PRESS RELEASE

ERYTECH Provides Business Update and Financial Highlights for Q1 2017

Conference call and webcast on Friday, May 19th at 15:00 pm CET/09:00 am EDT

- **Reported positive Phase 2b data in metastatic Pancreatic Cancer for eryaspase, demonstrated significant improvement in both progression-free survival (PFS) and overall survival (OS)**
- **Launched an investigator-initiated Phase 2 study of eryaspase (GRASPA®) in Acute Lymphoblastic Leukemia (ALL)**
- **Presented promising preclinical data on new product candidate erymethionase and on immunotherapy approach**
- **Cash balance of €30.5 million as of March 31, 2017**
- **Raised €70.5 million in a private placement with issuance of 3,000,000 new shares in April 2017**

Lyon (France), May 18, 2017 – ERYTECH Pharma (Euronext Paris: ERYP), the French biopharmaceutical company developing 'tumor starvation' treatments for acute leukemia and other oncology indications with unmet medical needs, today provided a financial and business update for the first quarter of 2017 ended March 31, 2017.

Business Highlights

- ERYTECH reported positive Phase 2b data from the French multi-center study of Eryaspase for the treatment of metastatic pancreatic cancer. Results from the study showed significant improvement in both progression-free survival (PFS) and overall survival (OS). The study assessed eryaspase, L-asparaginase encapsulated in red blood cells, as a second-line treatment in combination with chemotherapy in 140-patients with metastatic pancreatic cancer. Eryaspase was added to the standard of care (gemcitabine or FOLFOX) and compared to the standard of care alone in a 2-to-1 randomization.

- The company successfully raised €70.5 million in a private placement. ERYTECH issued 3,000,000 new ordinary shares. The company intends to utilize the proceeds from this capital raise to prepare the company for the further clinical development of its pipeline candidates, including the launch of a potential Phase 3 trial in pancreatic cancer and evaluation of clinical development opportunities for eryaspase (GRASPA®) in other solid tumor indications. A portion of the capital will be used for general corporate purposes and working capital.

- ERYTECH announced the launch of a single arm, multi-center, multi-national investigator-initiated Phase 2 study of eryaspase in approximately 30 acute lymphoblastic leukemia (ALL) patients at 23 sites across 7 Nordic and Baltic countries. The study aims to evaluate the biological activity, safety, and immunogenicity profile of eryaspase in combination with the NOPHO ALL 2008 multi-agent chemotherapy protocol as a second-line therapy in pediatric and adult ALL patients (1 to 45 years old) who experienced hypersensitivity reactions to PEG-asparaginase or silent inactivation.

- ERYTECH presented promising preclinical findings on the anti-tumor activity of its new product candidate, erymethionase, at the 2017 ASCO GI Symposium and at AACR 2017. Data obtained from the study demonstrated that erymethionase in combination with daily vitamin B6 supplementation can inhibit tumor growth in a murine model of human gastric adenocarcinoma.

- The company entered into a collaboration with Fox Chase Cancer Center for the preclinical development of erymethionase in homocystinuria, a rare inherited disease caused by a deficiency in the enzyme cystathionine beta-synthase (CBS), which is critical for normal methionine metabolism. Under this collaboration, FCCC and ERYTECH will study the potential of erymethionase to lower homocysteine and methionine in the homocystinuria mouse model (CBS-deficient mice) developed at FCCC.

- The company presented encouraging preclinical data supporting ERYMMUNE as a potentially strong immunotherapy at the World ADOPT Summit 2017 and 10th Symposium of Vaccinology. Study results showed that ERYMMUNE technology was responsible for a inducing an efficient and antigen-specific immune response for effective cancer immunotherapy.

Financial Highlights

- ERYTECH's key financial figures for the first quarter of 2017, compared with the same period of the previous year are summarized below:

Key figures (in thousands of euros):

	Q1 (3 months) 2017	Q1 (3 months) 2016	Variation
Revenues	0	0	0
Other income	1,222	684	538
Total operating income	**1,222**	**684**	**538**
Operating expenses:			
Research & development	(5,847)	(3,638)	(2,209)
General & administrative	(1,906)	(1,473)	(433)
Total operating expenses	**(7,753)**	**(5,111)**	**(2,642)**
Operating loss	**(6,531)**	**(4,427)**	**(2,104)**
Financial income	21	97	(77)
Income tax	(13)	4	(17)
Net Loss	**(6,523)**	**(4,325)**	**(2,198)**

Net loss for the first quarter of 2017 was €6.5 million, compared to net loss of €4.3 million for the same period of last year. The €2.2 million increase reflected the increased activity to advance the company's preclinical and clinical development programs. The increase was driven by higher service and contracting fees, mostly related to the clinical and regulatory progress of product development projects, and higher personnel costs, following the staffing of key positions in the preclinical, clinical and pharmaceutical operations domains. Other income, which was mostly comprised of research and development tax credits and grants, increased in the same proportion.

- As of March 31, 2017, ERYTECH had cash and cash equivalents totaling €30.5 million, compared with €40.6 million on March 31, 2016. Total net cash utilization was €7.1 million in the first quarter of 2017, which compares with net cash utilization of €5.1 million in the first quarter of 2016. The net loss of the period as well as the net cash utilization in the first quarter of 2017 reflected the increased activity in product development and supporting company's operations.

- A private placement to U.S. and European investors was completed in April 2017. The net proceeds of approximately €64.5 million will enable the company to fund the continued development of its product candidates, and mainly to finance the preparatory steps for the launch of contemplated Phase 3 studies in pancreatic cancer and adult ALL. The company is also sufficiently funded to assess the clinical development opportunities of eryaspase (GRASPA) for the treatment of other solid tumor indications, in addition to its ongoing preclinical and clinical programs.

Gil Beyen, ERYTECH's Chief Executive Officer commented, *"In the first quarter of 2017, we made tremendous progress in our clinical and preclinical R&D programs. We are very pleased with the highly positive results from our Phase 2b trial of eryaspase in metastatic pancreatic cancer patients. The findings from this trial further validate our eryaspase product candidate and our technology platform, and we are now determining next steps to advance the product candidate in pancreatic cancer and in other solid tumors. All of this without losing sight of our development in acute leukemia. The work for resubmission of our European Marketing Authorization Application in ALL is ongoing and the launch of an investigator initiated trial in collaboration with the Nordic Society of Pediatric Hematology and Oncology shows our commitment to bringing GRASPA to ALL patients in need. Next to eryaspase, we have made noteworthy advances in our preclinical programs, notably with erymethionase and our ERYMMUNE platform for which we presented promising preclinical results at different conferences. The very successful private placement in April confirms investors' confidence in our programs and provides a strong basis to prepare the company for the implementation of its ambitious value-creation strategy. We look forward to accomplishing more milestones this year, including the resubmission of our European MAA for GRASPA in relapsed and refractory ALL, regulatory interactions regarding our further developments in ALL and pancreatic cancer both in Europe and the US, and the Phase 2 results of our AML study."*

First Quarter 2017 Conference Call Details

Investors and analysts wishing to participate can access the call via the following teleconferencing numbers:

USA: +1 6467224907

United-Kingdom: +44 2030432440

Switzerland: +41 225809022

Germany: +49 69222229031

France: +33 172001510

Belgium: +32 24029640

Sweden: +46 850334664

Finland : +358 942599700

Netherlands: +31 107138194

Confirmation Code: **64683084#**

The webcast can be followed live online via the link:
http://www.anywhereconference.com?UserAudioMode=DATA&Name=&Conference=135308821&PIN=64683084

Following the live call, a replay will be available for 90 days. To listen to the replay, please dial:

USA: +1 877 64 230 18

United-Kingdom: +44(0) 2033679460

France: +33(0)1 72 00 15 00

Confirmation Code: **308821#**

Additionally, an archive of the webcast will be available on the "Webcast" section of the Company's investor relations site at www.erytech.com

Next financial updates:

- Financial highlights for the 2nd quarter of 2017: September 11, 2017 (after market close), followed by a conference call and webcast on September 12, 2017 (3:00pm CET/9:00am ET)

Upcoming participations at investor conferences:

- BioEquity Europe 2017, May 22-23, Paris
- Biotech Agora Conference, May 23, Paris
- Gilbert Dupont Annual Healthcare Conference, May 30, Paris
- Jefferies 2017 Global Healthcare Conference, June 6-9, New-York
- Journée Valeurs Moyennes (SFAF), June 13, Paris
- European MidCap Spring Event, June 28, Paris

About ERYTECH: www.erytech.com

Founded in Lyon, France in 2004, ERYTECH is a clinical-stage biopharmaceutical company developing innovative therapies for rare forms of cancer and orphan diseases. Leveraging its proprietary ERYCAPS platform, which uses a novel technology to encapsulate therapeutic drug substances inside red blood cells, ERYTECH has developed a pipeline of product candidates targeting markets with high unmet medical needs.

ERYTECH's initial focus is on the treatment of blood cancers, including acute lymphoblastic leukemia (ALL) and acute myeloid leukemia (AML), by depriving tumors of nutrients necessary for their survival. ERYTECH's lead product candidate, eryaspase, also known under the trade name GRASPA®, reported positive efficacy and safety results from its completed Phase 2/3 pivotal clinical trial in Europe in children and adults with relapsed or refractory ALL. A Phase 1 clinical study of eryaspase is ongoing in the United States in adults with newly diagnosed ALL, and a Phase 2b clinical study in Europe in elderly patients with newly diagnosed AML, each in combination with chemotherapy.

The company believes that eryaspase also has potential as a treatment approach in solid tumors. ERYTECH has successfully completed Phase 2b clinical trial in France evaluating eryaspase in patients with second line metastatic pancreatic cancer.

Eryaspase consists of an enzyme, L-asparaginase, encapsulated inside donor-derived red blood cells. L-asparaginase depletes asparagine, a naturally occurring amino acid essential for the survival and proliferation of cancer cells, from circulating blood plasma.

The EMA and the U.S. Food and Drug Administration (FDA) have granted orphan drug designations for eryaspase (GRASPA) for the treatment of ALL, AML and pancreatic cancer. ERYTECH produces eryaspase at its own GMP-approved and operational manufacturing site in Lyon (France), and at a site for clinical production in Philadelphia (USA). ERYTECH has entered into licensing and distribution partnership agreements for eryaspase for ALL and AML in Europe with Orphan Europe (Recordati Group), and for ALL in Israel with TEVA, which will market the product under the GRASPA® brand name.

In addition to eryaspase, ERYTECH is developing other product candidates targeting cancer metabolism: erymethionase and eryminase, respectively methionine-γ-lyase and arginine-deiminase encapsulated in red blood cells. ERYTECH is exploring furthermore exploring the use of its platform in immune-oncology (ERYMMUNE) and enzyme therapies (ERYZYME).

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

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OTCMarkets Ticker : EYRYY

Forward-looking information

This document may contain forward-looking statements and estimates with respect to the financial position, results of operations, business strategy, plans, objectives and anticipated future performance of ERYTECH and of the market in which it operates. Certain of these statements, forecasts and estimates can be recognized by the use of words such as, without limitation, “believes”, “anticipates”, “expects”, “intends”, “plans”, “seeks”, “estimates”, “may”, “will” and “continue” and similar expressions. They include all matters that are not historical facts. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Actual events are difficult to predict and may depend upon factors that are beyond ERYTECH's control. There can be no guarantees with respect to pipeline product candidates that the candidates will receive the necessary regulatory approvals or that they will prove to be commercially successful. Therefore, actual results may turn out to be materially different from the anticipated future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Documents filed by ERYTECH Pharma with the French Autorité des Marchés Financiers (www.amf-france.org), also available on ERYTECH’s website (www.erytech.com) describe such risks and uncertainties. Given these uncertainties, no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates. Furthermore, forward-looking statements, forecasts and estimates only speak as of the date of the publication of this document. Readers are cautioned not to place undue reliance on any of these forward-looking statements. ERYTECH disclaims any obligation to update any such forward-looking statement, forecast or estimates to reflect any change in ERYTECH’s expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement, forecast or estimate is based, except to the extent required by law.