

innate pharma

FIRST HALF 2019 FINANCIAL & BUSINESS UPDATE

SEPTEMBER 13, 2019



Forward Looking Statement

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Please refer to the Document de Référence filed with the Autorité des Marchés Financiers (“AMF”) on April 30th, 2019, available on the AMF’s website (www.amf-france.org) and on the Company’s website (www.innate-pharma.com). Such documents may not be necessarily up to date.

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Speakers

Highly experienced and well-regarded leadership with expertise in discovery, development and commercialization

Mondher Mahjoubi

*Chief Executive Officer;
Chairman of the Executive Board*



- Appointed Chief Executive Officer and Chairman of the Executive Board in December 2016
- Prior to joining Innate Pharma, led the Oncology Therapy area at AstraZeneca from November 2013 and was Oncology Global Manager from August 2016
- Prior to joining AstraZeneca, held several marketing and medical affairs positions including at Genentech and Sanofi-Aventis

Laure-Hélène Mercier

*Chief Financial Officer, EVP;
Executive Board Member*



- Joined Innate in 2007 and was appointed Chief Financial Officer in December 2016 and as a member of the Executive Board in 2019
- Prior to her current position, served as EVP, Finance and was previously our Director of Investor Relations
- Prior to joining Innate, held positions as an equity analyst at Oddo Securities and Natexis Bleichroeder

Pierre Dodion

*EVP
Chief Medical Officer*



- Joined Innate in 2014
- Prior to joining Innate, served as SVP, Chief Medical Officer and later as SVP Corporate Development and Operations at ARIAD Pharmaceuticals
- Previously held positions at Pfizer, Novartis and Aventis

Jennifer Butler

*EVP
U.S. General Manager*



- Joined Innate in 2019 as EVP and U.S. General Manager
- Prior to joining Innate, served as Chief Business Officer, Chief Commercial Officer and Head of U.S. operations at Tessa Therapeutics
- Previously served for more than 10 years in various commercial roles with increasing responsibility at AstraZeneca and MedImmune



Innovative Approach to Immuno-Oncology

Three-pillar approach to harness the potential of the innate immune system

Immune Checkpoint
Inhibitors (ICI)

UNLEASH
endogenous immune killing

Tumor Antigen
Targeting (TAG)

TARGET
tumor cells

Tumor Microenvironment
(TME)

RELIEVE
immune suppression

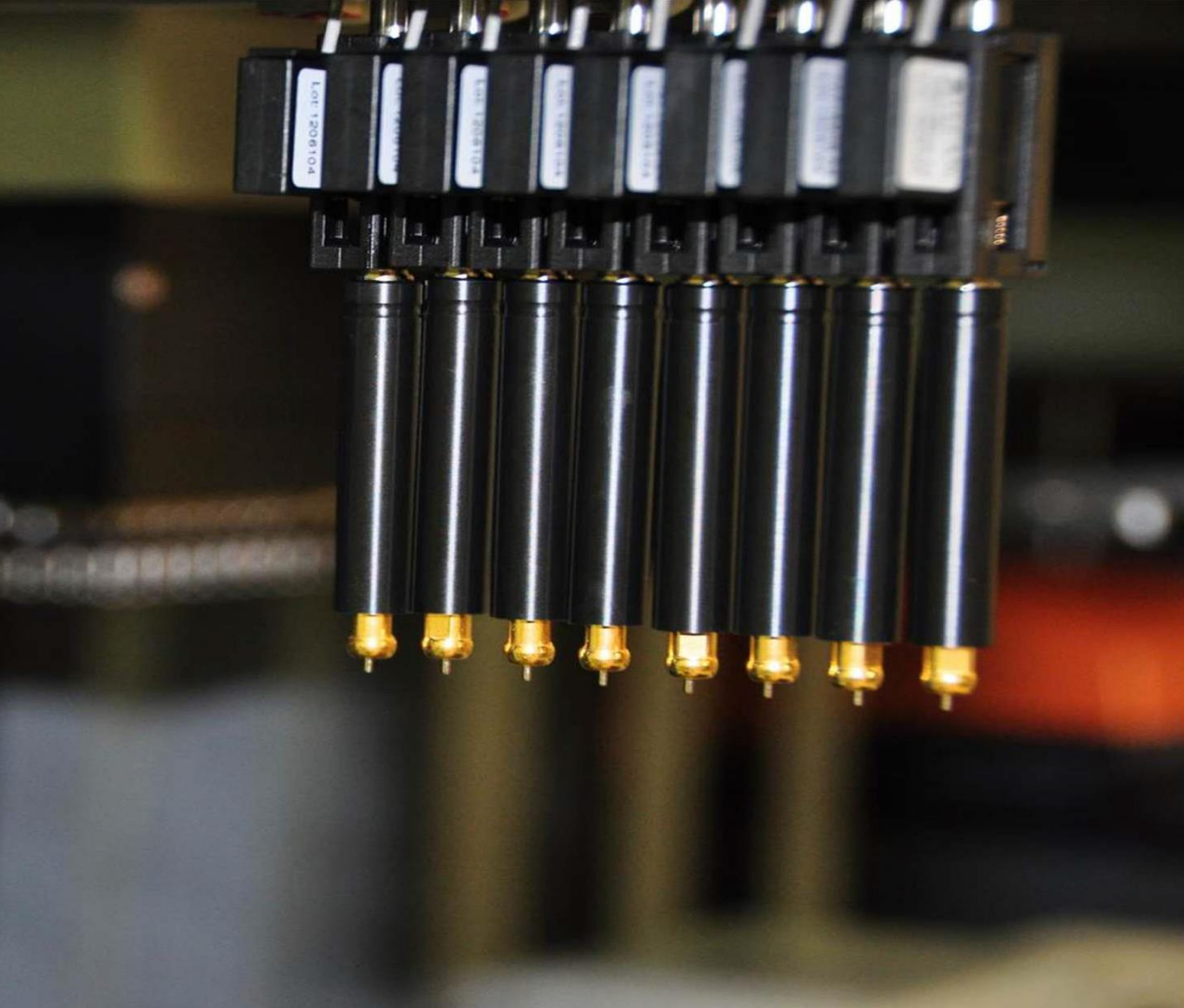


Three Strategic Key Pillars to Harness the Potential of Immunity

Product discovery platform has generated a deep pipeline

	Program	Target	Indication	Phase of Development					Partner	Upcoming Milestone(s)
				PC	Ph. I	Ph. II	Ph. III	Commercial		
Immune Checkpoint Inhibitors (ICI)	Monalizumab	NKG2A	SCCHN	Phase Ib/II					AstraZeneca 	2H 2019: Follow up data from expansion Cohort 1 1H 2020: Preliminary data from expansion Cohort 2 2H 2020: Preliminary data from expansion Cohort 3
			Advanced Solid Tumors, including CRC	Phase I/III						Safety data from CRC expansion cohorts
	Anti-Siglec-9	Siglec-9	Cancer	PC					AstraZeneca 	
Tumor Antigen Targeting (TAG)	Lumoxiti	CD22	Hairy Cell Leukemia	FDA Approved					–	2H 2019: EU regulatory submission
	IPH4102	KIR3DL2	Sézary Syndrome	Ph. II (Fast Track Designation)					–	- Potential for Phase II trial to be pivotal - Efficacy data starting in 2021
			MF / PTCL	Phase II					–	2H 2020: Update from first stage of PTCL and MF - Efficacy data starting in 2021
	IPH61 (NKp46 NKCE)	Undisclosed	Cancer	PC					SANOFI 	
	IPH43	MICA/B	Cancer	PC					AstraZeneca 	
	NKp46 NKCE	Undisclosed	Cancer	PC					AstraZeneca 	
Tumor Micro-environment (TME)	IPH5401	C5aR	Solid Tumors, NSCLC, HCC	Phase I/III					–	2H 2019: Phase I preliminary safety data
	IPH5201	CD39	Cancer	PC					AstraZeneca 	2H 2019: IND filing
	IPH5301	CD73	Cancer	PC					–	1H 2020: IND filing

Note: "SCCHN" denotes Squamous Cell Carcinoma of the Head and Neck; "CRC" denotes Colorectal Cancer; "MF" denotes Mycosis Fungoides; "PTCL" denotes Peripheral T-cell Lymphomas; "NSCLC" denotes Non-Small Cell Lung Cancer; and "HCC" denotes Hepatocellular Carcinoma.



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MONALIZUMAB

POTENTIALLY FIRST-IN-CLASS

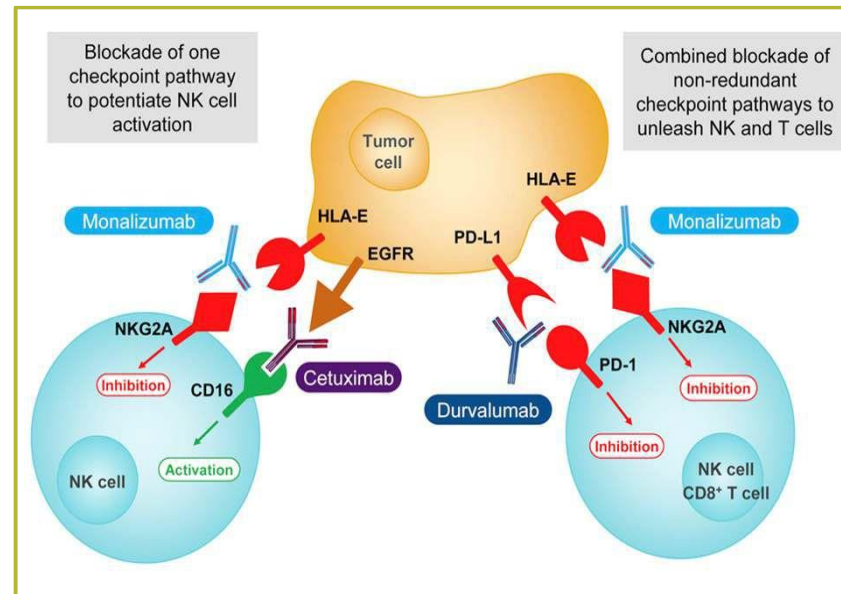
ANTI-NKG2A MAB



First-in-Class Anti-NKG2A mAb

Promotes anti-tumor immunity by unleashing both T & NK cells

- Potentially first-in-class, dual checkpoint inhibitor designed to restore the activity of both tumor-infiltrating NK cells and CD8+ T cells, potentially resulting in increased effector functions and greater killing of tumor cells by the immune system
- Innate and AstraZeneca currently evaluating monalizumab in an open-label Phase Ib/II clinical trial in combination with cetuximab in R/M SCCHN
 - Follow-up data from first expansion cohort expected 2H 2019 and further update from current ongoing trial expected in 2020
- Monalizumab also being evaluated by AstraZeneca in a Phase I/II clinical trial in combination with durvalumab in CRC
- Innate eligible to receive \$100 million milestone payment at the start of the first Phase III clinical trial





Key Preliminary Results of Cetuximab Combination

Monalizumab appears to increase response rate showing early, deep and durable responses in R/M SCCHN patients

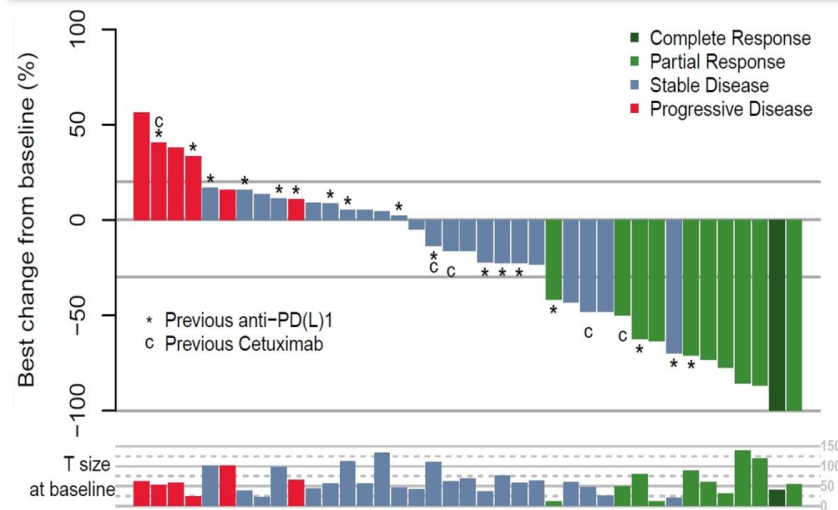
ORR in all Patients & According to Prior IO

Cut-off August 31, 2018	All Patients (n=40)	IO-naïve (n=23)	IO-pretreated (n=17)
ORR [95% CI]	27.5% [16-43]	35% [19-55]	18% [6-41]
Median PFS [95% CI]	5.0m [3.7-6.9]	4.0 m [3.7-10.6]	5.0m [3.5-NR]
Median OS [95% CI]	10.3m [7.3-NR]	10.3m [7.2-NR]	12.8m [6.0-NR]
DCR 24 weeks	35% [22-51]	39% [22-59]	29% [13-53]
Median duration of response [95% CI]	5.6m [3.8-NR]	5.3 m [3.8-NR]	5.6 m [3.7-NR]

ORR for Currently Approved Treatment Options for R/M SCCHN

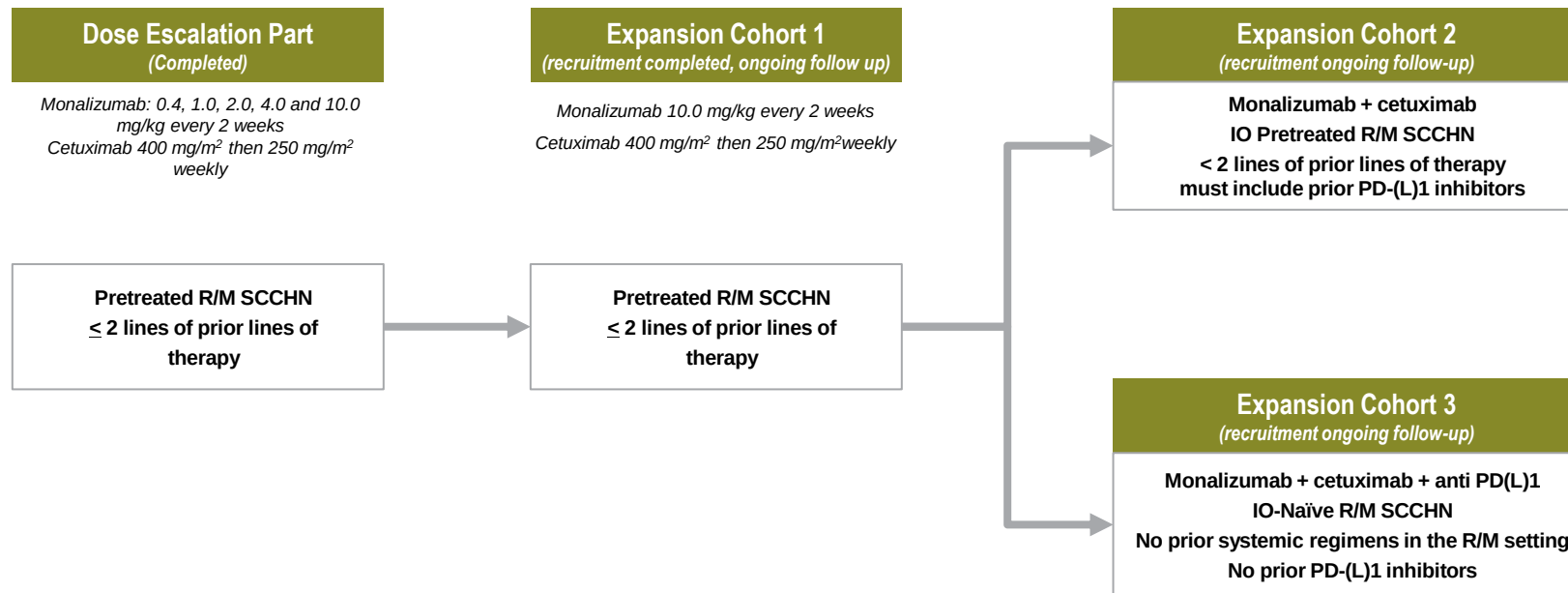
Cetuximab (Erbix)	Pembrolizumab (Keytruda)	Nivolumab (Opdivo)
12.6%	16.0%	13.3%

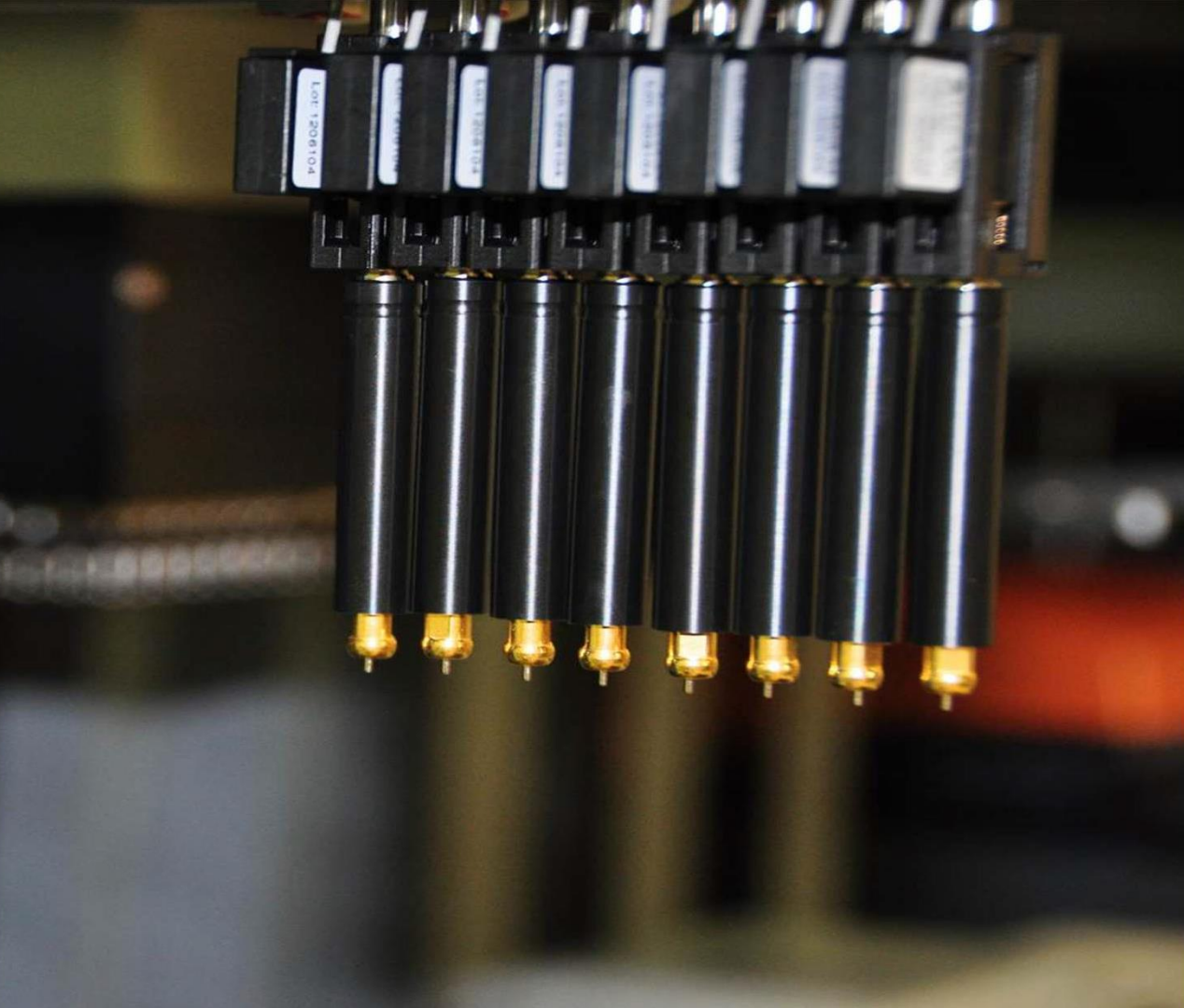
Antitumor activity: Best Change of Tumor Size from Baseline





Combination with Cetuximab in R/M SCCHN – Trial Design





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IPH4102

**POTENTIALLY FIRST-IN-CLASS
ANTIBODY TARGETING KIR3DL2**

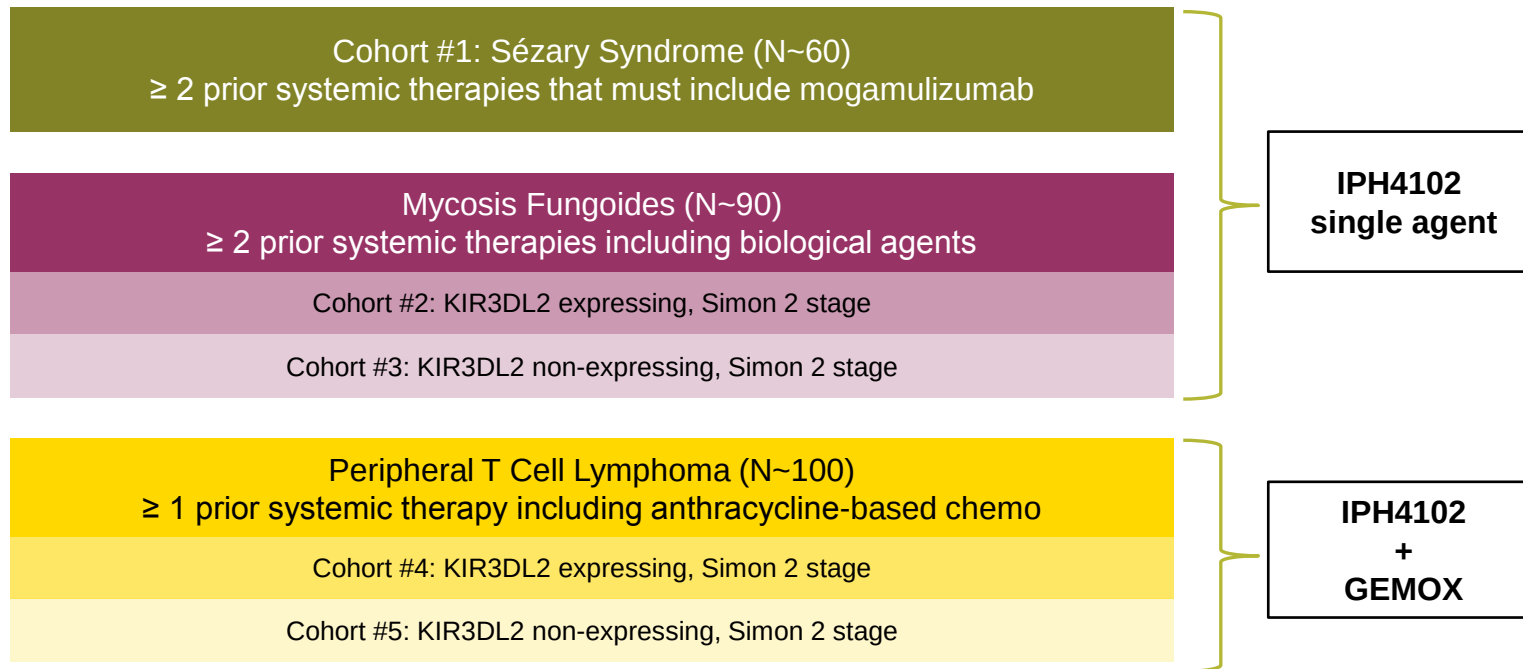
Wholly owned product for the treatment of certain subtypes of T-Cell Lymphomas

-
- The diagram illustrates the mechanism of IPH4102 in recruiting NK cells and depleting tumor cells. It is divided into two main stages:
- Left Stage:** An NK cell is shown interacting with a tumor cell. The NK cell's KIR3DL2 receptor (yellow Y-shape) is bound to the Anti-KIR3DL2 antibody (purple Y-shape) on the tumor cell. A legend below states: "IPH4102 binds to KIR3DL2 on tumor cells".
 - Right Stage:** The NK cell is shown interacting with a tumor cell. The NK cell's CD16 activating receptor (green Y-shape) is bound to the CD16 activating receptor (green Y-shape) on the tumor cell. A legend below states: "Recruitment of NK cells and depletion of tumor cells".

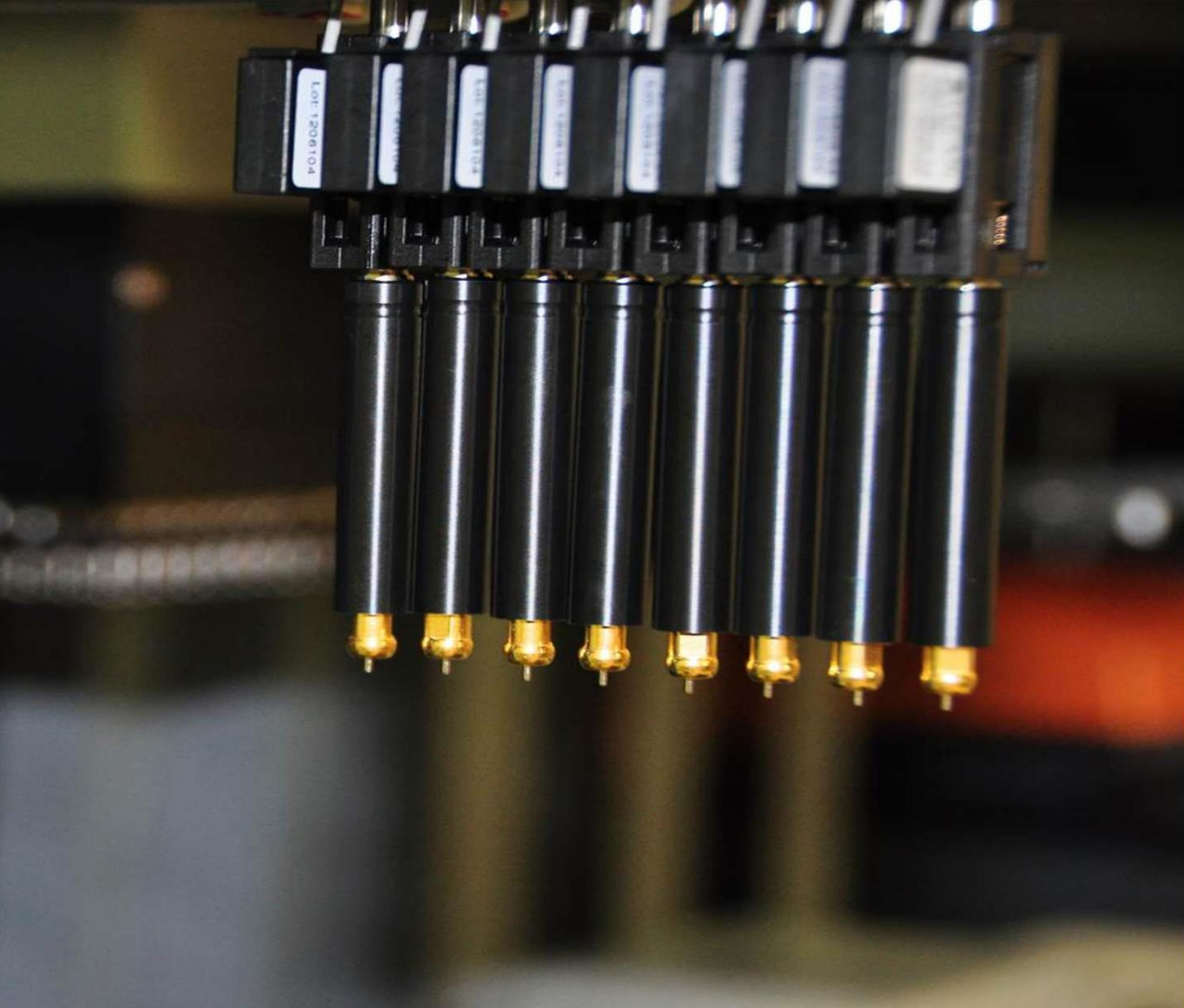


TELLOMAK Phase II Study

Multi-cohort study designed to maximize and optimize potential commercial opportunity in T-Cell lymphomas



KIR3DL2 expression is defined as ≥1% using central evaluation of KIR3DL2 by immunohistochemistry



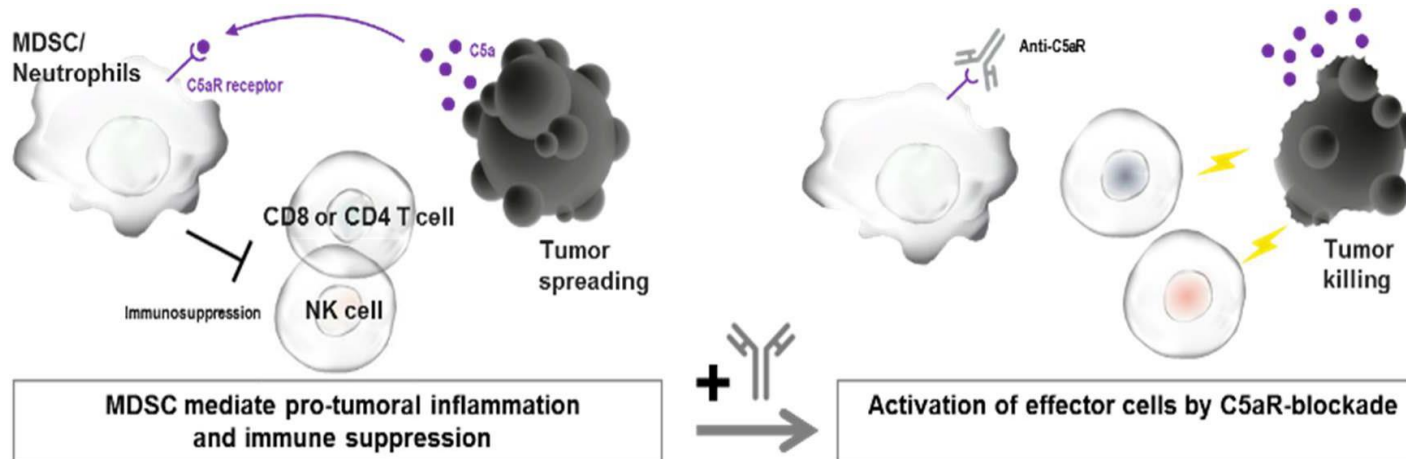
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IPH5401
ANTI-C5AR ANTIBODY



First-in-Class Anti-C5aR mAb

A novel mechanism of action



C5a stimulates recruitment & activation of suppressor cells
& leads to the inhibition of immune effector cells

Inhibition of C5aR signaling shown to increase
CD8 T cell infiltration & function



Phase I Stellar-001 with Durvalumab

A multicenter, open-label, dose-escalation and dose-expansion study

Non-exclusive clinical trial collaboration with AstraZeneca: 50% cost sharing

Part 1: Dose Escalation

IPH5401 – different doses & schedules
Durvalumab – fixed dose & schedule

Selected solid tumors

Safety data H2-2019

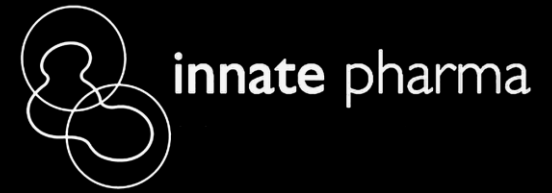
Part 2: Expansion

NSCLC – IO Pre-treated
Secondary resistance

HCC – IO Naïve

Study Objectives:

RP2D, Safety, ORR, PFS



**PRECLINICAL
PIPELINE**



Broad, Early Stage Pipeline of Innovative Immunotherapies

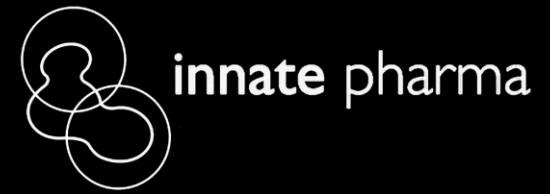
Product discovery platform continues to generate opportunities that enhance the depth of our pipeline

*Note: Table below includes publicly disclosed preclinical assets only***

	Program	Target	Indication	Partner	Potential Future Milestone(s)
ICI	Anti-Siglec-9*	Siglec-9	Cancer	AstraZeneca 	Innate eligible to receive up to \$855 million upon option exercise and achievement of certain development and commercial milestones
TAG	IPH61 (NKp46 NKCE)	Undisclosed	Cancer	SANOFI 	Innate eligible to receive up to €400 million upon achievement of certain development and commercial milestones
	IPH43 (ADC)*	MICA/B	Cancer	AstraZeneca 	Innate eligible to receive up to \$855 million upon option exercise and achievement of certain development and commercial milestones
	NKp46 NKCE*	Undisclosed	Cancer	AstraZeneca 	Innate eligible to receive up to \$855 million upon option exercise and achievement of certain development and commercial milestones
TME	IPH5201*	CD39	Cancer	AstraZeneca 	2H 2019: IND filing - Innate eligible to receive up to \$835 million upon option exercise and achievement of certain development and commercial milestones
	IPH5301	CD73	Cancer	—	1H 2020: IND filing

*Development under option agreement with AstraZeneca.

**Another undisclosed program is partnered with AstraZeneca.



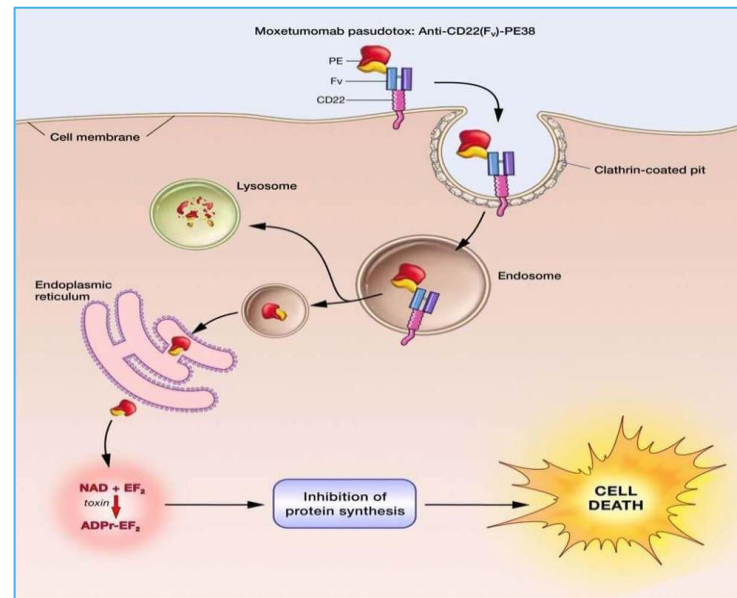
COMMERCIAL
LUMOXITI



A First-in-class, Marketed Product In-Licensed from AZ for the Treatment of HCL

First FDA-approved treatment for hairy cell leukemia in over 20 years

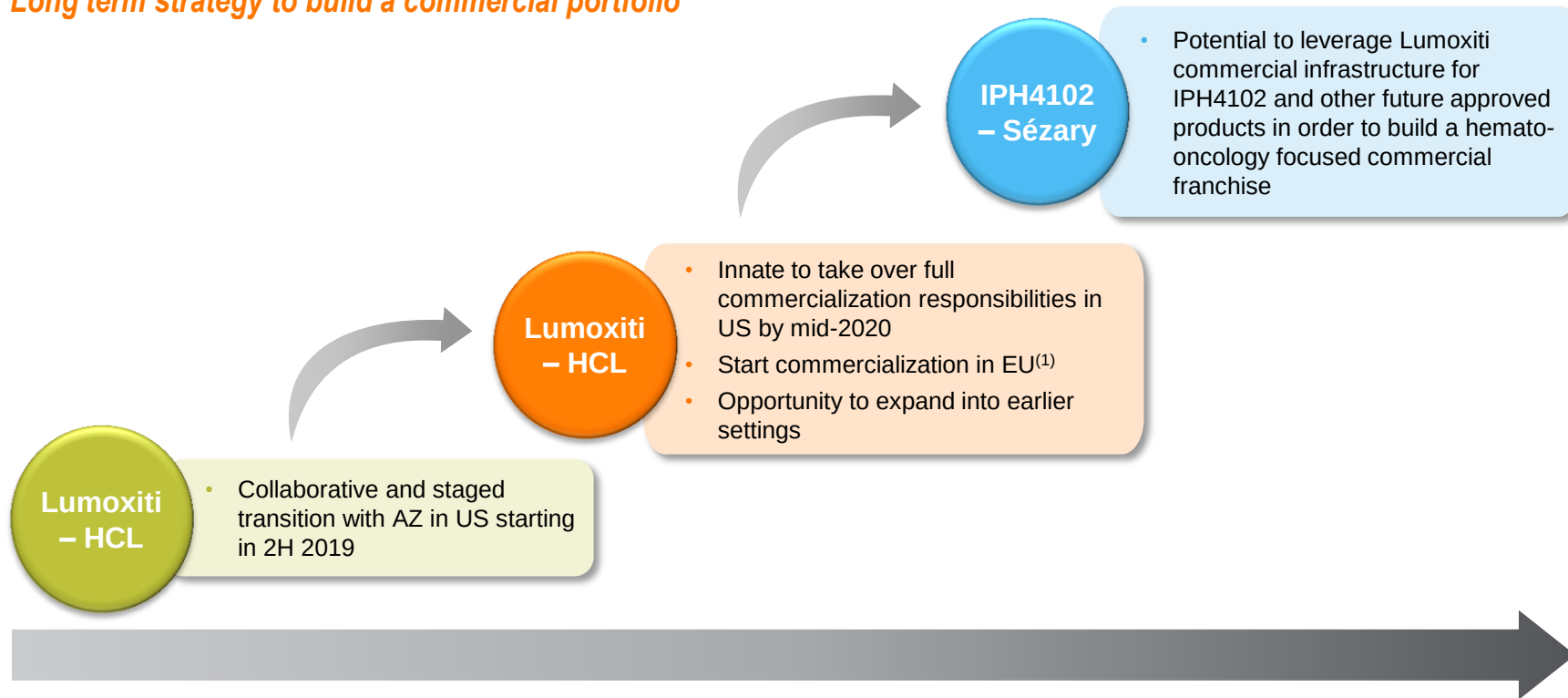
- Lumoxiti is a marketed, first-in-class CD22-directed immunotoxin
 - Approved by the FDA under priority review in September 2018 for the treatment of adult patients with R/R HCL who have received at least two prior systemic therapies, including treatment with a PNA
- We in-licensed commercial rights to Lumoxiti in the U.S. and EU from AstraZeneca in 2018
- EU regulatory submission expected 2H 2019



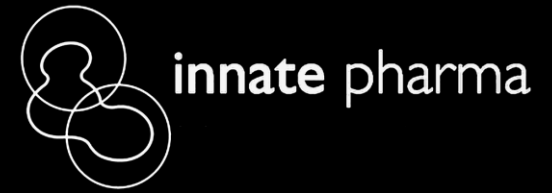


Lumoxiti: First Step in Building US and EU Commercial Organization

Long term strategy to build a commercial portfolio



(1) Pending regulatory approval



FINANCIALS



Financial Highlights First Half 2019

Cash, cash equivalents and financial assets*

€200.3m as of June 30, 2019

Burn rate for first 1H19: €49.1m**

Receipt:

- €108.7m final payment from AZ in January

Payments:

- \$50m (or €43.8m) payment to AstraZeneca related to Lumoxiti
- \$15m (or €13.1m) payment to Novo Nordisk A/S in relation to monalizumab
- €7.0m to Orega Biotech for anti-CD39

Revenue/other income: €59.2m

Licensing and collaborations: €51.6m

- €24.3m for monalizumab and €22.5m for IPH5201

Research tax credit: €7.6m

Operating expenses: €45.9m

~80% expenses related to R&D, broadening & maturing pipeline

Lumoxiti expense:
(€ 3.8m) related to commercial cost

Net income: €13.2m

Weighted average number of shares outstanding: 64m

* Current and non-current

** Recurring cash burn excluding exceptional items such as payments received from AstraZeneca and to Novo Nordisk A/S and Orega Biotech



Financial Highlights

In thousands of euros, except for data per share	30-June-19*	30-June-2018 **	Δ
Revenue and other income	59,155	22,996	36,159
Research and development	-36,584	-32,322	-4,262
General and administrative	-9,295	-5,576	-3,719
Net income (loss) from distribution	-3,820	–	-3,820
Operating income/(loss)	9,456	-14,902	24,358
Financial income (expense), net	3,784	-550	4,334
Corporate tax	–	333	-333
Net income (loss)	13,240	-15,118	28,358
Weighted average number of shares outstanding (in thousands)***	63,988	57,600	6.388
Net loss per share	0.21	-0.26	1
In thousands of euros, except for data per share	31-June-18	31-Dec-2018*	Δ
Cash, cash equivalents and financial assets****	200,274	202,712	-2,438
Total assets	352,555	451,216	-98,661
Shareholders' equity	181,266	167,240	14,026
Total financial debt	4,959	4,522	0,437

*The interim condensed consolidated financial statements as of and for the six months ended June 30, 2019 includes impacts of the first-time application of IFRS 16 that became applicable on January 1, 2019. The Company applied the modified retrospective transition method. Therefore 2018 comparative information has not been restated.

** The interim condensed consolidated statement of income (loss) for the six months ended June 30, 2018 includes corrective information relating to errors in the first application of IFRS 15 as of January 1, 2018, which have been identified and corrected by the Company in the course of the fourth quarter of 2018. See note 2.5 of the Interim Consolidated Financial Statements for more details.

*** The increase in the weighted average number of shares mainly results from the issuance of 6,260,500 shares to the benefit of AstraZeneca as part of the deal signed in October 2018.

**** Current and non-current



Strong Financial and Strategic Positioning

- Innate Pharma is currently listed on Euronext Paris under the symbol “IPH”
- Select upcoming catalysts and milestones (2019 / 2020):

2H 2019

- **2H 2019:** Follow up data from expansion Cohort 1 for monalizumab in SCCHN
- **2H 2019:** Phase I preliminary safety data for IPH5401
- **2H 2019:** IND filing for IPH5201
- **2H 2019:** EU regulatory submission expected for Lumoxiti

2020

- **1H 2020:** Preliminary efficacy data from expansion Cohort 2 for monalizumab in IO-pretreated SCCHN
- **1H 2020:** IND filing for IPH5301
- **2H 2020:** Update for IPH4102 in first stage of PTCL and MF
- **2H 2020:** Preliminary efficacy data from expansion Cohort 3 for monalizumab “triplet” combination in IO-naïve SCCHN

* Includes short term investments of €15.7 million and non-current financial instruments of €34.7 million.



First Half 2019 Financial and Business Update Summary

- **2019 is a year of execution**
- **Significant advancements across our partnered, proprietary and preclinical pipeline**
- **Continued progress in building out the US commercial infrastructure and operations**
- **Strong financial position to invest in our pipeline programs through data**