



## Third quarter 2018 report

November 15, 2018

- **Acceleration of becoming a fully integrated oncology-focused biotech company through a recent landmark deal with AstraZeneca**
- **Expansion of oncology development collaboration with AstraZeneca validates Innate's leadership in immuno-oncology discovery**
  - **Strengthens financial runway by \$242 million in total near-term cash proceeds**
- **Significant progress with proprietary and partnered programs:**
  - **Phase II results for the combination of monalizumab and cetuximab in head and neck cancer patients showed promising efficacy data in both IO-naïve and IO-pretreated subgroups**
  - **IPH4102 Phase I results in advanced cutaneous T cell lymphoma (CTCL) confirm encouraging clinical activity, demonstrated by high response rate and long progression-free survival (PFS)**
  - **First patient dosed in Phase I study with IPH5401 in oncology**
- **Cash, cash equivalents and financial assets of the Company amounted to €131.7 million\***

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 – IPH) today announced its revenues and cash position for the first nine months of 2018.

*"During the third quarter we presented successful data results in two of our lead assets and continued to progress and expand our clinical programs. The exciting quarter was a catalyst that drove the execution of the recent landmark deal with AstraZeneca," commented, **Mondher Mahjoubi, Chief Executive Officer of Innate Pharma.** "This transformational deal included the acquisition of Lumoxiti, an FDA-approved and innovative new treatment for relapsed or refractory Hairy Cell Leukemia, and provides the opportunity to benefit from the development and commercialization expertise of our partner. This allows us to further strategically position IPH4102 for its future commercial potential in the rare hematology market. At the same time, the expanded oncology development collaboration not only validates our research and development capabilities in immuno-oncology, but has strengthened our ability to continue to invest in our ongoing programs and science to pursue novel treatments for cancer patients."*

### Pipeline Highlights:

- First patient dosed in the Phase I study (STELLAR-001) with IPH5401, a first-in-class anti-C5aR antibody, in combination with Imfinzi in oncology
  - Executed within a year of acquiring the asset
  - Safety data is expected in 2H 2019
- First patient dosed in the cohort expansion for monalizumab/cetuximab combination in chemotherapy and IO pretreated advanced SCCHN patients
- Favorable and durable trends in overall survival observed in monalizumab/cetuximab combination in previously treated patients with in recurrent and/or metastatic squamous cell carcinoma of the head & neck (R/M SCCHN)
  - Additional data presented at SITC showed promising efficacy data in both IO-naïve and IO-pretreated subgroups
- IPH4102 confirmed encouraging clinical activity in CTCL and SS, demonstrated by high response rate and long progression-free survival (PFS)
  - Updated data will be presented at ASH
  - The Phase II program across T cell Lymphomas will initiate in 1H19

### Post Period Highlights:

- Innate executed landmark deal with AstraZeneca to become a commercial stage company and expand its oncology development collaboration:
  - Innate Pharma acquired US and EU rights to commercialize recently FDA approved Lumoxiti
  - Based on promising data presented at ESMO 2018, AstraZeneca exercised its option to gain full rights to monalizumab in oncology

- AstraZeneca entered a development collaboration for IPH5201 (anti-CD39) with an option for further co-development and co-commercialization and gained options to several promising preclinical immuno-oncology molecules
- AstraZeneca invested in a 9.8% equity stake in Innate at €10 per share
- Near-term proceeds of \$242 million; \$118 million received in 4Q 2018 and \$124 million to be received in January 2019
- Innate will pay \$50 million for Lumoxiti in January 2019
- Further details on the financial terms can be viewed on the [Innate Transaction Fact Sheet](#)

#### Financial results:

Cash, cash equivalents and financial assets of the Company amounted to €131.7 million as of September 30, 2018. At the same date, financial liabilities amounted to €4.9 million (€5.9m at December 30, 2017).

The net consumption of cash, cash equivalents and financial assets amounted to €44.9 million and €9.9 million for the first nine months and the third quarter of 2018, respectively. This includes the collection during the period of the research tax credit relating to the year 2017 (€11.0 million).

The table below shows the revenue for the first nine months of 2017 and 2018, as well as the revenue for the third quarter of the same years:

In thousand of euros	Nine-month period ended September 30			Three-month period ended September 30		
	2018 IFRS 15	2017 IFRS 15 restated **	2017 IAS 18	2018 IFRS 15	2017 IFRS 15 restated	2017 IAS 18
Revenue from collaboration and licensing agreements	21,776	20,481	27,934	5,567	5,771	12,380
<b>Revenue</b>	<b>21,776</b>	<b>20,481</b>	<b>27,934</b>	<b>5,567</b>	<b>5,771</b>	<b>12,380</b>

Revenues for the first nine months of 2018 amounted to €21.8 million (€20.5 million for the same period in 2017).

For the nine-month period ended September 30, 2018, revenue mainly results from the co-development and commercialization agreement signed with AstraZeneca in relation to monalizumab, corresponding to the recognition over the period of the initial payment received in April 2015.

*Erratum: revenue from collaboration and licensing agreements for the first 6 months of 2018 under IFRS 15 is 16,209 thousand of euros and not 16,879 thousand of euros as stated in the HY financial report and press release issued on September 14, 2018. For more information on accounting impacts, please refer to this link .*

\* Including short term investments (€17.6m) and non-current financial instruments (€37.0m) that does not include financial terms of the AstraZeneca, October 23, 2018 agreement or other post period third quarter events.

\*\* IFRS 15 supersedes IAS 18 "Revenue", changes the accounting treatment of the revenue relating to the licensing and collaboration agreement signed with AstraZeneca in 2015. See the HY report for more information