

# Press Release

April 5, 2006

## Innate Pharma and Novo Nordisk announce strategic partnership to research and develop drugs targeting natural killer cells

The French biopharmaceutical company Innate Pharma SA and the Danish-based global healthcare company Novo Nordisk today announced a major partnership to develop new drugs targeting natural killer (NK) cells, one of the body's first lines of defence against cancer and infections. As part of the agreement Novo Nordisk will invest 10 million euros in new Innate Pharma equity.

In contrast to most typical company collaborations focusing on a single disease, technology or therapy, the Innate Pharma/Novo Nordisk partnership is broadly strategic, involving wide-ranging R&D based on NK cell biology.

Innate Pharma founders' recent discoveries in the field of NKs hold promising potential for therapeutic applications in cancers, autoimmune disorders and infectious diseases.

Having already collaborated on an initial project for three years, the partners have established competitive and complementary competences in this area of immunology, which effectively advanced one project through research and preclinical development. Building on this synergy, the partnership also takes advantage of the individual strengths of the two companies: Innate Pharma's expertise in immune-based therapies targeting innate immune system and Novo Nordisk's experience and technologies for developing and producing protein-based therapies. By now combining forces on a broader scale, the partnership will strive to build a portfolio of new drug candidates in the area, originating from their own research or by further in-licensing from third parties.

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According to the agreement, the companies will collaborate for at least the next three years to develop new molecules – chiefly antibodies – that stimulate or inhibit NK cell activity. Although the partnership covers all therapeutic indications, drug candidates will be developed primarily in cancer, autoimmune disorders and infections. For example, one of the companies' current research efforts involves preclinical trials of a monoclonal antibody that blocks an inhibitory NK cell receptor, thereby increasing NK cell activity – a targeted approach that appears promising in cancer treatment. This collaboration will seek to bring drug candidates through preclinical trials, at which point Novo Nordisk will have the main responsibility for clinical development and regulatory approval.

Both companies will contribute intellectual property rights, expertise and R&D personnel in the NK cell field on an exclusive basis. At least 40 full-time employees evenly split between the two companies will be dedicated to the partnership. Novo Nordisk will be the exclusive licensee of all drug candidates developed under the agreement, although Innate Pharma, under certain conditions, will retain some rights to specific niche indications.

For its contribution, Innate Pharma will receive approximately 25 million euros in a combination of an upfront payment, R&D funding and preclinical milestone payments during the three-year period. Innate Pharma will also be eligible for remuneration of developmental and regulatory milestones (up to approximately 25 million euros per drug candidate, from first IND to first commercial sales), as well as to royalties on future product sales.

Novo Nordisk, already a minority shareholder in Innate Pharma, will also invest 10 million euros in new Innate Pharma equity, whereby Novo Nordisk's ownership share of Innate Pharma will be around 20%. Moreover, should Innate Pharma decide to pursue an initial public offering of its shares, the agreement calls for Novo Nordisk's possible active participation, under certain circumstances, in such a transaction.

*"Just nine months after the achievement of the first significant milestone in our initial collaboration with Novo Nordisk A/S, we are extremely pleased to strengthen and expand this partnership to a new group of targets,"* said Hervé Brailly, CEO of Innate Pharma. *"This long-term, exclusive collaborative agreement provides very important visibility to one of our three product platforms, consolidating Innate Pharma's leadership in immunotherapy targeting the innate immune system. It is a comprehensive strategic agreement that puts the company on a solid pathway to maturity."*

Terje Kalland, senior vice president, head of Biopharmaceuticals Research Unit, Novo Nordisk says: *"The expansion of our partnership to include a new group of targets underscores Novo Nordisk's beliefs in the promise of NK-receptor biology and is a natural consequence of our successful collaboration with Innate Pharma."*

*The agreement has a very strong strategic fit to our emerging pipeline within oncology and inflammation. Moreover, the equity investment in Innate Pharma, which is an integrated part of the R&D partnership, underlines our commitment to our new protein strategy and to making successful alliances with leading biotech companies."*

### **About natural killer (NK) cells**

NK cells are a type of white blood cell in the lymphocyte family, which also includes T cells and B cells. NK cells are present in large quantities in the bloodstream and account for up to 10% of circulating lymphocytes. NK cells are part of what is called the innate immune system, a first-line of defence against pathogens. Controlled by stimulatory and inhibitory signals received by receptors on their surface, NK cells can kill both malignant and virally-infected cells. They also play a key role in the control of inflammatory reactions, and in the triggering and regulation of long-term adaptive immune responses.

### **About Novo Nordisk**

***Novo Nordisk** is a healthcare company and a world leader in diabetes care. The company has the broadest diabetes product portfolio in the industry, including the most advanced products within the area of insulin delivery systems. In addition, Novo Nordisk has a leading position within areas such as haemostasis management, growth hormone therapy and hormone replacement therapy. Novo Nordisk manufactures and markets pharmaceutical products and services that make a significant difference to patients, the medical profession and society. With headquarters in Denmark, Novo Nordisk employs more than 22,000 employees in 79 countries, and markets its products in 179 countries. Novo Nordisk's B shares are listed on the stock exchanges in Copenhagen and London. Its ADRs are listed on the New York Stock Exchange under the symbol 'NVO'.*

*For more information, visit [novonordisk.com](http://novonordisk.com)*

### **About Innate Pharma**

***Innate Pharma S.A.** is a French biopharmaceutical company founded in 1999 and specialized in cancer immuno-therapeutics.*

*With 3 product platforms - targeting  $T\gamma\delta$ , NK and more recently dendritic cell receptors - each having demonstrated the "proof of concept", a first drug candidate entering phase-2 clinical trials and the exclusive rights to 54 patent families in the field of innate immunity pharmacology (equivalent to more than 250 potential patents), Innate Pharma intends to rapidly become a major actor on the high-growth market of immunotherapy.*

*Since its inception, Innate Pharma has raised EUR 40 million in three rounds of financing (2000, 2002, and 2004). Companies investing in Innate Pharma are Sofinnova Partners (Paris), Alta Partners (San Francisco), GIMV (Anvers), Auriga Partners (Paris), Axa Private Equity (Paris), Gilde Healthcare (Utrecht), Novo Nordisk A/S (Copenhagen), NIF (Tokyo), Quilvest (Paris), Pechel Industries (Paris), Innoveris (Marseille) and Inserm-Transfert (Paris).*

*Based in Marseille, Innate Pharma counts 54 full-time collaborators, 17 of which are Doctors in Science, Medicine and. Its activities are ISO9001:2000 certified.*

*For further information, visit [www.innate-pharma.com](http://www.innate-pharma.com)*

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