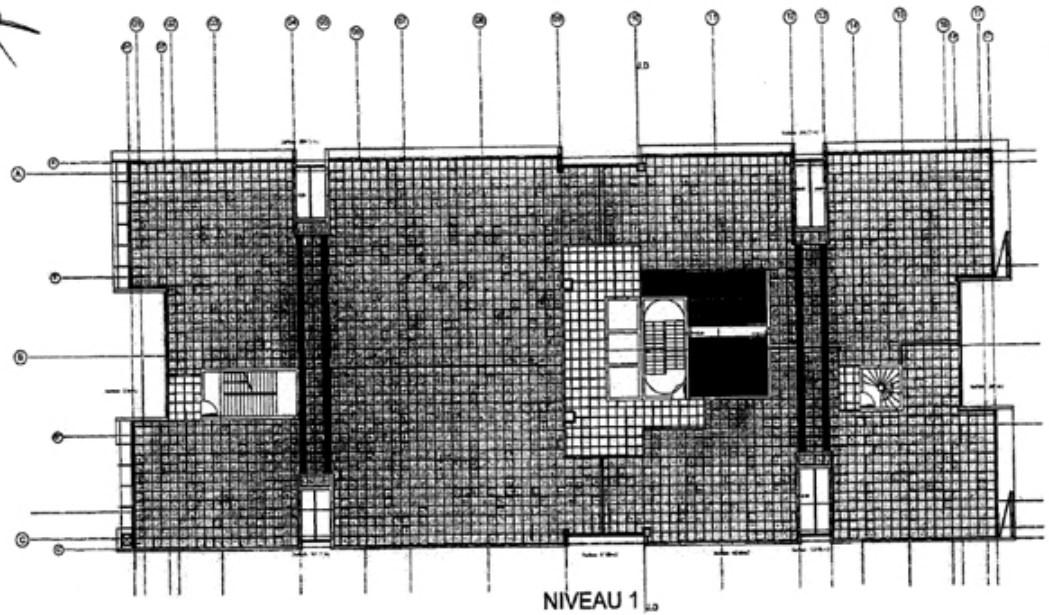
/s/ Gil Beyen

LESSOR

/s/ [illegible]

PFO2
9 rue Jadin – 75017 PARIS
Tel. 01 56 43 11 51 – Fax 01 56 43 11 49
E-mail: *[illegible]* – www.perial.com
[illegible] 638


REZ DE CHAUSSEE



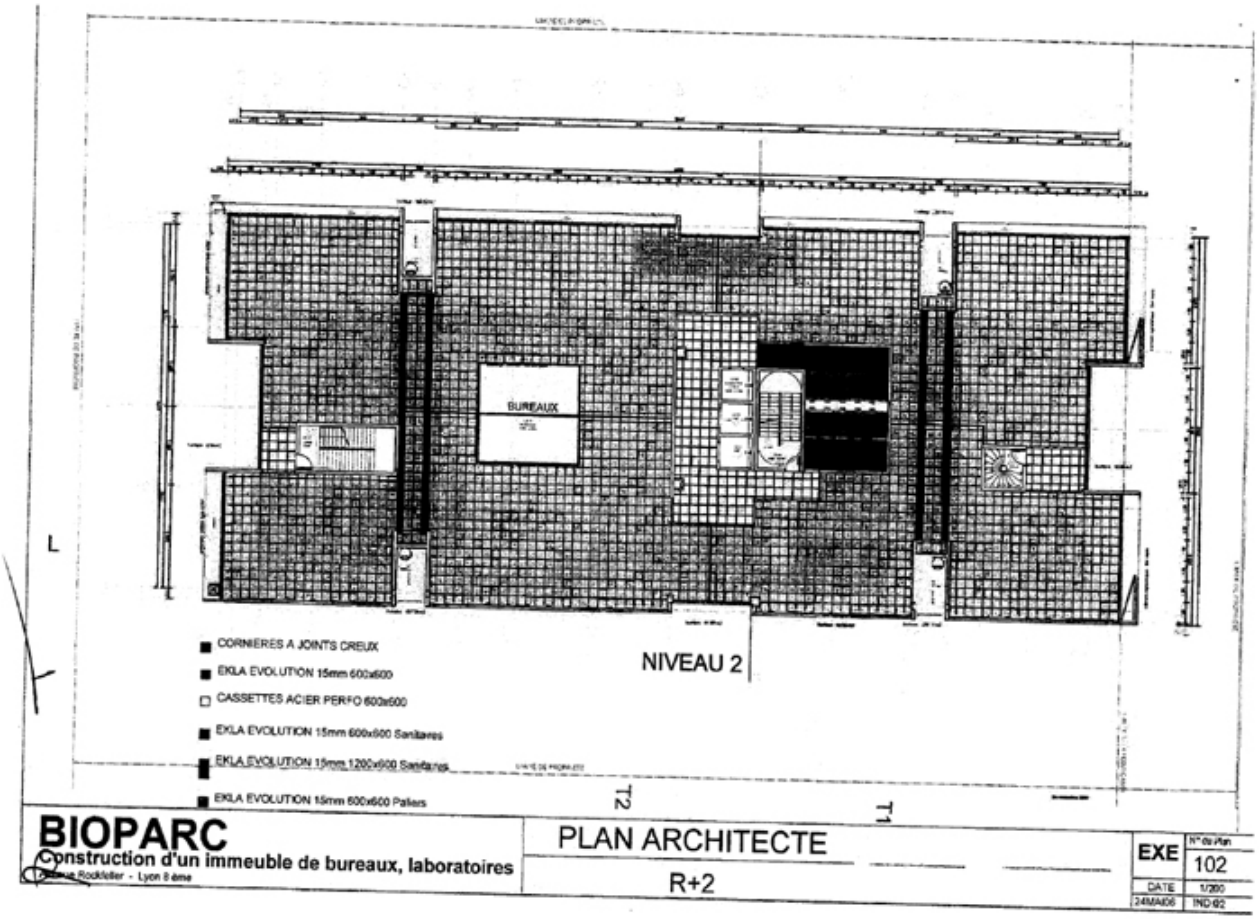
NIVEAU 1

- CORNIERES A JOINTS CREUX
- EKLA EVOLUTION 15mm 600x600
- CASSETTES ACIER PERFO 600x600
- EKLA EVOLUTION 15mm 600x600 Sanitaires
- ~~EKLA EVOLUTION 15mm 1200x600 Sanitaires~~

BIOPARC
Construction d'un immeuble de bureaux, laboratoires
Avenue Rockfeller - Lyon 8 ème

PLAN ARCHITECTE
R+1

EXE
N° du Plan 101
DATE 1/200
24MA005 IND.02



BIOPARC

Construction d'un immeuble de bureaux, laboratoires

Avenue Rockfeller - Lyon 8ème

PLAN ARCHITECTE

R+2

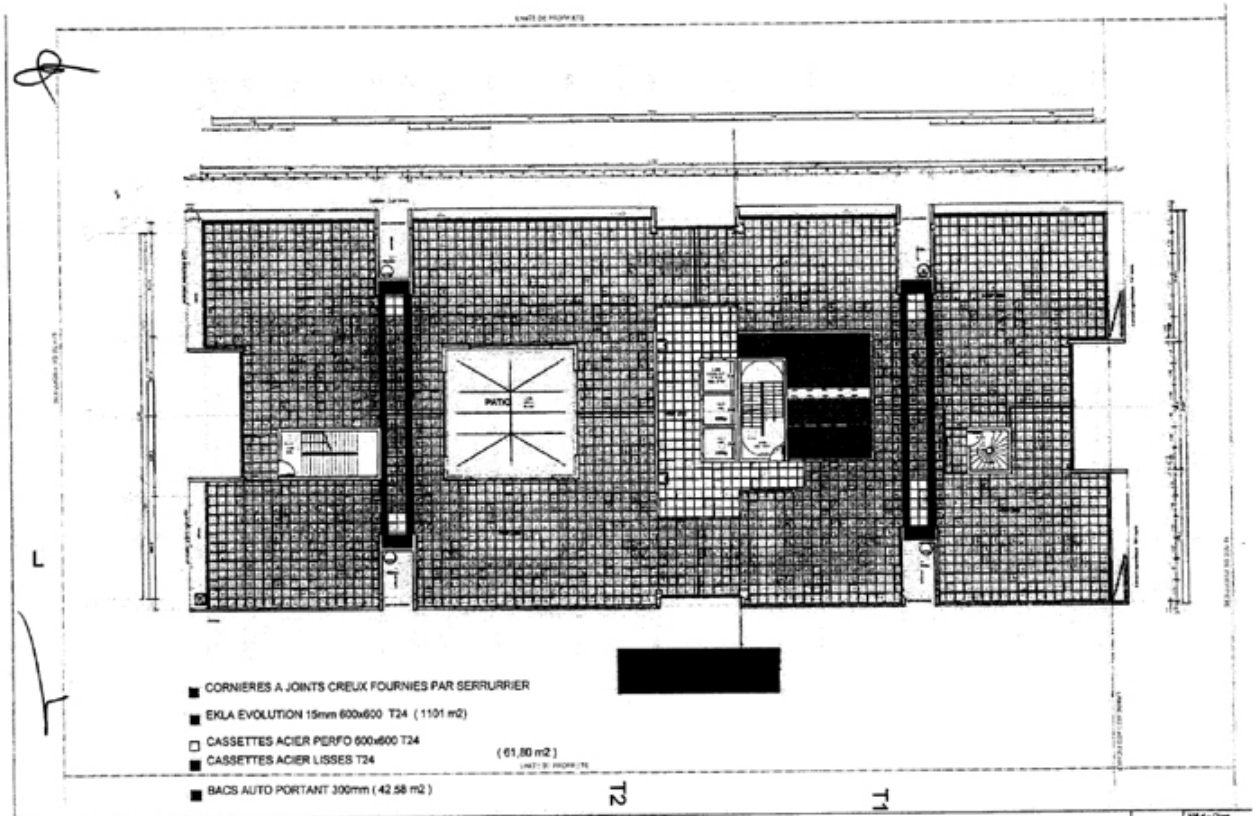
EXE

N° du Plan 102

DATE 24/MAI/06

1/200

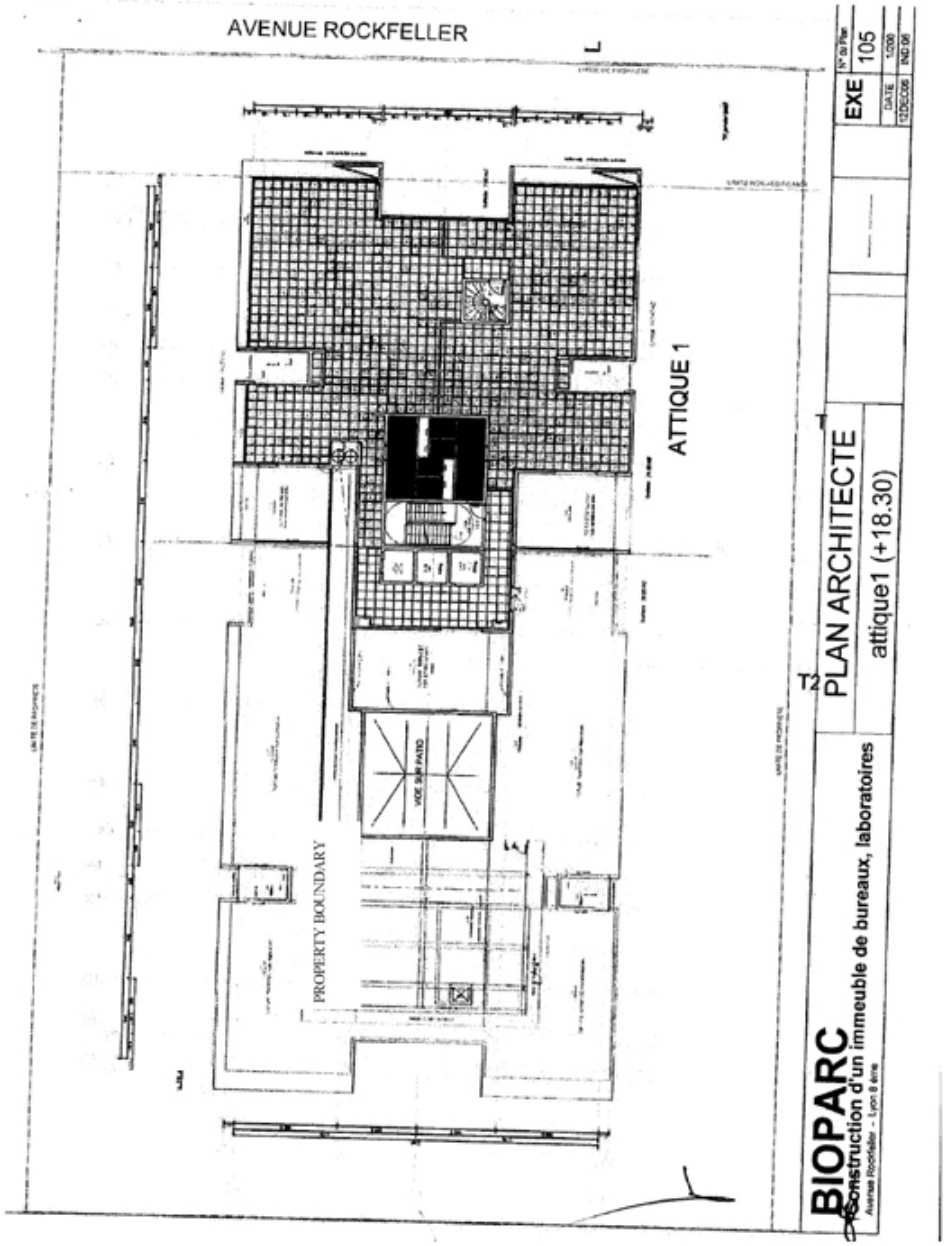
IND 02



BIOPARC
Construction d'un immeuble de bureaux, laboratoires
Avenue Rockfeller - Lyon 8 ème

PLAN ARCHITECTE
R+3 (+/-11.70)

EXE	N° de Plan 103
DATE	1/200
	IND 02



[initials] [initials] 23

ADENINE

60, avenue Rockefeller – 69008 LYON

NATURE OF CHARGES	Lessor	Lessee
Taxes and fees		
real estate tax and additional taxes including recording fees		**100%**
fee for household garbage removal including recording fees		**100%**
sweeping fee		**100%**
annual fee on offices		**100%**
annual fee on commercial space		**100%**
annual fee on storage space		**100%**
fee on interior and exterior parking spaces		**100%**
taxes, fees and user fees related to use of premise leased directly		**100%**
taxes, fees and user fees related to services received by the Lessee		**100%**
VAT on charges, rebilled fees, rents and occupancy payments		**100%**
Maintenance Contracts, [illegible]		
guard service		**100%**
access control – digital code		**100%**
intercom		**100%**
video monitoring		**100%**
cleaning and maintenance of common areas		**100%**
glass cleaning		**100%**
cleaning of facades		**100%**
sanitation and household supplies		**100%**
rat extermination/disinfection/insect extermination/snow removal		**100%**
maintenance of green spaces		**100%**
replacement and planting of plants		**100%**
maintenance and repair of exterior and interior parking areas		**100%**
maintenance and restoration of courtyards and roadways		**100%**
maintenance and restoration of paint, coating of floors and ceilings of common areas		**100%**
maintenance and repair of air conditioning and heating systems		
maintenance and partial restoration of roofs		**100%**
maintenance and repair of lifts		**100%**
maintenance and repair of doors and windows, including locks		**100%**
maintenance and repair of automatic doors (pedestrian doors, gateways, parking area doors)		**100%**
maintenance and repair of plumbing in common areas		**100%**
maintenance and repair of fire safety systems of the building (RIA, extinguishers, BAES, dry columns, smoke removal)		**100%**
inspection and repair of electrical installations in common areas		**100%**
office operations mandatory periodic inspections		**100%**
waste removal		**100%**
renting of dumpsters and supplies of bags and containers		**100%**
maintenance and repair of different systems (waste water, rain water)		**100%**
multi-technical contracts		**100%**
maintenance and repair of VMCs		**100%**
maintenance and repair of lifting pumps		**100%**
		100%
		100%

maintenance, repair and modernization of lifting devices (elevators, freight elevators, car elevators)		**100%**
leasing, readings and maintenance of sub-meters		
maintenance, repair and replacement of lighting in common areas		**100%**
salaries, social security contributions, related employee contributions		**100%**
Fluids and Service Contracts		
electricity		**100%**
hot water		**100%**
cold water		**100%**
ice water		**100%**
fuels		**100%**
telephone service contracts		**100%**
gas		
fuel		**100%**
Other Expenses		
professional fees of the agent or agents – technical management		**100%**
professional fees of the trustee		**100%**
co-tenancy expenses		**100%**
[illegible]		[illegible]
miscellaneous maintenance and repairs		**100%**
emergency guard services		**100%**
bringing the building into compliance excluding construction work related to Article 606 of the Civil Code		**100%**
bringing the leased premises into compliance excluding construction work related to Article 606 of the Civil Code		
building insurance		**100%**
reception services		
costs and professional fees of disputes		**100%**
report on condition of the premises excluding court bailiff		**100%**
report on condition of the premises with court bailiff		**100%**
salaries, social security contributions, related employee contributions		**100%**
	50%	**50%**
		100%
Construction Work		
bringing the building into compliance under Article 606 of the Civil Code	**100%**	
bringing the leased premises into compliance under Article 606 of the Civil Code	**100%**	
construction work intended to remedy obsolescence and under Article 606 of the Civil Code	**100%**	
construction work intended to remedy obsolescence and not under Article 606 of the Civil Code		**100%**
restoration of facade without taking up masonry		**100%**
restoration of facade with taking up masonry	**100%**	
equipment repair		**100%**
construction work and repairs related to Article 605 of the Civil Code		**100%**
construction work and repairs related to Article 606 of the Civil Code	**100%**	
professional fees for construction work related to Article 605 of the Civil Code		**100%**
professional fees for construction work related to Article 606 of the Civil Code	**100%**	

DONE IN PARIS, IN TWO COPIES, ONE FOR EACH PARTY

On 06/09/2015

LESSEE

/s/ Gil Beyen

LESSOR

/s/ [illegible]

PfO_2

CONSTRUCTION WORK – 60 avenue Rockefeller – ADENINE – 69008 LYON

Description	Status	Date	Amount excl. taxes	Charged to
modification of Totem of signage – waiting for SERL approval	draft	2015	€ 4,895.00	tenants
installing a ladder for glass cleaning	draft	2015	€ 3,318.70	tenants
installation of electric power meters	draft	2016	€ 6,763.75	tenants
installation of a general meter of cooling system on production	draft	2016	€ 15,063.50	tenants
			€ 30,040.95	

(Order of 6.8.05: Art. 16; Law of 7.13.06: Art. 79-IV; Law of 12.30.06; Decree of 9.5.06; Decree of 9.14.06; Decree of 12.21.06)

(Art. 18 / CCH: Arr. L 271-4-I through L. 271-6)

è **SUMMARY REPORT** **MISSION NO. 361847**

OWNER

Name: **not available**

Address: **not available**

City: **not available**

AGENT

Name:

Address

City:

MISSION

Address: **60 AVENUE ROCKFELLER** City: **69008 LYON**

Type: No. of rooms:

Building: Floor: **not available** Doors:

Building Reference: **not available** Cadastral References: **not available**

Principal Lots: **not available** Secondary Lots: **not available**

Tracking Date: **01/13/2015** Assistant: **not available**

Operator:

Tel.: 0 825 09 66 09 **Corporate Headquarters: 37 rue d'Amsterdam, 75008 PARIS**

www.opera-groupe.fr – info@opera-groupe.fr **Management Office: 32 rue de la Part Dieu CS 83451,69421 LYON CEDEX 03**

MISSION NO. 361847

è ☐ CERTIFICATION OF SURFACE AREA CARREZ LAW/LIVING AREA

Not requested by person who placed order

è ☐ RECORD OF LEAD EXPOSURE RISKS – CREP

Not requested by person who placed order

è ☐ REPORT MENTIONING THE PRESENCE OR ABSENCE OF MATERIALS OR PRODUCTS CONTAINING ASBESTOS

Not requested by person who placed order

è ☐ REPORT RELATED TO PRESENCE OF TERMITES

Not requested by person who placed order

è ☐ REPORT ON INTERIOR GAS INSTALLATION

Not requested by person who placed order

è ☐ REPORT ON INTERIOR ELECTRICITY INSTALLATION

Not requested by person who placed order

è ☒ REPORT ON NATURAL AND TECHNOLOGICAL RISKS

ERNT

è ☐ ENERGY PERFORMANCE DIAGNOSIS

Not requested by person who placed order

Tel.: 0 825 09 66 09

Corporate Headquarters: 37 rue d'Amsterdam, 75008 PARIS

www.opera-groupe.fr – info@opera-groupe.fr

Management Office: 32 rue de la Part Dieu CS 83451,69421 LYON CEDEX 03

Report of Natural, Mining and Technological risks

in application of Articles L 125-5 and R 125-26 of the Environmental Code

1. This report, with respect to obligations, prohibitions, servitudes and requirements set forth with respect to natural, mining or technological risks concerning the building, is prepared based on information provided by prefectural decision.

no.2011-1942 of 04/21/2011 updated on

information with respect to the real property (built or not built)

2. Address **Municipality**

postal code 69008

60 AVENUE ROCKFELLER-ADENINE BUILDING or insee code 69123 LYON

3. Siting of the building in view of one or more plans for prevention of natural risks (PPR n)

The building is located in the perimeter of a natural PPR	**prescribed**	**yes** ☐	**no** ☒
The building is located in the perimeter of a natural PPR	**applied in advance**	**yes** ☐	**no** ☒
The building is located in the perimeter of a natural PPR	**approved**	**yes** ☐	**no** ☒

if **yes**, The natural risks taken into account are related to:

flooding ☐	**torrential flooding** ☐	**landslides** ☐	**avalanches** ☐
drought ☐	**cyclone** ☐	**rising of water table** ☐	**forest fire** ☐
earthquake ☐	**volcano** ☐	**others**	

extracts of reference documents attached to this report and allowing the location of the building in view of the risks considered

Mapping of Natural Risks – Mapping of Seismic Risks

The building is affected by construction work prescriptions in the regulation of the natural PPR or PPRs	**yes** ☐	**no** ☒
if **yes**, the work prescribed by the regulation of the natural PPR or PPRs has been completed	**yes** ☐	**no** ☐

4. Siting of the building in view of a plan to prevent mining risks (PPR m) in application of Article L 174-5 of the Mining Code.

The building is located in the perimeter of a mining PPR	**prescribed**	**yes** ☐	**no** ☒
The building is located in the perimeter of a mining PPR	**applied in advance**	**yes** ☐	**no** ☒
The building is located in the perimeter of a mining PPR	**approved**	**yes** ☐	**no** ☒

landslides ☐ **others**

extracts of reference documents attached to this report and allowing the building to be located in view of risks considered

The building is affected by work prescriptions in the PPR mining regulation	**yes** ☐	**no** ☒
if **yes**, the work prescribed by the PPR mining regulations has been completed	**yes** ☐	**no** ☐

5. Siting of the building in view of a technological risks prevention plan (PPR t)

The building is located in the perimeter of a study of a technological PPR **prescribed** and not yet approved **yes** ☐ **no** ☒

if **yes**, the technological risks considered **in the prescription decision** are related to

toxic effect ☐ **thermal effect** ☐ **Overpressure effect** ☐

The building is located in the perimeter of exposure to risks of an **approved** technological PPR	**yes** ☐	**no** ☒
extracts of reference documents attached to this report and allowing the building to be located in view of risks considered		

The building is affected by prescriptions on construction in the technological PPR regulation	**yes** ☐	**no** ☒
if **yes**, the work prescribed by the technological PPR has been completed	**yes** ☐	**no** ☐

6. Siting of the building in view of regulatory zoning for consideration of seismicity

in application of Articles R 56304 and D 563-8-1 of the Environmental Code

	high	average	moderate	low	very low
The building is located in a seismicity commune	zone **5** ☐	zone **4** ☐	zone **3** ☐	zone **2** ☒	zone **1** ☐

7. Information with respect to losses compensated by insurance after a natural, mining or technological disaster

in application of Article L 125-5 (IV) of the Environmental Code

The information is mentioned in the authentic instrument showing that the sale was completed **seller/lessor – purchaser/tenant** **yes** ☐ **no** ☐

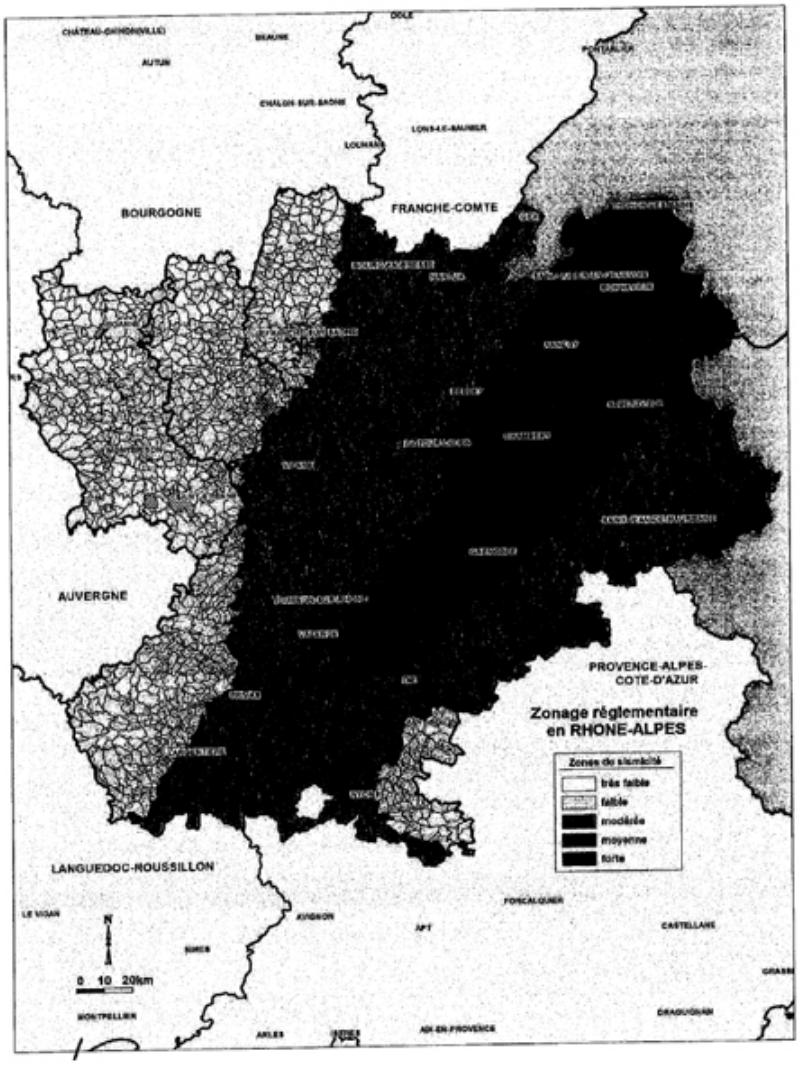
8. Seller-Lessor first name PFO2

strike out inapplicable entry Last Name First Name

9. Purchaser – Tenant

10. Date **in** LYON **on** 01/14/2015

Attention! If they do not involved any specific obligation or regulatory prohibition, known or foreseeable risks which might be indicated in the various preventive informational documents and concerning the real property, the following are not mentioned by this report. Article 125-5 (V) of the Environmental Code: in event of failure to comply with obligations to inform the seller or lessor, the purchaser or tenant may sue to terminate the contract or request that the court reduce the sale or lease price.

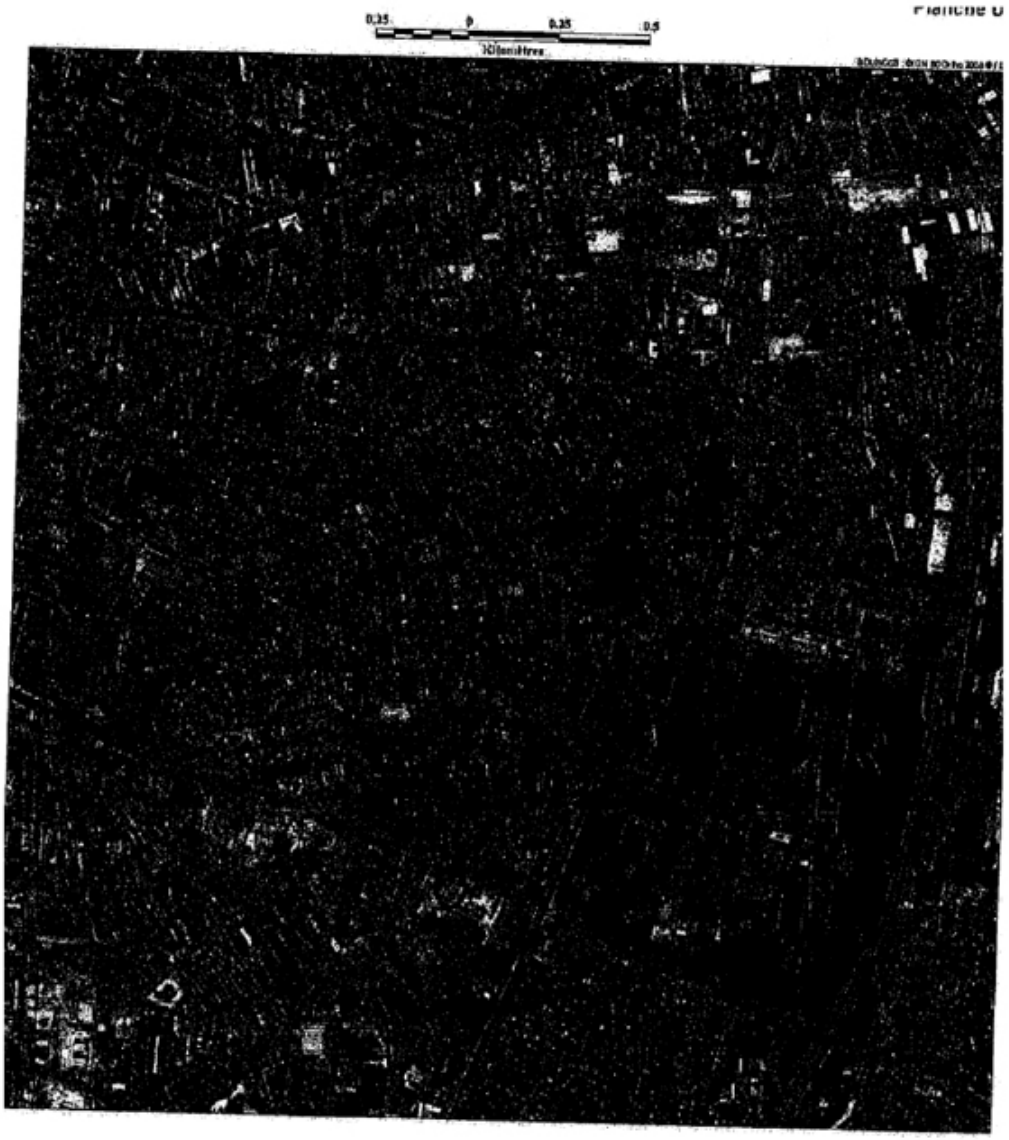

BOURGOGNE
FRANCHE-COMTE
AUVERGNE
PROVENCE-ALPES-
COTE-D'AZUR
LANGUEDOC-ROUSSILLON
Zonage réglementaire
en RHONE-ALPES
Zones de sismicité
très faible
faible
modérée
moyenne
forte
0 10 20km
MONTPELLIER
ARLES
AIX-EN-PROVENCE
DRAGUIGNAN
CASTELLANE
APT
FORCALQUIER
AVIGNON
LE VIGAN
AUTUN
CHALON-SUR-SAONE
BEAUNE
DOLE
PONTARLIER

Municipality: LYON
Plate U26

Limit of Commune

PPR flood – summary of regulatory zones

PPR technological – study perimeter



list of natural disaster decisions (for information)

Date of appearance of the decision in the OJ (Official Journal)	Nature of Risk
01/13/2008	Floods and mudslides
10/14/2005	Earth movements
02/09/2002	Floods by rising of water table
08/23/2000	Floods and mudslides
02/26/2000	Floods and mudslides
07/09/1996	Floods and mudslides
01/28/1996	Floods and mudslides
08/03/1995	Floods and mudslides
09/25/1994	Floods and mudslides
06/25/1994	Floods and mudslides
06/10/1994	Floods and mudslides
02/18/1994	Floods and mudslides
10/24/1993	Floods and mudslides
12/15/1990	Floods and mudslides
06/24/1983	Floods and mudslides
06/24/1983	Floods and mudslides
01/13/1983	Floods and mudslides
01/29/1983	Snow Weight – Falling Snow
12/22/1982	Snow Weight – Falling Snow
11/19/1982	Storm

Date of preparation of this sheet **02/13/2009**

GLOSSARY

PPR: Risk Prevention Plan

They may concern natural risks (PPRn) or technological risks (PPRt).

The risk prevention plan is a document prepared by the State which draws the boundaries of zones exposed to risks and those not directly exposed in order to:

- prohibit projects or prescribe conditions of construction and use in the plan,
- define measures applicable to existing projects in the plan,
- define preventive, protective and safeguard measures in the plan.

The different phases of carrying out the PPR:

Prescription Decision (by the Prefect)

It defines the risks to be considered and the scope of the PPR

PPR Project Established

- of a presentation report which contains the analysis of the phenomena considered, and the study of their impact on persons and on property, existing and future. This report also indicates the principles for preparation of the PPR and the discussion of the reasons for the regulation.
- of a regulatory map at a scale between 1/10,000 and 1/5,000 generally, which draws the boundaries of the zones regulated by the PPR,
- of a regulation which indicates the rules that apply to each zone.

Public Inquiry

PPR Project possibly modified

Approval Decision (by the Prefect)

Annexing of the PPR to the Local Urban Development Plan or to the Land Occupancy Plan

Decision on Natural or Technological Disasters

These are inter-ministerial decisions determining the zones and periods where disasters are located, and indicating the nature of the damage resulting from the disasters.

They make it possible to know the risks incurred and have financial repercussions with respect to insurance deductibles if the commune does not have a PPR.

Here are the applicable specific procedures, based on the number of findings of a state of natural disaster which occurred due to the same risk during the five years prior to the date of any new finding:

- 1st and 2nd decisions of finding of natural disaster: application of the deductible;
- At the 3rd decision: doubling of the applicable deductible;
- At the 4th decision: tripling of the applicable deductible;
- At the 5th decision and at following decisions: quadrupling of the applicable deductible.

FRENCH REPUBLIC

DEPARTMENTAL EQUIPMENT

DIRECTORATE

PREFECTURE OF THE RHÔNE

PREFECTORAL DECISION No. 2009-3943 AMENDING PREFECTORAL DECISION No. 2006-1585 OF FEBRUARY 14 2006 AMENDED RELATED TO THE PROVISION OF INFORMATION TO PURCHASERS AND TENANTS OF REAL ESTATE ON MAJOR NATURAL AND TECHNOLOGICAL RISKS AND ACCIDENTS IN THE MUNICIPALITY OF LYON

PREFECT OF THE RHÔNE -ALPES REGION
PREFECT OF THE RHÔNE
CHEVALIER OF THE LEGION D'HONNEUR
[KNIGHT OF THE LEGION OF HONOR]

IN VIEW OF the General Code of Territorial Collectivities;

IN VIEW OF the Environmental Code, specifically Articles L 125-5 and R 125-23 through R 125-27;

IN VIEW OF Decree No. 91-461 of May 14, 1991 amended related to the prevention of seismic risk;

IN VIEW of prefectural decision no. 2009-3942 of July 20, 2009 amending prefectural decision no. 2006-1527 of February 14, 2006 amended related to provision of information to purchasers and tenants of real estate on major natural and technological risks;

ON THE PROPOSAL by the Departmental Director of Equipment;

DECISION

Article 1

In application of the provisions of Article 2 of Decision No. 2006-1585 of February 14, 2006 and as a result of the approval of the natural flood risks prevention plan on the territory of the municipalities of Greater Lyon exposed to direct and indirect overflows of the Rhône and of the Saône in the Lyon and Villeurbanne sector, the information package of the municipalities attached to this Decision No. 2006-1585 of February 14, 006,

which contains elements necessary to prepare the risks report, intended for information on major natural and technological risks of real estate purchasers and tenants located in the Lyon municipality is replaced by the package attached to this decision.

Article 2

Ladies and Gentlemen, the secretary general of the prefecture of the Rhône, sub-prefects of districts, the departmental director of equipment and the mayor of Lyon are responsible, each for the matters that concern him or her, for the application of this decision which shall be published in the compilation of administrative acts of the Rhône prefecture.

Done in Lyon, on July 20, 2009

Prefect

FRENCH REPUBLIC

PREFECT OF THE RHÔNE

PREFECTORAL DECISION No.2011-1942 AMENDING PREFECTORAL DECISION No.2009-3943 OF JULY 20, 2009 RELATED TO THE PROVISION OF INFORMATION TO PURCHASERS AND TENANTS OF REAL ESTATE ON MAJOR NATURAL AND TECHNOLOGICAL RISKS AND ACCIDENTS IN THE MUNICIPALITY OF LYON

PREFECT OF THE RHÔNE -ALPES REGION
PREFECT OF THE RHÔNE

In view of the General Code of Territorial Collectivities;

In view of the Environmental Code, specifically Articles L 125-5 and R 125-23 through R 125-27;

In view of Decree No. 2010-1254 of October 22, 2010 related to the prevention of seismic risk;

In view of Decree No. 2010-1255 of October 22, 2010 related to the setting of boundaries of seismicity zones on French territory;

In view of prefectural decision no. 2011-2152 of April 26, 2011 amending prefectural decision no. 2010-6147 of November 26, 2010 related to provision of information to purchasers and tenants of real estate on major natural and technological risks;

On the proposal of the Departmental Director of Territories;

DECISION

Article 1

As a result of the setting of boundaries in a zone of low seismicity of the municipality by the above-mentioned decree, the information package of the commune attached to Decision No. 2009-3943 of July 20, 2009, which contains the elements necessary to prepare the risk report, intended for information on major natural and technological risks of real estate purchasers and tenants located in the Lyon municipality, is supplemented by the information attached to this decision.

Article 2

Ladies and Gentlemen, the secretary general of the prefecture of the Rhône, sub-prefects of districts, the departmental director of equipment and the mayor of Lyon are responsible, each for the matters that concern him or her, for the application of this decision which shall be published in the compilation of administrative acts of the Rhône prefecture.

Done in Lyon, on April 26, 2011

[stamp:] [For the Prefect,
General Secretary

Josiane CHEVALIER Prefect

[*signature*]

Decisions on recognition of Natural Disaster

Lyon

INSEE: 69123 – Population: 472,300

Department: RHONE – Region: Rhône-Alpes

Update: 06/12/2012

Disaster Type	Start on	End on	Decision of	In OJ of
Storm	11/06/1982	11/10/1982	11/18/1982	11/19/1982
[illegible]	11/26/1982	11/27/1982	01/24/1983	01/29/1983
Snow weight – Falling Snow	[illegible]	[illegible]	[illegible]	[illegible]
Floods and mudslides	12/08/1982	12/31/1982	01/11/1983	01/13/1983
Floods and mudslides	04/01/1983	04/30/1983	06/21/1983	06/24/1983
Floods and mudslides	05/16/1983	05/18/1983	06/21/1983	06/24/1983
Floods and mudslides	07/29/1990	07/29/1990	12/04/1990	12/15/1990
Floods and mudslides	10/05/1993	10/10/1993	10/19/1993	10/24/1993
Floods and mudslides	10/05/1993	10/10/1993	02/02/1994	02/18/1994
Floods and mudslides	10/05/1993	10/10/1993	06/17/1996	07/09/1996
Floods and mudslides	10/10/1993	10/10/1993	07/18/1995	08/03/1995
Floods and mudslides	10/18/1993	10/18/1993	05/27/1994	06/10/1994
Floods and mudslides	01/07/1994	01/21/1994	06/06/1994	06/25/1994
Floods and mudslides	01/07/1994	01/21/1994	06/09/1994	06/09/1994
Floods and mudslides	09/07/1995	09/07/1995	01/08/1996	01/28/1996
Floods and mudslides	10/22/1999	10/24/1999	02/07/2000	02/26/2000
Floods and mudslides	06/10/2000	06/10/2000	08/03/2000	08/23/2000
Floods by raising of water table	03/18/2001	03/28/2001	01/23/2002	02/09/2002
Landslides	04/17/2005	04/18/2005	10/06/2005	10/14/2005
Floods and mudslides	08/06/2007	08/06/2007	01/10/2008	01/13/2008

Ministry of Sustainable Development

Prefecture of: **RHONE**

Declaration
of compensated claims

in application of IV of Article **L 125-5 of the Environmental Code**

Building Address

Municipality
LYON

Claims compensated in the framework
of recognition of the state of disaster

	Decisions recognizing the state of disasters in favor of the municipality	Check the **YES** or **NO** boxes if, to your knowledge, the building was subject to compensation [illegible] events	
Storm	Decision dated 11/18/1982	☐ Yes	☐ No
Snow Weight – snowfall	Decision dated 12/15/1982	☐ Yes	☐ No
Floods and mudslides	Decision dated 01/11/1983	☐ Yes	☐ No
Snow Weight – snowfall	Decision dated 01/24/1983	☐ Yes	☐ No
Floods and mudslides	Decision dated 06/21/1983	☐ Yes	☐ No
Floods and mudslides	Decision dated 12/04/1990	☐ Yes	☐ No
Floods and mudslides	Decision dated 10/19/1993	☐ Yes	☐ No
Floods and mudslides	Decision dated 02/02/1994	☐ Yes	☐ No
Floods and mudslides	Decision dated 05/27/1994	☐ Yes	☐ No
Floods and mudslides	Decision dated 06/06/1994	☐ Yes	☐ No
Floods and mudslides	Decision dated 09/08/1994	☐ Yes	☐ No
Floods and mudslides	Decision dated 07/18/1995	☐ Yes	☐ No
Floods and mudslides	Decision dated 01/08/1996	☐ Yes	☐ No
Floods and mudslides	Decision dated 06/17/1996	☐ Yes	☐ No
Floods and mudslides	Decision dated 02/07/2000	☐ Yes	☐ No
Floods and mudslides	Decision dated 08/03/2000	☐ Yes	☐ No
Floods by rising of water table	Decision dated 01/23/2002	☐ Yes	☐ No
Landslides	Decision dated 10/06/2005	☐ Yes	☐ No
Floods and mudslides	Decision dated 01/10/2008	☐ Yes	☐ No

Prepared on:

Name and signature of seller or lessor

Stamp/Signature in case of service provider or agent

Signature of purchaser or tenant

RIDER No. 1
TO THE LEASE SIGNED ON JUNE 9, 2015
TAKING EFFECT ON JULY 1, 2015

PFO2

A French Real Estate Investment Company with its headquarters located in the 17th Arrondissement of Paris at 9, rue Jadin, and listed in the Paris Trade and Companies Register under number D 513 811 638,

Represented by PERIAL Asset Management, an SAS single-member company (SASU) with share capital of €495,840, with headquarters in the 17th Arrondissement of Paris at 9, rue Jadin, and listed in the Paris Trade and Companies Register under number 775 696 446, Management Company for PFO2, under the terms of the bylaws filed at the offices of Mr. Dechin, an attorney in PARIS, on July 23, 2009.

PERIAL Asset Management, represented by its **CEO Mr. Eric Cosserat**, himself represented by **Ms. Céline Crestaux-Desplanche**, Asset Management Director, and **Ms. Florence Vetois**, Asset Management Director, duly authorized for this purpose.

Hereinafter, "the Lessor"

AND

ERYTECH PHARMA, with share capital of €873,264.80 and whose headquarters are located in LYON 69008, 60 avenue Rockefeller – ADENINE Building, listed in the LYON Trade and Companies register under number 479 560 013,

Represented by **Mr. Gil Beyen** in his capacity as Chief Executive Officer

Hereinafter, "the Lessee"

The Lessor and Lessee are hereinafter referred to jointly as the "**Parties**" and as the "**Party**" when referred to individually.

PREAMBLE

LYON 2006 INVESTORS SAS granted a lease through a private agreement taking effect on September 24, 2007, to the Lessee, ERYTECH PHARMA SA, in the ADENINE property complex located at 60 avenue Rockefeller – 69008 LYON, a description of which appears below:

- **On the ground floor and on the 5th floor of the building, miscellaneous office and laboratory space including a portion of common area amounting to around 924.10 m², surface area of around 46 m² for archives in the basement, as well as two exterior parking spaces and nine parking spaces underground.**

In accordance with a Rider No. 1 taking effect on August 25, 2008, the Lessor and Lessee agreed to add additional space to the lease, as described below:

- **On the 4th floor of the building, miscellaneous office space including a portion of common area amounting to around 399.23 m², as well as one exterior parking space and four parking spaces underground.**

Under the terms of a real estate deed dated August 8, 2012, SCPI PFO2 acquired the entire ADENINE complex, thus taking over the rights of the Lessor.

Under the terms of a lease termination agreement taking effect on June 30, 2015, the parties agreed to terminate the prior lease and concomitantly sign a commercial lease taking effect on June 1, 2015, as described below:

The premises leased, including a portion of the common areas, consist of:

- **Premises for use as office space and offices-laboratories:**
  - **Ground floor: around 477.10 m² of leasable space (offices - laboratories)**
  - **First floor: around 430 m² of leasable space (offices - laboratories)**
  - **Fourth floor: around 399.23 m² of leasable space**
  - **Fifth floor: Attic: around 447 m² of leasable space (offices - laboratories)**
  - **Archives room in basement, Level -1: 46 m² of leasable space**
  - **A laboratory waste room located on the ground floor that may be used by the building's various lessees**
- **Parking places:**
  - **19 underground parking spaces, numbered as follows: 1 – 22 – 31 – 35 – 36 – 45 – 52 – 53 – 54 – 55 – 56 – 57 – 59 – 60 – 61 – 62 – 63 – 64 – 66**
  - **Four exterior parking spaces, numbered as follows: 73 – 74 – 75 – 81**

ERYTECH PHARMA has recently informed JONES LANG LASSALLE of its interest in taking a lease for additional space of around 433 m², with a portion of the common areas, on the ground floor of the ADENINE building, as well as five additional parking places underground.

To achieve this, the Parties have agreed to append a rider for extending the current lease for the surfaces cited above, under the following terms:

IT IS THUS AGREED AS FOLLOWS:

Article 1 — Additional rental surface

Beginning on February 1, 2017, the Lessor leases to the Lessee miscellaneous premises of around 433 m2 with a portion of the common areas, as well as five additional parking places underground, numbered 37 to 40 inclusive and 68.

Article 2 — Additional annual rent, excluding tax and fees

Beginning on February 1, 2017, the Lessee shall be liable for additional annual rent excluding taxes and fees to the Lessor in the amount of €78,360, excluding tax, for this additional surface area, including parking.

Article 3 — Quarterly provision for additional fees

Beginning on February 1, 2017, the quarterly provision for fees will increase by €8,750 for this additional space.

Of which Operating fees: €5,125

Real estate tax: €3,625

This provision is calculated to include all taxes, and the VAT will appear when the statement of fees is sent to the Lessee.

Article 4 — Rent-free period for the additional rental space described in Article 2

The Lessor grants a rent-free period of two months to the Lessee, excluding fees and taxes, which will constitute a rent reduction for the Lessee granted by the Lessor on an exceptional basis as a purely commercial gesture. Consequently, the additional rent will be due beginning from April 1, 2016; provisions for fees and taxes are still due beginning from the date this rider takes effect.

Article 5 — Renovation work to be completed by the Lessee

The Lessor hereby authorizes the Lessee to carry out modifications at its own cost and under its own liability, specifically to install an access door for the premises in lieu of the mailbox assembly, and to install a delivery access door in the front, as described in the brief description included in the appendix.

The Lessee shall also pay for the cost of installing IT and telephone cabling.

- The Lessee shall provide advance notification with regard to the modification to the facade.
- The Lessor shall confirm the feasibility of the project provided that modification to parking spaces is approved by the tenants concerned and that an inspector whose services are paid for by the Lessee approves the work.
- Work shall be carried out in accordance with trade standards by qualified companies under the full liability of the Lessee and with the Lessee paying the full costs.
- Work shall not impair the structural soundness of the building, nor shall it modify the building’s intended use.
- The Lessee shall contract with an inspection office to carry out types L and LP structural inspections with regard to cutting the footer of the facade curtain wall.
- The Lessee shall ensure compliance with current and future regulations so that the Lessor may never be disturbed nor made liable with regard to this, specifically in the area of construction, hygiene and safety legislation. To achieve this, the Lessee agrees particularly to contract an inspection office to carry out building structural (L), structural (LP), fire safety (STI) and technical plant proofing (PV) inspections to certify compliance of electrical work with regulations.
- The Lessee agrees to submit a copy of the DOE (completed work file) for installed work.
- Should the Lessee terminate the lease, the Lessee agrees to restore the premises to their original condition upon the express request of the Lessor.

Furthermore, the Lessee must submit the following items:

- Existing interior plan.
- A detailed description of work completed.
- The Initial Inspection Report (RICT).
- Specification sheets of significant equipment, such as lighting, HVAC equipment, etc.

Article 6 — Renovation work to be completed by the Lessor

The Lessor shall carry out the partitioning modifications on the existing layout of the additional surface area in the lease according to the plan and description appended to this rider under its own liability and at its own expense.

Article 7 — Additional security deposit

The Lessee shall pay an additional security deposit to the Lessor in the amount of €19,590 upon signature of this rider.

Article 8 — Inventory and condition report

On the date the premises described by this rider are to be made available, a joint temporary inventory and condition report shall be prepared between the parties.

Furthermore, a final joint inventory and condition report shall be prepared between the parties upon handover of the work completed by the Lessee with regard to the work described specifically in paragraph 2 of Article 4 above.

It is expressly agreed between the parties that this final inventory inspection and report shall be carried out after the work acceptance report no later than April 30, 2017.

Article 9 - Formalities and fees

The Lessee states that it will personally accomplish all formalities resulting from this termination such that the Lessor's liability may in no way be incurred regarding this. Any costs arising from this termination shall be borne by the Lessee.

Article 10 - No change to the lease

All terms of the lease that took effect on July 1, 2015 that have not been modified by this rider shall remain unchanged.

Executed in Paris, in two original copies, one of which to the Lessor

On 12.30.2016

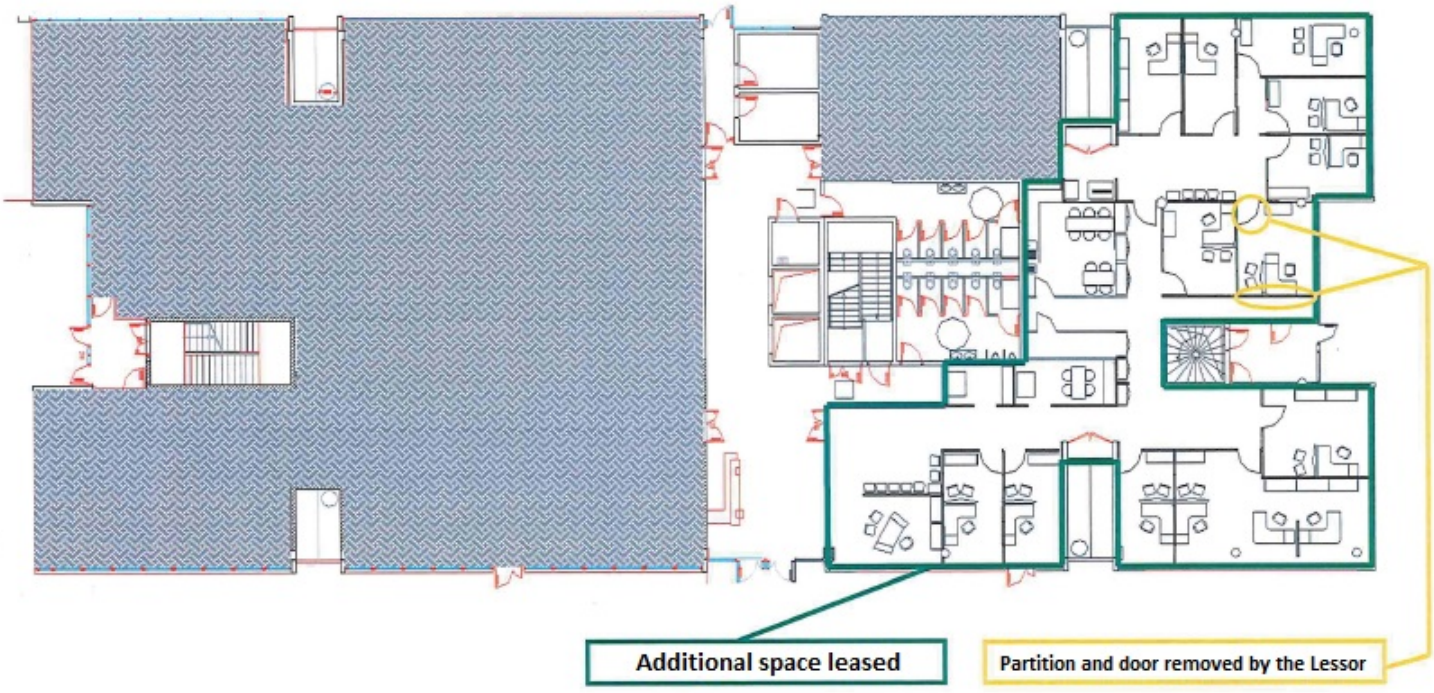
THE LESSEE

ERYtech Pharma ®
60 avenue Rockefeller
Bâtiment Adénine
F - 69008 LYON
Tél. 33-(0)4 78 74 44 38

THE LESSOR

PLAN OF ADDITIONAL LEASED SPACE

Lyon ADENINE



PLAN OF ADDITIONAL LEASED PARKING SPACES

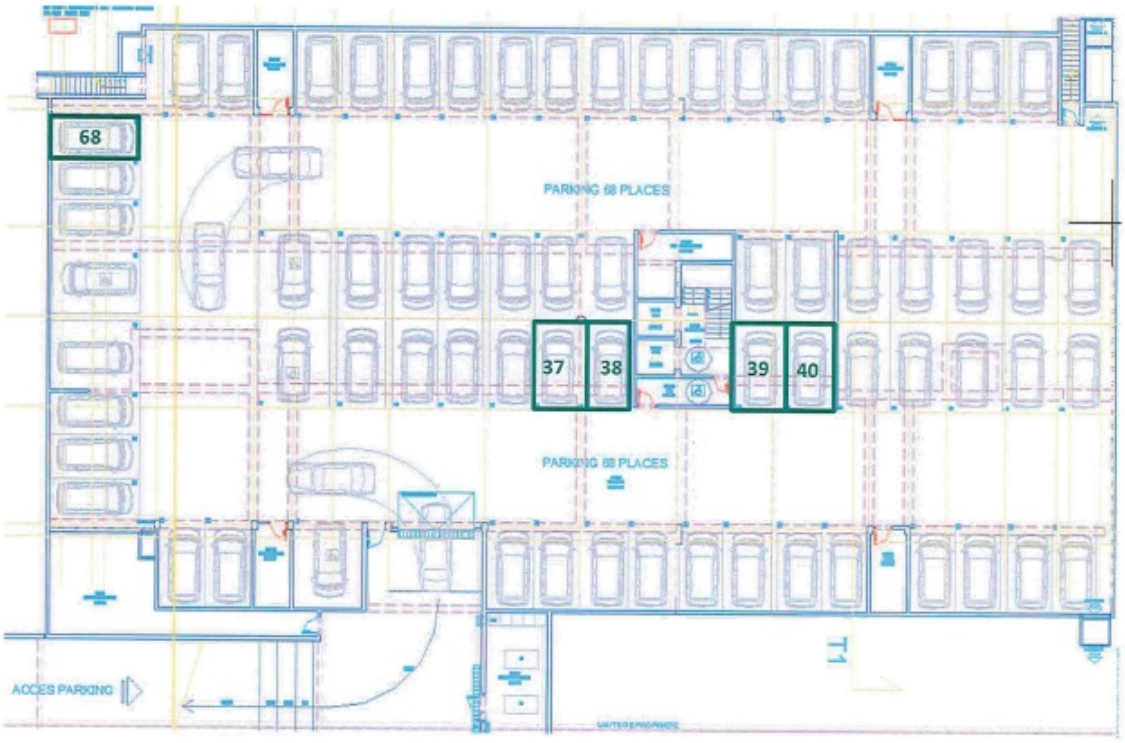


Exhibit 10.3

*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

ORPHAN EUROPE
RECORDATI GROUP

THE ORPHAN PHARMACEUTICAL COMPANY

EXCLUSIVE LICENSE AND DISTRIBUTION AGREEMENT

THIS AGREEMENT is entered into on November 22, 2012 (the "**Effective Date**")

BETWEEN:

(1) **ERYtech Pharma S.A**, a *Société Anonyme* existing and organized under the laws of the Republic of France, having its registered head office at 60 Avenue Rockefeller, Bâtiment Adenine, 69008 Lyon, France, with a registered capital of 315.355 Euros ("**ERYtech**"); and

(2) **ORPHAN EUROPE**, a *société à responsabilité limitée* existing and organized under the laws of the Republic of France, having its registered head office at Immeuble Le Wilson, 70 Avenue du Général de Gaulle, 92800 Puteaux, France, registered with the Trade and Companies Registry of Nanterre under number 379 088 115 ("**OE**").

ERYtech and OE are each referred to herein as a "**Party**" and together as the "**Parties.**"

WHEREAS:

(A) ERYtech is a French specialty pharma company which is developing personalized cell therapy medicinal products such as therapeutic molecules or enzymes encapsulated into red blood cells. In particular, ERYtech develops the GRASPA® product which consists of a suspension of erythrocytes encapsulating L-asparaginase in a preservative solution.

(B) OE is a pharmaceutical company focusing on the development, manufacturing and commercialization of orphan pharmaceutical products, and is controlled by Recordati Spa, which is a European pharmaceutical company dedicated to research, development, manufacturing and marketing of specialty and primary care pharmaceuticals.

(C) ERYtech has agreed to appoint OE as its exclusive distributor of GRASPA® in the European Union and certain additional territories and to grant OE a license to further develop GRASPA® in relation to acute myeloid leukaemia by obtaining regulatory authorizations for such indication.

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

1. Definitions and Interpretation

1.1 The following terms shall have the following meanings when used in this Agreement:

Additional Indications	shall mean any human health indication other than the Primary Indications in which ERYtech may wish to Develop the Product.
Additional Territories	shall mean any of Turkey, Russia and the Commonwealth of Independent States, the countries of the Middle East (excluding Israel) listed in Schedule 1.1.1 and all the countries of Africa.
Affiliates	shall mean, with respect to a Party, any entity that controls, is controlled by, or is under common control with such Party. For the purpose of this definition only, "control" shall mean: (a) the possession, directly) or indirectly, of the power to direct the management or policies of such entity, whether through the ownership of voting securities, by contract or otherwise, or (b) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of such Party.
ALL Indication	shall mean the treatment of acute lymphoblastic leukaemia.
ALL Marketing Plan	shall have the meaning set out in clause 9.2.
AML Development Plan	shall mean the Development plan for the Product in the AML Indication, an outline of which is set out in Schedule 1.1.2, as will be completed pursuant to clause 10.3.
AML Indication	shall mean the treatment of acute myeloid leukaemia.
AML Marketing Plan	shall have the meaning set out in clause 9.2.
Applicable Laws	shall mean any law, statute, regulation, rule, ordinance, principle of common law, order or decree of any domestic, foreign or supranational court or other judicial authority or governmental, administrative or regulatory body, department, agency, commission, authority or instrumentality (including any judicial or administrative interpretation thereof) in force.

Approval Milestones	shall have the meaning set out in clause 11.2.
Centralized Procedure	shall mean the procedure for authorizing medicinal products as laid down in Regulation (EC) No 726/2004 and advanced therapy medicinal products as laid down by Regulation (EC) No 1394/2007.
cGMP	shall mean current good manufacturing practices, as set forth in Directive 2003/94/EC, as amended from time to time, and applicable regulations and guidance thereunder.
Commercial Milestones	shall have the meaning set out in clause 11.3.
Commercially Reasonable Efforts	shall mean, with respect to a Party and an activity, the efforts and resources which would be used (including the promptness with which such efforts and resources would be applied) by companies of similar size and resources as such Party and those of its Affiliates actually involved in the performance of such activity pursuant to this Agreement, which shall include all Affiliates controlled by OE in the Territory, in conducting such activity for their pharmaceutical products that are of comparable commercial potential and stage of Development to the applicable Product, provided that such efforts shall apply to the Territory as a whole and it being agreed that obtaining a Marketing Authorization, price or reimbursement approvals with a potential negative cross reference pricing impact or likely to affect the commercialization of the Product in one or more specific countries of the Territory, may impact in an adverse manner the economic success of the Product in the Territory as a whole, which is the agreed goal of the Parties.
Control or Controlled	means, with respect to any intellectual property rights, that a Party has or will have, the legal authority or right (whether by ownership, license or otherwise) to grant a license, sublicense, access or right to use (as applicable) under such intellectual property rights to the other Party on the terms and conditions set forth herein.
Develop and Development	"**Development**" shall mean all activities that relate to obtaining, maintaining or expanding a Marketing Authorization of the Product and to support appropriate usage for the Product, for one or more indications. This includes preclinical/nonclinical research and testing, toxicology, and clinical trials as well as all studies that are requested in writing by a Regulatory Authority as a

	condition of, or in connection with, obtaining or maintaining a Marketing Authorization. "**Develop**" has a correlative meaning.
EMA	shall mean the European Medicines Agency or any successor thereto.
ERYtech Indemnitees	shall have the meaning set out in clause 17.7.
Firm Order	shall have the meaning set out in clause 7.6.
Force Majeure	shall have the meaning set out in clause 20.6.
GAAP	shall mean the international financial reporting standards ("**IFRS**"), or, with respect to ERYtech, generally accepted accounting principles applicable in France.
Improvements	shall mean all improvements, modifications or adaptations to any part of the Licensed IP Controlled by either Party during the term of this Agreement.
Information	shall have the meaning set out in clause 18.1.
Initial Term	shall have the meaning set out in clause 15.1.
Joint Steering Committee	shall mean the joint steering committee established by the Parties in accordance with clause 10.
Licensed IP	shall mean the Patents and Results, including any Improvement, Controlled by ERYtech at any time during the Term of this Agreement. Schedule 1.1.3 lists the Patents which are part of the Licensed IP as of the Effective Date.
Major Market	shall mean any or all of [***].
Marketing Authorization or MA	shall mean the approval by a Regulatory Authority in the Territory for the marketing of pharmaceutical products, including a marketing authorization as issued by the EMA and all amendments and supplements thereto. For the avoidance of doubt, Marketing Authorization does not include pricing and reimbursement approvals, import/export permits or other business licenses generally. "**Marketing Authorization Application**" or "**MAA**" shall mean an application for a Marketing Authorization.
Medac Agreements	shall mean the supply agreements first dated respectively as of December 10, 2008 (the "**2008 Medac Agreement**") and April 6, 2011 (the "**2011 Medac Agreement**") between ERYtech and Medac, pursuant to which ERYtech sources L-asparaginase for GRASPA®.

Net Sales	shall mean, in relation to a Product, the gross amount invoiced by OE, its Affiliates and/or their respective Sub-Licensees to a Third Party, but deducting the following costs to the extent solely related to the Product and actually allowed, incurred or paid by OE, its Affiliates or Sub-Licensees with respect to the sale of such Product (all determined in accordance with GAAP in respect of OE and its Affiliates): [***] For clarity, in the case of transfers of Product between OE and its Affiliates or Sub-Licensees, for subsequent sale or other transfer of such Product to Third Parties, Net Sales shall be the gross amount invoiced to such Third Parties for that Product without double counting, less the deductions set forth above.
ODD	shall mean the orphan drug designation of the Product as granted by the EMA.
Patents	shall mean patent applications and patents, including without limitation any divisions, reissues, renewals, continuations (in whole or in part), revalidations, registrations, confirmations, substitutions, re-examinations, revisions, additions, supplementary protection certificates, and extensions thereof.
Primary Indications	shall mean the ALL Indication and the AML Indication.
Product	shall mean (i) a pharmaceutical product (designated hereunder as GRASPA®) consisting of a proprietary form and method of use of asparaginase encapsulated in erythrocytes as currently manufactured by ERYtech based on its Licensed IP and related know how, and (ii) any different dosage forms and different strengths (including for avoidance of doubts products based on different forms of asparaginase) or products obtained with a different manufacturing process of asparaginase encapsulated in erythrocytes, as may be manufactured by or for ERYtech based on its Licensed IP and related know how or otherwise available to ERYtech for use in the Primary Indications in the Territory.
OE Indemnitees	shall have the meaning set out in clause 17.8.
Regulatory Authority	shall mean any governmental entity of competent jurisdiction over the Development, manufacturing, marketing, promotion, sale, pricing or reimbursement of pharmaceutical products.

Renewal Term	shall have the meaning set out in clause 15.2.
Results	shall mean all data, results, and information of any type whatsoever, in any tangible or intangible form, including know-how, trade secrets, practices, techniques, methods, processes, inventions, developments, specifications, formulations, formulae, materials or compositions of matter of any type or kind (patentable or otherwise), software, algorithms, marketing reports, expertise, stability, technology, test data including pharmacological, biological, chemical, biochemical, toxicological, and clinical test data, safety and pharmacovigilance data, analytical and quality control data, stability data, studies and procedures.
Royalty	shall have the meaning set out in clause 12.1.
Specifications	shall mean the finished product specifications of the Product as set forth in the relevant Marketing Authorizations in the Territory.
Sub-Licensee	shall mean any sub-licensee appointed by OE or its Affiliates in accordance with this Agreement.
Supply Price	shall mean the following unit costs incurred by ERYtech in connection with the manufacture and delivery of the Product to the customer stipulated in a Firm Order, as well as related activities (including interactions with OE, its Affiliates or Sub-Licensees with respect to the delivery and hemovigilance) (all determined in accordance with GAAP) [***]. For the sake of clarity, [***] shall be included in the Supply Price.
Target Population	shall mean fragile patients, (a) at first diagnosis, elderly patients, unfit patients, and patients allergic or intolerant to free asparaginase products, and (b) relapsing/refractory patients.
Term	shall mean the Initial Term and any Renewal Term.
Territory	shall mean the 27 countries currently forming the European Union, Norway, Switzerland, Liechtenstein, Croatia, Iceland, Serbia, Macedonia, Montenegro, Kosovo, Albania, and Bosnia and Herzegovina, including their current possessions and territories.
Third Party	shall mean any person or entity other than the Parties, any Affiliate of either of the Parties, or, with respect to OE or its Affiliates, any Sub-Licensee.

Trade Mark	shall mean the trade mark "GRASPA," owned by ERYtech, together with such other trade marks pursuant to clause 14.3.
Upfront Payment	shall have the meaning set out in clause 11.1.

1.2 Unless the context requires otherwise:

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein);

(b) any reference to any laws, codes or regulations herein shall be construed as referring to such laws as from time to time enacted, repealed or amended;

(c) any reference herein to any person shall be construed to include the person's successors and assigns;

(d) all references herein to clauses or schedules, unless otherwise specifically provided, shall be construed to refer to clauses and schedules of this Agreement, which are an integral part of this Agreement;

(e) The definitions of the terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(f) The words "include" and "contain" (and their variant forms) shall be deemed to be followed by the phrase "without limitation;"

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall;"

(h) The word "any" shall mean "any and all" unless otherwise clearly indicated by context; and

(i) Where either Party's approval or consent is required hereunder, except as otherwise specified herein, such Party's approval or consent shall be in writing and may be granted or withheld in such Party's discretion, but shall not be unreasonably denied, delayed or conditioned.

2. Exclusive Appointment

2.1 Subject to the terms and conditions of this Agreement ERYtech hereby grants OE the exclusive rights under the Licensed IP and the Trade Mark solely to the extent necessary to:

(a) Develop the Product for the AML Indication pursuant to the AML Development Plan;

(b) apply for and hold the MA under the Trade Mark for the Primary Indications in accordance with clause 6; and

(c) use, market and sell the Product under the Trade Mark for the Primary Indications in the Territory.

2.2 ERYtech shall not sell, and shall not appoint any other distributors of, or otherwise permit any Third Party to sell, the Products for the Primary Indications in the Territory. OE shall not sell the Product outside the Territory and shall not promote the Product outside of the Primary Indications.

2.3 OE may sub-license the rights granted to it pursuant to clause 2.1 provided that:

(a) all sub-licenses shall be in accordance with the terms of this Agreement;

(b) all sub-licenses granted shall terminate automatically on termination or expiry of this Agreement; and

(c) OE shall be liable for all acts and omissions of any sub-licensee and shall indemnify ERYtech in accordance with clause 17.7 as though such act or omission was made by OE.

3. Right of First Negotiation for Additional Indications and Additional Territories

3.1 In the event that ERYtech intends to enter into a license or other arrangement with respect to the Product with any Third Party in relation to:

(a) any country within the Additional Territories; or

(b) any Additional Indication in the Territory or in the Additional Territories;

ERYtech shall notify OE of such intention in writing. Such notification shall include all material information and documentation available to ERYtech and reasonably relevant for the evaluation by OE. Without limiting the generality of the foregoing, Schedule 3.1 lists certain matters to be so included to the extent available to ERYtech.

3.2 Within thirty (30) days (or within forty (45) days if the notice pursuant to clause 3.1 falls in August or December) of ERYtech's notice to OE pursuant to clause 3.1, OE shall notify ERYtech in writing whether it wishes to enter into discussions in relation to a license or other arrangement for such Additional Territories or Additional Indications with ERYtech. If OE notifies ERYtech that it does not wish to enter into discussions in relation to a license or other arrangement for such Additional Territories or Additional Indications, or in the absence of any notification by OE within such period, ERYtech shall be entitled to enter into a license or other arrangement in relation to such Additional Territories or Additional Indications with a Third Party.

3.3 If OE notifies ERYtech that it wishes to enter into discussions in relation to a license or other arrangement for such Additional Territories or Additional Indications the Parties shall [***]. Such negotiation shall be on the basis, to the extent reasonable, of specific additions or amendments to the provisions of this Agreement.

3.4 If the Parties have not entered into a definitive agreement in relation to such Additional Territories or Additional Indications within the [***] period referred to in clause 3.3, ERYtech shall be entitled to enter into a license or other arrangement in relation to such Additional Territories or Additional Indications with a Third Party provided that the terms and conditions of such license or other arrangement, taken as a whole, are not less advantageous for ERYtech than the last terms and conditions proposed by OE, taken as a whole.

3.5 If ERYtech enters into a license or other arrangement with a Third Party with respect to the Product in relation to any Additional Territories or Additional Indications and:

(a) such license or other arrangement provides for a lower supply price for the Product which may adversely impact OE's or its Affiliates' Net Sales price for the Product in the Territory or in the Primary Indications; or

(b) such license or other arrangement may lead to parallel exports (in the case of a license or other arrangement relating to an Additional Territory) or off-label promotion (in the case of a license or other arrangement relating to an Additional Indication) by the Third Party which may adversely impact OE's or its Affiliates' sales of the Product in the Territory or the Primary Indications;

ERYtech shall then promptly notify OE in writing (provided that the Parties acknowlege and agree that ERYtech may not have all necessary information allowing it to determine whether the circumstances set forth in subclause (a) or (b) are met, and in such case, ERYtech shall request additional information from OE to make such determination, including as to the existence and materiality of the adverse impact) and [***] as from the first date of such adverse impact on the business of OE or its Affiliates, but such retroactive application shall not apply to a period which is longer than [***] before ERYtech's notice of the adverse impact.

If OE becomes aware of such adverse impact without having received a notice from ERYtech, it shall then notify ERYtech in writing and the Parties shall promptly negotiate in good faith [***], it shall be retroactively applied as from the first date of such adverse impact on the business of OE or its Affiliates, but such retroactive application shall not apply to a period which is longer than [***] before OE's notice to ERYtech of the adverse impact.

If, after having discussed in good faith pursuant to clause 3.5, ERYtech and OE fail to agree [***] as a consequence of ERYtech entering into a license or other arrangement with a Third Party as described in clauses 3.5 (a) or 3.5 (b) with respect to the Product in relation to any Additional Territories or Additional Indications. If ERYtech and OE cannot agree on the appointment of an expert within fifteen (15) days from the notice of disagreement, the expert shall be appointed by the president of the commercial court of Lyon at the request of either Party. The assessment of the expert shall be binding upon the Parties and the Supply Price or the Royalties shall be adjusted accordingly as from the date indicated in the preceding paragraph of this clause 3.5.

4. Non Compete

During the Term and without prejudice to any other obligations of OE hereunder, if OE is directly or indirectly (i.e. through its Affiliates or through any licenses or other commercial arrangements) involved in the Development, marketing, promotion, distribution, supply or sale in the Territory of any product [***].

In the event of a disagreement as to whether a product is a Competing Product, ERYtech and OE shall appoint an expert from a reputable firm to assess, in good faith, whether the Product is a Competing Product. If ERYtech and OE cannot agree on the appointment of an expert within fifteen (15) days from the notice of disagreement, the expert shall be appointed by the president of the commercial court of Lyon at the request of either Party.

Within fifteen (15) days from the acceptance by the expert of its appointment under this clause 4 (or such longer period of time that the expert may determine) each Party may provide any data or documents supporting its views.

If after the notice to OE of the expert's determination that the product in question is a Competing Product, OE confirms its intention to continue the Development or the commercialization of the Competing Product and the Parties fail to reach an agreement after having discussed in good faith within fifteen (15) days, then ERYtech shall be entitled to terminate this Agreement upon written notice to OE pursuant to clause 15.6 (a).

5. Development of the Product

5.1 ERYtech shall, at its cost and expense, use Commercially Reasonable Efforts to complete the Development (including the clinical trials listed in Schedule 5.1) necessary to obtain a Marketing Authorization pursuant to the Centralized Procedure for the Product for the ALL Indication. ERYtech shall use Commercially Reasonable Efforts to ensure that [***] MA for the ALL Indication is [***] at the latest.

5.2 OE shall, at its cost and expense, use Commercially Reasonable Efforts to obtain a temporary authorization of use and a Marketing Authorization in countries of the Territory in which the Centralized Procedure is not available for the ALL Indication, provided that OE shall not be obliged to file an application for a Marketing Authorization prior to the issuance of the Marketing Authorization pursuant to the Centralized Procedure for the Product for the ALL Indication. To the extent preclinical activities and clinical trials are required in addition to those conducted by ERYtech pursuant to clause 5.1, for OE to comply with the obligations of the preceding sentence, the Parties will agree on an appropriate development plan and cost allocation, provided that if no agreement is reached with respect to any given country of the Territory, OE shall not be deemed in breach of its obligation to obtain temporary authorizations of use and a Marketing Authorization for the ALL Indication in such country.

5.3 Provided that the Development under clause 5.1 continues regularly, OE shall, at its cost and expense, use Commercially Reasonable Efforts to Develop the Product and to initiate and complete the clinical trials necessary to obtain an extension of the Marketing Authorizations in the Territory for the Product for the AML Indication in accordance with the AML Development Plan. OE shall use Commercially Reasonable Efforts to ensure that the extension of the [***] MA for the treatment of AML is [***]. OE may interrupt or discontinue the Development for the AML Indication and shall then terminate this Agreement in part with respect to the AML Indication, should it become clear, in OE's reasonable opinion, confirmed after receiving ERYtech's reasonable comments, that the Development for the ALL Indication or the Development for the AML Indication is not likely (i) to be successful within substantially the timelines and budget set out in this Agreement or (ii) to result in a commercially competitive product. The Parties will agree as to the most pragmatic handling of third party costs and expenses associated with the AML

Development Plan, including, for example, that if such costs and expenses are paid by ERYtech, they will be reimbursed by OE to ERYtech within thirty (30) days of receipt of the corresponding invoice.

5.4 The Party responsible for a Development Plan shall maintain and make available at any time to the other Party (including, with respect to ERYtech for purposes of developing and registering directly or through licenses the Product outside of the Primary Indications or the Territory), without restrictions on use other than the scope of the license granted herein with respect to OE or as expressly provided herein, an electronic data base with respect to the Results of such Development Plan and provide access to all available data (including raw data) within fifteen (15) days of the request of the other Party, provided however that ERYtech shall not grant access to Results generated by OE to any of ERYtech's Third Party licensees unless ERYtech has obtained similar provisions from such other Third Party licensees with respect to the use by OE pursuant to this Agreement, provided that ERYtech shall use Commercially Reasonable Efforts to obtain such similar provisions and shall be obliged to do so with respect to safety data. For purposes of implementing the provisions of this clause 5.4., a complete electronic data base in respect of the Product shall be set by ERYtech, and upon transfer of the MA pursuant to clause 6.1, maintained by OE and available and accessible at all times to the Parties.

6. Marketing Authorizations, Pricing and Reimbursement Approvals

6.1 ERYtech shall apply for the MA with the EMA for the ALL Indication and transfer the MAA or the MA, as applicable, as well as the ODD to OE at the appropriate time agreed upon between the Parties, provided that ERYtech shall file the application for the MA transfer no later than within [***] of the MA issuance. If the transfer occurs following the issuance of the MA, pending such transfer, ERYtech shall hold the MA until its transfer to OE and, in the meantime, OE shall act as a distributor of the Product in the Primary Indications and the Territory. After issuance in OE's name or transfer to OE of the MA in the ALL Indication and completion of the Development in the AML Indication pursuant to clause 5.3, OE shall apply for an extension of the MA in the AML Indication. ERYtech shall bear the costs related to the preparation of the filing and the filing of the MA with the EMA respectively in the ALL Indication and in the AML Indication up to an amount equal to the EMA filing fees payable by a micro, small and medium-sized company (SME) for an orphan drug and all costs in excess shall be borne by OE and, if and to the extent borne by ERYtech, reimbursed to ERYtech within thirty (30) days of the submission by ERYtech to OE of the corresponding invoice. OE shall, at its own cost, maintain the MA and the ODDs (for clarity, for both ALL Indication and AML Indication) after their transfer. ERYtech and, after the transfer of the MA or MAA (as applicable) and of the ODDs to OE pursuant to this clause 6.1, OE shall:

(a) to the extent lawful and practical, submit to the other Party all material correspondence received from the Regulatory Authorities as soon as available and no later than within 15 days following receipt as well as all draft filings (including all proposed variations, PSURs) or draft material correspondence with the Regulatory Authorities with enough lead time to allow the other Party to comment on such drafts, and take into account all of the other Party's reasonable comments on the same, provided that if the exchanges described in this clause 6.1 (a) are not practical, the Parties shall agree on a different procedure to maintain in substance the rights and interest of the Parties in connection therewith;

(b) to the extent permitted by the EMA, allow the other Party to participate in any meetings with the EMA relating to the Product;

(c) not transfer, assign or grant any encumbrance on the MA and the ODDs, other than as expressly contemplated in this Agreement;

(d) Satisfy all requirements and pay all fees to maintain the MA and the ODDs, [***];

(e) [***].

6.2 After the transfer of the MA and the ODDs pursuant to clause 6.1, OE shall maintain and make available at any time to ERYtech (including for purposes of developing and registering directly or through licenses the Product outside of the Primary Indications or the Territory), without restrictions other than as expressly provided herein, an electronic data base with respect to all applications for such Marketing Authorization and all correspondence and files (including all underlying clinical data) relating to such Marketing Authorization, provided that if such information is not available in the electronic data base set forth in this clause 6.2 in a manner accessible to the other Party, each Party shall make available to the other Party within three (3) business days of such Party's request, a list of the countries in which a MA for the Product has been issued, together with the authorized indications and the identity of the holder.

6.3 [***].

6.4 OE shall, at its cost and expense, use Commercially Reasonable Efforts to obtain Marketing Authorizations for the Product for the Primary Indications from all competent Regulatory Authorities in countries within the Territory where the Centralized Procedure is not available, in its name. OE shall carry out, at its own cost and expense, any requirement by the relevant Regulatory Authority in relation to the grant of such Marketing Authorization or to be

completed following such Marketing Authorization. At the request and expense of OE, ERYtech shall provide all reasonable assistance required by OE to obtain such Marketing Authorizations.

6.5 [***]

6.6 OE shall, at its own cost and expense, use Commercially Reasonable Efforts to obtain pricing and reimbursement approvals for the Product for the Primary Indications in all countries of the Territory [***]. To the extent lawful and practical (subject to the last sentence of this clause 6.6), OE shall submit to ERYtech its proposed pricing and reimbursement strategy in the Major Markets and all material correspondence received from the Regulatory Authorities in the Major Markets as soon as available and no later than within 15 days following receipt as well as all draft filings and material draft correspondence of OE and its Affiliates with the Regulatory Authorities with enough lead time to allow ERYtech to comment on such drafts, and OE shall take into account all of ERYtech's reasonable comments on the same. [***]. Subject to the preceding provisions of this clause 6.6 and without limiting OE's other obligations herein, OE shall use Commercially Reasonable Efforts to seek pricing and reimbursement approvals in at least one Major Market within [***] of the transfer to OE or issuance in OE's name of the MA for the Product and shall thereafter continue to seek pricing and reimbursement in the other Major Markets. If the exchanges described in this clause 6.6 are not practical, the Parties shall agree on a different procedure to maintain in substance the rights and interest of the Parties in connection therewith.

6.7 Within three (3) months after the Effective Date, ERYtech and OE shall enter into a Safety Data Exchange Agreement defining the responsibilities of the Parties to protect patients and promote their well-being in connection with the use of the Product. These responsibilities shall include mutually acceptable guidelines and procedures for the receipt, investigation, recordation, communication, and exchange (as between the Parties) and regulatory submission of adverse event reports and any other information concerning the safety of any Product. Such guidelines and procedures shall be in accordance with, and enable the Parties and their Affiliates to fulfil local and international regulatory reporting obligations. Until such Safety Data Exchange Agreement is entered into, ERYtech shall be responsible for the timely reporting to the appropriate Regulatory Authorities of all adverse events and any other information concerning the safety of Products, in each case, in accordance with Applicable Laws of the relevant countries.

7. Manufacture and Supply of Product

7.1 ERYtech shall manufacture or have manufactured, packaged and labeled the Product in accordance with the Specifications and cGMP.

7.2 ERYtech shall use Commercially Reasonable Efforts to manufacture and supply the Product in the quantities required by OE. From date of issue of the first named patient authorization for the Product, OE shall provide to ERYtech a good faith rolling forecast covering its indicative requirements in Product over twelve (12) months and shall update such forecast within fifteen (15) days following the beginning of each calendar quarter. The Parties acknowledge and agree that ERYtech's current manufacturing capacity for the Product is [***] batches per month. To the extent that OE estimates that its requirements in Product will exceed such capacity, OE shall notify ERYtech at least [***] in advance.

7.3 ERYtech shall communicate, prior to implementation, any Product Change and shall take into account OE's reasonable comments (which shall not be unreasonably withheld or delayed) on such Product Change. For the purposes of this clause 7.3, "Product Changes" shall mean changes to the Specifications required by Applicable Laws (including, without limitation, cGMP) in France or at the European Union level or by the Regulatory Authority competent in France, or by medical or scientific concerns as to the quality, safety and/or efficacy of the Product. No change other than a Product Change may be implemented by ERYtech without the prior written consent of OE and the Parties shall agree such changes on a commercially reasonable basis. For the avoidance of doubt, ERYtech shall be free to implement minor changes which do not require any change to the MA, provided that ERYtech shall inform OE of any such changes.

7.4 ERYtech shall exclusively sell to OE the Product in the Primary Indications and the Territory. OE shall exclusively purchase from ERYtech, all of OE's, its Affiliates' or Sub-Licensees' requirements of the Product at the Supply Price, [***] subject to clause 7.5 below. ERYtech will supply the Product to OE and its Affiliates (including for resale by them to the Sub-Licensees) in finished packaged form, including outer packaging, ready to be sold and used.

7.5 OE or its Affiliates shall provide ERYtech with orders for Product specifying the following information:

(a) the administration date for the Product, taking into account that the minimum time between the order and the administration date is [***] (for purposes of this Agreement, the administration dates is the anticipated date of injection of the Product in the patient as notified by the clinician (or any other duly authorised representative) in the prescription form); and

(b) a valid prescription form signed by a clinician (or any other duly authorised representative) of the customer hospital containing the information set out in Schedule 7.5(b).

7.6 Promptly following receipt of such order, ERYtech shall inform OE or its Affiliates of the acceptance of such order, which shall not unreasonably be withheld or delayed, or of any further information required prior to acceptance. Upon acceptance by ERYtech, such order shall become binding on both Parties (a "**Firm Order**").

7.7 ERYtech has provided to OE the details of calculation of the initial Supply Price. Prior to the beginning of each calendar quarter, ERYtech shall notify OE of the Supply Price and details of its calculation, which shall apply to deliveries made during such calendar quarter. OE shall have the right as provided for under clause 13.5.

7.8 ERYtech shall invoice OE or its Affiliates for products at the time of delivery at the then applicable Supply Price and OE or its Affiliates shall pay all invoices within [***] after the end of the month in which the relevant invoices are issued.

7.9 OE acknowledges that, pursuant to this Agreement, it shall purchase and sell the Product for its own account and is not, and shall not hold itself out as, an agent of ERYtech.

7.10 The Parties shall agree special prices applicable to the supply of Product for clinical studies and other uses related to the Development of the Product and for pre-Marketing Authorization compassionate use programs. The special prices for the supply of the Product for the AML studies provided for in the current AML Development Plan are set forth in Schedule 1.1.2.

7.11 Within [***] following (i) OE's submission of its first yearly sale forecast pursuant to clause 7.2 and thereafter (ii) OE's submission of its yearly marketing plan, the Parties shall agree on a yearly manufacturing plan describing the manufacturing infrastructure, labor configuration and manufacturing cost forecast for the coming year based on the sale forecast of OE and pursuant to which ERYtech shall use Commercially Reasonable Efforts to reduce the manufacturing costs of the Product.

8. Delivery of Product

8.1 ERYtech shall deliver the Product to the customer stipulated in the Firm Order:

(a) on or before the administration date specified in the Firm Order; and

(b) ensuring that the Product has a remaining shelf-life of not less than [***] hours on the administration date specified in the Firm Order.

8.2 Unless otherwise agreed, ERYtech shall deliver or arrange for the delivery of Products at the address of the customer stipulated in the Firm Order in accordance with conditions of [***] published by the International Chamber of Commerce, 2010 edition. Transportation of the Product shall be performed in accordance with any and all transportation instructions specified in the applicable Marketing Authorization.

8.3 Title and risks to Products sold pursuant to this Agreement shall pass to OE or its Affiliates upon delivery in accordance with clause 8.2.

8.4 Prior to the first delivery of a Product in any country, the Parties shall agree on a blood product traceability program in accordance with local regulatory requirements, which shall be updated from time to time in accordance with local regulatory requirements. By way of example, the program applicable to France is attached as Schedule 8.4.

8.5 OE or its Affiliates shall notify ERYtech of any claim that the Product did not meet the Specifications (a "**Claim**") within [***] of being advised by the customer to whom the Product is delivered or its representative or otherwise becoming aware of such defect. OE shall request and shall use its Commercially Reasonable Efforts to obtain directly or through Affiliates or Sublicensees an acknowledgment of receipt of the Product by customers. The Product delivered by ERYtech shall contain a notice stating the expiry date of the Product and requesting the customer to promptly inform OE or its Affiliates and Sublicensees, as the case may be, of its failure to use the Product by expiry date. ERYtech shall then conduct investigations on the concerned shipment or batch. If ERYtech agrees with the Claim, ERYtech, at the claimant's option, shall either replace such shipment of Product as soon as reasonably possible at no cost to the claimant or give credit for payment made by the claimant for such shipment including any related reasonable expenses to the claimant. If the Parties are unable to resolve their differences with respect to whether the Products meet the Specifications, then either Party may refer the matter to an independent laboratory or technical assessment organization, in order to resolve the matter. Unless otherwise agreed in writing, the cost of the independent laboratory or organization shall be borne by the Party in error,

8.6 If either Party determines that a Product needs to be recalled, it shall inform and consult with the other Party concerning the proposed manner in which the recall is to be carried out. In the event of a disagreement, the Party which is the MA holder in the country of the Territory where the recall is proposed shall have the final decision making authority as to such recall and the other Party shall provide all necessary assistance to proceed expeditiously with the recall in such a way as to comply with good public health practices, to attempt to cause the least disruption of sales of the Products in the Territory and to preserve the goodwill and reputation of the Products and reputation of OE, its

Affiliates, and ERYtech. If the recall is attributable to a failure to meet the Specifications or cGMP requirements at delivery of the Product, then ERYtech shall bear all reasonable and documented costs of such recall. If the recall is due to marketing and selling activities, then OE shall bear all reasonable and documented costs of such recall. If the recall is due to other reasons each Party shall bear 50% of the costs of such recall.

9. Diligence Obligations, Advertising and Promotion

9.1 OE shall, at its own cost and expense, use Commercially Reasonable Efforts to market and promote the Product in the Primary Indications in the Territory.

9.2 Not later than [***] after the submission of the application for a Marketing Authorization for the Product in the Territory, respectively, in the ALL Indication and the AML Indication, OE shall prepare and submit to ERYtech for review and comments (which reasonable comments of ERYtech shall be taken into account by OE) a marketing plan for the Product in the ALL Indication or the AML Indication (respectively, the "**ALL Marketing Plan**" and the "**AML Marketing Plan**"), which shall be consistent with the regulatory profile and market potential of the Product and the obligations of OE pursuant to clause 9.1. Such marketing plan shall [***]. Subject to clauses 6.5 and 6.6, OE shall launch the Product in each of the Primary Indications in each country of the Major Markets no later than [***] following the later of the issue of the MA or the pricing and reimbursement approvals if needed for effective market access in such country.

9.3 No later than [***] prior to the end of each calendar year following the grant of the MA of the Product in the Territory respectively in the ALL Indication and the AML Indication, OE shall prepare and submit to ERYtech for review and comments (which reasonable comments shall be taken into account by OE), a revised marketing plan for the Product in the ALL Indication or the AML Indication, which shall become respectively the ALL Marketing Plan and the AML Marketing Plan.

9.4 At any time, in the event of likely delays or shortcomings in the ALL Marketing Plan or AML Marketing Plan, OE shall promptly inform ERYtech and provide sufficient information to reasonably explain such delay or shortcoming in light of OE's diligence obligations under this Agreement. OE shall take into account ERYtech's reasonable suggestions to mitigate these delays or shortcomings.

9.5 Without limitation to the provisions of clause 9.4, once a calendar year following the grant of the MA of the Product in the Territory respectively in the ALL Indication and the AML Indication and during the first quarter of each such calendar year, ERYtech has the right to request a written report setting out the principal marketing and promotional activities conducted in the Major Markets by OE in the preceding calendar year.

9.6 OE shall market and promote the Product in the ALL Indication in accordance with the ALL Marketing Plan and in the AML Indication in accordance with the AML Marketing Plan.

9.7 In connection with the marketing and promotion of the Products in the Territory, OE shall use only advertising and promotional materials in accordance with the MA and Applicable Laws, and, if practicable and limited to the Major Markets, shall communicate a copy of all such advertising and promotional materials (in original language) to ERYtech.

9.8 OE shall be responsible for training its personnel who market and promote the Product so that they are knowledgeable about the Product and can properly present the Product. ERYtech shall provide assistance to OE in providing such training at OE's request, cost and expense.

9.9 Any significant communication from any Regulatory Authority in connection with Products, concerning their medical profile, safety, efficacy or regulatory status shall be included in the electronic database maintained as provided in clause 6.2.

10. Joint Steering Committee

10.1 Promptly following the Effective Date the Parties shall establish a joint steering committee consisting of two (2) representatives of each Party (the "**Joint Steering Committee**") to oversee the Development activities and the activities concerning the grant of the Marketing Authorization and in relation to the pricing and reimbursement and market access and launch activities of Products under this Agreement. Each Party may, from time to time, replace its representatives by written notice to the other Party specifying the prior representative and the replacement.

10.2 The Joint Steering Committee shall meet via teleconference, or, if agreed by the Parties, in person, at least once each calendar quarter during the Term of this Agreement (until the dissolution of the Joint Steering Committee pursuant to clause 10.4) at a frequency and times mutually agreed upon by the Parties. Each Party shall have the right to appoint one (1) of its representatives to alternate for periods of twelve (12) months as the chairman of the Joint Steering Committee. ERYtech shall appoint the first chairman. A specific agenda shall be drawn up before each meeting of the Joint Steering Committee by the chairman, consulting the representatives of the other Party. Subsequent to each meeting, the chairman shall draw up the minutes and distribute such minutes for signature by both Parties. All decisions of the Joint Steering Committee shall be made by consensus, with each Party's representatives on the Joint Steering Committee collectively having one (1) vote. [***].

10.3 The Joint Steering Committee shall have responsibility for:

(a) reviewing and supervising the Development of the Product for the ALL Indication;

(b) adopting and then, from time to time, revising the AML Development Plan;

(c) reviewing and supervising the Development of the Product pursuant to the AML Development Plan;

(d) ensuring that the data generated by the Parties is adequate for the purposes of applications to the EMA for Marketing Authorizations for the Product for the Primary Indications;

(e) overseeing Development, registration and market access activities for the Product in the Primary Indications in the Territory.

10.4 The Joint Steering Committee shall be dissolved upon the later to occur of the following events:

(a) the commercial launch of the Product in the ALL Indication in all Major Markets; and

(b) the grant of a Marketing Authorization for the Product in the AML Indication in all Major Markets.

11. Upfront and Milestone Payments

11.1 Within three (3) business days of the Effective Date, OE shall pay to ERYtech the sum of five million Euros (€5,000,000) (the "**Upfront Payment**").

11.2 Upon the issue of the Marketing Authorization for the Product pursuant to the Centralized Procedure in:

(a) ALL Indication, OE shall owe ERYtech an approval milestone of [***] Euros (€[***]);

(b) AML Indication, OE shall owe ERYtech an approval milestone of [***] Euros (€[***]);

(the payment in (a) and (b) being referred to as the "**Approval Milestones**").

11.3 In addition to the Upfront Payment and the Approval Milestones, the following amounts shall be due by OE to ERYtech upon occurrence (if applicable) of the events triggering the following commercial milestones:

(a) [***] Euros (€[***]) when cumulative Net Sales in the Territory in the Primary Indications first exceed [***] Euros (€[***]);

(b) [***] Euros (€[***]) when cumulative Net Sales in the Territory in the Primary Indications first exceed [***] Euros (€[***]); and

(c) [***] Euros (€[***]) when cumulative Net Sales in the Territory in the Primary Indications first exceed [***] Euros (€[***])

(together, the "**Commercial Milestones**", the Approval Milestones and the Commercial Milestones being individually and collectively referred to as the "**Milestones**").

11.4 OE shall respectively pay the Approval Milestones and the Commercial Milestones to ERYtech within [***] after the end of the month in which the event triggering the relevant Approval Milestone or Commercial Milestone occurred.

11.5 The Upfront Payment and, subject to clause 17, the Approval Milestones and Commercial Milestones shall be [***].

12. Royalties and Supply Price

12.1 OE shall pay to ERYtech a royalty of [***] percent ([***]%) on Net Sales (the "**Royalty**"), subject to and in accordance with the provisions of this clause 12.

12.2 In the event that the total of the Supply Price for Products supplied to OE and its Affiliates in any calendar quarter and the Royalty in any calendar quarter is greater than an amount equal to forty five percent (45%) of Net Sales for such calendar quarter:

(a) if the total of the Supply Price for Products supplied to OE and its Affiliates in any calendar quarter is lower than an amount equal to forty five percent (45%) of Net Sales for such calendar quarter, OE's payment obligations for such quarter shall be capped at forty five percent (45%) of Net Sales for such quarter by reducing the Royalty due for that quarter to an amount such that the sum of the Supply Price for Products supplied to OE and its Affiliates in any calendar quarter and the Royalty in any calendar quarter is equal to forty five percent (45%) of Net Sales for such calendar quarter;

(b) if the total of the Supply Price for Products supplied to OE and its Affiliates in any calendar quarter is itself already greater than an amount equal to forty five percent (45%) of Net Sales for such calendar quarter, OE's payment obligations for such quarter shall be capped at forty five percent (45%) of Net Sales for such quarter and any excess shall be credited back to OE by means of the issuance, by ERYtech, of a credit note of corresponding amount (subject to clause 12.2 (c)) and, consequently, no Royalty shall be due for that quarter;

(c) notwithstanding any other provisions of this Agreement, if, starting [***] after the issuance of the MA granted by the EMA in the ALL Indication, the Supply Price is higher than forty five percent (45%) of Net Sales (the "**Cap**") in any given calendar quarter after such [***] period, ERYtech may request by notice to OE that the Parties enter into good faith negotiations to adjust the Cap, in order to preserve ERYtech's ability to perform the Agreement [***]. In the event that the Parties fail to agree on the above adjustment of the Cap within six (6) months following the date of ERYtech's notice, each Party shall submit its final and best offer with respect to such adjustment to an expert appointed by mutual agreement of the Parties or, in the absence of such agreement, by the President of the Lyon commercial court, and such expert shall, within three (3) months of his appointment, select the offer that, in his opinion, most closely reach the aim above described; the decision of the expert shall be final and binding on the Parties.

12.3 All Royalty payments shall be payable in Euros, regardless of the countries in which sales of Product are made. For the purposes of calculating Net Sales of Product for which currencies other than Euros are received, such currency shall be converted into Euros [***].

12.4 Calculation of Royalty shall occur as follows:

Within [***] from the end of each calendar quarter, OE shall provide to ERYtech a written report setting out:

(a) the number of units of Product sold, details of the countries in which they were sold by OE, its Affiliates or its Sub-Licensees during the applicable quarter;

(b) the gross amount invoiced by OE, its Affiliates and its Sub-Licensees to Third Parties for such Product in the applicable quarter;

(c) the deductions made, and the basis for such deductions, from such gross invoiced amount for the applicable quarter;

(d) the resulting amount of Net Sales for the applicable quarter;

(e) the theoretical Royalty due to ERYtech with respect to such quarter;

(f) the total Supply Price of Products supplied to OE and its Affiliates by ERYtech in such quarter;

(g) the amount actually payable to ERYtech for such quarter, after application of clause 12.2 (a); and

(h) if applicable, the amount of the credit note to be issued by ERYtech in favour of OE in accordance with clause 12.2 (b).

Without prejudice to ERYtech's right to dispute the report within [***] of its receipt, OE shall effect the payment or ERYtech, if applicable, shall issue the credit note under clause 12.2 (b) no later than within [***] calendar days from the end of the corresponding quarter.

In case of disputes, the provision of clauses 13.4 and 13.5 shall apply and the additional payment or, if applicable, the issuance of the additional credit note shall be effected after thirty (30) calendar days from the determination of the independent reputable certified public accountant, which shall be binding upon the Parties save the case of manifest error or fraud.

13. General Payment Provisions

13.1 If a credit note is issued by ERYtech pursuant to clause 12, OE shall be entitled to set off the amount of such credit note against any amount due by OE to ERYtech.

13.2 If OE fails to make any payment within the time period for payment established herein, such failure will constitute a breach of the Agreement and grounds for termination by ERYtech pursuant to clause 15 hereof, unless it is cured by OE pursuant to clause 15 hereof.

13.3 Notwithstanding ERYtech's right to terminate this Agreement for non-payment by OE in accordance with clause 13.2 above, ERYtech shall be entitled to charge OE interest on any late payments from the due date until the date on which payment is actually received at [***], on the last business day of each month [***] (but not more than the highest rate allowed by applicable law and no less than the lowest rate required by applicable law). OE shall be entitled to charge ERYtech the same interest on any late issuance of credit notes or other payment due by ERYtech under this Agreement, if applicable.

13.4 During the Term of this Agreement and for a period of [***], ERYtech, or an independent reputable certified public accountant selected by and retained at the expense of ERYtech with the approval of OE (such approval not to be unreasonably withheld), shall have the right to examine during normal working hours, at a date previously agreed upon with OE, but not more than once in each calendar year, the books and records of the current calendar year and the [***] as kept by OE necessary to verify the accuracy of the Product sales made in the Territory, reports presented and payments made to ERYtech hereunder. If the discrepancy between the payments made to ERYtech and the payments due to ERYtech hereunder exceeds [***], the cost of such audit shall be borne by OE.

13.5 During the Term of this Agreement and for a period of [***], OE, or an independent reputable certified public accountant selected by and retained at the expense of OE with the approval of ERYtech (such approval not to be unreasonably withheld), shall have the right to examine during normal working hours, at a date previously agreed upon with ERYtech, but not more than once in each calendar year, the books and records of the current calendar year and the [***] as kept by ERYtech necessary to verify the accuracy of the Supply Price and its calculation made and notified by ERYtech under this Agreement. If the discrepancy between the payments made to ERYtech and the payments due to ERYtech hereunder resulting from the determination of the Supply Price by OE exceeds [***], the cost of such audit shall be borne by ERYtech.

14. Trade Marks; Intellectual Property Rights

14.1 ERYtech hereby grants OE an exclusive license to use the Trade Mark in connection with the marketing and sale of the Product for the Primary Indications in the Territory as permitted by this Agreement.

14.2 OE shall not use any trade mark other than the Trade Mark in connection with the marketing and sale of the Product for the Primary Indications in the Territory. OE shall not use, apply for and register, without ERYtech's prior consent, the Trade Mark as part of its corporate name, trade name, trading style or other means of corporate or business identification including use and registration of domain names and other internet key words. Subject to Applicable Laws, OE shall respect the visual style guidelines communicated by ERYtech to OE in writing in order to use the Trade Mark.

14.3 In the event that OE reasonably determines that it is not appropriate to use the Trade Mark in any country within the Territory it shall notify ERYtech and propose a different trade mark of OE, to be registered in the name of OE and used in connection with the marketing and sale of the Product for the Primary Indications in that country of the Territory, provided that ERYtech shall consent, without delay, to the use of such different trade mark. Such trade mark shall thereafter be considered to be a "Trade Mark" for the purposes of this Agreement for that country of the Territory only.

14.4 ERYtech shall retain all right, title and interest in and to all of Patents and Results that relate to the Product and OE shall have no right to Licensed IP except under the license granted pursuant to this Agreement.

14.5 ERYtech shall own all Improvements that are generated by or on behalf of ERYtech or its Affiliates or OE, its Affiliates or their Sublicensees and/or their respective employees, agents and independent contractors in the course of conducting its activities under this Agreement (including pursuant to the AML Development Plan). OE shall provide, and shall cause its Affiliates, Sublicensees and their respective employees to provide, any and all assignments or other documents reasonably required by ERYtech to vest in ERYtech ownership of all such Improvements.

14.6 Each Party shall report to the other, as soon as reasonably possible, any information, which may come to its attention with respect to Trade Mark in the Territory or the Licensed IP (whether in or outside the Territory), including potential infringement of or challenge to the validity or ownership by a Third Party.

14.7 ERYtech shall, at its own expense, prosecute and maintain the Trade Mark (provided that the Trade Mark is owned by ERYtech) and the Licensed IP in the Territory, including the payment of all renewal fees, take all such steps, including initiating proceedings, as OE may reasonably require to stop any alleged infringement of the Trade Mark or the Licensed IP in the Territory or to defend the Trade Mark or the Licensed IP from any attack, including any invalidity or revocation proceedings; at ERYtech's request, OE shall give ERYtech all reasonable assistance in respect of any such proceedings, subject to ERYtech meeting all reasonable costs and expenses incurred by OE in giving such assistance. If ERYtech is not willing or interested in initiating action against an infringer, OE shall be entitled, but not obligated, to enter an action in its own name based on the infringement of the Trade Mark or the Licensed IP in the Territory subject to ERYtech's consent. ERYtech may only refuse its consent for good cause and will give OE all assistance, at ERYtech's cost, as OE may reasonably request in connection with any such action. Additionally, ERYtech agrees to keep OE informed regarding the status and maintenance of the Licensed IP and the Trade Mark in the Territory, the prosecution of any application therein, and without limiting the foregoing shall not allow any Licensed IP or Licensed IP application, Trade Mark or Trade Mark application in the Territory to lapse without OE's consent.

14.8 In addition to what is provided under clause 14.7, [***] any litigation related thereto which challenges the validity or scope of the Licensed IP covering the Product (but excluding any infringement claims made by a Third Party, which will be dealt with pursuant to clause 17), ERYtech shall,

(a) conduct the defence of [***] any litigation related thereto which challenges the validity or scope of the Licensed IP covering the Product (unless it involves OE pursuant to clause 14.9) and pursue and/or defend the claim or litigation until its final stage (unless it is settled in the meantime subject to the following paragraph (d)), be fully and solely responsible for prosecuting and appropriately and diligently defending any counterclaims, asserting affirmative defences and addressing any other issues [***], including without limitation: (i) selection of the litigation counsel and assumption of all costs and expenses concerning [***] any litigation related thereto (including lawyers' and experts' fees and costs) and (ii) payment of any damages, award, fine, or other damages that may be assessed against ERYtech;

(b) keep OE duly and promptly informed of any substantive notice, communication or other information however received by ERYtech in relation to [***] any litigation related thereto which challenges the validity of the Licensed IP covering the Product and shall take into account any reasonable comments of OE concerning the selection of the lawyer, the conduct or the defence of [***] any litigation resulting therefrom before any activities or actions are taken or performed by ERYtech;

(c) co-operate with OE in respect of any judicial or administrative remedies and/or actions OE may take or seek [***], by giving, amongst others, OE full access to all records, files and data relating thereto and by bearing all reasonable out-of-pocket costs and expenses thereto (including, reasonable expert, legal counsel and lawyer fees);

(d) promptly and regularly consult with OE in the settlement negotiations and/or other initiatives in relation thereto, it being understood that ERYtech shall not enter into any settlement or similar arrangement (including, but not limited to, a license agreement relating to a Third Party's intellectual property or know-how) that may adversely affect the validity or term of the Licensed IP or any other provisions of this Agreement or the rights of OE or its Affiliates, without OE's prior written consent, which shall not be unreasonably withheld;

(e) hold OE fully harmless and indemnified against any Third Party's claims against OE causing any liability, damages, or losses incurred by OE [***] (including settlement).

14.9 In addition to what is provided under clause 14.8, in the event that OE is sued or involuntarily joined in [***] any litigation, settlement or action related thereto which challenges the validity of the Licensed IP covering the Product (but excluding infringement claims made by a Third Party, which will be dealt with pursuant to clause 17) (all above circumstances, collectively, the "**OE Action**"), OE shall have the right to direct, conduct and prosecute the OE Action at its reasonable discretion, keeping ERYtech informed on the status of such OE Action. ERYtech shall (i) reasonably assist OE, (ii) give OE full access to all records, files and data relating to the OE Action and the subject matter thereof, (iii) reimburse all OE's out-of-pocket costs and expenses (including reasonable lawyers and experts' fees and costs) regarding the OE Action and (iv) without prejudice to clause 17.11, hold OE fully harmless and indemnified against any liability, damages, or losses incurred by OE in respect of, or in relation to, the OE Action, provided that OE shall use Commercially Reasonable Efforts to mitigate any such liability, damages, or losses.

14.10 Subject to clause 14.9, each Party will, upon the reasonable request of the other Party, provide such assistance and execute such documents as are reasonably necessary for such Party to exercise its rights and perform its obligations pursuant to this clause 14.

15. Duration and Termination

15.1 This Agreement shall come into force on the Effective Date and shall continue, on a country-by-country basis:

(a) in those countries of the Territory subject to Centralized Procedure, a period of ten (10) years from the date of grant of a Marketing Authorization for the Product in the ALL Indication, which shall be extended until the expiry of a period of ten (10) years from the date of grant of a Marketing Authorization for the Product in the AML Indication but solely to the extent that such grant in the AML Indication occurs no later than [***]; and

(b) in those countries of the Territory not subject to the Centralized Procedure, a period of ten (10) years from the date of grant of a Marketing Authorization for the Product in the ALL Indication or in the AML Indication by the competent Regulatory Authority in such country, provided that, in any event, the term of this Agreement in those countries of the Territory not subject to the Centralized Procedure shall expire no later than [***] following the expiry of the term set forth in subclause (a);

(the "**Initial Term**")

15.2 On the expiry, on a country-by-country basis, of the Initial Term or the then current Renewal Term, if OE is in compliance with its material obligations under this Agreement, OE shall be entitled to request an extension of the Initial Term for a further period of ten (10) years on a country-by-country basis. ERYtech may agree or refuse such extension (each a "**Renewal Term**") in its absolute discretion.

15.3 If ERYtech refuses a request by OE to extend the Initial Term pursuant to clause 15.2 or the then current Renewal Term in the countries of the Territory subject to Centralized Procedure, OE shall be entitled to receive from ERYtech, as its sole remedy in connection with such refusal, an amount equal to the greater of:

(a) the [***] in such countries of the Territory subject to Centralized Procedure for the [***]; or

(b) the sum of the [***] properly paid or incurred by OE pursuant to this Agreement during the preceding Initial Term or Renewal Term,

provided that the [***] in such countries of the Territory subject to Centralized Procedure shall be calculated by OE and agreed by ERYtech [***] from the date of refusal of such extension, failing which the [***] shall be determined by an independent expert from a reputable audit or accounting firm appointed by both Parties. If ERYtech and OE cannot agree on the appointment of an expert within fifteen (15) days from the notice of disagreement, the expert shall be appointed by the president of the commercial court of Lyon at the request of either Party.

15.4 In the event that a Party has committed a serious breach (*faute grave*) (the "**Breach**") of any of its essential obligations under this Agreement (the "**Breaching Party**"), the other Party (the "**Other Party**") shall notify the Breaching Party within [***] days of becoming aware of the Breach and shall require that the Breaching Party cure the Breach within [***] business days from receipt of such notice, and shall describe in reasonable details the Breach. [***].

15.5 Either Party may terminate this Agreement immediately upon written notice to the other Party in the event that the other Party:

(a) becomes insolvent or ceases to carry on its business;

(b) goes into liquidation, whether voluntary or compulsory (other than a voluntary liquidation for the purposes of reconstruction or amalgamation);

(c) has a receiver, trustee, *administrateur judiciaire*, *mandataire ad hoc*, or other officer with similar powers appointed with respect to it or with respect to the whole or any substantial part of its assets; or

(d) enters into an arrangement or composition with its creditors or becomes bankrupt.

15.6 ERYtech may terminate this Agreement upon [***] days written notice to OE if:

(a) [***]; or

(b) [***].

15.7 OE may terminate this Agreement by giving ERYtech [***] days prior written notice (i) for reasons related to [***].

16. Consequences of Termination

16.1 Upon expiry or termination of this Agreement in all or part:

(a) all rights granted to OE under this Agreement (or in case of partial termination, all rights granted to OE under this Agreement in connection with the terminated indication or country) shall immediately cease and terminate on a country-by-country basis provided that pending orders for the Product transmitted to ERYtech prior to the termination shall be satisfied pursuant to the terms of this Agreement;

(b) (provided such termination or expiry relates to all countries within the Territory) each Party shall immediately return to the other any Information in documentary or printed form and shall cease all use of such Information, provided that each Party shall be entitled to retain a copy to the extent required by Applicable Laws;

(c) OE shall transfer (or cause the transfer of) any Marketing Authorizations and ODDs for the Product and related correspondence and files which are in the name of OE, its Affiliates or Sublicensees, to ERYtech, and shall provide any authorizations, certificates or either documents that ERYtech may reasonably require in this connection (or in case of partial termination, all Marketing Authorizations for the Product and related correspondence and files and any other authorizations, certificates or either documents in connection with the terminated indication or country, provided that a copy of correspondence and files shall be retained by OE, its Affiliates or Sublicensees).

(d) If upon expiry or termination of this Agreement, the Product is marketed under a Trade Mark other than GRASPA® pursuant to clause 14.3, then OE shall, or shall cause its Affiliates to grant to ERYtech [***] license, with a right to sublicense, under such Trade Mark, solely for use to market the Product in the countries in which OE, its Affiliates or sublicensees have marketed the Product under such Trade Mark and for a term of [***] in order to allow a smooth switch to another trade mark, it being understood that ERYtech shall hold OE harmless and indemnified in case of infringement of the Trade Mark or any action against such Trade Mark resulting from the commercialization by or on behalf of ERYtech or any actions or omissions of ERYtech or its sublicensees in connection with such Trade Mark.

16.2 Termination or expiry of this Agreement shall not affect either Party's obligation to pay to the other Party any amount accruing prior to or on the date of termination or expiry and shall not relieve either Party of any liability which may have accrued hereunder prior to or on the date of termination or expiry.

17. Covenants, Warranties, Limitation of Liability, Indemnities and Insurance

17.1 ERYtech, on its behalf and on behalf of its Affiliates, covenants, represents and warrants the following:

(a) as at the Effective Date, ERYtech has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, this Agreement and the transactions contemplated herein and this Agreement constitutes a legal and valid obligation binding upon ERYtech and enforceable against it in accordance with its terms;

(b) as at the Effective Date, the execution, delivery and performance of the Agreement by ERYtech does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it. Subject to clause 6, as at the Effective Date, all authorizations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Agreement have been obtained or effected (as appropriate) and are in full force and effect;

(c) the Product delivered under this Agreement will be manufactured in accordance with cGMP requirements and conform to the Specifications at the time of delivery thereof in accordance with clauses 8.1 and 8.2;

(d) [***];

(e) as of the Effective Date, ERYtech is the lawful owner of the Licensed IP and the Trade Mark and has the sole right and authority to enter into this Agreement and grant the rights and licenses hereunder;

(f) the Licensed IP is not used and will not be used in connection with the Product in the Primary Indications and in the Territory by ERYtech or by any ERYtech's Affiliate or Third Party during the term of this Agreement (other than in the performance of this Agreement). To this end, ERYtech hereby undertakes not to transfer the Licensed IP or grant any rights deriving therefrom in the Primary Indications and the Territory to any Third Party or apply for, directly or indirectly, patents other than patents which become part of the Licensed IP in relation to the Product in the Primary Indications and the Territory (directly or indirectly, including through the intermediary of Affiliates or Third Parties), during the term of this Agreement;

(g) the Trade Mark is not used and will not be used in the Territory by ERYtech or by any ERYtech's Affiliate or Third Party during the term of this Agreement (other than in the performance of this Agreement). To this end, ERYtech hereby undertakes not to transfer the Trade Mark or to grant any rights deriving therefrom in the Territory to any Third Party, including through the intermediary of Affiliates or Third Parties, during the term of this Agreement;

(h) ERYtech has not previously granted, and during the period of this Agreement will not grant, any rights in the Licensed IP or the Trade Mark that are inconsistent with the rights and licenses granted to OE herein. ERYtech shall not suffer or permit any liens or restrictions (other than any licenses outside of the Territory or of the Primary Indications) to be imposed on the Patent Rights or the Trade Mark, without the prior written consent of OE;

(i) to ERYtech's actual knowledge as of the Effective Date, [***] (i) the use of the Licensed IP and the Trade Mark and the supply of the Product in the Territory by OE as contemplated pursuant to this Agreement does not infringe any patent or trade mark of any Third Party, (ii) there are no intellectual property rights of any Third Party which may prevent or hinder the performance of obligations

or exercise of rights under this Agreement, and (iii) none of the patents within the Licensed IP or the Trade Mark is invalid, unenforceable or has been misused;

(j) (1) the information provided to OE and its consultants in relation to [***] is, in ERYtech's actual knowledge, comprehensive, true and correct.

(2) In particular, ERYtech, on its behalf and on behalf of its Affiliates, represents and warrants that the statements on process and product properties in Schedule 17 (j) (2) are true and correct.

(k) the Product delivered under this Agreement will be manufactured with the process disclosed in international patent application WO 2006/016247 unless agreed upon between the Parties;

(l) as of the Effective Date, there are no existing actions, suits or proceedings, and [***] ERYtech has not received any written claim or demand from a Third Party, that challenges ERYtech's rights with respect to the Licensed IP, the Trademark and/or the Product or ERYtech's rights to enter into this Agreement or that asserts that development, manufacture or sale of the Products would infringe the intellectual property rights of a Third Party;

(m) as of the Effective Date, the [***] is a valid, enforceable and binding obligation of [***] to [***] ERYtech with [***] until [***]. The [***] cannot be [***] by [***] unless (i) for [***] in the [***] of the [***] or (ii) with [***].

(n) as of the Effective Date, [***] of the [***] or [***];

(o) ERYtech (i) will not [***] of the [***], in a way reasonably allowing and actually resulting in [***] or [***] of [***] of the [***]; (ii) will not [***] to the [***] of the [***] unless [***], which [***], having in mind its interest in marketing the Product, and maximizing its margin from such marketing, under this Agreement; and (iii) will not [***] to be delivered to OE under this Agreement, whether for clinical trials or for commercial use, (or, if applicable, to be supplied directly by ERYtech for clinical trials, including - for the avoidance of doubt - clinical trials for the AML Indication and for the ALL Indication) the [***], in particular with [***] ("[***]"), unless [***] is required by Applicable Laws, or it has received [***];

(p) in view of obtaining a Marketing Authorization, (i) ERYtech is currently performing in Europe a Phase II/III clinical trial with GRASPA® in relapse acute lymphoblastic leukaemia in children

and adults and (ii) has completed a Phase II clinical trial with Graspa in first line acute lymphoblastic leukaemia in adults over 55 years old; and

(q) ERYtech has or will have the ability, capacity, knowledge, experience, facilities, warehouse, equipment, qualified personnel and financial resources to, directly or indirectly, carry out and perform all acts necessary to perform its obligations under this Agreement.

17.2 ERYtech makes no other warranty of any kind, express or implied, including but not limited to warranties of merchantability and fitness for a particular purpose.

17.3 OE, on its behalf and on behalf of its Affiliates, represents and warrants the following as at the Effective Date:

(a) OE has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, this Agreement and the transactions contemplated herein and this Agreement constitutes a legal and valid obligation binding upon OE and enforceable against it in accordance with its terms;

(b) the execution, delivery and performance of the Agreement by OE does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it. Subject to clause 6, all authorizations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Agreement have been obtained or effected (as appropriate) and are in full force and effect; and

(c) OE has or will have the ability, capacity, knowledge, experience, facilities, warehouse, equipment, qualified personnel and financial resources to carry out and perform, directly or indirectly, all acts necessary to perform its obligations under this Agreement;

(d) If a trade mark other than the Trade Mark owned by ERYtech is used for the Product in any given country of the Territory pursuant to clause 14.3, such trade mark shall not be used in such country by OE, its Affiliates or Third Party during the term of this Agreement other than for the Product in the performance of this Agreement. To this end, OE hereby undertakes not to transfer said trade mark, to grant any rights deriving therefrom in such country of the Territory to any Third Party, including through the intermediary of Affiliates or Third Parties, during the term of this Agreement.

17.4 OE makes no other warranty of any kind, express or implied, including but not limited to warranties of merchantability and fitness for a particular purpose.

17.5 OE acknowledges it has been informed of the [***] contained in [***] of the [***].

17.6 OE covenants that, if OE should give its written approval to [***] under this Agreement, OE will then [***] as set out in [***] of the [***] ([***]) in marketing the Product in the Territory during the term of this Agreement, provided that the [***] is [***].

17.7 OE shall indemnify, defend and hold ERYtech, its Affiliates and the officers, directors and employees of each of them ("**ERYtech Indemnitees**"), harmless from any and all losses, liabilities, obligations, claims, fees or expenses, including reasonable attorneys' fees, that stem from claims brought by Third Parties that are based upon the following circumstances other than to the extent indemnifiable by ERYtech pursuant to clauses 14.8, 14.9 and 17.8:

(a) the use or sale or other distribution of Product by or on behalf of OE, its Affiliates or its Sub-licensees;

(b) the material breach of any obligations, covenants or representations and warranties made by OE hereunder; or

(c) the negligence, recklessness or willful misconduct of OE or its Sub-licensees hereunder.

The indemnification obligations set forth in this clause 17.7 shall not apply to the extent that any loss is the result of a breach of this Agreement (including a breach of any representation or warranty) by ERYtech or the negligence or wilful misconduct of any ERYtech Indemnitees. For the avoidance of doubt, [***].

17.8 Without prejudice to clauses 14.8 and 14.9, ERYtech shall indemnify, defend and hold OE and its Affiliates and the officers, directors and employees of each of them ("**OE Indemnitees**"), [***] liabilities, obligations, claims, fees or expenses, including reasonable attorneys' fees, that stem from claims brought by Third Parties that are based upon the following circumstances other than to the extent indemnifiable by OE pursuant to clause 17.7:

(a) the manufacturing of the Product and the delivery of Product to customers;

(b) the infringement, or alleged infringement, by OE or its Affiliates or Sub-licensees of any intellectual property rights of any Third Party in relation to the use or sale or other distribution of Product by or on behalf of OE, its Affiliates or its Sub-licensees pursuant to this Agreement;

(c) the material breach of any obligations, covenants or representations and warranties made by ERYtech hereunder; or

(d) the negligence, recklessness or willful misconduct of ERYtech or its Affiliates.

17.9 The Party claiming indemnity under clauses 17.7 or 17.8 (the "**Indemnified Party**") shall give written notice to the Party from whom indemnity is being sought (the "**Indemnifying Party**") promptly after learning of the claim, suit, proceeding or cause of action for which indemnity is being sought (a "**Claim**"), and shall permit the Indemnifying Party to control and assume the defense of any litigation relating to such Claim and disposition of any such Claim.

(i) If the Indemnifying Party does assume the defense of any Claim, it: shall act diligently and in good faith with respect to all matters relating to the settlement or disposition of any Claim as the settlement or disposition relates to the Indemnified Party; (b) shall cause such defense to be conducted by counsel reasonably acceptable to the Indemnified Party; and (c) shall not settle or otherwise resolve any Claim without prior notice to the Indemnified Party and the consent of the Indemnified Party if such settlement involves anything other than the payment of money by the Indemnifying Party. The Indemnified Party shall reasonably cooperate with the Indemnifying Party in its defense of any claim for which the Indemnifying Party has assumed the defense in accordance with this clause 17.9, and shall have the right (at its own expense) to be present in person or through counsel at all legal proceedings giving rise to the right of indemnification. The Indemnified Party shall not settle any such Claim without the prior written consent of the Indemnifying Party.

(ii) If the Indemnifying Party does not assume the defense of the Claim, the Indemnified Party may decide to assume the defense of such Claim and if it decides so, then it: (a) shall act diligently and in good faith with respect to all matters relating to the settlement or disposition of such Claim; and (b) shall not settle or otherwise resolve any such Claim

without prior notice to the Indemnifying Party and the consent of the Indemnifying Party if such settlement involves anything other than the payment of money by the Indemnifying Party, in any case, without prejudice to the indemnification obligation of the Indemnifying Party pursuant to clauses 17.7 or 17.8. The Indemnifying Party shall reasonably cooperate with the Indemnified Party in the defense of such Claim, and shall have the right (at its own expense) to be present in person or through counsel at all related legal proceedings.

In no event shall either Party be liable to the other Party for any indirect, incidental, special, exemplary, punitive or consequential damages in connection with this Agreement or the transactions contemplated by this Agreement, however caused, under any theory of liability.

17.10 Notwithstanding any other provision of this Agreement, in the event of a breach of the representations, warranties and covenants set out in paragraphs 17.1 (d), (e), (f), (k), (l) or (o), ERYtech shall give OE a prompt notice of such breach and shall have [***] days to cure such breach. If ERYtech has not provided notice of the breach to OE pursuant to the preceding sentence, then OE shall provide notice of the breach to ERYtech within [***] days of OE's awareness of the breach and ERYtech shall have [***] days to cure such breach. If ERYtech does not cure the breach pursuant to the two preceding sentences, then, without prejudice to the right of OE to claim damages under this Agreement, [***].

17.11 Without prejudice to clause 17.8, (A) in the event of a breach of the representations, warranties and covenants set out in paragraphs 17.1 (i) or (j), or (B) should [***] any claim in relation to the Licensed IP result, at any time, in a decision by a court in the Major Markets or the European Patent Office (other than a temporary injunction which is not repealed or overturned within six (6) months) finding as to a significant reduction in scope, withdrawal, cancellation, and/or invalidity of the Patents listed under Patent Family 1 in Schedule 1.1.3 or (C) should [***] any litigation grounded on the performance of any activity pursuant to this Agreement, including any manufacture, use, sale or other distribution of the Product, result, at any time, in a court decision (other than a temporary injunction which is not repealed or overturned within six (6) months) in the Major Markets finding as to a infringement of Third Party's intellectual property rights (any of the circumstances under (A), (B) and (C), the "**Event**"), the following shall apply (provided that several of the following provisions may apply for different Events or subsequently):

(i) [***];

(ii) [***];

(iii) [***].

(iv) [***].

(v) [***].

17.12 If the Product is sold and distributed by OE, its Affiliates and Sublicensees pursuant to this Agreement and legal proceedings claiming infringement of Third Party's intellectual property in the Territory as a consequence of the above activities are started against any of them, then OE may elect to pay [***] of the Royalty and up to [***] of the Milestones [***]. Direct payment to Erytech of amounts owing as Royalties or Milestones shall resume when a non appealable decision or settlement of the action takes place and all amounts owing to a Third Party [***] are paid. If the provisions of this clause 17.12 apply, the Parties shall enter into [***] in accordance with the provisions of this clause 17.12 and customary market practices.

17.13 (i) The provisions of clause 17.11 with respect to Events referred to in clause 17.11 (C) and of clause 17.12 shall automatically terminate if (x) [***] of [***] and (y) there is no pending litigation claiming an infringement of Third Party's intellectual property rights in connection with the performance of any activity pursuant to this Agreement, including any manufacture, use, sale or other distribution of the Product in the Major Markets.

(ii) The provisions of clause 17.11 with respect to Events referred to in clause 17.11 (B) shall automatically terminate if (x) [***] and (y) there is no pending litigation in relation to the Patents listed under Patent Family 1 in Schedule 1.1.3 in the Major Markets or at the European Patent Office.

(iii) The provisions of clause 17.11 with respect to Events referred to in clause 17.11 (A) shall automatically terminate upon termination of both of the provisions set forth in subclauses (i) and (ii) above.

17.14 Each Party shall obtain and keep in force policies of insurance at its sole cost and expense from reputable insurers of such types, in such amounts and covering such risks as are in accordance with normal and customary industry practice generally for companies similarly situated and engaged in similar business.

18. Confidentiality

18.1 During the Term of this Agreement, OE and ERYtech may receive or have access to information that is confidential and proprietary to the other Party (as to either Party, its "**Information**"). The existence and terms of this Agreement shall be deemed Information of both Parties. For the purpose of this clause,

Recipient refers to the Party receiving the Information from Discloser and Discloser refers to the Party disclosing the Information to Recipient. Recipient acknowledges the proprietary and sensitive nature of the Information, and the importance of maintaining the secrecy and confidentiality of such Information. The Information includes proprietary and confidential matters related to the Discloser's current and/or proposed products, operations and business plans with respect to the Product, including but not limited to research, products, clinical data, developments, inventions, processes, technology information, security controls, marketing, finances and pricing. Recipient shall use the Information only for the purpose specified or permitted by this Agreement and shall not accumulate in any way or make use of the Information for any other purpose. Recipient shall ensure that only its employees, authorized agents, or subcontractors who need to know the Information will receive the Information and that such persons agree to be bound by the provisions of this clause 18.

18.2 During the Term of this Agreement and thereafter, Recipient:

(a) shall not, without the Discloser's prior written consent, disclose, use or permit to be used the other Party's Information in any manner except as expressly authorized by this Agreement;

(b) shall treat such Information with at least the same degree of care that it treats its own confidential Information but in no event with less than a reasonable degree of care; and

(c) shall use its reasonable efforts to prevent disclosure of Information to unauthorized parties.

18.3 Upon demand, or upon expiration or termination of this Agreement, the Parties shall comply with each other's reasonable instructions regarding the disposition or return of the Information in its possession or control.

18.4 The obligations of Recipient under this clause 18 shall not apply to:

(a) Information which is or becomes part of the public domain through no fault of the Recipient or its Affiliates;

(b) Information which was known by the Recipient or any of its Affiliates, as evidenced by written records, at the time of disclosure to the Recipient;

(c) Information which becomes known to the Recipient from a source other than the Discloser without breach of this Agreement by the Recipient or any of its Affiliates;

(d) Information which is disclosed pursuant to the order or requirement of a court, administrative agency or other governmental body; and

(e) Information which is independently developed by the Recipient or any of its Affiliates as shown by written records.

18.5 Recipient shall not, without the express prior written consent of Discloser, provide or disclose the Information to any person, with the exception of (a) any Affiliate or Sub-Licensee, provided that such Affiliate or Sub-Licensee agrees to be bound to retain the confidentiality of the Information, (b) employees or consultants who have a need to know in the course of performing services pursuant to this Agreement, provided that such employees or consultants agree to maintain the confidentiality of the Information, (c) Third Party vendors as necessary for either Party to fulfil its obligations vis-à-vis the other under this Agreement, provided that such vendors are bound in writing to maintain the confidentiality of the Information in accordance with this clause 18, and (d) pursuant to requirements of law, in particular to the extent necessary for the implementation of the provisions of this Agreement.

18.6 Notwithstanding the provisions of this clause 18, ERYtech may provide a copy of this Agreement to any potential or actual investor, investment banker, acquirer, merger partner or other potential or actual financial partner as long as each disclosee agrees to be bound by similar terms of confidentiality and non-use at least as protective as those set forth in this clause 18.

18.7 The Parties agree that any unauthorized use or disclosure of Information may cause immediate and irreparable harm to the other for which money damages may not constitute an adequate remedy. In such event, the Parties agree that the injured Party may seek injunctive relief or an *astreinte* as appropriate.

18.8 Promptly following the Effective Date, each Party shall be entitled to issue a press release, substantially in the form attached as Schedule 18.8, to announce the execution of this Agreement. Neither Party nor any of its Affiliates shall disclose any information not included in such press release (or any other public announcements or statements that are subsequently approved as provided herein) concerning the existence, terms, conditions or status of the transactions contemplated herein, or make any public statement which includes the name of the other Party or any of its Affiliates, or otherwise use the name of the other Party or any of its Affiliates in any public statement or document, without the prior written approval of the other Party, except as may be required (i) to register or commercialize the Product or (ii) by law or judicial order or applicable regulations, including as is reasonably necessary to comply with applicable securities exchange listing requirements (and then, to the extent feasible, only following consultation with the other Party).

18.9 Notwithstanding anything to the contrary in this Agreement, to the extent required by Applicable Laws, as interpreted by the relevant oversight authority (*Consob* or *AMF*, as applicable) and the relevant stock exchange or for financial reporting purposes, OE and its controlling company Recordati Industria Chimica e Farmaceutica S.p.A., a listed company, and ERYtech, as applicable, may disclose certain events, including the conclusion of this Agreement (or termination as the case may be) and provide details, including in its periodic reports.

18.10 In the event that either Party intends to publish a paper in a peer reviewed journal (including an abstract) or make a scientific oral presentation containing Information relating to the Product or the Results, such Party shall provide the other Party with a draft of such publication for prior review (or, in the case of a public oral presentation, use reasonable efforts, to the extent practicable under the circumstances, to provide the other Party with a summary of the proposed oral presentation for prior review). Within fifteen (15) business days after receipt of a draft publication (or within five (5) days in the case of a public oral presentation) (the "**Review Period**"), the receiving Party may review the draft and may give its written comments on the draft to the publishing Party. The publishing Party shall prepare the final version of the publication or the oral presentation, taking the comments into consideration if appropriate. Thereafter, the publishing Party may disclose to Third Parties the information disclosed in such publication or oral presentation (i.e., in that or any subsequent publication or presentation) without the need for further approval by the other Party. In the event that no response is given by the receiving Party to the publishing Party within the applicable Review Period, the receiving Party shall be deemed to have no comment on the draft. Notwithstanding the foregoing, as OE has been granted the exclusive right to commercialize the Products in the Primary Indications and the Territory, OE shall have the right to make the final decision whether to proceed with any publication or oral presentation related to the Product in the Primary Indications and the Territory, provided that ERYtech shall be entitled to request that (i) such publication or presentation shall not contain Information of ERYtech other than Information relating to the Products or the Results and/or (ii) shall be delayed by the time necessary for ERYtech to protect any Improvements contained in such publication or presentation. OE shall have the right to approve (but shall not unreasonably withhold such consent) to any publication or oral presentation requested by ERYtech in the Primary Indications and the Territory and, if no response is given by OE to ERYtech within the applicable Review Period, OE shall be deemed to consent to the publication or oral presentation. It is understood that OE shall have no right to make publications or oral presentation with respect to the Product outside of the Primary Indications or the Territory and ERYtech shall not be restricted (subject to the prior information and prior review obligations stated above) from making publications or oral presentation with respect to the Product outside of the Primary Indications or the Territory. With respect to

publications or oral presentation by Third Parties (other than for the avoidance of doubt, with respect to OE, Sub-Licensees), it is understood that the foregoing rights of review shall apply only to the extent the Party hereto has the right to require such Third Party to comply. ERYtech shall take action itself or ensure that similar provisions bind its other licensees, if any, outside of the Primary Indications or the Territory, such that OE is enabled to comment on any intended publication or presentation which may reasonably affect the prescription or sale in the Primary Indications in the Territory or the general reputation of the Product in the Territory.

It is agreed that at a mutually convenient time at the end of each year the Parties shall share and discuss their respective publication plans for the coming year.

19. Governing Law and Jurisdiction

19.1 This Agreement shall be governed by and construed in accordance with [***] (without application of its conflict of laws, rules and principles). [***].

19.2 Any dispute, controversy or claim arising out of or in relation with this Agreement (including in relation to the validity, invalidity, breach, enforcement or termination of this Agreement) (a "**Dispute**") that could not be amicably resolved within thirty (30) days of a dispute notice shall be s finally settled in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "**Rules**") in force on the date when a request for arbitration is submitted. The tribunal shall be composed of three (3) arbitrators appointed by the International Court of Arbitration of the International Chamber of Commerce in accordance with said Rules. The venue of the arbitration shall be [***]. The language of the arbitration shall be English. If the value of the Dispute that is notified by the referring Party is less than [***] Euros (€[***]), the Dispute shall be resolved by a single arbitrator appointed in accordance with the Rules.

20. Miscellaneous

20.1 Amendment

No amendment, modification or addition hereto shall be effective or binding on either Party unless set forth in writing and executed by duly authorised representatives of both Parties.

20.2 Waiver

No failure or delay by a Party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

20.3 Severability

If any court or competent authority finds that any provision of this Agreement (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this Agreement shall not be affected. The Parties shall thereupon promptly meet to negotiate in good faith, a replacement provision or part-provision that meets as closely as possible in substance, the intent of such provision or part-provision found to be invalid, illegal or unenforceable.

20.4 Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective corporate successors and shall not be assigned by either Party without the consent of the other Party. Notwithstanding the foregoing, each Party may assign this Agreement to any of its Affiliates listed in Schedule 20.4 provided that such Affiliates agree to be bound by all the provisions of the Agreement and the assignor shall not be relieved of any of its obligations under this Agreement.

20.5 Further Assurance

Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

20.6 Force Majeure

No Party shall be liable for any failure or delay in performance under this Agreement to the extent such failure or delay arises from "**Force Majeure**". Force Majeure shall mean any circumstance out of the control of the concerned Party and preventing such Party from performing its obligations under this Agreement, including, to the extent that they satisfy the conditions of the preceding sentence, any fire, explosion, earthquake, storm, flood, war, insurrection, riot, act of God or the public enemy, act of terrorism, export or import control regulations, governmental action, orders, legislation, regulations or restrictions and not otherwise arising out of breach by such Party of this Agreement. In the event of the occurrence of such an event, the Party so affected shall give prompt written notice to the other Party, stating the period of time the occurrence is expected to continue and shall use best efforts to end the failure or delay and ensure that the effects of such Force Majeure are minimised.

20.7 No Partnership or Agency

Nothing herein contained shall be deemed to create an agency, joint venture, amalgamation, partnership, or similar relationship between the Parties. The relationship between the Parties established by this Agreement is that of independent contractors.

20.8 Entire Agreement

This Agreement constitutes the whole agreement between the Parties in relation to the subject matter hereof and supersedes any previous agreement between the Parties relating to its subject matter. No representations, inducements, promises or agreements, whether oral or otherwise, between the Parties not contained in this Agreement shall be of any force or effect. No agreement or understanding extending this Agreement or varying its terms (including any inconsistent terms in any purchase order, acknowledgment or similar form) shall be binding upon either Party unless it is in a writing specifically referring to this Agreement and signed by a duly authorized representative of the applicable Party.

20.9 No Third Party Rights

No person, other than the Parties and their permitted assignees or successors hereunder, shall have any rights, to enforce any of its terms.

20.10 No Implied Grants of Intellectual Property Rights

Except as explicitly provided herein, no license or other right, express or implied, is granted or shall be deemed granted by implication, estoppel or otherwise, by one Party under any of its intellectual property to the other Party.

Made in two (2) originals.

ORPHAN EUROPE

/s/ Walter Bevilacqua

By: Walter Bevilacqua

ERYTECH Pharma

/s/ Pierre-Olivier Goineau

By: Pierre-Olivier Goineau

SCHEDULE 1.1.1: List of Countries in [***]

[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

SCHEDULE 1.1.2: AML Development Plan

[***]

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SCHEDULE 1.1.3: List of Patents in Licensed 113

Patent Family 1

[***]

Country	Filing Number	Filing date	Grant Number	Grant Date	Expiration date	Status
[***]	[***]	[***]	[***]	[***]	[***]	[***]
....	....	....	....	....	....	....
[***]	[***]	[***]	[***]	[***]	[***]	[***]

Patent Family 2

[***]

[***]

Country	Filing Number	Filing Date	Grant Number	Grant Date	Expiration date	Status
[***]	[***]	[***]			[***]	[***]

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SCHEDULE 1.1.4: Cost items in the Supply Price calculation

[***]

SCHEDULE 3.1: List of material information needed to evaluate additional territories and Additional Indications

For Additional Territories

[***]

For Additional Indications

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

SCHEDULE 5.1: Clinical Trials for ALL Indication

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

[***]

[***]

PROTOCOL SUMMARY

PHASE I/II CLINICAL TRIAL

GRASPALL 2005-01 STUDY

Administration of allogenic red blood cells loaded L-asparaginase in cases of relapse of acute lymphoblastic leukaemia.

[***]

SCHEDULE 7.5 b): Information to be contained on prescription form:

[***]

Schedule 8.4: Example of requirements for traceability program in France

[***]

SCHEDULE [***]

[***]

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SCHEDULE [***]: [***]

[***]

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SCHEDULE 18.8: Press release

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*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

PRESS RELEASE **November 22, 2012**

ERYTECH Pharma signs licensing and distribution agreement with Orphan Europe for GRASPA® in Europe

Lyon (France) - November 22, 2012 - ERYTECH Pharma, a late stage biopharmaceuticals company focused on orphan oncology and rare diseases, announced today that it has entered into a definitive agreement and Orphan Europe, part of the Recordati Group, granting Orphan Europe exclusive rights for the commercialization and distribution of GRASPA® in Acute Lymphoblastic Leukemia (ALL) and Acute Myeloid Leukemia (AML) in Europe.

GRASPA®, L-asparaginase encapsulated into human erythrocytes , for the treatment of hematological malignancies, is in pivotal Phase II/III clinical trial for ALL and will enter a Phase IIb trial in AML in Europe. The product holds orphan designation in Europe and the US for ALL. GRASPA® is intended to satisfy the important unmet medical needs of frail cancer patients, patients suffering relapses and other patient groups for whom the current treatments are not suitable.

“We are very pleased to announce this agreement with Orphan Europe” said Pierre-Olivier Goineau, Chief Executive Officer of Erytech. “We believe we have found in Orphan Europe a partner that is uniquely positioned to ensure market access and commercial success of our lead product in ALL, and to advance the product in AML. Erytech will manufacture the product. This agreement is a major milestone for Erytech, and a clear recognition of the potential of our technology. It will allow us to focus on our developments in the US, in solid tumors and in other rare disease indications”

Marco Liguori, CEO of Orphan Europe, is delighted with this new partnership “The Orphan Europe team has considerable experience in the orphan drug field and the special requirements of rare diseases. We are committed and prepared to ensure that these treatments become available for patients in Europe rapidly”.

For more information:

Pierre-Olivier Goineau, CEO
Tel.: +33 478744438
contact@erytech.com

Caroline Carmagnol, ALIZE RP
Tel.: +33 142 688 643 //+33 664 189 959
caroline©alizerp. corn

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About Erytech

Erytech Pharma SA is a late-stage French biopharmaceutical company developing medicinal products for orphan oncology and rare diseases. The company's proprietary core technology is based on the use of human red blood cells (RBCs) to improve the pharmacokinetic (PK) and pharmacodynamic (PD) properties of therapeutic molecules. Its lead product, GRASPA® is in pivotal Phase 11/11I clinical trial for ALL and will enter a Phase IIb trial in AML in Europe. The product holds orphan designation in Europe and the US for ALL.

The company is expanding the use of its technology in oncology to Acute Myeloid Leukemia and solid tumors, and outside oncology in rare immunology and haematology indications.

About Orphan Europe

Orphan Europe was founded in 1990 and acquired by Recordati in 2007. For the past two decades Orphan Europe has developed and marketed orphan drugs for patients with rare diseases. In 2000 orphan drugs were defined by the European Drug Regulation as a treatment for a life-threatening or chronically debilitating condition affecting no more than five in 10,000 persons. The parameters involved in the development of an orphan drug are very different to the development of conventional drugs, for example there is a limited number of patients and a scarcity of expertise. Therefore Orphan Europe's approach is based on combined efforts between the company, patients and the medical community with the overall aim to improve the life of affected persons. Orphan Europe has also built the Orphan Europe Academy with the aim to further the understanding of rare diseases and provide a forum for sharing knowledge and developing new ideas.

About Recordati

Recordati, established in 1926, is a European pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC 1M, ISIN IT 0003828271), with a total staff of over 3,200, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Central and Eastern Europe, and in Turkey. A field force of around 1,700 medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses from companies which do not have a European presence. Recordati is committed to the research and development of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. Consolidated revenue for 2011 was € 762.0 million, operating income was € 163.5 million and net income was € 116.4 million.

NEWS RELEASE

RECORDATI LICENSES GRASPA® FROM ERYTECH IN EUROPE

Milan, xx xxxxx 2012 — Recordati announces that its subsidiary Orphan Europe and Erytech Pharma, a late development stage French biopharmaceutical company focused on orphan oncology and rare diseases, have entered into an agreement granting Orphan Europe the exclusive rights for the commercialization and distribution of Graspa® for the treatment of Acute Lymphoblastic Leukemia (ALL) and Acute Myeloid Leukemia (AML) in Europe. Graspa®, human erythrocytes encapsulating L-asparaginase, for the treatment of hematological malignancies, is currently in pivotal Phase II/III clinical trial for ALL and will enter a Phase IIb trial in AML in Europe. The product has obtained an orphan drug designation in Europe and the USA for ALL.

Graspa® is a new formulation of L-asparaginase with a safer and broader range of clinical use than existing forms due to the entrapment and protection of the enzyme inside homologous red blood cells. The added value of Graspa® (by encapsulating L-asparaginase in red blood cells) relates to its ability to overcome existing limitations associated with conventional L-asparaginase via longer efficacy, better compliance, reduced doses and a better safety profile. Graspa® is intended to satisfy the unmet medical needs of frail patients, patients suffering relapses and other patient groups for whom the current treatments are not suitable.

Marco Liguori CEO of Orphan Europe is delighted with this new partnership “The Orphan Europe team has considerable experience in the orphan drug field and the special requirements of rare diseases. We are committed and prepared to ensure that these treatments become available for patients in Europe rapidly”.

“We are very pleased to announce this agreement with Orphan Europe (Recordati Group)” said Pierre-Olivier Goineau, Chief Executive Officer of Erytech. “We believe we have found a partner that is uniquely positioned to ensure market access and commercial success of our lead product in ALL, and to advance the product in AML. Erytech will manufacture the product. This agreement is a major milestone for Erytech, and a clear recognition of the potential of our technology. It will allow us to focus on our developments in the US in solid tumors and in other rare disease indications”.

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About Erytech

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Erytech has established a cGMP approved manufacturing facility that can meet the demand for Graspa® products in Europe. The company is expanding the use of its technology in oncology to Acute Myeloid Leukemia and solid tumors, and outside oncology in enzyme replacement therapy, immunology and haematology indications.

For more information:
Erytech Pharma:
RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

Sede Legale
VIA M. CIVITALI, 1
20148 MILANO, ITALIA
TEL (39) 0248787.1
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CODICE FISCALE/P IVA 007482210150
R.E.A. MILANO N. 401832

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caroline@alizerp.com

Orphan Europe Recordati Group
Samantha Parker, Director of External Affairs and Rare Disease Partnerships,
Tel: +33 1 47739529
sparker@orphan-europe.com

***Recordati**, established in 1926, is a European pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC 1M, ISIN IT 0003828271), with a total staff of over 3,200, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in the main European countries, in Central and Eastern Europe, and in Turkey. A field force of around 1,700 medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses from companies which do not have a European presence. Recordati is committed to the research and development of new drug entities within the cardiovascular and urogenital therapeutic areas and of treatments for rare diseases. Consolidated revenue for 2011 was € 762.0 million, operating income was € 163.5 million and net income was € 116.4 million.*

For further information:

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Statements contained in this release, other than historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements. All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.

SCHEDULE 20.4: List of Affiliates to which the Agreement can be assigned:

[***]

*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

ERYTECH
Bâtiment Adenine
60 Avenue Rockefeller,
69008 Lyon

February 22 2013

By Registered Letter with return receipt and duplicated by electronic mail

To the attention of Mr Pierre-Olivier GOINEAU — President & CEO

Re: First Amendment to the Exclusive License and Distribution Agreement between ORPHAN EUROPE SARL and ERYTECH dated November 22 2012 ("the Agreement"), effective as of February 22 2013 (the Effective Date).

Dear Mr Goineau,

This letter is to serve as First Amendment to the Agreement and all defined (capitalized) terms used herein shall have the same meaning as those set out in the Agreement, unless expressly otherwise provided for herein.

Following discussions between respective representatives of the Parties, we hereby set forth the terms and conditions that were agreed upon by ORPHAN EUROPE and ERYTECH.

1 Understanding

Reference is made to section 6.7 of the Agreement which stipulates that the Parties shall enter into a Safety Data Exchange Agreement (the SDEA), within three (3) months after the date of execution of the Agreement, that is to say on February 22 2013 at the latest.

On the date of the present letter, the SDEA is still under negotiation between the Parties however close to finalization.

Therefore the Parties hereby agree to extend the allotted period and to enter into such SDEA no later than on March 15 2013.

2 No Other Changes

Except as expressly set forth by this First Amendment, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

3. Counterparts.

This First Amendment shall be executed in two counterparts, one for ORPHAN EUROPE, one for ERYTECH, each of which shall be deemed an original but all of which together shall constitute one and the same document.

This First Amendment shall enter into force as of the Effective Date upon your signature.

Should you agree with the content of this First Amendment please sign and return one original to us for acknowledgement and acceptance thereof.

For and on behalf of ORPHAN EUROPE SARL

Sophie LEGER COLLOMB
General Manager of EMEA Operations

For and on behalf of ERYTECH
"Acknowledged and accepted"

Pierre-Olivier GOINEAU
CEO

Date:

Orphan Europe SARL
Immeuble « Le Wilson »,
70, avenue du Général de Gaulle
92058 Paris la Défense

Lyon, *5th February 2015*

BY REGISTERED LETTER

OBJECT: SECOND AMENDMENT TO THE EXCLUSIVE LICENSE AND DISTRIBUTION BETWEEN ORPHAN EUROPE SARL AND ERYTECH PHARMA DATED NOVEMBER 22ND, 2012 AS FURTHER AMENDED ("THE AGREEMENT"), EFFECTIVE AS OF 4TH AUGUST 2014

This letter is to serve as second amendment to the Agreement (the "Second Amendment") and all defined (capitalized) terms used herein shall have the same meaning as those set out in the Agreement, unless expressly otherwise provided herein.

Following discussions during the Joint Steering Committee held between January and July 2014 and the positive feedback of the CPP (*Comité pour la Protection des Personnes*) and ANSM (*L'Agence Nationale de Sécurité du Médicament et des produits de santé*) on a new amendment to GRASPALL 2009-06 Study Protocol (as incorporated via PDF format in Schedule 5.1 to the Agreement), we hereby set forth the terms and conditions already discussed by the Parties in order to further amend the GRASPALL 2009-06 Study Protocol (GRASPALL2009-06_V3_100428_FR) dated 28 April 2010 attached to the Agreement (the "Protocol"), pursuant to Section 20.1 of the Agreement.

1. Understanding and background

Reference is made to Schedule 5.1 of the Agreement which set out, amongst others, the ongoing and envisaged clinical trials for ALL Indication according to the Protocol. Following the execution of the Agreement the Protocol was modified by the document named Amendment 2 dated 24/04/2013 hereto attached ("Protocol Amendment 2"):

On 4 August 2014 the CPP and the ANSM accepted the content and terms of the document dated 02/07/2014 submitted by ERYTECH Pharma as proposed third amendment to the Protocol and hereto attached (the "Protocol Amendment 3").

Therefore, the Parties hereby acknowledge that the Protocol and, consequently, the Agreement were amended by adding Protocol Amendment 2 to the Protocol and, further, agree to hereby amend the Protocol by adding Protocol Amendment 3 to the Protocol in the form and content attached to this Second Amendment.

Furthermore, ERYTECH Pharma represents and warrants that the activities and studies under the Protocol as amended by Protocol Amendment 2 have been duly and timely carried out in full accordance with the Protocol, the Protocol Amendment 2 and applicable laws.

2. No other changes

Except as expressly set forth by this Second Amendment, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

3. Counterparts

This Second Amendment shall be executed in two counterparts, one for each Party, each of which shall be deemed an original but all of which together shall constitute one and the same document.

This Second Amendment shall enter into force as of the Effective Date upon your signature. Should you agree with the content of this Second Amendment, please sign and return one original to us for acknowledgment and acceptance thereof.

For and on behalf of ERYTECH Pharma

/s/ Gil Beyen
Mr. Gil Beyen
Chief Executive Officer

For and on behalf of ORPHAN EUROPE SARL
"Acknowledged and accepted"

/s/ Andrea Recordati
Mr. Andrea Recordati
Gérant
Date: 6/3/2015

/s/ Corrado Castellucci

Mr. Corrado Castellucci
Gérant
Date: March 2nd, 2015

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES ACT OF 1933, AS AMENDED.

Execution version

ADDENDUM N°3 TO THE AGREEMENT

Between:

- **ERYTECH Pharma, S.A**. with a share capital of 792 461,10 euros €, having its registered head office in Lyon 08, Bâtiment Adénine, 60 avenue Rockefeller, registered with the Trade and Companies Registry of Lyon under the number 479 560 013, represented by Mr Gil BEYEN, Chief Executive Officer, ("**ERYTECH**")

and

- **ORPHAN EUROPE, S.A.R.L.**, with share capital of 320,000 €, having its registered head office in Puteaux, Immeuble Le Wilson, 70 Avenue du Général de Gaulle, registered with the Trade and Companies Registry of Nanterre under number 379 088 115, represented by Mr Andrea Recordati, Managing Director and Mr Massimo Mineo, General Manager EMEA ("**OE**")

PREAMBLE

On 22 November 2012 ERYTECH and OE signed a License and Distribution Agreement (hereinafter referred to as the "**Agreement**"), according to which, amongst others, ERYTECH appointed OE as its exclusive distributor of the Product for the Primary Indications in the Territory and granted OE a license to the Licensed IP and the Trade Mark.

ERYTECH is finalizing with Medac GmbH some amendments to the Medac Agreements, concerning the supply of the L-asparaginase (native or recombinant, as the case may be) for the Product and the related supply price, as well as the term of the Medac Agreements. The execution versions of the addenda, respectively, to the 2008 Medac Agreement and to the 2011 Medac Agreement are attached hereto (the "**Medac Addenda**").

In consideration of the above and of the terms of the Medac Addenda, ERYTECH and OE wish to amend the Agreement in order to adjust their contractual relationship to the new terms of the Medac Agreements.

IN CONSIDERATION OF THE MUTUAL COVENANTS EXPRESSED HEREIN, WHICH ARE INTEGRAL AND ESSENTIAL PART OF THIS ADDENDUM, THE PARTIES HERETO AGREE AS FOLLOWS:

A) If not otherwise specified in this Addendum, capitalized terms shall have the meaning attributed to them in the Agreement.

B) Subject to the terms hereof and to the execution of the Medac Addenda, pursuant to Art. 17.1 (O), OE [***].

Any proposal by ERYTECH to [***] shall be subject to a [***], unless [***] is required by Applicable Laws. It is understood that [***], having in mind its interest in marketing the Product, and maximizing its margin from such marketing, under the Agreement.

It is also agreed that ERYTECH shall bear all costs and expenses [***] (including, by way of example, costs and expenses for [***]).

Execution version

C) The Parties agree that the price for the supply of a [***] of [***] of [***] (being an item of the "[***]" under paragraph (i) of the "Supply Price" calculation in Schedule 1.1.4. to the Agreement), in the form of [***] and delivered to ERYTECH according to the 2011 Medac Agreement (as amended and integrated from time to time), (the "**Medac Product**") shall be charged by ERYTECH (as duly documented by ERYTECH) to OE at [***].

The Parties agree that [***] the price to be charged by ERYTECH to OE (as an item of the "[***]" under paragraph (i) of the "Supply Price" calculation in Schedule 1.1.4. to the Agreement) shall [***]; therefore, [***] and [***] shall be [***] by [***].

D) As a consequence of point C) above:

(i) [***] (being an item of "[***]" under such definition/calculation of "Supply Price" as per Schedule 1.1.4 to the Agreement) according to point C) above and to reflect the above described mechanism; and

(ii) Schedule 1.1.4 (Cost items in the Supply Price calculation) of the Agreement shall be cancelled and replaced with the new Schedule 1.1.4 attached to this Addendum; and

(iii) [***] on the [***] shall be [***] according to the provisions of this Addendum.

E) Art. 17.5 and 17.6 of the Agreement are hereby deleted and cancelled.

F) Schedule 1.1.3 (List of Patents in Licensed IP) of the Agreement is updated as per Schedule F to this Addendum.

G) The definition of Territory is amended as follows: shall mean the 28 countries currently forming the European Union, Norway, Switzerland, Liechtenstein, Iceland, Serbia, Macedonia, Montenegro, Kosovo, Albania, and Bosnia and Herzegovina, including their current possessions and territories. In case a country currently member of the European Union is no longer a member of the European Union, it is understood that such country shall be in any case considered a country of the Territory.

H) This Addendum, including the related attachments, is essential and integral part of the Agreement. Except as expressly set forth by this Addendum, all terms and conditions of the Agreement as amended shall remain unchanged and in full force and effect.

In two originals,

For **ERYTECH**
On : 07 / 07 / 2016

/s/ Gil Beyen
Mr Gil BEYEN
Chief Executive Officer

For **OE**
On : 21 / 07 / 2016

Execution version

/s/ Andrea Recordati
Mr Andrea Recordati
Gérant/Managing Director

/s/ Massimo Mineo
Mr Massimo Mineo
General Manager EMEA

SCHEDULE B): Execution versions of the addenda to the Medac Agreements

A) Execution version of Addendum 2 to the 2008 Medac Agreement

ADDENDUM N° 2 TO
EXCLUSIVE SUPPLY AGREEMENT
for L-Asparaginase

This Addendum is entered between:

ERYTECH Pharma S.A, a company incorporated under the laws of the Republic of France (n° 479 560 013 RCS Lyon; VAT No. FR 10479560013)), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, France, represented by Mr GIl Beyen, Chief Executive Officer, and by Mr Jérôme Bailly, Qualified Person,

hereinafter referred to as "**ERYTECH Pharma**".

And,

medac GmbH, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Mr Nikolaus Graf Stolberg, Managing Director and Dr. Michaela Rehberg, Director Drug Regulatory Affairs (VAT No. DE 118579535)

hereinafter referred to as "**Medac**".

hereinafter referred to individually or collectively as the "Parties" and individually as a "Party".

WHEREAS

The Parties have signed an Exclusive Supply Agreement on 12th December 2008, as amended by virtue of Addendum 1 executed on 19th August 2009, (hereinafter "**the Agreement**").
The Parties agree to modify certain Articles of the Agreement.
Therefore, the Agreement is hereby amended to read as follows:

1) The exclusivity of supply set forth in Section 3.1 of the Agreement shall be converted into non-exclusivity.

2) Section 4.3 of the Agreement shall be null and void.

3) Section 15.1 of the Agreement shall be null and void and replaced by the following:

"15.1. Term.

The term of this Agreement shall commence upon the Effective Date (i.e. 10th December 2008) and unless terminated earlier or extended pursuant to this Agreement shall expire twenty (20) years thereafter (i.e. 10th December 2028).

It is agreed between the Parties that in the event that after December 31, 2017, Medac's supplier of the Product discontinues in full the production of the Product for supplies to medac for the EU countries, the Agreement is suspended, including all rights and obligations of the Parties. This means that neither Party may claim or be liable for any contractual rights and/or obligations accordingly (with exception to Article XI. Confidentiality, Article XIII. Indemnification and Article XIV. Insurance).

It is understood between the Parties that in case the circumstance under the proceeding sentence occurs, Medac will not be deemed liable for the lack of supply of the Product to ERYTECH Pharma according to the Agreement and ERYTECH Pharma shall not be entitled to claim any compensation, direct, indirect, incidental or consequential losses or damages howsoever caused, and whether based on warranty, contract, tort including negligence, strict liability or otherwise from Medac.

4) Section 15.2 of the Agreement shall be amended as follows:

"15.2. b):

[…]. *Such possibility of termination does not exist in case of suspension of the Agreement according to Article 15.1. second paragraph of the Agreement.*

"15.2. c):

*After December 31, 2017, without notice and compensation by Medac in case (a) the European Commission definitely denies the current marketing authorisation application for GRASPA® (EMEA/H/C/004055) (the "***MAA***"), (b) ERYtech withdraws the MAA or (c) ERYtech changes the MAA from using the Product to recombinant L-Asparaginase and obtains the marketing authorization relating to the changed MAA.*

5) Section 15.3 first paragraph of the Agreement shall be null and void and replaced by the following:

"15.3. Consequences of Termination

Except with respect to a termination by Medac pursuant to Section 15.2. b), the expiration or termination of this Agreement will not relieve Medac from its obligation to provide with any Product to be delivered prior to the effective date of such expiration or termination."

6) Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect and all terms beginning by a capitalized letter shall have the same meaning as those defined in the Agreement.

IN WITNESS whereof, the Parties have caused this Addendum to be executed by their duly authorized officers.

ERYTECH Pharma

Mr Gil Beyen
Chief Executive Officer

Place and date:

Lyon, July 5th, 2016

/s/ Gil Beyen

Signature

ERYTECH Pharma

Mr Jérôme Bailly
Qualified Person

Place and date:

Lyon, July 5th, 2016

/s/ Jérôme Bailly

Signature

Medac

Mr Nikolaus Graf Stolberg
Managing Director

Place and date:

Hamburg, July 15th, 2016

/s/ Nikolaus Graf Stolberg

Signature

ppa. Dr. Michaela Rehberg
Director Drug Regulatory Affairs

/s/ Dr. Michaela Rehberg

Signature

Place and date:

Hamburg, July 25th, 2016

B) Execution version of Addendum 2 to the 2011 Medac Agreement

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES ACT OF 1933, AS AMENDED.

ADDENDUM N° 2 TO EXCLUSIVE SUPPLY AGREEMENT for recombinant L-Asparaginase

This Addendum is entered between:

ERYTECH Pharma S.A, a company incorporated under the laws of the Republic of France (n° 479 560 013 RCS Lyon; VAT No. FR 10479560013)), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, France, represented by Mr Gil Beyen, Chief Executive Officer, and by Mr Jérôme Bailly, Qualified Person,

hereinafter referred to as "**ERYTECH Pharma**".
And,

medac GmbH, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Mr Nikolaus Graf Stolberg, Managing Director and Dr. Michaela Rehberg, Director Drug Regulatory Affairs (VAT No. DE 118579535)

hereinafter referred to as "**medac**".

hereinafter referred to individually or collectively as the "Parties" and individually as a "Party".

WHEREAS

The Parties have signed an Exclusive Supply Agreement on 3rd May 2011, as amended by virtue of Addendum 1 executed on 4th April 2014, (hereinafter "**the Agreement**").

The Parties agree to modify certain Articles of the Agreement.

Therefore, the Agreement is hereby amended to read as follows:

1) From the date of signature of this Addendum, for the avoidance of doubt, the term "GRASPA®", which for purposes of the Agreement, designates the medicinal product consisting in suspension of erythrocytes encapsulating recombinant L-asparaginase and released by ERYTECH Pharma, shall also include the medicinal product, internally designated as eryasp, consisting in suspension of erythrocytes encapsulating recombinant L-asparaginase and released by ERYTECH Pharma, which may not be commercialized under the "GRASPA®" trademark.

2) The exclusivity obligation under Section 3.1 of the Agreement (as well as any reference to such exclusivity obligation in the Agreement) shall be in force for five years from the first supply of the Product for commercial purposes.

3) Section 3.3 of the Agreement shall be null and void and replaced by the following:

3.3 Forecast

- ERYTECH Pharma shall provide medac with a rolling forecast of the quantities to be purchased over the next [***] ("Forecast") of which the first [***] shall be made of quarterly projections, while the subsequent [***] shall be made of annual projections.

4) Sections 4.1.1 and 4.1.2. of the Agreement shall be null and void and replaced by the following:

"4.1. Supply price of the Product

The price of the Product will be according to the following table:

Order volumes	Price per Product/ Euro
[***] batch	[***]
[***] batch	[***]
[***] batches ([***] campaign per year which will run from first Firm Order ("Commercial Year")	[***]
[***] batches ([***] campaigns of [***] batches per Commercial Year)	[***]
[***] batches ([***] campaigns of [***] batches per Commercial Year)	[***]

It is agreed that each batch comprises a number of Products between around [***] and around [***]."

5) Section V of the Agreement shall be null and void and replaced by the following:

Article V. MUTUAL CONSENT

"[***]."

6) Section 7.1 of the Agreement shall be null and void and replaced by the following:

"7.1. Shipment.

Except as set out in Article 3.6 hereof and as long as the purchase orders made by ERYTECH Pharma are in compliance with the Forecast as defined under Article 3.3 hereof, medac shall ship, directly or through any Third Party, the Product to ERYTECH Pharma to one (1) delivery destination(s) in the European Union (in case of purchase order for commercial purposes) and any delivery destinations in the European Union (in case of purchase order for clinical purposes) specified in ERYTECH Pharma`s purchase orders within the lead-times described below, each of which will run, following the Firm Order:

(i) [***] for [***] batch, if [***]

(ii) [***] in case of [***] batch, if [***]

(iii) [***] in case of [***] to [***] batches ([***] to [***] campaigns of [***] batches each) per [***], if [***]

(iv) [***] in case of minimum [***] batches per Commercial Year, if [***]
Pursuant to shipment of at least [***] batch, Medac shall deliver Products with [***] of the Product.

[***].

7) Section 16.1 of the Agreement shall be cancelled and replaced with the following:

"**16.1. Term and termination**

The term of this Agreement shall commence upon the Effective Date and shall expire on 11th December 2028.

It is understood that save for the case of Force Majeure, only following the expiration of the exclusivity period of five years as per Section 3.1 of this Agreement and only in the event that medac's supplier of the API discontinues in full the production of the API and medac, therefore, becomes unable to supply the Product to ERYTECH Pharma, medac will be entitled to terminate the Agreement, by sending ERYTECH Pharma a 5-years prior written notice. For the avoidance of doubt, during this 5-years notice period, medac shall remain committed to ensure continuous supply of the Product in accordance with this Agreement."

8) Section 16.2 shall be cancelled and replaced with the following:

"**16.2 Termination**. The Agreement may be terminated:

a) without notice and compensation by the mutual written agreement of the Parties; and

b) by either Party in the event a Party is in material default of the terms and conditions of this Agreement and fails to remedy the material default within one hundred twenty (120) days after receiving written notice specifying such default."

9) Section XVIII below shall be added to the Agreement:

Article XVIII. RIGHT OF NEGOTIATION

medac, on its behalf and on behalf of its Affiliates acknowledges, it has been informed and understood that:

- as at the signature date of this Addendum, ERYTECH has granted to a partner with right to assign to [***] affiliates (hereinafter the "**Partner**"):
  - distribution and license rights with respect to a product developed by ERYTECH Pharma consisting of suspension of erythrocytes encapsulating L-Asparaginase:
    - in the 28 countries currently forming the European Union, [***]; and
    - for the ALL indication and the AML indication
  - a right of first negotiation notably in some additional territories, such as [***].
- In case of discrepancies between, the provisions of this Article 18 and any applicable provisions between the Partner and ERYTECH with respect to the rights granted as set out above, the provisions of this Article 18 will be modified automatically to the extent necessary to reflect what was agreed by the Partner and ERYTECH Pharma. ERYTECH Pharma shall notify medac of such modifications in writing.

For the sole purpose of this Section, medac agrees and accepts that ERYTECH may disclose the existence of the following sections to Third Parties.

18.1. Right of first negotiation

In the event that within [***] of the date of this Addendum:

- ERYTECH Pharma is no longer bound by the distribution and license rights granted to the Partner and
- ERYTECH Pharma intends to enter into a license or other distribution arrangement with respect to GRASPA with any Third Party in relation to:
  - the 28 countries currently forming the European Union, [***] (hereinafter referred to as "Territories"); and in
  - the ALL indication and/or the AML indication (hereinafter referred to as "Indications");

ERYTECH Pharma shall notify medac of such intention in writing without undue delay.

18.2. Right of second negotiation

In the event that within [***] of the date of this Addendum:

- ERYTECH Pharma intends to enter into a license or other distribution arrangement with respect to GRASPA with any Third Party besides the Partner in relation to:
  - Turkey, Russia [***] (hereinafter referred to as "Additional Territories"); and to
  - the Indications,
- and the Partner notifies ERYTECH Pharma that it does not wish to enter into discussions in relation to a license or other arrangement for such Additional Territories or Indications, or in the absence of any notification by the Partner within a period mutually agreed by ERYTECH Pharma and the Partner, or if ERYTECH Pharma is no longer bound by the right of first negotiation with the Partner;

ERYTECH Pharma shall notify medac of such intention in writing without undue delay.

18.3. Negotiation's proceedings

Within [***] of ERYTECH Pharma's notice to medac (within [***] if the notice falls in [***] or [***]), medac shall notify ERYTECH Pharma in writing whether it wishes to enter into discussions in relation to a license or other distribution arrangement with ERYTECH Pharma for the Territories, Additional Territories and Indications for which medac has a right of first negotiation or second negotiation in accordance with Sections 18.1 and 18.2. If medac notifies ERYTECH Pharma that it does not wish to enter into discussions in relation to a license or other distribution arrangement for such Territories, Additional Territories and Indications, or in the absence of any notification by medac within such period, ERYTECH Pharma shall be entitled to enter into a license or other distribution arrangement in relation to such Territories, Additional Territories and Indications with a Third Party.

If medac notifies ERYTECH Pharma that it wishes to enter into discussions in relation to a license or other distribution arrangement for such Territories, Additional Territories and indications the Parties shall negotiate exclusively in relation to the same for a period of [***] from the response of medac.

If the Parties have not entered into a definitive agreement in relation to such Territories, Additional Territories and Indications within the [***] period, ERYTECH Pharma shall be entitled to enter into a license or other distribution arrangement in relation to such Territories, Additional Territories and Indications with a Third Party provided that the [***].

18.4 Right of information

Without prejudice to the right of first negotiation of the Partner as described above, in the event that within [***] of the date of this Addendum:

- ERYTECH intends to enter into a license or other distribution arrangement with respect to GRASPA with any Third Party in relation to:
  - countries where medac proves to be conducting significant distribution activities. Such countries are listed in Exhibit 4 and should be amended as the case may be by mutual agreement of the Parties; and to
  - the Indications,

ERYTECH undertakes to inform medac of such intention in writing without undue delay. If within [***] of ERYTECH Pharma's notice to medac (within [***] if the notice falls in [***] or [***]), medac notifies ERYTECH Pharma that it wishes to make an offer in relation to a license or other distribution arrangement for such countries and Indications, ERYTECH Pharma shall consider such offer in good faith but ERYTECH Pharma shall be free to enter into such license or other distribution arrangement with any Third Party.

10) Section XIX below shall be added to the Agreement:

"Article XIX: MUTUAL EFFORTS

medac hereby authorises ERYTECH Pharma to use the information and documents related to the recombinant L-asparaginase, already provided to ERYTECH Pharma in connection with the GRASPA® registration in ALL.

Without prejudice to the above, medac shall provide within a reasonable time and free of charge, ERYTECH Pharma with assistance and all the information/documents related to the recombinant L-asparaginase available at medac and not being under confidentiality obligations towards third parties and necessary to obtain the marketing authorization of the product developed by ERYTECH Pharma consisting of [***]. ERYTECH Pharma shall use reasonable commercial efforts to avoid any direct harm to medac.

If the documents/information to be provided by medac according to the preceding sentence are under confidentiality obligations towards third parties, medac shall make reasonable efforts to obtain disclosure of said documents or information from such third parties.

Without prejudice to the provisions of the Agreement as amended by this Addendum, ERYTECH Pharma shall [***]."

11) In case medac wishes to carry out investment to improve the manufacturing capacity for the Product, the Parties shall promptly inform each other and send the other Party a prospectus outlining the type of investment medac intends to make, and related costs and timeframes. Then, the Parties will discuss a possible cooperation and cost sharing, which shall not be unreasonably withheld by the Parties.

12) Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect and all terms beginning by a capitalized letter shall have the same meaning as those defined in the Agreement and in the Addendum n°1.

IN WITNESS whereof, the Parties have caused this Addendum to be executed by their duly authorized officers.

ERYTECH Pharma

Mr Gil Beyen Chief Executive Officer	Place and date: Lyon, July 5th, 2016

/s/ Gil Beyen

Signature

ERYTECH Pharma

Mr Jérôme Bailly Qualified Person	Place and date: Lyon, July 5th, 2016

/s/ Jérôme Bailly

Signature

Medac

Mr Nikolaus Graf Stolberg Managing Director	Place and date: Hamburg, 15.7.16

/s/ Nikolaus Graf Stolberg

Signature

Medac

ppa. Dr. Michaela Rehberg Director Drug Regulatory Affairs	Place and date: Hamburg, 25.07.16

/s/ Michaela Rehberg

Signature

Execution version

SCHEDULE F: Update of SCHEDULE 1.1.3 of the Agreement (List of Patents in Licensed IP)

[***]

Execution version

SCHEDULE 1.1.4: Cost items in the Supply Price calculation

[***]

Exhibit 10.5

*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

EXCLUSIVE DISTRIBUTION AGREEMENT

This Exclusive Distribution Agreement is made by and entered into as of 28/3/11 (the "**Effective Date**") between:

- **ERYtech Pharma S.A**, a *Societé Anonyme* existing and organized under the laws of the Republic of France, having its registered head office at 60 Avenue Rockefeller, Bâtiment Adenine, 69008 Lyon, France, with a registered capital of 315.355 Euros;

  Represented by Mr Pierre-Olivier Goineau, Chief Executive Officer,

hereinafter referred to as "**ERYTECH**"
OF THE FIRST PART,

AND:

- **Abic Marketing Limited**, an Affiliate of TEVA Pharmaceutical Industries Limited, corporation existing and organized under the laws of Israel, having its registered head office at 5 Basel Street, Petah Tiqva, 49131, Israel

  Represented by Ron Myron, Managing Director Teva Israel, Vice President I.C.A

hereinafter referred to as "**TEVA**"
OF THE SECOND PART,

ERYTECH and TEVA hereinafter referred to individually a "Party" and collectively the "Parties".

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Whereas TEVA and ERYTECH have signed on June 24th, 2010 a term sheet in order to negotiate in good faith the terms and conditions of an exclusive distribution agreement.

Whereas ERYTECH is a French specialty pharma company which develops personalized cell therapy medicinal products such as therapeutic molecules or enzymes encapsulated into red blood cells. In particular, ERYtech Pharma develops the GRASPA® which consists of suspension of erythrocytes encapsulating L-asparaginase in a preservative solution. ERYtech Pharma has started in Europe a Phase II/III clinical trial in relapse acute lymphoblastic leukemia in children and adults with GRASPA®, in view to grant a marketing authorization.

Whereas TEVA is a global pharmaceutical company specializing in the development, production and marketing of generic and proprietary branded pharmaceuticals as well as active pharmaceutical ingredients.

Whereas TEVA, is well established in Israel, and is already in charge of importing, promoting, distributing and selling products for the chemical and pharmaceutical industry.

Whereas ERYTECH is willing to entrust TEVA with the task of registering GRASPA® and with the task of importing, promoting, marketing and selling GRASPA® in Israel.

IN CONSIDERATION of the mutual covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged,

IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

ARTICLE 1 - DEFINITIONS.

1.1 Where used herein the following terms shall have the following meanings respectively:

1.1.a "**Affiliates**" means, with respect to any Party, (i) any legal entity of which the securities or other ownership interests representing fifty per cent (50 %) or more of the equity or fifty per cent (50 %) or more of the ordinary voting power or fifty per cent (50 %) or more of the general partnership interest are, at the time such determination is being made, owned, Controlled or held, directly or indirectly, by such legal entity, or (ii) any legal entity which, at the time such determination is being made, is Controlling or under common Control with, such legal entity. As used herein, the term "Control", whether used as a noun or verb, refers to the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of a legal entity, whether through the ownership of voting securities, by contract or otherwise.

1.1.b "**Agreement**" means this Exclusive Distribution Agreement, all amendments to this Agreement, and all exhibits and schedules to this Agreement.

1.1.c "**Customer**" means the Israeli hospital requesting the manufacture of a Product.

1.1.d "**Date of Launch**" means the date on which TEVA has received the Product Approval for the Product in the Territory in the Primary Indication (as defined below).

1.1.e "**Date of Registration**" means the date on which ERYTECH has received the commercial market authorization in a state of the European Union which is recognized as being able to serve as the reference for a regulatory application by mutual recognition process in the Territory.

1.1.f "**Regulatory activities**" means all regulatory activities (such as filing, pricing, reimbursement, inspection by Regulatory Authorities) in order to obtain and to maintain Product Approval(s) for the Product in the Territory.

1.1.g "**Distribution**" means all distribution activities (such as importation, promotion, marketing) in order to sell Products in the Territory in the Field.

1.1.h "**Effective Date**" means the date set out above.

1.1.i "**ERYTECH Background Rights**" means any and all intellectual property rights that are (a) owned or controlled by ERYTECH prior to the Effective Date, or (b) owned or controlled by ERYTECH after the Effective Date and developed in the performance of this Agreement and without use of TEVA's proprietary technology, materials or know-how.

- ERYTECH Background Rights includes (without limitation):

  (a) ERYTECH Trademarks (as defined below);

  (b) French patent n° FR0408667 and any PCT extensions n° PCT/I B2005/002323;

  (c) Know-How related to entrapment and its optimization.

1.1.j "**ERYTECH Trademarks**" means ERYtech Pharma®, GRASPA® and any other trade marks or intellectual property rights related to the name of ERYTECH or its products, applied for registration, now owned or hereafter created or acquired by ERYTECH, used by ERYTECH as a licensee with authorization to sublicense, whether registered or not, which TEVA is authorized to use in connection with the Agreement.

1.1.k "**Field**" means the treatment of Acute Lymphoblastic Leukemia (the "**Primary Indication**") and any other indications ERYTECH may develop for the Product (the "**Additional Indication**").

1.1.l "**Product**" means a batch of suspension of erythrocytes encapsulating L-Asparaginase manufactured for a named patient, in a sufficient amount for one time administration as agreed with the Customer, packed and labeled according to the Dossier and to Product Approval in the Territory.

1.1.m "**Product Approvals**" shall mean all required consents, licenses, authorizations, export and/or import authorizations, update, changes and approvals that Regulatory Authorities having jurisdiction are requested to issue in order to allow sales of Product in the Territory in the Field.

1.1.n "**Dossier**" shall mean all documents and information required by the Regulatory Authorities to grant Product Approval in the Territory.

1.1.o "**Regulatory Authority**" means any federal, state or local regulatory agency, department, bureau or other governmental entity, that is responsible for issuing any Product Approvals in a regulatory jurisdiction.

1.1.p "**Representatives**" means, with respect to a Party to this Agreement, the respective officers, directors, employees, and/or agents of such Party and of such Party's Affiliates.

1.1.q "[***]" means [***].

1.1.r "**Specifications**" means all ERYTECH's manufacturing and operating procedures and specifications for manufacturing and testing the Products, (as registered in the European Union which is recognized as being able to serve as the reference for a regulatory application by mutual recognition process in the Territory), including without limitation labeling and packaging specifications.

1.1.s "**Territory**" means Israel including Gaza strip and the West Bank, as it is internationally known as of the Effective Date.

1.1.t "**Third Party**" means any person, company or legal entity other than a Party and such Party's Representatives and Affiliates.

1.2 The following schedules are attached hereto and form part hereof:

- Schedule A — Upfront and Milestones
- Schedule B — Press Release
- Schedule C — Traceability
- Schedule D — Forecasts and GRASPA® Business Model

1.3 Unless otherwise indicated, Euro amounts (if any) expressed herein refers to lawful currency of the European Union.

ARTICLE 2 APPOINTMENT AND EXCLUSIVITY

2.1 Appointment: Upon the terms and subject to the conditions herein set forth, ERYTECH hereby entrusts TEVA with the performance of the Regulatory activities so as to obtain, as soon as reasonably practicable from the Date of Registration, Product Approval (s) in the Territory for the Distribution of the Product in the Field, under one or more ERYTECH Trademarks.

ERYTECH appoints TEVA as its sole and exclusive distributor for the importation, promotion, marketing and sale of the Products, in the Territory and TEVA hereby appoints ERYTECH as its exclusive supplier for the Products, in the Territory.

2.2 Exclusivity:

For the duration of this Agreement, the exclusivity prevents:

ERYTECH:

- from entrusting the Regulatory activities in the Territory with an entity other than TEVA and,
- from selling the Product in the Territory to a distributor other than TEVA;

TEVA:

- From performing the Regulatory activities of a Similar Product in the Territory and;
- from producing, importing, promoting, marketing, selling and buying any Similar Products in the Territory.

2.3 Compassionate use of the Product

IF ERYTECH obtains the authorization to sell the Product in Europe for compassionate use, the Parties shall discuss in the Steering Committee the possibilities and opportunities arising out of such authorization and decide together whether to utilize it in the Territory and the mutual obligations arising thereof.

ARTICLE 3 - OBLIGATIONS OF TEVA

3.1 TEVA covenants and agrees with ERYTECH that TEVA has the requisite experience, knowledge and expertise, qualified personnel and the legal right to perform the Agreement in a sound, safe, lawful and workmanlike manner, in accordance with all laws, ordinances, orders, rules, regulations of the Territory.

3.2 Field: For avoidance of any doubt, TEVA acknowledges and agrees that its obligations (as set out in this Article 3) are binding in the Primary Indication. In any Additional Indications in which ERYTECH has received the marketing authorization in the European Union, TEVA shall have the right not to register or distribute the Product in the Territory in such Additional Indication, In such a case and if the Steering Committee did not agree to postpone the registration of the Additional Indication, and only with regard to the Additional Indications, ERYTECH will be released from its exclusivity obligations and shall be entitled:

- To perform directly the Regulatory Activities in the Territory or to entrust the Regulatory activities in the Territory with an entity other than TEVA and;
- To sell the Product in the Territory to a distributor other than TEVA or sell it directly.

For avoidance of any doubt, in such a case, TEVA and ERYTECH shall not be released from any of their obligations of the Agreement for the Primary Indication and any other Additional Indication (exclusivity included).

The Steering Committee shall take the final decision no later than one month after the meeting.

3.3 Regulatory activities

3.3.a At least six (6) months before the provisional date of submission of the Dossier for a Product Approval, TEVA shall advise ERYTECH of all requirements, significant laws and regulations applicable in the Territory relating to the Product with regards to (without any limitations):

- the required content of the Dossier,
- the safety reporting;
- their manufacture, packaging, labeling, advertising, distribution and sale of the Product.

ERYTECH shall provide TEVA with a provisional date in which it shall supply the Dossier, including the dossier filed for the European Union, except if related to manufacturing process of the Product as planned in Article 5.5.

3.3.b TEVA's Regulatory Efforts. As soon as ERYTECH has provided TEVA with the Dossier (as set up in Article 5.5) TEVA agrees to use its best efforts to obtain and to maintain Product Approval in the Territory and in the Field. From the same date, TEVA shall be responsible for all the Regulatory activities and shall bear all costs and expenses incurred in connection with such Regulatory activities and with Product Approval ("**Regulatory expenses**").

Updates and changes of Product Approvals shall be filed in the same way as the initial Product Approvals and shall be agreed by TEVA and ERYTECH.

3.3.c Any Product Approval shall be in the name of ERYTECH, or of an ERYTECH's Affiliate appointed by ERYTECH, and while dealing in such matters, TEVA shall always act as agent, on behalf and in the name of ERYTECH or of such ERYTECH's Affiliate, using exclusively technical documentation provided by ERYTECH.

3.3.d If a Product Approval must be in the name of TEVA for regulatory reasons, TEVA shall so inform ERYTECH and ERYTECH shall authorize TEVA to apply for the Product Approval in its own name but on behalf of ERYTECH, which shall be deemed the beneficial owner of such Product Approval. At the termination of this Agreement for any reason whatsoever TEVA shall transfer to ERYTECH all Product Approvals free of charge.

3.3.e TEVA shall provide ERYTECH with copies of registration certificates and other significant official documents relating to the Products and Product Approvals as soon as reasonably possible.

3.3.f TEVA shall bear all expenses related to any update of any Product Approvals in case of new laws and new regulations applicable in the Territory relating to the Product with regards to their registration, advertising, distribution and sale of the Products, provided that such expense is commercially reasonable.

3.3.g TEVA shall, at its own expenses, make any submissions and filing to each Regulatory Authority and all other Third Parties necessary or desirable to establish the Regulatory Price (as defined in Article 9 (Transfer Price and Payments)) for use in the Field, in the Territory.

3.3.h Reporting: Whenever TEVA receives any communication from any Regulatory Authority in connection with Products, concerning their medical profile, safety, efficacy or regulatory status TEVA shall forthwith forward to ERYTECH a copy of such communication, along with a translation in English, or a report thereon, in writing and in English, if the communication was not made itself in writing.

3.3.i Physical complaints: Each physical complaint will be notified to ERYTECH by TEVA with the defective sample, lot number, quantity, description of the defect within [***] from the detection of such a defect. For the purpose of this Article, physical complaint shall mean any written electronic or oral communication that alleges deficiencies related to the appearance, labeling, identity, quality, safety, stability and efficacy of the product.

3.3.j Specific recommendations: TEVA shall not change any part of the ERYTECH Product (carton, box, leaflet and label), except if such change is required by the Regulatory Authorities in the Territory and with the prior consultation of ERYTECH.

3.3.k General Standard Operating Procedure: TEVA undertakes to comply with the requirements and operating procedures given in the Product Approval in the Territory.

3.3.l Destruction Standard Operating Procedure: Without prejudice to the foregoing, TEVA shall not return any Products to ERYTECH, nor it shall destroy any such Products, for any reason whatsoever, without the prior written consent of ERYTECH which shall not be unreasonably withheld. If any ERYTECH Product has to be destroyed, the destruction will be performed according to an adapted and validated method.

3.4 Distribution:

3.4.a TEVA's Efforts.

- As an inducement to ERYTECH to enter into this Agreement, TEVA agrees, from the Date of Launch to use its best efforts to promote market and sell the Products in the Territory spending annually at least the amounts agreed in the Schedule D (Forecasts and GRASPA® Business Model) to attain optimal sales level. TEVA shall bear all costs and expenses incurred in connection with such efforts.
- TEVA shall not detract from and disturb the good name of ERYTECH or the reputation of Products.

3.4.b Non-competition obligation.

Unless authorized in advance in writing by ERYTECH, TEVA shall not represent, manufacture, sell, market, promote, advertise or distribute (directly or indirectly):

- in the Territory any products which are Similar Products, for the entire term of this Agreement;
- the Product outside the Territory nor knowingly sell the Products, to any Third Party, in the Territory for resale outside the Territory, for the entire term of this Agreement.

3.4.c Traceability.

TEVA shall comply with all traceability programs of ERYTECH agreed in Schedule C (Traceability) in accordance with local regulatory requirements, which shall be updated from time to time and shall become effective only upon receipt of TEVA's prior written approval.

3.4.d Marketing and promotional campaign and material

- At the beginning of each calendar year from the Date of Launch, TEVA shall provide ERYTECH with a marketing plan in English which shall be adequate to

attain optimal sales agreed in the Schedule D (Forecasts and GRASPA® Business Model), including marketing and promotional campaign for the Product in the Territory. TEVA shall discuss the nature and extent thereof with ERYTECH.

- TEVA shall transfer to ERYTECH a copy of any major new marketing and promotional document used to promote Products. In case these documents are not in the English language, the Steering Committee will decide which documents TEVA shall translate. TEVA shall follow ERYTECH's promotional strategy and shall make the needed adjustments for the Territory in accordance with local regulatory requirements.

  TEVA shall indemnify and save ERYTECH harmless from and against any and all costs and damages arising from the use of any marketing and promotional materials not based on information received by ERYTECH and/or not conformed to local laws and to Product Approval. ERYTECH shall indemnify and save TEVA harmless from and against any and all costs and damages arising from the use of or reliance on any marketing and promotional materials provided by ERYTECH.

- TEVA shall be responsible for training all of its personnel who promote Products so that they are knowledgeable about the Products and can adequately represent the Products. ERYTECH shall provide all training materials and cooperate in effecting such training.

- ERYTECH shall provide TEVA with all documentation (such as the Summary of Product Characteristics and the labeling) in English related to the use of the Products.

- TEVA shall be responsible for providing Customers with the above-mentioned documentation translated in Hebrew, if needed, and for training Customers so that they are knowledgeable about the use of the Products.

- Marketing and promotional material and campaign shall be at TEVA's cost and expense ("**Marketing and Promotional Expenses**"). At the beginning of each calendar year, TEVA shall provide ERYTECH with a written report summarizing

the marketing and promotional expenses paid by TEVA during the preceding year for the marketing of the Product in the Territory. This report shall be certified by an internal accountant from TEVA.

3.4.e Forecasts

The "**Forecast**" shall include a non binding estimate of the current trends identified for the Product, TEVA's best estimate of the Product's market share in the Territory, market average selling price for the Product currently re-sold by TEVA pursuant hereto, data on competition and general business environment and trading conditions. The preliminary Forecast is agreed and attached hereto as Schedule D (Forecasts and GRASPA® Business Model). Once a year if necessary, and no later than October 30, TEVA shall provide ERYTECH with an update of the Forecast, in writing and in English.

3.4.f Sales Reporting:

Each quarter, TEVA shall provide detailed sales-reports indicating detailed sales volumes for each Customer and total sales in value. This report shall be certified by an internal accountant form TEVA.

3.4.g Audit

Not more than once a year, an independent auditor designated by ERYTECH shall have the right, upon prior coordination with TEVA and during normal business hours, during the Term of this Agreement and for [***] following the expiration, termination or cancellation hereof, to audit and inspect, the TEVA's books, records and other materials with respect to Marketing and Promotional Expenses and to sales reporting, all if related directly to the Product. If any audit or inspection reveals an error or irregularity in the calculation of the transfer price payable to ERYTECH hereunder, an appropriate adjustment shall be made promptly by the Parties. ERYTECH shall pay for any audit or inspection; unless such audit discloses an over payment to TEVA or other financial discrepancy of more than [***] in favor of TEVA from the amount of total payments due for the period audited. In such case, TEVA will bear the full cost of such audit.

3.4.h Prohibition of active sales outside the Territory

- TEVA acknowledges that ERYTECH may grant exclusive marketing rights to other persons to distribute the Products outside the Territory, or may retain exclusive marketing rights for itself and its Affiliates for the same purpose.
- TEVA covenants and agrees with ERYTECH that TEVA will not actively promote (e.g. through advertising, or by establishing branches or distribution depots) the Products, outside the Territory.

ARTICLE 4 - ADVERSE EVENTS REPORTING

4.1 Pursuant to current regulations related to pharmacovigilance of drug products, and during the term of this Agreement, each Party shall notify the other within delays, stated by EMA regulations and the Israeli Ministry of Health regulations, the stricter of the two, of any information (all in English) concerning any serious or unexpected adverse event, medication error, injury, toxicity or any unexpected incidence and the severity and seriousness thereof associated with the use of the Products, whether or not determined to be attributable to the Products.

4.2 ERYTECH shall provide TEVA with necessary information on safety and efficacy profile of the Product including periodic safety report, investigator brochure, line listing, after receipt of the local requirements for the submission of the Dossier (as set in Article 3.3.a) for Product Approvals and follow up of pharmacovigilance.

4.3 At time of exchanging information for the Dossier and before its submission, the Parties shall agree on procedures to follow to exchange safety data in accordance with the regulatory requirements.

ARTICLE 5 - OBLIGATIONS OF ERYTECH

5.1 ERYTECH hereby represents that it has the requisite experience, knowledge and expertise, suitable facilities and qualified personnel and the legal right to perform the Agreement in a sound, safe, lawful and workmanlike manner, in accordance with all laws, ordinances, orders, rules and regulations of France.

5.2 Product Production: ERYTECH hereby covenant that the Product will be produced, packed and labeled according to the Product's Dossier, cGMP requirements and the all relevant laws and regulation in the EMA and the Territory, including without limitation, the Israeli Health Authority regulation for blood donations and the tests required of such blood donations, if such are required in the Territory. ERYTECH shall be responsible to manufacture the Product in its facilities, as registered in the Product Approval in the Territory.

5.3 Changes: All changes in Specifications shall be communicated by ERYTECH to TEVA, prior to implementation. The Parties will review these changes, if needed, to be conformed to regulatory commitments. ERYTECH shall supply Products that comply at all times with the Product Approvals in the Territory.

5.4 Sale and supply: ERYTECH agrees to sell Products to TEVA, which have been ordered by TEVA in accordance with this Agreement, and to supply TEVA regularly and promptly with the Products with information attached as follows:

- patient's name, blood type, date of birth and weight;
- Customer's name and address;
- date of production of the Product and its expiration date; and
- the TEVA logo (in addition to ERYTECH's logo) marked on the Product's packaging.

all in a form agreed upon by the parties on a later date and in accordance with ordering and delivery procedures set forth in Article 6 (Orders) and 9 (Transfer Price and Payment) hereof and in accordance with the regulatory specifications in the Product Approval.

5.5 Assistance: ERYTECH agrees to reasonably assist TEVA as TEVA may require for the registration, maintenance and renewal of Product Approval(s). ERYTECH shall

- either provide TEVA with any documents necessary for the Product Approval(s) (including without limitations, Certificate of Pharmaceutical Product);

- Or provide directly the Regulatory Authorities with information necessary for the Product Approval(s) if the above-mentioned documents contained information related to manufacturing process of the Product (including without limitations, Certificate of Pharmaceutical Product).

5.6 Transportation: ERYTECH shall be responsible for the transportation of the Product from its facilities to the Customer mentioned in the Order. The Product shall reach the above mentioned Customer at the date agreed by the Parties and mentioned in the Firm Order, but in any case, within [***] of the manufacture of the Product and ERYTECH shall send TEVA a written confirmation of receipt (by e-mail) of the Product by the Customer.

5.6.a ERYTECH shall pay all costs relating to the transportation of the Product from ERYTECH facility to the Customer (including all taxes, duties, charges or other expenses related the transportation of the Product) ("**The Transportation Costs**").

However, ERYTECH shall be reimbursed by TEVA:

- for [***]% of all the Transportation Costs; and
- for any amount exceeding [***] Euros (all taxes included) per Product.

5.6.b The transportation shall be performed by a company agreed upon by both Parties and in accordance with all shipping instructions specified in any Product Approval(s) and with the ERYTECH's requirements. ERYTECH shall make sure that upon receipt of the Product by the Customer, the Product shall have a remaining shelf life of at least [***], shall comply with its Specifications and shall be ready for use.

5.7 Reporting: Whenever ERYTECH receives any significant communication from any Regulatory Authority in connection with Products, concerning their medical profile, safety, efficacy or regulatory status ERYTECH shall forthwith forward to TEVA a copy of such communication, along with a translation in English, or a report thereon, in writing and in English, if the communication was not made itself in writing.

5.8 Marketing and Medical Support:

ERYTECH shall provide TEVA with all significant publications, campaigns and marketing materials, clinical data, and press releases relevant to the Product. ERYTECH shall inform TEVA as to the Product's international clinical and marketing activities, such as clinical trials and conferences relating the Product and/or Field.

In addition, ERYTECH shall provide TEVA with Products up to [***] per year for the longer of the two following periods from the Effective Date:

- [***] after the first Date of Registration,
- [***] after the Date of Launch,

for which TEVA shall pay [***], in an amount of [***] per Product.

Notwithstanding the above-mentioned, in any case, ERYTECH shall not provide TEVA with more than [***] Products in the aggregate at [***].

ARTICLE 6 - ORDERS

6.1 Firm Orders: TEVA shall send an order to ERYTECH, which shall include:

- the delivery date , and
- a valid prescription form signed by a clinician of the Customer. The template of the prescription form shall be communicated by ERYTECH as provided in Schedule C. The prescription form shall contain all information requested [***].

Promptly after receipt of TEVA's order, ERYTECH shall inform TEVA of the acceptance of such order. After such acceptance, the Parties shall consider the order as binding upon the Parties ("**Firm Order**").

ARTICLE 7 - SALES OBJECTIVES

The Parties agree that minimum sales objectives are

- [***] Products the second year following the Date of Launch;
- [***] Products per year, commencing from the third year following the Date of Launch.

Non-achievement of such minimum sales' objectives, will allow ERYTECH to approach the Steering Committee in order to find a suitable solution. In the event that such non-achievement of the minimum sales objectives is not reached for [***] in a period of

[***], then ERYTECH shall have the right, within [***] days from the end of the [***] in which Teva did not achieve the minimum sales objective, to [***] in order to [***] and if such is not found by [***], ERYTECH shall have the right to terminate this Agreement by [***], in which event [***].

In the event that the Agreement is not [***], and TEVA [***], ERYTECH shall have the right [***] to [***] in order to [***] and if such is not found, to provide TEVA with [***].

ERYTECH shall not pay TEVA any indemnity or reimbursements whatsoever for terminating this Agreement in accordance with this Article 7.

For the avoidance of any doubt:

- [***] shall not be included in the minimum sales objectives,
- TEVA shall not be responsible or liable for any non-achievement of such minimum sales' objectives if such non-achievement results from events or circumstances reasonably beyond the control of TEVA (or any of its Representatives) and which, despite the exercise of reasonable diligence, TEVA is unable to prevent, avoid or remove.

ARTICLE 8 - UPFRONTS AND MILESTONES

In consideration of the Product development already made by ERYTECH at the Effective Date, TEVA shall pay to ERYTECH the upfront and milestones payments as specified in Schedule A (Upfront and Milestones), by letter of credit issued by a bank of the Territory and confirmed by a first class bank in favor of ERYTECH, within [***] days after the last day of the month in which the invoice was issued. Upfronts and Milestones shall be paid in Euros.

ARTICLE 9 - TRANSFER PRICE AND PAYMENT

9.1 Transfer Price.

TEVA shall purchase the Products with the conditions of the [***] (Address of the Customer) in accordance with conditions of the INCOTERM issued by the International

Chamber of Commerce, 2000. The price of a Product (the "Transfer Price") shall be calculated as following:

The Transfer Price shall be equaled to [***]% of the Total Sales.

Total Sales = [***].

Regulatory Price = price of a Product in the Territory as it will be approved by the Israeli Regulatory Authorities, based on the approved price in the reference countries in Europe.

The Regulatory Price shall not, under any circumstances, be lower than the lowest prevailing Product price in the European Union (the "Minimum Regulatory Price").

Net Regulatory Price = Regulatory Price – [Discount + sales taxes (including VAT)].

Discount = any discounts granted by TEVA, provided that

- TEVA provides ERYTECH with details of the discounts granted including the provision of receipt or others documentation; and
- The total Discount does not exceed [***]% of the Minimum Regulatory Price.

TEVA acknowledges that if the real and effective Marketing and Promotional expenses and/or if the real and effective sales are significantly lower than those planned in the Forecasts and GRASPA® Business Model as specified in Schedule D, the commercial terms shall be reviewed by both Parties in good faith.

9.2 Invoicing of the Products and Payment:

ERYTECH shall invoice for Products after delivery to TEVA of the Products according to the Transfer Price and for the reimbursement of the Transportation Costs as specified in Article 5.4 (Transportation). TEVA shall pay for the Products, within [***] days after the last day of the month in which the invoice was issued by ERYTECH, by letter of credit issued by a bank of the Territory and confirmed by a first class bank in favor of ERYTECH. Products shall be paid in Euros.

ARTICLE 10 - DELIVERY AND RISK OF LOSS

10.1 Delivery:

Unless otherwise agreed upon, ERYTECH shall deliver or arrange for the delivery of Products at [***] (Address of the Customer) in accordance with conditions of the INCOTERM issued by the International Chamber of Commerce, 2000.

10.2 Transfer of Title and Transfer of Risk:

Title to Products sold pursuant hereto shall pass to TEVA upon delivery in accordance with Article 10.1. (Delivery) above. In such case, risks shall be transferred to TEVA according to the [***] (Address of the Customer).

ARTICLE 11 - INTELLECTUAL PROPERTY

11.1 License.

ERYTECH hereby grants to TEVA an exclusive, royalty-free, non-transferable, non-sublicensable license during the Term of this Agreement to use the ERYTECH Backgrounds Rights and ERYTECH Improvements solely as necessary to perform the Regulatory and Distribution activities in the Territory under this Agreement.

11.2 Title.

11.2.a Ownership right acknowledgment: TEVA acknowledges that ERYTECH has represented to it that ERYTECH is the exclusive owner of any rights to ERYTECH Backgrounds Rights and agrees that ERYTECH can make no warranty as to ERYTECH Backgrounds Rights other than as to their material existence.

11.2.b Backgrounds Rights. ERYTECH shall retain all right, title and interest in and to all of the ERYTECH Backgrounds Rights. TEVA agrees that, except as set forth in Article 11.1 (License), it will not have any right, title or interest in or to the ERYTECH Backgrounds Rights.

11.2.c Third Party Claims. ERYTECH represents that no party has asserted a claim, or to ERYTECH's knowledge threatened to assert a claim against ERYTECH alleging that the

exploitation by ERYTECH and/or TEVA of any of the Backgrounds Rights and the Licensed Trademarks infringes any intellectual property rights of any person or party, and ERYTECH is unaware of any basis for any Claim alleging such infringement.

11.2.d TEVA Assistance: TEVA agrees to reasonably assist and execute from time to time documents as ERYTECH may reasonably require and after receiving TEVA's prior written approval, for the registration, maintenance, defense of ERYTECH Backgrounds Rights in the Territory, at ERYTECH's cost and expense.

TEVA agrees to report to ERYTECH, as soon as reasonably possible, any significant information, which may come to its attention with respect to ERYTECH Backgrounds Rights, including potential infringement of or challenge to the validity or ownership of ERYTECH Backgrounds Rights by a Third-Party.

11.2.e Legal actions by Third Parties: Any intellectual property proceedings against TEVA/ERYTECH in or outside of the Territory deemed to be infringing any third party rights, including but not exclusively opposition, nullity, cancellation actions, will be taken solely by ERYTECH and ERYTECH will appoint a counsel of its choice. Costs, damages and interests shall be for the sole account and benefit of ERYTECH.

ARTICLE 12 - TRADEMARKS.

12.1 Grant of Rights:

- ERYTECH hereby authorizes TEVA to use ERYTECH Trademarks, free of charge, only to perform the Regulatory and Distribution activities under this Agreement, from the Effective Date to the termination of the Agreement.
- TEVA undertakes not to use or promote the ERYTECH Trademarks otherwise than in connection with the sale of the Products.

12.2 ERYTECH obligations:

ERYTECH shall be the sole responsible for, and shall initiate and control, the preparation, filing, prosecution, grant, maintenance, renewal of ERYTECH Trademarks in the Territory at ERYTECH's expense.

12.2.a Legal actions against Third Parties: Any decision relating to bringing trademark proceedings against Third Parties in or outside of the Territory deemed to be infringing ERYTECH Trademarks, including but not exclusively opposition, nullity, cancellation actions, will be taken solely by ERYTECH and ERYTECH will appoint a counsel of its choice. Costs, damages and interests shall be for the sole account and benefit of ERYTECH.

12.2.b Loss of Rights: if ERYTECH has lost its rights on ERYTECH Trademarks, ERYTECH shall promptly inform TEVA in writing. TEVA shall immediately cease marketing the Products under the ERYTECH Trademark, except if ERYTECH and TEVA mutually agree in writing to the contrary.

12.2.c In this case, ERYTECH shall be the sole to decide, select, protect and own property rights on back-up names which will be necessary to create and use instead of the original ERYTECH Trademark.

12.3 TEVA Obligations:

12.3.a Ownership right acknowledgment: TEVA acknowledges that ERYTECH has represented to it that ERYTECH is the exclusive owner of any rights to ERYTECH Trademarks and agrees that ERYTECH can make no warranty as to ERYTECH Trademarks other than as to their material existence and renounces to any indemnity, compensation in case of loss of rights by ERYTECH or infringement or any other legal actions filed by Third Parties against ERYTECH Trademarks in connection with their use in the Territory.

Moreover, TEVA shall not use, apply for and register the ERYTECH Trademarks as part of its corporate name, trade name, trading style or other means of corporate or business identification including use and registration of domain names and other Internet key words.

12.3.b Design of ERYTECH Trademarks: TEVA shall respect the visual style guidelines communicated by ERYTECH to TEVA in writing in order to use the ERYTECH Trademarks.

TEVA agrees that ERYTECH shall have the right to conduct at any time any usual quality control of the use of the ERYTECH Trademarks.

12.3.c TEVA Assistance: TEVA agrees to reasonably assist and execute from time to time documents as ERYTECH may reasonably require and after receiving TEVA's prior written approval, for the registration, maintenance, defense of ERYTECH Trademarks in the Territory, at ERYTECH's cost and expense.

TEVA agrees to report to ERYTECH, as soon as reasonably possible, any information, which may come to its attention with respect to ERYTECH Trademarks, including potential infringement of or challenge to the validity or ownership of ERYTECH Trademarks by a Third-Party.

12.4 Termination of Agreement:

Forthwith upon termination of this Agreement, TEVA shall cease to use the ERYTECH Trademarks. In accordance with Article 17.4 (Consequences of the termination of the Agreement), TEVA shall immediately stop to use ERYTECH Trademarks on promotional materials for selling the Products except in case of remaining stocks, if any.

ARTICLE 13 RECALL

13.1 Recall due to ERYTECH: If a recall of the Product is required due to a defect in the manufacture, packaging, labeling and transportation to TEVA of the Products and/or any matter whatsoever occurring prior to the transfer of risk in the Products to TEVA, TEVA shall immediately notify ERYTECH and review with ERYTECH the proposed manner in which the recall is to be carried out. The recall shall be carried out by TEVA wholly at the cost of ERYTECH in as expeditious manner as possible and in such a way as to comply with good public health practices and to attempt to cause the least disruption of sales of the Products in the Territory and to preserve the goodwill and reputation of the Products and reputation of TEVA and ERYTECH.

13.2 Recall due to TEVA: If a recall of the Product is required, due to a defect in the Products occurring after transfer of risk in the Products to TEVA, TEVA shall immediately notify ERYTECH of such event and of the proposed manner in which such recall is to be carried out. The recall shall be carried out by TEVA, wholly at the cost of TEVA, in as expeditious a manner as possible and in such a way as to comply with good public health practices and to attempt to cause the least disruption of sales of the Products in the Territory and to preserve the goodwill and reputation of the Products and the goodwill and reputation of TEVA and ERYTECH.

13.3 ERYTECH shall as soon as reasonably possible inform TEVA in writing in the event of a recall of the Product in any territory in which the Product is being distributed and the reasons for such a recall.

ARTICLE 14 - STEERING COMMITTEE

14.1 Composition of the Steering Committee:

From the Date of Registration, each Party shall appoint two (2) Representatives to participate on a steering committee (the "Steering Committee") to oversee the activities under this Agreement. The Steering Committee shall meet via teleconference at least once a quarter during the Term of this Agreement and no later than (1) one month after a Party asks for a meeting of the Steering Committee. ERYTECH shall appoint the chairman of the Steering Committee. A precise agenda shall be drawn up before each meeting of the Steering Committee by the chairman, consulting the Representatives of the other party. Subsequent to each meeting, the chairman shall draw up the minutes and distribute such minutes for signature by both Parties. All decisions of the Steering Committee shall be made by consensus, with each Party's representatives on the Steering Committee collectively having one (1) vote.

14.2 Role:

The specific role of the Steering Committee is to review and discuss the parties' on going activities, marketing plans, development of the Product, etc. If required, the parties shall also discuss any modifications needed to be made in order to adjust to different situations.

14.3 Responsibilities:

The Steering Committee shall be responsible for coordinating and monitoring the activities under this Agreement and addressing any disputes that may arise between the Parties in connection therewith. In the event that the Steering Committee is unable to resolve any dispute, either Party may, by written notice to the other, have such dispute referred to the Senior Management of the Parties, or their respective Representatives, for attempted resolution by good faith negotiations within [***] days after such notice is received. If the Senior Management does not fully settle such dispute in such [***] day period, and a Party wishes to pursue such dispute further, each such dispute shall be finally resolved in accordance with the provisions set forth in Article 18 (Applicable Law and Dispute). Notwithstanding the foregoing, it is understood by the Parties that any resolution to any dispute that changes the nature of the Agreement between the parties shall be the subject to a written resolution signed by both Parties and that any temporary solution or "work around" agreed to by the parties that is inconsistent with the terms of this Agreement shall not operate as a waiver of such term in the future unless such term is intended to do so and such intention is manifested in writing signed by the Parties.

14.4 Representatives:

At the time of execution of this Agreement, ERYTECH's Representatives in the Steering Committee shall be [***] and [***] and those of TEVA shall be [***] and [***]. Each Party may, from time to time, replace its representative by written notice to the other Party specifying the prior representative and the replacement. The Parties shall, from time to time and if required, include attorneys in Steering Committee meetings for the purpose of assisting in facilitating the discussion of legal matters in such meetings. It is understood that despite the presence of attorneys, the terms of this Agreement shall control the relationship between the parties and that any waiver or "work around" to any term of this Agreement employed to resolve and issue

arising at Steering Committee or at any other point shall not act as a waiver of the right to enforce such term in the future. Any permanent, binding alteration to this Agreement shall be in writing and signed by both Parties.

ARTICLE 15 - WARRANT - LIABILITY — INDEMNIFICATION - INSURANCE.

15.1 Warranty by ERYTECH:

Except as expressly provided herein, ERYTECH makes no warranty of any kind, express or implied, of merchantability or fitness for any particular purpose of the Products.

ERYTECH warrants that any Product is of good and merchantable quality and meets the specifications of the Products Approval(s), including packing and labeling specifications. In no event shall ERYTECH be liable for any indirect or consequential loss incurred by TEVA or any other person howsoever caused.

15.2 TEVA's claim:

If TEVA claims that a Product did not meet the specifications of the Products Approval(s), or was not of good and merchantable quality (as set forth in this Agreement), ERYTECH shall conduct investigations on the concerned shipment or batch. If ERYTECH agrees with TEVA's claim, ERYTECH at TEVA's option shall either replace such shipment of Product as soon as reasonably possible, at no cost to TEVA or give credit for payment made by TEVA for such shipment including any related reasonable expenses to TEVA. If the Parties are unable to resolve their differences with respect to whether the Products meet the agreed specifications, then either Party may refer the matter to the Steering Committee in accordance with Article 14 (Steering Committee). In the event that the Steering Committee can not reach an amicable solution, the Steering Committee may choose to approach an independent laboratory, in order to resolve the matter.

15.3 Warranty by TEVA:

Subject to section 15.1 above, ERYTECH shall not be responsible for any damages or losses resulting from the purchase, distribution, promotion, use or sale of Products by TEVA after the transfer of risk in Products to TEVA.

15.4 Indemnification by TEVA:

Subject to Article 15.6 (No consequential damages), TEVA shall indemnify ERYTECH, its servants, agents and contractors in respect of all damages incurred by ERYTECH by reason of or arising out of any actions, suits, claims, demands, costs, charges and expenses (including but not limited to reasonable attorneys' fees) for losses to the extent that such losses shall have been occasioned by any damage to the Product caused by TEVA, its servants or agents after transfer of risk in the Product to TEVA, or by a negligence of TEVA, its servants and agents, however, this indemnity shall not apply where and to the extent that damages shall have been caused solely by a breach by ERYTECH of the provisions of the Agreement.

15.5 Indemnification by ERYTECH:

Subject to Article 15.6 (No consequential damages), ERYTECH shall indemnify TEVA, its servants, agents and contractors in respect of all damages incurred by TEVA by reason of or arising out of any actions, suits, claims, demands, costs, charges and expenses (including but not limited to reasonable attorneys' fees) for losses to the extent that such losses shall have been occasioned by: (i) the Product, its use and/or any of its side effects (ii) any deviation from the Product's specifications, (iii) non-compliance with any law and/or regulation in the Territory, and/or (iv) by a negligence of ERYTECH, its servants and agents, however, this indemnity shall not apply where and to the extent that damages shall have been caused solely by a breach by TEVA of the provisions of the Agreement.

15.6 No consequential damages:

Subject to all provisions of this Agreement, each Party (in this Article referred to as "such Party") excludes all liability for consequential loss suffered by the other Party as a result of any breach of this Agreement by such Party except as regards any liability resulting from the gross negligence, willful misconduct, reckless or fraud of such Party.

15.7 Insurance:

15.7.1 In order to ensure the fulfillment of ERYTECH's responsibilities, obligations and liability pursuant to any law and/or this Agreement, ERYTECH undertakes to take out and maintain, at its expense sufficient insurance. The insurance described in this section shall include, at the least, as follows:

Product Liability Insurance: with a limit of [***] Euros ([***]) per occurrence and in a yearly aggregate in respect of any injury or damage which might be caused in consequence of any defect in the Product for any demand claim or claims caused by or arising out of or related to the Product, its quality, usage, designation, its usage instruction and damage to the Product by ERYTECH.

Upon commencing to sell and distribute the Product anywhere in the world, the limit of the Policy, as described above, would be increased by ERYTECH, to an amount that would cover the potential risks and exposure of this Agreement.

15.7.2 In order to ensure the fulfillment of TEVA's responsibilities, obligations and liability pursuant to any law and/or this Agreement, TEVA undertakes to take out and maintain, at its expense a sufficient insurance in excess of self insured retention. The insurance described in this section shall include, at the least, as follows:

Product Liability Insurance: with a limit of Euros [***] ([***] Euros) per occurrence and in the yearly aggregate, in respect of any injury or damage which might be caused in consequence of any defect in the Product for any demand claim or claims caused by or arising out of or related to the Product, its quality, usage, designation, its usage instruction and damage to the Product by TEVA.

15.7.3 All the above mentioned Insurance shall be referred hereinafter as the "**Policies**".

The Policies shall apply retroactively from the earlier of the two following dates:

- the Date of Launch
- the date the Product is authorized to be sold in compassionate use.

15.7.4 With respect of Professional Liability Insurance and Product Liability Insurance Policies, each Party undertakes to hold and maintain its Policies in force through any period that such party might be liable and responsible by law, but not less than minimum period of [***] years from the last supply date.

15.7.5 The Policies required under this Article shall be obtained from an insurance carrier with an A.M. Best rating or any other similar rating agency of at least A.

15.7.6 The Parties are solely responsible for the payment of any premium or self insured retention/deductibles or any other payments related to their insurances.

15.7.7 ERYTECH's Policies will be extended to include TEVA as an additional named insured for any act or omission of ERYTECH and shall be valid, at least in the Territory, and in every country in which the Product is manufactured, handled and/or transported.

TEVA's Policies will be extended to include ERYTECH as an additional named insured for any act or omission of TEVA and shall be valid, at least in the Territory, and in every country in which the Product is manufactured, handled and/or transported.

ERYTECH's Policies shall be primary, preliminary and non-contributory to any of TEVA's policies, for any act or omission of ERYTECH only.

15.7.8 The Parties undertake that the Policies will neither be cancelled nor materially amended during the period of the insurance, unless at least [***] days prior written notice thereof is sent by registered mail to the other Party.

15.7.9 If a Party shall not provide an insurance certificate to the other Party, the other Party shall be entitled; without reducing any of the other Party's other rights, as per the Agreement and in accordance with any law, to obtain the insurance on its own and to charge the Party with all expenses involved.

15.7.10 In case of a claim and/or a demand and/or knowledge related to erosion and/or exhaustion of limits of liability of any of Party's insurance required under the Agreement (hereinafter: "the Limits of Liability") due to and/or a result from any event (whether paid or unpaid) each Party undertakes to purchase (promptly after the claim and/or a demand and/or knowledge related to erosion and/or exhaustion as detailed above, the earlier) insurance to reinstate the Limits of Liability as detailed in the Agreement.

15.7.11 Nothing in this clause (15.7 insurance) will reduce a Party's obligations, in accordance with this Agreement and in accordance with any law.

15.7.12 The Parties' obligations pursuant to this clause, including all the sub-clauses hereof, constitute a fundamental condition of the Agreement and a breach of any of them shall be deemed a fundamental breach of the Agreement.

15.7.13 Each Party will provide the other with a certificate of insurance evidencing the coverage set forth in this Article and thereafter shall provide the other Party such a certificate of insurance upon request.

ARTICLE 16 - SECRECY, NON-USE AND PRESS RELEASE.

16.1 Nondisclosure:

All information which is received, during the term of this Agreement, by either Party (the "**Recipient**") from the other Party (the "**Disclosing Party**") shall be maintained in confidence and shall not be disclosed to any Third-Party or used for any purposes other than set out herein, without the prior consent of the Disclosing Party, except to the extent that such information:

- is known to the Recipient prior to its disclosure by the Disclosing Party, provided that the Recipient is able to provide written evidence of such prior knowledge; or

- is obtained by the Recipient from a source other than the Disclosing Party which source:
- did not require the Recipient to hold such information in confidence;
- did not limit or restrict the Recipient's use thereof; or
- has become public knowledge otherwise than through the fault of the Recipient; or
- has been developed by the Recipient independently of the information received from the Disclosing Party as shown by the Recipient's written records.

16.2 No Implied Rights:

It is agreed that except to the extent expressly provided otherwise herein disclosure of information hereunder shall not constitute any grant, option or license under any patent, technology or others rights in or to such information.

16.3 Confidentiality of the Agreement.

Except as provided in Article 16.5 (Press Release) each Party shall maintain the confidentiality of this Agreement and all provisions of this Agreement and, without the prior consent of the other Party, neither Party shall make any press release or other public announcement or otherwise disclose this Agreement or any of its provisions to any Third Party (a) other than its Representatives provided that such persons are bound to maintain the confidentiality of the Agreement and (b) except for such disclosures as may be required by applicable law or by regulation, in which case the Disclosing Party shall provide the other Party with prompt advance notice of such disclosure so that the other party has the opportunity if it so desires to seek a protective order or other appropriate remedy.

16.4 Communication with Representatives. The Parties shall:

- Ensure that only its Representatives, who have a "need to know" such Confidential Information for purposes of this Agreement, shall have access hereto;

- Ensure that, prior to disclosure of Confidential Information, each Representatives agrees to be subject to confidentiality obligations no less onerous than those contained in this Agreement.

16.5 Press release

Upon the signature of this Agreement, ERYTECH is entitled to publish a press release as agreed in Schedule B which will be published on a time and date agreed upon by the Parties, but no later than two (2) weeks after the Effective Date.

ARTICLE 17 - TERM AND TERMINATION.

17.1 Term and renewal:

This Agreement shall take effect as of the Effective Date and shall continue in effect for a ten year period after the Date of Launch (the "**Term**"), unless terminated earlier as set forth herein. Thereafter, the Agreement shall automatically be renewed for successive periods of five (5) years unless one of the Parties decide not to renew it informing the other Party of its decision by registered letter with acknowledgement of receipt at least six (6) months before the date of anniversary of the Effective Date.

17.2 Termination for cause:

This Agreement may be terminated at any time forthwith by notice by either Party (the "Electing Party") to the other if the other Party fails to observe, perform or otherwise breaches any of its material covenants, agreements or obligations under this Agreement in any material respect, provided such failure continues for a period of [***] days after receipt by the other Party of notice thereof from the Electing Party specifying such failure to cure the same.

17.3 Termination by ERYTECH:

ERYTECH shall have the right to terminate the Agreement if TEVA fails to reach the Minimum Regulatory Price, in accordance with Article 9 (Transfer Price and Payment). ERYTECH shall not pay TEVA any indemnity or reimbursement whatsoever for terminating of this Agreement in accordance with this Article.

17.4 Termination by TEVA:

TEVA shall have the right to terminate this Agreement by providing ERYTECH [***] days prior written notice in the event that ERYTECH ceases to provide TEVA with Products ordered for duration of [***] consecutive months, if TEVA provided ERYTECH with prior written notice and ERYTECH failed to cure the breach; ERYTECH shall [***].
For the avoidance of any doubt, ERYTECH shall not be responsible or liable for any failure of supply if such failure results from events or circumstances reasonably beyond the control of ERYTECH (or any of its Representatives) and which, despite the exercise of reasonable diligence, ERYTECH is unable to prevent, avoid or remove.

17.5 Termination due to intellectual property reasons.

In the event that TEVA is negatively affected in or is unable to, temporarily, indefinitely or permanently, register, launch, market and/or continue to distribute and/or market the Product due to intellectual property reasons, including without limitations, due to infringement of third party's rights, TEVA shall have the right to terminate the Agreement upon [***] days written notice and without compensation.

17.6 Consequences of the termination or expiration of this Agreement:

17.6.1 Termination or expiration of this Agreement for any reason whatsoever shall not affect any Party's obligations to pay any amount accruing to ERYTECH or TEVA respectively, under the provisions of this Agreement while it was in effect and shall not relieve either Party of any liability having accrued hereunder prior to the effective date of such expiration or termination.

17.6.2 In addition, anything herein to the contrary notwithstanding, the following provisions of this Agreement shall survive termination or expiration of this Agreement: Articles 4 (Adverse Events Reporting), 11 (Intellectual Property), 12 (Trademarks), 13 (Recall), 15 (Warranty-Liability-Indemnification), 16 (Secrecy, Non use and Press release), this Article 17.4 (Consequences of the termination or expiration) and 18 (Applicable Law and Disputes)

17.6.3 Upon termination or expiration of this Agreement for any reason whatsoever, the Parties shall immediately return to the other all confidential information in documentary or printed form and any copies thereof and shall thereafter cease to use such information but without prejudice to the then surviving confidentiality obligations provided for in Article 16 (Secrecy and Non-use), except for one (1) copy of all confidential information, to be kept for archival purposes.

17.6.4 Upon termination or expiration of this Agreement for any reason whatsoever, TEVA shall take all necessary measures to the effect that any Product Approval held by TEVA on behalf of ERYTECH be transferred under ERYTECH name (or under the name of a ERYTECHts Affiliate designated by ERYTECH) as promptly as reasonably possible as set forth in Article 3.3 (Regulatory).

17.6.5 Upon termination or expiration of this Agreement for any reason whatsoever, TEVA shall comply with its obligations with respect to its use of ERYTECH Trademarks as set forth in Article 12 (Trademarks).

ARTICLE 18 - APPLICABLE LAW AND DISPUTES.

18.1 This Agreement shall be governed and construed in accordance with the laws of [***].

18.2 Any and all disputes which cannot reach an amicable settlement, arising from or in connection with the present Agreement, shall be settled by binding arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC") in effect at the time the demand for arbitration is filed by the demanding party with the ICC, as supplemented by the further requirements of this Article.

18.3 Such arbitration shall be conducted by one (1) arbitrator, selected by both parties. If the Parties fail to agree on an arbitrator, such arbitrator shall be appointed by the ICC promptly thereafter. The place of Arbitration shall be [***] in the English language and the award shall be rendered in [***]. The decision of the arbitrator shall be final and conclusive and shall be

binding upon the Parties. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award.

ARTICLE 19 - FORCE MAJEURE.

19.1 No Party hereto shall be responsible or liable to the other Party hereto for any failure to perform any of its agreements, covenants or obligations under this Agreement if such failure results from events or circumstances reasonably beyond the control of such Party (or any of its Representatives) and which, despite the exercise of reasonable diligence, such Party is unable to prevent, avoid or remove ("Events of Force Majeure").

19.2 The affected Party shall exert all reasonable efforts to eliminate, cure or overcome any such Event of Force Majeure and to resume performance hereunder with all possible speed. Notwithstanding the foregoing, to the extent that an Event of Force Majeure continues for a period in excess of six (6) months, the Parties agree to negotiate in good faith either (i) to resolve the Event of Force Majeure, if possible, (ii) to extend their mutual agreement the time period to resolve, eliminate or overcome such Event or (iii) to terminate this Agreement.

ARTICLE 20 - MISCELLANEOUS.

20.1 Amendment: This Agreement shall be modified only by endorsement signed by Representatives of the Parties.

20.2 No assignment: Either Party may not assign this Agreement.

Notwithstanding the foregoing, each Party may assign this Agreement to any of its Affiliates provided that such Affiliates agree to be bound by all the provisions of the Agreement.

20.3 Successors and assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

20.4 [***]

20.5 Entire agreement. This Agreement constitutes the entire Agreement between the Parties in respect of the subject matter hereof. This Agreement supersedes any and all pre-existing agreements, either oral or in writing. There are not and shall not be any oral statements, representations, warranties, undertakings or agreements between the Parties in respect of the subject matter hereof other than as provided by this Agreement and any mutually accepted written amendments hereto.

20.6 Superiority: No provision on TEVA purchase order form or on ERYTECH's general conditions of sale which may purport to impose different conditions under TEVA or ERYTECH shall modify the terms and conditions of this Agreement.

20.7 No waiver. The failure on the part of either Party hereto to exercise or enforce any right conferred upon it by this Agreement shall not be a waiver of any such right nor shall any single or partial exercise of any right or power hereunder or further exercise thereof operate so as to bar the later exercise or enforcement thereof.

20.8 No power of representation: Except as expressly provided in this Agreement, TEVA shall not incur any liability on behalf of ERYTECH or in any way pledge or purport to pledge ERYTECH's credit or accept any order or make any contract binding upon ERYTECH.

20.9 Independent Contractors. The relationship between TEVA and ERYTECH shall be that of an independent contractor. No Party shall have the right, title or authority to enter into any contract, agreement or commitment on behalf of the other or to bind the other Party in any manner whatsoever.

20.10 Severability. If any provision of this Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not affect other provisions of this Agreement which can be given effect without the provision(s) held invalid or unenforceable, and to this end, the provisions of this Agreement shall be deemed severable.

IN WITNESS WHEREOF, the Parties hereto, through their authorized Representatives, have set their hands as of the date first above written, whereby they evidence their intent to be legally bound.

ERYtech Pharma SA.

/s/ Pierre-Oliver GOINEAU
Mr. Pierre-Olivier GOINEAU
Chief Executive Officer

Teva Pharmaceutical Industries Limited

/s/ Ron Mayron
Ron Mayron
Managing Director – Teva Israel, Vice President I.C.A.

/s/ Dan Danieli
Dan Danieli
Managing Director – Pharma, Teva Israel

/s/ Efrat Klachevsky
Efrat Klachevsky
Director, Business Development, Teva Israel

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

SCHEDULE A:

UPFRONTS AND MILESTONES

Up front Payment: As a consideration for the license to distribute the Product in the Territory, TEVA shall pay to ERYTECH within [***] days after the last day of the month in which the invoice was issued, a fee of 40 000 Euros.

Milestone Payments (within [***] days after the last day of the month in which the invoice was issued the invoice regarding the milestone was issued):

- Upon [***]: a fee of [***] Euros.
- Upon [***]: a fee of [***] Euros.
- Upon [***]: a fee amounting to [***]% of the [***] (as defined below).

[***]

TEVA Operating Profit or TEVA OP = Transfer Price (as defined in Article 9 (Transfer Price)) - (TEVA Transportation Costs + TEVA Marketing (including Regulatory expenses) and Promotional Expenses + TEVA General & Administrative expenses)

TEVA Transportation Costs = [***]% Transportation Costs + any amount exceeding [***] € per Product (to be reimbursed to ERYTECH)

TEVA General & Administrative expenses or TEVA G&A:

- From the first year to the [***] (included) = [***] % of Total Sales
- From the [***] year = [***]% Total Sales

SCHEDULE B:

Press Release

•••••••••

ERYtech Pharma to partner with Teva

for long term distribution agreement in Israel

Lyon (France), Philadelphia (USA), January xxth 2011

ERYtech Pharma is pleased to announce it has signed an exclusive long term agreement with Teva for the registration, marketing, distribution and sale of Graspa®, the company's lead product, in Israel.

ERYtech is a leading specialty pharma company developing new high value medicinal products for unmet clinical needs in the field of oncology, heamatology and immunology. Graspa® is the company's lead product currently in pivotal trial in Europe. Teva leading position, long history in oncology and specialty segment will provide a solid platform for Graspa® and made them an ideal partner for product market introduction in Israel. ERYtech anticipates that first sales could be generated in less than 15 months.

Under the terms of the agreement, Teva will submit the drug for approval in Israel, market and distribute it in the territory for a long term period. Teva will pay milestone payments in addition to sharing profit on the basis of purchase price agreed with Teva.

"This collaboration represents a significant milestone as first distribution agreement and a major step in the worldwide product expansion" said Pierre-Olivier Goineau, Chief Executive Officer. "Thanks to its good efficacy and safety profile, Graspa®, will bring major therapeutic value for Israeli patients in ALL."

About Graspa

GRASPA® is a new enzyme formulation of L-asparaginase with a safer and broader range of clinical uses compared to existing forms due to the enzymes entrapment and protection inside the homologous red blood cell. GRASPA®'s (encapsulating L-asparaginase in red blood cells) interest is to overcome all existing limitations associated with conventional L-asparaginase through a longer efficacy, better compliance, reduced dosage and an increased safety profile.

About ERYtech Pharma

ERYtech Pharma (Lyon, Philadelphia) is a specialty pharma company developing innovative therapeutic solutions based on its proprietary technology and expertise in the physiological properties of erythrocytes. The company addresses serious pathologies, orphan indications or sub-populations of patients, particularly in the fields of haematology, cancer and metabolic diseases. It has built in less than six years a strong pipeline with very ambitious programs and a powerful proprietary R&D platform offering large possibilities of new therapeutics products and applications.

Contact Press;

ERYtech Pharma - 60, Avenue Rockefeller - Batiment Adenine - 69008 - LYON - France

ERYtech Pharma - US Office - 3711 Market Street, 19104 Philadelphia PA - USA

contact@erytech.com_www.erytech.com

SCHEDULE C:

[***]

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SCHEDULE D:

[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.6

*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

EXCLUSIVE SUPPLY AGREEMENT

This Supply Agreement is entered between:

ERYtech Pharma S.A, a company incorporated under the laws of the Republic of France (no 479 560 013 RCS Lyon), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, represented by Mr. Pierre-Olivier Goineau, Chief Operating Officer,

hereinafter referred to as "**ERYtech Pharma**".

And,

Medac GmbH, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Mr. Wilfried Mohr, Managing Director.

hereinafter referred to as "**Medac**".

hereinafter referred to individually or collectively as the "**Parties**" and individually as a "**Party**".

WHEREAS

WHEREAS, Medac mainly promotes the development and marketing of therapeutics in the field of oncology and autoimmune diseases such as L-Asparaginase under the trademark medac ("Product" as defined below), and

WHEREAS, ERYtech Pharma is developing a medicinal product under the trademark GRASPA® ("GRASPA®" as defined below) and consisting in L-asparaginase E-Coli encapsulated into red blood cells. The Product would be used as drug substance for the manufacture of GRASPA®.

WHEREAS ERYtech Pharma is interested in purchasing Products exclusively from Medac to manufacture GRASPA® for use in next clinical trials and possible commercial sales of GRASPA®; and

WHEREAS, Medac is willing to provide ERYtech Pharma with Products for the Purpose (as defined below).

IN CONSEQUENCE WHEREOF THE PARTIES AGREE AS FOLLOWS:

Article I. DEFINITIONS

For the purpose of this Agreement, the following words and phrases shall have the following meanings:

1.1. "**Affiliate(s)**" shall mean an entity or person which controls, is controlled by or is under common control with either Party. Control shall mean (a) the direct or indirect ownership of more than one-half of the stock or participating shares entitled to vote for the election of directors of a corporation or a comparable ownership in any other type of entity, or

(b) the power to direct the management and policies of an entity, whether by contract or otherwise. The terms "controlled by" or "under common control" shall have the meanings correlative to the foregoing.

1.2. "**Agreement**" shall mean this Supply Agreement, all amendments to this Agreement, and all exhibits to this Agreement.

1.3. "**Effective Date**" shall mean on December 10th, 2008

1.4. "**Contract Year**" means any twelve (12) month period ending on an anniversary of the Effective Date.

1.5. "**Confidential Information**" shall mean all confidential and proprietary material and information received by one Party from the other Party or its Representative, including but not limited to:

- business and financial information;
- methods of production, manufacturing and diagnostic testing;
- unpublished results (i.e. text, graphics or numerical data) from scientific work; and
- any other document or data received in written, printed, electronic, oral, or any other form.

1.6. "**Force Majeure**" shall mean an occurrence which prevents, delays or interferes with the performance by a Party of any of its obligations hereunder, if such event occurs by reason of any act of God, flood, or war, revolution, civil commotion, acts of public enemies, blockage or embargo, or any law, order or proclamation of any government, interruption of or delay in transportation, strike or labor disruption, or other cause beyond the reasonable control of such Party.

1.7. "**Representatives**" shall mean, with respect to a Party to this Agreement, the respective officers, directors, employees, and agents of such Party and of such Party's Affiliates.

1.8. "**GRASPA®**" shall mean medicinal product consisting in L-asparaginase E-Coli encapsulated into human red blood cells.

1.9. "**Product**" shall mean one unit ([***]) of L-Asparaginase ([***]) marketed by Medac under the trademark of medac together with its Documents (as defined below). [***].

1.10. "**Specifications**" shall mean the Product specifications and the packaging specifications set out in Exhibit 1.

1.11. "**Documents**" shall mean the following documents prepared by the manufacturer of the Product:

- Good Manufacturing Practices certificate and
- A proof that the product used as source of L-asparaginase has granted a marketing authorization (MA) in at least one European country (copy of the license and Summary Product Characteristics for example) and
- The quality information (at least parts P.1, P.5, P.6 and P.8) of Medicinal Product as source of L-asparaginase or equivalent.

1.12. "**Regulatory Authority**" means any federal, state, local or international regulatory agency, department, bureau or other governmental entity that is responsible for issuing any approvals (including supplements, amendments, pre- and post-approvals and pricing approvals), licenses, registrations or authorizations of any national, supra-national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity, necessary for the manufacture, distribution, use or sale of the Product in a regulatory jurisdiction.

1.13. "**Third Party**" shall mean any person other than a Party and such Party's Representatives and Affiliates.

Article II. PURPOSE OF THE AGREEMENT

2.1. Purpose. The purpose of this Agreement is to set forth the terms and conditions under which Medac shall provide ERYtech Pharma with Products to manufacture and to register GRASPA® for use anywhere in the world in its next clinical trials, and possible commercial sales of GRASPA® directly or through license in all indications (hereinafter referred to as the "Purpose").

Article III. PURCHASE AND SALE

3.1. Purchase and Sale. Subject to the terms and conditions set forth herein, Medac agrees to sell and ERYtech Pharma agrees to purchase Products exclusively from Medac in accordance with ERYtech Pharma's purchase orders and this Agreement.

3.2. Clinical use. As far as possible, Medac agrees to provide ERYtech Pharma with Products from the same batch.

3.3. Forecast. ERYtech Pharma shall provide Medac with annually and quarterly rolling forecast of the quantities to be purchased as set out in Exhibit 2 of which the first [***] shall be considered as binding orders.

3.4. Purchase Orders. Medac agrees that ERYtech Pharma shall order the Products by facsimile or e-mail. Promptly after receipt of ERYtech Pharma order, Medac shall inform ERYtech Pharma of the acceptance of such order. After such acceptance, both Parties shall consider the order as binding ("Firm Order"). Both Parties acknowledge that a Firm Order cannot be cancelled.

3.5. First Orders. Notwithstanding the Article 3.3 and the Article 6.1, ERYtech Pharma orders on the Effective Date:

- [***] Products for delivery later on [***] (from [***]);
- [***] Products for delivery later on [***] (from [***]).

Other Products ordered shall be subject to the Agreement (such as Article 3.3 and Article 6.1 without limitation)

3.6. Non-Conforming Orders. Medac will use reasonable commercial efforts to fill non-conforming purchase orders for Products in accordance with ERYtech Pharma's requests.

Article IV. PRICES AND EXCLUSIVITY

4.1. Price. ERYtech Pharma shall purchase the Product and Medac will supply it with the terms and conditions of [***]. Except as provided in Article 4.2, the price for one (1) Product is [***] Euros up to [***] Product purchased per year. From the [***] Products purchased per year, the price for one (1) Product shall be [***] Euros.

[***].

4.2. Exclusivity. In consideration of exclusivity in favour of Medac, Medac agrees to supply a limited number of Products at the price of [***] Euros instead of those set out in Article 4.1.

This reduced price shall apply to [***] provided that these Products for such purpose shall be limited to [***].

The Products exceeding this cap shall be paid by ERYtech Pharma at the price as set out in Article 4.1.

4.3. Limitation of exclusivity. ERYtech Pharma shall not be liable for exclusivity:

- In a country, if the regulatory authority of this country prevents ERYtech Pharma from developing GRASPA® and/or slows down its development due to the Product;
- In case of multiple failures noticed by ERYtech Pharma and communicated to and agreed by the steering committee with no commitment by Medac to remedy them.

Article V. PAYMENT

5.2. Invoicing of the Products and Payment. Medac shall invoice for Products upon delivery of the Products to ERYtech Pharma according to the price mentioned in the accepted Firm Order. ERYtech Pharma shall pay to Medac the price of the Products within [***] days of the date of the corresponding invoice and ERYtech Pharma shall pay for the Products by bank transfer on Medac's bank account.

Article VI. DELIVERIES

6.1. Shipment. Except as set out in Article 3.5, Medac shall ship, directly or through any Third Party, Product to ERYtech Pharma to the delivery destination(s) specified in ERYtech Pharma's purchase orders within [***] days following the Firm Order. As long as the purchase orders are in compliance with the Forecast as defined under Article 3.3

However, if [***] Products are exceeding the quarterly forecast as set out in Article 3.3 and if Medac will not be able to supply from existing stock without disturbing the supply obligations for other countries, ERYtech Pharma agrees to concede to Medac a lead-time of [***] from the Firm Order acceptance provided that Medac informs ERYtech Pharma promptly after receipt of ERYtech Pharma order disturbing the supply obligations for other countries.

6.2. Title and Risk of Loss. Risk of loss with respect to the Product shall pass to ERYtech Pharma in accordance [***] as defined in the INCOTERMS and title shall pass to ERYtech Pharma at the same time risk of loss passes.

6.3. Packaging for Shipment. Unless otherwise agreed in advance, all Products shall be packed by Medac as Medac reasonably deems appropriate to minimize risk of loss or damage in transit.

Article VII. SPECIFICATIONS AND QUALITY CONTROL

7.1. Specifications. Medac shall provide ERYtech Pharma with the Product in accordance with the Specifications and all applicable federal, state and local laws and regulations.

Products must be packaged and labelled in accordance with all applicable standards of quality and all other requirements of any Federal, State or local government statues, by-laws, regulations, standards or codes and any applicable voluntary standards and codes and general industry practice.

7.2. Quality Assurance. Medac shall be responsible for ensuring that the Products meet Medac's internal quality assurance tests and procedures prior to shipment hereunder.

Article VIII. REGULATORY ASSISTANCE

8.1. Regulatory approval and requests. Medac shall cooperate with ERYtech Pharma in connection with obtaining regulatory approval such as import license and responding to any regulatory requests relating to the quality control of the GRASPA®.

8.2. Regulatory submissions. ERYtech Pharma shall do its reasonable efforts to inform Medac of any regulatory submissions of GRASPA®.

Article IX. ADVERSE EVENTS AND RECALL

The Parties shall handle the notification of adverse events and the recall of any Product pursuant to the specifications of the Regulatory Authorities and duly inform each other of any adverse events.

Article X. STEERING COMMITTEE

10.1. Composition of the Steering Committee. Each Party shall appoint one Representative to participate on a steering committee (the "Steering Committee"). The Steering Committee shall meet via teleconference at least once a quarter during the term of this Agreement if not otherwise agreed. A precise agenda shall be drawn up before each meeting of the Steering Committee.

10.2. Role. The specific role of the Steering Committee is to draw up the reports on the performance of the Agreement, outlining the results obtained, to decide on the adaptations or modifications of the Agreement which may appear necessary or useful.

10.3. Responsibilities. The Steering Committee shall be responsible for addressing any disputes that may arise between the Parties in connection therewith. In the event that the Steering Committee is unable to resolve any dispute, and a Party wishes to pursue such dispute further, each such dispute shall be finally resolved by binding arbitration in accordance with the provisions set forth in Section 16.2.

10.4. Representatives. At the time of execution of this Agreement, ERYtech Pharma's Representative in the Steering Committee shall be [***] and those of Medac shall be [***]. Each Party may, from time to time, replace its representative by written notice to the other Party specifying the prior representative and the replacement.

Article XI. CONFIDENTIALITY

11.1. Confidentiality. Each Party (i) shall maintain the other Party's Confidential Information strictly confidential, (ii) agrees that it will take the same steps to protect the confidentiality of the

other Party's Confidential Information as it takes to protect its own Confidential Information, which shall in no event be less than reasonable steps, and (iii) shall not use the other Party's Confidential Information for any purpose other than in accordance with this Agreement and shall not disclose such Confidential Information to any person other than its personnel who have a need to know such Confidential Information for the Purpose of this Agreement and who are subject to a nondisclosure obligation comparable in scope to this Section 11.

11.2. Exceptions. The confidentiality obligations included in this Section shall not apply to information which a Party can clearly demonstrate:

- is in the public domain prior to the date of disclosure or is subsequently disclosed to the public through no fault or act of the receiving Party;
- is rightfully obtained by a receiving Party from a Third Party not obligated to preserve its confidentiality who did not receive the material or information directly or indirectly from the disclosing Party;
- is independently developed by the receiving Party without use of any Confidential Information of the disclosing Party; and
- was lawfully in the receiving Party's possession prior to obtaining it from the disclosing Party, as shown by pre-existing records.

11.3. Authorized Disclosures. A receiving Party also may disclose Confidential Information of the disclosing Party to the extent required by a court or by Regulatory Authority, provided that the receiving Party (a) gives the disclosing Party reasonable prior notice of the disclosure; (b) uses reasonable efforts to resist disclosing the Confidential Information; and (c) cooperates with the disclosing Party on request to obtain a protective order or otherwise limit the disclosure.

11.4. No implied Rights. It is agreed that except to the extent expressly provided otherwise herein disclosure of Confidential Information hereunder shall not constitute any grant, option or license under any patent, technology or others rights in or to such Confidential Information.

Article XII. WARRANTY

12.1. Product Warranty. [***]

12.2. Remedies. ERYtech Pharma shall be obliged to inspect, examine and analyse the Products immediately upon receipt. In the event that a Product does not comply with the product warranty set out in Section 12.1 and such non-conforming Product is returned to Medac by ERYtech Pharma freight prepaid, Medac will as soon as possible replace such non-conforming Product at no additional charge to ERYtech Pharma; the replaced Product will be returned to ERYtech Pharma, freight prepaid.

However, ERYtech Pharma shall inform Medac within [***] after receipt of the Products of apparent defects in quality or quantity in writing. Failure or delay shall mean acceptance of the delivered products and waiver any potential rights ERYtech may have with respect to the delivered Products. ERYtech shall inform medac within [***] in case he discovers any hidden defects.

12.3. **Use of the Products.** ERYtech Pharma warrants to Medac that all the Products purchased by ERYtech Pharma shall be used only to manufacture GRASPA®, in accordance with the provisions set forth in Section 2.1. ERYtech Pharma has not the right to import, promote, sell and distribute the Product for any purpose.

Article XIII. INDEMNIFICATION

13.1. Medac shall indemnify, defend and hold harmless ERYtech Pharma against any and all claims, liabilities, losses, costs and expenses arising out of (i) any third party claims relating to the Product(s), except to the extent due to the negligence or misconduct of ERYtech Pharma in handling such Product(s), (ii) any breach by Medac of its obligations under this Supply Agreement, and (iii) any negligence or unlawful act of Medac.

13.2. ERYtech Pharma shall indemnify, defend and hold harmless Medac against any and all claims, liabilities, losses, costs and expenses arising out of (i) any third party claims relating to GRASPA® and/or the Product(s) due to the negligence or misconduct of ERYtech Pharma in handling such Product(s), (ii) any breach by ERYtech of its obligations under this Supply Agreement, and (iii) any negligence or unlawful act of ERYtech Pharma.

Article XIV. INSURANCE

14.1. During the term of this Agreement, each Party agrees to procure and maintain, at its expense, insurance by a reputable company adequate to cover its obligations under this Agreement.

14.2. Prior to or on the Effective Date, each Party will provide the other with a certificate of insurance evidencing the coverage set forth in this Section 14.2 and thereafter shall provide the other Party such a certificate of insurance upon request. Each Party will provide the other with written notice at least [***] days prior to the cancellation, non-renewal or material change in such insurance which materially adversely affects the rights of the other Party hereunder.

Article XV. TERM AND TERMINATION

15.1. **Term.** The term of this Agreement shall commence upon the Effective Date and unless terminated earlier or extended pursuant to this Agreement shall expire twenty (20) years thereafter.

15.2. **Termination.** The Agreement may be terminated

- **a)** without notice and compensation by the mutual written agreement of the Parties;
- **b)** by either Party in the event a Party is in default of the terms and conditions of this Agreement and fails to remedy the default within [***] after receiving written notice specifying such default.

15.3. **Consequences of Termination.** Except with respect to a termination by Medac pursuant to Section 15.2.b, the expiration or termination of this Agreement will not relieve Medac from its obligation to provide with any Product ordered pursuant to the Agreement received prior to the effective date of such expiration or termination unless a hindrance occurs to supply to ERYtech Asparaginase medac and/or medac will not [***].

Except with respect to a termination by ERYtech Pharma pursuant to Section 15.2.b, ERYtech Pharma will pay Medac for Product(s) supplied in accordance with this Agreement prior to the effective date of expiration or termination of this Agreement.

Promptly after the expiration or termination of this Agreement for any reason, the Parties will return to each other all tangible manifestations of each other's Confidential Information at that time in the possession of either Party, or, with the written permission of the other Party, destroy such items; provided that each Party may retain one (1) tangible manifestation of the other Party's Confidential Information in its legal department for archival purposes.

Expiration or termination of this Agreement will not relieve either Party of any liability having accrued hereunder prior to the effective date of such expiration or termination.

Termination and/or expiration of this Agreement by either Party does not entitle the other the Party to any indemnification or compensation for any expenses incurred in the performance of the Agreement, loss of profit or any other reason unless otherwise provided in this Agreement.

15.4. Survival. Upon expiration or termination of this Agreement, the obligations of the Parties under Sections 11, 12, 15.3, 16.1, 16.2 and this Section 15.4, and any other section which by its nature is to survive, shall survive such expiration or termination.

Article XVI. MISCELLANEOUS

16.1. Governing Law. This Agreement shall be governed by and construed according to the laws of [***], without regard to its conflict of laws principles.

16.2. Dispute Resolution. The Parties shall make all reasonable efforts to amicably resolve any disputes arising out of or relating to this Agreement. All disputes between the Parties arising from or relating to this Agreement or the breach hereof that cannot otherwise be resolved informally shall be conclusively settled by binding arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC") in effect at the time the demand for arbitration is filed by the demanding party with the ICC, as supplemented by the further requirements of this Section.

Such arbitration shall be conducted by three (3) arbitrators, with each Party selecting one arbitrator within thirty (30) days after the serving of a statement of claim by the claimant on the respondent, and the two (2) selected arbitrators selecting a mutually agreeable third arbitrator within thirty (30) days thereafter from a list of qualified potential arbitrators provided by the ICC, or if such arbitrators are unable to select such third arbitrator within such time period, a third arbitrator appointed by the ICC promptly thereafter. The place of Arbitration shall be [***] in the English language and the award shall be rendered in [***]. The decision of the arbitrators shall be final and conclusive and shall be binding upon the Parties. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies or to order any Party or Parties to request that a court modify or vacate any temporary or preliminary relief issued by that court, and to award damages for the failure of any Party to comply with the arbitral tribunal's orders to that effect.

16.3. Notices. All notices sent under this Agreement shall be in writing and (i) hand delivered; (ii) transmitted by legible telecopy with a copy sent concurrently by certified mail, return receipt requested; or (iii) delivered by prepaid priority delivery service. Notices shall be sent to the Parties at the following addresses or such other addresses as the Parties subsequently may provide:

If to ERYtech Pharma
ERYtech Pharma
60 Avenue Rockefeller
Bâtiment Adenine
69008 Lyon
France
Phone: [***]
Fax: [***]
Email: [***]

If to Medac:
Medac GmbH
[***]
Theaterstrasse ,6
22880 Wedel
Germany
Phone: [***]
Fax: [***]
Email: [***]

A Party may change its address or numbers of service by notice to the other party.

16.4. Force Majeure. Neither Party shall be liable to the other for the failure to perform, or a delay in performing, its obligations under this Agreement by virtue of the occurrence of an event of Force Majeure. The Party affected by such Force Majeure event shall promptly notify the other Party and shall exert reasonable efforts to eliminate, cure or overcome such Force Majeure event and to resume performance of its obligations hereunder.

In the event a Force Majeure event affecting either Party hereunder continues for more than six (6) months the Party not subject to the Force Majeure event may terminate this Agreement upon written notice without further obligations.

16.5. Cumulative Remedies. The rights and remedies provided in this Agreement and all other rights and remedies available to either Party at law or in equity are, to the extent permitted by law, cumulative and not exclusive of any other right or remedy now or hereafter available at law or in equity. Neither asserting a right nor employing a remedy shall preclude the concurrent assertion of any other right or employment of any other remedy, nor shall the failure to assert any right or remedy constitute a waiver of that right or remedy.

16.6. Amendment. This Agreement may be modified or amended only by written agreement of the Parties.

16.7. Entire Agreement. This Agreement (including any exhibits hereto, all of which are incorporated herein by reference) constitutes the entire agreement between the Parties concerning the subject matter of this Agreement. This Agreement supersedes all prior agreements between the Parties concerning the subject matter of this Agreement.

16.8. Independent Contractor. Medac is an independent contractor. Nothing in this Agreement is intended or shall be deemed to create an association, partnership, joint venture, agency or employer and employee relationship between the Parties, or to authorize either Party to act as agent for the other or to enter into contracts on behalf of the other.

16.9. Assignment. Neither Party shall assign to a Third Party any portion of this Agreement without the written approval of the other Party.

16.10. Binding Effect. All the provisions thereof shall inure to the benefit of and be binding upon the Affiliates of the Parties.

16.11. Use of Trademark. Each Party hereby agrees that neither it nor any of its Affiliates shall use the name, logo, or any other trademarks of any other Party. Each Party agrees that it may use its own trademarks for any purpose without obligation to the other Party.

16.12. Severability. The provisions of this Agreement are deemed to be several and any invalidity of any provision of this Agreement will not affect the validity of the remaining provisions of this agreement.

IN WITNESS whereof, the Parties have caused this Agreement to be executed by their duly authorized officers.

ERYtech Pharma

Mr. Pierre-Olivier Goineau Chief Operating Officer	Place and date: *Lyon, December 10th 2008*
Signature	*/s/ Pierre-Olivier Goineau*

Medac

Wilfred Mohr Managing Director	Place and date: *Wedel, Dec. 12th, 2008*
Signature	*/s/ Wilfred Mohr*

Medac

Ppa. Dr. Ulrich Kosciessa (Director of medac International)	Place and date: *Wedel, Dec. 12th, 2008*
Signature	*/s/ ppa. Dr. Ulrich Kosciessa*

EXHIBIT 1: SPECIFICATIONS

Release specification Asparaginase [***]

Test parameter	Limit
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

EXHIBIT 2: FORECASTS

Maximum number of vials ordered for the [***]

[***] **:** [***] **vials**

[***] **:** [***] **vials**

[***] **:** [***] **vials**

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

**ADDENDUM NO 1 TO
EXCLUSIVE SUPPLY AGREEMENT**

This Addendum is entered between:

ERYtech Pharma S.A, a company incorporated under the laws of the Republic of France (n° 479 560 013 RCS Lyon), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, represented by Mr. Pierre-Olivier Goineau, Chief Operating Officer,

hereinafter referred to as "**ERYtech Pharma**".

And,

Medac GmbH, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Mr. Wilfried Mohr, Managing Director.

hereinafter referred to as "**Medac**".

hereinafter referred to individually or collectively as the "**Parties**" and individually as a "**Party**".

WHEREAS

The Parties have signed an Exclusive Supply Agreement on December 10th, 2008 (hereinafter "**the Agreement**").

The Parties wish to extend the Products at reduced price.

Therefore, the Parties agree to modify the Article 4.2 of the Agreement set forth below.

The Articles are hereby amended to read as follow:

4.2. Exclusivity. In consideration of exclusivity in favour of Medac, Medac agrees to supply a limited number of Products at the price of [***] Euros instead of those set out in Article 4.1.

This reduced price shall apply to Products used [***] provided that these Products for such purposes shall be limited to [***]. The Products exceeding this cap shall be paid by ERYtech Pharma at the price as set out in Article 4.1.

Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS whereof, the Parties have caused this Addendum to be executed by their duly authorized officers.

ERYtech Pharma

Mr. Pierre-Olivier Goineau Chief Operating Officer	Place and date: Lyon, July 31st 2009
Signature	/s/ Pierre-Olivier Goineau

Medac

Wilfred Mohr Managing Director	Place and date: Wedel, August 19th 2009
Signature	/s/ Wilfred Mohr

Medac

Ppa. Dr. Ulrich Kosciessa Director of medac International	Place and date: Wedel, August 12th 2009
Signature	/s/ ppa. Dr. Ulrich Kosciessa

Exhibit 10.7

*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

EXCLUSIVE SUPPLY AGREEMENT
for recombinant L-Asparaginase

THIS SUPPLY AGREEMENT is entered between **ERYTECH PHARMA S.A**, a company incorporated under the laws of the Republic of France (no 479 560 013 RCS Lyon), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, France, represented by Mr. Pierre-Olivier Goineau, Chief Executive Officer, (VAT No. FR 10479560013), hereinafter referred to as "***ERYtech Pharma***" and **MEDAC GMBH**, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Nikolaus Graf Stolberg, Managing Director and Dr. Michaela Rehberg, Director Drug Regulatory Affairs/Pharmaceutical Development (VAT No. DE 118579535), hereinafter referred to as "***medac***", hereinafter referred to individually or collectively as the "***Parties***" and individually as a "***Party***".

WHEREAS, medac mainly promotes the development and marketing of therapeutics in the field of oncology and autoimmune diseases such as L-Asparaginase under the trademark medac and is developing a new recombinant form of L-Asparaginase defined below as "Product" as well as other non cell based formulation(s) of recombinant L-asparaginase; and

WHEREAS, ERYtech Pharma is developing a medicinal product under the trademark GRASPA® ("***GRASPA®***" as defined below) consisting in E-coli L-asparaginase encapsulated into red blood cells. The "Product" would be used as drug substance for the manufacture of GRASPA®;

WHEREAS ERYtech Pharma is interested in purchasing "Product" exclusively from medac to manufacture GRASPA® for use in next clinical trials and commercial sales of GRASPA®; and

On December 10th, 2008, ERYtech Pharma and medac signed an exclusive supply agreement for the supply of native E.coli L-Asparaginase by medac to ERYtech Pharma (the "***Previous agreement***"). The Parties agree to extend the supply to the "Product". This Agreement does not replace the Previous Agreement, which remains in effect and valid.

WHEREAS, medac is willing to provide ERYtech Pharma with "Product" for the Purpose (as defined below).

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

IN CONSEQUENCE WHEREOF THE PARTIES AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

For the purpose of this Agreement, the following words and phrases shall have the following meanings:

1.1 "**Affiliate(s)**" shall mean an entity or person which controls, is controlled by or is under common control with either Party. Control shall mean (a) the direct or indirect ownership of more than one-half of the stock or participating shares entitled to vote for the election of directors of a corporation or a comparable ownership in any other type of entity, or (b) the power to direct the management and policies of an entity, whether by contract or otherwise. The terms "controlled by" or "under common control" shall have the meanings correlative to the foregoing.

1.2 "**Agreement**" shall mean this Supply Agreement, all amendments to this Agreement, and all exhibits to this Agreement.

1.3 "**Effective Date**" shall mean April 6th, 2011.

1.4 "**Confidential Information**" shall mean all confidential and proprietary material and information received by one Party from the other Party or its Representative, including but not limited to:

- business and financial information;
- methods of production, manufacturing and diagnostic testing;
- unpublished results (i.e. text, graphics or numerical data) from scientific work; and
- any other document or data received in written, printed, electronic, oral, or any other form.

1.5 "**Force Majeure**" shall mean an occurrence which prevents, delays or interferes with the performance by a Party of any of its obligations hereunder, if such event occurs by reason of any act of God, flood, or war, revolution, civil commotion, acts of public enemies, blockage or embargo, or any law, order or proclamation of any government, interruption of or delay in transportation, strike or labor disruption, or other cause beyond the reasonable control of such Party.

1.6 "**Representatives**" shall mean, with respect to a Party to this Agreement, the respective officers, directors, employees, and agents of such Party and of such Party's Affiliates.

1.7 "**GRASPA®**" shall mean medicinal product consisting suspension of erythrocytes encapsulating recombinant L-asparaginase and released by ERYtech Pharma.

1.8 "**API**" shall mean Active Pharmaceutical Ingredient – [recombinant asparaginase produced of behalf of medac and used to produce the Product].

1.9 "**Product**" shall mean one vial of ([***]) of recombinant L-Asparaginase, in the form of a powder for injection produced packed and labeled by or on behalf of Medac and released by Medac according to information contained in "Documents" (as defined below) and applicable cGMP.

1.10 "**Specifications**"**:** A list of tests, references to analytical procedures, and appropriate acceptance criteria that are numerical limits, ranges or other criteria for the test(s) described as amended from time to time to comply with regulatory requirements. It establishes the set of criteria to which a material should conform to be considered acceptable for its intended use. "Conformance to Specification" means that the material, when tested according to the listed analytical procedures, will meet the listed acceptance criteria as outlined in the **Documents**.

1.11 "**Documents**" shall mean the current version for the following documents prepared by Medac: Documentation regarding quality and clinical safety information of Product and API (such as Quality documentation of the Investigational Medicinal Product Dossier (IMPD) in its current version, clinical/safety information on the Product (parts 6 and 7 of the investigator brochure on the Product) and regulatory background information (briefing document) in its current version as well as GMP certificates, manufacturing licences or import permits etc) provided by MEDAC to ERYTECH in order to complete relevant part of regulatory submissions filed in order to grant clinical trial authorization for GRASPA manufactured from the Product.

1.12 "**Regulatory Authority**" means any federal, state, local or international regulatory agency, department, bureau or other governmental entity such as the Food & Drug Administration ("FDA") and/or by the European Medicines Agency ("EMA"), that is responsible for issuing any approvals (including supplements, amendments, pre- and post-approvals and pricing approvals), licenses, registrations or authorizations of any national, supra-national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity, necessary for the manufacture, distribution, use or sale of the Product in a regulatory jurisdiction.

1.13 "**Third Party**" shall mean any person other than a Party and such Party's Representatives and Affiliates.

1.14 "**GRASPA**"-**Indications** shall mean the indications as specified and agreed in Exhibit 3 to this agreement.

1.15 "**Clinical Supply**" shall mean the supply of "Product" by medac to ERYtech Pharma for the purpose of setting up clinical trials with GRASPA® anywhere in the world and sponsored by ERYtech Pharma in GRASPA® Indications as specified and agreed in Exhibit 3 to this Agreement.

1.16 "**Routine Supply**" shall mean the supply of "Product" by medac to ERYtech Pharma for the purpose of selling GRASPA anywhere in the world pursuant to a Marketing Authorization.

1.17 "**Marketing Authorization**" shall mean any marketing authorizations agreed by the Regulatory Authorities for the sale of GRASPA® in a regulatory jurisdiction.

ARTICLE II

PURPOSE OF THE AGREEMENT

2.1 Purpose. The purpose of this Agreement is to set forth the terms and conditions under which medac shall provide ERYtech Pharma with "Product" to manufacture and to register GRASPA® for use anywhere in the world in its next clinical trials, and possible commercial sales of GRASPA® directly or through license in "GRASPA® Indications" (hereinafter referred to as the "***Purpose***").

ARTICLE III

PURCHASE AND SALE

3.1 Purchase and Sale. Subject to the terms and conditions set forth herein, medac agrees to sell Product, which shall only be used in erythrocytes encapsulated L-Asparaginase, exclusively to ERYtech Pharma and ERYtech Pharma agrees to purchase Product exclusively from medac in accordance with ERYtech Pharma's purchase orders under this Agreement. For clarification, the exclusivity to sell the Product shall only apply in connection with the above mentioned Purpose and with the Article 4.2.

3.2 Clinical Supply. medac agrees to provide ERYtech Pharma with Product from the same batch if possible for each clinical trial.

3.3 Forecast. For Routine Supply ERYtech Pharma shall provide medac with annually and quarterly rolling forecast of the quantities to be purchased as set out in Exhibit 2 of which the first [***] shall be considered as binding orders and additional [***] as non-binding. In case the future agreed order period between medac and the manufacturer is longer, this order period shall be adapted accordingly. For Clinical Supply the binding forecast is attached as Exhibit 2, which shall be treated as binding order, too.

3.4 Purchase Orders. For Routine Supply medac agrees that ERYtech Pharma shall order the Product by facsimile or e-mail. Promptly after receipt of ERYtech Pharma order, medac shall inform ERYtech Pharma of the acceptance of such order. After such acceptance, both Parties shall consider the order as binding ("***Firm Order***"). Both Parties acknowledge that a Firm Order cannot be cancelled.

3.5 Non-Conforming Orders. medac will use reasonable commercial efforts to fill non-conforming purchase orders for Product in accordance with ERYtech Pharma's requests.

ARTICLE IV

PRICES AND EXCLUSIVITY

4.1 Price. ERYtech Pharma shall purchase the Product and medac will supply the Product with the terms and conditions of the [***].

4.1.1 Clinical Supply. The price for supply will be:

Pilot scale: [***] € [***] / vial

Norm scale: Approximately € [***] / vial, whereby the final price will be determined by the Parties in good faith once the development of the norm scale process is finalised, however no later than [***] (hereinafter referred to as "***Norm scale price***").

This is the price for clinical trial purposes only. At the request of medac the Norm scale price could be rediscussed between the Parties [***] following the final determination of the Norm scale price. If justified by industrial cost increases it could be revised and increased up to a maximum of [***]. This price will remain for the next [***]. At the end of this period ([***] from date of signature of the Agreement) a new discussion between the parties will redefined the new Norm scale price for the next [***].

medac shall inform ERYtech Pharma about the change from Pilot Scale into Norm Scale [***] in advance.

4.1.2 Routine Supply. The price for Routine Supply will be agreed upon between both parties once the development of the Product has been finalized, however, not higher than the Norm scale price.

In any case, the Parties agree that the price for routine supply will be negotiated, in good faith, according to the market and to the market price of recombinant L-Asparaginase.

4.2 Exclusivity Field.

The Supply Agreement covers all territories of the world and all GRASPA® Indications. ERYtech Pharma shall buy from medac the Product for the term of this Agreement and for as long as medac can deliver at competitive price.

For the avoidance of doubt:

- medac shall have the right to develop non-cell based formulation of recombinant L-asparaginase in any indication
- ERYtech Pharma will have the right to develop GRASPA®, manufactured with the Product, in all GRASPA® Indications.

4.3 Limitation of exclusivity. ERYtech Pharma shall not be liable for exclusivity:

- In a country, if the regulatory authority of this country prevents ERYtech Pharma from developing GRASPA® and/or slows down its development due to the Product;
- In case of repeated failures noticed by ERYtech Pharma and communicated to and agreed by the steering committee with no commitment by medac to remedy them.

ARTICLE V

NON-COMPETITION

ERYtech Pharma shall be entitled to market GRASPA®, manufactured with the Product, in all territories, to treat patients in all indications as defined in Exhibit 3:

- in second line;
- in first line as long as the non cell based formulation of recombinant L-Asparaginase developed by medac:
  - is not registered in first line in a territory, in an indication or;
  - cannot be prescribed in first line by clinician for medical reason, case by case, in an indication in a territory.

[***]

[***]

[***]

For the avoidance of any doubt, the Parties do not give a right to distribute the Product or GRASPA®.

Notwithstanding the above-mentioned, ERYtech Pharma shall not be liable in case of any unsolicited off-labelling sales of GRASPA®.

ARTICLE VI

PAYMENT

6.1 Invoicing of the Product and Payment. medac shall invoice for Product upon delivery of the Product to ERYtech Pharma according to the price mentioned in the accepted Firm Order. ERYtech Pharma shall pay to medac the price of the Product within [***] days of the date of the corresponding invoice and ERYtech Pharma shall pay for the Products by bank transfer on medac's bank account.

ARTICLE VII

DELIVERIES

7.1 Shipment. Except as set out in Article 3.5, medac shall ship, directly or through any Third Party, Product to ERYtech Pharma to the delivery destination(s) specified in ERYtech Pharma's purchase orders within [***] days following the Firm Order. As long as the purchase orders are in compliance with the Forecast as defined under Article 3.3.

7.2 Title and Risk of Loss. Risk of loss with respect to the Product shall pass to ERYtech Pharma in accordance with [***] as defined in the INCOTERMS and title shall pass to ERYtech Pharma at the same time risk of loss passes.

7.3 Packaging for Shipment. Unless otherwise agreed in advance, Product shall be packed by medac as medac reasonably deems appropriate to minimize risk of loss or damage in transit.

7.4 Delivery reliability.

For the Clinical Supply and for the Routine Supply for the Acute Lymplopblastic Leukemia market, medac shall store the Product for a [***] rolling supply based on the annual forecast linked to the total development forecast based on the plan specified in Exhibit 2 as security stock. The annual forecast for the Routine Supply in other indications shall be negotiated in good faith between the Parties.

In return ERYtech shall be obliged to purchase such security stock on the agreed terms in total and conditions prior to expiration of such security stock. Furthermore, should medac encounter production problems beyond such [***] storage, then medac shall deliver to all customers with, percentage wise, equal reduction compared to the forecasts of the respective customers.

ARTICLE VIII

QUALITY AGREEMENT

The Parties agree to sign a quality agreement (the "***Quality Agreement***") at the same time as signing this Agreement.

The purpose is to establish the Quality Agreement between the two companies with regards to the quality of the Product that will be supplied by medac to ERYtech Pharma in view to manufacture clinical trials batches of GRASPA®.

This Quality Agreement takes the form of a detailed checklist including the activities associated with pharmaceutical manufacturing, testing and supply of Product for ERYtech Pharma.

In case of inconsistency between the Supply Agreement and the Quality Agreement, the Supply Agreement prevails.

ARTICLE IX

REGULATORY ASSISTANCE

The Parties agree to sign a regulatory agreement (the "***Regulatory Agreement***") at the same time as signing this Agreement.

In case of inconsistency between the Supply Agreement and the Regulatory Agreement, the Supply Agreement prevails.

The purpose of the regulatory agreement is to describe the co-operation between medac as the responsible owner of the Product and ERYtech Pharma as the responsible sponsor and future Marketing Authorization Holder for GRASPA®.

In order to ensure an effective processing of regulatory activities, it is important to determine the responsibilities of medac and Erytech as well as to lay down the sequence of actions within the development and registration process of GRASPA and if related to Product as well.

This Agreement takes the form of a detailed checklist including the activities and responsibilities associated with these submissions.

ARTICLE X

ADVERSE EVENTS AND RECALL

The Parties agree to sign a drug safety agreement (the "***Drug Safety Agreement***") at the same time as signing this Agreement.

In case of inconsistency between the Supply Agreement and the Drug Safety Agreement, the Supply Agreement prevails.

The Parties shall handle the notification of adverse events and the recall of any Product pursuant to the specifications of the Regulatory Authorities and duly inform each other of any adverse events.

ARTICLE XI

STEERING COMMITTEE

11.1 Composition of the Steering Committee. Each Party shall appoint one Representative to participate on a steering committee (the "***Steering Committee***"). The Steering Committee shall meet via teleconference at least once a quarter during the term of this Agreement if not otherwise agreed. A precise agenda shall be drawn up before each meeting of the Steering Committee.

11.2 Role. The specific role of the Steering Committee is to draw up the reports on the performance of the Agreement, outlining the results obtained, to decide on the adaptations or modifications of the Agreement which may appear necessary or useful.

11.3 Responsibilities. The Steering Committee shall be responsible for addressing any disputes that may arise between the Parties in connection therewith. In the event that the Steering Committee is unable to resolve any dispute, and a Party wishes to pursue such dispute further, each such dispute shall be finally resolved by binding arbitration in accordance with the provisions set forth in Section 17.3.

11.4 Representatives. At the time of execution of this Agreement, ERYtech Pharma's Representative in the Steering Committee shall be [***] and those of Medac shall be [***]. Each Party may, from time to time, replace its representative by written notice to the other Party specifying the prior representative and the replacement.

ARTICLE XII

CONFIDENTIALITY

12.1 Confidentiality. Each Party (i) shall maintain the other Party's Confidential Information strictly confidential, (ii) agrees that it will take the same steps to protect the confidentiality of the other Party's Confidential Information as it takes to protect its own Confidential Information, which shall in no event be less than reasonable steps, and (iii) shall not use the other Party's Confidential Information for any purpose other than in accordance with this Agreement and shall not disclose such Confidential Information to any person other than its personnel who have a need to know such Confidential Information for the Purpose of this Agreement and who are subject to a nondisclosure obligation comparable in scope to this Section 12.

12.2 Exceptions. The confidentiality obligations included in this Section shall not apply to information which a Party can clearly demonstrate:

- is in the public domain prior to the date of disclosure or is subsequently disclosed to the public through no fault or act of the receiving Party;
- is rightfully obtained by a receiving Party from a Third Party not obligated to preserve its confidentiality who did not receive the material or information directly or indirectly from the disclosing Party;
- is independently developed by the receiving Party without use of any Confidential Information of the disclosing Party; and
- was lawfully in the receiving Party's possession prior to obtaining it from the disclosing Party, as shown by pre-existing records.

12.3 Authorized Disclosures. A receiving Party also may disclose Confidential Information of the disclosing Party to the extent required by a court or by Regulatory Authority,

provided that the receiving Party (a) gives the disclosing Party reasonable prior notice of the disclosure; (b) uses reasonable efforts to resist disclosing the Confidential Information; and (c) cooperates with the disclosing Party on request to obtain a protective order or otherwise limit the disclosure.

12.4 No implied Rights. It is agreed that except to the extent expressly provided otherwise herein disclosure of Confidential Information hereunder shall not constitute any grant, option or license under any patent, technology or others rights in or to such Confidential Information.

ARTICLE XIII

WARRANTY

13.1 Declaration. medac declares to ERYtech Pharma that [***]

13.2 Remedies. ERYtech Pharma shall be obliged to inspect, examine and analyse the Products immediately upon receipt. In the event that a Product does not comply with the product declaration set out in Section 13.1 and such non-conforming Product is returned to medac by ERYtech Pharma freight prepaid, medac will as soon as possible replace such non-conforming Product at no additional charge to ERYtech Pharma; the replaced Product will be returned to ERYtech Pharma, freight prepaid.

However, ERYtech Pharma shall inform medac within [***] after receipt of the Products of hidden defects in writing. Failure or delay shall mean acceptance of the delivered products and waiver any potential rights ERYtech Pharma may have with respect to the delivered Products. ERYtech Pharma shall inform medac within [***] in case he discovers any apparent defects.

13.3 Use of the Products. ERYtech Pharma warrants to medac that all the Products purchased by ERYtech Pharma shall be used only to manufacture GRASPA®, in accordance with the provisions set forth in Section 2.1. ERYtech Pharma has not the right to import, promote, sell and distribute the Product for any other purpose.

ARTICLE XIV

INDEMNIFICATION

14.1 medac shall indemnify, defend and hold harmless ERYtech Pharma against any and all claims, liabilities, losses, costs and expenses arising out of (i) any Third Party claims relating to the Product(s), except to the extent due to the negligence or misconduct of ERYtech Pharma in handling such Product(s), (ii) any violation by medac of third party intellectual property rights (iii) any breach by medac of its obligations under this Supply Agreement, and (iv) any negligence or unlawful act of medac.

14.2 ERYtech Pharma shall indemnify, defend and hold harmless medac against any and all claims, liabilities, losses, costs and expenses arising out of (i) any Third Party claims relating to GRASPA® and/or the Product(s) - except to the extent due to the negligence or misconduct of medac in handling such Product(s) (ii) any violation by ERYtech Pharma of third party intellectual property rights, (iii) any breach by ERYtech of its obligations under this Supply Agreement, and (iv) any negligence or unlawful act of ERYtech Pharma.

ARTICLE XV

INSURANCE

15.1 During the term of this Agreement, each Party agrees to procure and maintain, at its expense, insurance by a reputable company adequate to cover its obligations under this Agreement.

15.2 Prior to or on the Effective Date, each Party will provide the other with a certificate of insurance evidencing the coverage set forth in this Section 15 and thereafter shall provide the other Party such a certificate of insurance upon request. Each Party will provide the other with written notice at least thirty (30) days prior to the cancellation, non-renewal or material change in such insurance which materially adversely affects the rights of the other Party hereunder.

ARTICLE XVI

TERM AND TERMINATION

16.1 Term. The term of this Agreement shall commence:

- For the Clinical Supply; upon the Effective Date and shall continue for a period of ten (10) years;
- For the Routine Supply; upon the first Routine Supply and shall continue for a period of five (5) years unless earlier terminated pursuant to the provision 16.2.

This Agreement will automatically and continuously be renewed for a period of subsequent [***], unless terminated with [***] notice period to the then running agreement term.

16.2 Termination. The Agreement may be terminated:

(a) without notice and compensation by the mutual written agreement of the Parties.

(b) by either Party in the event a Party is in default of the terms and conditions of this Agreement and fails to remedy the default within [***] after receiving written notice specifying such default.

(c) without notice and compensation by either party in case of non-authorization of the Product by the Regulatory Authorities.

(d) without notice and compensation in case of non-agreement on the Price for the Routine Supply.

16.3 Consequences of Termination. Except with respect to a termination by medac pursuant to Section 16.2.b), the expiration or termination of this Agreement will not relieve medac from its obligation to provide with any Product ordered pursuant to the Agreement received prior to the effective date of such expiration or termination.

Promptly after the expiration or termination of this Agreement for any reason, the Parties will return to each other all tangible manifestations of each other's Confidential Information at that time in the possession of either Party, or, with the written permission of the other Party, destroy such items; provided that each Party may retain one (1) tangible manifestation of the other Party's Confidential Information in its legal department for archival purposes.

Expiration or termination of this Agreement will not relieve either Party of any liability having accrued hereunder prior to the effective date of such expiration or termination.

In order to compensate for the [***], ERYtech Pharma shall be entitled to the following damages [***], or [***], do not [***] and/or if the [***].

In addition to any other [***], the damages owed [***] as above shall be [***]:

- [***]
- [***].

These damages will [***] upon [***].

16.4 Survival. Upon expiration or termination of this Agreement, the obligations of the Parties under Sections 12, 13, 16.3, 17.1, 17.2, 17.3 and this Section 16.4, and any other section which by its nature is to survive, shall survive such expiration or termination.

ARTICLE XVII

MISCELLANEOUS

17.1 Governing Law. This Agreement shall be governed by and construed according to the laws of [***], without regard to its conflict of laws principles.

17.2 Regulatory Rules. This Agreement shall be executed in accordance with all applicable rules issued by the Regulatory Authorities (such as regulations, policies or guidelines), of which both Parties acknowledge their prevalence over the Agreement.

17.3 Dispute Resolution. The Parties shall make all reasonable efforts to amicably resolve any disputes arising out of or relating to this Agreement. All disputes between the Parties arising from or relating to this Agreement or the breach hereof that cannot otherwise be resolved informally within sixty (60) days after referral to the CEO of medac and the CEO of ERYtech Pharma, shall be conclusively settled by binding arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("***ICC***") in effect at the time the demand for arbitration is filed by the demanding party with the ICC, as supplemented by the further requirements of this Section.

Such arbitration shall be conducted by three (3) arbitrators, with each Party selecting one arbitrator within thirty (30) days after the serving of a statement of claim by the claimant on the respondent, and the two (2) selected arbitrators selecting a mutually agreeable third arbitrator within thirty (30) days thereafter from a list of qualified potential arbitrators provided by the ICC, or if such arbitrators are unable to select such third arbitrator within such time period, a third arbitrator appointed by the ICC promptly thereafter. The place of Arbitration shall be [***] in the English language and the award shall be rendered in [***]. The decision of the arbitrators shall be final and conclusive and shall be binding upon the Parties. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies or to order any Party or Parties to request that a court modify or vacate any temporary or preliminary relief issued by that court, and to award damages for the failure of any Party to comply with the arbitral tribunal's orders to that effect.

17.4 Notices. All notices sent under this Agreement shall be in writing and (i) hand delivered; (ii) transmitted by legible telecopy with a copy sent concurrently by certified mail, return receipt requested; or (iii) delivered by prepaid priority delivery service. Notices shall be sent to the Parties at the following addresses or such other addresses as the Parties subsequently may provide:

If to ERYtech Pharma:

ERYtech Pharma
60 Avenue Rockefeller

Bâtiment Adenine
69008 Lyon
France
Phone: [***]
Fax: [***]
Email: [***]

If to medac:

medac GmbH
[***]
Theaterstrasse, 6
22880 Wedel
Germany
Phone: [***]
Fax: [***]
Email: [***]

A Party may change its address or numbers of service by notice to the other party.

17.5 Force Majeure. Neither Party shall be liable to the other for the failure to perform, or a delay in performing, its obligations under this Agreement by virtue of the occurrence of an event of Force Majeure. The Party affected by such Force Majeure event shall promptly notify the other Party and shall exert reasonable efforts to eliminate, cure or overcome such Force Majeure event and to resume performance of its obligations hereunder.

In the event a Force Majeure event affecting either Party hereunder continues for more than six (6) months the Party not subject to the Force Majeure event may terminate this Agreement upon written notice.

17.6 Cumulative Remedies. The rights and remedies provided in this Agreement and all other rights and remedies available to either Party at law or in equity are, to the extent permitted by law, cumulative and not exclusive of any other right or remedy now or hereafter available at law or in equity. Neither asserting a right nor employing a remedy shall preclude the concurrent assertion of any other right or employment of any other remedy, nor shall the failure to assert any right or remedy constitute a waiver of that right or remedy.

17.7 Amendment. This Agreement may be modified or amended only by written agreement of the Parties.

17.8 Entire Agreement. This Agreement (including any exhibits hereto, all of which are incorporated herein by reference) constitutes the entire agreement between the Parties concerning the subject matter of this Agreement. This Agreement supersedes all prior agreements between the Parties concerning the subject matter of this Agreement.

17.9 Independent Contractor. The Parties are independent contractors. Nothing in this Agreement is intended or shall be deemed to create an association, partnership, joint venture, agency or employer and employee relationship between the Parties, or to authorize either Party to act as agent for the other or to enter into contracts on behalf of the other.

17.10 Assignment. Neither Party shall assign to a Third Party any portion of this Agreement without the written approval of the other Party. However, ERYtech Pharma may, without consent, assign this Agreement to a purchaser of the entire company (Affiliate) or of the unit to which the Product pertains.

17.11 Binding Effect. All the provisions thereof shall inure to the benefit of and be binding upon the Affiliates of the Parties.

17.12 Use of Trademark. Each Party hereby agrees that neither it nor any of its Affiliates shall use the name, logo, or any other trademarks of any other Party. Each Party agrees that it may use its own trademarks for any purpose without obligation to the other Party.

17.13 Severability. The provisions of this Agreement are deemed to be several and any invalidity of any provision of this Agreement will not affect the validity of the remaining provisions of this agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

ERYtech Pharma

By: /s/ Mr. Pierre-Olivier Goineau
Name: Mr. Pierre-Olivier Goineau
Title: Chief Executive Officer

Place and date: Lyon, April 8th 2011

medac

By: /s/ Nikolaus Graf Stolberg
Name: Nikolaus Graf Stolberg
Title: Managing Director

Place and date: Wedel, 3.5.2011

medac

By: /s/ Dr. Michaela Rehberg
Name: ppa. Dr. Michaela Rehberg
Title: Director Drug Regulatory Affairs / Pharmaceutical Development

Place and date: Wedel, 03.05.2011

EXHIBIT 1: SPECIFICATIONS

RELEASE SPECIFICATIONS

[***]	[***]	[***]
[***]		
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
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[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT 2: ANNUALLY AND QUATERLY FORECASTS
Nber of Vials to be ordered and delivered for clinical trials

[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT 3: GRASPA INDICATIONS

- **For the Clinical and the Routine Supply:**

[***]

This list could be extended in writing as an amendment to this Agreement.

ADDENDUM NO 1 TO
EXCLUSIVE SUPPLY AGREEMENT
for recombinant L-Asparaginase

This Addendum is entered between:

ERYTECH PHARMA S.A, a company incorporated under the laws of the Republic of France (n° 479 560 013 RCS Lyon), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, France, represented by Mr. Pierre-Olivier Goineau, Chief Operating Officer, (VAT No. FR 10479560013) and by Mr. Gil Beyen, Chairman, hereinafter referred to as "***ERYTECH Pharma***" and **MEDAC GMBH**, a company having its registered head office at Theaterstrasse 6, D-22880 Wedel, Germany represented by Nikolaus Graf Stolberg, Managing Director and Dr. Michaela Rehberg, Director Drug Regulatory Affairs/Pharmaceutical Development (VAT No. DE 118579535), hereinafter referred to as "***medac,***" hereinafter referred to individually or collectively as the "***Parties***" and individually as a "***Party***".

WHEREAS, the Parties have signed an Exclusive Supply Agreement on 3rd May 2011 (hereinafter "***the Agreement***"). The Agreement deals with GRASPA® which is a trademark of ERY-ASP. From the date of signature of this Addendum, the term "***GRASPA®***" used in the Agreement shall be read "***ERY-ASP***".

According to the Article 4.1.1 of the Agreement, the Parties agree to determine the Norm scale price for clinical purposes, no later than [***].

Therefore, after having discussed the above-mentioned provisions during several Steering Committees from October 1st 2013, the Parties decide to amend the Articles 4.1.1 of the Agreement, to read as follows:

ARTICLE IV.

PRICES AND EXCLUSIVITY

4.1 Price. ERYTECH Pharma shall purchase the Product and medac will supply the Product with the terms and conditions of the [***].

4.1.1 Clinical Supply. The price for supply will be:

- Pilot scale:
  - € [***] / vial [***] € [***]/vial for [***] to be ordered from the date of signature of this Addendum
- Norm scale:
  - € [***] / vial (hereinafter referred to as "***Norm scale price***").

This is the price for clinical trial purposes only. At the request of medac the Norm scale price could be rediscussed between the Parties from the [***] vial supplied at the Norm scale price.

Except as otherwise provided herein, all terms and conditions of the Article 4 (from 4.1.2 to 4.3) shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

ERYTECH Pharma

By: /s/ Mr. Pierre-Olivier Goineau
Name: Mr. Pierre-Olivier Goineau
Title: Chief Operating Officer

Place and date: Hamburg, 4/4/2014

ERYTECH Pharma

By: /s/ Mr. Gil Beyen
Name: Mr. Gil Beyen
Title: Chairman

Place and date: Hamburg, 4.4.2014

Medac

By: /s/ ppa. Dr. Michaela Rehberg
Name: Dr. Michaela Rehberg
Title: Director Drug Regulatory Affairs / Pharmaceutical Development

Place and date: 4.4.2014

Medac

By: /s/ Nikolaus Graf Stolberg
Name: Nikolaus Graf Stolberg
Title: Managing Director

Place and date: Hamburg, 4.4.2014

ADDENDUM N° 2 TO EXCLUSIVE SUPPLY AGREEMENT
for L-Asparaginase

This Addendum is entered between:

ERYTECH Pharma S.A, a company incorporated under the laws of the Republic of France (n° 479 560 013 RCS Lyon; VAT No. FR 10479560013)), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, France, represented by Mr GIl Beyen, Chief Executive Officer, and by Mr Jérôme Bailly, Qualified Person,

hereinafter referred to as "**ERYTECH Pharma**".

And,

medac GmbH, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Mr Nikolaus Graf Stolberg, Managing Director and Dr. Michaela Rehberg, Director Drug Regulatory Affairs (VAT No. DE 118579535)

hereinafter referred to as "**Medac**".

hereinafter referred to individually or collectively as the "Parties" and individually as a "Party".

WHEREAS

The Parties have signed an Exclusive Supply Agreement on 12th December 2008, as amended by virtue of Addendum 1 executed on 19th August 2009, (hereinafter "**the Agreement**").
The Parties agree to modify certain Articles of the Agreement.
Therefore, the Agreement is hereby amended to read as follows:

1) The exclusivity of supply set forth in Section 3.1 of the Agreement shall be converted into non-exclusivity.

2) Section 4.3 of the Agreement shall be null and void.

3) Section 15.1 of the Agreement shall be null and void and replaced by the following:

"15.1. Term.

The term of this Agreement shall commence upon the Effective Date (i.e. 10th December 2008) and unless terminated earlier or extended pursuant to this Agreement shall expire twenty (20) years thereafter (i.e. 10th December 2028).

It is agreed between the Parties that in the event that after December 31, 2017, Medac's supplier of the Product discontinues in full the production of the Product for supplies to medac for the EU countries, the Agreement is suspended, including all rights and obligations of the Parties. This means that neither Party may claim or be liable for any contractual rights and/or obligations accordingly (with exception to Article XI. Confidentiality, Article XIII. Indemnification and Article XIV. Insurance).

It is understood between the Parties that in case the circumstance under the proceeding sentence occurs, Medac will not be deemed liable for the lack of supply of the Product to ERYTECH Pharma according to the Agreement and ERYTECH Pharma shall not be entitled to claim any compensation, direct, indirect, incidental or consequential losses or damages howsoever caused, and whether based on warranty, contract, tort including negligence, strict liability or otherwise from Medac.

4) Section 15.2 of the Agreement shall be amended as follows:

"15.2. b):

[…]. *Such possibility of termination does not exist in case of suspension of the Agreement according to Article 15.1. second paragraph of the Agreement.*

"15.2. c):

*After December 31, 2017, without notice and compensation by Medac in case (a) the European Commission definitely denies the current marketing authorisation application for GRASPA® (EMEA/H/C/004055) (the "***MAA***"), (b) ERYtech withdraws the MAA or (c) ERYtech changes the MAA from using the Product to recombinant L-Asparaginase and obtains the marketing authorization relating to the changed MAA.*

5) Section 15.3 first paragraph of the Agreement shall be null and void and replaced by the following:

"15.3. Consequences of Termination

Except with respect to a termination by Medac pursuant to Section 15.2. b), the expiration or termination of this Agreement will not relieve Medac from its obligation to provide with any Product to be delivered prior to the effective date of such expiration or termination."

6) Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect and all terms beginning by a capitalized letter shall have the same meaning as those defined in the Agreement.

IN WITNESS whereof, the Parties have caused this Addendum to be executed by their duly authorized officers.

ERYTECH Pharma

Mr Gil Beyen Chief Executive Officer	Place and date: Lyon, July 5th, 2016
/s/ Gil Beyen Signature	

ERYTECH Pharma

Mr Jérôme Bailly Qualified Person	Place and date: Lyon, July 5th, 2016
/s/ Jérôme Bailly Signature	

Medac

Mr Nikolaus Graf Stolberg Managing Director	Place and date: Hamburg, July 15th, 2016
/s/ Nikolaus Graf Stolberg Signature	

ppa. Dr. Michaela Rehberg
Director Drug Regulatory Affairs

/s/ Dr. Michaela Rehberg

Signature

Place and date:

Hamburg, July 25th, 2016

B) Execution version of Addendum 2 to the 2011 Medac Agreement

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES ACT OF 1933, AS AMENDED.

ADDENDUM N° 2 TO EXCLUSIVE SUPPLY AGREEMENT for recombinant L-Asparaginase

This Addendum is entered between:

ERYTECH Pharma S.A, a company incorporated under the laws of the Republic of France (n° 479 560 013 RCS Lyon; VAT No. FR 10479560013)), having its registered head office at Bâtiment Adenine, 60 avenue Rockefeller, 69008 Lyon, France, represented by Mr Gil Beyen, Chief Executive Officer, and by Mr Jérôme Bailly, Qualified Person,

hereinafter referred to as "**ERYTECH Pharma**".

And,

medac GmbH, a company having its registered head office at Theaterstrasse 6, D22880 Wedel, Germany represented by Mr Nikolaus Graf Stolberg, Managing Director and Dr. Michaela Rehberg, Director Drug Regulatory Affairs (VAT No. DE 118579535)

hereinafter referred to as "**medac**".

hereinafter referred to individually or collectively as the "Parties" and individually as a "Party".

WHEREAS

The Parties have signed an Exclusive Supply Agreement on 3rd May 2011, as amended by virtue of Addendum 1 executed on 4th April 2014, (hereinafter "**the Agreement**").

The Parties agree to modify certain Articles of the Agreement.

Therefore, the Agreement is hereby amended to read as follows:

1) From the date of signature of this Addendum, for the avoidance of doubt, the term "GRASPA®", which for purposes of the Agreement, designates the medicinal product consisting in suspension of erythrocytes encapsulating recombinant L-asparaginase and released by ERYTECH Pharma, shall also include the medicinal product, internally designated as eryasp, consisting in suspension of erythrocytes encapsulating recombinant L-asparaginase and released by ERYTECH Pharma, which may not be commercialized under the "GRASPA®" trademark.

2) The exclusivity obligation under Section 3.1 of the Agreement (as well as any reference to such exclusivity obligation in the Agreement) shall be in force for five years from the first supply of the Product for commercial purposes.

3) Section 3.3 of the Agreement shall be null and void and replaced by the following:

3.3 Forecast

- ERYTECH Pharma shall provide medac with a rolling forecast of the quantities to be purchased over the next [***] ("Forecast") of which the first [***] shall be made of quarterly projections, while the subsequent [***] shall be made of annual projections.

4) Sections 4.1.1 and 4.1.2. of the Agreement shall be null and void and replaced by the following:

"4.1. Supply price of the Product

The price of the Product will be according to the following table:

Order volumes	Price per Product/ Euro
[***] batch	[***]
[***] batch	[***]
[***] batches ([***] campaign per year which will run from first Firm Order ("Commercial Year")	[***]
[***] batches ([***] campaigns of [***] batches per Commercial Year)	[***]
[***] batches ([***] campaigns of [***] batches per Commercial Year)	[***]

It is agreed that each batch comprises a number of Products between around [***] and around [***]."

5) Section V of the Agreement shall be null and void and replaced by the following:

Article V. MUTUAL CONSENT

"[***]."

6) Section 7.1 of the Agreement shall be null and void and replaced by the following:

"7.1. Shipment.

Except as set out in Article 3.6 hereof and as long as the purchase orders made by ERYTECH Pharma are in compliance with the Forecast as defined under Article 3.3 hereof, medac shall ship, directly or through any Third Party, the Product to ERYTECH Pharma to one (1) delivery destination(s) in the European Union (in case of purchase order for commercial purposes) and any delivery destinations in the European Union (in case of purchase order for clinical purposes) specified in ERYTECH Pharma`s purchase orders within the lead-times described below, each of which will run, following the Firm Order:

(i) [***] for [***] batch, if [***]

(ii) [***] in case of [***] batch, if [***]

(iii) [***] in case of [***] to [***] batches ([***] to [***] campaigns of [***] batches each) per [***], if [***]

(iv) [***] in case of minimum [***] batches per Commercial Year, if [***]
Pursuant to shipment of at least [***] batch, Medac shall deliver Products with [***] of the Product.

[***].

7) Section 16.1 of the Agreement shall be cancelled and replaced with the following:

"**16.1. Term and termination**

The term of this Agreement shall commence upon the Effective Date and shall expire on 11th December 2028.

It is understood that save for the case of Force Majeure, only following the expiration of the exclusivity period of five years as per Section 3.1 of this Agreement and only in the event that medac's supplier of the API discontinues in full the production of the API and medac, therefore, becomes unable to supply the Product to ERYTECH Pharma, medac will be entitled to terminate the Agreement, by sending ERYTECH Pharma a 5-years prior written notice. For the avoidance of doubt, during this 5-years notice period, medac shall remain committed to ensure continuous supply of the Product in accordance with this Agreement."

8) Section 16.2 shall be cancelled and replaced with the following:

"**16.2 Termination**. The Agreement may be terminated:

a) without notice and compensation by the mutual written agreement of the Parties; and

b) by either Party in the event a Party is in material default of the terms and conditions of this Agreement and fails to remedy the material default within one hundred twenty (120) days after receiving written notice specifying such default."

9) Section XVIII below shall be added to the Agreement:

Article XVIII. RIGHT OF NEGOTIATION

medac, on its behalf and on behalf of its Affiliates acknowledges, it has been informed and understood that:

- as at the signature date of this Addendum, ERYTECH has granted to a partner with right to assign to [***] affiliates (hereinafter the "**Partner**"):
  - distribution and license rights with respect to a product developed by ERYTECH Pharma consisting of suspension of erythrocytes encapsulating L-Asparaginase:
    - in the 28 countries currently forming the European Union, [***]; and
    - for the ALL indication and the AML indication
  - a right of first negotiation notably in some additional territories, such as [***].
- In case of discrepancies between, the provisions of this Article 18 and any applicable provisions between the Partner and ERYTECH with respect to the rights granted as set out above, the provisions of this Article 18 will be modified automatically to the extent necessary to reflect what was agreed by the Partner and ERYTECH Pharma. ERYTECH Pharma shall notify medac of such modifications in writing.

For the sole purpose of this Section, medac agrees and accepts that ERYTECH may disclose the existence of the following sections to Third Parties.

18.1. Right of first negotiation

In the event that within [***] of the date of this Addendum:

- ERYTECH Pharma is no longer bound by the distribution and license rights granted to the Partner and
- ERYTECH Pharma intends to enter into a license or other distribution arrangement with respect to GRASPA with any Third Party in relation to:
    - the 28 countries currently forming the European Union, [***] (hereinafter referred to as "Territories"); and in
    - the ALL indication and/or the AML indication (hereinafter referred to as "Indications");

ERYTECH Pharma shall notify medac of such intention in writing without undue delay.

18.2. Right of second negotiation

In the event that within [***] of the date of this Addendum:

- ERYTECH Pharma intends to enter into a license or other distribution arrangement with respect to GRASPA with any Third Party besides the Partner in relation to:
    - Turkey, Russia [***] (hereinafter referred to as "Additional Territories"); and to
    - the Indications,
- and the Partner notifies ERYTECH Pharma that it does not wish to enter into discussions in relation to a license or other arrangement for such Additional Territories or Indications, or in the absence of any notification by the Partner within a period mutually agreed by ERYTECH Pharma and the Partner, or if ERYTECH Pharma is no longer bound by the right of first negotiation with the Partner;

ERYTECH Pharma shall notify medac of such intention in writing without undue delay.

18.3. Negotiation's proceedings

Within [***] of ERYTECH Pharma's notice to medac (within [***] if the notice falls in [***] or [***]), medac shall notify ERYTECH Pharma in writing whether it wishes to enter into discussions in relation to a license or other distribution arrangement with ERYTECH Pharma for the Territories, Additional Territories and Indications for which medac has a right of first negotiation or second negotiation in accordance with Sections 18.1 and 18.2. If medac notifies ERYTECH Pharma that it does not wish to enter into discussions in relation to a license or other distribution arrangement for such Territories, Additional Territories and Indications, or in the absence of any notification by medac within such period, ERYTECH Pharma shall be entitled to enter into a license or other distribution arrangement in relation to such Territories, Additional Territories and Indications with a Third Party.

If medac notifies ERYTECH Pharma that it wishes to enter into discussions in relation to a license or other distribution arrangement for such Territories, Additional Territories and indications the Parties shall negotiate exclusively in relation to the same for a period of [***] from the response of medac.

If the Parties have not entered into a definitive agreement in relation to such Territories, Additional Territories and Indications within the [***] period, ERYTECH Pharma shall be entitled to enter into a license or other distribution arrangement in relation to such Territories, Additional Territories and Indications with a Third Party provided that the [***].

18.4 Right of information

Without prejudice to the right of first negotiation of the Partner as described above, in the event that within [***] of the date of this Addendum:

- ERYTECH intends to enter into a license or other distribution arrangement with respect to GRASPA with any Third Party in relation to:
  - countries where medac proves to be conducting significant distribution activities. Such countries are listed in Exhibit 4 and should be amended as the case may be by mutual agreement of the Parties; and to
  - the Indications,

ERYTECH undertakes to inform medac of such intention in writing without undue delay. If within [***] of ERYTECH Pharma's notice to medac (within [***] if the notice falls in [***] or [***]), medac notifies ERYTECH Pharma that it wishes to make an offer in relation to a license or other distribution arrangement for such countries and Indications, ERYTECH Pharma shall consider such offer in good faith but ERYTECH Pharma shall be free to enter into such license or other distribution arrangement with any Third Party.

10) Section XIX below shall be added to the Agreement:

"Article XIX: MUTUAL EFFORTS

medac hereby authorises ERYTECH Pharma to use the information and documents related to the recombinant L-asparaginase, already provided to ERYTECH Pharma in connection with the GRASPA® registration in ALL.

Without prejudice to the above, medac shall provide within a reasonable time and free of charge, ERYTECH Pharma with assistance and all the information/documents related to the recombinant L-asparaginase available at medac and not being under confidentiality obligations towards third parties and necessary to obtain the marketing authorization of the product developed by ERYTECH Pharma consisting of [***]. ERYTECH Pharma shall use reasonable commercial efforts to avoid any direct harm to medac.

If the documents/information to be provided by medac according to the preceding sentence are under confidentiality obligations towards third parties, medac shall make reasonable efforts to obtain disclosure of said documents or information from such third parties.

Without prejudice to the provisions of the Agreement as amended by this Addendum, ERYTECH Pharma shall [***]."

11) In case medac wishes to carry out investment to improve the manufacturing capacity for the Product, the Parties shall promptly inform each other and send the other Party a prospectus outlining the type of investment medac intends to make, and related costs and timeframes. Then, the Parties will discuss a possible cooperation and cost sharing, which shall not be unreasonably withheld by the Parties.

12) Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect and all terms beginning by a capitalized letter shall have the same meaning as those defined in the Agreement and in the Addendum n°1.

IN WITNESS whereof, the Parties have caused this Addendum to be executed by their duly authorized officers.

ERYTECH Pharma

Mr Gil Beyen Chief Executive Officer	Place and date: Lyon, July 5th, 2016

/s/ Gil Beyen

Signature

ERYTECH Pharma

Mr Jérôme Bailly Qualified Person	Place and date: Lyon, July 5th, 2016

/s/ Jérôme Bailly

Signature

Medac

Mr Nikolaus Graf Stolberg Managing Director	Place and date: Hamburg, 15.7.16

/s/ Nikolaus Graf Stolberg

Signature

Medac

ppa. Dr. Michaela Rehberg Director Drug Regulatory Affairs	Place and date: Hamburg, 25.07.16

/s/ Michaela Rehberg

Signature

Execution version

SCHEDULE F: Update of SCHEDULE 1.1.3 of the Agreement (List of Patents in Licensed IP)

[***]

Execution version

SCHEDULE 1.1.4: Cost items in the Supply Price calculation

[***]

Exhibit 10.10

*****Text Omitted and Filed Separately**
Confidential Treatment Requested
Under 17 C.F.R. §§ 200.80(b)(4) and 230.406

PUBLIC HEALTH SERVICE

PATENT LICENSE AGREEMENT — *EXCLUSIVE*

COVER PAGE

For PHS internal use only:

License Number: L-110-2012/0

License Application Number: A-241-2009

Serial Number(s) of Licensed Patent(s) or Patent Application(s):
U.S. Patent No. [***] (**HHS** Ref. No. [***])
U.S. Patent Application No. [***] (**HHS** Ref. No. [***])
PCT Application No. [***] (**HHS** Ref. No. [***])

Licensee: ERYTECH Pharma

Public Benefit(s): Development of a diagnostic test designed to identify patients more likely to benefit from treatment with certain cancer therapeutics, and, as a result, potentially increase effectiveness of the cancer treatment. Being able to more closely identify patients who will benefit from a treatment may also reduce overall healthcare costs by screening out those patients who will not benefit from the treatment.

This Patent License Agreement, hereinafter referred to as the "**Agreement**", consists of this Cover Page, an attached **Agreement**, a Signature Page, Appendix A (List of Patent(s) or Patent Application(s)), Appendix B (Fields of Use and Territory), Appendix C (Royalties), Appendix D (Benchmarks and Performance), Appendix E (Commercial Development Plan), Appendix F (Example Royalty Report), and Appendix G (Royalty Payment Options). The Parties to this **Agreement** are:

1) The National Institutes of Health ("**NIH**") or the Food and Drug Administration ("**FDA**"), as indicated on the Signature Page, hereinafter singly or collectively referred to as "**PHS**", agencies of the United States Public Health Service within the Department of Health and Human Services ("**HHS**"); and

2) The person, corporation, or institution identified above or on the Signature Page, having offices at the address indicated on the Signature Page, hereinafter referred to as "**Licensee**".

PHS PATENT LICENSE AGREEMENT – *EXCLUSIVE*

PHS and **Licensee** agree as follows:

1. BACKGROUND

1.1 In the course of conducting biomedical and behavioral research, **PHS** investigators made inventions that may have commercial applicability.

1.2 By assignment of rights from **PHS** employees and other inventors, **HHS**, on behalf of the **Government**, owns intellectual property rights claimed in any United States or foreign patent applications or patents corresponding to the assigned inventions. **HHS** also owns any tangible embodiments of these inventions actually reduced to practice by **PHS**.

1.3 The Secretary of **HHS** has delegated to **PHS** the authority to enter into this **Agreement** for the licensing of rights to these inventions.

1.4 **PHS** desires to transfer these inventions to the private sector through commercialization licenses to facilitate the commercial development of products and processes for public use and benefit.

1.5 **Licensee** desires to acquire commercialization rights to certain of these inventions in order to develop processes, methods, or marketable products for public use and benefit.

2. DEFINITIONS

2.1 "**Affiliate(s)**" means a corporation or other business entity, which directly or indirectly is controlled by or controls, or is under common control with **Licensee**. For this purpose, the term "control" shall mean ownership of more than fifty percent (50%) of the voting stock or other ownership interest of the corporation or other business entity, or the power to elect or appoint more than fifty percent (50%) of the members of the governing body of the corporation or other business entity.

2.2 "**Benchmarks**" mean the performance milestones that are set forth in Appendix D, as amended from time to time in accordance with Paragraph 9.2.

2.3 "**Combination Product**" means any product that consists of **Licensed Products** or **Licensed Processes** and another diagnostic test or companion therapeutic product or any combination of **Licensed Products** sold together with another diagnostic test or companion therapeutic product for a single invoiced price.

2.4 "**Commercial Development Plan**" means the written commercialization plan attached as Appendix E, as amended from time to time in accordance with Paragraph 9.2.

2.5 "**First Commercial Sale**" means the initial transfer by or on behalf of **Licensee** or its sublicensees of **Licensed Products** or the initial practice of a **Licensed Process** by or on behalf of **Licensee** or its sublicensees in exchange for cash or some equivalent to which value can be assigned for the purpose of determining **Net Sales**, but shall not include a transfer of **Licensed Product** or practice of **Licensed Process** in connection with a clinical trial or for compassionate or named patient use or as part of a sampling or test marketing program.

2.6 "**Government**" means the Government of the United States of America.

2.7 "**Licensed Fields of Use**" means the fields of use identified in Appendix B, as amended from time to time in accordance with Paragraph 14.4.

2.8 "**Licensed Patent Rights**" shall mean:

(a) Patent applications (including provisional patent applications and PCT patent applications) or patents listed in Appendix A, all divisions and continuations of these applications, all patents issuing from these applications, divisions, and continuations, and any reissues, reexaminations, and extensions of these patents;

(b) to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 2.8(a):

(i) continuations-in-part of 2.8(a);

(ii) all divisions and continuations of these continuations-in-part;

(iii) all patents issuing from these continuations-in-part, divisions, and continuations;

(iv) priority patent application(s) of 2.8(a); and

(v) any reissues, reexaminations, and extensions of these patents;

(c) to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 2.8(a): all counterpart foreign and U.S. patent applications and patents to 2.8(a) and 2.8(b), including those listed in Appendix A; and

(d) **Licensed Patent Rights** shall *not* include 2.8(b) or 2.8 (c) to the extent that they only contain claims directed to new matter which is not the subject matter disclosed in 2.8(a).

2.9 "**Licensed Processes**" means processes which, in the course of being practiced, would be within the scope of one or more issued or pending claims of the **Licensed Patent Rights** that have not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

2.10 "**Licensed Products**" means tangible materials which, in the course of manufacture, use, sale, or importation, would be within the scope of one or more issued or pending claims of the **Licensed Patent Rights** that have not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

2.11 "**Licensed Territory**" means the geographical area identified in Appendix B.

2.12 "**Net Sales**" means the total gross receipts for sales of **Licensed Products** or practice of **Licensed Processes** sold in the **Licensed Territory**, manufactured in the **Licensed Territory** and sold outside the **Licensed Territory**, and/or manufactured outside of the **Licensed Territory** and sold in the **Licensed Territory** by or on behalf of **Licensee** or its sublicensees, and from leasing, renting, or otherwise making **Licensed Products** available in the **Licensed Territory** to others without sale or other dispositions, whether invoiced or not, less 1) [***]; 2) [***]; 3) [***]; 4) [***]; and, 5) [***]. No deductions shall be made for [***], or [***]. The term "**Net Sales**" shall not include any amount for the disposition of **Licensed Product** or practice of **Licensed Process** in connection with [***].

The [***] among [***] or [***] or [***] for [***] shall not be included in **Net Sales**. The [***] of **Licensed Products** or [***] and [***] by or on behalf of [***], and from [***], shall not be included in **Net Sales**. If **Licensee**, or any of its sublicensees, or any third party that purchased **Licensed Products** from **Licensee** or any of its sublicensees, [***], this does not [***] and shall be [***]. **Licensee** and/or any of its sublicensees agree to [***].

In the event a **Licensed Product** is sold or transferred or **Licensed Process** is performed [***], then the **Net Sales** for any such [***] shall be determined by [***]. In the event that [***], **Net Sales** for purposes of determining payments under this **Agreement** shall be calculated by [***].

2.13 "**Practical Application**" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and in each case, under these conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or **Government** regulations available to the public on reasonable terms.

2.14 "**Research License**" means a nontransferable, nonexclusive license under the **Licensed Patent Rights** to make and to use **Licensed Products** or **Licensed Processes** as defined by the **Licensed Patent Rights** for purposes of research and not for purposes of commercial manufacture or distribution or in lieu of purchase.

2.15 "**Subject Invention**" means any Invention of either **PHS** or **Licensee**, conceived or first actually reduced to practice in the performance of a Cooperative Research and Development Agreement ("**CRADA**") Research Plan.

3. GRANT OF RIGHTS

3.1 **PHS** hereby grants and **Licensee** accepts, subject to the terms and conditions of this **Agreement**, an exclusive license under the **Licensed Patent Rights** in the **Licensed Territory**, with the right to grant sublicenses, as set forth in Article 4, to research, develop, make and have made, to use and have used, to sell and have sold, to offer to sell, and to import any **Licensed Products** in the **Licensed Fields of Use** and to practice and have practiced any **Licensed Processes** in the **Licensed Fields of Use**.

3.2 This **Agreement** confers no license or rights by implication, estoppel, or otherwise under any patent applications or patents of **PHS** other than the **Licensed Patent Rights** regardless of whether these patents are dominant or subordinate to the **Licensed Patent Rights**.

3.3 [***].

4. SUBLICENSING

4.1 Upon written approval, which shall include prior review of any sublicense agreement by **PHS** and which shall not be unreasonably withheld, **Licensee** may enter into sublicensing agreements under the **Licensed Patent Rights** subject to the terms set forth in this Article 4. **PHS** shall review the sublicense [***] from the date of receipt by **PHS**. Otherwise, the approval of **PHS** shall be considered reached.

4.2 **Licensee** agrees that any sublicenses granted by it shall provide that the obligations to **PHS** of Paragraphs 5.1-5.4, 8.1, 10.1, 10.2, 12.5, and 13.8-13.10 of this **Agreement**, as such provisions relate to sublicensees, shall be binding upon the sublicensee as if it were a party to this **Agreement**. **Licensee** further agrees to attach copies of these Paragraphs to all sublicense agreements.

4.3 Any sublicenses granted by **Licensee** shall provide for the termination of the sublicense, or the conversion to a license directly between the sublicensees and **PHS**, at the option of the sublicensee, upon termination of this **Agreement** under Article 13. This conversion is subject to **PHS** approval, not to be unreasonably withheld, and contingent upon acceptance by the sublicensee of the remaining provisions of this **Agreement**.

4.4 **Licensee** agrees to forward to **PHS** a complete copy of each fully executed sublicense agreement postmarked within thirty (30) days of the execution of the agreement. To the extent permitted by law, **PHS** agrees to maintain each sublicense agreement in confidence.

5. STATUTORY AND PHS REQUIREMENTS AND RESERVED GOVERNMENT RIGHTS

5.1 (a) **PHS** reserves on behalf of the **Government** an irrevocable, nonexclusive, nontransferable, royalty-free license under the **Licensed Patent Rights** for the practice of all inventions claimed under the **Licensed Patent Rights** throughout the world by or on behalf of the **Government** and on behalf of any foreign government or international organization pursuant to any existing or future treaty or agreement to which the **Government** is a signatory. Prior to the **First Commercial Sale**, **Licensee** agrees to provide **PHS** with reasonable quantities of **Licensed Products** or materials made through the **Licensed Processes** for **PHS** research use, provided that such quantities can be made available from manufacturing runs conducted by **Licensee** for its own purposes and such supply will not interfere with **Licensee**'s requirements and do not involve significant unreimbursed cost to **Licensee**; and

(b) In the event that the **Licensed Patent Rights** are **Subject Invention**s made under a Cooperative Research and Development Agreement ("**CRADA**"), **Licensee** grants to the **Government**, pursuant to 15 U.S.C. §3710a(b)(1)(A), a nonexclusive, nontransferable, irrevocable, paid-up license under the **Licensed Patent Rights** to practice **Licensed Patent Rights** or have **Licensed Patent Rights** practiced throughout the world by or on behalf of the **Government**. In the exercise of this license, the **Government** shall not publicly disclose trade secrets or commercial or financial information that is privileged or confidential within the meaning of 5 U.S.C. §552(b)(4) or which would be considered as such if it had been obtained from a non-Federal party. Prior to the **First Commercial Sale**, **Licensee** agrees to provide **PHS** reasonable quantities of **Licensed Products** or materials made through the **Licensed Processes** for **PHS** research use, provided that such quantities can be made available from manufacturing runs conducted by **Licensee** for its own purposes and such supply will not interfere with **Licensee**'s requirements and do not involve significant unreimbursed cost to **Licensee**.

5.2 [***].

5.3 **Licensee** acknowledges that **PHS** may enter into future **CRADA**s under the Federal Technology Transfer Act of 1986 that relate to the subject matter of this **Agreement**. **Licensee** agrees not to unreasonably deny requests for a **Research License** from future collaborators with **PHS** when acquiring these rights is necessary in order to make a **CRADA** project feasible. **Licensee** may request an opportunity to join as a party to the proposed **CRADA**.

5.4 (a) In addition to the reserved license of Paragraph 5.1, **PHS** reserves the right to grant **Research License**s directly or to require **Licensee** to grant **Research License**s on reasonable terms. The purpose of these **Research License**s is to encourage basic research, whether conducted at an academic or corporate facility. In order to safeguard the **Licensed Patent Rights**, however, **PHS** shall consult with **Licensee** before granting to commercial entities a **Research License** or before granting a **Research License** to an academic institution for research funded by a commercial entity or before providing to them, in either case, research samples of materials made through the **Licensed Processes**; and

(b) In exceptional circumstances, and in the event that **Licensed Patent Rights** are **Subject Invention**s made under a **CRADA**, the **Government**, pursuant to 15 U.S.C. §3710a(b)(1)(B), retains the right to require the **Licensee** to grant to a responsible

applicant a nonexclusive, partially exclusive, or exclusive sublicense under the **Licensed Patent Rights** to use the **Licensed Patent Rights** in a Licensed Field of Use on terms that are reasonable under the circumstances, or if **Licensee** fails to grant this license, the **Government** retains the right to grant the license itself. The exercise of these rights by the **Government** shall only be in exceptional circumstances and only if the **Government** determines:

(i) the action is necessary to meet health or safety needs that are not reasonably satisfied by **Licensee**;

(ii) the action is necessary to meet requirements for public use specified by Federal regulations, and these requirements are not reasonably satisfied by the **Licensee**; or

(iii) the **Licensee** has failed to comply with an agreement containing provisions described in 15 U.S.C. §3710a(c)(4)(B); and

(c) The determination made by the **Government** under this Paragraph 5.4 is subject to administrative appeal and judicial review under 35 U.S.C. §203(b).

6. ROYALTIES AND REIMBURSEMENT

6.1 **Licensee** agrees to pay **PHS** [***] as set forth in Appendix C.

6.2 **Licensee** agrees to pay **PHS** [***] as set forth in Appendix C.

6.3 **Licensee** agrees to pay **PHS** [***] as set forth in Appendix C.

6.4 **Licensee** agrees to pay **PHS** [***] as set forth in Appendix C.

6.5 **Licensee** agrees to pay **PHS** [***] as set forth in Appendix C.

6.6 **PHS** acknowledges that **Licensee** is willing to sell the **Licensed Products** (as defined in Paragraph 2.10) throughout the world and that this **Agreement** shall apply to the manufacture, sale, or importation of **Licensed Products** only in or into the **Licensed Territory**, as the **Licensed Patent Rights** are effective only for the **Licensed Territory** (as defined in Paragraph 2.12 and Appendix B). Therefore, for the avoidance of doubt, **PHS** shall only be entitled to royalties or other considerations from (a) the sale of **Licensed Products** in the United States by the **Licensee** or any of its sublicensees, (b) the sale outside the United States of **Licensed Products** manufactured in the United States by the **Licensee** or any of its sublicensees, and/or (c) the importation for any purpose or resale in the United States of **Licensed Products** originally manufactured and sold outside of the United States, which does not constitute patent exhaustion for the purposes of this **Agreement**.

6.7 A patent or patent application licensed under this **Agreement** shall cease to fall within the **Licensed Patent Rights** for the purpose of computing earned royalty payments in any given country on the earliest of the dates that:

(a) the application has been abandoned and not continued;

(b) the patent expires or irrevocably lapses,

(c) the patent has been held to be invalid or unenforceable by an unappealed or unappealable decision of a court of competent jurisdiction or administrative agency; or

(d) the application has been pending for more than [***] from the earliest claimed priority date. However, should the application issue the patent will fall within the **Licensed Patent Rights** for the purpose of computing earned royalty payments.

6.8 No multiple royalties shall be payable because any **Licensed Products** or **Licensed Processes** are covered by more than one of the **Licensed Patent Rights**. For the sake of clarity and not in limitation of the foregoing, in the event performance of a **Licensed Process** involves use of a **Licensed Product**, only one royalty shall be paid.

6.9 On sales of **Licensed Products** by **Licensee** [***] made [***], the value of [***] shall be [***], based on [***].

6.10 With regard to [***], and [***],

(a) **Licensee** shall [***].

(b) **PHS** shall [***].

6.11 With regard to [***], and [***], **PHS**, [***], may [***], provided that [***]:

(i) to pay **PHS** [***];

(ii) to pay [***]. However, in this event, [***]; or

(iii) in limited circumstances, **Licensee** may [***]. In that event, **Licensee** shall [***].

6.12 **PHS** agrees, upon written request, to [***] with [***]. **Licensee** agrees that [***] shall be treated as confidential commercial information and shall not be released to a third party except as required by law or a court of competent jurisdiction other than to **Licensee**'s attorneys and accountants.

6.13 **Licensee** may elect to [***] upon [***] and [***].

7. PATENT FILING, PROSECUTION, AND MAINTENANCE

7.1 Except as otherwise provided in this Article 7, **PHS** agrees to take responsibility for, but to consult with, the **Licensee** in the preparation, filing, prosecution, and maintenance of any and all patent applications or patents included in the **Licensed Patent Rights** and shall furnish copies of relevant patent-related documents to **Licensee**. **PHS** shall provide **Licensee** with at least fourteen (14) days to comment on any document that **PHS** intends to file or to cause to be filed with the relevant intellectual property or patent office, unless fourteen (14) days is not available prior to the statutory deadline for any document that **PHS** intends to file or caused to be filed with the relevant intellectual property or patent office, in which case **PHS** shall provide **Licensee** with as much opportunity as reasonably possible prior to the statutory deadline for Licensee to comment. **PHS** shall consider in good faith **Licensee's** comments.

7.2 Each party shall promptly inform the other as to all matters that come to its attention that may affect the preparation, filing, prosecution, or maintenance of the **Licensed Patent Rights** and provide each other with at least fourteen (14) days to provide comments and suggestions with respect to the preparation, filing, prosecution, and maintenance of **Licensed Patent Rights**, unless fourteen (14) days is not available prior to the statutory deadline of a potentially affected document, in which case the Parties will provide each other with as much opportunity as reasonably possible to comment and offer suggestions prior to the statutory deadline. Each party's comments and suggestions shall be considered by the other party in good faith.

8. RECORD KEEPING

8.1 **Licensee** agrees to keep accurate and correct records of **Licensed Products** made, used, sold, or imported and **Licensed Processes** practiced under this **Agreement** appropriate to determine the amount of royalties due **PHS**. These records shall be retained for at least [***] years following a given reporting period and shall be available during normal business hours for inspection, at the expense of **PHS**, by an accountant or other designated auditor selected by **PHS** for the sole purpose of verifying reports and royalty payments hereunder. The accountant or auditor shall only disclose to **PHS** information relating to the accuracy of reports and royalty payments made under this **Agreement**. If an inspection shows an underreporting or underpayment in excess of [***] for any twelve (12) month period, then **Licensee** shall reimburse **PHS** for the cost of the inspection at the time **Licensee** pays the unreported royalties, including any additional royalties as required by Paragraph 9.8. All royalty payments required under this Paragraph shall be due within [***] of the date **PHS** provides **Licensee** notice of the payment due. If an inspection shows an over reporting or over payment or an accurate reporting or payment, **PHS** shall promptly credit to **Licensee** any overpayment identified as part of an audit towards the earned royalties on **Net Sales** due to **PHS** from the **Licensee** in future year(s), as the case may be and shall pay for the entire cost of the inspection.

8.2 **Licensee** agrees to have an audit of sales and royalties conducted by an independent auditor at least every [***] years if royalties payable to **PHS** on annual sales of the **Licensed Products** or **Licensed Processes** are over [***] dollars. The audit shall address, at a minimum, the amount of gross sales by or on behalf of **Licensee** during the audit period, terms of the license as to percentage or fixed royalty to be remitted to the **Government**, the amount of royalties owed to the **Government** under this **Agreement**, and whether the royalties owed have been paid to the **Government** and is reflected in the records of the **Licensee**. The audit shall also indicate the **PHS** license number, product, and the time period being audited. A report certified by the auditor shall be submitted promptly by the auditor directly to **PHS** on completion. **Licensee** shall pay for the entire cost of the audit.

8.3 To the extent permitted by applicable law, **PHS** agrees to maintain any information and reports obtained under this Article 8 in confidence in accordance with the confidentiality requirements specified in Paragraph 9.9.

9. REPORTS ON PROGRESS, BENCHMARKS, SALES, AND PAYMENTS

9.1 Prior to signing this **Agreement**, **Licensee** has provided **PHS** with the **Commercial Development Plan** in Appendix E, under which **Licensee** intends to bring the subject matter of the **Licensed Patent Rights** to the point of **Practical Application**. This **Commercial Development Plan** is hereby incorporated by reference into this **Agreement**. Based on this plan, performance **Benchmarks** are determined as specified in Appendix D.

Licensee shall provide written annual reports on its product development progress or efforts to commercialize under the **Commercial Development Plan** for each of the **Licensed Fields of Use**

within [***] after December 31 of each calendar year. These progress reports shall include, but not be limited to: progress on research and development, status of applications for regulatory approvals, establishment of manufacturing sites for **Licensed Product(s)**, and status of sublicensing, marketing, importing, and sales during the preceding calendar year, as well as, plans for the present calendar year. **PHS** also encourages these reports to include information on any of **Licensee**'s public service activities that relate to the **Licensed Patent Rights**. If reported progress differs from that projected in the **Commercial Development Plan** and **Benchmarks**, **Licensee** shall explain the reasons for these differences. In the annual report, **Licensee** may propose amendments to the **Commercial Development Plan**, acceptance of which by **PHS** may not be denied unreasonably. **Licensee** agrees to provide any additional information reasonably required by **PHS** to evaluate **Licensee**'s performance under this **Agreement**. **Licensee** may amend the **Benchmarks** at any time upon written approval by **PHS**. **PHS** shall not unreasonably withhold approval of any request of **Licensee** to extend the time periods of the **Benchmarks** if the request is supported by a reasonable showing by **Licensee** of diligence in its performance under the **Commercial Development Plan** and toward bringing the **Licensed Products** to the point of **Practical Application** as defined in 37 CFR §404.3(d). **Licensee** shall amend the **Commercial Development Plan** and **Benchmarks** at the request of **PHS** to address any **Licensed Fields of Use** not specifically addressed in the plan originally submitted.

9.2 If **PHS** receives [***] for which [***] shall notify **Licensee**, in writing, of the existence of [***]. Upon receipt of such written notice, **Licensee** shall either: (a) [***]; or (b) provided that, [***] and/or has not [***]; or (c) provided that, [***]; or both (b) and (c). If **Licensee** [***] (a) [***] (b) [***] (c) [***]; or both (b) and (c), **PHS** shall [***].

9.3 **Licensee** shall report to **PHS** the dates for achieving **Benchmarks** specified in Appendix D and the **First Commercial Sale** in each country in the **Licensed Territory** within [***] of such occurrences.

9.4 **Licensee** shall submit to **PHS**, within [***] after each calendar half-year ending June 30 and December 31 commencing after the earlier of the date of **First Commercial Sale** or the date of any other sale or disposition on which a royalty is due under this **Agreement**, a royalty report, as described in the example in Appendix F, setting forth for the preceding half-year period the amount of the **Licensed Products** sold in the **Licensed Territory** or the amount of the **Licensed Products** sold outside the **Licensed Territory** and manufactured in the **Licensed Territory** or **Licensed Processes** practiced by or on behalf of **Licensee** within the **Licensed Territory**, the **Net Sales**, and the amount of royalty accordingly due. With each royalty report, **Licensee** shall submit payment of earned royalties due. If no earned royalties are due to **PHS** for any reporting period, the written report shall so state. The royalty report shall be certified as correct by an authorized officer of **Licensee** and shall include a detailed listing of all deductions made under Paragraph 2.11 to determine **Net Sales** made under Article 6 to determine royalties due. The royalty report shall also identify the site of manufacture for **Licensed Product(s)** sold in the United States.

9.5 **Licensee** agrees to forward semi-annually to **PHS** a copy of these reports received by **Licensee** from its sublicensees during the preceding half-year period as shall be pertinent to a royalty accounting to **PHS** by **Licensee** for activities under the sublicense.

9.6 Royalties due under Article 6 shall be paid in U.S. dollars and payment options are listed in Appendix G. For conversion of **Net Sales** in foreign currency to U.S. dollars, the conversion rate shall be the New York foreign exchange rate quoted in *The Wall Street Journal* on the last day of the applicable reporting period. Any value-added taxes or other out-of-pocket expenses incurred in the transfer or conversion to U.S. dollars shall be paid entirely by **Licensee**. The royalty report required by Paragraph 9.5 shall be mailed to **PHS** at its address for **Agreement** Notices indicated on the Signature Page.

9.7 **Licensee** shall be solely responsible for determining if any tax on royalty income is owed outside the United States and, to the extent permissible by applicable law, shall pay the tax and be responsible for all filings with appropriate agencies of foreign governments.

9.8 Additional royalties may be assessed by **PHS** on any payment that is more than [***] overdue at the rate of [***] percent ([***]%) of the overdue amount per month. This [***] percent ([***]%) per month rate may be applied retroactively from the original due date until the date of receipt by **PHS** of the overdue payment and additional royalties. The payment of any additional royalties shall not prevent **PHS** from exercising any other rights it may have as a consequence of the lateness of any payment.

9.9 All plans and reports required by this Article 9 shall, to the extent permitted by law, be treated by **PHS** as commercial and financial information obtained from a person and as privileged and confidential, and any proposed disclosure of these records by the **PHS** under the Freedom of Information Act (FOIA), 5 U.S.C. §552 shall be subject to the predisclosure notification requirements of 45 CFR §5.65(d).

10. PERFORMANCE

10.1 **Licensee** shall use its reasonable commercial efforts to bring the **Licensed Products** and **Licensed Processes** to **Practical Application**. "Reasonable commercial efforts" for the purposes of this provision shall include adherence to the **Commercial Development Plan** and diligence in its performance of the **Benchmarks**. The efforts of a sublicensee shall be considered the efforts of **Licensee**.

10.2 Upon the **First Commercial Sale**, until the expiration or termination of this **Agreement**, **Licensee** shall use its reasonable commercial efforts to make **Licensed Products** and **Licensed Processes** reasonably accessible to the United States public.

10.3 **Licensee** agrees, after its **First Commercial Sale** in the United States, to make reasonable quantities of **Licensed Products** or materials produced through the use of **Licensed Processes** available to patient assistance programs in the United States in the indication for which approval has been received if, at the time of **First Commercial Sale**, both parties agree in good faith that a need for a patient assistance program exists.

10.4 **Licensee** agrees, after its **First Commercial Sale** and as part of its marketing and product promotion, to develop educational materials (e.g., brochures, website, etc.) directed to patients and physicians detailing the **Licensed Products** or medical aspects of the regulatory-approved uses of the **Licensed Products**.

10.5 **Licensee** agrees, after its **First Commercial Sale**, to supply, to the Mailing Address for **Agreement** Notices indicated on the Signature Page, the Office of Technology Transfer, **NIH** with an inert sample of the **Licensed Products** or **Licensed Processes** or their packaging for educational and display purposes only.

11. INFRINGEMENT AND PATENT ENFORCEMENT

11.1 **PHS** and **Licensee** agree to notify each other promptly of each infringement or possible infringement of the **Licensed Patent Rights**, as well as, any facts which may affect the validity, scope, or enforceability of the **Licensed Patent Rights** of which either party becomes aware.

11.2 Pursuant to this **Agreement** and the provisions of Chapter 29 of Title 35, United States Code, **Licensee** may:

(a) bring suit in its own name, at its own expense, and on its own behalf for infringement of presumably valid claims in the **Licensed Patent Rights**;

(b) in any suit, enjoin infringement and collect for its use, damages, profits, and awards of whatever nature recoverable for the infringement; or

(c) settle any claim or suit for infringement of the **Licensed Patent Rights** provided, however, that **PHS** and appropriate **Government** authorities shall have the first right to take such actions; and

(d) If **Licensee** desires to initiate a suit for patent infringement, **Licensee** shall notify **PHS** in writing. If **PHS** does not notify **Licensee** of its intent to pursue legal action within ninety (90) days, **Licensee** shall be free to initiate suit. **PHS** shall have a continuing right to intervene in the suit. **Licensee** shall take no action to compel the **Government** either to initiate or to join in any suit for patent infringement. **Licensee** may request the **Government** to initiate or join in any suit if necessary to avoid dismissal of the suit. Should the **Government** be made a party to any suit, **Licensee** shall reimburse the **Government** for any costs, expenses, or fees which the **Government** incurs as a result of the motion or other action, including all costs incurred by the **Government** in opposing the motion or other action. In all cases, **Licensee** agrees to keep **PHS** reasonably apprised of the status and progress of any litigation. Before **Licensee** commences an infringement action, **Licensee** shall notify **PHS** and give careful consideration to the views of **PHS** and to any potential effects of the litigation on the public health in deciding whether to bring suit.

11.3 In the event that a declaratory judgment action alleging invalidity or non-infringement of any of the **Licensed Patent Rights** shall be brought against **Licensee** or raised by way of counterclaim or affirmative defense in an infringement suit brought by **Licensee** under Paragraph 11.2, pursuant to this **Agreement** and the provisions of Chapter 29 of Title 35, United States Code or other statutes, **Licensee** may:

(a) defend the suit in its own name, at its own expense, and on its own behalf for presumably valid claims in the **Licensed Patent Rights**;

(b) in any suit, ultimately to enjoin infringement and to collect for its use, damages, profits, and awards of whatever nature recoverable for the infringement; and

(c) settle any claim or suit for declaratory judgment involving the **Licensed Patent Rights** provided, however, that **PHS** and appropriate **Government** authorities shall have the first right to take these actions and shall have a continuing right to intervene in the suit; and

(d) If **PHS** does not notify **Licensee** of its intent to respond to the legal action within a reasonable time, **Licensee** shall be free to do so. **Licensee** shall take no action to compel the **Government** either to initiate or to join in any declaratory judgment action. **Licensee** may request the **Government** to initiate or to join any suit if necessary to avoid dismissal of the suit. Should the **Government** be made a party to any suit by motion or any other action of **Licensee**, **Licensee** shall reimburse the **Government** for any costs, expenses, or fees, which the **Government** incurs as a result of the motion or other action. If **Licensee** elects not to defend against the declaratory judgment action, **PHS**, at its option, may do so at its own expense. In all cases, **Licensee** agrees to keep **PHS** reasonably

apprised of the status and progress of any litigation. Before **Licensee** commences an infringement action, **Licensee** shall notify **PHS** and give careful consideration to the views of **PHS** and to any potential effects of the litigation on the public health in deciding whether to bring suit.

11.4 In any action under Paragraphs 11.2 or 11.3, the expenses including costs, fees, attorney fees, and disbursements, shall be paid by **Licensee**. The value of any recovery made by **Licensee** after deduction of its expenses, in consideration of any sales not made, through court judgment or settlement shall be treated as **Net Sales** and subject to earned royalties.

11.5 **PHS** shall cooperate fully with **Licensee** in connection with any action under Paragraphs 11.2 or 11.3. **PHS** agrees promptly to provide access to all necessary documents and to render reasonable assistance in response to a request by **Licensee**.

12. NEGATION OF WARRANTIES AND INDEMNIFICATION

12.1 **PHS** offers no warranties other than those specified in Article 1.

12.2 **PHS** does not warrant the validity of the **Licensed Patent Rights** and makes no representations whatsoever with regard to the scope of the **Licensed Patent Rights**, or that the **Licensed Patent Rights** may be exploited without infringing other patents or other intellectual property rights of third parties.

12.3 **PHS** MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY SUBJECT MATTER DEFINED BY THE CLAIMS OF THE **LICENSED PATENT RIGHTS** OR TANGIBLE MATERIALS RELATED THERETO.

12.4 **PHS** does not represent that it shall commence legal actions against third parties infringing the **Licensed Patent Rights**.

12.5 **Licensee** shall indemnify and hold **PHS**, its employees, students, fellows, agents, and consultants harmless from and against all liability, demands, damages, expenses, and losses, including but not limited to death, personal injury, illness, or property damage, asserted in any claim or incurred in the defense of any claim arising in connection with or arising out of:

(a) the use by or on behalf of **Licensee**, its sublicensees, directors, employees, or third parties of any **Licensed Patent Rights**; or

(b) the design, manufacture, distribution, or use of any **Licensed Products**, **Licensed Processes** or materials by **Licensee**, or other products or processes developed by **Licensee** in connection with or arising out of the **Licensed Patent Rights**.

12.6 Notwithstanding the foregoing, the indemnity obligations of **Licensee** shall not apply with respect to the gross negligence or willful misconduct of **PHS** or its agents or employees.

12.7 **Licensee** agrees to maintain a liability insurance program consistent with sound business practice.

13. TERM, TERMINATION, AND MODIFICATION OF RIGHTS

13.1 This **Agreement** is effective when signed by all parties, unless the provisions of Paragraph 14.15 are not fulfilled, and shall extend to the expiration of the last to expire of the **Licensed Patent Rights** unless sooner terminated as provided in this Article 13. [***].

13.2 In the event that **Licensee** is in default in the performance of any material obligations under this **Agreement**, including but not limited to the obligations listed in Paragraph 13.5, and if the default has not been remedied within [***] after the date of notice in writing of the default, **PHS** may terminate this **Agreement** by written notice and pursue outstanding royalties owed through procedures provided by the Federal Debt Collection Act.

13.3 In the event that **Licensee** becomes insolvent, files a petition in bankruptcy, has such a petition filed against it, determines to file a petition in bankruptcy, or receives notice of a third party's intention to file an involuntary petition in bankruptcy, **Licensee** shall immediately notify **PHS** in writing.

13.4 **Licensee** shall have a unilateral right to terminate this **Agreement** or any licenses in any country or territory by giving **PHS** [***] written notice to that effect.

13.5 **PHS** shall specifically have the right to terminate, at its option, this **Agreement** or modify the **Agreement**, if **PHS** determines that the **Licensee**:

(a) [***];

(b) [***];

(c) has willfully made a false statement of, or willfully omitted a material fact in the license application or in any report required by this **Agreement**;

(d) has committed a material breach of a covenant or agreement contained in this **Agreement**;

(e) is not keeping **Licensed Products** or **Licensed Processes** reasonably available to the public after commercial use commences;

(f) cannot reasonably satisfy unmet health and safety needs; or

(g) cannot reasonably justify a failure to comply with the domestic production requirement of Paragraph 5.2 unless waived.

13.6 In making the determination referenced in Paragraph 13.5, **PHS** shall take into account the normal course of such commercial development programs conducted with sound and reasonable business practices and judgment and the annual reports submitted by **Licensee** under Paragraph 9.2. Prior to invoking termination or modification of this **Agreement** under Paragraph 13.5 or 13.8, **PHS** shall give written notice to **Licensee** providing **Licensee** specific notice of, and a [***] opportunity to respond to, **PHS'** concerns as to the items referenced in 13.5(a)-13.5(g) or 13.8 and any modifications to the scope of this **Agreement** intended to take effect at the end of such [***] period. If **Licensee** fails to alleviate **PHS'** concerns as to the items referenced in 13.5(a)-13.5(g) or 13.8 or fails to initiate corrective action to **PHS'** satisfaction, **PHS** may terminate this **Agreement** or, unless **Licensee** has terminated this **Agreement** itself during such [***] period, **PHS** may modify the scope of this **Agreement** as set forth in the applicable notice provided under this paragraph, provided that, in the event of an occurrence of the type described in 13.5(f), **PHS** shall allow **Licensee** the opportunity described in Paragraph 13.7 in lieu of **PHS** exercising any termination rights under this Article 13.

13.7 When the public health and safety so require, and after written notice to **Licensee** providing **Licensee** a [***] opportunity to respond, **PHS** shall have the right to require **Licensee** to grant sublicenses to responsible applicants, on reasonable terms, in the **Licensed Field of Use** in which such public health or safety issue has arisen, under the **Licensed Patent Rights**, unless **Licensee** can reasonably demonstrate that the granting of the sublicense would not materially increase the availability to the public of the subject matter of the **Licensed Patent Rights**. **PHS** shall not require the granting of a sublicense unless the responsible applicant has first negotiated in good faith with **Licensee**.

13.8 **PHS** reserves the right according to 35 U.S.C. §209(d)(3) to terminate or modify the scope of this **Agreement** if it is determined that this action is necessary to meet the requirements for public use specified by federal regulations issued after the date of the license and these requirements are not reasonably satisfied by **Licensee**.

13.9 Within [***] of receipt of written notice of **PHS'** unilateral decision to modify or terminate this **Agreement** to the extent permitted under this Article 13, **Licensee** may, consistent with the provisions of 37 CFR §404.11, appeal the decision by written submission to the designated **PHS** official. The decision of the designated **PHS** official shall be the final agency decision. **Licensee** may thereafter exercise any and all administrative or judicial remedies that may be available.

13.10 Within [***] of expiration or termination of this **Agreement** under this Article 13, a final report shall be submitted by **Licensee**. Any royalty payments, including those incurred but not yet paid (such as any minimum annual royalty due but not yet paid), and those related to patent expense, due to **PHS** shall become immediately due and payable upon termination or expiration. If terminated under this Article 13, sublicensees may elect to convert their sublicenses to direct licenses with **PHS** pursuant to Paragraph 4.3.

14. GENERAL PROVISIONS

14.1 Neither party may waive or release any of its rights or interests in this **Agreement** except in writing. The failure of the **Government** to assert a right hereunder or to insist upon compliance with any term or condition of this **Agreement** shall not constitute a waiver of that right by the **Government** or excuse a similar subsequent failure to perform any of these terms or conditions by **Licensee**.

14.2 This **Agreement** constitutes the entire agreement between the parties relating to the subject matter of the **Licensed Patent Rights**, **Licensed Products** and **Licensed Processes**, and all prior negotiations, representations, agreements, and understandings are merged into, extinguished by, and completely expressed by this **Agreement**.

14.3 The provisions of this **Agreement** are severable, and in the event that any provision of this **Agreement** shall be determined to be invalid or unenforceable under any controlling body of law, this determination shall not in any way affect the validity or enforceability of the remaining provisions of this **Agreement**.

14.4 If either party desires a modification to this **Agreement**, the parties shall, upon reasonable notice of the proposed modification by the party desiring the change, confer in good faith to determine the desirability of the modification. No modification shall be effective until a written amendment is signed by authorized representatives of both parties. Written amendment(s) to this **Agreement** may subject the **Licensee** to an additional amendment royalty to be negotiated by the Parties in good faith. Notwithstanding the above mentioned, **Licensee** may request to replace a **Licensed Field of Use** from Appendix B, with another field of use by requesting an amendment to the **Agreement**. **PHS** shall not withhold approval of this amendment or subject it to any other amendment of the **Agreement** provided that :

(a) **Licensee** shall pay to **PHS** an amendment royalty, which shall not exceed [***] dollars ($[***]); and

(b) **PHS** has not licensed the field of use requested by **Licensee** to a third party, at the date of the request.

14.5 The construction, validity, performance, and effect of this **Agreement** shall be governed by Federal law as applied by the Federal courts in the District of Columbia.

14.6 All **Agreement** notices required or permitted by this **Agreement** shall be given by prepaid, first class, registered or certified mail or by an express/overnight delivery service provided by a commercial carrier, properly addressed to the other party at the address designated on the following Signature Page, or to another address as may be designated in writing by the other party. **Agreement** notices shall be considered timely if the notices are received on or before the established deadline date or sent on or before the deadline date as verifiable by U.S. Postal Service postmark or dated receipt from a commercial carrier. Parties should request a legibly dated U.S. Postal Service postmark or obtain a dated receipt from a commercial carrier or the U.S. Postal Service. Private metered postmarks shall not be acceptable as proof of timely mailing.

14.7 This **Agreement** shall not be assigned or otherwise transferred (including any transfer by legal process or by operation of law, and any transfer in bankruptcy or insolvency, or in any other compulsory procedure or order of court) except to **Licensee's Affiliate(s)**, without the prior written consent of **PHS**, which such consent shall not be unreasonably withheld, conditioned or delayed. **PHS** consent or non-consent will be communicated to the **Licensee** within fifteen (15) business days. The parties agree that the identity of the parties is material to the formation of this **Agreement** and that the obligations under this **Agreement** are nondelegable. In the event that **PHS** approves a proposed assignment, **Licensee** shall pay **PHS**, as an additional royalty, [***] percent ([***]%) of the fair market value of any consideration received for any assignment of this **Agreement** which amount, in the case where an assignment of this **Agreement** accompanies the sale or assignment of other assets and agreements of **Licensee**, shall be determined by **Licensee** in good faith. The foregoing amount shall be paid within [***] of the assignment.

14.8 **Licensee** agrees in its use of any **Licensed Product(s)** and/or **Licensed Process(es)** to comply with all applicable statutes, regulations, and guidelines, including **PHS** and **HHS** regulations and guidelines. **Licensee** agrees not to use any **Licensed Product(s)** and/or **Licensed Process(es)** for

research involving human subjects or clinical trials in the United States without complying with 21 CFR Part 50 and 45 CFR Part 46. **Licensee** agrees not to use any **Licensed Product(s)** and/or **Licensed Process(es)** for research involving human subjects or clinical trials outside of the United States without notifying **PHS**, in writing, of the research or trials and complying with the applicable regulations of the appropriate national control authorities. Written notification to **PHS** of research involving human subjects or clinical trials outside of the United States shall be given no later than [***] prior to commencement of the research or trials.

14.9 **Licensee** acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of these items may require a license from the appropriate agency of the U.S. **Government** or written assurances by **Licensee** that it shall not export these items to certain foreign countries without prior approval of this agency. **PHS** neither represents that a license is or is not required or that, if required, it shall be issued.

14.10 **Licensee** agrees to mark the **Licensed Products** or their packaging sold in the United States with all applicable U.S. patent numbers and similarly to indicate “Patent Pending” status. All **Licensed Products** manufactured in, shipped to, or sold in other countries shall be marked as legally required in a manner to preserve **PHS** patent rights in those countries.

14.11 By entering into this **Agreement**, **PHS** does not directly or indirectly endorse any product or service provided, or to be provided, by **Licensee** whether directly or indirectly related to this **Agreement**. **Licensee** shall not state or imply that this **Agreement** is an endorsement by the **Government**, **PHS**, any other **Government** organizational unit, or any **Government** employee. Additionally, **Licensee** shall not use the names of **NIH**, **FDA**, **PHS**, or **HHS** or the **Government** or their employees in any advertising, promotional, or sales literature without the prior written approval of **PHS**.

14.12 The parties agree to attempt to settle amicably any controversy or claim arising under this **Agreement** or a breach of this **Agreement**, except for appeals of modifications or termination decisions provided for in Article 13. **Licensee** agrees first to appeal any unsettled claims or controversies to the designated **PHS** official, or designee, whose decision shall be considered the final agency decision. Thereafter, **Licensee** may exercise any administrative or judicial remedies that may be available.

14.13 Nothing relating to the grant of a license, nor the grant itself, shall be construed to confer upon any person any immunity from or defenses under the antitrust laws or from a charge of patent misuse, and the acquisition and use of rights pursuant to 37 CFR Part 404 shall not be immunized from the operation of state or Federal law by reason of the source of the grant.

14.14 Any formal recordation of this **Agreement** required by the laws of any **Licensed Territory** as a prerequisite to enforceability of the **Agreement** in the courts of any foreign jurisdiction or for other reasons shall be carried out by **Licensee** at its expense, and appropriately verified proof of recordation shall be promptly furnished to **PHS**.

14.15 Paragraphs 4.3, 4.4 (but solely with respect to the confidentiality obligations), 8.1, 8.3, 9.5-9.7 (but solely with respect to the final royalty report), 12.1-12.5, 13.9, 13.10, 14.12 and 14.15 of this **Agreement** shall survive termination of this **Agreement**.

14.16 The terms and conditions of this **Agreement** shall, at **PHS’** sole option, be considered by **PHS** to be withdrawn from **Licensee**’s consideration and the terms and conditions of this **Agreement**, and the **Agreement** itself to be null and void, unless this **Agreement** is executed by the **Licensee** and a

fully executed original is received by **PHS** within sixty (60) days from the date of **PHS** signature found at the Signature Page.

SIGNATURES BEGIN ON NEXT PAGE

PHS PATENT LICENSE AGREEMENT — *EXCLUSIVE*

SIGNATURE PAGE

For **PHS**:

/s/ Richard U. Rodriguez — 6-19-12

Richard U. Rodriguez — Date
Director, Division of Technology Development and Transfer
Office of Technology Transfer
National Institutes of Health

Mailing Address for **Agreement** notices:

Chief, Monitoring & Enforcement Branch, DTDT
Office of Technology Transfer
National Institutes of Health
6011 Executive Boulevard, Suite 325
Rockville, Maryland 20852-3804 U.S.A.

For **Licensee** (Upon, information and belief, the undersigned expressly certifies or affirms that the contents of any statements of **Licensee** made or referred to in this document are truthful and accurate.):

by: ERYTECH Pharma.

/s/ Pierre-Olivier Goineau — 8-14-2012

Signature of Authorized Official — Date

Pierre-Olivier Goineau
Chief Executive Officer

Official and Mailing Address for **Agreement** notices and for Financial notices (**Licensee's** contact person for royalty payments):

Pierre-Oliver Goineau
Chief Executive Officer

Bâtiment Adénine,
60 Avenue Rockefeller
69008 Lyon, France

Email Address: [***]
Phone: [***]
Fax: [***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Any false or misleading statements made, presented, or submitted to the **Government**, including any relevant omissions, under this **Agreement** and during the course of negotiation of this **Agreement** are subject to all applicable civil and criminal statutes including Federal statutes 31 U.S.C. §§3801-3812 (civil liability) and 18 U.S.C. §1001 (criminal liability including fine(s) or imprisonment).

APPENDIX A — PATENT(S) OR PATENT APPLICATION(S)

Patent(s) or Patent Application(s):

I. U.S. Patent No. [***] entitled "[***]" and issued on [***] (**HHS** Ref No. [***])

II. U.S. Patent Application No. [***] entitled "[***]" and filed on [***] (**HHS** Ref. No. [***])

III. PCT Application No. [***] entitled "[***]" and filed on [***] (**HHS** Ref. No. [***])

APPENDIX B — LICENSED FIELDS OF USE AND TERRITORY

I. **Licensed Fields of Use**:

(a) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(b) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(c) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(d) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(e) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(f) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(g) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

(h) The use of the **Licensed Patent Rights** limited to an **FDA**-approved companion diagnostic test predictive of L-asparaginase therapeutic effect in the treatment of [***].

[***].

II. **Licensed Territory**:

(a) United States

APPENDIX C — ROYALTIES

Royalties:

I. **Licensee** agrees to pay to **PHS** a [***] license issue royalty in the amount of thirty thousand dollars ($30,000.00) within sixty (60) days from the effective date of this **Agreement**.

II **Licensee** agrees to pay to **PHS** a [***] royalty in the amount of [***] dollars ($[***]) due and payable on [***], and may be [***]:

III. (a) **Licensee** agrees to pay **PHS** [***] royalties of [***] up to [***] dollars ($[***]) by or on behalf of **Licensee** [***].

(b) **Licensee** agrees to pay **PHS** [***] royalties of [***] of over [***] dollars ($[***]) by or on behalf of **Licensee** [***].

(i) In any given calendar year where the [***] exceeds [***] dollars ($[***]), by or on behalf of the **Licensee** [***], **Licensee** agrees to pay **PHS** [***] royalties of [***] percent ([***]%) on [***].

(ii) In the subsequent calendar year(s), the [***] royalty rate [***] by or on behalf of the Licensee [***] will [***] until such time as the [***].

(c) If **Licensee** [***] finds it necessary or desirable to [***] of [***] to [***] or to [***], **Licensee** may [***]. However, in no event shall [***] be [***].

IV. **Licensee** agrees to pay [***] royalties within [***] of achieving each [***]:

(a) [***] dollars ($[***]) upon [***].

(b) [***] ($[***]) upon [***].

The aforementioned [***] are payable [***] except that **Licensee** shall also pay [***] of the aforementioned [***] upon the [***] but solely [***].

V. **Licensee** agrees to pay **PHS** additional sublicensing royalties of any Sublicense Income, as defined below, received specifically for granting each sublicense of the license granted with respect to **Licensed Patent Rights** within [***]:

(a) For any such sublicense executed by the **Licensee** [***], **Licensee** agrees to pay a [***]; and

(b) For any sublicense executed by the **Licensee** after [***], but [***], **Licensee** agrees to pay a [***]; and

(c) For any sublicense executed by the **Licensee** after [***], **Licensee** agrees to pay [***].

For purposes of the foregoing, “Sublicense Income” shall mean [***] but will not include: (a) [***], (b) [***]; (c) [***]; (d) [***]; (e) [***] and (f) [***].

VI. The estimated amount of the royalty due under [***] is [***] as of [***]. This is only a good faith estimate and [***].

APPENDIX D — BENCHMARKS AND PERFORMANCE

Licensee agrees to the following **Benchmarks** for its performance under this **Agreement** and, within [***] days of achieving a **Benchmark**, shall notify **PHS** that the **Benchmark** has been achieved

I. [***].

II. [***].

III. [***].

IV. [***].

APPENDIX E — COMMERCIAL DEVELOPMENT PLAN

[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

APPENDIX F — EXAMPLE ROYALTY REPORT

Required royalty report information includes:

- OTT license reference number (L-XXX-200X/0)
- Reporting period
- Catalog number and units sold of each **Licensed Product** (domestic and foreign)
- Gross Sales per catalog number per country
- Total Gross Sales
- Itemized deductions from Gross Sales
- Total Net Sales
- Earned Royalty Rate and associated calculations
- Gross Earned Royalty
- Adjustments for Minimum Annual Royalty (MAR) and other creditable payments made
- Net Earned Royalty due

Example

Catalog Number	Product Name	Country	Units Sold	Gross Sales (US$)
1	A	US	250	[***]
1	A	UK	32	[***]
1	A	France	25	[***]
2	B	US	0	[***]
3	C	US	57	[***]
4	D	US	12	[***]

Total Gross Sales	[***]
Less Deductions:	
Freight	[***]
Returns	[***]
Total Net Sales	[***]
Royalty Rate	[***]
Royalty Due	[***]
Less Creditable Payments	[***]
Net Royalty Due	[***]

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO A CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED [***]. A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

APPENDIX G —ROYALTY PAYMENT OPTIONS

NIH/PHS License Agreements

****In order to process payment via Electronic Funds Transfer sender MUST supply the following information:***

Procedure for Transfer of Electronic Funds to NIH for Royalty Payments

[***]

NOTE: Only U.S. banks can wire directly to the Federal Reserve Bank. Foreign banks cannot wire directly to the Federal Reserve Bank, but must go through an intermediary U.S. bank. Foreign banks may send the wire transfer to the U.S. bank of their choice, who, in turn forwards the wire transfer to the Federal Reserve Bank.

Checks drawn on a U.S. bank account should be sent directly to the following address:

National Institutes of Health (NIH)
P.O. Box 979071
St. Louis, MO 63197-9000

Overnight or courier deliveries should be sent to the following address:

US Bank
Government Lockbox SL-MO-C2GL
1005 Convention Plaza
St. Louis, MO 63101
Phone: 314-418-4087

Checks drawn on a foreign bank account should be sent directly to the following address:

National Institutes of Health (NIH)
Office of Technology Transfer
Royalties Administration
Unit 6011 Executive Boulevard
Suite 325, MSC 7660
Rockville, Maryland 20852
Phone: 301-496-7057

All checks should be made payable to "NIH Patent Licensing".
The OTT Reference Number MUST appear on checks, reports and correspondence

NATIONAL INSTITUTES OF HEALTH

FIRST AMENDMENT TO L-110-2012/0

This is the first amendment ("**First Amendment**") of the agreement by and between the National Institutes of Health ("**NIH**") within the Department of Health and Human Services ("**HHS**"), and Erytech Pharma having an effective date of August 14, 2012 and having NIH Reference Number L-110-2012/0 ("**Agreement**"). This **First Amendment**, having **NIH** Reference Number L-110-2012/1, is made between the NIH through the Office of Technology Transfer, **NIH**, having an address at 6011 Executive Boulevard, Suite 325, Rockville, Maryland 20852-3804, U.S.A., and Erytech Pharma, having an office at Batiment Adenine, 60 Avenue Rockefeller, 69008 Lyon, France (the "**Licensee**"). This **First Amendment** includes, in addition to the amendments made below, 1) a Signature Page, and 2) Attachment 1 (Royalty Payment Information).

WHEREAS, the **NIH** and the **Licensee** desire that the **Agreement** be amended a first time as set forth below in order to extend the time to accomplish the clinical benchmarks.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the **NIH** and the **Licensee**, intending to be bound, hereby mutually agree to the following:

1) Replace **Appendix D** of the **Agreement** with the following:

   I. [***].

   II. [***].

   III. [***].

   IV. [***].

2) Within sixty (60) days of the execution of this **First Amendment**, the **Licensee** shall pay the **NIH** an amendment issue royalty in the sum of [***] US Dollars ($[***]), and payment options may be found in Attachment 1.

3) In the event any provision(s) of the **Agreement** is/are inconsistent with Attachment 1, such provision(s) is/are hereby amended to the extent required to avoid such inconsistency and to give effect to the shipping and payment information in such Attachment 1.

4) All terms and conditions of the **Agreement** not herein amended remain binding and in effect.

5) The terms and conditions of this **First Amendment** shall, at the **NIH's** sole option, be considered by the **NIH** to be withdrawn from the Licensee's consideration and the terms and conditions of this **First Amendment**, and the First Amendment itself, to be null and void, unless this **First Amendment** is executed by the **Licensee** and a fully executed original is received by the **NIH** within sixty (60) days from the date of the **NIH's** signature found at the Signature Page.

6) This **First Amendment** is effective upon execution by all parties.

SIGNATURES BEGIN ON NEXT PAGE

FIRST AMENDMENT TO L-110-2012/0

SIGNATURE PAGE

In Witness Whereof, the parties have executed this **First Amendment** on the dates set forth below. Any communication or notice to be given shall be forwarded to the respective addresses listed below.

For the **NIH**:

/s/ Richard U. Rodriguez — 2-26-14

Richard U. Rodriguez — Date
Director, Division of Technology Development and Transfer
Office of Technology Transfer
National Institutes of Health

Mailing Address or E-mail Address for **Agreement** notices and reports:

Chief, Monitoring & Enforcement Branch, DTDT
Office of Technology Transfer
National Institutes of Health
6011 Executive Boulevard, Suite 325
Rockville, Maryland 20852-3804 U.S.A.

E-mail: LicenseNotices_Reports@mail.nih.gov

For the **Licensee** (Upon information and belief, the undersigned expressly certifies or affirms that the contents of any statements of the **Licensee** made or referred to in this document are truthful and accurate.):

/s/ Pierre-Olivier Goineau — 3/3/2014

Signature of Authorized Official — Date

Name: P.O. Goineau
Title: COO

I. Official and Mailing Address for **Agreement** notices:

Pierre-Olivier Goineau
CEO
Erytech Pharma
Batiment Adenine
60 Avenue Rockefeller
69008 Lyon
France
Phone: [***]
Email: [***]; contact@erytech.com

II. Official and Mailing Address for Financial notices (the **Licensee's** contact person for royalty payments):

Sebastien Rouchouse
Financial and Administrative Manager
Erytech Pharma
Batiment Adenine
60 Avenue Rockefeller
69008 Lyon
France
Phone: [***]
Email: [***]

Any false or misleading statements made, presented, or submitted to the **Government**, including any relevant omissions, under this **Agreement** and during the course of negotiation of this **Agreement** are subject to all applicable civil and criminal statutes including Federal statutes 31 U.S.C. §§3801-3812 (civil liability) and 18 U.S.C. §1001 (criminal liability including fine(s) or imprisonment).

ATTACHMENT 1 – ROYALTY PAYMENT OPTIONS

The OTT License Number MUST appear on payments, reports and correspondence.

Automated Clearing House (ACH) for payments through U.S. banks only

The **NIH** encourages its licensees to submit electronic funds transfer payments through the Automated Clearing House (ACH). Submit your ACH payment through the U.S. Treasury web site located at: **https://www.pay.gov**. Locate the "**NIH** Agency Form" through the Pay.gov "Agency List".

Electronic Funds Wire Transfers

The following account information is provided for wire payments. In order to process payment via Electronic Funds Wire Transfer sender MUST supply the following information within the transmission:

Drawn on a **U.S. bank account** via FEDWIRE should be sent directly to the following account:

[***]

Drawn on a **foreign bank** account should be sent directly to the following account. Payment must be sent in **U.S. Dollars (USD)** using the following instructions:

[***]

Checks

All checks should be made payable to "**NIH** Patent Licensing"

Checks drawn on a **U.S. bank account** and sent by US Postal Service should be sent directly to the following address:

National Institutes of Health (**NIH**)
P.O. Box 979071
St. Louis, MO 63197-9000

Checks drawn on a U.S. bank account and sent by **overnight or courier** should be sent to the following address:

US Bank
Government Lockbox SL-MO-C2GL
1005 Convention Plaza
St. Louis, MO 63101
Phone: 314-418-4087

Checks drawn on a **foreign bank account** should be sent directly to the following address:

National Institutes of Health (**NIH**)
Office of Technology Transfer
Royalties Administration Unit
6011 Executive Boulevard
Suite 325, MSC 7660
Rockville, Maryland 20852

Exhibit 10.11

FORM OF OFFER
TO DIRECTORS, OFFICERS OR SPECIFICALLY DESIGNATED PERSONS
TO SUBSCRIBE LIABILITY INSURANCE AND PROVIDE INDEMNIFICATION

WHEREAS:

The offering in the United States by ERYTECH Pharma S.A. (the "***Company***") of shares in the form of American Depositary Shares ("***ADSs***"), one ADS representing one ordinary share of the Company, the filing of forms with the Securities and Exchange Commission ("***SEC***") in connection with such offering and the quotation of the ADSs on the Nasdaq Global Market ("***Market***") expose the directors and the officers of the Company to major and specific risks with respect to their service to the Company.

The Company, taking into account the scope of the obligations and possible personal liability of the directors and officers induced by the U.S. securities laws and the fact that they are significantly more burdensome than under French law, has resolved that the said directors and officers should not be exposed to such personal liability.

Moreover, in the United States, directors and officers are typically indemnified or insured. As a result, the Company has concluded that in the absence of such protection against risks sustained by reason of the fact that they are serving as such, individuals might not accept to serve as directors or officers of the Company or might resign from their office. The Company has also concluded that it is necessary to have such individuals serve on its board of directors and as its officers if it is to achieve its objectives in the international financial and commercial markets.

It is the Company's intention to provide said directors and officers with indemnification against liabilities and advancement of expenses in connection with any matters that arise out of their service to the Company to the fullest extent permitted by applicable laws and regulations.

Accordingly, considering as well the fact that the quotation of the ADSs on the Market is a key factor to the future development of the Company, the Company resolved that providing insurance coverage, indemnification and advancement of expenses to said directors and officers to the fullest extent permitted by applicable laws and regulations is consistent with the Company's corporate interest.

The undersigned may also have certain rights to indemnification and/or insurance provided by a private equity fund, venture capital fund, an investment company and certain of their affiliates which have invested in the Company (collectively, the "***Fund Indemnitors***") which the undersigned and the Fund Indemnitors intend to be secondary to the primary obligation of the Company to indemnify undersigned as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to undersigned's willingness to serve as director of the Company to the extent applicable.

NOW THEREFORE, THE COMPANY HEREBY IRREVOCABLY UNDERTAKES AS FOLLOWS:

1. <u>Beneficiary</u>

The persons, whether individuals or corporations, who may benefit from and accept the offer (the "***Offer***") are:

(a) a director (a "**Director**") of the Company, and

(b) the Chairman of the Board, the *Directeur Général*, a *Directeur Général Delegué* as well as any executive officer, who is not a director, employed by the Company to whom the Board of Directors of the Company would elect to make the Offer (an "***Officer***").

A "**Beneficiary**", for the purpose of the Offer, shall be a Director or an Officer having accepted and signed this Offer.

2. Undertaking to Subscribe; Insurance Policy; Indemnification

2.1. Upon acceptance and signature of this Offer by a Beneficiary, subject to approval from the board of directors and the shareholders meeting of the Company in accordance with article L. 225-38 and seq. of the French Commercial Code, the Company shall immediately provide to the Beneficiary the benefit of one or more director and officer ("***D&O***") insurance policies (collectively, the "***D&O Insurance Policy***") subscribed with a well-rated insurance company of national or international repute (the "***Insurance Company***") providing D&O insurance coverage in line with best practice for companies in the United States with a similar market capitalization and industry to the Company ("***Best Practices***"), to the fullest extent permitted by applicable laws and regulations. Any losses incurred by the Beneficiary for any damages, losses, liabilities, judgments, and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld), including without limitation all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing (collectively, the "***Losses***") if the Beneficiary is or was or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any threatened, pending or completed claim, demand, action, suit, proceeding or alternative dispute resolution mechanism, whether civil, administrative, investigative or other, whether formal or informal, or any inquiry or investigation, whether made, instituted or conducted by the Company or any other party, including without limitation any foreign, federal, state or other governmental entity by reason of (or arising in part out of) any event or occurrence related to the fact that the Beneficiary is or was a Director or Officer of the Company, or any Subsidiary of the Company (as defined below), or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of the Beneficiary while serving in such capacity, shall be referred hereunder, collectively, as an "***Indemnifiable Claim***". The Beneficiary shall be compensated for any Indemnifiable Claim by this D&O Insurance Policy or if not indemnifiable thereunder, by the Company to the fullest extent permitted by law. Also to the fullest extent permitted by applicable laws and regulations, the D&O Insurance Policy shall provide for indemnification of the Beneficiary in line with Best Practices against reasonable and necessary Expenses (as defined) as a result of the facts, acts or omission described above, in the event the Beneficiary was, is or is threatened to be made, a party or witness or participant in, by whatever means, a hearing or investigation which the Beneficiary in good faith and reasonably thinks could lead to an action or other relief, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, or other, whether formal or informal.

For purposes of this Offer, a "***Subsidiary***" shall mean an entity, which the Company directly or indirectly controls, 50% or more of the entity's voting securities.

For the purpose of the Offer, a "***Claim***" means (a) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to foreign federal, state or other law; and (b) any inquiry or investigation, whether made, instituted or conducted by the Company or any other party, including without limitation any foreign, federal, state or other governmental entity, that Beneficiary determines might lead to the institution of any such claim, demand, action, suit or proceeding.

To the fullest extent permitted by applicable laws and regulations, the D&O Insurance Policy shall provide for indemnification of the Beneficiary in line with Best Practices against reasonable and necessary expenses (including attorneys' fees and all other costs, expenses and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any such action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation) (collectively, hereinafter "***Expenses***") and any and all Losses in connection with an Indemnifiable Claim.

The Company shall in the first instance pay on behalf of the Beneficiary any deductible or retention amounts due under the Insurance Policy in connection with any Indemnifiable Claim or Claim for the payment of Expenses, to the fullest extent permitted by applicable laws and regulations.

2.2. As a result of the acceptance and signature of this Offer by the Beneficiary, a bilateral contract will be formed between the Company and the Beneficiary.

2.3. To the fullest extent permitted by applicable laws and regulations, the Company agrees that, so long as a Director or Officer shall continue to serve as a Director or Officer of the Company or any Subsidiary, or shall continue at the request of the Company to serve as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, and thereafter so long as a Director or Officer shall be subject to any possible Indemnifiable Claim by reason of the fact that said Director or Officer was a Director or Officer of the Company or any Subsidiary or at the request of the Company to serve as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, and thereafter, the Company will maintain in effect for the benefit of such Director or Officer one or more valid, binding and enforceable insurance policies with the Insurance Company providing coverage, including with respect to limits of liability thereunder, at least comparable to that provided in this Offer, and such insurance policy or policies shall be or be deemed to be the D&O Insurance Policy for all purposes of this Offer.

3. Exclusions

3.1. The Beneficiary acknowledges that French law allows only the cover of financial consequences of civil liability in cases of mismanagement and contains material limitations on indemnification or coverage for Losses and/or Expenses and currently prevents the Company, in particular, from indemnifying the Beneficiary for Losses and Expenses incurred by a Beneficiary that could be deemed a particulary serious breach, with respect to the following Claims:

(a) any Claim made by the Company or by a shareholder or any other person on behalf of the Company (derivative action);

(b) any Claim relating to remuneration paid to the Beneficiary, if it shall be determined that such remuneration was not due;

(c) any Claim for which a judgment is rendered against the Beneficiary for an accounting of profits made from the purchase or sale of, or the procurement to purchase or sell, securities of the Company pursuant to insider trading laws or regulations;

(d) any Claim which is based on the Beneficiary's willful or gross misconduct or on a fraud or a fraudulent misrepresentation, intentional or fraudulent (or deemed to be so) misconduct, whether the Beneficiary has acted alone or as an accomplice if it should be finally determined that the Beneficiary is guilty of such misconduct; or

(e) any Claim which is based on the Beneficiary's criminal actions;

(f) any fines and penalties of any kind (criminal, public, tax, civil and custom);

(g) any damage to property of, or personal injury to, any third party including any threat to the environment;

(h) any Claim which is based on the Beneficiary's misconduct in its private life;

(g) any Claim which is based on the consequences of a labor disturbance or the granting of a guarantee.

3.2. The Beneficiary further acknowledges that the D&O Insurance Policy contains or may contain similar limitations on coverage for Losses or Expenses incurred by a Beneficiary, in each case with respect to Indemnifiable Claims, and that it does not cover Claims:

(a) pending, if any, at the date this Offer is accepted and signed by the relevant Beneficiary,

(b) which arise from the settlement of any action or Claim without the Company's written consent or,

(c) generally, that cannot be insured under applicable laws and regulations;

provided, that the terms of the D&O Insurance Policy shall determine whether insurance coverage is available to the Beneficiary in connection with any Indemnifiable Claim, and that any limitations, restrictions or exclusions contained in the Insurance Policy that are not mandated by applicable law shall not relieve the Company of its obligation to provide indemnification to the Beneficiary for Losses and Expenses in each case with respect to Indemnifiable Claims to the fullest extent permitted by applicable laws and regulations.

4. Notification and Defense of an Indemnifiable Claim

4.1. As soon as practicable after the written receipt by the Beneficiary of a Indemnifiable Claim, the Beneficiary shall notify the Company in writing thereof, which notification shall specify:

(a) the existence and the nature of the Indemnifiable Claim; and

(b) the nature and the estimate of the amount of the Losses and Expenses with respect to an Indemnifiable Claim.

Omission to so notify the Company will not relieve the Company from liability under the Offer, except if thereby the Company has been materially prejudiced.

4.2. In the event the Company shall be requested by Beneficiary to pay the Expenses or Losses of any Indemnifiable Claim, the Company, if appropriate, shall be entitled to assume the defense of such Indemnifiable Claim, or to participate to the extent permissible in such Indemnifiable Claim, with counsel reasonably acceptable to Beneficiary. Upon assumption of the defense by the Company and the retention of such counsel by the Company, the Company shall not be liable to Beneficiary under this Offer for any Expenses of counsel subsequently incurred by Beneficiary with respect to the same Indemnifiable Claim, provided that Beneficiary shall have the right to employ separate counsel in such Indemnifiable Claim at Beneficiary's sole cost and expense. Notwithstanding the foregoing, if Beneficiary's counsel delivers a written notice to the Company stating that such counsel has reasonably concluded that there may be a conflict of interest between the Company and Beneficiary in the conduct of any such defense or the Company shall not, in fact, have employed counsel or otherwise actively pursued the defense of such Indemnifiable Claim within a reasonable time, then in any such event the fees and expenses of Beneficiary's counsel to defend such Indemnifiable Claim shall be subject to the indemnification and advancement of Expenses provisions of this Offer.

No settlement of any Claim shall be agreed upon and entered into without the Company's prior written consent, not to be unreasonably withheld. By default of such Company's prior written consent, the Company will be relieved from any and all liability for such settlement of a Indemnifiable Claim, if thereby the Beneficiary has been excluded from D&O Insurance Policy coverage or benefit and/or if thereby the Company has been materially prejudiced.

5. Advance on Reimbursement of Expenses

5.1. To the fullest extent permitted by applicable laws and regulations and provided always that the Beneficiary has acted in good faith and within his or her capacities as a Director or Officer of the Company, the Expenses reasonably incurred by the Beneficiary in defending or investigating any Indemnifiable Claim duly notified to the Company shall be paid by the Insurance Company or by default if any payment demand to the Insurance Company remains unsatisfied after 30 days, as well as if the maximum insurance coverage under such D&O Policy is exceeded, by the Company, in advance of a final determination of the matter upon the request of the Beneficiary, upon presentation of satisfactory evidence that such Expenses have been incurred and remittance to the Insurance Company or, as the case may be, the Company of Beneficiary's written commitment to repay these Expenses in the event that it is ultimately determined that the Beneficiary is not entitled to have these Expenses reimbursed; provided that the Company shall not be liable for that portion of such Expenses actually provided to the Beneficiary under the D&O Insurance Policy (to the fullest extent permitted by applicable laws and regulations, such undertaking shall be accepted without reference to the financial ability of the Beneficiary to make repayment and any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest-free); and provided further that no indemnification shall be permitted (a) in the event that is finally determined that: (i) the Beneficiary's conduct forming the subject matter of the Indemnifiable Claim was not consistent with the corporate

interests of the Company or (ii) the Beneficiary's conduct was in bad faith, knowingly fraudulent or deliberately dishonest or constituted willful misconduct; or (b) in respect of Indemnifiable Claims initiated or brought by Beneficiary against the Company or its directors, officers, employees or other agents and not by way of defense, except with respect to proceedings brought to establish or enforce a right to indemnification under this Offer or otherwise available to Beneficiary under another agreement or applicable law.

5.2. The termination of any Claim pursuant to a Indemnifiable Claim by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, absent specific findings in respect of Beneficiary in the judgement, conviction of the Beneficiary or an acknowledgment by the Beneficiary in the settlement itself, create a presumption that the Beneficiary did not act in good faith and in a manner that the Beneficiary reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.

5.3. The Beneficiary shall cooperate with the person, persons or entity making such determination with respect to the Beneficiary's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Beneficiary and reasonably necessary to such determination.

5.4. If the Beneficiary is entitled under any provision of this Offer to indemnification by the Company for some or a portion of the Expenses and Losses, in each case with respect to an Indemnifiable Claim, paid in settlement actually and reasonably incurred by or on behalf of the Beneficiary in connection with any Claim but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Beneficiary for the portion of such Expenses or Losses, in each case with respect to an Indemnifiable Claim, to which the Beneficiary is entitled.

6. Payment by Company

To the fullest extent permitted by applicable laws and regulations and provided always that the Beneficiary has acted in good faith and within his or her capacities as a Director or Officer of the Company, in the event that a Beneficiary shall not be indemnified for all the Expenses and Losses, in each case with respect to an Indemnifiable Claim, due to (a) the failure of the Company to obtain or maintain the D&O Insurance Policy in accordance with this Offer, as well as if the maximum insurance coverage shall be exceeded or (b) the failure of the D&O Insurance Policy to pay the Expenses or Losses, in each case with respect to an Indemnifiable Claim, the Company shall pay in full to the Beneficiary the amount of any such Expenses and Losses, in each case with respect to an Indemnifiable Claim, to which the Beneficiary is entitled to be reimbursed or shall pay the difference between the amount received by the Beneficiary from the Insurance Company and such amount of reimbursement of the Expenses and Losses, in each case with respect to an Indemnifiable Claim, to which it is so entitled, as the case may be.

7. Subrogation; Primacy of Indemnification

Except as provided for below, in the event of payment by the Company to Beneficiary under the Offer, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Beneficiary, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

The following paragraph applies only for the Beneficiary with a fund indemnity:

The Company hereby acknowledges that the Beneficiary has certain rights to indemnification, advancement of Expenses and/or insurance provided by the Fund Indemnitors.

The Company hereby agrees:

(a) that it is the indemnitor of first resort (i.e., its obligations to Beneficiary are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Beneficiary are secondary);

(b) to the extent required by this Offer it shall advance the full amount of Expenses incurred by Beneficiary and be liable for the full amount of all Expenses to the fullest extent permitted by applicable laws and regulations and as required by the terms of this Offer (or any other agreement between the Company and Beneficiary), without regard to any rights Beneficiary may have against the Fund Indemnitors; and

(c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all Claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof.

The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Beneficiary with respect to any Claim for which Beneficiary has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Beneficiary against the Company. The Company and Beneficiary agree that the Fund Indemnitors are express third party beneficiaries of the terms hereof.

8. Right to Payment Upon Application

Subject to the terms and conditions of Section 5 hereof, all payment under the Offer, including relating to the reimbursement of the Expenses or any advances of Expenses or payment of Losses, in each case with respect to an Indemnifiable Claim, shall be paid by the Company, or on its behalf, within 30 days after a written Claim for payment has been received by the Company. Expenses reasonably incurred by the Beneficiary in connection with successfully establishing the right to payment according to the Offer, in whole or in part, shall also be paid by the Company, to the fullest extent permitted by applicable laws and regulations.

9. Offer Not Exclusive

This Offer shall not be deemed exclusive of any other rights to which the Beneficiary may be entitled under any agreement, any vote of shareholders or disinterested directors, statute, or otherwise.

10. Notices

10.1. Any notices served pursuant to this Offer shall be sent by registered mail with return receipt requested or delivered by hand against receipt if to the Company to the registered office, if to the Beneficiary to the address indicated below at the end of this Offer.

10.2. Any change of address shall be notified by the relevant party to the other party by registered mail with return receipt requested or delivered by hand against receipt within fifteen (15) days of the actual date of change of address.

10.3. Notices shall be deemed to have been received on the date of reception of the registered letter, as evidenced by the return receipt or, as the case may be, of the letter delivered by hand, as evidenced by the receipt.

11. Amendments; Assignment

11.1. No alteration of, amendment to or waiver of any of the provisions of this Offer shall be binding on any of the parties unless it is written and executed by a duly authorized representative of each of the parties.

11.2. This Offer may not be assigned by any party hereto except with the prior written consent of the other party. Without limiting the generality or effect of the foregoing, the Beneficiary’s right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Beneficiary’s will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 11.2, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

12. Successors

The legal representatives of the parties or their successors shall be bound by and may rely on all the terms of the Offer. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to the Beneficiary and his or her counsel, expressly to assume and agree to perform this Offer in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Offer shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "***Company***" for purposes of this Offer), but shall not otherwise be assignable or delegatable by the Company. This Offer shall inure to the benefit of and be enforceable by the Beneficiary's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

13. Miscellaneous Provisions

13.1. This Offer shall continue until and terminate upon the later of (a) ten years after the date that the Beneficiary shall have ceased to serve as a Director or Officer of the Company or a Subsidiary or, at the request of the Company, as a director, officer, partner, trustee, member, employee or agent of another corporation, partnership, joint venture, trust, limited liability company or other enterprise or (b) the final termination of all Claims pending on the date set forth in clause (a) in respect of which the Beneficiary is granted rights of indemnification or advancement of Expenses hereunder and of any Claim commenced by the Beneficiary pursuant to Section 8 of this Offer relating thereto.

13.2. The parties agree that the provisions contained in the preamble and Exhibit hereto form an integral part of the Offer.

13.3. Should any of the provisions of this Offer be held null and void or unenforceable for any reason whatsoever, the parties undertake to use their best efforts to remedy the causes of such nullity, so that, except where such is impossible, the Offer shall remain in force without any discontinuity.

13.4. The parties agree to provide any information as well as to execute and to deliver all documents reasonably required for the performance of this Offer.

14. Applicable Law

This Offer shall be governed as to its validity, construction and performance in accordance with the laws of the Republic of France.

15. Disputes

Any dispute arising from the Offer or which are a result or a consequence thereof shall be made subject to the jurisdiction of the *Tribunal de Commerce de Paris*.

Executed in
On
In two (2) original copies

_____

By
CEO (*Directeur Général*)

Accepted by _____
Residing at _____
On _____

being a Director or an Officer of the Company, as these terms are defined in the Offer

who hereby declares that he or she:

- has a good and fair knowledge of the terms, conditions and exclusions of the Offer;
- • is fully aware that applicable French laws and regulations limit a company's ability to indemnify its directors against liability;
- is fully aware that U.S. securities laws may also limit a company's ability to indemnify in respect of liabilities arising under U.S. securities laws; and
- formally and irrevocably accepts the Offer, as it stands.

Exhibit 10.12

Summary of BSA Plans

Share warrants, or BSAs, entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by our board of directors and at least equal to the fair market value of an ordinary share on the date of grant. In addition to any exercise price payable by a holder upon the exercise of any share warrant, share warrants need to be subscribed for at a price which is determined by the board of directors at the time of the grant.

Administration. Pursuant to delegations granted at our annual meeting, our board of directors determines the recipients, dates of grant and exercise price of share warrants, the number of share warrants to be granted and the terms and conditions of the share warrants, including the period of their exercisability and their vesting schedule. In its discretion, the board of directors has the authority to extend the exercise period of share warrants post-termination.

Underlying shares. The securities to which the warrants give rights are ordinary shares. Each BSA_{2012} and each BSA_{2014} gives the holder the right to purchase ten (10) ordinary shares. Each BSA_{2016} (for which 45,000 were granted on October 3, 2016 under the $BSA_{2016\text{-}1}$ Plan (the "$BSA_{2016\text{-}1}$") and 15,000 were granted on January 8, 2017 under the $BSA_{2016\text{-}2}$ Plan (the "$BSA_{2016\text{-}2}$", and together with the $BSA_{2016\text{-}1}$, the BSA_{2016}) gives the holder the right to purchase one (1) ordinary share.

Allocation. Our share warrants are generally granted to executive officers, directors or employees of our company. However, our BSA_{2014} and the underlying ordinary shares are reserved for our Chief Medical Officer and our BSA_{2016} and the underlying ordinary shares are reserved to our directors.

Standard terms. The BSA_{2012} share warrants granted by us become immediately exercisable (i) in the case of a definitive initial offering of the company to a market, whether regulated or unregulated, French, European or foreign or (ii) up to four (4) times per year and for the exercise of a minimum of fifty (50) shares. BSA_{2012} share 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: (i) acceptance, by shareholders representing at least 66.67% of the shares constituting the share capital of our company, of a firm, definitive buyback offer pertaining to control of the company (as pursuant to Article L. 233-3 of the French Commercial Code), or (ii) the formation of a merger agreement providing for absorption of the company.

The conditions of exercise of our BSA_{2014} share warrants are as follows: the BSA_{2014} share warrants can be exercised (i) on one single occasion, or except in the event of an M&A operation, up to four (4) times per year, and (ii) for the exercise of a minimum of fifty (50) shares. In the event of a so-called M&A operation, holders of BSA_{2014} share warrants shall have five (5) business days starting from notice by the company of the occurrence of such an event to exercise all of their BSA_{2014} share warrants. However, the exercise of the BSA_{2014} share warrants may be cancelled in the event of the ultimate non-performance of the takeover or the merger operation, for any reason whatsoever.

The BSA_{2016} share warrants can be exercised on one single occasion. In the event of an M&A operation, holders of BSA_{2016} share warrants shall have fifteen (15) days starting from notice by the company of the occurrence of such event to exercise all of their BSA_{2016} share warrants.

Vesting period. The vesting period for BSA_{2012} occurs from May to July 2012, 2013, 2014 and 2015. One-third of the BSA_{2014} was vested during the second quarter of 2015 and two-thirds were vested during the second quarter of 2016.

The vesting period for the $BSA_{2016\text{-}1}$ occurs for half of the $BSA_{2016\text{-}1}$ on October 4, 2017 and for the remainder on October 4, 2018.

The vesting period for the $BSA_{2016\text{-}2}$ occurs for one-third on January 8, 2018, one-third on January 8, 2019 and for the remainder on January 8, 2020.

Final date for exercising share warrants. The BSA_{2012} will expire on May 20, 2020, the BSA_{2014} will expire on January 22, 2024, the $BSA_{2016\text{-}1}$ will expire on October 3, 2021, and the $BSA_{2016\text{-}2}$ will expire on January 8, 2022.

Exhibit 10.13

Summary of BSPCE Plans

Founder's share warrants, or BSPCEs, entitle a holder to exercise the warrant for the underlying vested shares at an exercise price per share determined by our board of directors and at least equal to the fair market value of an ordinary share on the date of grant. BSPCEs may only be issued by growth companies with certain criteria (including not being admitted trading on a listed market). Since our initial public offering in France, our eligibility to issue BSPCEs is subject to certain conditions, including that our market capitalization not exceed €150M. To the extent that our market capitalization exceeds €150M, we are no longer eligible to BSPCEs.

Administration. Pursuant to delegations granted at our annual meeting of shareholders, our board of directors determines the recipients, dates of grant and exercise price of founder's share warrants, the number of founder's share warrants to be granted and the terms and conditions of the founder's share warrants, including the period of their exercisability and their vesting schedule.

Underlying shares. The securities to which the BSPCEs give rights are ordinary shares. Each BSPCE give the holder the right to purchase up to ten (10) ordinary shares.

Allocation. Our founder's share warrants are generally granted to executive officers, directors or employees of our company. Founder's share warrants may not be transferred except for the $BSPCE_{2012}$.

Standard terms. The conditions of exercise of our $BSPCE_{2012}$ share warrants are the same as the conditions of exercise of our BSA_{2012} share warrants and the conditions of exercise of our $BSPCE_{2014}$ share warrants are the same as the conditions of exercise of our BSA_{2014} share warrants.

Vesting period. The vesting period for $BSPCE_{2012}$ occurs from May to July 2012, 2013 and 2014 and the vesting period for $BSPCE_{2014}$ occurs during the second trimester of each year as of 2015.

Final date for exercising share warrants. The $BSPCE_{2012}$ will expire on May 20, 2020 and the $BSPCE_{2014}$ will expire on January 22, 2024.

Plan Option 2016

ERYTECH PHARMA SA

2016 STOCK OPTION PLAN

SUMMARY

ERYTECH PHARMA SA
2016 STOCK OPTION PLAN

In accordance with the authorization granted by the extraordinary general shareholders' meeting of June 24, 2016, the Board of Directors decided on October 3rd, 2016, in compliance with the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, to adopt the 2016 stock option plan of ERYTECH PHARMA SA, the terms and conditions of which are set out below.

1. PURPOSES OF THE PLAN

The purposes of the Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility;
- to provide additional incentive to Beneficiaries; and
- to promote the success of the Company's business.

Options granted under the Plan to U.S. Beneficiaries are intended to be Incentive Stock Options and shall comply in all respects with Applicable Laws in order to benefit from available tax advantages.

2. DEFINITIONS

"**Administrator**"	means the Board of Directors which shall administer the Plan in accordance with Section 4 of the Plan.
"**Affiliated Company**"	means a company which conforms to the criteria set forth in Article L. 225-180 of the Law as follows: - companies of which at least ten per cent (10%) of the share capital or voting rights is held directly or indirectly by the Company; - companies which own directly or indirectly at least ten per cent (10%) of the share capital or voting rights of the Company; and - companies of which at least fifty per cent (50%) of the share capital or voting rights is held directly or indirectly by a company which owns directly or indirectly at least fifty percent (50%) of the share capital or voting rights of the Company
"**Applicable Laws**"	means for the legal requirements relating to the administration of stock option plans under U.S. state corporate laws, U.S. federal and state securities laws and the Code and the applicable laws of any foreign country or jurisdiction where Options are, or will be, granted under the Plan
"**Beneficiary**"	means the general manager (*directeur général)* and the deputy general managers (*directeurs généraux délégués)* of the Company subject to the employees' tax regime, as well as any individual employed by the Company or by any Affiliated Company. For the avoidance of doubt, it is specified that holding a position as a director of the Company of as a director of an Affiliated Company (whether remunerated or not) shall not be deemed to constitute an employment relationship

"**Board of Directors**"	means the board of directors of the Company
"**Code**"	means the United States Internal Revenue Code of 1986, as amended
"**Company**"	means ERYTECH PHARMA SA, a corporation organized under the laws of the Republic of France
"**Continuous Status as a Beneficiary**"	means as regards the general manager or the deputy general manager subject to the employee's tax regime, that the term of their office has not been terminated and, as regards an employee, that the employment relationship between the Beneficiary and the Company or any Affiliated Company has not been terminated. For purposes of the Plan, an Optionee shall be deemed to cease Continuous Status as a Beneficiary immediately upon the occurrence of either of the following events: the Optionee no longer performs services as an employee for the Company or any Affiliated Company, or the entity for which the Optionee is performing such services ceases to remain an Affiliated Company, even though the Optionee may subsequently continue to perform services for that entity. Continuous Status as a Beneficiary shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Company; provided, however, that for a leave which exceeds three (3) months, Continuous Status as a Beneficiary shall be deemed, for purposes of determining the period within which any outstanding option held by the Optionee in question may be exercised as an Incentive Stock Option, to cease on the first day immediately following the expiration of such three (3)-month period, unless that Optionee is provided with the right to return to employment following such leave either by statute or by written contract. Except to the extent otherwise required by law or expressly authorized by the Administrator or by the Company's written policy on leaves of absence, no employment credit shall be given for vesting purposes for any period the Optionee is on a leave of absence
"Date of Dismissal"	means the date the employee received its dismissal letter
"**Date of Grant**"	means the date of the decision of the Board of Directors to grant the Options
"**Disability**"	means a disability corresponding to the second or the third categories of Article L. 341-4 of the French Social Security Code or pursuant to any similar provision applicable to a foreign Affiliated Company or, if the Optionee is a U.S. Beneficiary, the inability of the Optionee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment and shall be determined by the Administrator on the basis of such medical evidence as the Administrator deems warranted under the circumstances

"Employee"	means an individual who is in the employ of the Company (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance
"**Exchange Act**"	means the United States Securities Exchange Act of 1934, as amended
"**Fair Market Value**"	means the value for one Share as determined in good faith by the Administrator, according to the terms of the Shareholders Authorization and the following provisions: the Board of Directors may determine the Fair Market Value of a Share by reference to the closing sales price of one share on the regulated market on which the Company is listed for the day prior to the day of the decision of the Board of Directors to grant the options. however, the Fair Market Value of a Share shall in no case be less than ninety-five per cent (95%) of the average of the closing sales price for a share as quoted on said stock exchange market during the twenty market trading days prior to the day of the Board of Directors' decision to grant the options, it being specified that, when an Option entitles the holder to purchase shares previously repurchased by the Company, the exercise price, notwithstanding the above provisions and in accordance with applicable law, may not be less than 95% of the average purchase price paid by the Company for all shares so previously repurchased. This price settled for the subscription or purchase of share shall not be modified during the period in which the option may be exercised. However, if the Company makes one of the operations mentioned in article L. 225-181 of French Commercial Code, it must take all necessary measures to protect the Optionee's interests in the conditions provided for by article L. 228-99 of the French Commercial Code. In case of issuance of securities granting the stock access, as well as in case of the Company's merger or scission, the Board of Directors may decide, for a limited period of time, to suspend the exercisability of the Options
"**Incentive Stock Option**"	means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder
"**Law**"	means French Commercial Code
"**Non-Statutory Stock Option**"	means, for this Agreement, an Option that is not an Incentive Stock Option
"**Notice of Grant**"	means a written notice evidencing the main terms and conditions of an individual Option grant. The Notice of Grant is part of the Option Agreement

"Option"	means an option to purchase or subscribe Shares granted pursuant to the Plan
"**Optionee**"	means a Beneficiary who holds at least one outstanding Option
"**Option Agreement**"	means a written agreement entered into between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan
"**Option Exchange Program**"	means a program pursuant to which the Administrator may effect, at any time and from time to time, with the consent of the affected option holders, the cancellation of any or all outstanding options under the Plan and to grant in substitution therefor new options covering the same or different number of shares of common stock but with an exercise price per share based on the Fair Market Value per share of common stock on the new option grant date
"**Parent**"	means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code
"**Plan**"	means the 2016 Stock Option Plan as authorized by the Board of Directors on October 3rd, 2016
"**Retirement**"	means, pursuant to article L. 1237-5 of the French labor code, the retirement, upon the employer's decision, at full rate of an employee who has reached the age giving right to retirement, or any similar provision applicable to a foreign Affiliated Company
"**Share**"	means a share of the Company
"**Share Capital**"	means the issued and paid up capital of the Company
"**Shareholders Authorization**"	means the authorization given by the shareholders of the Company in the ordinary and extraordinary general meeting held on June 24, 2016 as increased or amended from time to time by a further general meeting of the shareholders permitting the Board of Directors to grant Stock Options
"**Subsidiary**"	means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code
"**U.S. Beneficiary**"	means a Beneficiary of the Company or an Affiliated Company residing in the United States or otherwise subject to United States laws and regulations
"**10% Shareholder**"	means the owner of stock (as determined under Code Section 424(d)) possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or any Parent or Subsidiary)

3. SHARES SUBJECT TO THE PLAN

Subject to the provisions of Section 11 of the Plan and pursuant to the Shareholder Authorization, the maximum aggregate number of Shares which may be optioned and issued under the Plan is equal to 250,000 with a nominal value of 0,10 Euro, adjusted to take into account any operation of split or grouping of shares, being provided that the total number of Shares that can be issued by the Company under this Plan and the share warrants and free shares plans adopted by the Board of Director on October, 3rd 2016 shall not exceed 350,000.

Should the Option expire or become unexercisable for any reason without having been exercised in full, the unsubscribed Shares which were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan.

4. ADMINISTRATION OF THE PLAN

4.1 Procedure

The Plan shall be administered by the Administrator.

4.2 Powers of the Administrator

Subject to the provisions of the Law, the Shareholders Authorization, the Plan, and the Applicable Laws, the Administrator shall have the authority, in its discretion:

i. to determine the Fair Market Value of the Shares, in accordance with Section 1 of the Plan;

ii. to determine the Beneficiaries to whom Options may be granted hereunder;

iii. to select the Beneficiaries and determine whether and to what extent Options are granted hereunder;

iv. to approve or amend forms of agreement for use under the Plan;

v. to determine the terms and conditions of any Options granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine; it being specified that the Administrator's discretion remains subject to the rules and limitations set forth in this Plan and in the Law;

vi. to construe and interpret the terms of the Plan and Options granted pursuant to the Plan;

vii. to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;

viii. to modify or amend each Option (subject to the provisions of Section 13.3 of the Plan), including the discretionary authority to extend the post-termination exercise period of Options after the termination of employment or the end of the term of office, longer than is otherwise provided for in the Plan or the award agreement;

ix. to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Option previously granted by the Administrator;

x. to implement an Option Exchange Program;

xi. to determine the terms and restrictions applicable to Options; and

xii. to make all other determinations deemed necessary or appropriate for administering the Plan.

4.3 Effect of Administrator's Decision

The Administrator's decisions, determinations and interpretations shall be final and binding on all Optionees.

5. LIMITATIONS

5.1 In the case of U.S. Beneficiaries, each Option shall be designated in the Notice of Grant as an *"Incentive Stock Option"* and may only be granted to employees.

The aggregate Fair Market Value of the Shares (determined as of the respective date or dates of grant) for which one or more options granted under the Plan or any other stock option program of the Company (or any Parent or Subsidiary of the Company) may for the first time become exercisable as Incentive Stock Option in any one calendar year shall not exceed U.S. $100,000. To the extent the Employee holds two (2) or more such options which become exercisable for the first time in the same calendar year, the foregoing limitation on the exercisability of such options as Incentive Options shall be applied on the basis of the order in which such options are granted, except to the extent otherwise provided under applicable law or regulation.

5.2 The Options are governed by Articles L. 225-177 *et seq.* of the Law. They are not part of the employment agreement or of the office which has allowed the Optionee to be granted the Option. Neither does it constitute an element of the Optionee's compensation.

Neither the Plan nor any Option shall confer upon an Optionee any right with respect to continuing the Optionee's employment or his term of office with the Company or any Affiliated Company, nor shall they interfere in any way with the Optionee's right or the Company's or Affiliated Company's right, as the case may be, to terminate such employment or such term of office at any time, with or without cause.

6. TERM OF PLAN

Subject to the approval of the shareholders of the Company in accordance with Section 16 of the Plan, the Plan shall be effective and Options may be granted as of October 3, 2016, the date of the Plan's adoption by the Board of Directors. It shall continue in effect until the date of termination of the last Option in force, unless terminated earlier under Section 13 of the Plan.

7. TERM OF OPTION

The term of each Option shall be stated in the Notice of Grant but shall not be in excess of ten (10) years from the Date of Grant in accordance with the Shareholders Authorization. If any Employee to whom an Incentive Stock Option is granted is a 10% Shareholder, then the option term shall not exceed five (5) years measured from the Date of Grant.

8. OPTIONS EXERCISE PRICE AND CONSIDERATION

8.1 Subscription or purchase Price

The per Share subscription or purchase price for the Shares to be issued or sold pursuant to exercise of an Option shall be 100% of the Fair Market Value per Share on the Date of Grant, and 110% for any options granted to shareholders owning 10% or more interest in the corporation.

8.2 Waiting Period and Exercise Dates

At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions which must be satisfied before the Option may be exercised. In so doing, the Administrator may specify that an Option may not be exercised until the completion of a service period with the Company or an Affiliated Company, and in any event, an Incentive Stock Option may not be exercised within two years of its grant.

8.3 Vesting Schedule

Generally and subject to the value limitation provided in Section 5.1 above, the Options may be exercised by their holder on the basis of the following initial vesting schedule:

- 2/3 % of the Shares subject to the Option shall vest on the second anniversary of the Vesting Commencement Date, provided the holder is still employed by the Company, and

- 1/3 % of the Shares subject to the Option shall vest on the third anniversary of the Vesting Commencement Date, provided the holder is still employed by the Company.

8.4 Form of Consideration

The consideration to be paid for the Shares to be issued or purchased upon exercise of Options, including the method of payment, shall be determined by the Administrator. Such consideration shall consist entirely of an amount in Euro corresponding to the subscription or purchase price which may be paid in one or more of the following forms as determined by the Administrator and specified in the Option Agreement:

(a) wire transfer; or

(b) check; or

(c) offset with receivables over the Company, or

(d) any combination of the foregoing methods of payment.

Where the exercise of an Option would lead the Company to be liable for any payment, whether due to fees, taxes or to charges of any nature whatsoever, in place of the Optionee, such Option shall be deemed duly exercised when the full payment for the Shares with respect to which the Option is exercised is executed by the Optionee and the Optionee provides the Company with either the receipt stating the payment by the Optionee of any such fee, tax or charge, as above described that would otherwise be paid by the Company upon exercise of the Option, in place of the Optionee or, the full payment, under the same conditions, of any amount due to the exercise of the Option to be borne by the Company.

9. EXERCISE OF OPTION

9.1 Procedure for Exercise; Rights as a Shareholder

Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement.

An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives: (i) written notice of exercise (in accordance with the provisions of the Option Agreement) together with a share subscription or purchase form (*bulletin de souscription ou d'achat*) duly executed by the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued or sold upon exercise of an Option shall be sold to or issued in the name of the Optionee, or if requested, in the name of the Optionee and his or her spouse.

Where the exercise of an Option would lead the Company to be liable for any payment, whether due to fees, taxes or to charges of any nature whatsoever, in place of the Optionee, such Option shall be deemed duly exercised when the full payment for the Shares with respect to which the Option is exercised is executed by the Optionee and the Optionee provides the Company with either the receipt stating the payment by the Optionee of any such fee, tax or charge, as above described that would otherwise be paid by the Company upon exercise of the Option, in place of the Optionee or, the full payment, under the same conditions, of any amount due to the exercise of the Option to be borne by the Company.

Upon exercise of an Option, the Shares issued or sold to the Optionee shall be assimilated with all other Shares of the Company and shall be entitled to dividends paid on such shares as from the exercise of the Option.

In the event that a Beneficiary infringes one of the above mentioned commitments, such Beneficiary shall be liable for any consequences resulting from such infringement for the Company and undertakes to indemnify the Company in respect of all amounts payable by the Company in connection with such infringement.

Granting of an Option in any manner shall result in a decrease in the number of Shares which thereafter may be available for purposes of the Plan, by the number of Shares subject to the Option.

9.2 Termination of the Optionee's Continuous Status as Beneficiary

The following provisions shall govern the exercise of any Options held by the Optionee at the time of cessation of Continuous Status as a Beneficiary or death:

i. Upon termination of an Optionee's Continuous Status as a Beneficiary, other than upon the Optionee's death or Disability, the Optionee may exercise his or her Option, but only within such period of time as is specified in the Notice of Grant, and only for the vested part of the Options (but in no event later than the expiration of the term of such Option as set forth in the Notice of Grant). Unless a longer period is specified in the Notice of Grant, the Option shall remain exercisable for one (1) month following the Optionee's termination of Continuous Status as a Beneficiary.

ii. In the event that an Optionee's Continuous Status as a Beneficiary terminates as a result of the Optionee's Disability, the Optionee may exercise his or her Option at any time within six (6) months from the date of such termination and only for the vested part of the Options, (but in no event later than the expiration of the term of such Option as set forth in the Notice of Grant).

iii. In the event of the death of an Optionee during the term of the Option, the Option may be exercised at any time within six (6) months following the date of death and only for the part of the Options vested at the time of death, by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance,

iv. During the applicable post-termination exercise period, the Option may not be exercised in the aggregate for more than the number of Shares for which the Option is exercisable on the date of the Optionee's cessation of Continuous Status as a Beneficiary. The Option shall not become exercisable for any

additional Shares under the Option following the Optionee's cessation of Continuous Status as a Beneficiary, except to the extent (if any) specifically authorized by the Administrator in its sole discretion pursuant to an express written agreement with the Optionee. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the Option shall terminate and cease to be outstanding.

v. Any Option which is left unexercised by reason of termination of the Beneficiary's Continuous Status, death or disability shall revert to the Plan.

10. NON-TRANSFERABILITY OF OPTIONS

(a) An Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

(b) Prior to the date the Company first becomes subject to the reporting requirements of Section 13 or 15(d) of the 1934 Act, outstanding Options under the Plan, together with the Shares subject to those Options during the period prior to exercise, shall not be the subject of any short position, put equivalent position (as such term is defined in Rule 16a-1(h) under the 1934 Act) or call equivalent position (as such term is defined Rule 16a-1(b) of the 1934 Act).

11. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION, DISSOLUTION, MERGER OR ASSET SALE

11.1 Changes in capitalization

In the event of the carrying out by the Company of any of the financial operations pursuant to Article L 225-181 of the Law as follows:

- amortization or reduction of the share capital,
- amendment of the allocation of profits,
- distribution of free shares,
- capitalization of reserves, profits, issuance premiums,
- the issuance of shares or securities giving right to shares to be subscribed for in cash or by set-off of existing indebtedness offered exclusively to the shareholders;

the Company shall take the required measures to protect the interest of the Beneficiaries in the conditions set forth in article L. 228-99 of the Law and in accordance with Applicable Laws.

11.2 Dissolution or Liquidation

In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, it will terminate immediately prior to the consummation of such proposed action. The Administrator may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date determined by the Administrator and give each Optionee the right to exercise his or her Option as to Shares for which the Option would not otherwise be exercisable.

11.3 Merger or Asset or Shares Sale

In the event of the signing of a merger agreement by way of the absorption of the Company by another company, or in the event of a Bid likely to result in a Change of Control or a Bid submitted following to a Change of Control (hereinafter, in each case, an "**Operation**"), each outstanding Option shall be assumed or an equivalent option or right shall be substituted by the successor corporation or an affiliated company of the successor corporation.

In the event that the successor corporation, or an affiliated company of the successor corporation, refuses to assume or substitute for the Option, the Option shall vest and become exercisable in full immediately prior to the effective date of the Operation, should the Administrator decide so.

Immediately after the effective date of the Operation, all outstanding Options shall terminate and cease to be outstanding except to the extent assumed by the successor corporation or an affiliated company of the successor corporation.

For the purposes of this paragraph, the Option shall be considered assumed if, following the Operation, the Option confers the right to purchase, for each Share subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the Operation by holders of stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Operation was not solely common stock of the successor corporation, or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option for each Share subject to the Option, to be solely common stock of the successor corporation or its Parent equal in Fair Market Value to the per share consideration received by holders of Shares in the Operation.

"**Change of Control**" refers to the event to which one or several persons acting in concert hold more than 50% of the Company's voting rights or share capital.

"B**id**" refers to any bid (purchase, exchange, mixed, etc.) dealing with all the shares of the Company (i) subject to a conformity decision by the *Autorité des Marchés Financiers*, (ii) [recommended or endorsed by the Board of Directors of the Company and, (iii)] if it is subject to the normal legal procedure, having had a favorable outcome.

12. GRANT

12.1 The Date of Grant of an Option shall be, for all purposes, the date on which the Administrator decides to grant such Option. Notice of Grant shall be provided to each Optionee within a reasonable time after the Date of Grant.

12.2 Except as provided by Law, in the event of any tax liability arising on account of the Grant of the Options, the liability to pay such taxes shall be that of the Beneficiary alone. The Company's obligation to deliver Shares upon the exercise of any Options granted under the Plan shall be subject to the satisfaction of all applicable income, employment and other tax withholding requirements.

The Beneficiary shall enter into such agreements of indemnity and execute any and all documents as the Company may specify for this purpose, if so required at the time of the Grant and at any other time at the discretion of the Company, on such terms and conditions as the Company may think fit, for recovery of the tax due, from the Beneficiary.

13. AMENDMENT AND TERMINATION OF THE PLAN

13.1 Amendment and Termination

The Administrator may at any time amend, alter, suspend or terminate the Plan.

13.2 Shareholders' approval

The Company shall obtain the shareholders' approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws (including the requirements of any exchange or quotation system on which Shares may then be listed or quoted). Such shareholders' approval, if required, shall be obtained in such a manner and to such a degree as is required by the applicable law, rule or regulation.

13.3 Effect of amendment or termination

No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company.

14. CONDITIONS UPON ISSUANCE OF SHARES

14.1 Legal Compliance

The implementation of the Plan, the granting of Options under the Plan and the issuance of Shares pursuant to the exercise of an Option shall be subject to compliance with all relevant provisions of law including, without limitation, the Law, the United States Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, Applicable Laws and the requirements of any stock exchange or quotation system upon which the Shares may then be listed or quoted.

14.2 Investment Representations

As a condition to the exercise of an Option by a Beneficiary, the Company may require representations from any person exercising Options if, in the opinion of counsel for the Company, such representations are required.

15. LIABILITY OF COMPANY

15.1 The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by any counsel to the Company to be necessary to the lawful issuance or sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15.2 In addition, the Company and its Affiliated Companies may not be held responsible in any way if the Beneficiary for any other reason not attributable to the Company or its Affiliated Companies was not able to exercise the Options or acquire the Shares.

16. SHAREHOLDERS' APPROVAL

The Plan shall be subject to further approval by the shareholders of the Company within twelve (12) months of the date the Plan is adopted by the Board of Directors. Such shareholder approval shall be obtained in the manner and to the degree required under the Law and Applicable Laws.

17. LAW, JURISDICTION AND LANGUAGE

This Plan shall be governed by and construed in accordance with the laws of France. The relevant court of the registered office of the Company shall be exclusively competent to determine any claim or dispute arising in connection herewith.

The grant of Options under this Plan shall entitle the Company to require the Beneficiary to comply with such requirements of law as may be necessary in the Options of the Company from time to time.

*
* * *

ERYTECH PHARMA
STOCK OPTION GRANT AGREEMENT
PART I
NOTICE OF STOCK OPTION GRANT

[*Optionee's Name and Address*]

You have been granted Options to subscribe Shares of the Company, subject to the terms and conditions of the 2016 Stock Option Plan (the "**Plan**") and this Option Agreement. Options are governed by Articles L. 225-177 and following of the French Commercial Code. They are not part of the employment agreement or of the office which has allowed the Optionee to be granted the Options. Neither does it constitute an element of the Optionee's compensation. Unless otherwise defined herein, capitalized terms in this Option Agreement shall have the meaning assigned to them in the Plan.

Grant Number(1) :	
Date of Grant(2) :	
Vesting Commencement Date(3) :	
Exercise Price per Share:	EUR
Total Number of Shares Granted:	
Total Exercise Price:	EUR
Type of Options(4) :	[Incentive Stock Option]
Term/Expiration Date(5) :	

Where the exercise of an Option, as described under Article 9.1 of the Plan, would lead the Company to be liable for any payment, whether due to fees, taxes or to charges of any nature whatsoever, in place of the Optionee, such Option shall be deemed duly exercised when the full payment for the Shares with respect to which the Option is exercised is executed by the Optionee and the Optionee provides the Company with either the receipt stating the payment by the Optionee of any such fee, tax or charge, as above described that would otherwise be paid by the Company upon exercise of the Option, in place of the Optionee or, the full payment, under the same conditions, of any amount due to the exercise of the Option to be borne by the Company.

In the event that you infringe one of the above mentioned commitments, you shall be liable for any consequences resulting from such infringement for the Company and undertake to indemnify the Company in respect of all amounts payable by the Company in connection with such infringement.

1. Validity of the Options

The Options will be valid as from the Date of Grant.

2. Vesting Schedule

The Options may be exercised by their holder, subject to the value limitation provided in Section 5.1 of the Plan, on the basis of the following initial vesting schedule:

- 2/3 % of the Shares subject to the Option shall vest on the second anniversary of the Vesting Commencement Date, provided the holder is still employed by the Company and

- 1/3 % of the Shares subject to the Option shall vest on the third anniversary of the Vesting Commencement Date, provided the holder is still employed by the Company.

(1) reference number to be allocated by the Company, if it wishes so
(2) date of the management board meeting having allocated the Option
(3) date chosen by the management board as the date of beginning of the vesting schedule or, if not, date of granting of the Option by the management board
(4) for U.S. Beneficiaries only
(5) date of termination of the Option (article 7 of the Plan)

For purposes of this Agreement, “Vesting Commencement Date” shall mean the date of grant of the Option.

Except as may be specifically stated herein, the holder must be employed on a vesting date for vesting to occur. There shall be no proportionate or partial vesting in the period prior to each vesting date and all vesting shall occur only on the appropriate vesting date.

The right of exercise shall be cumulative so that to the extent the Option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the final exercise date or the termination of this Option under the Plan.

It is specified that the number of Shares which may be subscribed pursuant to the exercise of Options pursuant to the above vesting schedule will always be rounded down to the nearest full number of Shares.

If the Beneficiary fails to exercise the Options in whole or in part within the said period of ten (10) years, the Options will lapse automatically.

3. Operation

As an exception to the above,

- in the event of the signing of a merger agreement by way of the absorption of the Company by another company, or in the event of a Bid likely to result in a Change of Control or a Bid submitted following to a Change of Control (an “**Operation**”), then vesting of the Options will be accelerated in part immediately prior to the effective date of the Operation so that 100% of the Options that are not vested as of such date pursuant to this Option Agreement shall become exercisable as of such date and may be exercised for the Shares subject to those accelerated Options as vested shares.

- If the Options are to be assumed by the successor corporation (or an affiliated company thereof) in connection with the Operation, then the Optionee shall continue, over his or her period of Continuous Status as a Beneficiary following the Operation to vest in the remaining unvested Options in one or more installments in accordance with the Vesting Schedule specified above.

4. Termination Period

The Options may be exercised for one (1) month after termination of the Optionee’s Continuous Status as a Beneficiary, to the extent the Options are exercisable at the time of termination.

Upon the death of the Optionee, the Options may be exercised during a period of six (6) months as provided in the Plan. Upon the Disability of the Optionee, the Options may be exercised during a period of six (6) months as provided in the Plan. In no event may the Options be exercised after the Term/Expiration Date.

Save as provided in the Plan, in no event shall the Options be exercised later than the Term/Expiration Date as provided above. Should the Options expire or become unexercisable for any reason without having been exercised in full, the unsubscribed Shares which were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan.

By his signature and the signature of the Company’s representative below, the Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement. The Optionee has reviewed the Plan and this Option Agreement in their entirely, has had the opportunity to obtain the advice of counsel prior to executing this Option Agreement and fully understands all provisions of the Plan and Option Agreement. The Optionee agrees to be bound by the terms of the Plan, the terms of the Option as set forth in this Option Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Option Agreement. The Optionee further agrees to notify the Company upon any change in the residence address indicated below.

ERYTECH PHARMA
STOCK OPTION GRANT AGREEMENT
PART II
TERMS AND CONDITIONS

1. Grant of Option

1.1 The Administrator of the Plan hereby grants to the Optionee named in the Notice of Grant attached as Part I of this Agreement (the "**Optionee**"), [_____] options (the "**Options**") to subscribe the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "**Exercise Price**"), subject to the terms and conditions of the Plan, which is incorporated herein by reference.

In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan shall prevail.

1.2 The Option will be valid as from the Date of Grant.

1.3 Except as provided by Law, in the event of any tax liability arising on account of the Grant of the Options, the liability to pay such taxes shall be that of the Beneficiary alone. The Beneficiary shall enter into such agreements of indemnity and execute any and all documents as the Company may specify for this purpose, if so required at the time of the Grant and at any other time at the discretion of the Company, on such terms and conditions as the Company may think fit, for recovery of the tax due, from the business associate.

2. Exercise of Option

2.1 Right to Exercise

This Option is exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Grant and the applicable provisions of the Plan and this Option Agreement. In the event of the Optionee's death, Disability or other termination of Optionee's Continuous Status as a Beneficiary, the exercisability of the Option is governed by the applicable provisions of the Plan and this Option Agreement.

2.2 Method of Exercise

This Option is exercisable by delivery of an exercise notice (the "**Exercise Notice**"), comprising a share subscription form (*bulletin de souscription*) which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "**Exercised Shares**"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be signed by the Optionee and shall be delivered in person or by certified mail to the Company or its designated representative or by facsimile message to be immediately confirmed by certified mail to the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. The Optionee must make appropriate arrangements with the Company (or Affiliated Company employing the Optionee) for the satisfaction of all applicable income and employment tax withholding requirements applicable to the Option exercise. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the proof of payment of such aggregate Exercise Price and withholding taxes.

No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with all relevant provisions of law as set out under Section 14(a) of the Plan.

Upon exercise of an Option, the Shares issued to the Optionee shall be assimilated with all other Shares of the Company and shall be entitled to dividends for the fiscal year in course during which the Option is exercised.

3. Method of Payment

Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(c) wire transfer with the execution of the corresponding exchange contract; or

(d) check;

(e) if the Optionee is not a U.S. Beneficiary, offset between receivables; or

(f) any combination of the foregoing methods of payment.

Where the exercise of an Option would lead the Company to be liable for any payment, whether due to fees, taxes or to charges of any nature whatsoever, in place of the Optionee, such Option shall be deemed duly exercised when (a) the full payment for the Shares with respect to which the Option is exercised is executed by the Optionee and (b) the Optionee provides the Company with either (i) the receipt stating the payment by the Optionee of any such fee, tax or charge, as above described that would otherwise be paid by the Company upon exercise of the Option, in place of the Optionee or, (ii) the full payment, under the same conditions, of any amount due to the exercise of the Option to be borne by the Company.

The Company and its Affiliated Companies may not be held responsible in any way if the Beneficiary for any reason not attributable to the Company or its Affiliated Companies was not able to exercise the Option or purchase the Shares. The payment for the purchase of the shares shall be made by the Optionee under his/her own responsibility according to these Terms and Conditions.

4. Non-Transferability of Option

This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

5. Term of Option

Subject as provided in the Plan, this Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

6. **Additional Terms Applicable to an Incentive Stock Options**

For the Incentive Stock Options, the following terms and conditions shall also apply to the grant:

This Option shall cease to qualify for favorable tax treatment as an Incentive Stock Option if (and to the extent) this Option is exercised for one or more Shares: (i) more than three (3) months after the date the Optionee ceases to be an Employee for any reason other than death or Permanent Disability or (ii) more than twelve (12) months after the date the Optionee ceases to be an Employee by reason of Permanent Disability.

No installment under this Option shall qualify for favorable tax treatment as an Incentive Stock Option if (and to the extent) the aggregate Fair Market Value (determined at the Date of Grant) of the Shares for which such installment first becomes exercisable hereunder would, when added to the aggregate value (determined as of the respective date or dates of grant) of any earlier installments of the Shares and any other securities for which this Option or any other Incentive Stock Options granted to the Optionee prior to the Date of Grant (whether under the Plan or any other option plan of the Company or any Subsidiary) first become exercisable during the same calendar year, exceed One Hundred Thousand U.S. Dollars (U.S. $100,000) in the aggregate. Should such One Hundred Thousand Dollar ($100,000) limitation be exceeded in any calendar year, this Option shall nevertheless become exercisable for the excess shares in such calendar year as a Non-Statutory Stock Option. Optionee hereby acknowledges that there is no

assurance that the Option will, in fact, be treated as an Incentive Stock Option under Section 422 of the Code. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option.

Should the Optionee hold, in addition to this Option, one or more other options to purchase Shares which become exercisable for the first time in the same calendar year as this Option, then for purposes of the foregoing limitations on the exercisability of such options as Incentive Stock Options, this Option and each of those other options shall be deemed to become first exercisable in that calendar year on the basis of the chronological order in which they were granted, except to the extent otherwise provided under applicable law or regulation.

For this purpose, Permanent Disability shall mean the inability of the Optionee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that is expected to result in death or has lasted or can be expected to last for a continuous period of twelve (12) months or more.

7. Entire Agreement - Governing Law

The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee. This agreement is governed by the laws of the Republic of France.

Any claim or dispute arising under the Plan or this Agreement shall be subject to the exclusive jurisdiction of the court competent for the place of the registered office of the Company.

OPTIONEE

ERYTECH PHARMA SA

By: _____

Signature

Title: _____

Print Name

Residence Address

2016 AGA Plan

Erytech Pharma
A French Joint Stock company (Société Anonyme) with share capital of €792,461.10
Headquarters: 60, avenue Rockefeller, 69008 Lyon
Lyon Trade Register 479 560 013

TERMS AND CONDITIONS OF THE BONUS SHARE ALLOTMENT PLAN

Adopted by the Board of Directors on October 3, 2016

TABLE OF CONTENTS

1. GENERAL PROVISIONS

A bonus share allotment plan is a mechanism by which a company allots at no cost a certain number of its existing or future shares to employees and corporate officers who meet the conditions defined in Article L. 225-197-1, II of the French Commercial Code, and to employees and corporate officers of the companies or groups related to the Company as this term is used in Article L. 225-197-2, 1 of the French Commercial Code.

Based on the authorization granted under the Twenty-Eighth Resolution of the Combined Shareholders' Meeting of Erytech Pharma, a joint stock company with share capital of €792,461.10 and headquarters at 60, avenue Rockefeller, 69008 Lyon, registered with the Trade Register of Lyon under number 479 560 013 (the "**Company**") on June 24, 2016, the Board of Directors decided at its October 3, 2016 meeting to adopt the terms and conditions (the "**Terms and Conditions**") governing the allotment of bonus shares of the Company to the Beneficiaries (as this term is defined below), under the stipulations of Articles L. 225-197-1 et seq. of the Commercial Code, which shall regulate said allotment of bonus shares according to the terms and conditions set forth below.

Except where otherwise decided by the Board of Directors, the Terms and Conditions shall be applicable to all bonus share allotments that may be approved by the Board of Directors on the basis of the Twenty-Eighth Resolution adopted by the Combined Shareholders' Meeting of June 24, 2016.

2. PURPOSE OF THE TERMS AND CONDITIONS

Through the allotments of bonus shares, the Company wishes to attract and retain high quality employees to work in positions of responsibility, to provide additional motivation to the Beneficiaries and thus to make them partners in the development of the Group.

3. DEFINITIONS

"**Share**"	means one or more shares of the Company.
"**Initial Allotment**"	means any decision made by the Board of Directors to allot Bonus Shares to a given Beneficiary which grants to this Beneficiary the right to receive all or some of said Bonus Shares at the end of each Vesting Period, provided that all requirements of the Terms and Conditions have been met.
"**Definitive Allotment**"	means the allotment that occurs at the end of a Vesting Period, after which a Beneficiary becomes the effective and definitive owner of all or some of the Shares comprising the relevant Tranche.
"**Authorization of Shareholders**"	means the authorization to grant Bonus Shares given to the Board of Directors by the Erytech Pharma shareholders at the Combined Shareholders' Meeting on June 24, 2016 as modified by a subsequent shareholders' meeting, if appropriate.
"**Beneficiary**"	means an Eligible Person to whom at least one Share has been allotted pursuant to the Terms and Conditions.
"**Initial Allotment Date**"	means the date on which the Board of Directors grants Bonus Share Allotments and is the starting date of the Vesting Period.
"**Final Allotment Date**"	means the date on which each Beneficiary shall effectively acquire all or some of the allotted Shares at the end of a Vesting Period.
"**Eligible Person**"	means a corporate officer (Chairman, Chief Executive Officer or Chief Operating Officer of the Company), or an Employee of the Company or of an Affiliated Company who meets the conditions stipulated in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code and satisfies the terms and criteria defined by the Board of Directors in its decision dated October 3, 2016.
"**Manager**"	means the Board of Directors of the Company, which administers the Terms and Conditions in accordance with Article 5 of these Terms and Conditions.

"**Disability**"	means a disability of the Beneficiary which corresponds to the second or third category stipulated in Article L.341-4 of the Social Security Code.
"**Group**"	designates the Group composed of the Company and the Affiliated Companies.
"**Vesting Periods**"	means the periods defined in Article 9.1.1, which each begin to run from the Initial Allotment Date, during which Beneficiaries do not yet own the Shares allotted to them but are owners of a conditional, future claim against the Company.
"**Holding Periods**"	means the periods during which Beneficiaries may not Assign Shares that have been definitively awarded pursuant to Article 9.3 of the Terms and Conditions.
"**Terms and Conditions**"	means this 2016 AGA Plan as adopted by the Manager on October 3, 2016.
"**Employee**"	means an individual person who is employed by the Company or any Affiliated Company and subject to the direction and control of the employing entity in the performance and conduct of the work to be accomplished.
"**Company**"	means Erytech Pharma, a French Joint Stock Company.
"**Affiliated Company**"	means a company that meets the criteria stipulated in Article L.225-197-2, I of the French Commercial Code: • companies or economic interest groups in which the Company holds at least 10% of the capital or voting rights, either directly or indirectly; • companies or economic interest groups that directly or indirectly hold at least 10% of the capital or voting rights in the Company; • companies or economic interest groups in which at least 50% of the capital or voting rights is held, either directly or indirectly, by a company that itself holds, directly or indirectly, at least 50% of the capital of the Company.
"**Assign**"	means the act of transferring, even temporarily, the ownership, co-ownership, bare ownership or beneficial interest in any manner whatsoever, including through a pledge or lease of shares.

4. SHARES GOVERNED BY THESE TERMS AND CONDITIONS

Subject to the application of Article 14 of the Terms and Conditions and in accordance with the Authorization of the Shareholders, the maximum number of Shares in an Initial Allotment under the Terms and Conditions is 250,000 Shares with a par value of €0.10, adjusted if applicable to take into account any split or reverse split of the Shares, divided into the three tranches (the "**Tranches**") described below:

i. **Tranche 1:** 83,333 Shares;

ii. **Tranche 2:** 83,333 Shares, increased by the total number of Shares not definitively awarded to the Beneficiaries for Tranche 1; and

iii. **Tranche 3**: 83,334 Shares, increased by the total number of Shares not definitively awarded to Beneficiaries for Tranche 2;

with the stipulation that the total number of capital increases that may be performed pursuant to plans to award bonus shares, equity warrants and stock options adopted by the Board of Directors on October 3, 2016 may not exceed the threshold of 350,000 shares of common stock.

5. ADMINISTRATION OF THE TERMS AND CONDITIONS

5.1. Administration

The Terms and Conditions are administered by the Manager

5.2. Powers of the Manager

Within the limits of the provisions of the French Commercial Code, the Shareholder Authorization and the Terms and Conditions, the Manager has discretionary power to:

i. determine the Eligible Persons to whom Bonus Shares shall be allotted and to decide on the number of Bonus Shares to be granted to each of them in each Tranche;

ii. determine the terms and conditions of any Initial Allotment;

iii. analyze and interpret the terms of the Terms and Conditions;

iv. determine, amend or cancel any provision of the Terms and Conditions; and

v. make any necessary or timely decision in the administration of the Terms and Conditions.

5.3. Impact of the Manager's Decisions

The decisions and interpretations made by the Manager are final and are binding on all Beneficiaries.

6. LIMITATIONS

a. The Bonus Shares allocated are governed by Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code. They do not in any manner whatsoever constitute an element of the employment contract or corporate office or compensation of the Beneficiary in question.

Neither the Terms and Conditions, nor any Bonus Share allotted shall grant a Beneficiary the right to continued employment in the Company or Affiliated Company, or the continuation of a corporate office in the Company, and do not in any way limit the right that the Beneficiary, the Company or an Affiliated Company may have to terminate under any circumstance this employment or corporate office, with or without cause.

b. In accordance with Article L. 225-197-1 II of the French Commercial Code, no Bonus Share may be allotted to an Eligible Person who directly owns, at the time of the Bonus Share allotment, over 10% of the capital of the Company, or for whom the allotment would raise his stake to more than 10% of the share capital of the Company.

c. In addition, in application of Article L. 225-197-1 I of the French Commercial Code, the total number of Bonus Shares to allotted may not exceed 10% of the share capital.

7. DURATION OF THE TERMS AND CONDITIONS

Using the Shareholders' Authorization and the powers granted to it by said Authorization, the Board of Directors, in its October 3, 2016 decision, approved the Terms and Conditions that took effect on October 3, 2016, and the Bonus Shares may be allotted from that date. The Bonus Shares may allotted until the expiration of a period of thirty-eight (38) months from the Shareholders' Authorization. Unless the Terms and Conditions are canceled early pursuant to Article 12, they shall remain in effect until the expiration of the Holding Period of the last Bonus Share allotted.

8. BONUS SHARES ALLOTMENT

8.1. Allotment decision

The Manager may decide to allot Bonus Shares to Eligible Persons at any time up to the limits of the Shareholders' Authorization and the duration of the Terms and Conditions stipulated in Article 7 above.

8.2. Allotment of Shares and Acceptance by Beneficiaries

Each Eligible Person is informed of an Initial Allotment by letter indicating (i) the number of Bonus Shares allotted to him/her for each Tranche; (ii) the duration of each Vesting Period, (iii) the duration of the Holding Periods, (iv) the conditions and criteria to be met for the allotment to become final at the end of each Vesting Period; and (v) all responsibilities of the Eligible Person. A copy of the Terms and Conditions shall be attached to this notification letter. A model of the notification letter appears in Appendix A of the Terms and Conditions.

This notification letter is sent to the Beneficiary by registered mail with return receipt requested or hand delivered to the Beneficiary by the Manager or any other duly authorized person, and the Beneficiary acknowledges receipt.

If a Beneficiary wishes to take advantage of the Initial Allotment, he/she must indicate approval to the Company by sending, via registered mail with return receipt requested or hand delivery to the Manager, the second copy of the notification of the Initial Allotment to the Company, with his or her signature under the heading "*Bon pour Acceptation*" ("Approved") within thirty (30) days from receipt of the notification of the Initial Allotment.

If this is not done, the Initial Allotment shall expire.

The acceptance of the Terms and Conditions by Beneficiaries is deemed acceptance of all provisions therein.

9. SCHEDULE OF BONUS SHARE ALLOTMENT

9.1. Vesting Periods

9.1.1. Duration of Vesting Periods

The Initial Allotment to Beneficiaries will not become final:

i. for Shares allotted in Tranche 1: until the end of a Vesting Period of one (1) year from the Initial Allotment decision made by the Manager;

ii. for Shares allotted in Tranche 2: until the end of a Vesting Period of two (2) years from the Initial Allotment decision made by the Manager;

iii. for Shares allotted in Tranche 3: until the end of a Vesting Period of three (3) years from the Initial Allotment decision made by the Manager;

provided that, during the entire Vesting Period in question, the Beneficiary has retained the status of Eligible Person and has complied with the allotment criteria set out in Article 10 below.

9.1.2. Pursuant to Article L. 225-197-3 of the French Commercial Code, the rights arising from the Initial Allotment may not be assigned or transferred by any means until the end of the Vesting Period in question.

Therefore, in the event of resignation, departure or retirement, termination of an employment contact of a Beneficiary by mutual agreement with the company concerned, or dismissal, withdrawal or non-renewal of the corporate position of a Beneficiary during a Vesting Period, for any reason, the Beneficiary shall lose any right to the Final Allotment and may not claim any compensation in this respect, except where previously decided to the contrary by the Manager.

9.1.3. Termination of a Beneficiary and/or dismissal and/or non-renewal of the Beneficiary's corporate positions during the Vesting Period

a) If a Beneficiary holds an employment contract only, the loss of the right to the Final Allotment shall occur on the date of receipt (or of the first presentation) of the notification of dismissal, notwithstanding (i) the possible existence of an advance notice period, whether given or not, (ii) any dispute by the Beneficiary of his dismissal and/or the causes of the dismissal, and (iii) any legal decision that may call into question the legitimacy of the dismissal.

b) If a Beneficiary holds a corporate office only, the loss of the right to the Final Allotment shall occur on the date of the meeting of the competent corporate entity that decided to dismiss or replace the Beneficiary in his corporate position if the Beneficiary was present at the meeting, or as of the date the Beneficiary received notification of this decision if the Beneficiary did not attend the meeting, notwithstanding (i) the possible existence of an advance notice period, whether given or not, (ii) any dispute by the Beneficiary of his dismissal and/or the causes of the dismissal, and (iii) any legal decision that may call into question the legitimacy of the dismissal.

c) If a Beneficiary holds both an employment contract and a corporate office and loses these two positions simultaneously or successively, the loss of the right to the Final Allotment shall begin on the date of receipt of the last of the two notifications described in the previous paragraphs.

9.1.4. Resignation during the Vesting Period

If the Beneficiary resigns as an employee, if he is only an employee, or as a corporate officer, if only a corporate officer, or resigns from his/her position as employee and corporate officer simultaneously or successively if the Beneficiary holds both positions concurrently, the loss of the right to the Final Allocation shall occur:

- if the Beneficiary is an employee or corporate officer only, on the date the Company receives the Beneficiary's letter of resignation or the date it is hand delivered to a duly authorized representative of the company that employs him/her; or
- if the Beneficiary is both an employee and a corporate officer, on the date the first letter of resignation is received by the Company or is hand delivered to a duly authorized representative of the company that employs him/her;

notwithstanding the possible existence of advance notice, whether given or not.

9.1.5. Termination by mutual agreement of the Beneficiary and the company that employs the Beneficiary during the Vesting Period

If an employment contract is terminated by mutual agreement of the Beneficiary and the company that employs him/her (including conventional termination) if the Beneficiary is an employee only, or if an employment contract is terminated by mutual agreement of the Beneficiary and the company that employs him/her, and there is a simultaneous or successive resignation or dismissal from his/her corporate office if the Beneficiary held both positions, the Beneficiary shall lose his/her right to the Final Allotment as of the first date an agreement is signed terminating the Beneficiary's position as an employee (or the date on which the administration approved the conventional termination), or the date of receipt of the notification of termination of the corporate office or the date such office was resigned.

9.1.6. Retirement of a Beneficiary during the Vesting Period, death, disability

In the event of the retirement of a Beneficiary during a Vesting Period, the Beneficiary shall lose the right to the Final Allotment as of the date of departure.

However, as an exception to the preceding:

i. if the company that employs the Beneficiary forces the Beneficiary to retire during a Vesting Period in compliance with legal and regulatory provisions, the Beneficiary shall retain his/her right to the Final Allotment at the end of the Vesting Period, provided they comply with the rules for each Vesting Period;

ii. in the event of the death of a Beneficiary during the Vesting Period, the heir may request the Final Allotment within a period of six (6) months after the death;

iii. in the case of disability, a Beneficiary may request the Final Allotment of the Shares within a period of six (6) months of the event resulting in the disability.

9.1.7. It is specified that, during Vesting Periods, Beneficiaries are not owners of the Shares and have no related rights. In particular, they cannot collect nor have a right to dividends, have no voting rights, and have no right to the information communicated to shareholders attached to the Shares.

9.2. Delivery of the Securities

At the end of each Vesting Period, provided the Beneficiaries have met the vesting conditions and criteria defined in Article 10 below, the Company shall transfer and inform the Beneficiaries of the number of shares definitively allotted as determined by the Board of Directors. A model of the notification letter appears in Appendix B of the Terms and Conditions.

9.3. Holding periods of the Shares

9.3.1. If the Beneficiary is a corporate officer

As of the Final Allotment of the Shares, the Beneficiary must hold:

i. all Shares vested in Tranche 1 for a Holding Period of one (1) year; and

ii. at least ten per cent (10%) of the aggregate number of vested Shares in each of the Tranches until the termination of his or her position.

It is specified that no Holding Period is required for the vested Shares allotted in Tranche 2 or Tranche 3, subject to the stipulations of paragraph (ii) above.

9.3.2. If the Beneficiary is not a corporate officer

As of the Final Allotment of the Shares, the Beneficiary must hold all vested Shares in Tranche 1 for a Holding Period of one (1) year.

No Holding Period is required for the vested Shares in Tranche 2 or Tranche 3.

9.3.3. Vested shares must be recorded in registered form in an account noting this holding restriction, as appropriate.

However, the Shareholders' Meeting stipulated, provided that the transfer of the Shares vested before the end date stated in the preceding paragraph does not compromise the Preferential Treatment as defined in Article 13 of this document, that Shares vested shall be freely transferable, in compliance with the bylaws of the Company and regulations governing companies whose shares are listed on a regulated market, in the event of:

i. the Disability of the Beneficiary as provided for under Article L. 225-197-1, I para. 6 of the French Commercial Code, or

ii. the death of the Beneficiary, via his/her heirs pursuant to Article L.225-197-3, para. 2 of the same Code.

9.3.4. A Beneficiary holds the status of shareholder as soon as the Shares are vested and throughout the Holding Period. Therefore, a Beneficiary may exercise the rights attached to the Bonus Shares during the Holding Period.

At the end of the Holding Period, the vested Shares may be freely transferred by the Beneficiary, subject to the Company's bylaws and the regulations governing companies whose shares are listed on a regulated market.

10. ALLOTMENT CRITERIA AND CONDITIONS

10.1. Criteria and conditions

The Vesting of the Shares depends on compliance with the following two conditions set by the Manager, which must be confirmed at the end of each Vesting Period:

i. Beneficiaries must maintain the status of Eligible Persons throughout the entire Vesting Period in question; and

ii. Achievement of a performance objective based on the increase in the price of the Company's share between the Initial Allotment Date and the Final Allotment Date of the Shares, determined using the following formula:

T = (ERYPi / ERYP2016) - 1

in which:

T: is the rate of achievement of performance targets, expressed as a percentage.

ERYPi: is the average of the closing prices of the Company's share for the 40 days preceding the Final Allotment Date.

10.2. Measuring performance

The rate of achievement of performance objectives, measured by the Manager at the end of each Vesting Period, is used to determine the number of Shares to be definitively allotted to Beneficiaries in a Tranche at the end of each Vesting Period, by multiplying the number of Shares initially allotted for the Tranche by the rate of achievement of the performance objectives.

If the rate of achievement of the performance objectives is less than or equal to 0%, no Share shall be definitively allotted to a given Beneficiary for that Tranche, whereas if the rate of achievement of the performance objectives is equal to or greater than 100%, all of the Shares initially allotted to a given Beneficiary for that Tranche shall be definitively allotted.

When the number of Bonus Shares obtained is not a whole number, the number of Shares definitively allotted shall be rounded down to the closest whole number.

10.3. Measurement of performance in the event of an anticipated transfer of control

As an exception to the above, in the event of a merger by absorption of the Company by another company or in the event of an Offer, after the Tranche 1 Vesting period, that is likely to result in a Change of Control or that is filed following a Change of Control (designated hereinafter in each case as an "**Operation**"), all the Shares initially allotted and not yet vested on that date shall be automatically and definitively allotted early by the Board of Directors of the Company

"**Change of Control**" designates the event by which one or more persons acting in concert come to hold more than 50% of the capital or voting rights of the Company.

"**Offer"** designates any public offer (tender offer, exchange, combined, etc.) for all of the Company's shares (i) which has been filed with the French Autorité des marchés financiers, (ii) has been declared compliant by the French Autorité des marchés financiers, (iii) has been recommended or approved by the Board of Directors of the Company and, (iv) if it has been subject to the normal procedure rules, has been positive.

11. MERGER, DEMERGER, PARTIAL CONTRIBUTION OF ASSETS, DISSOLUTION, LIQUIDATION, SALE AND OTHER EVENTS

In the case of transactions affecting the Company that could directly or indirectly impact the Terms and Conditions, such as merger, demerger, partial contribution of assets, dissolution followed by liquidation or not, the sale of shares composing the capital of the Company, or in the event of an Offer during the Vesting Period of Tranche 1 and, in general, in the event of a restructuring that affects the Company (such operations are hereinafter designated as "**Restructuring of the Company**"), the Manager may, at its sole discretion:

simply keep the Terms and Conditions in effect, provided that the Company retains its legal personality; or

cancel the Terms and Conditions and, if the shares have already been awarded, pay the Beneficiaries an indemnity in an amount equal to the value of the Shares on the date of cancellation of the Terms and Conditions; it is emphasized as needed that no indemnity or compensation shall be due to the Beneficiaries if the cancellation of the Terms and Conditions decided on by the Company is the result of any legal or regulatory amendment applicable to bonus share allotments, including changes that would make such allotments more costly for the Company than on the date of implementation of the Terms and Conditions; or

carry out an exchange of the Bonus Shares allotted under the Terms and Conditions for new similar shares (or for any other equivalent right) that have identical features, provided that this exchange is performed in the context of a transaction approved or authorized by the collectivity of shareholders or any competent entity of the Company, in accordance with the law and the bylaws of the Company; or

generally, make any change to the Terms and Conditions which the Manager deems appropriate in order to take into consideration the Restructuring of the Company, as long as the rights of the Beneficiaries are not negatively impacted by such a change.

12. CHANGES TO THE TERMS AND CONDITIONS

12.1. Change

The Manager may amend the provisions of these Terms and Conditions, suspend them or terminate them at any time.

12.2. Consequences of a Change or Cancellation

No change, alteration, suspension or cancellation of the Terms and Conditions may reduce the rights of a Beneficiary without the agreement of the Beneficiary, unless said change results from a legislative or regulatory provision that has recently taken effect or from any other enforceable provision imposed on the Company or an Affiliated Company.

Beneficiaries shall be informed of any change in the Terms and Conditions that impacts the rights they enjoy under these Terms and Conditions. This notification to Beneficiaries may be done individually or by any other means the Board of Directors deems sufficient and appropriate.

12.3. Management

The management of the Terms and Conditions is assigned to the Manager. However, the Manager reserves the option of transferring management of the Terms and Conditions to any financial institution, in which case said institution shall inform the Beneficiaries.

13. TAX AND SOCIAL SECURITY TREATMENT

The Beneficiary shall pay all taxes and withholding for which he/she is responsible under the tax rules in in effect on the due date of said taxes and withholding.

The tax and social security rules applicable to bonus share allotments differ depending on the nationality and country of residence of the Beneficiaries. Both the Beneficiary and his/her employer may be subject to reporting and/or contribution requirements because of the Initial Allotment and/or Final Allotment, and/or the sale of the Shares. The Beneficiary assumes sole responsibility for compliance with income tax and social security reporting and contributions incumbent on them because of the aforementioned events.

However, if the Company or an Affiliated Company must pay taxes, social security contributions, or any other similar charge, in the name and on behalf of the Beneficiary because of the Initial and/or Final Allotment, the Beneficiary expressly authorizes his or her employer, the Company or any agent designated for this purpose to deduct these amounts from the Beneficiary’s compensation, or, if applicable, from the proceeds from the sale of the Shares. The Company reserves the right to suspend delivery of the Shares vested by a Beneficiary until he/she has paid all amounts for which he/she is responsible or until the method of payment of these sums has been agreed with the Company or Affiliated Company concerned.

Likewise, on an exceptional basis, the Company may suspend delivery of vested Shares to one or more Beneficiaries at the end of a Vesting Period if local formalities in the country or countries concerned have not been completed.

All information on the tax treatment applicable to the Beneficiary under the Terms and Conditions, which is transmitted by the Company to the Beneficiary, is provided for information purposes only and may not be construed as comprehensive by the

Beneficiary. In particular, this type of information cannot cover the diversity of tax and personal situations of the Beneficiaries. Each Beneficiary should consult with advisors of his or her choice to analyze their personal situation. In particular, the attention of the Beneficiaries is called to the fact that, in the case of an international transfer within the Group that results in a change of tax residence and/or liability for a social security plan, occurring between the Initial Allotment Date and the sale of the Shares, the Beneficiary may be responsible for reporting and/or contribution obligations in different countries. As appropriate, the Beneficiary's tax obligations may be proportional to the period during which the Beneficiary has been a tax resident in a specific country.

14. LIABILITY OF THE COMPANY

Neither the Company nor its Affiliated Companies may be held liable under any circumstance if, for any reason not chargeable to the Company or its Affiliated Companies, a Beneficiary is unable to vest the Shares allotted to him/her.

15. PREVENTION OF INSIDER TRADING

All Beneficiaries must, under their sole, full and entire responsibility, comply with the regulations on insider trading and insider dealing and comply with the prevention mechanisms implemented by the Group.

All persons are required to refrain from buying and selling the shares of a listed company, or from transmitting information with the same intent, when they are party to "privileged" information, meaning information that has not yet been published and that may have an influence on the market price of a given share. Persons who break this rule are liable for legal and financial sanctions. This rule applies to Beneficiaries who receive Shares under these Terms and Conditions, particularly with regard to a decision to sell these Shares.

The Board of Directors of the Company wishes to expressly point out to each Beneficiary the regulations in force concerning persons in possession of "privileged" information.

Furthermore, in accordance with Article L. 225-197-1 of the French Commercial Code, the Shares may not be sold:

1. within ten market trading days prior to and three market trading days following the publication date of the consolidated financial statements, or, if no consolidated statement is published, the publication date of the Company's annual financial statements;
2. during the period between the date on which the Company's management bodies learn information which, if it were made public, could significantly impact the Company's share price, and the date ten market trading days after the date on which this information is made public.

16. INTERPRETATION

If a term or condition of these Terms and Conditions is considered null and void under the laws of a Beneficiary's place of residence, the Terms and Conditions shall be interpreted with regard to such a Beneficiary as if they did not contain the term or condition in question. Any other term or condition of these Terms and Conditions that is valid shall remain in effect and must be interpreted and applied in such a way as to comply with the Terms and Conditions to the greatest extent possible.

17. APPLICABLE LAW – JURISDICTION

The Terms and Conditions are governed by French law, in particular by the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code.

Any dispute arising from these Terms and Conditions shall fall within the exclusive jurisdiction of the competent court within the jurisdiction of the Court of Appeals for the location of the Company's headquarters.

The Bonus Share Allotment pursuant to these Terms and Conditions authorizes the Company to request at any time that Beneficiaries comply with all legislative and regulatory provisions governing these Bonus Shares.

APPENDIX A
MODEL OF LETTER FOR NOTIFICATION OF INITIAL ALLOTMENT
Erytech Pharma
A French Joint Stock company (Société Anonyme) with share capital of €792,461.10
Headquarters: 60, avenue Rockefeller, 69008 Lyon
Lyon Trade Register 479 560 013

Lyon, [●]

"*Beneficiary name*"

Dear Sir or Madam,

We are honored to inform you that the Board of Directors of the Company has decided to allot Bonus Shares of the Company to you in accordance with the provisions of the terms and conditions of the bonus shares allotment plan, a copy of which is attached hereto in Appendix 1 (the "**Terms and Conditions**").

The capitalized terms not defined in this document have the meaning attributed to them in the Terms and Conditions.

These Bonus Shares have been allocated under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code.

By decision of the Board of Directors, you have been allocated on **[●]** :

[●] (**[●]**) Shares of the Company for Tranche 1;

[●] (**[●]**) Shares of the Company for Tranche 2, increased by the total number of Shares not yet vested and allocated in Tranche 1; and

[●] (**[●]**) Shares of the Company for Tranche 3, increased by the total number of Shares not yet vested and allocated in Tranche 2;

under the conditions set forth in these Terms and Conditions and summarized below.

1. Vesting Periods

The Initial Allotment shall become final only at the end of the following Vesting Periods, subject to compliance with the allotment criteria and conditions set forth below at the end of each of the Vesting Periods:

one (1) year beginning on **[●]** for Tranche 1;

two (2) years beginning on **[●]** for Tranche 2; and

three (3) years beginning on **[●]** for Tranche 3.

2. Allotment criteria and conditions

The Final Allotment assumes that you have met the following conditions and criteria for each Vesting Period, which are described more fully in Articles 9 and 10 of the Terms and Conditions:

You must have been connected to the Company by a corporate office, or to the Company or an Affiliated Company through a permanent or temporary employment contract or a professional training contract throughout the entire Vesting Period in question.

In the event of resignation, dismissal or removal during a Vesting Period, for any reason, you will lose any right to the Final Allotment and may not claim any indemnity in this respect.

In the event of resignation, the loss of the right to the Final Allotment shall occur on the date of receipt by the Company or the relevant Affiliated Company of your letter of resignation or on the date it is hand delivered to a duly authorized representative of the company that employs you, notwithstanding the possible existence of prior notice, whether given or not.

In the event of dismissal or removal, the loss of the right to the Final Allotment shall occur on the date of receipt (or of the first presentation) of the letter of notification of dismissal or removal, notwithstanding (i) the possible existence of prior notice, whether given or not, (ii) any challenge to your dismissal or removal and/or the grounds of the dismissal or removal, and (iii) any legal decision that may call into question the justification of the dismissal or removal.

However, as an exception to the preceding:

if you retire or are laid off for economic reasons during a Vesting Period, you shall retain your right to the Final Allotment at the end of the Vesting Period, provided you comply with the rules for each Vesting Period;

in the event of the death or disability during a Vesting Period, your heirs or assigns may request the Final Allotment within a period of six (6) months from the date of your death or disability;

the achievement of a performance target based on the increase in the price of the Company's share between the Initial Allotment Date and the Final Allotment Date of the Shares, determined using the following formula:

T = (ERYPi / ERYP2016) - 1

in which:

T: is the rate of achievement of the performance targets, expressed as a percentage.

ERYP2016: is the average of the closing prices of the Company's share for the 40 days preceding the Initial Allotment Date.

ERYPi: is the average of the closing prices of the Company's share for the 40 days preceding the Final Allotment Date.

At the end of each Vesting Period, subject to compliance with the criteria and achievement of the conditions defined above, the Company will transfer a defined number of Shares to you in accordance with Article 10 of the Terms and Conditions. Accordingly, you will become a shareholder of the Company on these dates.

3. Holding period

As of the Final Allotment of the Shares, you agree to hold all said Shares for a Holding Period of one (1) year for Tranche 1. No Holding Period is required for Shares that have been vested to you for Tranche 2 or Tranche 3, subject to the holding commitments applicable to corporate officers, as detailed more fully in Article 9.3 of these Terms and Conditions.

For this purpose, the Bonus Shares allotted must be recorded in registered form in an account that notes this restriction.

You shall have the status of shareholder once the Shares are vested and throughout the Holding Period, notwithstanding the obligation to hold your shares. As such, you may exercise the rights attached to the Bonus Shares allotted to you during the Holding Period, in particular the right to information, the right to attend Shareholders' Meetings, the right to vote, the right to dividends and the preemptive subscription right.

At the end of the aforementioned Holding Period, the Bonus Shares allotted shall be available to you and may be freely transferred.

Your acceptance of the Initial Allotment under the conditions stated above implies agreement to all the terms of these Terms and Conditions.

If you wish to accept this Initial Allotment, please sign the two copies of the Initial Allotment notification, keeping one for your records and returning the other to the Company.

Sincerely yours,

Approved (Bon pour acceptation)

[●]

[*Beneficiary's name*]

Appendix 1: Terms and Conditions

APPENDIX B
MODEL OF LETTER FOR NOTIFICATION OF FINAL ALLOTMENT
Erytech Pharma
A French Joint Stock company (Société Anonyme) with share capital of €792,461.10
Headquarters: 60, avenue Rockefeller, 69008 Lyon
Lyon Trade Register 479 560 013

Lyon, **[** *date* **]**

"*Beneficiary name*"

We are honored to inform you that, following deliberations on **[●]**, the Board of Directors of the Company, ruling by delegation of authority granted by the Combined Shareholders' Meeting of June 24, 2016, in the context of the bonus share allotment plan set up by the Company, has made the final allotment to you of **[●]**(**[●]**) shares of the Company for Tranche [1 / 2 / 3].

These shares were registered on today's date in an individual shareholder's account of the Company opened in your name.

[We remind you that, in accordance with the Terms and Conditions of the bonus share allotment plan adopted by the Board of Directors on **[●]**, all of the **[●]** shares vested to you for Tranche 1 are non-transferable for a period of one (1) year from this date.]

The value of these shares is approximately **[●]** euros as of this date.

[The Board of Directors of the Company has set 10% of the number of bonus shares allotted to you (i.e.**[●]** shares) as the number of bonus shares that you must retain until the end of your duties as a corporate officer of the Company, pursuant to Article L. 225-197-1-II of the French Commercial Code.]

Sincerely yours,

Approved (Bon pour acceptation)

[●] [*Beneficiary's name*]

Exhibit 21.1

Subsidiaries of ERYTECH Pharma S.A.

NAME OF SUBSIDIARY	STATE OR OTHER JURISDICTION OF INCORPORATION
ERYTECH Pharma, Inc.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
ERYTECH Pharma S.A.

We consent to the use of our report included herein and to the references to our firm under the heading “Experts” in the prospectus.

Lyon, October 6, 2017

KPMG Audit
Department of KPMG S.A.

/s/ Sara Righenzi de Villers

Sara Righenzi de Villers
Partner