

INNATE PHARMA

Société Anonyme

117, avenue de Luminy

BP 30191

13276 Marseille Cedex 9

Statutory Auditors' report on the financial statements

Year ended December 31, 2016

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This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended December 31, 2016 on:

- the audit of the accompanying financial statements of Innate Pharma;
- the justification of our assessments,
- the specific verifications and disclosures required by law.

The financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as at 31 December 2016 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we hereby bring the following matters to your attention:

Accounting policies:

Notes 2e, 2e1 and 2e2 to the financial statements describe the accounting treatment applied to intangible assets and research and development expenses incurred by your Company.

Note 2k outlines the accounting policies relating to revenue and particularly revenue generated by licensing agreements and research and development services.

As part of our assessment of the accounting policies adopted by your Company, we verified the appropriateness of the aforementioned accounting methods and the disclosures in the notes to the financial statements and verified their correct application.

Accounting estimates:

Note 2k to the financial statements states that management estimates the length of your Company's involvement in future research and development commitments. Our work consisted in assessing the data and assumptions used and verifying the mathematical accuracy of the calculations performed by your Company to determine the percentage of completion and apply it to the total cost of the contract.

Note 2e1 to the financial statements states that management estimates the stage of completion of research and development work when accounting for relevant subcontracting costs. Our work consisted in assessing the reasonableness of the data and assumptions underlying these estimates, and verifying the mathematical accuracy of the calculations performed by your Company to determine the percentage of completion and apply it to the total cost of the contract.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of the opinion in the first part of this report.

III. Specific verifications and disclosures

We have also performed the specific verifications required by law in accordance with professional practice standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information provided in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information presented in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on these procedures, we attest to the accuracy of this information.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the identity of and share capital and voting rights held by shareholders.

Marseille, March 29, 2017

The Statutory Auditors

Audit Conseil Expertise SAS
Member of PKF International

Deloitte & Associés

Nicolas Lehnertz

Hugues Desgranges