



## 2018 financial results and business update: landmark deal with AstraZeneca to support transition into a fully integrated oncology-focused biotech, strong clinical progress in lead assets

March 20, 2019

- **Cash, cash equivalents and financial assets\*** amounted to €202.7m (million euros) as of December 31, 2018 (€176.6m in 2017)
  - Revenue and other income amounted to €94.0m (€36.2m in 2017)
  - Operating expenses amounted to €87.7m (€76.0m in 2017), in which approximately 79% dedicated to research and development
- **Landmark deal with AstraZeneca accelerates Innate Pharma's transition into a fully-integrated oncology-focused biotech and supports the continued development of its novel immuno-oncology discovery platform**
  - Acquisition of Lumoxiti is the first step towards building a hemato-oncology franchise, complementing Innate's wholly-owned pipeline candidate IPH4102
  - AstraZeneca obtained full oncology rights to monalizumab and expanded collaboration to gain option to IPH5201 and four preclinical assets
  - Net proceeds totaled \$192m\*\*
- **Significant clinical progress, with encouraging efficacy signals from lead partnered asset, monalizumab, and lead proprietary asset, IPH4102, support further clinical development in a maturing pipeline**
- **Strengthening of commercial team and expands presence in the US, appointing industry leaders, Jennifer Butler, as EVP, US General Manager and Hélène Arditti, as a Strategic Executive Advisor for commercialization to the Innate Executive Committee**

Marseille, France, March 20, 2019 – 07:00 AM CET

Innate Pharma (the "Company" - Euronext Paris: FR0010331421 – IPH) today reports its consolidated financial results for the year ended December 31, 2018. The consolidated financial statements are attached to this press release.

*"2018 was a remarkable year for Innate during which two of our lead programs, monalizumab and IPH4102, demonstrated promising efficacy in their lead indications. In addition to this, the transformational deal signed with AstraZeneca not only validates our novel science and clinical development expertise, but accelerates the transition of Innate Pharma to become a fully-integrated biotech company," commented Mondher Mahjoubi, Chief Executive Officer of Innate Pharma. "The acquisition of FDA-approved Lumoxiti for third line Hairy Cell Leukemia patients complements our proprietary pipeline of promising assets. The planned commercial infrastructure in the US will not only provide Innate with the necessary footprint to support the continued roll-out of this product, but will also be leveraged for potential future products such as IPH4102. We are pleased to welcome Jennifer Butler to our leadership team as the US General Manager who will lead the strategy, operations, and hiring of talent in the US. In 2019, we are committed to executing a smooth commercial transition, expanding our presence in the US and will continue to secure financial resources to invest in our science to discover and develop novel therapeutics for oncology patients."*

**Cconference call at 2:00pm (CEST)**

**Management Participants: Mondher Mahjoubi, CEO, Laure-Helene Mercier, CFO, Pierre Dodion, CMO, and Jennifer Butler, US General Manager**

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[Download the presentation.](#)

[Replay of the conference call.](#)

### Financial highlights for 2018:

The key elements\*\*\* are as follows:

- Cash, cash equivalents and financial assets amounting to €202.7m (million euros) as of December 31, 2018 (€176.6m as of December 31, 2017), including non-current financial instruments (€35.2m). This follows the receipt in October of €102.9m as a first tranche of the agreement signed with AstraZeneca in October 2018.
  - At the same date, the financial liabilities amounted to €4.5m (€5.9m as of December 31, 2017).
- Revenue and other income amounting to €94.0m (€36.2m in 2017). This figure mainly results from licensing revenue (€79.9m) and from research tax credit (€13.5m).
  - Revenue from collaboration and licensing agreements mainly results from the spreading of the initial payment of \$250m received in 2015 by Innate Pharma in the context of the agreement with AstraZeneca for monalizumab signed in April 2015, extended in October 2018 with an additional \$100m payment (€61.5m and €24.5m in 2018 and 2017 respectively) but also, €15.6m from the spreading of the initial payment of \$50m for the agreement with AstraZeneca on IP5201 signed in October 2018
- Operating expenses amounting to €87.7m (€76.0 m in 2017) of which 79% related to research and development outgoings. The increase in R&D expenses between 2017 and 2018 reflects continued investment in the clinical and preclinical development programs, as well as support for the broader organization.
- Net income (loss) from distribution agreements amounting to a loss of €1.1 million, arising from the launch of Lumoxiti in the US.
- A net financial loss amounting to €2.4m.
- As a consequence of the items mentioned previously, the net profit for 2018 amounts to €3.0m, compared with a loss of €41.7m for 2017.

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\* current and non-current.

\*\* Of which \$118m received as of December 31, 2018 and \$74m received as of January 31, 2019, subsequent to the AstraZeneca deal signed, net from the payment for the acquisition of Lumoxiti.

\*\*\* The elements as of December 31, 2018 are compared to December 31, 2017 restated numbers, which are not audited and take into account the impact of IFRS 9 and 15 on 2017 financial statements.