

PRESS RELEASE



INNATE PHARMA IN-LICENSES OREGA BIOTECH'S FIRST-IN-CLASS ANTI-CD39 CHECKPOINT INHIBITOR PROGRAM

- *This program, currently in preclinical development, aims at developing an anti-CD39 mAb;*
- *Targeting the adenosine immunosuppressive pathway has potential to promote anti-tumor immune responses across a wide range of tumors;*
- *Anti-CD39 broadens Innate Pharma's portfolio of innovative immuno-oncology assets;*
- *OREGA Biotech to receive upfront payment, milestone payments and royalties.*

Marseille and Lyon, France, January 10, 2016

Innate Pharma and OREGA Biotech today announce that they have entered into an exclusive licensing agreement by which OREGA Biotech grants Innate Pharma full worldwide rights to its program of first-in-class anti-CD39 checkpoint inhibitors. This license agreement arose from a fruitful research collaboration between the two companies initiated in 2014.

CD39, initially discovered as a checkpoint inhibitor by OREGA Biotech's cofounder Dr. Armand Bensussan in collaboration with INSERM, is expressed on both regulatory T cells and tumor cells. It plays a major role in promoting immunosuppression through the pathway degrading adenosine triphosphate (ATP) into adenosine. Within the tumor microenvironment, ATP promotes immune cell-mediated killing of cancer cells. In contrast, adenosine accumulation causes immune suppression and dysregulation of immune cell infiltrates resulting in tumor spreading.

Blockade of CD39 may therefore stimulate anti-tumor immunity across a wide range of tumors¹ by preventing the production of adenosine and by promoting the accumulation of ATP in the tumor microenvironment². OREGA Biotech's program to develop a CD39-blocking antibody thus aims at restoring a pro-inflammatory micro-environment. It is currently in preclinical development.

Yannis Morel, Chief Business Officer of Innate Pharma, said: "*CD39 is an exciting target to counteract the immunosuppressive tumor microenvironment and may complement other therapies that act to boost anti-tumor activities of T cells and NK cells*". He added: "*We are very pleased of the work we have done with OREGA Biotech. Their scientific expertise was key to this collaboration. It was a very efficient and successful way to advance this new first-in-class antibody program, which could become part of the next generation of checkpoint inhibitors. In the very competitive field of immuno-oncology, this kind of agreement is important to further strengthen our unique position in the field and our long term development perspectives*".

Jeremy Bastid, Chief Operating Officer of OREGA Biotech, added: "*We are delighted to enter into this licensing agreement with Innate Pharma. The involvement of this pathway in human tumors is broad and we believe that this CD39-blocking agent could become a valuable immune checkpoint inhibitor in the future*". Gilles Alberici, Chief Executive Officer and cofounder of OREGA Biotech, further commented: "*It is a major step forward for OREGA Biotech as it represents the accomplishment of our business model, which relies on our capacity to discover novel immune checkpoint inhibitors and partner early with larger biotech or pharma companies for the preclinical development. We have been impressed by Innate Pharma's expertise and we are convinced that they will successfully bring this program to the clinic*".

Innate Pharma and OREGA Biotech will present data on this program at an upcoming scientific meeting.

Under the terms of the agreement, OREGA Biotech will receive undisclosed upfront payment, milestone payments for preclinical, clinical and regulatory achievements as well as royalties on net sales.

¹ CD39 is expressed in several human cancers, including kidney, lung, ovarian, pancreatic, thyroid, testicular, endometrial, and prostate tumors, as well as in lymphoma and melanoma.

² Bastid et al., Cancer Immunol Res. 2015 ; Bastid et al., Oncogene 2013

About OREGA Biotech

OREGA Biotech specializes in the discovery and the development of first-in-class monoclonal antibodies for cancer immunotherapy. With a specific focus on tumor microenvironment, OREGA's Target Discovery Program aims at discovering and validating novel clinically-relevant cancer targets.

Incepted in 2010, OREGA Biotech is based on the research conducted by its academic cofounders Nathalie Bonnefoy, Armand Bensussan and Jean-François Eliaou. OREGA's business strategy is to bring its R&D programs up to preclinical proof of concept, IND or early clinical stages and then to license them out to larger biotech or pharmaceutical companies. Funded by *initiative* Octalfa, SHAM Innovation Santé, Rhône-Alpes Création and INSERM-Transfert Initiative, the company is managed by Gilles Alberici, CEO and Jeremy Bastid, COO.

For more information: www.orega-biotech.com

About Innate Pharma

Innate Pharma S.A. is a biopharmaceutical company discovering and developing first-in-class therapeutic antibodies for the treatment of cancer and inflammatory diseases.

The Company has three clinical-stage programs, including two checkpoint inhibitors in immuno-oncology, a new therapeutic field that is changing cancer treatment by enhancing the capability of the body's own immune cells to recognize and kill cancer cells.

Its innovative approach has translated into major alliances with leaders in the biopharmaceutical industry such as Novo Nordisk A/S, Bristol-Myers Squibb and AstraZeneca.

Listed on Euronext-Paris, Innate Pharma is based in Marseille, France, and had 112 employees at September 30, 2015.

Learn more about Innate Pharma at www.innate-pharma.com

Practical Information about Innate Pharma shares:

ISIN code FR0010331421
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Disclaimer

This press release contains certain forward-looking statements. Although the company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. For a discussion of risks and uncertainties which could cause the company's actual results, financial condition, performance or achievements to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the *Document de Reference* prospectus filed with the AMF, which is available on the AMF website or on Innate Pharma's website.

This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in Innate Pharma in any country.

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