PRESS RELEASE

innate pharma

INNATE PHARMA PROVIDES AN UPDATE ON LIRILUMAB

- ***Lirilumab continues to be well-tolerated in monotherapy and in combination across multiple tumor indications in an exploratory clinical program with partner Bristol-Myers Squibb***

- ***The combination of nivolumab plus lirilumab in an extended population of patients with squamous cell carcinoma of the head and neck (SCCHN) did not provide clear evidence of benefit to patients or an obvious development path – discussions are ongoing regarding next steps***

- ***Full data from the previously disclosed EffiKIR trial to be presented at ASH Annual Meeting 2017 suggests that alternate dosing regimens may have potential for improved patient benefit***

- ***Innate Pharma is pursuing a broad and diversified pipeline of proprietary and partnered programs according to plan and expects to provide an update at an R&D event in early 2018***

- ***Conference call to be held today at 6:30 pm CET***

Marseille, France, November 22, 2017, 5:45 PM CET

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 – IPH) today provides an update on the clinical study program of lirilumab, licensed to Bristol-Myers Squibb. Lirilumab is a fully human antibody directed against the inhibitory killer-cell immunoglobulin-like receptors (KIRs) expressed predominantly on circulating natural killer (NK) cells.

While lirilumab was shown to be well-tolerated, the assessment of efficacy from the ongoing exploration of doublet combinations, notably the nivolumab combination in an extended population of SCCHN patients, did not provide clear evidence of benefit to patients or an obvious development path.

Discussions are ongoing regarding next steps for the program.

Mondher Mahjoubi, Chief Executive Officer at Innate Pharma, commented: *"Clearly this is disappointing, but we remain convinced, based on broad preclinical evidence, that NK cells play an important role in cancer immunosurveillance. Together with Bristol-Myers Squibb, our partner, we will further examine these data to better understand the results and explore whether other combinations should be investigated."*

Separately, full data from the previously disclosed Phase II EffiKIR trial testing lirilumab as a single agent maintenance treatment in elderly patients with acute myeloid leukemia will be discussed at the upcoming ASH Annual Meeting 2017 in an oral presentation on December 11, 6:15pm ET, by the principal investigator Pr. Norbert Vey, Team leader Translational Medicine – Hematology at the Paoli-Calmettes Institute (IPC). These data suggest that alternate dosing regimens, where KIR receptors are not permanently occupied and allow the interaction with their cognate ligands during maturation, could be worth exploring. The presentation will be made available in the lirilumab section of Innate's website following the event.

Mondher Mahjoubi added: *"As opposed to NKG2A receptors, KIRs in addition to controlling anti-tumor activity play a pivotal role in NK cell maturation. Maturation requires the interaction between KIRs and their cognate MHC class I ligands and thus full occupancy of the receptor may lead to dysfunction of maturing NK cells. This educational function represents an additional challenge to finding the right dosing regimen or the appropriate combination partner."*

Innate Pharma is pursuing a broad and diversified pipeline of proprietary and partnered programs. Innate's proprietary clinical product candidates IPH4102 and IPH5401 are progressing towards the next stages of clinical development as expected and an update is planned for early 2018 at an R&D event. Innate is also developing monalizumab, an antibody targeting NKG2A receptors on NK and CD8 T cells, which is partnered with AstraZeneca.

A conference call to the attention of institutional investors and sell-side analysts will be held today at 6:30 pm CET.

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A replay will be available on Innate Pharma's website after the conference call.

About Lirilumab

Lirilumab is a fully human monoclonal antibody that is designed to block the interaction between KIR2DL-1,-2,-3 inhibitory receptors and their ligands. Blocking these receptors facilitates activation of NK cells and potentially some subsets of T cells, ultimately leading to destruction of tumor cells.

Lirilumab is licensed to Bristol-Myers Squibb Company. As part of the agreement with Innate Pharma, Bristol-Myers Squibb holds exclusive worldwide rights to develop, manufacture and commercialize lirilumab and related compounds blocking KIR receptors, for all indications.

About nivolumab (Opdivo)

Opdivo is a programmed death-1 (PD-1) immune checkpoint inhibitor that is designed to uniquely harness the body's own immune system to help restore anti-tumor immune response. By harnessing the body's own immune system to fight cancer, Opdivo has become an important treatment option across multiple cancers.

Opdivo's leading global development program is based on Bristol-Myers Squibb's scientific expertise in the field of Immuno-Oncology and includes a broad range of clinical trials across all phases, including Phase 3, in a variety of tumor types. To date, the Opdivo clinical development program has enrolled more than 25,000 patients. The Opdivo trials have contributed to gaining a deeper understanding of the potential role of biomarkers in patient care, particularly regarding how patients may benefit from Opdivo across the continuum of PD-L1 expression.

In July 2014, Opdivo was the first PD-1 immune checkpoint inhibitor to receive regulatory approval anywhere in the world. Opdivo is currently approved in more than 60 countries, including the United States, the European Union and Japan. In October 2015, the company's Opdivo and Yervoy combination regimen was the first Immuno-Oncology combination to receive regulatory approval for the treatment of metastatic melanoma and is currently approved in more than 50 countries, including the United States and the European Union.

About Innate Pharma:

Innate Pharma S.A. is a clinical-stage biotechnology company dedicated to improving cancer treatment and clinical outcomes for patients through first-in-class therapeutic antibodies that harness the innate immunity.

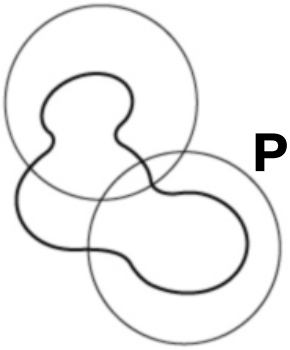
Innate Pharma specializes in immuno-oncology, a new therapeutic field that is changing cancer treatment by mobilizing the power of the body's immune system to recognize and kill cancer cells.

The Company's broad pipeline includes four first-in-class clinical stage antibodies as well as preclinical candidates and technologies that have the potential to address a broad range of cancer indications with high unmet medical needs.

Innate Pharma has pioneered the discovery and development of checkpoint inhibitors, with a unique expertise and understanding of Natural Killer cell biology. This innovative approach has resulted in major alliances with leaders in the biopharmaceutical industry including AstraZeneca, Bristol-Myers Squibb, Novo Nordisk A/S and Sanofi. Innate Pharma is building the foundations to become a fully-integrated biopharmaceutical company.

Based in Marseille, France, Innate Pharma has more than 180 employees and is listed on Euronext Paris.

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



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Information about Innate Pharma shares:

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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 (http://www.amf-france.org) 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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