PRESS RELEASE

innate pharma

Innate Pharma strengthens and expands its oncology development collaboration with AstraZeneca

- ***Innate Pharma acquires US and EU rights to commercialize Lumoxiti to become a fully-integrated oncology-focused biotech***
- ***AstraZeneca obtains full oncology rights to monalizumab***
- ***AstraZeneca gains access to Innate Pharma's anti-CD39 monoclonal antibody, IPH5201, plus four additional immuno-oncology molecules***
- ***AstraZeneca to purchase newly-issued equity stake of 9.8% in Innate Pharma***

Marseille, France, October 23, 2018, 7:00 AM CEST

Innate Pharma SA ("Innate" - Euronext Paris: FR0010331421 – IPH), today announced a new multi-term agreement with AstraZeneca, and its global biologics research and development arm MedImmune, building on an existing collaboration, aimed at accelerating each company's oncology portfolio and bringing new medicines to patients more quickly. The extended collaboration will enable Innate to develop its commercial footprint and strengthen its ability to invest in its immuno-oncology (IO) pipeline and R&D platform and will also enrich AstraZeneca's IO portfolio with preclinical and clinical potential new medicines.

Under the terms of the agreement, Innate is licensing the US and EU commercial rights to AstraZeneca's recently FDA-approved Lumoxiti (moxetumomab pasudotox-tdfk) for hairy cell leukemia ("HCL"). AstraZeneca will obtain full oncology rights to the first-in-class humanised anti-NKG2A antibody, monalizumab, expanding its partnership with Innate from the initial collaboration announced in 2015. AstraZeneca also gains option rights to IPH5201, an antibody targeting CD39, as well as four pre-clinical molecules from Innate's pipeline.

Mondher Mahjoubi, Chief Executive Officer of Innate Pharma, said: "*Today is a defining moment for Innate as we transition to become a fully-integrated oncology-focused biotech. Lumoxiti is a major therapeutic innovation for patients who suffer from relapsed/refractory hairy cell leukemia and we are proud to be in a position to address a significant unmet medical need. Our commercial team will be focused on rare cancers and generate more value as our own hemato-oncology proprietary pipeline develops. Furthermore, AstraZeneca's decision to obtain full oncology rights to monalizumab and collaborate on IPH5201 and four yet to be selected molecules validates the strength of our oncology pipeline*."

Pascal Soriot, Chief Executive Officer of AstraZeneca, said: "*Our expanded collaboration with Innate Pharma enables us to further strengthen our leadership in immuno-oncology, and to explore the potential of next generation immuno-oncology pathways, together with the world-class scientific team of Innate. Today's agreement also secures long-term commercialization of the recently FDA approved rare disease medicine, Lumoxiti, through dedicated focus and investment by Innate.*"

Lumoxiti:

Innate is licensing the US commercial rights of AstraZeneca's recently FDA approved medicine for HCL, Lumoxiti, marking the first step of Innate's strategy to become a fully integrated company. In addition, Lumoxiti's commercial platform could be leveraged in the future for Innate's proprietary fully owned pipeline in haematology including, IPH4102. Innate, with support from AstraZeneca, will continue EU development and commercialization, pending regulatory submission and approval.

Lumoxiti is a CD22-directed cytotoxin and a first-in-class medicine in the US for adult patients with relapsed or refractory HCL who have received at least two prior systemic therapies, including treatment with a purine nucleoside analog. Approximately 1,000 people are diagnosed with HCL in the US each year, a subset of which would be eligible for Lumoxiti. Lumoxiti was approved by the US FDA on 13 September 2018.

Innate will recognize revenues and co-commercialize Lumoxiti with AstraZeneca in the US and will take full responsibility by mid-2020. Innate will pay AstraZeneca $50 million upfront for Lumoxiti, and $25 million for future commercial and regulatory milestones, in consideration for its intellectual property and clinical and manufacturing development of the medicine.

Monalizumab:

Building on the 2015 collaboration with Innate, AstraZeneca is exercising its option to obtain full oncology rights to monalizumab, a first-in-class humanized anti-NKG2A antibody. NKG2A is a checkpoint receptor expressed on tumor infiltrating cytotoxic T-cells and natural killer (NK) cells that inhibits their anti-cancer functions. The companies currently share Phase II development for monalizumab in combination studies in both head and neck and colorectal cancer, with additional studies underway in other solid tumors.

Results from a single-arm Phase II trial of monalizumab in combination with cetuximab in head and neck cancer patients were presented at the ESMO 2018 Congress (European Society of Medical Oncology), showing deep and durable responses in 40 patients with ORR of 27.5%, PFS of 5.0 and OS of 10.3 months, respectively. Among the 40 patients enrolled in the cohort expansion, the safety findings were consistent with previously presented data at AACR 2017 and 2018 (Abstract #1049PD).

AstraZeneca will pay Innate $100 million in the first quarter of 2019 for the expansion of the monalizumab collaboration. As previously announced in the original collaboration agreement from 2015, $100 million is due at the potential start of Phase III development.

CD39 and additional preclinical molecules:

AstraZeneca is entering into a development collaboration and option for further co-development and co-commercialization with Innate for its CD39 monoclonal antibody, IPH5201.

CD39 is a membrane-bound extracellular enzyme overexpressed on both regulatory T cells and tumor cells in several cancer types. CD39 plays an important role in promoting immunosuppression through the pathway that degrades adenosine triphosphate (ATP) into adenosine. It is increasingly recognized that the adenosine pathway is critical in tumor immunosuppression and will complement AstraZeneca's current portfolio in this area.

AstraZeneca will pay Innate $50 million upfront plus an option exercise fee, milestones, and royalties. Innate will have the potential for co-promotion and profit sharing in the EU.

In addition, Innate grants AstraZeneca an option to exclusively license four to be-agreed upon molecules from Innate's preclinical portfolio, increasing the breadth and depth of AstraZeneca's immuno-oncology portfolio.

AstraZeneca will also pay Innate $20 million upfront for an exclusive license option on four to be-agreed upon molecules from Innate's preclinical portfolio. These options can be exercised before the molecules reach clinical development, triggering an option exercise fee in addition to milestones and royalties. Innate will have the potential for co-promotion and profit sharing in the EU, dependent on future progress.

Equity Investment:

Given the long-term collaboration between the two companies, AstraZeneca will acquire a 9.8% equity stake in Innate Pharma through the issuance of 6,260,500 new shares to AstraZeneca at €10/share. The new shares will be issued pursuant to the 26th resolution of Innate Pharma's May 29, 2018 shareholders' meeting. Issuance of the new shares is expected to take place on or about 25th October 2018.

Further details:

Further details on the financial terms of the agreements can be found here.

Evercore is acting as financial advisor to Innate Pharma.

Media conference call at 1pm CEST today:

Innate Pharma will host a conference call for journalists today at 1pm CEST today to discuss this announcement. Dial-in details are available from Harpreet Virdi at Consilium Strategic Communications on email: virdi@consilium-comms.com.

Webcast and conference call for analysts at 2 pm CEST today:

Innate Pharma will host a live webcast and conference call with a Q&A session for analysts and investors at 2pm CEST today to discuss this announcement.

The presentation and access to the live webcast will be available on Innate Pharma's website at www.innate-pharma.com

Location	**Purpose**	**Phone Number**
France	Participant	+33 (0)1 76 77 22 57
United Kingdom	Participant	+44 (0)330 336 9411
United States	Participant	+1 929-477-0324
Standard international access	Participant	0800 279 7204

The participation code is: 6524843

An audio replay file will be made available after the session via Innate Pharma's website: www.innate-pharma.com.

About Hairy Cell Leukemia:

Hairy cell leukemia (HCL) is a rare, chronic, and slow-growing leukemia in which the bone marrow overproduces abnormal B cell lymphocytes. HCL can result in serious conditions, including infections, bleeding and anemia. Approximately 1,000 people are diagnosed with HCL in the US each year. HCL accounts for up to 3% of all adult leukemias. While many patients initially respond to treatment, 30% to 40% will relapse five to ten years after their first treatment. With no established standard of care and very few treatments available, there remains significant unmet medical need for people with relapsed or refractory HCL.

About Lumoxiti:

LUMOXITI™ (moxetumomab pasudotox-tdfk) is a CD22-directed cytotoxin and a first-in-class treatment in the US for adult patients with relapsed or refractory hairy cell leukemia (HCL) who have received at least two prior systemic therapies, including treatment with a purine nucleoside analog. LUMOXITI is not recommended in patients with severe renal impairment (CrCl ≤ 29 mL/min). It comprises the CD22 binding portion of an antibody fused to a truncated bacterial toxin; the toxin inhibits protein synthesis and ultimately triggers apoptotic cell death. LUMOXITI has been granted Orphan Drug Designation by the FDA for the treatment of HCL.

About the '1053' Phase III Trial:

The '1053' trial is a single-arm, multicenter Phase III clinical trial assessing the efficacy, safety, immunogenicity and pharmacokinetics of moxetumomab pasudotox monotherapy in patients with relapsed or refractory HCL who have received at least two prior therapies, including one purine nucleoside analog. The trial was conducted in 80 patients across 34 sites in 14 countries. The primary endpoint was durable complete response (CR), defined as CR with hematologic remission (blood count normalization) for >180 days. Secondary outcome measures included overall response rate, relapse free survival, progression-free survival, time to response, safety, pharmacokinetic and immunogenic potential.

About Innate Pharma:

Innate Pharma S.A. is a fully integrated oncology-focused biotech company dedicated to improving treatment and clinical outcomes for patients through therapeutic antibodies that harness the immune system to fight cancer.

Innate Pharma's commercial-stage product, Lumoxiti, in-licensed from AstraZeneca, was approved by the FDA in September 2018. Lumoxiti is a first-in class specialty oncology product for hairy cell leukemia (HCL). Innate Pharma's broad pipeline of antibodies includes several first-in-class clinical and preclinical candidates in cancers with high unmet medical need.

Innate Pharma has pioneered the discovery and development of checkpoint inhibitors, with a unique expertise and understanding of Natural Killer cell biology. This innovative approach has resulted in major alliances with leaders in the biopharmaceutical industry including Bristol-Myers Squibb, Novo Nordisk A/S, Sanofi, and a landmark and multi-products partnership with AstraZeneca/Medimmune.

Based in Marseille, France, Innate Pharma is listed on Euronext Paris.

Learn more about Innate Pharma at www.innate-pharma.com

Information about Innate Pharma shares:

ISIN code	FR0010331421
Ticker code	IPH
LEI	9695002Y8420ZB8HJE29

Disclaimer:

This press release contains certain forward-looking statements. Although the company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. For a discussion of risks and uncertainties which could cause the company's actual results, financial condition, performance or achievements to differ from those contained in the

forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the *Document de Reference* prospectus filed with the AMF, which is available on the AMF website (http://www.amf-france.org) or on Innate Pharma's website.

This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in Innate Pharma in any country.

Evercore Partners:

Evercore Partners International LLP ("Evercore"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Innate Pharma and no one else in connection with the Acquisition and accordingly will not be responsible to anyone other than Innate Pharma in providing the protections afforded to clients of Evercore nor for providing advice in relation to the Acquisition, the content of this Announcement or any matter referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statue or otherwise) to any person who is not a client of Evercore in connection with this Announcement, any statement contained herein or otherwise.

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