

PHAXIAM THERAPEUTICS

A French limited company (*Société anonyme*) with share capital of € 6,075,105
Registered office: 60 Avenue Rockefeller, 69008 Lyon
Lyon Trade and Companies Register 479 560 013 RCS
(the “Company”)

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

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, we inform you under the terms of this report, of the information regarding the exercise of share subscription (the “**Stock Options**”) and/or purchase option transactions carried out during the financial year ended December 31, 2023, under the delegations of authority granted to the Board of Directors by the General Shareholders’ Meeting of June 23, 2023 (the “**General Meeting**”).

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

On 14 November 2023, pursuant to the thirty-seventh resolution delegated by the General Meeting, the Board of Directors adopted all the provisions of the draft English-language plan rules governing the 2023 Options (the ‘**Stock Option₂₀₂₃ Plan**’).

The main features of the Stock Option₂₀₂₃ Plan are as follows:

- Beneficiaries: beneficiaries may be the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers of the Company subject to the tax rules applicable to employees, in addition to any employee of the Company or of any affiliate;
- Number of shares subscribed or acquired through the exercise of Options: each Stock Option will grant the right to subscription or acquisition of one common share of the Company with a nominal value of €1;
- “Incentive stock options” plan: these Options are awarded under the “incentive stock options” plan pursuant to Section 422 of the US Internal Revenue Code for any beneficiaries who have not reached the authorized maximum, as indicated in the Stock Option₂₀₂₃ Plan;
- Restriction of Stock Options: Stock Options are personal, exempt from attachment and non-transferable, except in the event of the death of their holder.

The Board of Directors recognized that, in addition to the fact that the US Internal Revenue Code requires this to enable the issuance of incentive stock options under the Stock Option₂₀₂₃ Plan to employees residing in the US for tax purposes, this must be approved by the General Shareholders’ Meeting within one (1) year from November 14, 2023, for the Stock Option₂₀₂₃ Plan. The Board of Directors will propose to the General Shareholders’ Meeting to be held on June 28, 2024, voting under the provisions of quorum and majority for Ordinary Shareholders’ Meetings, to approve the Stock Option₂₀₂₃ Plan.

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

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

Name	Plan	Date of allocation	Total number of options granted	Exercise or acquisition price	Exercise period - Availability date
Gil BEYEN Director - President of Erytech Pharma Inc.	Stock Option ₂₀₂₃ Plan	November 14, 2023	8,000	€ 4,30*	Two thirds (2/3) of the Stock Option ₂₀₂₃ : 14/11/2025 One third (1/3) of the Stock Option ₂₀₂₃ : 14/11/2026

* Corresponding to 95% of the average closing price recorded during the twenty (20) trading days immediately preceding the grant date of the Options₂₀₂₃₋₁₄₁₁₂₀₂₃

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

Plan	Date of allocation	Total number of options granted to employees	Exercise or acquisition price	Exercise period - Availability date
Stock Option ₂₀₂₃ Plan	November 14, 2023	14,000	€ 4,30*	Two thirds (2/3) of the Stock Option ₂₀₂₃ : 14/11/2025 One third (1/3) of the Stock Option ₂₀₂₃ : 14/11/2026

* Corresponding to 95% of the average closing price recorded during the twenty (20) trading days immediately preceding the grant date of the Options₂₀₂₃₋₁₄₁₁₂₀₂₃

4. Individual Information

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

The Board of Directors

Appendix 1. Individual Information

Beneficiaries ¹	Stock Option Plan	Number of Stock Options granted	Purchase price per Stock Option ²	Stock option expiration date			Number of Stock Options subscribed	Number of Stock Options purchased/ exercised
				Stock options may be exercised according to the following percentages and timetable:				
				up to 2/3 of Stock Options allocated from	up to 1/3 of Stock Options allocated from	and no later than		
Employee A	2023 Stock Option	6,000	Options ₂₀₂₃₋₁₄₁₁₂₀₂₃ : €4,30	Options ₂₀₂₃₋₁₄₁₁₂₀₂₃ : November 14, 2025	Options ₂₀₂₃₋₁₄₁₁₂₀₂₃ : November 14, 2026	Options ₂₀₂₃₋₁₄₁₁₂₀₂₃ : November 14, 2033	6,000	0
Employee B		6,000					6,000	0
Employee C		2,000					2,000	0
Employee D		-					-	-
Employee E		-					-	-
Employee F		-					-	-
Employee G		-					-	-
Employee H		-					-	-
Employee I		-					-	-
Employee J		-					-	-

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

² Subscription to stock options under the Stock Option₂₀₂₃ Plan is free of charge.