**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

# FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2023**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of event requiring this shell company report**

**For the transition period from _____ to _____**

**Commission File Number 001-39084**

## Innate Pharma SA

**(Exact name of registrant as specified in its charter and translation of registrant's name into English)**

**France**

**(Jurisdiction of incorporation or organization)**

**117, Avenue de Luminy**

**13009 Marseille France**

**(Address of principal executive offices)**

**Hervé Brailly**

**Chairman and Chief Executive Officer**

**Innate Pharma S.A.**

**117 Avenue de Luminy**

**13009 Marseille France**

**Tel: +33 4 30 30 30 30**

**(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)**

**Securities registered or to be registered pursuant to Section 12(b) of the Act.**

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| American Depositary Shares, each representing one ordinary share, nominal value €0.05 per share | IPHA* | The Nasdaq Global Select Market |
| Ordinary shares, nominal value €0.05 per share | | The Nasdaq Global Select Market* |

*Not for trading, but only in connection with the registration of the American Depositary Shares.

**Securities registered or to be registered pursuant to Section 12(g) of the Act. None**
**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**Ordinary shares, nominal value €0.05 per share:** 80,453,282 **as of December 31, 2023**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Emerging growth company | ☒ |

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. § 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐ Yes ☒ No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐ Yes ☐ No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐ Yes ☐ No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

| | | |
|---|---|---|
| U.S. GAAP ☐ | International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ | Other ☐ |

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

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## INTRODUCTION

Unless otherwise indicated in this annual report (this "Annual Report"), "Innate Pharma," "Innate," "the company," "the Company," "we," "us" and "our" refer to Innate Pharma S.A. and its consolidated subsidiaries.

"Innate Pharma," the Innate Pharma logo, ANKET® and other trademarks or service marks of Innate Pharma S.A. appearing in this Annual Report are the property of Innate Pharma S.A. or its subsidiaries. Solely for convenience, the trademarks, service marks and trade names referred to in this Annual Report are listed without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their right thereto. All other trademarks, trade names and service marks appearing in this Annual Report are the property of their respective owners. The Company does not intend to use or display other companies' trademarks and trade names to imply any relationship with, or endorsement or sponsorship of Innate by, any other companies.

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements are presented in euros, and unless otherwise specified, all monetary amounts are in euros. All references in this Annual Report to "$," "US$," "U.S.$," "U.S. dollars," "dollars" and "USD" mean U.S. dollars and all references to "€" and "euros" mean euros, unless otherwise noted. Throughout this Annual Report, references to ADSs mean American Depositary Shares or ordinary shares represented by such ADSs, as the case may be.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements other than present and historical facts and conditions, including statements regarding our future results of operations and financial position, business strategy, plans and our objectives for future operations, are forward-looking statements. These are based on the management's current beliefs, expectations and assumptions about future events, conditions and results and on information currently available to the management. All statements other than present and historical facts and conditions contained in this Annual Report, including statements regarding the future results of operations and financial position, business strategy, plans and the Company's objectives for future operations, are forward-looking statements. When used in this Annual Report, the words "anticipate," "believe," "can," "could," "estimate," "expect," "intend," "is/are designed to," "is/are likely to," "may," "aim," "target," "might," "plan," "potential," "predict," "objective," "should" or the negative of these and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the prospects of attaining, maintaining and expanding marketing authorization for monalizumab, lacutamab and other product candidates;
- the initiation, timing, progress and results of the Company's preclinical studies and clinical trials and those conducted by third parties, including the Company's collaborators, AstraZeneca and Sanofi;
- the Company's ability to successfully develop and advance its pipeline of product candidates;
- the timing or likelihood of regulatory filings and approvals;
- the Company's ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- future agreements with third parties in connection with the late-stage development and commercialization of the Company's product candidates and any other approved product;
- the Company's ability to develop sales and marketing capabilities and transition into a commercial-stage company;
- the pricing and reimbursement of the Company's product candidates, if approved;
- the effects of increased competition as well as innovations by new and existing competitors in the Company's industry;
- the Company's ability to obtain funding for its operations;
- the Company's ability to obtain, maintain, protect and enforce its intellectual property rights and proprietary technologies and to operate its business without infringing, misappropriating or otherwise violating the intellectual property rights and proprietary technology of third parties;
- regulatory developments in the United States, Europe and other countries;
- costs of compliance and failure to comply with new and existing governmental regulations including, but not limited to, tax regulations;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance;

- the impact of the current state of the global financial market and economic conditions as well as recent health and geopolitical events; and
- other risks and uncertainties, including those listed in the section of this Annual Report titled "Risk Factors".

You should refer to the section of this Annual Report titled "Item 3.D – Risk Factors" for a discussion of important factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements. As a result of these factors, Innate cannot assure you that the forward-looking statements in this Annual Report will prove to be accurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by Innate or any other person that the Company will achieve its objectives and plans in any specified time frame or at all. The forward-looking statements made herein relate only to events or information as of the date on which the statements are made in this Annual Report. The Company undertakes no obligation to publicly update any forward-looking statements, after the date on which the statements are made or to reflect the occurrence of unanticipated events, whether, whether as a result of new information, future events or otherwise, except as required by law.

In addition, statements that "Innate believes" and similar statements reflect its beliefs and opinions on the relevant subject. These statements are based upon information available to Innate Pharma as of the date of this Annual Report, and while the Company believes such information forms a reasonable basis for such statements, such information may be limited or incomplete, and the statements should not be read to indicate that the Company has conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Annual Report and the documents that the Company references in this Annual Report and have filed as exhibits to this Annual Report completely and with the understanding that the Company's actual future results, levels of activity, performance and events and circumstances may be materially different from what the Company expects. The Company qualifies all of its forward-looking statements by these cautionary statements.

Unless otherwise indicated, information contained in this Annual Report concerning the industry and the markets in which the Company operates, including its general expectations and market position, market opportunity and market size estimates, is based on information from independent industry analysts, third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and market, which the Company believes to be reasonable. In addition, while the Company believes the market opportunity information included in this Annual Report is generally reliable and is based on reasonable assumptions, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the section of this Annual Report titled "Item 3.D—Risk Factors."

## SUMMARY RISK FACTORS

Investing in the Company's shares involves numerous risks, including the risks described in "Item 3.D—Risk Factors" of this Annual Report on Form 20-F. Below are some of the principal risks, any one of which could materially adversely affect the Company's business, financial condition, results of operations, and prospects:

- Biopharmaceutical development involves a high degree of uncertainty and most of the product candidates are in early stages of development.
- The scientific evidence to support the feasibility of developing product candidates is both preliminary and limited.
- The Company intends to develop several of its product candidates in combination with other therapies, which exposes it to additional risks.
- The Company is heavily dependent on the success of its current clinical-stage product candidates
- The Company may not be successful in its efforts to develop additional products that receive regulatory approval and are successfully commercialized.
- The Company may encounter substantial delays in its clinical studies or may be unable to conduct its clinical studies on the timelines the Company expects.
- The Company's product candidates in development may cause undesirable side effects or have other properties that could halt or delay their clinical development, prevent their regulatory approval, limit their commercialization or result in other negative consequences.
- The Company faces substantial competition from companies with significantly greater resources and experience.
- The regulatory processes that will govern the approval of the Company’s product candidates are complex and changes in regulatory requirements could result in delays or discontinuation of development or unexpected costs in obtaining regulatory approval.
- Any of the Company's product candidates, if approved and commercialized, may fail to achieve market acceptance by physicians, patients, third-party payors or the medical community to a degree that is necessary for commercial success.
- A fast track, breakthrough therapy or other designation by the FDA, or equivalent in other territories, may not actually lead to a faster development.
- The Company has no manufacturing capabilities and relies on third-party manufacturers for its product candidates.
- The Company relies on third parties to supply key materials used in its research and development, to provide services to the Company and to assist with clinical studies.
- The Company depends upon its existing collaboration partners, AstraZeneca, Sanofi and other third parties, and may depend upon future collaboration partners to commit to the research, development, manufacturing and marketing of its drugs.
- The late-stage development and marketing of the Company’s product candidates may partially depend on its ability to establish collaborations with major biopharmaceutical companies.
- The Company has incurred and may in the future incur significant operational losses related to its research and development activities.

- The Company may need to raise additional funding to complete the development and any commercialization of its product candidates, which may not be available on acceptable terms, or at all, and failure to obtain this necessary capital when needed may force it to delay, limit or terminate its product development efforts or other operations.
- If the Company does not achieve its product development or commercialization objectives in the timeframes it expects, the Company may not receive product revenue or milestone or royalty payments, and it may not be able to conduct its operations as planned.
- The revenues generated from the Company's collaboration and license agreements have contributed and are expected to contribute a large portion of its revenue for the foreseeable future.
- The Company benefits from tax credits in France that could be reduced or eliminated.
- The current state of the world financial market and current economic conditions could have a material adverse impact on the Company's business, financial condition and results of operations.
- The Company's business could be affected by natural disaster, such as wildfire, and this could be exacerbated by climate change.
- The Company's ability to compete may be adversely affected if the Company does not adequately obtain, maintain, protect and enforce its intellectual property or proprietary rights, or if the scope of intellectual property protection the Company obtains is not sufficiently broad.
- The Company's patents could be found invalid or unenforceable if challenged, and it may not be able to protect its intellectual property.
- The dual listing of the Company's ordinary shares and the ADSs may adversely affect the liquidity and value of the ADSs.
- The Company may be affected by political, social, legal and economic instability, civil unrest, war and other geopolitical tension, such as the ongoing military conflict between Russia and Ukraine and economic sanctions related thereto.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers.

Not applicable.

### Item 2. Offer Statistics and Expected Timetable.

Not applicable.

### Item 3. Key Information.

**A. [Reserved]**

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

## D. Risk Factors

*The Company's business faces significant risks. You should carefully consider all of the information set forth in this Annual Report and in the other filings with the SEC, including the following risk factors which Innate faces and which are faced by its industry. The Company's business, financial condition or results of operations could be materially adversely affected by any of these risks. This report also contains forward-looking statements that involve risks and uncertainties. Innate's results could materially differ from those anticipated in these forward-looking statements, as a result of certain factors, including the risks described below and elsewhere in this Annual Report and its other SEC filings. See "Special Note Regarding Forward-Looking Statements" above.*

### Risks Related to the Development of the Product Candidates

***Biopharmaceutical development involves a high degree of uncertainty and most of the product candidates are in early stages of development, which makes it difficult to evaluate the current business and future prospects and may increase the risk of your investment.***

Innate Pharma is a global, clinical stage oncology-focused biotech company developing a portfolio of product candidates, some of which Innate is co-developing, in the early stages of clinical development and preclinical programs.

A key element of Innate's strategy is to mature and expand its portfolio of proprietary and partnered product candidates to address unmet medical needs in immuno-oncology. Although Innate's research and development efforts to date have resulted in a pipeline of product candidates, all of its product candidates require additional development, regulatory review and approvals, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before they can be commercialized and before Innate can generate any revenue from product sales or royalties. If the Company or its collaboration partners are unable to successfully develop and market these product candidates, its business, prospects, financial condition and results of operations may be adversely affected.

Aside from Innate's commercial experience with Lumoxiti that ended in December 2020, its operations to date have been limited to developing its product candidates and undertaking preclinical studies and clinical studies of its product candidates, including monalizumab and IPH5201, through its partnership with AstraZeneca; IPH6101/SAR'579 through its partnership with Sanofi; and lacutamab, IPH5301 and IPH6501, its most advanced product candidates, currently in the clinical stage. The success in development of its current and future product candidates by the Company or its collaborators will depend on many factors, including:

- obtaining positive results in clinical trials, including by demonstrating efficacy, safety and durability of effect of such product candidates;
- completing preclinical studies and receiving regulatory approvals or clearance for conducting clinical trials for its preclinical programs;
- receiving and maintaining approvals for commercialization of such product candidates from regulatory authorities;
- manufacturing or overseeing the manufacturing of its product candidates in acceptable quantities and at an acceptable cost;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which the Company may enter, and performing its obligations pursuant to such arrangements;

- maintaining, protecting, enforcing and expanding its portfolio of intellectual property rights, including patents, trade secrets and know-how;
- avoiding and defending against third-party interference, infringement or other intellectual property claims; and
- maintaining and growing an organization of scientists, medical professionals and marketing, distribution and sales personnel and executives who can develop its product candidates and commercialize any approved products.

In addition, if the Company is unable to reduce its dependence on its current clinical and preclinical product candidates, either by in-licensing or acquiring new product candidates, developing its other product candidates or discovering new product candidates, the Company may be similarly adversely affected.

***The scientific evidence to support the feasibility of developing product candidates is both preliminary and limited.***

Innate Pharma's innovative approach to immuno-oncology aims to activate both the innate and adaptive immune systems against abnormal or cancerous cells and restore the body’s ability to disrupt their proliferation, potentially leading to durable responses in patients. This approach is focused on developing checkpoint inhibitors, tumor-targeting antibodies and antibodies that affect the tumor microenvironment, and several of the product candidates rely on novel mechanisms of action and on innovative formats for which the Company has limited scientific evidence and preclinical and clinical data.

The Company may not ultimately be able to provide the FDA, European Medicines Agency (EMA) or other regulatory authorities with substantial clinical evidence to support a claim of efficacy and durability of response to enable the applicable regulators to approve its product candidates for any indication. This may occur because later clinical studies fail to reproduce favorable data obtained in earlier clinical trials, because the applicable regulator disagrees with how the Company interprets the data from these clinical trials or because the applicable regulator does not accept these therapeutic effects as valid endpoints in pivotal clinical trials that are sufficient to grant marketing approval. Additionally, because product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and earlier clinical studies, its collaborators in earlier stages of clinical trials may eventually choose to discontinue later stage studies. For example, following initial promising results assessing the safety and efficacy of the Company's product candidate lirilumab for the treatment of various cancer indications, the Company's collaborator decided not to continue development after receiving Phase 2 clinical study data. Moreover, in 2022, AstraZeneca informed Innate Pharma of the discontinuation of the Interlink-1 Phase 3 clinical study assessing monalizumab in combination with cetuximab in patients with recurrent or metastatic squamous cell carcinoma of the head and neck, as this combination did not meet a pre-defined threshold for efficacy.

In addition to the safety and efficacy traits of any product candidate, clinical study failures may result from a multitude of factors, including flaws in study design, dose selection, placebo effect and patient enrollment criteria. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical studies due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier studies, and it is possible that the Company will as well. Based upon negative or inconclusive results, the Company or its collaborators may decide, or regulators may require the Company, to conduct additional clinical studies or preclinical studies. In addition, data obtained from studies are susceptible to varying interpretations, and regulators may not interpret the Company's data as favorably as the Company does, which may delay, limit or prevent regulatory approval.

The Company will also need to demonstrate that its product candidates are safe and well tolerated. The Company does not have significant data on possible harmful long-term effects of its product candidates and does not expect to have this data in the near future. As a result, its ability to generate clinical safety and efficacy data sufficient to support submission of a marketing application or commercialization of its product candidates is uncertain and is subject to significant risk.

***The Company intends to develop several of its product candidates in combination with other therapies, which exposes the Company to additional risks.***

The Company is currently developing monalizumab, lacutamab, IPH5201 and IPH5301, and may develop other product candidates, in combination with one or more currently approved cancer therapies. Specifically, AstraZeneca is currently evaluating monalizumab in ongoing Phase 1, 2 and 3 trials in combination with durvalumab, an anti-PD-L1 immune checkpoint inhibitor. Lacutamab is also currently evaluated in combination with chemotherapy GEMOX (gemcitabine in combination with oxaliplatin) in patients with PTCL (Peripheral T Cell Lymphoma). In addition, IPH5201 is also currently under clinical investigation, in a Phase 2 study in combination with durvalumab and chemotherapy. Finally, IPH5301 is currently under clinical investigation in a Phase 1 study in combination with a chemotherapy, paclitaxel and trastuzumab. Patients may not be able to tolerate the Company's product candidates in combination with other therapies, and preliminary clinical results indicate that monalizumab, for example, has no meaningful clinical activity as a monotherapy. Even if any product candidate the Company develops were to receive marketing approval or be commercialized for use in combination with other existing therapies, the Company would continue to be subject to the risks that the FDA, EMA or other comparable foreign regulatory authorities could revoke approval of the therapy used in combination with its product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. Combination therapies are commonly used for the treatment of cancer, and the Company would be subject to similar risks if the Company develops any of its product candidates for use in combination with other therapies or for indications other than cancer. This could result in its own products, if approved, being removed from the market or being less successful commercially.

The Company may also evaluate any of its current and future product candidates in combination with one or more other cancer therapies that have not yet been approved for marketing by the FDA, EMA or comparable foreign regulatory authorities. The Company will not be able to market and sell monalizumab, lacutamab, IPH5201 or IPH5301 or any other product candidate the Company develops in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If the FDA, EMA or other comparable foreign regulatory authorities do not approve, revoke their approval of, or if safety, efficacy, manufacturing or supply issues arise with, the products or product candidates the Company chooses to evaluate in combination with monalizumab, lacutamab, IPH5201, IPH5301 or any other product candidate the Company develops, the Company may be unable to obtain approval of or market monalizumab or any other such product candidate the Company develops.

***The Company is heavily dependent on the success of its current clinical-stage product candidates, and it cannot be certain that it or its collaborators will be able to obtain regulatory approval for, or successfully commercialize, these product candidates.***

The Company's business and future success depend on receiving regulatory approval for, and the commercial success of, its proprietary and partnered product candidates. The Company has agreements with AstraZeneca with respect to the advanced development, clinical study collaboration and potential future registration and marketing of several of its product candidates, including monalizumab and IPH5201, and with Sanofi for the research and development of IPH6101/SAR'579, IPH6401/SAR’514, IPH62 and of another program in solid tumors. Its near-term prospects depend heavily on AstraZeneca’s successful clinical development and commercialization of monalizumab, as well as the successful clinical

development of its other product candidates. The clinical success of these product candidates will depend on a number of factors, including the ability and willingness of AstraZeneca, Sanofi and the Company's other collaborators to complete ongoing clinical studies respectively for monalizumab and IPH6101/ SAR'579 or other partnered assets, the ability to complete the clinical trials for which the Company is responsible and the safety, tolerability and efficacy of its product candidates.

***The Company may not be successful in its efforts to develop additional products that receive regulatory approval and are successfully commercialized.***

The development of a product candidate is a long, costly and uncertain process, aimed at demonstrating the therapeutic benefit of a product candidate that competes with existing products or those being developed. There is no guarantee that the Company or its collaborators will be able to demonstrate a sufficient degree of clinical efficacy or safety of one or more of its proprietary or licensed product candidates in order to gain regulatory approval or to become commercially viable. The degree of uncertainty associated with clinical development and the risks associated with developing new product candidates may make it difficult to evaluate its current business and its future prospects.

The Company intends to continue to develop its product candidates that are currently in clinical trials, including monalizumab, lacutamab, IPH5201, IPH5301, IPH6101/SAR'579 and IPH6501. Monalizumab is currently being investigated in multiple Phase 1, Phase 2 and Phase 3 clinical studies under a co-development agreement with AstraZeneca. Lacutamab is currently being investigated in an open-label, multi-cohort Phase 2 clinical study in CTCL and in Phases 1 and 2 in PTCL. IPH5201 is currently being investigated in an open-label Phase 2 clinical study. IPH5301 is currently being investigated in a Phase 1 clinical study sponsored by the Institut Paoli-Calmettes. IPH6101/SAR'579 is currently investigated in a Phase 1/2 clinical study sponsored by Sanofi. IPH6501 is currently investigated in a first-in-human, Phase 1/2 study in B-Cell non-Hodgkin lymphoma indication.

While the Company believes that it will eventually have the in-house capabilities to complete the development and/or support the development by a partner of monalizumab, lacutamab, IPH5201, IPH5301, IPH6101/SAR'579 and IPH6501, the Company has not yet completed the clinical studies for these or other product candidates, and there can be no assurance that these or other product candidates will gain regulatory approval or become commercially viable.

Delays in the preclinical development of a product candidate could lead to delays in initiating clinical development. A failure in the preclinical development of a product candidate could lead to abandoning its development. Further delays or failures at the various clinical stages for a given indication could result in delay or halt the development of the product candidate in such indication or in other indications. Moreover, disappointing results during the initial Phases of development are often not a sufficient basis for deciding whether or not to continue a project. At these early stages, sample sizes, the duration of studies and the parameters examined may not be sufficient to enable a definitive conclusion to be drawn, in which case further investigations are required. Conversely, promising results during the initial phases, and even after advanced clinical studies have been conducted, do not guarantee that a product candidate or an approved drug will be successfully approved and commercialized.

The risks related to the failure of a product candidate’s development are highly related to the stage of maturity of the product candidate. Given the relatively early stage of the product candidates in the pipeline, there is a substantial risk that some or all of the product candidates will not obtain regulatory approval or be commercialized, which would have an adverse impact on the Company's business, prospects, financial condition and results of operations.

***The Company may not be successful in its efforts to identify, discover or develop additional product candidates, including those based on its innovative ANKET® technology.***

The Company is seeking to develop a broad and innovative pipeline of product candidates in addition to monalizumab, lacutamab, avdoralimab, IPH5201, IPH5301, IPH6101/SAR'579 and IPH6501. The Company may not be successful in identifying additional product candidates for clinical development for a number of reasons. For example, its research methodology may be unsuccessful in identifying potential product candidates or the potential product candidates the Company identifies may have harmful side effects, lack of efficacy or other characteristics that make them unmarketable or unlikely to receive regulatory approval.

Moreover, some of its innovative pipeline of product candidates are based on its innovative ANKET® platform, which is not yet approved. The ANKET® platform consists of two different formats, tri-specific and tetra-specific antibodies. IPH6101/SAR'579 and IPH6401/SAR'514, in partnership with Sanofi, two tri-specific antibodies are currently being investigated in Phase I clinical studies. Another multi-specific is also being developed in partnership with Sanofi (IPH62). Moreover, the Company is developing IPH6501, a tetra-specific proprietary antibody, which obtained the FDA's approval to start a first-in-human study in July 2023. Even if the Company aims at maintaining a diversified pipeline, the use of an innovative technology represents additional risks in the product candidate development.

Research programs to pursue the development of the product candidates for additional indications and to identify new product candidates and disease targets require substantial technical, financial and human resources. The Company's research programs may initially show promise in identifying potential indications or product candidates, yet fail to yield results for clinical development for a number of reasons, including:

- the research methodology used may not be successful in identifying potential indications or product candidates;
- potential product candidates and/or its ANKET® technology may, after further study, be shown to have harmful adverse effects or other characteristics that indicate they are unlikely to be effective drugs; or
- it may take greater human and financial resources to identify additional therapeutic opportunities for its product candidates or to develop suitable potential product candidates through internal research programs than the Company will possess, thereby limiting its ability to diversify and expand its product portfolio.

Accordingly, there can be no assurance that the Company will ever be able to identify additional indications for its product candidates or to identify and develop new product candidates through internal research programs. The Company may focus its efforts and resources on potential product candidates or other potential programs that ultimately prove to be unsuccessful.

***The Company may encounter substantial delays in its clinical studies or may be unable to conduct its clinical studies on the timelines the Company expects.***

Clinical testing is expensive, time consuming and subject to uncertainty. The Company cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical studies can occur at any stage of testing, and its future clinical studies may not be successful. Events that may prevent successful or timely completion of clinical development include:

- inability to generate sufficient preclinical, toxicology or other *in vivo* or *in vitro* data to support the initiation of clinical trials;
- delays or failure in reaching a consensus with regulatory agencies on clinical study design;

- delays in reaching agreement on acceptable terms with prospective Contract Research Organisations (CROs) and investigational sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and investigational sites;
- imposition of a temporary or permanent clinical hold by regulatory agencies, including as a result of a new safety finding that presents unreasonable risk to clinical study participants, a negative finding from an inspection of its clinical trial operations or investigational sites, developments in trials conducted by competitors for related technology that raise regulators' concerns about risk to patients of the technology broadly or if a regulatory body finds that the investigational protocol or plan is clearly deficient to meet its stated objectives. For example, in November 2019 and in October 2023, the TELLOMAK study sponsored by the Company was put on full or partial holds in a number of countries. The Company was authorized to fully resume patient enrollment and treatment after being able to provide the agencies with expected material and information ;
- delays in recruiting suitable patients to participate in its clinical studies;
- difficulty collaborating with patient groups and investigators;
- failure by the Company, its CROs or other third parties, including its collaborators, to adhere to clinical study requirements;
- delays in having patients complete participation in a clinical study or return for post-treatment follow-up;
- patients withdrawing from a clinical study;
- occurrence of adverse events associated with a product candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical trial protocols;
- regulatory feedback requiring the Company to amend the protocols of ongoing clinical studies in response to safety considerations, as the Company has previously been required to;
- changes in the standard of care on which a clinical development plan was based, which may require new or additional clinical trials;
- the cost of clinical studies of its product candidates being greater than the Company anticipates;
- clinical studies of its product candidates producing negative or inconclusive results, which may result in the Company deciding, or regulators requiring the Company, to conduct additional clinical studies or abandon product development programs;
- transfer of manufacturing processes to larger-scale facilities operated by either a contract manufacturing organization (CMO) and delays or failure by its CMOs or the Company to make any necessary changes to such manufacturing process; and
- batch recalls, recalls of manufactured product candidates or delays in manufacturing, testing, releasing, validating, or importing or exporting sufficient stable quantities of its product candidates for use in clinical studies or the inability to do any of the foregoing.

Any inability to successfully complete preclinical and clinical development could result in additional costs to the Company or impair its ability to generate revenue. In addition, if the Company makes manufacturing or formulation changes to its product candidates, it may be required to or it may elect to

conduct additional studies to bridge its modified product candidates to earlier versions. Clinical study delays could also shorten any periods during which its products have patent protection and may allow its competitors to bring products to market before the Company does, which could impair its ability to successfully commercialize its product candidates and may harm its business and results of operations.

***The Company depends on enrollment of patients in its clinical studies for its product candidates.***

Successful and timely completion of clinical studies will require that the Company or its subcontractors enroll a sufficient number of suitable patients. Clinical studies may be subject to delays as a result of patient enrollment taking longer than anticipated or patient withdrawal. Patient enrollment depends on many factors, including the size and nature of the patient population, which is typically limited for rare or orphan diseases, making the enrollment more difficult, eligibility criteria for the study, the proximity of patients to clinical sites, the design of the clinical protocol, the availability of competing clinical studies, the availability of new drugs approved for the indication the clinical study is investigating and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies. For example, the Company is developing lacutamab for the treatment of cutaneous T cell lymphoma (CTCL). CTCL is an orphan disease, which means that the potential patient population is limited. In addition, there are several other product candidates potentially in development for the indications for which the Company is developing product candidates, and the Company may compete for patients with the sponsors of trials for those drugs. These factors may make it difficult for the Company to enroll enough patients to complete its clinical studies in a timely and cost-effective manner. Delays in the completion of any clinical study of any of its product candidates will increase its costs, slow down its product candidate development and approval process and delay or potentially jeopardize its ability to commence product sales and generate revenue. In addition, some of the factors that cause, or lead to, a delay in the commencement or completion of clinical studies may also ultimately lead to the inability to obtain regulatory approval of its product candidates.

***The Company's product candidates in development may cause undesirable side effects or have other properties that could halt or delay their clinical development, prevent their regulatory approval, limit their commercialization or result in other negative consequences.***

Use of the Company's product candidates in development could be associated with side effects or adverse events, which can vary in severity and in frequency. Undesirable side effects or unacceptable toxicities caused by its products or product candidates could cause the Company or regulatory authorities to interrupt, delay or halt clinical studies. The FDA or European regulatory authorities could delay or deny approval of the Company's product candidates for any or all targeted indications and negative side effects could result in a more restrictive label for any drug that is approved. Side effects such as toxicity or other safety issues associated with the use of the Company's product candidates could also require it or its collaborators to perform additional studies or halt development of product candidates or sale of approved products.

Treatment-related side effects could also affect patient recruitment or the ability of enrolled subjects to complete the trial, or could result in potential product liability claims. In addition, these side effects may not be appropriately or timely recognized or managed by the treating medical staff, as toxicities resulting from immunotherapy are not normally encountered in the general patient population and by medical personnel. Inadequate training in recognizing or managing the potential side effects of its product candidates could result in adverse effects to patients, including death. Any of these occurrences may have an adverse impact on the Company's business, prospects, financial condition and results of operations.

***The Company faces substantial competition from companies with significantly greater resources and experience.***

The biotechnology and pharmaceutical market, and notably the immuno-oncology field, is characterized by rapidly advancing technologies, products protected by intellectual property rights and intense competition and is subject to significant and rapid change as researchers learn more about diseases and develop new technologies and treatments. The Company faces potential competition from many different sources, including major pharmaceutical companies, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions. Any product candidates that the Company or its collaborators successfully develop will compete with existing therapies and new therapies that may become available in the future. If competing products are marketed before Innate's ones, or at lower prices, or cover a wider therapeutic spectrum, or if they prove to be more effective or better tolerated, the Company's business, prospects, financial condition and results of operations could be affected.

Many of the Company's competitors who are developing immuno-oncology and anti-cancer therapies have considerably greater resources and experience in research, drug development, finance, manufacturing, marketing, technology and personnel and access to patients for clinical studies than the Company does. In particular, large pharmaceutical companies have substantially more experience than the Company does in conducting clinical studies and obtaining regulatory authorizations. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of the Company's competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors are also likely to compete with the Company to recruit and retain scientific and management personnel, acquire rights for promising product candidates and other complementary technologies, establish clinical investigational sites and patient registration for clinical studies and acquire technologies complementary to, or necessary for, its programs, as well as to enter into collaborations with partners who have access to innovative technologies. If the Company cannot successfully compete with new or existing products, its marketing and sales will suffer and the Company may never be profitable. Should any of these risks materialize, Innate's business, prospects, financial condition and results of operations may be adversely affected.

The Company cannot guarantee that its product candidates will:

- obtain regulatory authorizations or become commercially available before those of its competitors;
- remain competitive in the face of other products developerid by its competitors, which may prove to be safer, more effective, have fewer or less severe side effects, be more convenient, have a broader label, have more robust intellectual property protection or be less expensive;
- remain competitive in the face of products of competitors that are more efficient in their manufacturing or more effective in their marketing; and
- not become obsolete or unprofitable due to technological progress or other therapies developed by its competitors.

In addition, while any future product candidate that is approved may compete with many existing drugs or other therapies, to the extent it is solely used in combination with these therapies, the Company's product candidates will not be competitive with such therapies, but any sales of such products could be limited to sales of the combination therapy. In this case, the Company would be exposed to the same competitive risks as the product used in combination with its product, such as a product that is marketed before the combination therapy, has lower prices, covers a wider therapeutic spectrum or proves to be more effective

or better tolerated. For additional information regarding competition to its business see "Business—Competition."

**Risks Related to Regulatory Approval and Marketing of Innate's Product Candidates and Legal Compliance Matters**

***Even if the Company completes the necessary preclinical and clinical studies, the marketing approval process is expensive, time-consuming and uncertain and may prevent the Company from obtaining approvals for the commercialization of some or all of its product candidates. If the Company is not able to obtain, or if there are delays in obtaining, required regulatory approvals, in particular in the United States or the European Union, the Company will not be able to commercialize its product candidates, and its ability to generate revenue will be materially impaired.***

The research and development of pharmaceutical products is governed by complex regulatory requirements. The regulatory agencies that oversee these requirements have the authority to permit the commencement of clinical studies or to temporarily or permanently halt a study. They are entitled to request additional clinical data before authorizing the commencement or resumption of a study, which could result in delays or changes to the product development plan. As the Company advances its product candidates, the Company will be required to consult with these regulatory agencies and comply with all applicable guidelines, rules and regulations. If the Company fails to do so, the Company may be required to delay or discontinue development of its product candidates. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a potential product to market could decrease its ability to generate sufficient product revenue to maintain its business.

The clinical studies of Innate's product candidates, the manufacturing and the marketing of its product candidates are and will be, subject to regulation by numerous government authorities in the United States, in the European Union and in other countries where the Company intends to test and, if approved, market any product candidate. Before obtaining regulatory approvals for the commercial sale of any product candidate, the Company must demonstrate, with substantial evidence gathered in well-controlled clinical trials, and, with respect to approval in the United States, to the satisfaction of the FDA, with respect to approval in the European Union, to the satisfaction of the EMA or, with respect to approval in other countries, similar regulatory authorities in those countries, that the product candidate is safe and effective for use in each target indication.

When the Company acquired Lumoxiti, AstraZeneca had already obtained marketing approval from the FDA and they also filed the Marketing Authorization in the European Union. The Company has never submitted a product candidate for marketing approval in the United States, in the European Union or elsewhere.

In the United States, the Company expects that the requisite regulatory submission to seek marketing authorization for its product candidates will be a Biologic License Application (BLA) and the competent regulatory authority is the FDA. In the European Union, the requisite approval is a Marketing Authorization (MA), which for products developed by the means of antibody-based therapeutics, gene or cell therapy products as well as tissue engineered products, is issued through a centralized procedure involving the EMA (see "Business—Regulation"). Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. Failure to comply with the applicable requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include, for example, the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recalls or withdrawals from the market, product seizures, total or

partial suspension of production or distribution injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

Data from preclinical and clinical studies are likely to give rise to different interpretations, which could delay regulatory authorization, restrict the scope of any such authorization or force Innate to repeat trials in order to meet the requirements of the various regulators. Regulatory requirements and processes vary widely among countries, and the Company may be unable to obtain authorization within each relevant country in a timely manner. Regulatory authorities may prevent Innate from starting clinical studies or continuing clinical development if the data were not produced according to applicable regulations or if they consider that the balance between the expected benefits of the product and its possible risks is not sufficient to justify the trial.

Despite the Company's efforts, its product candidates may not:

- offer improvement over existing, comparable products;
- be proven safe and effective in clinical trials; or
- meet applicable regulatory standards.

This process can take many years and may include post-marketing studies and surveillance, which will require the expenditure of substantial resources beyond the existing cash on hand. Of the large number of drugs in development globally, only a small percentage successfully complete the regulatory approval process and not all approved drugs are successfully commercialized. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary for the Company or its partners to bring a potential product candidate to market could have a material adverse effect on its business, prospects, financial condition and results of operations.

***The regulatory processes that will govern the approval of Innate's product candidates are complex and changes in regulatory requirements could result in delays or discontinuation of development or unexpected costs in obtaining regulatory approval.***

The Company's product candidates are based on new approaches and/or technologies that are constantly evolving and have not been extensively tested on humans. The applicable regulatory requirements vary between jurisdictions and are also complex, potentially difficult to apply and subject to significant modifications. Modifications to regulations during the course of clinical development and regulatory review may lead to delays or the refusal of authorization.

In Europe, the United States and other countries, regulations can potentially:

- significantly delay or increase the cost of development, testing, manufacturing and marketing of Innate's products;
- limit the indications for which the Company will be authorized to market its products; and
- impose new, more stringent requirements, suspend marketing authorizations or request the suspension of clinical trials or the marketing of its products if unexpected results are obtained during trials performed by other researchers on products similar to its products.

Marketing authorization in one jurisdiction does not ensure marketing authorization in another, but a failure or delay in obtaining marketing authorization in one jurisdiction may have a negative effect on the regulatory process in others. Failure to obtain marketing authorization in other countries or any delay or setback in obtaining such approval would impair the Company's ability to develop additional markets for its product candidates. This would reduce Innate's target market and limit the full commercial potential of its product or product candidates. Should any of these risks materialize, this could harm its business.

***Innate Pharma's failure to obtain marketing approval in jurisdictions other than the United States and Europe would prevent Innate's product candidates from being marketed in these other jurisdictions, and any approval the Company is granted for its product candidates in the United States and Europe would not assure approval of product candidates in other jurisdictions.***

In order to market and sell its other product candidates in jurisdictions other than the United States and Europe, the Company must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval process varies among countries and can involve additional testing. The time required to obtain approval may differ from that required to obtain FDA approval or approvals from regulatory authorities in the European Union. The regulatory approval process outside the United States and Europe generally includes all of the risks associated with obtaining FDA approval or approvals from regulatory authorities in the European Union. In addition, some countries outside the United States and Europe require approval of the sales price of a product before it can be marketed. In many countries, separate procedures must be followed to obtain reimbursement, and a product may not be approved for sale in the country until it is also approved for reimbursement. The Company may not obtain marketing, pricing or reimbursement approvals outside the United States and Europe on a timely basis, if at all. Approval by the FDA or regulatory authorities in the European Union does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States and Europe does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA or regulatory authorities in the European Union. The Company may not be able to file for marketing approvals and may not receive necessary approvals to commercialize its products in any market. Marketing approvals in countries outside the United States and Europe do not ensure pricing approvals in those countries or in any other countries, and marketing approvals and pricing approvals do not ensure that reimbursement will be obtained.

***Side effects that appear following the launch of a drug on the market may result in the product being taken off the market or additional warnings being added to the label despite having obtained all regulatory approvals.***

A drug’s launch in the market may expose a large number of patients to potential risks associated with treatment with a new pharmaceutical product. Certain side effects, which may not have been identified during clinical trials, can subsequently appear. For these reasons, regulatory agencies require companies to implement post-approval monitoring. Depending on the occurrence of serious undesirable effects, the agencies may require that the Company or a collaboration partner take a drug off the market temporarily or permanently, even if it is effective and has obtained all the necessary marketing authorizations. Such an action would negatively impair the Company's ability to generate revenue from such product and could more generally negatively affect its ability to develop, obtain regulatory approval for, and commercialize its other product candidates and its reputation generally, each of which could have a material adverse effect on its business and results of operations. In addition, if the product candidates the Company develops receive marketing authorization and the Company or others identify undesirable side effects caused by any product after the approval, a number of potentially significant negative consequences could result, including that regulatory authorities may require the addition of labeling statements, such as a “boxed” warning or a contraindication, the Company may be required to create a medication guide outlining the risks of such side effects for distribution to patients and its reputation may suffer.

***Any product candidate for which the Company obtains marketing approval will be subject to strict enforcement of post-marketing requirements and the Company could be subject to substantial penalties, including withdrawal of its product from the market, if the Company fails to comply with all***

***regulatory requirements or if the Company experiences unanticipated problems with its product and product candidates, when and if any of them are approved.***

Any product candidate for which the Company obtains marketing approval will be subject to continual requirements of and review by the FDA, EMA and other regulatory authorities, including requirements relating to manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product. These requirements include, but are not limited to, restrictions governing promotion of an approved product, submissions of safety and other post-marketing information and reports, registration and listing requirements, current good manufacturing practice (cGMP), requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents and requirements regarding the distribution of samples to physicians and recordkeeping. In addition, even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed, restrictions for specified age groups, warnings, precautions or contraindications or to the conditions of approval.

The FDA and other federal and state agencies, including the U.S. Department of Justice (DOJ), closely regulate compliance with all requirements governing prescription products, including requirements pertaining to marketing and promotion of products in accordance with the provisions of the approved labeling and manufacturing of products in accordance with cGMP requirements. The FDA and DOJ impose stringent restrictions on manufacturers' communications regarding off-label use, and if the Company does not market its products for their approved indications, the Company may be subject to enforcement action for off-label marketing. Prescription products may be promoted only for the approved indications and in accordance with the provisions of the approved label. However, companies may also share truthful and not misleading information that is otherwise consistent with the labeling. Violations of such requirements may lead to investigations alleging violations of the Food, Drug and Cosmetic Act and other statutes, including the False Claims Act and other federal and state health care fraud and abuse laws, as well as state consumer protection laws. The Company's failure to comply with all regulatory requirements, and later discovery of previously unknown adverse events or other problems with its products, manufacturers or manufacturing processes, may yield various results, including:

- litigation involving patients taking its products;
- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that the Company submits;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- damage to relationships with any potential collaborators;
- unfavorable press coverage and damage to its reputation;
- refusal to permit the import or export of its products;

- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance by the Company or any future collaborator with the FDA, EMA or other regulatory requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with regulatory requirements regarding the protection of personal information can also lead to significant penalties and sanctions.

***Coverage and reimbursement may be limited or unavailable in certain market segments for the Company's product candidates, if approved, which could make it difficult for the Company to sell its product candidates profitably.***

Successful sales of its product candidates, if approved, will depend, in part, on the availability of adequate coverage and reimbursement from government authorities and third-party payors, such as private health insurers and health maintenance organizations. Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid in the United States or Social Security in France, and commercial payors are critical to new product acceptance.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor’s determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Policies for coverage and reimbursement for products vary among third-party payors. No uniform policy of coverage and reimbursement for products exists among third-party payors, and third-party payors are increasingly challenging the price, examining the medical necessity and reviewing the cost-effectiveness of approved drugs and medical services, in addition to questioning their safety and efficacy. As a result, obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require the Company or its partners to provide to each payor supporting scientific, clinical and cost-effectiveness data for the use of its products on a payor-by-payor basis, with no assurance that coverage and adequate reimbursement will be obtained. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available. Even if the Company obtains coverage for a given product, the resulting reimbursement payment rates might not be adequate for it to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of the Company's product candidates or approved products.

Because its product candidates represent new approaches to the treatment of cancer and, accordingly, may have a higher cost than conventional therapies and may require long-term follow-up evaluations, the risk

that coverage and reimbursement rates may be inadequate for the Company to achieve profitability may be elevated. There are currently a limited number of immunotherapy products that are designed to treat cancer on the market and, accordingly, there is less experience or precedent for the reimbursement of such treatments by governmental entities or third-party payors.

***Government restrictions on pricing and reimbursement and other healthcare cost-containment initiatives may negatively affect its ability to generate revenues for its product candidates for which the Company obtains regulatory approval.***

Government authorities and other third-party payors are developing increasingly sophisticated methods of controlling healthcare costs, including by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that pharmaceutical and biotechnology companies provide them with predetermined discounts from list prices as a condition of coverage, are using restrictive formularies and preferred drug lists to leverage greater discounts in competitive classes and are challenging the prices charged for medical products.

In the United States, the European Union and other foreign jurisdictions, there have been a number of legislative and regulatory changes to the healthcare system that could affect the Company's or its partners' ability to sell its products profitably.

On March 23, 2010, President Obama signed into law the Affordable Care Act (ACA), which includes a number of healthcare reform provisions and requires most U.S. citizens to have health insurance. The ACA, among other things, imposed a significant annual fee on companies that manufacture or import branded prescription drug products; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations; and establishes a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D. Substantial new provisions affecting compliance also have been added, which may require modification of business practices with healthcare practitioners. The ACA also revised the definition of "average manufacturer price" for reporting purposes, which could increase the amount of Medicaid drug rebates to states.

There have been judicial congressional, and executive branch efforts to repeal, modify or delay the implementation of the law. In July and December 2018, CMS published final rules with respect to permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under its risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017 includes a provision that repealed, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year, commonly referred to as the "individual mandate." On December 14, 2018, a Texas U.S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by the U.S. Congress as part of the Tax Cuts and Jobs Act of 2017 Act. Additionally, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA remains in effect in its current form. Further, prior to the U.S. Supreme Court ruling, on January 28, 2021, President Biden issued an executive order to initiate a special enrollment period which began on February 15, 2021, and

remained open through August 15, 2021, for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructs certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including, among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how judicial and Congressional challenges and the healthcare reform measures of the Biden administration will impact the ACA.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year, which will remain in effect through 2030, unless additional Congressional action is taken by Congress, although they have been suspended by the Coronavirus Aid, Relief and Economic Security, or CARES, Act, until March 31, 2022. From April through June 2022, a 1% reduction was in effect. As of July 2, 2022, the 2% cut resumed. Both the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012 (ATRA) further reduced Medicare payments to several providers and the ATRA increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Additional legislative proposals to reform healthcare and government insurance programs, along with the trend toward managed healthcare in the United States, could influence the purchase of medicines and reduce demand and prices for Innate's product candidates, if approved. This could harm Innate's or its partners' ability to market any drugs and generate revenues. Cost containment measures that healthcare payors and providers are instituting and the effect of further healthcare reform could significantly reduce potential revenues from the sale of any of its product candidates approved in the future, and could cause an increase in its compliance, manufacturing, or other operating expenses.

In addition, in the United States, federal programs impose penalties on drug manufacturers in the form of mandatory additional rebates and/or discounts if commercial prices increase at a rate greater than the U.S. Bureau of Labor Statistics consumer price index, and these rebates or discounts, which can be substantial, may affect the Company's ability to raise commercial prices.

Further, there has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. There have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare and reform government program reimbursement methodologies for drugs.

For example, in August 2022, the Inflation Reduction Act of 2022 was signed into law. This legislation contains substantial drug pricing reforms, including the establishment of a drug price negotiation program within the U.S. Department of Health and Human Services that would require manufacturers to charge a negotiated "maximum fair price" for certain selected drugs or pay an excise tax for noncompliance, the establishment of rebate payment requirements on manufacturers of certain drugs payable under Medicare Parts B and D to penalize price increases that outpace inflation, and requires manufacturers to provide discounts on Part D drugs. The Inflation Reduction Act of 2022 also caps Medicare beneficiaries' annual out-of-pocket drug expenses. Substantial penalties can be assessed for noncompliance with the IRA drug pricing provisions. Provisions of the IRA are subject to legal challenges, and the full impact of the IRA on the pharmaceutical industry remains uncertain.

The U.S. Congress and the current administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and

transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

In some countries, the proposed pricing for a biopharmaceutical product must be approved before it may be lawfully marketed. In addition, in certain foreign markets, the pricing of biopharmaceutical products is subject to government control and reimbursement may in some cases be unavailable. The requirements governing drug pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. An EU member state may approve a specific price for the medicinal product, it may refuse to reimburse a product at the price set by the manufacturer or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for biopharmaceutical products will allow favorable reimbursement and pricing arrangements for any of Innate's products. Historically, biopharmaceutical products launched in the European Union do not follow price structures of the United States and generally tend to have significantly lower prices.

The Company believes that pricing pressures will continue and may increase, which may make it difficult for it to sell any of its product candidates that may be approved in the future at a price acceptable to the Company or any of its existing or future collaborators.

***Any of the Company's product candidates, if approved and commercialized, may fail to achieve market acceptance by physicians, patients, third-party payors or the medical community to a degree that is necessary for commercial success.***

Even if the medical community accepts a product as safe and efficacious for its indicated use, physicians may choose to restrict the use of the product if the Company is unable to demonstrate that, based on experience, clinical data, side-effect profiles and other factors, its drug is preferable to any existing drugs or treatments. The Company cannot predict the degree of market acceptance of any product candidate that will receive marketing authorization, which will depend on a number of factors, including, but not limited to:

- the demonstration of the clinical efficacy and safety of the drug;
- the approved labeling for the drug and any required warnings;
- prevalence and severity of adverse side effects;
- the advantages and disadvantages of the drug compared to alternative treatments;
- ease of the drug’s use;
- its ability to educate the medical community about the safety and effectiveness of the drug;
- the scope of any approval provided by the FDA or foreign regulatory authorities;
- publicity about its product or about competitive products;
- the coverage and reimbursement policies of government and commercial third-party payors pertaining to the drug;
- the market price of its drugs relative to competing treatments; and
- due to the rarity of orphan diseases, it could be difficult finding patients seeking treatment.

Poor market penetration could have an adverse effect on the Company's business, prospects, financial condition and results of operations.

Innate's commercial experience is currently limited to Lumoxiti. Although Lumoxiti received a Marketing Authorization in 2018 in the United States, the level of sales in 2020 was lower than expected, leading Innate to make the decision in December 2020 to return the commercial rights of Lumoxiti to AstraZeneca. Beyond the financial impacts, the direct consequence of this decision was the immediate reduction of commercial operations in the Company's U.S. affiliate. A retrospective analysis identified two major causes: (i) a more complex patient access than expected due to geographic dispersion and (ii) the global pandemic of COVID-19. The COVID-19 pandemic significantly limited interactions with prescribing physicians. Moreover, the indolent and non-fatal nature of hairy cell leukemia in the short term encouraged physicians to delay or cancel treatment for some patients during the pandemic. This retrospective analysis of its commercial experience will help Innate Pharma capitalize on this experience for future registration and commercialization of its drug candidates.

***Even if some of its product candidates receive marketing authorization, the terms of such approval, ongoing regulation and potential post-marketing restrictions or withdrawal from the market may limit how the drug may be marketed and may subject the Company to penalties for failure to comply with regulatory requirements, which could impair its ability to generate revenues.***

Even if any of its product candidates receives a marketing authorization, such approval may carry conditions that limit the market for the drug or put the drug at a competitive disadvantage relative to alternative therapies. Regulators may limit the marketing of products to particular indications or patient populations. Regulators may require warning labels, and drugs with warnings are subject to more restrictive marketing regulations than drugs without such warnings. These restrictions could make it more difficult to market any drug effectively. Marketing restrictions may reduce the revenue that the Company is able to obtain.

Any of its product candidates for which the Company obtains marketing authorization, and the manufacturing processes, post-approval studies and measures, labeling, advertising and promotional activities for such products, among other things, will be subject to continual requirements of and review by the FDA, the EMA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing authorization of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including the FDA requirement to implement a risk evaluation and mitigation strategy to ensure that the benefits of a drug or biological product outweigh its risks.

The FDA, EMA and other national authorities may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a product, such as long-term observational studies on natural exposure. The FDA and other agencies, including the U.S. Department of Justice, closely regulate and monitor the post-approval marketing and promotion of products to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. Later discovery of previously unknown problems with Innate's product candidates or with manufacturing processes, including adverse events of unanticipated severity or frequency, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks, or the imposition of distribution or other restrictions including suspension of production and/or distribution and withdrawal of regulatory approvals. Failure to comply with these requirements may lead to financial penalties, compliance expenditures, total or partial suspension of production and/or distribution, product seizure or detention, refusal to permit the import or export of

products, suspension of the applicable regulator's review of a company's submissions, enforcement actions, product recalls, injunctions and even criminal prosecution, any of which could materially and adversely affect the Company's business, financial condition and results of operations.

***The Company's future growth depends, in part, on its ability to penetrate multiple markets, in which the Company would be subject to additional regulatory burdens and other risks and uncertainties.***

Innate's future profitability will depend, in part, on its ability to commercialize its product candidates, if approved, in markets in Europe, the United States and other countries where the Company maintains commercialization rights. If the Company commercializes its product candidates, if approved, in multiple markets, the Company would be subject to additional risks and uncertainties, including:

- foreign currency exchange rate fluctuations and currency controls;
- economic weakness, including inflation, or political instability in particular economies and markets;
- potentially adverse and/or unexpected tax consequences, including penalties due to the failure of tax planning or due to the challenge by tax authorities on the basis of transfer pricing and liabilities imposed from inconsistent enforcement;
- the burden of complying with complex and changing regulatory, tax, accounting and legal requirements, many of which vary between countries;
- different medical practices and customs in multiple countries affecting acceptance of drugs in the marketplace;
- differing payor reimbursement regimes, governmental payors or patient self-pay systems and price controls;
- tariffs, trade barriers, import or export licensing requirements or other restrictive actions;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- workforce uncertainty in countries where labor unrest is common;
- reduced or loss of protection of intellectual property rights in some foreign countries, and related prevalence of generic alternatives to therapeutics; and
- becoming subject to the different, complex and changing laws, regulations and court systems of multiple jurisdictions and compliance with a wide variety of foreign laws, treaties and regulations.

The conflict in Middle East and the Russia's military intervention in Ukraine may affect regional stability and economic growth throughout Europe. These and other risks associated with international operations may adversely affect Innate's ability to attain or maintain profitable operations. Future sales of the Company's product candidates, if they are approved, will be dependent on purchasing decisions of and reimbursement from government health administration authorities, distributors and other organizations. As a result of adverse conditions affecting the global economy and credit and financial markets, including disruptions due to political instability or otherwise, these organizations may defer purchases, may be unable to satisfy their purchasing or reimbursement obligations, or may affect milestone payments or royalties for monalizumab or any of Innate's product candidates that are approved for commercialization in the future. Should any of these risks materialize, this could have a material adverse effect on Innate Pharma's business, prospects, financial condition and results of operations.

***Even if its product candidates obtain regulatory approval, they will be subject to continuous regulatory review.***

If marketing authorization is obtained for any of its product candidates, the candidate will remain subject to continuous review, and therefore authorization could be subsequently withdrawn or restricted. The Company will be subject to ongoing obligations and oversight by regulatory authorities, including adverse event reporting requirements, marketing restrictions and, potentially, other post-marketing obligations, all of which may result in significant expense and limit its ability to commercialize such products.

If there are changes in the application of legislation or regulatory policies, or if problems are discovered with a product or its manufacture of a product, or if the Company or one of its distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on us, imposing restrictions on the product or its manufacture and requiring Innate to recall or remove the product from the market. The regulators could also suspend or withdraw their marketing authorizations, requiring Innate to conduct additional clinical studies, change its product labeling or submit additional applications for marketing authorization. If any of these events occurs, its ability to sell such product may be impaired, and the Company may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect its business, financial condition and results of operations.

***Even if one of its product candidates has orphan drug designation, the Company may not be able to obtain any benefit from such designation. Furthermore, if a product is granted orphan drug exclusivity in the same indication for which the Company is developing lacutamab or its other product candidates that is granted orphan drug designation, the Company may not be able to have its product candidate approved by the applicable regulatory authority for a significant period of time.***

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product candidate as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a disease that affects a patient population of fewer than 200,000 people in the United States. In the European Union, the European Commission may designate a product candidate as an orphan medicinal product if it is a medicine for the diagnosis, prevention or treatment of life-threatening or very serious conditions that affects not more than five in 10,000 persons in the European Union, or it is unlikely that marketing of the medicine would generate sufficient returns to justify the investment needed for its development. Generally, if a product candidate with an orphan drug designation receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which, subject to certain exceptions, precludes the FDA from approving the marketing application of another drug for the same indication for that time period or precludes the EMA, and other national drug regulators in the European Union, from accepting the marketing application for another medicinal product for the same indication. The applicable period is seven years in the United States and ten years in the European Union. The European Union period can be reduced to six years if a product no longer meets the criteria for orphan drug designation or if the product is profitable enough that market exclusivity is no longer justified. Orphan drug exclusivity may be lost in the United States if the FDA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition. The granting of a request for orphan drug designation does not alter the standard regulatory requirements and process for obtaining marketing approval.

Lacutamab has been granted orphan drug designation for cutaneous T cell lymphoma (CTCL) in Europe and in the United States, and the Company may pursue orphan drug designation for another product candidate that the Company may develop in the future in the United States and/or Europe. However, there is no assurance the Company will be able to receive orphan drug designation for other product candidates

that the Company may develop in the United States and/or Europe or for any other product candidate in any jurisdiction. Even if the Company is successful in obtaining orphan drug designation, orphan drug status may not ensure that the Company has market exclusivity in a particular market. Even if the Company obtains orphan drug exclusivity for any of its product candidates, that exclusivity may not effectively protect the product from competition because exclusivity can be suspended under certain circumstances. In the United States, even after an orphan drug is approved, the FDA can subsequently approve another drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In the European Union, orphan exclusivity will not prevent a marketing authorization being granted for a similar medicinal product in the same indication if the new product is safer, more effective or otherwise clinically superior to the first product or if the marketing authorization holder of the first product is unable to supply sufficient quantities of the product. In addition, if another product is granted marketing approval and orphan drug exclusivity in the same indication for which the Company is developing a product candidate with orphan drug designation, the Company may not be able to have its product candidate approved by the applicable regulatory authority for a significant period of time.

***A fast track, breakthrough therapy or other designation by the FDA, or equivalent in other territories, may not actually lead to a faster development.***

The Company may seek fast track, breakthrough therapy or similar designation for its product candidates. If a product is intended for the treatment of a serious or life-threatening condition and the product demonstrates the potential to address unmet medical need for this condition, the sponsor may apply for FDA fast track designation. The Company has received fast track designation in the U.S. and PRIME designation in the EU for lacutamab for the treatment of adult patients with relapsed or refractory Sézary Syndrome (SS) who have received at least two prior systemic therapies.

Additionally, the Company may in the future seek a breakthrough therapy designation or an equivalent in other territories for some of its product candidates that reach the regulatory review process. A breakthrough therapy is a drug candidate that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and that, as indicated by preliminary clinical evidence, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Drugs designated as breakthrough therapies by the FDA are eligible for accelerated approval and increased interaction and communication with the FDA designed to expedite the development and review process.

However, these designations do not ensure that the Company will experience a faster development process, review or approval compared to conventional FDA procedures. In addition, the FDA may withdraw a designation if it believes that the designation is no longer supported by data from its clinical development program. A designation alone does not guarantee qualification for the FDA’s priority review procedures.

***Priority review designation by the FDA, or the equivalent in other territories, may not lead to a faster regulatory review or approval process and, in any event, does not assure FDA approval of Innate's product candidates.***

If the FDA determines that a product candidate offers major advances in treatment or provides a treatment where no adequate therapy exists, the FDA may designate the product candidate for priority review. A priority review designation means that the goal for the FDA to review an application is six months, rather than the standard review period of 10 months. The Company may request priority review for its product candidates. The FDA has broad discretion with respect to whether or not to grant priority review status to a product candidate, so even if the Company believes a particular product candidate is eligible for such

designation or status, the FDA may decide not to grant it. Moreover, a priority review designation does not necessarily mean a faster regulatory review process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures. Receiving priority review from the FDA does not guarantee approval within the six-month review cycle or thereafter.

***The Company is subject to healthcare laws and regulations which may require substantial compliance efforts and could expose Innate to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings, among other penalties.***

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of biologic products that are granted marketing approval. Arrangements with providers, consultants, third-party payors and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, transparency laws, patient data privacy laws, regulations and other healthcare laws and regulations that may constrain the business and/or financial arrangements. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the U.S. Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid;
- the U.S. civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false, fictitious or fraudulent or knowingly making, using or causing to made or used a false record or statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the U.S. Health Insurance Portability and Accountability Act of 1996 (HIPAA), which created additional federal criminal laws that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their respective implementing regulations, including the Final Omnibus Rule published in January 2013, which impose obligations on covered entities and their business associates, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal transparency requirements known as the federal Physician Payments Sunshine Act, under the Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, or the ACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the Centers for Medicare & Medicaid Services (CMS) within the United States Department of Health and Human Services, information related to payments and other transfers of value made by that entity to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers. Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant

compliance guidance promulgated by the federal government in addition to requiring manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures. Certain state laws require the reporting of information relating to drug and biologic pricing; and some state and local laws require the registration of pharmaceutical sales representatives. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Ensuring that Innate's business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. It is possible that governmental authorities will conclude that its business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If Innate Pharma's operations were found to be in violation of any of these laws or any other governmental regulations that may apply to us, the Company may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, possible exclusion from government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if the Company becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of its operations, any of which could substantially disrupt its operations. If the physicians or other providers or entities with whom the Company expects to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. Should any of these risks materialize, this could have a material adverse effect on its business, prospects, financial condition and results of operations.

***European data collection is governed by restrictive regulations governing the collection, use, processing and cross-border transfer of personal information.***

The Company may collect, process, use or transfer personal information from individuals located in the European Union in connection with its business, including in connection with conducting clinical studies in the European Union. The collection and use of personal health data in the European Union are governed by the provisions of the General Data Protection Regulation ((EU) 2016/679) (GDPR). This legislation imposes requirements relating to having legal bases for processing personal information relating to identifiable individuals and transferring such information outside of the European Economic Area (EEA), including to the United States, providing details to those individuals regarding the processing of their personal information, keeping personal information secure, having data processing agreements with third parties who process personal information, responding to individuals' requests to exercise their rights in respect of their personal information, reporting security breaches involving personal data to the competent national data protection authority and affected individuals, appointing data protection officers, conducting data protection impact assessments and record-keeping. The GDPR applies across the European Economic Area (EEA) and, by virtue of the GDPR as it forms part of United Kingdom law, in a broadly uniform manner through section 3 of the European Union (Withdrawal) Act 2018, or the UK GDPR, in the United Kingdom. However, the GDPR provides that EEA member states can make their own further laws and regulations to introduce specific requirements related to the processing of "special categories of personal data", including personal data related to health, biometric data used for unique identification purposes and genetic information; as well as personal data related to criminal offenses or convictions – in the United Kingdom, the United Kingdom Data Protection Act 2018 complements the UK GDPR in this regard. This fact may lead to greater divergence on the law that applies to the processing of such data types across the EEA and/or United Kingdom, compliance with which, as and where applicable, may increase the Company's costs and could increase its overall

compliance risk. Such country-specific regulations could also limit its ability to collect, use and share data in the context of the Company's EEA and/or United Kingdom establishments (regardless of where any processing in question occurs), and/or could cause its compliance costs to increase, ultimately having an adverse impact on Innate's business and harming its business and financial condition. Failure to comply with the requirements of the GDPR and related national data protection laws of the member states of the European Union may result in substantial fines, other administrative penalties and civil claims being brought against us, which could have a material adverse effect on Innate's business, prospects, financial condition and results of operations. Moreover, in some European countries, including France, there are additional obligations applicable to the processing of personal data for the purpose of research in the field of healthcare and the hosting of personal health data must be carried out by specifically certified hosting service providers. Non-compliance with such additional rules as well as the absence or suspension of the appropriate certification of such hosting service provider may adversely affect Innate Pharma's business, or even lead to penalties related to breach of security of personal data.

**Risks Related to Innate's Reliance on Third Parties**

***The Company has no manufacturing capabilities and relies on third-party manufacturers for its product candidates.***

Innate Pharma's product candidates that are tested during its preclinical and clinical studies are manufactured by third parties. The Company has no production capabilities and relies on third parties to manufacture its products.

This strategy means that the Company does not directly control certain key aspects of its product development, such as:

- the quality of the product manufactured;
- the delivery times for drugs for a given clinical trial;
- the clinical and commercial quantities that can be supplied; and
- compliance with applicable laws and regulations.

Its reliance on third-party manufacturers creates risks that may not exist if the Company had its own manufacturing capabilities. These risks include:

- failure of third-party manufacturers to comply with regulatory and quality control standards;
- production of insufficient quantities;
- damage during transport and/or storage of its product candidates;
- breach of agreements by third-party manufacturers; and
- termination or non-renewal of the agreements for reasons beyond its control.

Should its third-party manufacturers breach their obligations or should the Company fails to renew its contracts with them, the Company cannot guarantee that it will be able to find new suppliers within a timeframe and under conditions that would not be detrimental. The Company could also be faced with delays or interruptions in its supplies, which could result in a delay in the clinical trials and, ultimately, a delay in the commercialization of the product candidates that the Company is developing. For example, manufacturing issues, leading to out-of-specification product, can occur during a manufacturing campaign at the Contract Manufacturing Organization (CMO) in charge of the production of its product candidates.

Reproducing a batch of product is a lengthy and costly process and sometimes can lead to drug shortage that can in turn lead to a delay in the development of the candidate, or even an early stop of a clinical trial. This happened in the early clinical development of lacutamab and led to the decision to limit the number of patients in order to ensure drug supply for treated patients in the Phase 1 clinical study.

For example, in November 2019, Impletio Wirkstoffabfüllung GmbH (formerly known as Rentschler Fill Solutions GmbH), the subcontractor in charge of the fill-and-finish manufacturing operations of lacutamab, unilaterally decided to withdraw the certificates of conformance of all clinical batches produced at their facilities, including the lacutamab batch used for the TELLOMAK Phase 2 clinical study assessing lacutamab in multiple indications. Impletio Wirkstoffabfüllung GmbH decided to withdraw the certificates of conformance even though the compliance of its manufacturing site with Good Manufacturing Practices had been confirmed by two on-site inspections performed by the Austrian Health Agency before and after the Company began to work with them.

The transfer of the manufacturing process to another contract manufacturing organization took a few months and came with additional costs but allowed Innate to have a conform batch in the middle of 2020 and to resume the enrollment and treatment of patients in the clinical trials after getting Regulatory Agencies' approval. During this period of time, the TELLOMAK trial was on partial or full hold in the United States, Spain, Germany and Italy.

Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***The Company is reliant upon third parties to manufacture and supply components of certain substances necessary to manufacture its product candidates.***

The Company is reliant on several third-party CMOs for the manufacture and supply of components and substances for all of the product candidates the Company is developing. In addition, certain component materials are currently available from a single supplier, or a small number of suppliers. The Company cannot be sure that these suppliers will remain in business, or that they will not be purchased by one of its competitors or another company that is not interested in continuing to manufacture these materials for us. The Company cannot assure that, if required, the Company will be able to identify alternate sources with the desired scale and capability and establish relationships with such sources. A loss of any CMO or component supplier and delay in establishing a replacement could delay Innate's clinical development and regulatory approval process.

***Its production costs may be higher than the Company currently estimates.***

Innate's product candidates are manufactured according to manufacturing best practices applicable to drugs for clinical trials and to specifications approved by the applicable regulatory authorities. If any of its products were found to be non-compliant, the Company would be required to manufacture the product again, which would entail additional costs and may prevent delivery of the product to patients on time.

Other risks inherent in the production process may have the same effect, such as:

- contamination of the controlled atmosphere area;
- unusable premises and equipment;
- new regulatory requirements requiring a partial and/or extended stop to the production unit to meet the requirements;
- unavailable qualified personnel;
- power failure of extended duration; and

- logistical error.

Should any of these risks materialize, this could have a material adverse effect its business, prospects, financial condition and results of operations.

***The Company relies on third parties to supply key materials used in its research and development, to provide services to Innate and to assist with clinical studies.***

The Company makes considerable use of third-party suppliers for the key materials used in its business. The failure of third-party suppliers to comply with regulatory standards could result in the imposition of sanctions on the Company. These sanctions could include fines, injunctions, civil penalties, refusal by regulatory organizations to grant approval to conduct clinical trials or marketing authorization for its products, delays, suspension or withdrawal of approvals, license revocation, seizure or recalls of its products, operating restrictions and legal proceedings. Furthermore, the presence of non-conformities, as detected in regulatory toxicology studies, could result in delays in the development of one or more of its product candidates and would require further tests to be financed. Although the Company is involved in establishing the protocols for the production of these materials, the Company does not control all the stages of production and cannot guarantee that the third parties will fulfil their contractual and regulatory obligations. In particular, a partner's failure to comply with protocols or regulatory constraints, or repeated delays by a partner, could compromise the development of its products or limit its liability. Such events could also inflate the product development costs incurred by us.

The Company also uses third parties to provide certain services such as scientific, medical or strategic consultancy services. These service providers are generally selected for their specific expertise, as is the case with the academic partners with whom the Company collaborates. To build and maintain such a network under acceptable terms, the Company faces intense competition. Such external collaborators may terminate, at any time, their involvement. The Company can exert only limited control over their activities. The Company may not be able to obtain the intellectual property rights to the product candidates or technologies developed under collaboration, research and license agreements under acceptable terms or at all. Moreover, its scientific collaborators may assert intellectual property rights or other rights beyond the terms of their engagement.

Finally, the Company uses third-party investigators to assist with conducting clinical trials. All clinical trials are subject to strict regulations and quality standards. Should any of these risks materialize, this could have a material adverse effect on its business, prospects, financial condition and results of operations.

***The Company and its collaborators rely on third parties to conduct some of its preclinical clinical studies and perform other clinical development tasks. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, it may not be possible to obtain regulatory approval for, or commercialize, its product candidates, and its business could be substantially harmed.***

The Company has relied upon and plans to continue to rely upon third parties to conduct clinical studies of its product candidates or product candidates that the Company has licensed to partners. For example, under its license and collaboration agreements with AstraZeneca, AstraZeneca is responsible for a number of clinical studies relating to monalizumab and IPH5201, which are subject to such agreements. In addition, the Company and its collaborators are responsible for and are supporting several clinical studies that are sponsored by academic or research institutions, known as investigator-sponsored trials, as is the case for the clinical study assessing IPH5301, which is sponsored by Institut Paoli-Calmettes and for the clinical study assessing lacutamab in PTCL, sponsored by the Lymphoma Study Association (LYSA). By definition, the financing, design and conduct of an investigator-sponsored trial are the sole responsibility of the sponsor, and the Company or its collaborators, as applicable, have limited control over these

aspects of these clinical trials, or the timing and reporting of the data from these trials. The Company and its collaborators also depend on independent clinical investigators and CROs to conduct clinical studies. CROs may also assist in the collection and analysis of data. There are a limited number of CROs that have the expertise to run clinical studies of its product candidates. Identifying, qualifying and managing performance of third-party service providers can be difficult and time consuming and can cause delays in its development programs. These investigators and CROs are not Innate's employees, and the Company is not able to control, other than by contract, the amount of resources, including the amount of time, that they devote to Innate's product candidates and clinical studies. If the investigators sponsoring studies of its product candidates, independent investigators participating in clinical studies that Innate Pharma or its collaborators are sponsoring or CROs fail to devote sufficient resources to its clinical studies and development of its product candidates or product candidates the Company has licensed to others, or if their performance is substandard, it may delay or compromise the prospects for approval and commercialization of any product candidates that the Company or its collaborators develop. In addition, the use of third-party service providers requires Innate to disclose its proprietary information to these parties, which could increase the risk that this information will be misappropriated, and the Company may not be able to obtain adequate remedies for such disclosure or misappropriation. Further, the FDA, EMA and other regulatory authorities require that the Company complies with standards, commonly referred to as Good Clinical Practice (GCP), and other local legal requirements, including data privacy regulations, for conducting, recording and reporting clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial subjects are protected. If clinical investigators or CROs fail to meet their obligations to Innate or comply with GCP procedures or other applicable legal requirements, the data generated in these trials may be deemed unreliable, and the FDA, EMA or comparable foreign regulatory authorities may require Innate to perform additional studies before approving Innate Pharma's marketing applications. The Company cannot assure that upon inspection by a given regulatory authority, such regulatory authority will determine that all of its clinical trials comply with GCP regulations.

In addition, Innate's clinical studies must be conducted with product produced under current Good Manufacturing Practice (cGMP) regulations. The Company's failure to comply with these regulations may require the Company to repeat clinical trials, which would delay the regulatory approval process. If clinical investigators or CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to Innate's protocol or regulatory requirements, or for other reasons, its clinical trials or those of its collaborators may be extended, delayed or terminated, and the Company or its collaborators may not be able to obtain regulatory approval for or successfully commercialize its product candidates. As a result, its results of operations and the commercial prospects for its product candidates would be harmed, its costs could increase and its ability to generate revenue could be delayed.

***Manufacturing facilities and clinical investigational sites are subject to significant government regulations and approvals, and if Innate's or its partners' third-party manufacturers fail to comply with these regulations or maintain these approvals, its business could be materially harmed.***

Innate's third-party manufacturers are subject to ongoing regulation and periodic inspection by national authorities, including the EMA, FDA and other regulatory bodies to ensure compliance with cGMP, when producing batches of its product candidates for clinical trials. CROs and other third-party research organizations must also comply with Good Laboratory Practices (GLP) when carrying out regulatory toxicology studies. Any failure to follow and document the Company's or third parties' adherence to such GMP and GLP regulations or other regulatory requirements may lead to significant delays in the

availability of products for commercial sale or clinical trials, may result in the termination of or a hold on a clinical trial, or may delay or prevent filing or approval of marketing applications for its products.

Failure to comply with applicable regulations could also result in national authorities, the EMA, FDA or other applicable regulatory authorities taking various actions, including:

- levying fines and other civil penalties;
- imposing consent decrees or injunctions;
- requiring Innate to suspend or put on hold one or more of its clinical trials;
- suspending or withdrawing regulatory approvals;
- delaying or refusing to approve pending applications or supplements to approved applications;
- requiring Innate Pharma to suspend manufacturing activities or product sales, imports or exports;
- requiring Innate to communicate with physicians and other customers about concerns related to actual or potential safety, efficacy and other issues involving its products;
- mandating product recalls or seizing products;
- imposing operating restrictions; and
- seeking criminal prosecutions.

Any of the foregoing actions could be detrimental to Innate's reputation, business, financial condition or operating results. Furthermore, its key suppliers may not continue to be in compliance with all applicable regulatory requirements, which could result in its failure to produce its products on a timely basis and in the required quantities, if at all. In addition, before any additional products would be considered for marketing authorization in Europe, the United States or elsewhere, its suppliers will have to pass an inspection by the applicable regulatory agencies. The Company is dependent on its suppliers' cooperation and ability to pass such inspections, and the inspections and any necessary remediation may be costly. Failure to pass such inspections by Innate Pharma or any of its suppliers would affect its ability to commercialize its product candidates in Europe, the United States or elsewhere. Should any of these risks materialize, this could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. For example, in November 2019, Impletio Wirkstoffabfüllung GmbH (formerly known as Rentschler Fill Solutions GmbH), the subcontractor in charge of the fill-and-finish manufacturing operations of lacutamab, unilaterally decided to withdraw the certificates of conformance of all clinical batches produced at their facilities, including the lacutamab batch used for the TELLOMAK Phase 2 clinical study assessing lacutamab in multiple indications, which resulted in partial or full holds in a number of countries, which have since been resolved.

***The Company depends upon its existing collaboration partners, AstraZeneca, Sanofi and other third parties, and may depend upon future collaboration partners to commit to the research, development, manufacturing and marketing of its drugs.***

The Company has significant collaborations with AstraZeneca for the development of monalizumab, IPH5201 and other product candidates. The Company also collaborates with Sanofi for the development of IPH6101/SAR'579, IPH6401/SAR'514, IPH62 and IPH67 another program in solid tumors, and the Company may enter into additional collaborations for other of its product candidates or technologies in development. The Company cannot control the timing or quantity of resources that its existing or future collaborators will dedicate to research, preclinical and clinical development, manufacturing or marketing of its products. Innate's collaborators may not perform their obligations according to its expectations or

standards of quality. Innate Pharma's collaborators could terminate its existing agreements for a number of reasons, including that they may have other, higher priority products in development or because its partnered programs may no longer be a priority for them. If any of the Company's collaboration agreements were to be terminated, the Company could encounter significant delays in developing its product candidates, lose the opportunity to earn any revenues Innate expected to generate under such agreements, incur unforeseen costs and suffer damage to the reputation of its product, product candidates and as a company generally.

In order to optimize the launch and market penetration of certain of its future product candidates, the Company may enter into distribution and marketing agreements with pharmaceutical industry leaders. For these product candidates, the Company would not market its products alone once they have obtained marketing authorization. The risks inherent in entry into these contracts are as follows:

- the negotiation and execution of these agreements is a long process that may not result in an agreement being signed or that can delay the development or commercialization of the product candidate concerned;
- these agreements are subject to cancellation or non-renewal by its collaborators or may not be fully complied with by its collaborators;
- in the case of a license granted by us, the Company loses control of the development of the product candidate licensed; in such cases the Company would have only limited control over the means and resources allocated by its partner for the commercialization of its product; and
- collaborators may not properly obtain, maintain, enforce or defend Innate's intellectual property or proprietary rights or may use its proprietary information in such a way as to invite litigation that could jeopardize or invalidate its proprietary information or expose the Company to potential litigation.

Should any of these risks materialize, or should the Company fails to find suitable collaborators, this could have a material adverse effect on its business, prospects, financial condition and results of operations.

***The late-stage development and marketing of its product candidates may partially depend on its ability to establish collaborations with major biopharmaceutical companies.***

In order to develop and market some of its product candidates, the Company relies on collaboration, research and license agreements with pharmaceutical companies to assist Innate in the development of product candidates and the financing of their development. For its most advanced clinical product candidate, monalizumab, the Company entered into an agreement with AstraZeneca, in part because of their late-stage development and marketing capabilities. As the Company identifies new product candidates, Innate Pharma will determine the appropriate strategy for development and marketing, which may result in the need to establish collaborations with major biopharmaceutical companies. Innate may also enter into agreements with institutions and universities to participate in its other research programs and to share intellectual property rights.

The Company may fail to find collaboration partners and to sign new agreements for its other product candidates and programs. The competition for partners is intense, and the negotiation process is time-consuming and complex. Any new collaboration may be on terms that are not optimal for us, and the Company may not be able to maintain any new collaboration if, for example, development or approval of a product candidate is delayed, sales of an approved product candidate do not meet expectations or the collaborator terminates the collaboration. Any such collaboration, or other strategic transaction, may require Innate to incur non-recurring or other charges, increase Innate's near- and long-term expenditures and pose significant integration or implementation challenges or disrupt its management or business.

These transactions would entail numerous operational and financial risks, including exposure to unknown liabilities; disruption of Innate's business and diversion of its management's time and attention in order to manage a collaboration or develop acquired products, product candidates or technologies; incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs; higher than expected collaboration, acquisition or integration costs; write-downs of assets or goodwill or impairment charges; increased amortization expenses; difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business; and impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership and the inability to retain key employees of any acquired business. Accordingly, although there can be no assurance that the Company will undertake or successfully complete any transactions of the nature described above, any transactions that the Company does complete may be subject to the foregoing or other risks and have a material and adverse effect on its business, financial condition, results of operations and prospects. Conversely, any failure to enter any additional collaboration or other strategic transaction that would be beneficial to Innate could delay the development and potential commercialization of its product candidates and have a negative impact on the competitiveness of any product candidate that reaches market.

***The Company does not and will not have access to all information regarding its product candidates that are subject to collaboration and license agreements. Consequently, its ability to inform its shareholders about the status of product candidates that are subject to these agreements, and its ability to make business and operational decisions, may be limited.***

Innate does not and will not have access to all information regarding its product candidates that are subject to its license and collaboration agreements with AstraZeneca, Sanofi and other third parties, including potentially material information about clinical trial design, execution and timing, safety and efficacy, clinical trial results, regulatory affairs, manufacturing, marketing and other areas known by its collaborators. In addition, the Company has confidentiality obligations under its collaboration and license agreements. Therefore, its ability to keep its shareholders informed about the status of product candidates subject to such agreements will be limited by the degree to which its collaborators keep Innate informed and allow Innate Pharma to disclose information to the public or provide such information to the public themselves. If its collaborators do not inform Innate about its product candidates subject to agreements with them, the Company may make operational and investment decisions that the Company would not have made had the Company been fully informed, which may have an adverse impact on its business, prospects, financial condition and results of operations.

**Risks Related to Innate Pharma's Financial Position and Capital Needs**

***The Company has incurred and may in the future incur significant operational losses related to its research and development activities.***

The Company has incurred net losses in each year since its inception except for the years ended December 31, 2016 and 2018. Innate's net income (loss) was €(7.6) million and €(58.1) million for the years ended December 31, 2023 and 2022, respectively. Substantially all of its net losses resulted from costs incurred in connection with its development programs and from selling, general and administrative expenses associated with its ongoing operations. The Company expects to incur significant expenses and operating losses for the foreseeable future.

The Company had one product, Lumoxiti, that has received regulatory approval for sale or has generated revenues from commercial sales, and none of its other product candidates have received regulatory approval. Unless this happens, the likelihood and amount of its future operational losses will depend on several factors, including the pace and amount of its future expenditures in connection with its product

candidates and development programs and its ability to obtain funding through milestone or royalty payments under its license and collaboration agreements, equity or debt financings, strategic collaborations and government grants and tax credits. The Company expects that its main source of income for the near- and medium-term will be:

- payments received under its license and collaboration agreements with third parties, including AstraZeneca and Sanofi; and
- government grants and research tax credits.

The interruption of one or more of those sources of income could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

The Company's ability to be profitable in the future will depend on its ability to generate revenue from sales relating to its product candidates, if approved, and its ability to obtain regulatory approval for marketing its product candidates. If its product candidates receive regulatory approval, its future revenues will depend upon the size of any markets in which its product candidates have received approval, and market acceptance, reimbursement from third-party payors and market share. Any of these factors could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***The Company may need to raise additional funding to complete the development and any commercialization of its product candidates, which may not be available on acceptable terms, or at all, and failure to obtain this necessary capital when needed may force it to delay, limit or terminate its product development efforts or other operations.***

Innate Pharma is currently advancing its product candidates through preclinical and clinical development, and anticipates relying on partners as the Company advances them. Innate currently retains the full development and marketing rights to lacutamab, IPH5301 and IPH6501 and may retain rights to additional proprietary product candidates in the future. The development of immunotherapy product candidates is expensive, and Innate expects its research and development expenses to increase as the Company advances its product candidates through clinical studies and regulatory approvals. If clinical studies are successful and if Innate obtains regulatory approval for product candidates that the Company develops, Innate expects to incur commercialization expenses before these product candidates are marketed and sold.

The Company anticipates that its expenses will increase substantially if and as it:

- continues its research, preclinical and clinical development of its product candidates if its current collaboration partners cease their collaborations with us;
- expands the scope of its current clinical studies for its product candidates;
- initiates additional preclinical, clinical or other studies for its product candidates;
- further develops manufacturing processes for its product candidates;
- changes or adds additional manufacturers or suppliers;
- seeks regulatory and marketing authorizations for its product candidates that successfully complete clinical studies;
- establishes a sales, marketing and distribution infrastructure to commercialize any product for which the Company may obtain marketing authorization;
- seeks to identify and validate additional product candidates that may result in additional preclinical, clinical or other product studies;

- acquires or in-license agreements or other product candidates and technologies;
- makes milestone or other payments under any in-license agreements;
- maintains, protects, defends and expands its intellectual property portfolio;
- attracts and retains new and existing skilled personnel;
- creates additional infrastructure to support its operations as a public company in the United States following the completion of the October 2019 global offering; and
- experiences any delays or encounters issues with any of the above.

As of December 31, 2023, the Company had cash, cash equivalents, short-term investments and non-current financial assets of €102.3 million. The Company believes its cash, cash equivalents, short-term investments and non-current financial assets, together with its cash flow from operations, will be sufficient to fund its operations for the next two years. However, in order to complete the development process, obtain regulatory approval and, if approved, commercialize its product candidates that the Company is developing in-house, including lacutamab, IPH5301 and IPH6501; develop its proprietary technology; and develop a pipeline of additional product candidates, the Company will require additional funding. Innate's existing resources may not be sufficient to cover any additional financing needs, in which case new funding would be required. See "—the Company has incurred and may in the future incur significant operational losses related to its research and development activities." The conditions and arrangements for such new financing would depend, among other factors, on economic and market conditions that are beyond its control, including the current volatility in the capital markets.

Any additional fundraising efforts may divert Innate's management from their day-to-day activities, which may adversely affect the Company's ability to develop and commercialize its product candidates. In addition, the Company cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Under French law, Innate's share capital may be increased only with shareholders' approval at an extraordinary general shareholders' meeting on the basis of a report from the Executive Board. In addition, the French Commercial Code imposes certain limitations on Innate's ability to price certain offerings of its share capital without preferential subscription rights (droit préférentiel de souscription), which limitation may prevent Innate from successfully completing any such offering.

Moreover, the terms of any financing may adversely affect the holdings or the rights of Innate's shareholders, and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of its ordinary shares or the ADSs to decline. The sale of additional equity or convertible securities would dilute its shareholders. The Company may seek funds through arrangements with collaborative partners or otherwise at an earlier stage of product development than otherwise would be desirable, and the Company may be required to relinquish rights to some of its technologies or product candidates or otherwise agree to terms unfavorable to Innate Pharma, any of which may have a material adverse effect on its business, prospects, financial condition and results of operations.

If the Company needs and is unable to obtain funding on a timely basis, the Company may be required to significantly curtail, delay or discontinue one or more of its research or development programs or the commercialization of any product or product candidate, or the Company may be unable to expand its operations or otherwise capitalize on its business opportunities as desired, which could impair its growth prospects. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***The terms of Innate's loans agreements with Société Générale, BNP Paribas and certain other loan obligations place restrictions on its operating and financial flexibility.***

In July 2017, the Company entered into a loan and security agreement with Société Générale (the "Loan Agreement") in order to finance the construction of its future headquarters. The Loan Agreement is secured by collateral in the form of financial instruments valued at €15.2 million held at Société Générale. As of December 31, 2023, Innate Pharma had drawn down €15.2 million under the Loan Agreement. The Loan Agreement subjects Innate to a covenant to maintain a minimum balance of its total cash, cash equivalents and current and non-current financial assets as of each fiscal year end at least equal to the amount of outstanding principal under the Loan Agreement. Compliance with this covenant may limit its flexibility in operating its business and its ability to take actions that might be advantageous to Innate and its shareholders. For example, if the Company fails to meet its minimum cash covenant and Innate is unable to raise additional funds or obtain a waiver or other amendment to the Loan Agreement, Innate Pharma may be required to delay, limit, reduce or terminate certain of its clinical development efforts.

Additionally, Innate may be required to repay the entire amount of outstanding indebtedness under the Loan Agreement in cash if the Company fails to stay in compliance with its covenant or suffer some other event of default under the Loan Agreement. Under the Loan Agreement, an event of default will occur if, among other things, Innate fails to make payments under the Loan Agreement or Innate breaches its covenant under the Loan Agreement. The Company may not have enough available cash or be able to raise additional funds through equity or debt financings to repay such indebtedness at the time any such event of default occurs. In that case, Innate may be required to delay, limit, reduce or terminate its clinical development efforts or grant rights to others to develop and market product candidates that the Company would otherwise prefer to develop and market itself. Société Générale could also exercise its rights as collateral agent to take possession and dispose of the collateral securing the loan for its benefit. Innate's business, financial condition and results of operations could be substantially harmed as a result of any of these events.

On January 5, 2022, the Company announced that it had obtained €28.7 million in non-dilutive financing in the form of two State Guaranteed Loans from Société Générale (€20.0 million) and BNP Paribas (€8.7 million). The Company received the funds related to these two loans on December 27 and 30, 2021, respectively. Both loans have an initial maturity of one year with an option to extend to five years. They are 90% guaranteed by the French government as part of the package of measures put in place by the French government to support companies during the COVID-19 pandemic. The effective interest rate applied to these contracts is 0.5%, which is the contractual rate for repayment within one year.

On August 2022, the Company requested the extension repayment of the non-dilutive financing of €28.7 million obtained in December 2021 in the form of two State Guaranteed Loans ( "PGE"), respectively, for 20.0 and 8.7 million euros for an additional period of five years starting in 2022 and including a one-year grace period. Consequently, the Company has obtained agreements from Société Générale and BNP Paribas. The effective interest rates applied to these contracts during the additional period are 1.56% and 0.95% for Société Générale and BNP Paribas loans, respectively, excluding insurance and guarantee fees, with an amortization exemption for the entire year 2023. During this grace period, the Company will only be liable for the payment of interest and the guarantee fees, with amortization of the two loans starting in 2024 over a period of four years.

***If Innate does not achieve its product development or commercialization objectives in the timeframes Innate expects, the Company may not receive product revenue or milestone or royalty payments, and Innate Pharma may not be able to conduct its operations as planned.***

Innate has received and expects to continue to receive payments from its collaborators when the Company satisfies certain pre-specified milestones in its licensing or collaboration agreements. Innate Pharma currently depends to a large degree on these milestone payments from its existing collaborators in order to fund its operations, and Innate may enter into new collaboration agreements that also provide for milestone payments. For example, the Company has granted options to license or acquire intellectual property rights in certain of its programs to its collaborators which, if exercised, will result in up-front option exercise fees and, assuming Innate meets all specified development, clinical, regulatory and sales milestones, could result in substantial milestone payments. These milestone payments are generally dependent on the accomplishment of various scientific, clinical, regulatory, sales and other product development objectives, and the successful or timely achievement of many of these milestones is outside of its control, in part because some of these activities are being or will be conducted by its collaborators. If Innate or its collaborators fail to achieve the applicable milestones, Innate Pharma may not receive such milestone payments. A failure to receive any such milestone payment may cause Innate to:

- delay, reduce or terminate certain research and development programs;
- reduce headcount;
- raise funds through additional equity or convertible debt financings that could be dilutive to its shareholders and holders of its ADSs;
- obtain funds through collaboration agreements that may require Innate to assign rights to technologies or products that Innate would have otherwise retained;
- sign new collaboration or license agreements that may be less favorable than those the Company would have obtained under different circumstances; and
- consider strategic transactions or engaging in a joint venture with a third party.

In addition, although Innate may be eligible to receive an aggregate of approximately $3.9 billion in future contingent payments from existing collaboration agreements and any license agreements that become effective upon the exercise by its collaborators of options to license future product candidates, there is no guarantee that the Company will receive any contingent payments or that its collaborators will exercise any options to license or acquire additional intellectual property rights in any of its programs. If its collaborators decide not to exercise such options with respect to a program, the Company will not receive the up-front option exercise fee and will not be eligible to receive any of the related commercial, development, royalty or other milestone payments. Even if its collaborators exercise such options with respect to a particular program, Innate Pharma may never achieve the related milestones for any number of reasons. The failure to receive milestone or royalty payments and the occurrence of any of the events above may have a material adverse impact on Innate's business, prospects, financial condition and results of operations.

***The revenues generated from its collaboration and license agreements have contributed and are expected to contribute a large portion of its revenue for the foreseeable future.***

The Company has entered into collaboration and license agreements with pharmaceutical companies, including AstraZeneca and Sanofi. The upfront payments and milestones received from its partners were €31.6 million, €56.9 million and €10.0 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Innate also enhances its research efforts by establishing collaborations with academic or non-profit research institutions and other biopharmaceutical companies. The participation in these collaborations may generate revenue and funding in the form of operating grants or the reimbursement of research and development expenses.

Innate Pharma may not be able to renew or maintain its license agreements or collaborative research contracts or may be unable to sign new agreements with new collaborators on reasonable terms or at all. The early termination of a contract, the non-renewal of a contract or its inability to find new collaborators would adversely affect its business. Should any of these risks materialize, this could have an adverse effect on Innate's business, prospects, financial condition and results of operations.

***The Company benefits from tax credits in France that could be reduced or eliminated.***

As a French biopharmaceutical company, Innate benefits from certain tax advantages, including the Research Tax Credit (*Crédit Impôt Recherche*), which is a French tax credit aiming at stimulating research and development. The Research Tax Credit is calculated based on Innate's claimed amount of eligible research and development expenditures in France and represented €9.7 million, €7.9 million and €10.3 million for the years ended December 31, 2023, 2022 and 2021, respectively. The Research Tax Credit is a source of financing to Innate that could be reduced or eliminated by the French tax authorities or by changes in French tax law or regulations.

The Research Tax Credit can be offset against French corporate income tax due by the company with respect to the year during which the eligible research and development expenditures have been made. The portion of tax credit in excess which is not being offset, if any, represents a receivable against the French Treasury which can in principle be offset against the French corporate income tax due by the company with respect to the three following years. The remaining portion of tax credit not being offset upon expiry of such a period may then be refunded to the company.

As soon as the Company qualifies as small- and medium-size business, the French Treasury refunds immediately (meaning that, in practice, Innate can receive the refund during the year following the year in which the eligible research and development expenditures are made) the Research Tax Credit claims. If the Company does not qualify for this status, the Research Tax Credit claims will be reimbursed within the expiry of a period of three years. The history of the Company's status and of the incomes related to the Research Tax Credit is detailed in the Notes to financial statements, section 2), paragraph q) of the present document.

The French tax authorities, with the assistance of the Higher Education and Research Ministry, may audit each research and development program in respect of which a Research Tax Credit benefit has been claimed and assess whether such program qualifies in their view for the Research Tax Credit benefit. The French tax authorities may challenge Innate's eligibility for, or its calculation of, certain tax reductions or deductions in respect of its research and development activities (and therefore the amount of Research Tax Credit claimed), or the accelerated reimbursement allowed for small- and medium-size businesses and the Company's credits may be reduced, which would have a negative impact on its revenue and future cash flows.

Furthermore, the French Parliament may decide to eliminate, or to reduce the scope or the rate of, the Research Tax Credit benefit, either of which it could decide to do at any time. If Innate fails to receive future Research Tax Credit amounts or if its calculations are challenged, even if Innate Pharma complies with the current requirements in terms of documentation and eligibility of its expenditure, its business, prospects, financial condition and results of operations could be adversely affected.

***The Company may be unable to carry forward existing tax losses.***

Innate has accumulated tax loss carry forwards of €483.6 million as of December 31, 2023. Applicable French law provides that, for fiscal years ending after December 31, 2012, the use of these tax losses is limited to €1.0 million, plus 50% of the portion of net earnings exceeding this amount. The unused balance of the tax losses in application of such rule can be carried forward to future fiscal years, under the same conditions and without time restriction. There can be no assurance that future changes to applicable tax law and regulation will not eliminate or alter these or other provisions in a manner unfavorable to us, which could have an adverse effect on Innate's business, prospects, financial condition, cash flows or results of operations.

***Innate's business may be exposed to foreign exchange risks.***

The Company incurs some of its expenses, and derives certain of its revenues, in currencies other than the euro. In particular, as Innate expands its operations and conducts additional clinical studies in the United States, Innate will incur additional expenses in U.S. dollars. As a result, Innate is exposed to foreign currency exchange risk as its results of operations and cash flows are subject to fluctuations in foreign currency exchange rates.

The Company currently does not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the euro. Therefore, an unfavorable change in the value of the euro against the U.S. dollar could have a negative impact on its revenue and earnings growth. Innate cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect its financial condition, results of operations and cash flows. The ADSs being offered in the U.S. offering are quoted in U.S. dollars on the Nasdaq, while Innate's ordinary shares trade in euro on Euronext Paris. Innate's financial statements are prepared in euro. Therefore, fluctuations in the exchange rate between the euro and the U.S. dollar will also affect, among other matters, the value of Innate's ordinary shares and ADSs.

Under Innate's license and collaboration agreements with AstraZeneca, the payments the Company receives are in U.S. dollars. The level of completion of the operations covered by this collaboration agreement is based on the costs converted at the historical exchange rate. The effects of reevaluation therefore have no impact on the technical progress used for revenue recognition. Consequently, there may be a difference between the level of completion that would take into account the last known rate and the level of completion as calculated. This difference could result in a future exchange gain or loss.

Moreover, in the future, Innate could generate part of its sales in the United States and part in Europe and could therefore be subject to an unfavorable euro/dollar exchange rate. Therefore, for example, an increase in the value of the euro against the U.S. dollar could be expected to have a negative impact on its revenue and earnings growth as U.S. dollar revenue and earnings, if any, would be translated into euro at a reduced value. The Company could also sign contracts denominated in other currencies, which would increase its exposure to currency risk. In accordance with Innate's business decisions, its exposure to this type of risk could change depending on:

- the currencies in which Innate receives its revenues;
- the currencies chosen when agreements are signed, such as licensing agreements, or co-marketing or co-development agreements;
- the location of clinical trials on product candidates; and
- its policy for insurance cover.

At present, Innate has not put any specific hedging arrangements in place to address these risks. Should any of these risks materialize, this could have a material adverse effect on its business, prospects, financial condition and results of operations.

***Changes to U.S. and non-U.S. tax laws could materially adversely affect Innate Pharma.***

The Company is unable to predict what tax law may be proposed or enacted in the future or what effect such changes would have on its business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect its effective tax rates in the future in countries where it has operations and could have an adverse effect on its overall tax rate in the future, along with increasing the complexity, burden and cost of tax compliance. The Company urges its shareholders and holders of its ADSs to consult with their legal and tax advisors with respect to the potential tax consequences of investing in or holding Innate's ordinary shares or ADSs.

***Tax authorities may disagree with Innate's positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.***

A tax authority may disagree with tax positions that the Company has taken, which could result in increased tax liabilities. For example, the French tax authorities, the U.S. Internal Revenue Service or another tax authority could challenge Innate's allocation of income by tax jurisdiction and the amounts paid between its affiliated companies pursuant to its intercompany arrangements and transfer pricing policies, including amounts paid with respect to its intellectual property development. Similarly, a tax authority could assert that the Company is subject to tax in a jurisdiction where Innate believes it has not established a taxable connection, often referred to as a “permanent establishment” under international tax treaties, and such an assertion, if successful, could increase the Company's expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, the Company expects that it might contest such assessment. Contesting such an assessment may be lengthy and costly, and if Innate was unsuccessful in disputing the assessment, the result could increase its anticipated effective tax rate.

In 2022 and 2023, the Company went through tax inspections, in particular one tax inspection from the French tax authorities relating to 2018 to 2021 fiscal years resulted in an adjustment of €1.4 million. The full details of the outcomes of this inspection are provided in the Notes to financial statements, section 13) of the present document.

**Risks Related to Innate Pharma's Organization and Operations**

***In the past there have been material weaknesses in the Company's internal control over financial reporting and if Innate Pharma is unable to maintain effective internal controls over financial reporting, the accuracy and timeliness of its financial reporting may be adversely affected, which could hurt its business and/or lessen investor confidence.***

The Company must maintain effective internal control processes over financial reporting in order to accurately report its results of operations and financial condition on a timely basis. A company’s internal control over financial reporting is a process designed by, or under the supervision of, a company’s principal executive and principal financial officers, or persons performing similar functions, and effected by a company’s Executive Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

As a public company listed in the United States, the Sarbanes-Oxley Act requires, among other things, that the Company assess the effectiveness of its internal control over financial reporting as of the end of

each fiscal year. However, Innate's independent registered public auditor has not been required to attest to the effectiveness of its internal controls over financial reporting for as long as the Company is an EGC, i.e., an "emerging growth company," pursuant to the Jumpstart Our Business Startups Act of 2012 (JOBS Act). For more information, see "Item 3.D – Risk Factors—The Company is an "emerging growth company" under the JOBS Act and is able to avail itself of reduced disclosure requirements applicable to emerging growth companies, which can make its ordinary shares ADSs less attractive to investors. We may lose this status from December 31, 2024 and will therefore incur additional expenses.

In this context, in order to comply with Section 404(a) of the Sarbanes-Oxley Act within the prescribed timeframe, and over the last five years, the Company has reinforced its internal control processes and has implemented a standard and more robust Information System including an Enterprise Resource Planning (ERP) tool supporting the production and the management of its financial information. Some material weaknesses were identified as of December 31, 2020 and 2022.

Under standards established by the Public Company Accounting Oversight Board, a material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in Innate's annual or interim financial statements will not be prevented or detected and corrected on a timely basis. These deficiencies concerned, respectively, process and controls relating to the processing of manual entries and significant and unusual transactions, and controls aimed at preventing or detecting material errors in the classification and presentation of the consolidated financial statements, as well as in the corresponding disclosures and the recording of all subcontracting expenses over the correct period. We took steps to address these material weaknesses and implemented remediation plans. For a discussion about these remediation measures, see "Item 15. Controls and Procedures" of this Annual Report.

The Company's management carried out an evaluation of the effectiveness of its internal control at the end of the year ended December 31, 2023. Management concluded that, as of December 31, 2023, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of its financial statements for external purposes. See "Item 15. Controls and Procedures" of this Annual Report.

The Company cannot give any assurance that it will be able to maintain the appropriate level of control to prevent future material weaknesses.

In addition, once it loses EGC status, the Company will have to comply with Section 404(b) of the Sarbanes-Oxley Act. The rules governing the standards that must be met for the Company's management to assess our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act are complex and require significant documentation, testing and possible remediation. These stringent standards require that the Company's audit committee be advised and regularly updated on management's review of internal control over financial reporting. To comply with this obligation, the Company must maintain an extensive framework of internal control over financial reporting, that needs to be regularly updated and tested. This process is time-consuming, costly, and complicated. The Company's independent registered public accounting firm will be required to attest to the effectiveness of our internal controls over financial reporting beginning with our annual report following the date on which we are no longer an "emerging growth company." The management of the Company may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are now applicable to the Company as a public company listed in the United States.

If the Company does not succeed in maintaining the appropriate level of internal control, it could result in material misstatements in its financial statements, result in the loss of investor confidence in the reliability

of its financial statements and subject it to regulatory scrutiny and sanctions, which in turn could harm the market value of its ordinary shares and ADSs.

***Innate's internal computerized systems, or those of its third-party contractors or consultants, may fail or suffer security breaches and be subject to malicious intent or cyberattack, which could result in a material disruption of its product development programs and in its operations in general.***

The Company has implemented a security policy that is intended to secure its data against impermissible access and to preserve the integrity and confidentiality of the data. To monitor these aspects, the Company set up a dedicated governance structure. See "Item 16K.—Cybersecurity." Despite the implementation of such processes and measures, Innate's internal computer systems and those of its third-party contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, telecommunication and electrical failures and other sources. Moreover, part of the Company's information system is “cloud”-based and thus is not fully under its control.

In addition, Innate's research and development facility and headquarters in Luminy, France, is located in an area that may be more susceptible to wildfires. If Innate's facility or computer systems are damaged by fire despite the fire prevention and data archiving measures it has put in place, it could suffer financial losses and delays in its operations.

If such an event were to occur and cause interruptions in Innate's operations, it could result in a material disruption of its programs and more generally of its operations. For example, the loss of clinical study data for Innate's product candidates could result in delays in its regulatory approval efforts and significantly increase its costs to recover or reproduce the lost data. To the extent that any disruption or security breach results in a loss of or damage to Innate's data or applications or other data or applications relating to its technology or product candidates or inappropriate disclosure of confidential or proprietary information, it could incur liabilities, including penalties under data privacy laws such as the GDPR and other regulations, and the further development of its product candidates could be delayed. Even if the Company has not experienced any cyber breach to date, should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

The Company has subscribed to insurance covering "cyber" and fraud. This insurance may be insufficient with regard to the level of financial, legal, operational and reputational impacts that could arise from a disruption or a break of the Company information systems.

***The Company may encounter difficulties in managing the Company development and support changes in its strategy, which could disrupt its operations.***

The opportunities taken, the decisions made, the successes and failures of Innate's research and development programs and its operations in general can have significant impacts on its workforce and the scope of its operations.

The strong growth in the Company's headcount over the last five years as well as the recent transformations of the Company, in particular in connection with the acquisition in 2018 of Lumoxiti, Innate's first commercial product, have been accompanied by structural changes within the organization and its operating modes. Such rapid changes may lead to a deterioration in working conditions and the leave of employees, which could lead to a loss of knowledge and expertise, a decrease in the performance of Innate's operations and therefore a reduced level of achievement of its objectives.

Moreover, in December 2020, the decision of returning Lumoxiti commercial rights to AstraZeneca was followed by an immediate reduction of Innate's commercial operations and headcounts in the United States. Although the Company gained some experience in the late stage development and marketing and commercialization of pharmaceutical products, such experience was short and may not have resulted in a

sufficient acquisition of skills to anticipate and tackle the marketing and commercialization of Innate's other drug candidates.

In addition, in order to support the development of the Company and changes in strategy, the Company must continue to implement and improve its management and operational and financial systems, adapt its facilities and recruit and train qualified personnel. Due to Innate's limited financial resources, it may not be able to effectively manage the development of Innate's business, which could result in weaknesses in its infrastructure, operational errors, loss of business opportunities, loss of employees and reduced productivity of remaining employees. The Company may also experience difficulties in recruiting, training and retaining additional qualified personnel, particularly in key positions. Added to this is the fact that the Company is located in Marseille and is competing with other locations that potential recruits may find more attractive.

[If the Company were to acquire assets or companies, the success of such an acquisition would depend on its capacity to carry out such acquisitions and to integrate such assets or companies into its existing operations. The implementation of such a strategy could impose significant constraints, including:

- human resources: recruiting, integrating, training, managing, motivating and retaining a growing number of employees;
- financial and management system resources: identification and management of appropriate financing and management of its financial reporting systems; and
- infrastructure: expansion or transfer of its laboratories or the development of its information technology system.

If the Company is unable to manage such changes or has difficulty integrating any acquisitions, it could have a material adverse effect on its business, prospects, financial condition and results of operations.]

***The Company relies on certain independent organizations, partners, advisors and consultants to provide certain services and needs to hire new employees and expand its use of service providers.***

As of December 31, 2023, the Company had 179 employees. As Innate's development plans and strategies develop, Innate Pharma may need additional managerial, operational, marketing, financial and other personnel.

The Company currently relies, and for the foreseeable future will continue to rely, in part on certain independent organizations, partners, advisors and consultants to provide certain services. There can be no assurance that the services of these independent organizations, partners, advisors and consultants will continue to be available to Innate on a timely basis when needed, or that Innate can find qualified replacements. In addition, if Innate Pharma is unable to effectively manage its outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, its clinical trials may be extended, delayed or terminated, and it may not be able to obtain regulatory approval of its product candidates or otherwise advance its business. There can be no assurance that Innate will be able to manage its existing consultants or find other competent outside contractors and consultants on economically reasonable terms, if at all.

If the Company is not able to effectively expand its organization by hiring new employees and expanding its groups of consultants and contractors, it may not be able to successfully implement the tasks necessary to further develop and commercialize its product candidates and, accordingly, may not achieve its research, development and commercialization goals.

***The Company depends on qualified management personnel, and its business could be harmed if Innate loses key personnel and cannot attract new personnel.***

Innate's ability to retain key persons in its organization and to recruit qualified personnel is crucial for its success. In particular, its success depends heavily on its ability to retain key people in its organization, including key scientific and medical personnel.

Should the Company be unable to retain the individuals who form its team of key managers and key scientific advisors, it could have a material adverse effect on its business and development and could consequently affect its business, prospects, financial condition and results of operations.

Innate Pharma will need to recruit qualified scientific and medical personnel to carry out its clinical studies and expand into new areas that require specialized skills, such as regulatory matters, marketing and manufacturing. Innate competes with other companies, research organizations and academic institutions in recruiting and retaining highly qualified scientific, technical and management personnel. Competition for such personnel is very intense in the biopharmaceutical field, and there can be no assurance that the Company will be successful in attracting or retaining such personnel, and the failure to do so could harm its operations and its growth prospects. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Innate's Research and Development facility and Headquarters in Luminy, France, are exposed to forest fires.***

The Company's Research and Development facility and Headquarters in Luminy, France, are exposed to forest fires. Luminy is an area on the outskirts of Marseille, composed in part of undeveloped hills covered with shrubs and pine trees. It is also located next to a natural park entirely covered by the same type of Mediterranean vegetation. Summers are hot and dry, and this type of vegetation is prone to forest fires. Indeed, in September 2016, such a forest fire came relatively close to inhabited areas, including the Company's facilities, where employees had to remain confined for several hours.

In order to prevent the risk of fire, fire prevention measures are implemented, such as pruning shrubs in the surrounding green areas and implementing a maintenance plan for fire-fighting equipment. In addition, computer data backup and archiving measures are implemented, allowing the regularly backed-up data to be stored on the premises of a specialized service provider. In addition, rare biological material used by the Company has been identified, duplicated and stored at other sites, at the premises of specialized service providers.

However, these measures do not guarantee that another forest fire would not damage the Company's premises in Luminy, which would result in financial losses, development delays of various durations or even the suspension of the Company's activities.

***The Company may use hazardous chemicals and biological materials in its business, and any claims relating to improper handling, storage or disposal of these materials could be time-consuming and costly.***

Innate's research and development processes involve the controlled use of hazardous materials, including chemicals, biological and radioactive materials. The Company cannot eliminate the risk of accidental contamination or discharge and any resultant injury from these materials. Innate also handles genetically recombined material, genetically modified species and pathological biological samples. Consequently, in France and in the jurisdictions where the Company conducts clinical trials, it is subject to environment and safety laws and regulations governing the use, storage, handling, discharge and disposal of hazardous materials, including chemical and biological products and radioactive materials. The Company imposes preventive and protective measures for the protection of its workforce and waste control management in

accordance with applicable laws, including part four of the French Labor Code, relating to occupational health and safety.

In France, the Company is required to comply with a number of national, regional and local legislative or regulatory provisions regarding radiation and hazardous materials, including specific regulations regarding the use, handling and storage of radioactive materials and the potential exposure of employees to hazardous materials and radiation. Innate must also comply with French regulations concerning the use and handling of genetically modified organisms (GMOs) in confined spaces.

If Innate fails to comply with applicable regulations, it could be subject to fines and may have to suspend all or part of its operations. Compliance with environmental, health and safety regulations involves additional costs, and Innate Pharma may have to incur significant costs to comply with future laws and regulations in relevant jurisdictions. Compliance with environmental laws and regulations could require Innate to purchase equipment, modify facilities and undertake considerable expenses. The Company could be liable for any inadvertent contamination, injury or damage, which could negatively affect its business, although the Company has subscribed to an insurance policy covering certain risks inherent to its business.

***Product liability and other lawsuits could divert Innate's resources, result in substantial liabilities, reduce the commercial potential of its product candidates and damage its reputation.***

Given that the Company develops therapeutic products intended to be tested on humans and used to treat humans, the risk that Innate Pharma may be sued on product liability claims is inherent in its business. Side effects of, or manufacturing defects in, products that the Company develops could result in the deterioration of a patient’s condition, injury or even death. For example, its liability could be sought by patients participating in the clinical trials in the context of the development of the therapeutic products tested and unexpected side effects resulting from the administration of these products. Once a product is approved for sale and commercialized, the likelihood of product liability lawsuits increases. Criminal or civil proceedings might be filed against Innate by patients, regulatory authorities, biopharmaceutical companies and any other third party using or marketing Innate's products. These actions could include claims resulting from acts by Innate's partners, licensees and subcontractors, over which the Company has little or no control. These lawsuits may divert Innate's management from pursuing its business strategy and may be costly to defend. In addition, if the Company is held liable in any of these lawsuits, it may incur substantial liabilities, may be forced to limit or forgo further commercialization of the affected products and may suffer damage to its reputation.

Although the clinical study process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. If any of Innate's product candidates were to cause adverse side effects during clinical studies or after approval of the product candidate, the Company may be exposed to substantial liabilities. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use Innate's product candidates.

The Company has obtained liability insurance coverage for each of its clinical studies in compliance with local legislation and rules. In the United States, Innate's aggregate insurance coverage for its ongoing clinical studies is limited to €10.0 million per year and in the aggregate. Innate's insurance coverage may not be sufficient to cover any expenses or losses the Company may suffer. Moreover, insurance coverage is becoming increasingly expensive, and, in the future, Innate Pharma may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect itself against losses due to liability. On occasion, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. The cost of any product liability litigation or other proceedings, even if resolved in Innate's favor, could be substantial. A successful product liability claim, or series of claims,

brought against Innate could cause Innate's share price to decline and, if judgments exceed its insurance coverage, could decrease its cash and adversely affect its business.

To date, the Company is covered by a product liability insurance with a coverage amount of €10 million per year in the aggregate. If Innate is the subject of a successful product liability claim that exceeds the limits of any insurance coverage Innate Pharma obtains, the Company would incur substantial charges that would adversely affect its earnings and require the commitment of capital resources that might otherwise be available for the development and commercial launch of its product programs. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Innate Pharma's employees may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements, engaging in insider trading or violating the terms of their confidentiality agreements, which could significantly harm Innate's business.***

The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failure to comply with legal requirements or the requirements of national authorities, the EMA, FDA and other government regulators; failure to provide accurate information to applicable government authorities; failure to comply with fraud and abuse and other healthcare laws and regulations in the United States, Europe and elsewhere; and failure to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of, including trading on, information obtained in the course of clinical studies, which could result in regulatory sanctions and serious harm to Innate's reputation. Innate Pharma has a Code of Ethics that applies to all employees and consultants, and other policies and charters, but it is not always possible to identify and deter employee misconduct, and the precautions it takes to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting Innate from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations.

In order to protect its proprietary technology and processes, the Company relies in part on confidentiality agreements with its partners, employees, consultants, outside scientific collaborators and sponsored researchers, and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of Innate's proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect its competitive business position. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***The Company may acquire businesses or products in the future, and Innate may not realize the benefits of such acquisitions.***

Although Innate's current strategy involves continuing to grow its business internally, the Company may grow externally through selective acquisitions of complementary products and technologies, or of companies with such assets. If such acquisitions were to become necessary or attractive in the future, the Company may not be able to identify appropriate targets or make acquisitions under satisfactory conditions, in particular, satisfactory price conditions. In addition, Innate Pharma may be unable to obtain the financing for these acquisitions under favorable conditions and could be led to finance these

acquisitions using cash that could be allocated to other purposes in the context of existing operations. Innate may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from an acquisition that delays or prevents Innate from realizing their expected benefits or enhancing its business. The Company cannot assure you that, following any such acquisition, the Company will achieve the expected synergies to justify the transaction, which could have a material adverse effect on Innate's business, financial conditions, earnings and prospects.

***Climate change or legal, regulatory or market measures to address climate change may negatively affect Innate's business and results of operations.***

Climate change presents risks to Innate's operations, including the potential for additional regulatory requirements and associated costs, and the potential for more frequent and severe weather events and water availability challenges that may impact Innate's facilities and those of Innate's suppliers. Natural disasters and extreme weather conditions, such as a hurricane, tornado, earthquake, wildfire or flooding, may pose physical risks to Innate's facilities and disrupt the operation of Innate's supply chain.

Concern over climate change may also result in new or additional legal or regulatory requirements designed to reduce greenhouse gas emissions and/or mitigate the effects of climate change on the environment. If such laws or regulations are more stringent than current legal or regulatory obligations, the Company may experience disruption in or an increase in the costs associated with sourcing, manufacturing and distribution of Innate's products, which may adversely affect Innate's business, results of operations or financial condition.

***The current state of the world financial market and current economic conditions could have a material adverse impact on the Company's business, financial condition and results of operations.***

The global economy is facing a number of actual and potential challenges, including the military conflict between Ukraine and Russia, the conflict in Israel and the Middle East region generally, and the banking crises or failures, such as the recent failures of Silicon Valley Bank and other U.S. regional banks and the instability of certain European banks. If the conditions in the global economy remain uncertain or continue to be volatile, or if they deteriorate, including as a result of the ongoing military conflict between Russia and Ukraine, the conflict in Israel, banking crises or other geopolitical events, the Company's business, financial condition and results of operation may be materially adversely affected.

In addition, increases in inflation raise the Company's costs for labor, materials and services and other costs required to grow and operate our business, and failure to secure these on reasonable terms may adversely impact its financial condition. Increases in inflation, along with the uncertainties surrounding the ongoing COVID-19 pandemic, geopolitical developments, banking crises and global supply chain disruptions, have caused, and may in the future cause instability and lack of liquidity in capital markets, potentially making it more difficult for Innate to obtain additional funds. Such risks and disruptions may also negatively impact Innate's supply chain, manufacturing arrangements, preclinical studies and clinical trials, which could have a materially adverse impact on its results of operations, financial condition and prospects. The extent and duration of the current economic conditions and resulting market disruptions are impossible to predict but could be substantial. Any such disruptions may also magnify the impact of other risks described in this Annual Report on Form 20-F.

**Risks Related to Intellectual Property Rights**

***Its ability to compete may be adversely affected if the Company does not adequately obtain, maintain, protect and enforce Innate's intellectual property or proprietary rights, or if the scope of intellectual property protection the Company obtains is not sufficiently broad.***

Innate's success depends, in large part, on its ability to obtain and maintain patent and other intellectual property protection in the United States and other countries with respect to Innate's product candidates. However, the Company may not be able to obtain, maintain or enforce Innate's patents and other intellectual property rights, which could affect its ability to compete effectively. For example, the Company cannot guarantee:

- that the Company will file all necessary or desirable patent applications or that the Company will obtain the patents that the Company has applied for and that are under review;
- that the Company will be able to develop new patentable product candidates or technologies or obtain patents to protect such new product candidates or technologies;
- that the Company or its licensing or collaboration partners were the first to make the product candidates or technologies covered by the issued patents or pending patent applications that the Company licenses or owns;
- that the Company will be able to obtain sufficient rights to all necessary or desirable patents or other intellectual property rights, whether at all or on reasonable terms;
- that the scope of any issued patents that the Company owns or licenses will be broad enough to protect its product candidates or effectively prevent others from commercializing competitive technologies and product candidates; and
- that there is no risk of its owned and licensed patents being challenged, invalidated or circumvented by a third party.

The patent prosecution process is expensive, time-consuming and complex, and Innate may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. For example, the Company does not intend to systematically file, maintain, prosecute and defend patents on its product candidates in all countries. Consequently, Innate may not be able to prevent third parties from exploiting products that are the same as or similar to its products and product candidates in countries in which it does not obtain patent protection, or from selling or importing such products in and into the countries in which it does have patent protection. It is also possible that the Company will fail to identify patentable aspects of its research and development output in time to obtain patent protection. Although the Company enters into confidentiality agreements with parties who have access to confidential or patentable aspects of its research and development output, such as its employees, consultants, CROs, outside scientific collaborators, sponsored researchers and other advisors, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing its ability to seek patent protection. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, Innate's intellectual property may not provide Innate with sufficient rights to exclude others from commercializing product candidates similar or identical to Innate's products. In addition, in some circumstances, the Company may not have the right to control the preparation, filing, prosecution, maintenance, enforcement and defense of patents and patent applications covering technology that the Company licenses to or from third parties. For example, pursuant to its license agreement with AstraZeneca for monalizumab, AstraZeneca retains

control of such activities for certain patents that the Company licenses to it under the agreement and patents that arise under the collaboration. Innate cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interest of its business. If any third party that controls Innate's patents and patent applications fails to maintain Innate's patents or such third party loses rights to Innate's patents or patent applications, Innate's rights to those patents and underlying technology may be reduced or eliminated and the Company's right to develop and commercialize its product candidates that are subject to such rights could be adversely affected.

Moreover, some of Innate's patents and patent applications are, and may in the future be, co-owned with third parties. If the Company is unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including its competitors, and its competitors could market competing products and technology. Innate may also need the cooperation of any such co-owners of its patents in order to enforce such patents against third parties, and such cooperation may not be provided to us.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Even if patent applications the Company licenses or owns currently or in the future issue as patents, they may not issue in a form that will provide Innate with any meaningful protection, prevent competitors or other third parties from circumventing its patents by developing similar or alternative technologies or products in a non-infringing manner, or otherwise provide Innate with any competitive advantage. Challenges from competitors or other third parties could reduce the scope of Innate's patents or render them invalid or unenforceable, which could limit its ability to stop others from using or commercializing similar or identical technology and product candidates, or limit the duration of the patent protection for Innate Pharma's product candidates. The legal proceedings that the Company may then have to enter into in order to enforce and defend its intellectual property could be very costly and could distract its management and other personnel from their normal responsibilities, notably in the case of lawsuits in the United States. The probability of disputes arising over Innate's intellectual property will increase progressively as patents are granted and as the value and appeal of the inventions protected by these patents are confirmed. The occurrence of any of these events concerning any of Innate's patents or intellectual property rights could have a material adverse effect on its business, prospects, financial condition and results of operations. These risks are even higher for the Company, because of its limited financial and human resources.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of Innate's patent rights are highly uncertain. The Company's pending and future patent applications may not result in patents being issued which protect its technology or product candidates or which effectively prevent others from commercializing competitive technologies and product candidates. Furthermore, its owned and in-licensed patents may be subject to a reservation of rights by one or more third parties. For example, the research resulting in certain of its owned and licensed patent rights and technology was funded in part by the U.S. government. As a result, the government may have certain rights, or march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for non-commercial purposes. These rights may permit the government to disclose Innate's confidential information to third parties and to exercise march-in rights to use or allow third parties to use its licensed technology. The government can exercise its march-in rights if it determines that action is necessary because the Company failed to achieve practical

application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations or to give preference to U.S. industry. In addition, Innate's rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any exercise by the government of such rights could harm Innate Pharma's competitive position, business, financial condition, results of operations and prospects.

***Third parties may allege that the Company or its partners infringe, misappropriate or otherwise violate such third parties' intellectual property rights, which could prevent or delay its development efforts, stop Innate from commercializing its product candidates, or increase the costs of commercializing its product candidates.***

The Company's commercial success depends on its ability and the ability of its partners to develop, manufacture, market and sell its product candidates, and use its proprietary technologies, without infringing, misappropriating or otherwise violating any intellectual property or proprietary rights of third parties. The field of biopharmaceuticals involves significant patent and other intellectual property litigation, which can be highly uncertain and involve complex legal and factual questions. The interpretation and breadth of claims allowed in some patents covering biopharmaceutical compositions also may be uncertain and difficult to determine.

Innate may not be aware of all third-party intellectual property rights potentially relating to its product candidates. In general, in the United States patent applications are not published until 18 months after filing or, in some cases, not at all. Therefore, the Company cannot be sure that it was the first to make the inventions claimed in any owned or licensed patents or pending patent applications, or that it was the first to file for patent protection for such inventions. If the Company was not the first to invent such inventions or first to file any patent or patent application for such inventions, it may be unable to make use of such inventions in connection with its products. Innate may need to obtain licenses from third parties (which may not be available under commercially reasonable terms, or at all), delay the launch of product candidates or cease the production and sale of certain product candidates or develop alternative technologies that are the subject of such patents or patent applications, any of which could have a material adverse effect on its business, prospects, financial condition and results of operations. For example, third parties may claim that lacutamab and other product candidates may use technology protected by their patents. Although the Company believes that its current activities and its planned development of lacutamab does not and will not infringe on such patents, which expire in the near term, third parties may disagree.

Third parties may allege that Innate or its partners infringe, misappropriate or otherwise violate any such third party's patents or other intellectual property rights and assert infringement claims against us, regardless of their merit. A court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and adversely affect Innate's ability to commercialize any product candidates it may develop and any other product candidates or technologies covered by the asserted third-party patents. In order to successfully challenge the validity of any such U.S. patent in federal court, Innate would need to overcome a presumption of validity. As this burden is a high one requiring Innate to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If the Company is found to infringe a third party's intellectual property rights, and the Company is unsuccessful in demonstrating that such rights are invalid or unenforceable, the Company could be required to:

- bear the potentially significant costs of proceedings brought against us;

- pay damages, which may include treble damages and attorney's fees if the Company is found to have willfully infringed a third party's patent rights;
- cease developing, manufacturing and commercializing the infringing technology or product candidates; and
- acquire a license to such third-party intellectual property rights, which may not be available on commercially reasonable terms, or at all, and may be non-exclusive, thereby giving the Company's competitors and other third parties access to the same technologies licensed to us.

Even if resolved in Innate's favor, litigation or other intellectual property proceedings may cause Innate to incur significant expenses and could distract its management and other personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of Innate's ordinary shares or ADSs. The Company may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of Innate's competitors may be able to sustain the costs of such litigation or proceedings more effectively than Innate can because of their greater financial resources and more mature and developed intellectual property portfolios. Should one or more of the foregoing risks materialize, this could have a material adverse effect on Innate's reputation, business, prospects, financial condition and results of operations.

***Its patents could be found invalid or unenforceable if challenged, and the Company may not be able to protect its intellectual property.***

Innate's and its licensors' patents and patent applications, if issued, may be challenged, invalidated or circumvented by third parties. U.S. patents and patent applications may also be subject to interference proceedings, re-examination proceedings, derivation proceedings, post-grant review or inter partes review in the United States Patent and Trademark Office (USPTO), challenging Innate's or its licensors' patent rights. Foreign patents may be subject also to opposition or comparable proceedings in the corresponding foreign patent office. For example, a third party filed an opposition in the European Patent Office (EPO) challenging one of the Company's European patents with claims directed to use of anti-NKG2A antibodies for treating cancer in an individual having progressive disease following treatment with an antibody that neutralizes the inhibitory activity of PD-1. The EPO issued a decision maintaining the Company's patent as granted, however the third party has appealed such decision. Third-party oppositions have also been filed challenging two of the Company's in-licensed European patents directed to CD39 technology. One of these oppositions has not yet resulted in a first-instance decision in the EPO, while the other opposition resulted in the revocation of the patents directed to CD39 technology, which revocation was appealed by Innate's licensor(s). All of the aforementioned oppositions are currently pending.

In addition, the Company may allege that third parties infringe Innate's or its licensors' patents, and the defendant could counterclaim that such patents are invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, Innate Pharma cannot be certain that there is no invalidating prior art of which the Company or its licensing partners and the patent examiner were unaware during prosecution.

Any such patent litigation or proceeding could result in the loss of Innate or its licensors' patents, denial of Innate's or its licensors' patent applications or loss or reduction in the scope of one or more of the

claims of such patents or patent applications. Accordingly, Innate's or its licensors' rights under any issued patents may not provide Innate with sufficient protection against competitive product candidates or processes; Innate could become unable to manufacture or commercialize its product candidates without infringing third-party patent rights; and the duration of the patent protection of its product candidates could be limited. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of Innate's confidential information could be compromised by disclosure during this type of litigation. Even if the Company is successful, such litigation or proceedings may be costly and may distract its management and other personnel from their normal responsibilities. Any of the foregoing could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Obtaining and maintaining the Company's patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and its patent protection could be reduced or eliminated for non-compliance with these requirements.***

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO, and various government patent agencies outside of the United States over the lifetime of Innate's owned and licensed patents and/or patent applications and any patent rights the Company may own in the future. In certain circumstances, Innate Pharma may rely on its licensing partners to pay these fees. The USPTO and various foreign patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market with similar or identical products or technology, which could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Developments in patent law could have a negative impact on the Company's business.***

Changes in either the patent laws or interpretation of the patent laws could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. For example, from time to time, the U.S. Congress, the USPTO or similar foreign authorities may change the standards of patentability, and any such changes could have a negative impact on Innate's business. One example is the Leahy-Smith America Invents Act, or the America Invents Act, which was signed into law in September 2011, and includes a number of significant changes to U.S. patent law. These changes included a transition from a "first-to-invent" system to a "first-to-file" system, changes to the way issued patents are challenged and changes to the way patent applications are disputed during the examination process such as allowing third-party submission of prior art to the USPTO during patent prosecution. Changes in patent laws may also modify the jurisdictions relevant to patents. For example, in Europe, the unitary patent (UP), or "European patent with unitary effect", established under Regulation 1257/2012 of December 17, 2012, provides a single supra-national patent right covering up to 25 EU Member States as from June 1, 2023.

***Trademarks***

In addition, changes to or different interpretations of patent laws in the United States and other countries may permit others to use Innate's or its partners' discoveries or to develop and commercialize Innate's technology and product candidates without providing any compensation to Innate, or may limit the number of patents or claims it can obtain. The patent positions of companies in the biotechnology and pharmaceutical market are particularly uncertain. Recent U.S. Supreme Court rulings have narrowed the

scope of U.S. patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U.S. Congress, the federal courts, and the USPTO, as well as similar bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on Innate's existing patent portfolio and its ability to protect and enforce its intellectual property in the future, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

***If the Company does not obtain protection under the Hatch-Waxman Amendments and similar non-U.S. legislation for extending the term of patents covering each of its product candidates, its business may be materially harmed.***

Depending upon the timing, duration and conditions of FDA marketing authorization of Innate's product candidates, one or more of its U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments, and similar legislation in the European Union. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended, and only those claims covering the approved product, a method for using it or a method for manufacturing it may be extended. However, the Company may not receive an extension if the Company fails to apply within applicable deadlines, fails to apply prior to expiration of relevant patents, fails to exercise due diligence during the testing Phase or regulatory review process or otherwise fails to satisfy applicable requirements. Moreover, the length of the extension could be less than what the Company requests. If the Company is unable to obtain patent term extension or the term of any such extension is less than its requests, the period during which the Company can enforce its patent rights for that product will be shortened, and its competitors may obtain approval to market competing products sooner. As a result, Innate's revenue from an applicable product could be reduced, possibly materially, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

***The Company will not seek to protect its intellectual property rights in all jurisdictions throughout the world, and Innate may not be able to adequately enforce its intellectual property rights in all jurisdictions where Innate Pharma seeks intellectual property protection.***

Filing, maintaining, prosecuting and defending patents on Innate's product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and its intellectual property rights in some countries outside the United States could be less extensive than those in the United States. Consequently, the Company may not be able to prevent third parties from using its product candidates or technologies in all countries outside the United States, or from selling or importing products made using its product candidates or technologies in and into the United States or other jurisdictions. Competitors may use Innate's technologies in jurisdictions where Innate Pharma does not pursue and obtain patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Company has patent protection, and enforcement is not as strong as that in the United States. These products may compete with Innate's products, and its patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if the Company pursues and obtains issued patents in particular jurisdictions, its patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as the federal and state laws in the United States. Many companies have encountered significant

problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biopharmaceuticals or biotechnologies. This could make it difficult for Innate Pharma to stop the infringement of its patents, if obtained, or the misappropriation or other violation of its other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, the Company may choose not to seek patent protection in certain countries, and the Company will not have the benefit of patent protection in such countries.

Proceedings to enforce Innate's patent rights in foreign jurisdictions could result in substantial costs and divert its efforts and attention from other aspects of its business, could put its patents at risk of being invalidated or interpreted narrowly, could put its patent applications at risk of not issuing and could provoke third parties to assert claims against us. The Company may not prevail in any lawsuits that the Company initiates, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and other countries may affect Innate's ability to obtain adequate protection for its technology and the enforcement of its intellectual property. Accordingly, Innate's efforts to enforce its intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that the Company develops or licenses. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Third parties may assert ownership or commercial rights to products, product candidates or technologies that Innate develops.***

Third parties have made, and may in the future make, claims challenging the inventorship or ownership of Innate's intellectual property, which may result in the imposition of additional obligations on us, such as development, royalty and milestone payments. Innate has written agreements with partners or other third parties that provide for the ownership of intellectual property arising from its collaborations and its other work with such third parties. These agreements provide that the Company must negotiate certain commercial rights with partners and other third parties with respect to joint inventions or inventions made by its partners or such third parties that arise from the results of the collaboration or other work with such third parties. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise under Innate's agreements. If the Company cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from its use of a third party’s materials where required, or if disputes otherwise arise with respect to the intellectual property developed with the use of a third party’s samples, the Company may be limited in its ability to capitalize on the market potential of these inventions. In addition, the Company may face claims by third parties that its agreements with employees, contractors or consultants obligating them to assign intellectual property to itself are ineffective, or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property the Company has developed or will develop and interfere with its ability to capture the commercial value of such inventions. The Company also may be unsuccessful in executing assignment agreements with each party who, in fact, conceives or develops intellectual property that the Company regards as its own, or such agreements might not be self-executing or might be breached.

Litigation may be necessary to resolve an ownership dispute, and if the Company is not successful, Innate may be precluded from using certain intellectual property, may lose its exclusive rights in such

intellectual property or may be required to acquire a license to such intellectual property, which may not be available on commercially reasonable terms or at all. Any of the foregoing could have a material adverse impact on Innate's business.

***If the Company fails to comply with its obligations under license or technology agreements with third parties, Innate Pharma could lose license rights that are critical to its business, and the Company may not be successful in obtaining necessary intellectual property rights.***

Innate licenses intellectual property from third parties that is critical to its business through license agreements, including but not limited to licenses related to the manufacture, composition, use and sale of its product candidates, and in the future Innate may enter into additional agreements that provide it with licenses to valuable intellectual property or technology. For example, Innate depends on its license agreement with Novo Nordisk A/S for the development and commercialization of monalizumab. Innate's license agreements impose various obligations on us, which may include development, royalty and milestone payments. If the Company fails to comply with any of these obligations, its licensors may have the right to terminate the agreements. If its license agreements with AstraZeneca or Novo Nordisk A/S or any other current or future licensors terminate, the Company would lose valuable rights and may be required to cease its development, manufacture or commercialization of its product candidates, including monalizumab. In addition, its business would suffer if its licensors fail to abide by the terms of the agreements, if its licensors fail to prevent infringement by third parties or if the licensed patents or other rights are found to be invalid or unenforceable. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

In addition, disputes may arise regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which its technology and processes infringe on intellectual property of the counterparty that is not subject to the license agreement;
- Innate's diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship or ownership of inventions and know-how resulting from the joint creation or use of intellectual property by its counterparties and us; and
- the priority of invention of patented technology.

The agreements under which the Company currently licenses intellectual property from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract dispute that may arise could narrow what Innate believes to be the scope of its rights to the relevant intellectual property, or modify in a manner adverse to Innate what the Company believes to be Innate's or its counterpart’s financial or other obligations under the relevant agreement, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects. If disputes over intellectual property that Innate Pharma has licensed prevent or impair its ability to maintain its current license agreement on acceptable terms, the Company may be unable to unsuccessfully develop and commercialize the affected product candidates.

Additionally, the growth of Innate's business may depend, in part, on its ability to acquire, in-license or use proprietary rights held by third parties. The Company may be unable to acquire or in-license intellectual property rights from third parties that Innate identifies as necessary for its product candidates on reasonable terms or at all. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that the Company may consider attractive. These established

companies may have a competitive advantage over Innate due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive Innate to be a competitor may be unwilling to assign or license rights to us. Innate also may be unable to license or acquire third-party intellectual property rights on terms that would allow Innate to make an appropriate return on its investment.

As part of its business, the Company collaborates with non-profit and academic institutions to accelerate its preclinical research or development under agreements with these institutions. Typically, these institutions provide Innate with an option to negotiate a license to any of the institution's or its employees' rights in technology resulting from the collaboration. Regardless of such option, Innate may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If the Company is unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking its ability to pursue its applicable development or commercialization program. If Innate Pharma is unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights Innate Pharma has, Innate may have to abandon the development and commercialization of the relevant program, and its business, financial conditions, results of operations and prospects could be adversely affected.

***Third parties may assert that Innate's employees, consultants or independent contractors have wrongfully used or disclosed confidential information or misappropriated trade secrets of their current or former employers.***

The Company employs individuals who are currently, or were previously, employed at universities or other biotechnology or pharmaceutical companies, including its competitors or potential competitors. Although Innate tries to ensure that its employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for Innate, and no such claims against it are currently pending, Innate may be subject to claims that Innate or its employees, consultants or independent contractors have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer or other third parties. Litigation may be necessary to defend against these claims. If Innate fails in defending any such claims, in addition to paying monetary damages, Innate may lose valuable intellectual property rights or personnel. Even if Innate is successful in defending against such claims, litigation could result in substantial costs and be a distraction to its management and other employees. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***If the Company is unable to protect the confidentiality of its trade secrets, its business and competitive position could be materially harmed.***

In addition to patent protection, because the Company operates in the highly technical field of biopharmaceutical drug development, it relies in part on trade secret protection in order to protect its proprietary technology and processes. However, trade secrets are difficult to protect. The Company seeks to protect its trade secrets, in part, by entering into confidentiality agreements with its employees, consultants, CROs, outside scientific collaborators, sponsored researchers and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by such party or made known to such party by Innate during the course of such party's relationship with us. However, Innate cannot guarantee that it has entered into such agreements with each party that may have or have had access to its trade secrets and confidential information, and these agreements may be breached, and Innate may not have adequate remedies for any breach.

In addition to contractual measures, the Company tries to protect the confidential nature of its proprietary information using physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for Innate's proprietary information. Innate's security measures may not prevent an employee or consultant from misappropriating its trade secrets and providing them to a competitor, and recourse it takes against such misconduct may not provide an adequate remedy to protect its interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Moreover, trade secrets may be independently developed by others in a manner that could prevent legal recourse by Innate. If any of Innate's confidential or proprietary information, such as its trade secrets, were to be disclosed to or misappropriated by a third party, or if any such information was independently developed by a third party, its competitive position could be materially harmed.

Innate's trade and technical secrets include:

- certain unpatented technical expertise that the Company believes provides itself with an advantage in conducting research and development work in its field;
- certain scientific knowledge generated by the work the Company carries out;
- certain information relating to the product candidates the Company is currently developing; and
- certain information relating to the agreements signed between the Company and third parties.

The unauthorized disclosure or misappropriation of certain of these secrets could allow third parties to offer products or services to compete with its or generally have a material adverse effect on Innate's business.

The structures put in place to protect Innate's trade and technical secrets do not constitute a guarantee that one or more of its trade and technical secrets will not be disclosed or misappropriated. The agreements or other arrangements to protect the Company's trade secrets may fail to provide the protection sought, or may be breached, or its trade secrets may be disclosed to, or developed independently by, its competitors. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Unauthorized use of Innate's trademarks may generate confusion and result in costs and delays to the detriment of its marketing efforts.***

Innate's trademarks are a key component of its identity and its products. Although the key components of its trademarks have been registered, notably in France and the United States, other companies in the pharmaceutical sector might use or attempt to use similar trademarks or components of the Company's trademarks and thereby create confusion in the minds of third parties. Innate Pharma's registered trademarks may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. In addition, there could be potential trademark infringement claims brought by owners of other trademarks that incorporate variations of Innate's registered or unregistered trademarks.

In the event the Company develops trademarks for products that conflict with intellectual property rights of third parties, Innate would then have to redesign or rename its products in order to avoid encroaching on the intellectual property rights of third parties. This could prove to be impossible or costly in terms of time and financial resources and could be detrimental to Innate's marketing efforts. Should any of these risks materialize, this could have a material adverse effect on Innate's business, prospects, financial condition and results of operations.

***Intellectual property rights do not necessarily address all potential threats.***

The degree of future protection afforded by the Company's intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect its business or permit it to maintain its competitive advantage. For example:

- others may be able to make products that are the same as or similar to its product candidates or utilize similar technology but that are not covered by the claims of the patents that the Company licenses or may own in the future;
- the Company, or its license partners or current or future collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent application that the Company licenses or may own in the future;
- the Company, or its license partners or current or future collaborators, might not have been the first to file patent applications covering certain of its or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of the Company's technologies without infringing its owned or licensed intellectual property rights;
- it is possible that the Company's owned or licensed pending patent applications will not lead to issued patents;
- issued patents that the Company holds rights to may be held invalid or unenforceable, including as a result of legal challenges by its competitors;
- its competitors might conduct research and development activities in countries where the Company does not have patent rights and then use the information learned from such activities to develop competitive products for sale in its major commercial markets;
- the Company may not develop additional proprietary technologies that are patentable;
- the patents of others may harm the Company's business; and
- the Company may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on Innate's business, financial condition, results of operations and prospects.

**Risks Related to Ownership of the Company's Ordinary Shares and the ADSs**

***The trading price of Innate's equity securities may be volatile, and purchasers of its ordinary shares or ADSs could incur substantial losses.***

It is likely that the price of the Company's ordinary shares and ADSs will be significantly affected by events such as announcements regarding scientific and clinical results concerning product candidates currently being developed by us, its collaboration partners or its main competitors, changes in market conditions related to its sector of activity, announcements of new contracts, technological innovations and collaborations by Innate or its main competitors, developments concerning intellectual property rights, as well as the development, regulatory approval and commercialization of new products by Innate or its main competitors and changes in its financial results.

Equity markets are subject to considerable price fluctuations, and often these movements do not reflect the operational and financial performance of the listed companies concerned. In particular, biotechnology

companies' share prices have been highly volatile and may continue to be highly volatile in the future. As the Company operates in a single industry, Innate is especially vulnerable to these factors to the extent that they affect its industry. Fluctuations in the stock market as well as the macro-economic environment could significantly affect the price of its ordinary shares. As a result of this volatility, investors may not be able to sell their ordinary shares or ADSs at or above the price originally paid for the security. The market price for Innate Pharma's ordinary shares and ADSs may be influenced by many factors, including:

- actual or anticipated fluctuations in its financial condition and operating results;
- actual or anticipated changes in its growth rate relative to its competitors;
- competition from existing products or new products that may emerge;
- announcements by Innate or its competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- adverse results of delays in Innate's or any of its competitors' preclinical studies or clinical trials;
- adverse regulatory decisions, including failure to receive regulatory approval for any of its product candidates;
- the termination of a strategic alliance or the inability to establish additional strategic alliances;
- failure to meet or exceed financial estimates and projections of the investment community or that the Company provides to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- ordinary share and American Deposit Share (ADS) price and volume fluctuations attributable to inconsistent trading volume levels of its ordinary shares and ADSs;
- price and volume fluctuations in trading of its ordinary shares on Euronext Paris;
- additions or departures of key management or scientific personnel;
- disputes or other developments related to proprietary rights, including patents, litigation matters and its ability to obtain patent and other intellectual property protection for its technologies;
- changes to coverage policies or reimbursement levels by commercial third-party payors and government payors and any announcements relating to coverage policies or reimbursement levels;
- announcement or expectation of additional debt or equity financing efforts;
- sales of its ordinary shares or ADSs by Innate, its insiders or its other shareholders; and
- general economic and market conditions.

These and other market and industry factors may cause the market price and demand for Innate's ordinary shares and ADSs to fluctuate substantially, regardless of its actual operating performance, which may limit or prevent investors from readily selling their ordinary shares or ADSs and may otherwise negatively affect the liquidity of the trading market for the ordinary shares and ADSs.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about Innate's business, the price of the ordinary shares or ADSs and their trading volume could decline.***

The trading market for the ADSs and ordinary shares depends in part on the research and reports that securities or industry analysts publish about Innate or its business. As a public company in France since 2006, the Company's equity securities are currently subject to coverage by a number of analysts. If fewer securities or industry analysts cover its company, the trading price for the ADSs and ordinary shares would be negatively impacted. If one or more of the analysts who covers Innate downgrades Innate's equity securities or publishes incorrect or unfavorable research about Innate's business, the price of the ordinary shares and ADSs would likely decline. If one or more of these analysts ceases coverage of the Company or fails to publish reports on Innate regularly, or downgrades Innate's securities, demand for the ordinary shares and ADSs could decrease, which could cause the price of the ordinary shares and ADSs or their trading volume to decline.

***The Company does not currently intend to pay dividends on its securities and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ordinary shares and ADSs. In addition, French law may limit the amount of dividends the Company is able to distribute.***

Innate has never declared or paid any cash dividends on its ordinary shares and does not currently intend to do so for the foreseeable future. The Company currently intends to invest its future earnings, if any, to fund its growth. Therefore, the holders of Innate's ordinary shares and ADSs are not likely to receive any dividends for the foreseeable future, and the success of an investment in its ordinary shares and ADSs depends upon any future appreciation in value. Consequently, investors may need to sell all or part of their holdings of the ordinary shares or ADSs after price appreciation, which may never occur, as the only way to realize any future gains on their investment. There is no guarantee that the ordinary shares or ADSs will appreciate in value or even maintain the price at which Innate's shareholders have purchased them.

Further, under French law, the determination of whether the Company has been sufficiently profitable to pay dividends is made on the basis of its statutory financial statements prepared and presented in accordance with accounting standards applicable in France. Moreover, pursuant to French law, the Company must allocate 5% of its unconsolidated net profit for each year to its legal reserve fund before dividends, should the Company propose to declare any, may be paid for that year, until the amount in the legal reserve is equal to 10% of the aggregate nominal value of its issued and outstanding share capital. In addition, payment of dividends may subject Innate to additional taxes under French law. Therefore, Innate may be more restricted in its ability to declare dividends than companies that are not incorporated in France.

In addition, exchange rate fluctuations may affect the amount of euros that the Company is able to distribute, and the amount in U.S. dollars that its shareholders receive upon the payment of cash dividends or other distributions the Company declares and pays in euro, if any. These factors could harm the value of the ADSs, and, in turn, the U.S. dollar proceeds that holders receive from the sale of the ADSs.

***Future sales, or the possibility of future sales, of a substantial number of Innate's ADSs or ordinary shares could adversely affect the market price of its ADSs and ordinary shares.***

Future sales of a substantial number of Innate's ADSs or ordinary shares, or the perception that such sales will occur, could cause a decline in the market price of its ADSs and/or ordinary shares. Sales in the United States of Innate ADSs and ordinary shares held by its directors, officers and affiliated shareholders or ADS holders are subject to restrictions. If these shareholders or ADS holders sell substantial amounts of ordinary shares or ADSs in the public market, or the market perceives that such sales may occur, the

market price of Innate's ADSs or ordinary shares and its ability to raise capital through an issue of equity securities in the future could be adversely affected.

***The dual listing of Innate's ordinary shares and the ADSs may adversely affect the liquidity and value of the ADSs.***

Innate's ADSs are listed on the Nasdaq, and its ordinary shares are admitted to trading on Euronext Paris. Trading of the ADSs or ordinary shares in these markets take place in different currencies (U.S. dollars on the Nasdaq and euro on Euronext Paris), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and France). The trading prices of the Company's ordinary shares on these two markets may differ due to these and other factors. Any decrease in the price of Innate's ordinary shares on Euronext Paris could cause a decrease in the trading price of the ADSs on Nasdaq. Investors could seek to sell or buy Innate's ordinary shares to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both its share prices on one exchange, and the ordinary shares available for trading on the other exchange. In addition, holders of ADSs are not immediately able to surrender their ADSs and withdraw the underlying ordinary shares for trading on the other market without effecting necessary procedures with the depositary. This could result in time delays and additional cost for holders of ADSs. The Company cannot predict the effect of this dual listing on the value of its ordinary shares and the ADSs. However, the dual listing of its ordinary shares and the ADSs may reduce the liquidity of these securities in one or both markets and may adversely affect the development of an active trading market for the ADSs in the United States.

***The rights of shareholders in companies subject to French corporate law differ in material respects from the rights of shareholders of corporations incorporated in the United States.***

The Company is a French company with limited liability. Its corporate affairs are governed by its bylaws and by the laws governing companies incorporated in France. The rights of shareholders and the responsibilities of members of Innate's Executive Board and of its Supervisory Board are in many ways different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. For example, in the performance of its duties, Innate's Executive Board is required by French law to consider the interests of Innate, its shareholders, its employees and other stakeholders, rather than solely Innate's shareholders and/or creditors. It is possible that some of these parties have interests that are different from, or in addition to, your interests as a shareholder or holder of ADSs. See "Item 16G.—Corporate Governance."

***U.S. investors may have difficulty enforcing civil liabilities against the Company and members of the Executive Board and the Supervisory Board.***

Most of the members of Innate's Executive Board and Supervisory Board and the experts named therein are non-residents of the United States, and all or a substantial portion of its assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or Innate in the United States or to enforce judgments obtained in U.S. courts against them or Innate based on civil liability provisions of the securities laws of the United States. Additionally, it may be difficult to obtain jurisdiction over us or our non-U.S. resident members of the Executive Board and Supervisory Board in U.S. courts in actions predicated on the civil liability provisions of the U.S. federal securities law, or assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forums in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of

procedure would still be governed by the law of the jurisdiction in which the foreign court resides. In particular, there is some doubt as to whether French courts would recognize and enforce certain civil liabilities against us or our Supervisory Board or our Executive Board under U.S. securities laws in original actions or judgments of U.S. courts based upon the civil liability provisions of the U.S. federal securities laws.

In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France. An award for monetary damages under the U.S. securities laws would be considered punitive if the amount awarded is disproportionate to the harm suffered and the defendant's breach. French law provides that a shareholder, or a group of shareholders, may initiate a legal action to seek indemnification from the directors of a corporation in the corporation's interest if it fails to bring such legal action itself. If so, any damages awarded by the court are paid to the corporation, and any legal fees relating to such action may be borne by the relevant shareholder or the group of shareholders. The enforceability of any judgment in France will depend on the particular facts of the case as well as the laws and treaties in effect at the time. A final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would only be recognized and enforced in France provided that a French judge considers that this judgment meets the French legal requirements concerning the recognition and the enforcement of foreign judgments and is capable of being immediately enforced in the United States. The United States and France do not currently have a treaty providing for recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters.

***Innate's bylaws and French corporate law contain provisions that may delay or discourage a takeover attempt.***

Provisions contained in the Company's bylaws and French corporate law could make it more difficult for a third party to acquire the Company, even if doing so might be beneficial to its shareholders. In addition, provisions of its bylaws impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. These provisions include the following:

- under French law, the owner of 90% of the share capital or voting rights of a public company listed on a regulated market in a Member State of the European Union or in a state party to the EEA Agreement, including from the main French stock exchange, has the right to force out minority shareholders following a tender offer made to all shareholders;
- under French law, a non-resident of France, as well as any French entity controlled by non-residents of France, may have to file a declaration for statistical purposes with the Bank of France (Banque de France) within 20 working days following the date of certain direct foreign investments in us, including any purchase of the Company's ADSs. In particular, such filings are required in connection with investments exceeding €15,000,000 that lead to the acquisition of at least 10% of the Company's share capital or voting rights or cross such 10% threshold;
- under French law, certain investments in a French company relating to certain strategic industries by individuals or entities not residents in a Member State of the EU are subject to prior authorization of the Ministry of Economy;
- a merger (i.e., in a French law context, a share for share exchange following which the Company would be dissolved into the acquiring entity and its shareholders would become shareholders of the acquiring entity) of the Company into a company incorporated in the European Union would require the approval of the Company's Executive Board, as well as a two-thirds majority of the votes held by the shareholders present, represented by proxy or voting by mail at the relevant meeting;

- a merger of the Company into a company incorporated outside of the European Union would require 100% of its shareholders to approve it;
- under French law, a cash merger is treated as a share purchase and would require the consent of each participating shareholder;
- Innate's shareholders may in the future grant the Company's Executive Board broad authorizations to increase Innate's share capital or to issue additional ordinary shares or other securities (for example, warrants) to Innate's shareholders, the public or qualified investors, including as a possible defense following the launching of a tender offer for Innate's ordinary shares;
- its shareholders have preferential subscription rights on a pro rata basis on the issuance by Innate of any additional securities for cash or a set-off of cash debts, which rights may only be waived by the extraordinary general meeting (by a two-thirds majority vote) of the Company's shareholders or on an individual basis by each shareholder;
- Innate's Supervisory Board appoints the members of the Executive Board and shall fill any vacancy within two months;
- Innate's Supervisory Board has the right to appoint members of the Supervisory Board to fill a vacancy created by the resignation or death of a member of the Supervisory Board for the remaining duration of such member's term of office, and subject to the approval by the shareholders of such appointment at the next shareholders' meeting, which prevents shareholders from having the sole right to fill vacancies on the Company's Supervisory Board;
- its Executive Board can be convened by the chairman of the Executive Board or other members of the Executive Board delegated for this purpose;
- its Supervisory Board can be convened by the chairman or the vice-chairman of the Supervisory Board. A member of the Executive Board or one-third of the members of the Supervisory Board may send a written request to the chairman to convene the Supervisory Board. If the chairman does not convene the Supervisory Board 15 days following the receipt of such request, the authors of the request may themselves convene the Supervisory Board;
- its Supervisory Board meetings can only be regularly held if at least half of its members attend either physically or by way of videoconference or teleconference enabling the members' identification and ensuring their effective participation in the Supervisory Board's decisions;
- approval of at least a majority of the votes held by shareholders present, represented by a proxy, or voting by mail at the relevant ordinary shareholders' general meeting is required to remove members of the Executive Board and/or members of the Supervisory Board with or without cause;
- the crossing of certain ownership thresholds has to be disclosed and can impose certain obligations;
- advance notice is required for nominations to the Supervisory Board or for proposing matters to be acted upon at a shareholders' meeting, except that a vote to remove and replace a member of the Supervisory Board can be proposed at any shareholders' meeting without notice;
- transfers of shares shall comply with applicable insider trading rules and regulations, and in particular with the Market Abuse Regulation 596/2014 of April 16, 2014, as amended; and

- pursuant to French law, the Company's bylaws, including the sections relating to the number of members of the Executive and Supervisory Boards, and election and removal of members of the Executive and Supervisory Boards from office may only be modified by a resolution adopted by two-thirds of the votes of the Company's shareholders present, represented by a proxy or voting by mail at the meeting.

***Purchasers of ADSs in the U.S. offering are not directly holding the Company's ordinary shares.***

A holder of ADSs is not treated as one of Innate Pharma's shareholders and does not have direct shareholder rights. French law governs Innate's shareholder rights. The depositary, through the custodian or the custodian's nominee, is the holder of the ordinary shares underlying ADSs held by purchasers of ADSs in the U.S. offering. Purchasers of ADSs in the U.S. offering have ADS holder rights. The deposit agreement among us, the depositary and purchasers of ADSs in the U.S. offering, as an ADS holder, and all other persons directly and indirectly holding ADSs, sets out ADS holder rights, as well as the rights and obligations of Innate and the depositary.

***Your right as a holder of ADSs to participate in any future preferential subscription rights offering or to elect to receive dividends in shares may be limited, which may cause dilution to your holdings.***

According to French law, if the Company issues additional securities for cash, current shareholders will have preferential subscription rights for these securities on a pro rata basis unless they waive those rights at an extraordinary meeting of its shareholders (by a two-thirds majority vote) or individually by each shareholder. However, Innate's ADS holders in the United States will not be entitled to exercise or sell such rights unless the Company registers the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. In addition, the deposit agreement provides that the depositary will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. Further, if the Company offers holders of its ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depositary may require satisfactory assurances from Innate that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. The Company is under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, the Company may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in the Company's rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights.

***You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.***

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of Innate's ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if the Company so requests, the depositary shall distribute to the holders as of the record date (i) the notice of the meeting or solicitation of consent or proxy sent by Innate and (ii) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depositary of your ADSs to vote the ordinary shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote, unless you withdraw the ordinary shares underlying the ADSs you hold. However, you may not know about the meeting far enough in advance to

withdraw those ordinary shares. If the Company asks for your instructions, the depositary, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver its voting materials to you. The Company cannot guarantee you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ordinary shares or to withdraw your ordinary shares so that you can vote them yourself. If the depositary does not receive timely voting instructions from you, it may give a proxy to a person designated by Innate to vote the ordinary shares underlying your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote, and there may be nothing you can do if the ordinary shares underlying your ADSs are not voted as you requested.

***You may be subject to limitations on the transfer of your ADSs and the withdrawal of the underlying ordinary shares.***

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when the Company's books or the books of the depositary are closed, or at any time if the Company or the depositary thinks it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to your right to cancel your ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or the Company has closed its transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or the Company is paying a dividend on its ordinary shares. In addition, you may not be able to cancel your ADSs and withdraw the underlying ordinary shares when you owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

***As a foreign private issuer, the Company is exempt from a number of rules under the U.S. securities laws and is permitted to file less information with the SEC than a U.S. company.***

Innate is a foreign private issuer, as defined in the SEC's rules and regulations and, consequently, it is not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, the Company is exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, the Company's Executive Board and Supervisory Board members are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of Innate's securities. Moreover, while the Company currently makes annual and semi-annual filings with respect to its listing on Euronext Paris and files financial reports on an annual and semi-annual basis, it is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. public companies and is not required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each fiscal year. Accordingly, there is and will be less publicly available information concerning the Company than there would be if the Company were not a foreign private issuer.

***As a foreign private issuer, the Company is permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance***

***listing standards, and these practices may afford less protection to shareholders than they would enjoy if Innate complied fully with Nasdaq corporate governance listing standards.***

As a foreign private issuer listed on Nasdaq, the Company is subject to their corporate governance listing standards. However, Nasdaq rules permit foreign private issuers to follow the corporate governance practices of their home country. Some corporate governance practices in France may differ significantly from Nasdaq corporate governance listing standards. For example, neither the corporate laws of France nor the Company's bylaws require a majority of its Supervisory Board members to be independent, and although the corporate governance code to which the Company currently refers (the AFEP/MEDEF code) recommends that, in a widely held company like Innate, a majority of the Supervisory Board members be independent (as construed under such code), this code only applies on a "comply-or-explain" basis, and Innate may in the future either decide not to apply this recommendation or change the corporate code to which it refers. Furthermore, Innate includes non-independent members of the Supervisory Board as members of its compensation and nomination committee, and its independent Supervisory Board members do not necessarily hold regularly scheduled meetings at which only independent members of the Supervisory Board are present. Currently, the Company intends to follow home country practice to the maximum extent possible. Therefore, Innate Pharma's shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. For an overview of Innate's corporate governance practices, see "Item 16G.—Corporate Governance."

***The Company is an "emerging growth company" under the JOBS Act and is able to avail itself of reduced disclosure requirements applicable to emerging growth companies, which can make its ordinary shares ADSs less attractive to investors. We may lose this status from December 31, 2024 and will therefore incur additional expenses.***

The Company is an "emerging growth company," as defined in the JOBS Act, and it intends to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. The Company will not take advantage of the extended transition period provided under Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards.

The Company cannot predict if investors will find the ordinary shares or ADSs less attractive because the Company may rely on these exemptions. If some investors find the ordinary shares or ADSs less attractive as a result, there may be a less active trading market for the ordinary shares or ADSs, and the price of the ordinary shares or ADSs may be more volatile. Innate may take advantage of these exemptions until such time that Innate is no longer an emerging growth company. The Company would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which Innate Pharma has more than $1.235 billion in annual revenue; (2) the date the Company qualify as a "large accelerated filer" with at least $700 million of equity securities held by non-affiliates; (3) the issuance, in any three year period, by Innate Pharma of more than $1.0 billion in non-convertible debt securities held by non-affiliates; and (4) the last day of the fiscal year ending after the fifth anniversary of its initial public offering of the ADSs. According to this last criteria, the Company will not be an "emerging growth company" from December 31, 2024.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses, including costs associated with public company reporting requirements. We may cease to be an

"emerging growth company" on December 31, 2024, and will therefore no longer eligible for reduced disclosure requirements and exemptions applicable to emerging growth companies. We expect that our loss of emerging growth company status will require additional attention from management and will result in increased costs to us, which could include higher legal fees, accounting fees and fees associated with investor relations activities, among others. We have also incurred and will continue to incur costs associated with corporate governance requirements, including requirements of the Sarbanes-Oxley Act, as well as rules implemented by the SEC and Nasdaq Capital Market, which include requirements with respect to corporate governance practices of public companies.

***The Company may lose its foreign private issuer status in the future, which could result in significant additional cost and expense.***

While Innate currently qualifies as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, the Company's next determination will be made on June 30, 2024. In the future, the Company would lose its foreign private issuer status if the Company fails to meet the requirements necessary to maintain its foreign private issuer status as of the relevant determination date. For example, if more than 50% of its securities are held by U.S. residents and more than 50% of the members of its Executive Board or Supervisory Board are residents or citizens of the United States, Innate could lose its foreign private issuer status.

The regulatory and compliance costs to Innate under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs Innate incurs as a foreign private issuer. If the Company is not a foreign private issuer, Innate Pharma will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. The Company would be required under current SEC rules to prepare its financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, rather than IFRS, and to modify certain of its policies to comply with corporate governance practices required of U.S. domestic issuers. Such conversion of Innate's financial statements to U.S. GAAP would involve significant time and cost. In addition, the Company may lose its ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

***If the Company is a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. holders.***

Based on Innate's analysis of its income, assets, activities and market capitalization for its taxable year ended December 31, 2023, and although the matter is not free from doubt, the Company believes that it was not a passive foreign investment company (PFIC) for the taxable year ended December 31, 2023. However, there can be no assurance that Innate will not be a PFIC in the current year or for any future taxable year. Under the Code, a non-U.S. company will be a PFIC for any taxable year in which (1) 75% or more of its gross income consists of passive income or (2) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and certain rents and royalties and passive assets generally includes cash and cash equivalents. In addition, for purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets and received directly its proportionate share of the income of such other corporation. The status of the Company as a PFIC depends on the composition of its income (including whether reimbursements of certain refundable research tax credits will constitute gross income for purposes of the PFIC income test) and the composition and value of its assets. The value of the

Company's assets may be determined in large part by reference to the market value of the ordinary shares or ADSs, which may fluctuate substantially. The Company's status as a PFIC may also depend in part on the amount of the amount of cash on the Company's balance sheet, the cash proceeds from any fund-raising activities, and how quickly the Company utilizes such cash in its business.

If Innate is a PFIC for any taxable year during which a U.S. holder (as defined below under "Item 10E.—Taxation – Material U.S. Federal Income Tax") holds its ordinary shares or ADSs, the Company will continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ordinary shares or ADSs, regardless of whether the Company continues to meet the PFIC test described above, unless the U.S. holder makes a specified election once Innate ceases to be a PFIC. If the Company is a PFIC for any taxable year during which a U.S. holder holds its ordinary shares or ADSs, the U.S. holder may be subject to adverse tax consequences regardless of whether Innate Pharma continues to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements. For further discussion of the PFIC rules and the adverse U.S. income tax consequences in the event the Company is classified as a PFIC, see the section of this Annual Report titled "Item 10E.—Taxation– Material U.S. Federal Income Tax Considerations."

***If a United States person is treated as owning at least 10% of Innate's ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.***

If a U.S. holder is treated as owning, directly, indirectly or constructively, at least 10% of the value or voting power of Innate's ordinary shares or ADSs, such U.S. holder may be treated as a "United States shareholder" with respect to each "controlled foreign corporation" in its group, if any. Innate Pharma group currently includes one U.S. subsidiary and, therefore, under current law its current non-U.S. subsidiary and any future newly formed or acquired non-U.S. subsidiaries will be treated as controlled foreign corporations, regardless of whether the Company is treated as a controlled foreign corporation. A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income" and investments in U.S. property by controlled foreign corporations, regardless of whether Innate makes any distributions. An individual that is a U.S. shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a U.S. shareholder that is a U.S. corporation. Failure to comply with controlled foreign corporation reporting obligations may subject a U.S. shareholder to significant monetary penalties. The Company cannot provide any assurances that it will furnish to any U.S. shareholder information that may be necessary to comply with the reporting and tax paying obligations applicable under the controlled foreign corporation rules of the Code. U.S. holders should consult their tax advisors regarding the potential application of these rules to their investment in Innate's ordinary shares or ADSs.

## Item 4. Information on the Company.

### A. History and Development of the Company

Innate's legal name and commercial name is Innate Pharma S.A. The Company was incorporated under the laws of France on September 23, 1999, as a *société par actions simplifiée* and converted into a *société anonyme*, or S.A., on June 13, 2005. Innate's headquarters are located at 117, Avenue de Luminy, 13009 Marseille, France. In 2008, The Company incorporated its wholly owned U.S. subsidiary, Innate Pharma Inc. In 2019, Innate Pharma's incorporated its wholly owned French subsidiary, Innate Pharma France S.A.S. (registered under number SIREN 844 853 119). Innate Pharma France S.A.S. was dissolved without liquidation on November 30, 2020, under article 1844-5, Section 3 of the French Civil Code.

The Company is registered at the Marseille Business and Company Registry (*Registre du commerce et des sociétés*) under the number SIREN 424 365 336 RCS Marseille. Innate's telephone number at its principal executive offices is +33 4 30 30 30 30. Innate Pharma's wholly owned U.S. subsidiary is located at 2273 Research Boulevard, Suite 350, Rockville, MD 20850, United States.

Innate's website address is www.innate-pharma.com. The reference to its website is an inactive textual reference only, and information contained in, or that can be accessed through, its website is not part of this Annual Report. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, such as Innate, that file electronically with the SEC.

Innate's capital expenditures in the years ended December 31, 2021, 2022 and 2023 primarily related to acquisitions and additional considerations linked to purchased licenses, and acquisitions of laboratory equipment. Clinical research and development costs are not capitalized until marketing authorizations are obtained.

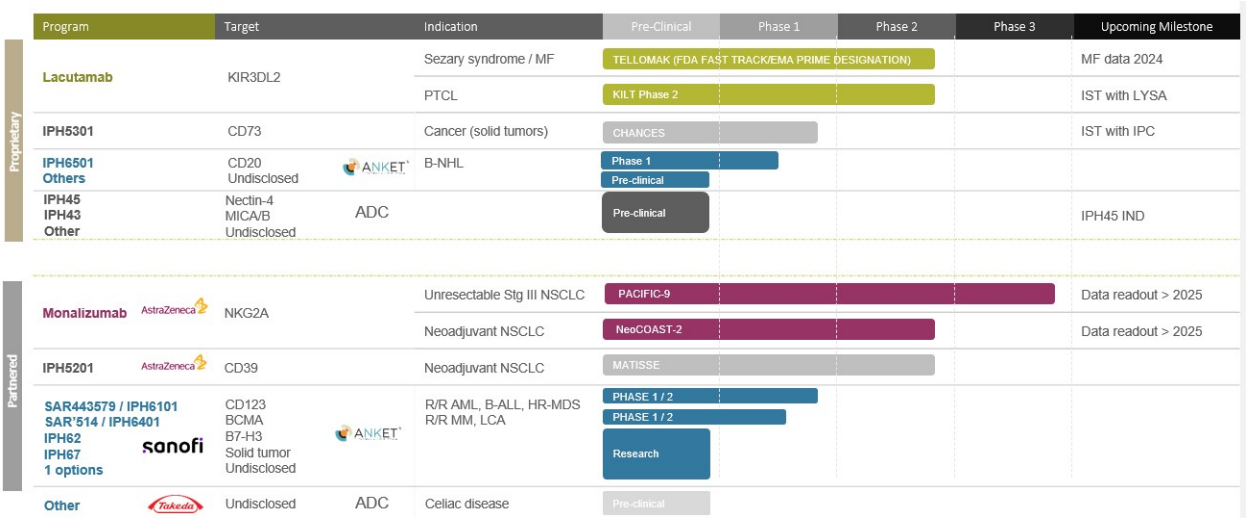
**B. Business Overview**

Innate Pharma S.A. is a global, clinical-stage biotechnology company developing immunotherapies for cancer patients. Its innovative approach aims to harness the innate immune system through therapeutic antibodies and its ANKET® (**A**ntibody-based **NK** cell **E**ngager **T**herapeutics) proprietary platform. Innate's portfolio includes lead proprietary program lacutamab, developed in advanced form of cutaneous T cell lymphomas and peripheral T cell lymphomas; monalizumab developed with AstraZeneca in non-small cell lung cancer, as well as ANKET® multi-specific NK cell engagers to address multiple tumor types. The Company has developed, internally and through its business development strategy, a broad and diversified portfolio including seven clinical product candidates and a robust preclinical pipeline. Innate has entered into collaborations with leaders in the biopharmaceutical industry, such as AstraZeneca and Sanofi. Innate Pharma believes its product candidates and clinical development approach are differentiated from current immuno-oncology therapies and have the potential to significantly improve the clinical outcome for patients with cancer.

The immune system is the body's natural defense against invading organisms and pathogens and is comprised of two arms: the innate immune system and the adaptive immune system. Recent immunotherapy developments have focused on generating a tumor antigen-specific T cell response and have led to an unprecedented change in the treatment paradigm of many solid tumor cancers. Despite these successes, the breadth and durability of the clinical benefit achieved has been limited to a subset of patients and tumor types because of limited effect against solid tumors and toxicity. The Company's innovative approach to immuno-oncology aims to broaden and amplify anti-tumoral immune responses by leveraging both the adaptive and the innate immune systems.

The innate immune system is comprised of a variety of cells, including Natural Killer cells (NK cells), which are involved in anti-cancer immunosurveillance through a variety of modalities. Activation of the innate immune system also helps trigger the adaptive immune system to elicit a response directed against specific antigens and can provide durable immune memory. Innate's scientific expertise, strategic collaborations and discovery engine to seek to harness the potential of the innate immune system.

The Company is developing a pipeline of innovative immunotherapies that it believes have the potential to provide significant clinical benefits to cancer patients. The following table summarizes Innate's current pipeline.




In addition to these assets, the Company has an active development pipeline with programs in the discovery and preclinical stages.

Innate Pharma's collaborations with leaders in the biopharmaceutical industry, such as AstraZeneca and Sanofi, allow Innate to leverage the expertise and resources of large pharmaceutical companies and research institutions with the goal of accelerating the development, registration and launch of several of Innate Pharma's assets while providing the Company with financing to expand the development of its proprietary product candidates. Over ten past years the Company has received an aggregate of $679.2 million (€602.8 million) in upfront and milestone payments and equity investments from its collaborations. This amount includes a total of €62.6 million received from AstraZeneca following its investment in the Company's capital in October 2018. Under Innate's existing collaboration and license agreements that become effective upon the exercise by its collaborators of options to license future product candidates, the Company may be eligible to receive an aggregate of approximately up to $3.6 billion in future contingent payments. With respect to the programs for which Innate Pharma has an existing collaboration or similar agreement, future contingent payments are dependent upon Innate's achievement of specified development, regulatory and commercial related milestones. With respect to the programs for which Innate Pharma's collaborators have been granted an option, future contingent payments are dependent upon Innate's collaborators exercising such options, which would result in up-front option exercise fees, and upon its achievement of specific development and sales milestones in those particular programs. The aggregate $3.6 billion in future contingent payments assumes that its collaborators exercise all of the options the Company has granted to them and that Innate achieves all related development, clinical, regulatory and sales milestones. For more information regarding the risks related to intellectual property, please see “Risk Factors—Risks Related to Intellectual Property Rights.”

**The Company's Strategy**

Innate's goal is to harness the immune system for the treatment of oncological conditions with serious unmet medical need. By leveraging its extensive experience in immuno-oncology research and development, the Company strives to continue to discover and develop a broad and diversified portfolio

of first- and best-in-class immunotherapies across various therapeutic modalities. The key elements of its strategy include:

- **Drive near-term value with Innate's wholly owned product candidate, lacutamab**
  - Execute the clinical development of its fully owned product candidate, lacutamab, for the treatment of patients with cutaneous T cell lymphoma (CTCL), namely Sézary syndrome and Mycosis Fungoides (MF), and patients with peripheral T cell lymphoma (PTCL).
- **Advance its innovative R&D pipeline**
  - Expand its pipeline of proprietary product candidates that target novel pathways in immuno-oncology using its internal development engine.
  - Drive the development of its proprietary portfolio, including the next generation asset NK cell engagers (NKCEs) through Innate's proprietary Antibody-based NK cell Engager Therapeutics (ANKET®) platform and continuing to explore Antibody Drug Conjugates (ADC) formats.
- **Build a sustainable business**
  - Maximize the value of its partnered product candidates under its various collaboration, license and option agreements, under which the Company has the potential to be eligible to receive up to an aggregate of approximately $3.6 billion in future contingent payments, including up-front option exercise fees and payments upon the achievement of specified development and sales milestones.
  - Invest in the ongoing clinical programs of monalizumab for the treatment of non-small cell lung carcinoma (NSCLC).
  - Continue to explore opportunities to accelerate the development of Innate's proprietary pipeline programs through additional collaborations.
  - Combine its disciplined business development strategy with its immuno-oncology research and development capabilities to further expand its product portfolio.
  - Manage its resources carefully and implement the efficiency measures necessary to optimize its resources.

**Activating Innate Immunity: Harnessing the Power of Immunotherapy to Treat Cancer**

***The Innate Immune System: Gatekeeper of the Adaptive Immune System***

The immune system is the body’s defense against invading organisms and pathogens and is comprised of two arms: the innate immune system and adaptive immune system.

The innate immune system represents the first barrier of immune defense because it reacts almost immediately against threats and serves as a catalyst to mobilize other components of the immune system. The innate immune system functions to identify, attack and kill pathogens or cancer cells, produce cytokines and activate the complement cascade and the adaptive immune system through antigen presentation. These functions involve a variety of cells, including NK cells, dendritic cells, monocytes, macrophages and neutrophils. These cells then launch adaptive immune responses while also mounting their own effector responses. Throughout the body, cells of the innate immune system play a critical role in the immunosurveillance and detection of the formation of cancer cells.

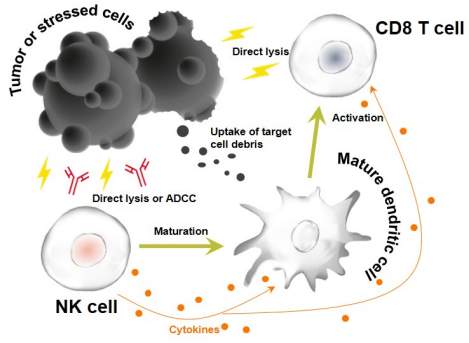
Once activated, the adaptive immune system responds with large numbers of effector cells directed against specific antigens and can provide durable immune memory. An adaptive immune response is highly specific to particular antigens expressed by pathogens or cancer cells, but it requires time to develop in a process known as priming. Key components of the adaptive immune system include antibodies, which are produced by B cells, bind to antigens and mark them for destruction by other immune cells, and T cells, which recognize antigens on diseased cells and then attack and eliminate them. The adaptive immune response is targeted and potent and has the potential to provide a long-lasting immune memory.

***Harnessing Innate Immunity in Cancer: NK Cells as a Key Player in the Anti-Tumor Immune Response***

NK cells are part of the innate immune system and represent a significant fraction of the total number of cytotoxic cells in the body. They are active in many hematological and solid tumors and play a key role in the initiation of the T cell response.

Checkpoints expressed on NK cells include inhibitory cell surface receptors, such as NKG2A, and activating NK cell receptors, such as NKp46. NKp46 is the most specific NK cell marker identified to date across organs and species. Other receptors, such as NKG2A, are more prevalent in certain subsets of NK cells, including NK cells infiltrating the tumor, and are also present on tumor infiltrating $CD8^+$ T cells.

NK cells are involved in the anti-cancer immunosurveillance through a variety of direct and indirect effects. The figure below provides an illustration of anti-cancer functions of NK cells.

| | | |
|---|---|---|
| 1 | NK cells are able to directly and selectively kill cells undergoing stress caused by a cancerous transformation or pathogen infection, a process called natural cytotoxicity. |  |
| 2 | NK cells can also kill target cells when they are coated by antibodies in a process called antibody-dependent cellular cytotoxicity (ADCC). | |
| 3 | NK cells are also potent producers of cytokines, which are soluble molecules that recruit and activate an adaptive immune response by T cells through dendritic or other antigen-presenting cells, which in turn may enable the generation of immune memory against tumor cells. | |

By providing the initial catalyst for the multilayered immune response, the activation of the innate immune system through the targeting of NK cells could potentially result in an optimal anti-tumoral T cell response.

***Innate Pharma's response to cancer: harnessing the innate immunity against cancer***

The Company has developed a pipeline around two main innovative strategies in modern immuno-oncology:

- The first of these strategies is to directly target cancer cells through an antibody targeting a tumor antigen and causing its destruction.
    - Innate's most advanced proprietary program, lacutamab, is a potentially first-in-class tumor-targeting antibody targeting KIR3DL2, seeking to induce the killing of cells expressing the tumor antigen. The Company is developing lacutamab for the treatment of various forms of T cell lymphoma (TCL), such as CTCL, including its aggressive subtype, Sézary syndrome, and PTCL.
    - The Company has also developed a proprietary technological platform, named ANKET® (for Antibody-based NK cell Engager Therapeutics), which develops multi-specific antibody formats that leverage an activating receptor, NKp46. Its multi-specific antibodies co-engage NKp46, with or without CD16, a tumor antigen and depending on the need, a variant of the interleukin-2 (IL-2v) molecule. This approach has the potential to more effectively mobilize NK cells than anti-tumor cytotoxic antibodies because, in the TME of many solid tumors, CD16, the receptor mediating the killing of tumor cells by IgG1 antibodies can be downregulated on NK cells whereas NKp46 expression is frequently expressed on tumor-infiltrating NK cells.
    - The Company is using its leading antibody engineering capabilities to generate classic antibody formats as well as new products by exploring antibody drug conjugate (ADC) formats.
- Another strategy, known as immuno-oncology, consists in unleashing the immune system against cancer. Innate Pharma has developed two approaches:
    - Checkpoint inhibitors: the development of antibodies that target immune checkpoints has been one of the greatest advances in cancer treatment over the past 10 years. Notably, the current approved checkpoint inhibitors target the CTLA-4 and PD-1/PD-L1 pathways on T cells. These treatments have shown an ability to activate T cells, shrink tumors and improve patient survival in a broad range of tumors. The Company is developing broad spectrum checkpoint inhibitors targeting inhibitory checkpoints expressed on several cell types in order to potentially increase the breadth and quality of anti-tumor response. Innate's most advanced checkpoint inhibitor product candidate, monalizumab, is potentially a first-in-class, dual checkpoint inhibitor designed to activate both tumor-infiltrating NK cells and $CD8^+$ T cells, likely resulting in increased effector functions and greater killing of the tumor by the immune system. The Company has partnered with AstraZeneca to develop this product, which is currently being tested in a Phase 3 clinical trial in unresectable, Stage III non-small cell lung cancer (NSCLC) and a Phase 2 clinical trial in resectable, early-stage NSCLC.
    - Tumor’s microenvironment (TME): the TME can inhibit both innate and adaptive immune responses either by producing or degrading key metabolites or by recruiting suppressive cells, or both. For example, adenosine is one of the components of the TME that most broadly affects immune response. It is produced by the sequential degradation of extracellular adenosine triphosphate (ATP) by the following two enzymes: first CD39, which degrades the ATP into adenosine monophosphate (AMP), and then second, CD73, which impairs the AMP into adenosine. For this reason, this pathway has attracted

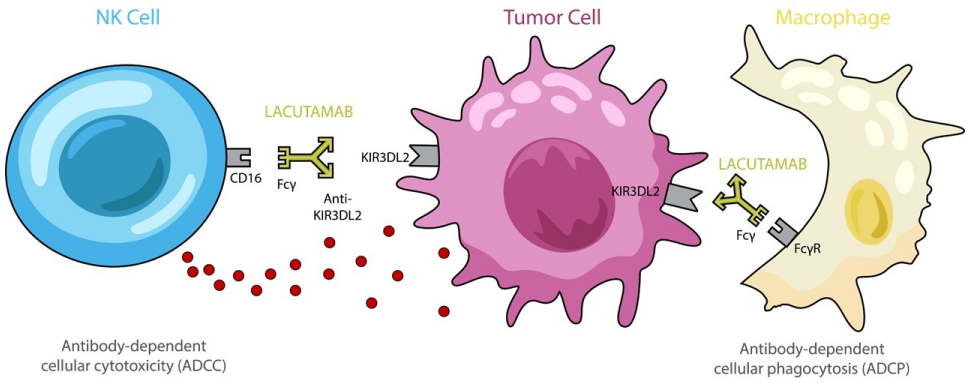
significant development efforts that have been focused primarily on the downstream part of the adenosine degradation cascade, CD73 and the adenosine receptors. The Company is developing IPH5301, a potentially best-in-class anti-CD73 antibody, and has also focused on the upstream part of the cascade through IPH5201, an anti-CD39 antibody, in order to block the production of immunosuppressive adenosine and increase the pool of immuno-stimulatory extracellular ATP. The Company believes this approach is also potentially mechanistically synergistic with many therapies such as checkpoint inhibitor, tumor-targeting product, etc., as shown by the results of the COAST randomized Phase 2 study, where AstraZeneca's anti-CD73 oleclumab in combination with durvalumab improved progression-free survival (PFS) and objective response rate (ORR) compared to durvalumab alone in patients with unresectable, Stage III non-small cell lung cancer (NSCLC). Similarly, results from NeoCoast randomized Phase 2 study showed that one cycle of neoadjuvant oleclumab in combination with durvalumab improved major pathological response (MPR) and pathological complete response (pCR) rates versus durvalumab alone, in stage I-IIIA resectable NSCLC patients.

**Innate Pharma's Product Pipeline**

**Lacutamab (IPH4102), a Tumor Targeting Anti-KIR3DL2 Antibody**

a. Mechanism & Rationale

The Company is developing its wholly owned product candidate lacutamab for the treatment of certain subtypes of T cell lymphoma (TCLs), including cutaneous T cell lymphoma (CTCL) and peripheral T cell lymphoma (PTCL). Lacutamab is designed to bind to the KIR3DL2 receptor and to kill cancer cells by antibody dependant cellular phagocytosis (ADCP) and antibody dependant cell cytotoxicity (ADCC), as illustrated in the following figure.




KIR3DL2 is a receptor of the killer immunoglobulin like receptor (KIR) family. In its preclinical studies, the Company has observed that KIR3DL2 is not expressed on healthy tissues, except on a subset of NK cells (36%) and T cells (12% of $CD8^+$ and 4% of $CD4^+$) (IPH internal data). In addition, KIR3DL2 is expressed in T cell lymphoma: 65% of CTCL patients express KIR3DL2 with approximately 50% of

patients with MF, the most common type of CTCL expressing KIR3DL2 (Battistella, 2017). This frequency increases for the most aggressive CTCL subtypes, including 90% of Sézary syndrome (Roelens, 2019). Lastly, approximately 50% of patients with PTCL also express KIR3DL2 (Cheminant, ICML Meeting, 2019).

b. Indication

i. Cutaneous T Cell Lymphoma

CTCL is a heterogeneous group of non-Hodgkin's lymphomas that are characterized by the abnormal accumulation of malignant T cells, primarily in the skin. CTCL accounts for approximately 4% of all non-Hodgkin's lymphomas and has a median age at diagnosis of 55 to 60 years (Dobos, 2020; Fuji, 2020). There are approximately 2,200-4,000 new CTCL cases diagnosed per year in Europe and the United States combined (SEER Cancer Statistics Review 1975-2017; Dobos, 2020; Zhang, 2019; Gilson, 2019). The most common type of CTCL is mycosis fungoides, or MF, accounting for approximately half of all CTCLs (Dobos, 2020, Bradford, 2009). Sézary syndrome, characterized by the presence of lymphoma cells in the blood, is a CTCL subtype with a particularly poor prognosis. The following table outlines the most common CTCL types, their frequency as a percentage of all cases of CTCL (Dobos, 2020), and the prognosis (WHO-EORTC classification 2018 : Willemze, 2019).

| **CTCL Type** | **Frequency among CTCL (%) Worldwide** | **5-year disease-specific survival (%)** |
|---|---|---|
| Mycosis fungoides | 62 | 88 |
| Primary cutaneous $CD30^+$ lympho-proliferative disorders | 16 | 95-99 |
| Primary cutaneous $CD4^+$ small/medium T-cell lymphoproliferative disorder | 2 | 100 |
| Mycosis fungoides variants | 6 | 75-100 |
| Sézary syndrome | 3 | 36 |

Patients with advanced CTCL have a poor prognosis with few therapeutic options and no standard of care. Treatment generally includes skin-directed therapies, such as topical corticosteroids, and systemic treatments, such as steroid drugs and interferon, for patients with more advanced disease or for whom skin-directed therapies failed. There are several approved agents for the treatment of CTCL:

- Bexarotene, approved by FDA in 1999, for use in patients with advanced stage of MF who are refractory to at least one prior systemic therapy;
- Vorinostat, approved by FDA in 2006 for the treatment of cutaneous manifestations of CTCL in patients with progressive, persistent, or recurrent disease on or following two systemic therapies;
- Denileukin diftitox (DD) approved by the FDA in 2008 for patients with resistant and recurrent CTCL;
- Romidepsin, approved by FDA in 2009 for patients with CTCL who have received at least one prior systemic therapy;
- Brentuximab vedotin (marketed as Adcetris), was approved by the FDA in 2017 for the treatment of patients with primary cutaneous anaplastic large cell lymphoma, or pcALCL, or CD30-

expressing MF who have received prior systemic therapy. In Europe, brentuximab vedotin is indicated for the treatment of adult patients with R/R $CD30^+$ CTCL who require systemic therapy; and

- Mogamulizumab (marketed as Poteligeo), was approved in 2018 by the FDA and the EMA for the treatment of adult patients with R/R MF or Sézary syndrome after at least one prior systemic therapy.

In general, treatment guidelines distinguish CTCL by clinical appearance and localization, histological subtype, extent and type of extracutaneous disease, aggressiveness and response to previous treatment. Most patients are not suitable for stem cell transplantation due to their age and/or comorbid conditions. Although brentuximab vedotin and mogamulizumab represent recent progress in the treatment of CTCL, they are still associated with the safety and efficacy limitations observed in their respective clinical trials. Further, even with these options, the vast majority of these treated patients eventually relapse and the overall survival rate remains poor, which translates to unmet needs that lacutamab aims to address.

In January 2019, the Food and Drug Administration (FDA) granted lacutamab Fast Track Designation for the treatment of adults with relapsed/refractory (r/r) Sézary syndrome who have received at least two prior systemic therapies. In November 2020, Innate Pharma received Priority Medicines (PRIME) designation from the EMA for lacutamab, for the treatment of patients with relapsed or refractory Sézary syndrome (SS) who have received at least two prior systemic therapies. Lacutamab has also been granted orphan drug designation by the FDA and orphan designation by the EMA for the treatment of CTCL. The U.S. Fast-Track and EU PRIME designations support the potential for lacutamab to benefit Sézary Syndrome patients in need of new treatment options. The ongoing Phase 2 TELLOMAK trial, initiated in May 2019, continues to evaluate lacutamab in different subtypes of TCL.

ii. Peripheral T Cell Lymphoma

PTCL is a diverse group of aggressive non-Hodgkin's lymphomas that develop from mature T cells and NK cells. PTCL arises in the lymphoid tissues outside of the bone marrow, such as in the lymph nodes, spleen, gastrointestinal tract and skin (Hsi, 2017). The various PTCL types, their frequency as a percentage of all TCL cases (Hsi, 2017), and prognosis (Vose, 2018) are shown in the following table.

| PTCL Type | Frequency (%) U.S | 5-year overall survival (%) |
|---|---|---|
| PTCL not otherwise specified | 32 | 32 |
| Angioimmunoblastic | 16 | 32 |
| Anaplastic large cell lymphoma, or ALCL, ALK positive | 6 | 70 |
| Anaplastic large cell lymphoma, ALK negative | 11 | 49 |

Irrespective of the specific regimen used (single agent chemotherapy or combination chemotherapy including Gemcitabine and Oxaliplatin, usually referred to as GemOx), patients with R/R PTCL typically experience a poor outcome, with a median progression-free survival and overall survival of 3.1 months and 5.5 months, respectively (Mak, 2013).

Multi-agent chemotherapy is the recommended first line treatment for the majority of patients with PTCL. Brentuximab vedotin is approved in combination with first line chemotherapy for patients with CD30-

positive PTCL. For patients who are eligible, subsequent stem cell transplantation is a potentially curative option but it is limited to a minority of patients. Despite these treatments, a high proportion of patients need second line therapy. Belinostat (marketed as Beleodaq), pralatrexate (marketed as Folotyn) and romidepsin (marketed as Istodax) have each been approved by the FDA in this setting, but efficacy is generally limited. In the respective non-randomized clinical registration trials, the response rates to belinostat, pralatrexate and romidepsin were each less than 30%, and the median duration of response was approximately 10 months for belinostat and pralatrexate (O'Connor, 2015 ; O'Connor, 2011; Coiffier, 2012). None of these treatments have been approved by the EMA.

Despite these approvals, current treatment guidelines (NCCN 2021) recommend participation in a clinical trial as a preferred option for patients with relapsed PTCL after first line treatment. If clinical trials are not available, a chemotherapy combination of gemcitabine and oxaliplatin (GemOx) is listed as one of the preferred treatment combinations (ESMO Lymphoma Guidelines). Several studies have been published on the role of GemOx in patients with relapsed lymphoma and it is one of the most widely used regimens for this patient population in the United States, Europe and Asia (Mounier, 2013; Yamaguchi, 2012).

c. Clinical Trials

Below is a summary of the clinical trials of lacutamab.

| Phase | Trials | Sponsor | Population | Patients estimated | Design | Endpoints | Status |
|---|---|---|---|---|---|---|---|
| Phase 2 | TELLOMAK NCT03902184 | innate pharma | R/R Sezary Syndrome<br>Stage IB-IV Mycosis Fungoides | 170 | **Cohort 1: R/R Sezary Syndrome**<br>• Lacutamab monotherapy<br>**Cohort 2: Mycosis Fungoides KIR3DL2+**<br>• Lacutamab Monotherapy<br>**Cohort 3: Mycosis Fungoides, KIR3DL2-**<br>• Lacutamab Monotherapy<br>**Cohort 4: Mycosis Fungoides, all comers**<br>• Lacutamab Monotherapy | **Primary endpoints:**<br>• Objective Response Rate<br>**Secondary endpoints:**<br>• AE, QoL, PFS, OS, DoR, Immunogenicity, PD, PK | • Active, not recruiting<br>• Final data SS: ASH 2023<br>• Final Data MF expected 2024 |
| Phase 2 | KILT NCT04984837 | Lysa | R/R Peripheral T Cell Lymphoma | 56 | **Arm 1:**<br>• Lacutamab + GEMOX<br>**Arm 2:**<br>• GEMOX | **Primary endpoints:**<br>• Median modified Progression-Free Survival<br>**Secondary endpoints:**<br>• AE, OS, CRR, DoR, Immungenicity, PD, PK | • Recruiting |

i. Phase 1 Clinical Trial - CTCL

In November 2015, the lacutamab Phase 1 dose-escalating and cohort expansion clinical trial was initiated to evaluate lacutamab for the treatment of advanced CTCL. The trial was completed in April 2020, and enrolled 44 patients, including 35 patients with Sézary syndrome, eight patients with mycosis fungoides and one patient with $CD4^+$ TCL not otherwise specified. The primary objective of the trial was to evaluate lacutamab safety, and to identify dose limiting toxicities (DLTs) and the maximum tolerated dose. Data from this trial were presented at the 2018 meeting of the American Society of Hematology ("ASH"), and reported in Lancet Oncology in 2019 by Bagot et al. The Company reported clinical activity in the subgroup of 35 Sézary syndrome patients, including an observed overall response rate of 42.9%, median duration of response of 13.8 months, median progression-free survival of 11.7 months and approximately 90% of patients experienced an improved quality of life. The overall response rate appeared to be higher (53.6%) in the 28 patients with no histologic evidence of large cell transformation. Clinical activity was associated with a substantial improvement in quality of life as assessed by the Skindex29 and Pruritus Visual Analog Scale scores. In a post hoc analysis of seven patients with Sézary syndrome who were previously treated with mogamulizumab, three (43%) achieved a global overall response and three others had stable disease as best response. The remaining patient had a progressive

disease. The median duration of response in these patients was 13.8 months and median progression-free survival was 16.8 months.

Lacutamab was generally well tolerated. The most common adverse effects (AEs) were peripheral edema (27%) and fatigue (20%), all of which were grade 1 or 2. Lymphopenia was the most frequent IPH4102-related adverse event and occurred in six (14%) patients (three (7%) grade 3). One patient developed possibly treatment-related fulminant hepatitis six weeks after lacutamab discontinuation and subsequently died. However, the patient had evidence of human herpes virus-6B infection. Six possibly treatment-related, grade 3 or above adverse events were observed in five patients (11%) and only four patients (9%) stopped treatment as a result of an adverse event. One patient stopped treatment because of grade 2 peripheral neuropathy, one patient stopped treatment because of grade 3 general malaise, one patient because of grade 3 skin pain and one patient stopped treatment because of several adverse events, including renal injury, respiratory failure, dysphagia and sepsis.

ii. Phase 2 Clinical Trial (TELLOMAK) - CTCL

1. Study overview

In May 2019, the Company initiated a global, open-label, multi-cohort Phase 2 clinical trial, known as TELLOMAK. This clinical trial is being conducted at approximately 50 sites within the United States and Europe (France, Italy, Spain, Germany, Belgium, Poland and Austria). The trial aims to evaluate the efficacy and safety of lacutamab in patients with advanced T cell Lymphoma. 160 patients have been recruited, approximately 60 patients with Sézary syndrome who have received at least two prior treatments (Cohort 1), and approximately 100 patients with MF who have received at least two prior systemic therapies (Cohorts 2, 3 and all-comers). Cohorts 2 and 3 recruited KIR3DL2 expressing and non-expressing patients respectively based on an IHC assay for use on frozen tissue. The cohorts were designed using Simon 2-stage approach which pre-defined an efficacy threshold in Stage 1 before continuing to stage 2. While Cohort 2 continues to Stage 2, the pre-specified threshold for Cohort 3 was not met, and was therefore closed in March 2022.

In March 2022, the Company announced the opening of a new mycosis fungoides (MF) all-comers cohort in the TELLOMAK study. The all-comers cohort was planned to recruit both KIR3DL2 expressors and non-expressors to explore the correlation between the level of KIR3DL2 expression and treatment outcomes utilizing a formalin-fixed paraffin embedded (FFPE) assay as a companion diagnostic.

The following graphic depicts the latest trial design :


The primary endpoint of the trial is objective response rate, measured using the 2011 Olsen criteria for CTCL. Key secondary measures include incidence of treatment-emergent AEs, the effect of skin disease on quality of life as measured by the Skindex29 questionnaire, pruritus as measured by the Visual Analog Scale, progression-free survival and overall survival. The results of the dedicated Sézary syndrome cohort may support a future Biologics License Application (BLA) submission to the FDA.

The study started in 2019 and completed enrollment in June 2023 (n=170 patients).

The TELLOMAK study experienced some supply issues within 2019/2020 which lead to clinical hold, now resolved and summarized below:

• November 2019, Impletio Wirkstoffabfüllung GmbH (formerly known as Rentschler Fill Solutions GmbH), the subcontractor in charge of the fill-and-finish manufacturing operations of lacutamab unilaterally decided to withdraw the certificates of conformance of all clinical batches produced at their facilities, including lacutamab. The company also filed for bankruptcy.

• Discussions were held with US and European national regulatory authorities regarding GMP deficiencies resulting in a suspension of enrollment of new patients into TELLOMAK from December 2019.

• In January 2020, the TELLOMAK trial in Sézary syndrome and MF in France and in the United Kingdom, was reactivated following authorization by the respective national authorities. In June 2020, the FDA lifted the partial clinical hold placed on the TELLOMAK Phase 2 clinical trial, based on a quality assessment of a new GMP-certified batch successfully manufactured for the lacutamab clinical development program, including the TELLOMAK trial. Regulatory agencies in Spain, Germany and Italy also lifted, in the third quarter of 2020, their partial clinical holds on the TELLOMAK trial, enabling Innate to resume recruitment of the trial in these countries.

Importantly, there were no safety issues related to the trial medication. This is consistent with the review conducted by the Independent Data Monitoring Committee (IDMC), which concluded there were no safety issues related to lacutamab, and the product appeared to be well-tolerated among current patients enrolled in the trial. Lacutamab fill and finish manufacturing operations were transferred to alternative CMOs

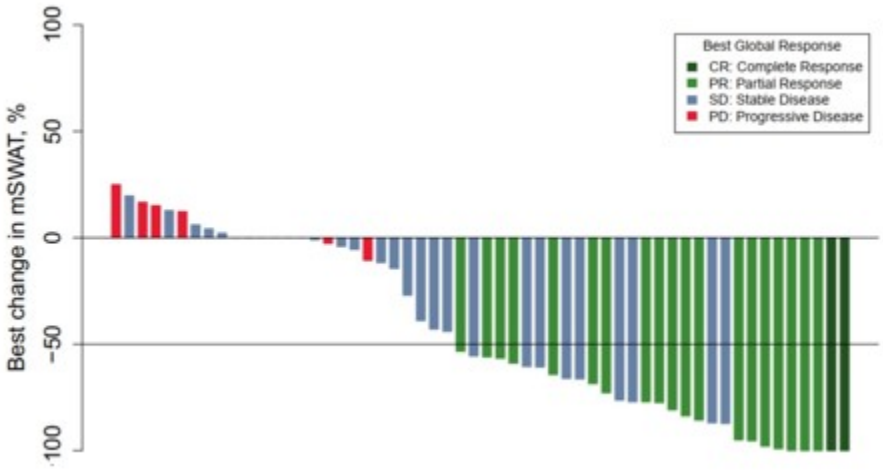
In October 2023, the FDA placed a partial clinical hold on the lacutamab IND leading to a pause in new patient enrollment to the Company's lacutamab trials IPH4102-201 (Phase 2 TELLOMAK) and 102 (Phase 1b PTCL). The partial clinical hold followed one fatal case of hemophagocytic lymphohistiocytosis, a rare hematologic disorder. In January 2024, Innate announced that the US Food and Drug Administration (FDA) has lifted the partial clinical hold. The FDA decision to lift the partial clinical hold is based on the FDA review of the fatal case which Innate, together with a steering committee of independent experts, determined to be related to aggressive disease progression and lacutamab unrelated.

Based on the results of a planned futility interim analysis, however, and in consultation with FDA, the Phase 1b study will not enroll additional patients. Despite objective responses observed, the Company-sponsored Phase 1b clinical trial evaluating lacutamab as monotherapy in patients with KIR3DL2-expressing refractory/relapsing PTCL will not be reopened to recruitment as the prespecified threshold for meaningful clinical activity was not reached.

2. Clinical results in Sézary Syndrome (SS) (Cohort 1)

- Final results from the Phase 2 TELLOMAK study in Sézary Syndrome were presented at the ASH Meeting in December 2023.
    - As of May 1, 2023, the study's data cutoff, patients in the Sézary Syndrome cohort (cohort 1, n=56) received a median of five prior systemic therapies, including mogamulizumab, and had a median follow-up of 14.4 months.

- The data demonstrated that lacutamab showed robust clinical activity and an overall favorable safety profile. The global confirmed objective response rate, or ORR, was 37.5% (21 out of 56), including two complete responses and 19 partial responses. ORR in the skin was 46.4% (26 out of 56), including five complete responses and 21 partial responses and ORR in the blood was 48.2% (27 out of 56) with 15 CR and 12 PR. Median progression-free survival was 8.0 months (95% confidence interval 4.7-21.2). In patients who achieved a global response, the median duration of response is 12.3 months (95% confidence interval 5.1-NE).




*Efficacy results in Sézary Syndrome patients (n=56)*

3. Interim clinical results in mycosis fungoides (MF)

- In February 2021, the Company announced that lacutamab demonstrated a positive early signal in Cohort 2 testing lacutamab in KIR3DL2 expressing MF patients in the TELLOMAK trial. This cohort reached the pre-determined number of responses needed to advance to stage 2, allowing the Company to recruit additional patients.
- The preliminary data from cohorts 2 and 3 were presented at the ICML and EORTC congresses in July and October 2021 respectively. Of note, the preliminary data concluded:
    - In MF patients, KIR3DL2 expression ≥ 1% appears to be more associated with advanced stage disease and blood and lymph node involvement compared to KIR3DL2 expression < 1%.
    - Lacutamab showed high level of clinical response in MF patients with KIR3DL2 expression ≥ 1% with six global responses (four confirmed and two not confirmed at time of DCO but confirmed thereafter) in 17 patients with a median follow-up of 4.8 months. Expansion to stage 2 is underway.
    - In MF patients with KIR3DL2 expression < 1%, expansion to stage 2 would be triggered only if one additional confirmed response is observed during follow-up.
    - Lacutamab shows favorable safety profile in MF, with no relevant skin toxicities observed.

- Long-term follow-up is required to provide mature conclusions on duration of response and progression free survival.

- In September 2022, MF Cohorts 2 and 3 Stage 1 interim data were presented at the EORTC congress. As of the March 4, 2022 data cutoff:
    - Patients in the KIR3DL2 ≥1% subgroup (cohort 2) received a median of four prior systemic therapies, and had a median follow-up of 12.2 months. Objective response rate (ORR) was 28.6% (95% CI 13.8-50.0) including two complete responses and four partial responses. Median PFS was 12.0 months (4.6-15.4) and Median Duration of Response was 10.2 months (4.6-NA).
    - Patients in the KIR3DL2 <1% subgroup (cohort 3) received a median of 4.5 prior systemic therapies and had a median follow-up of 13.8 months. ORR was 11.1% (3.1-32.8) with a median PFS of 8.5 months (4.1-NA)
    - Within the advanced and heavily pre-treated population enrolled in TELLOMAK, Lacutamab continues to demonstrates clinical activity with a favorable safety profile.
    - Lacutamab showed low immunogenicity and reached target concentration in both the KIR3DL2 expressing and non-expressing patients.
- In 2023, MF Cohorts 2 and 3 interim efficacy results according to updated guidelines were presented at the International Conference on Malignant Lymphoma and EORTC Cutaneous Lymphoma Tumour Group Annual Meeting congresses in June and October 2023, respectively.
    - As of the March 4, 2022 data cutoff, patients in the KIR3DL2-expressing MF cohort (cohort 2, n=21) received a median of 4 prior systemic therapies, and had a median follow-up of 12.2 months. In the KIR3DL2 non-expressing cohort (cohort 3, n=18), patients received a median of 4.5 prior systemic therapies and had a median follow-up of 13.8 months.
    - Lymph Node assessment is an important component of staging and response assessment in CTCL (cutaneous T cell lymphomas). In a recent update to the Olsen 2011 guidelines, it was clarified that the pathological assessment of lymph nodes be limited to those that satisfy nodal lymphoma i.e. N3 designation (Olsen 2021). Based on these criteria, results showed that lacutamab produced an increased global objective response rate (ORR) of 42.9% (95% confidence interval [CI], 24.5-63.5) in patients with KIR3DL2 ≥ 1% MF (cohort 2, n=21), including 2 complete responses and 7 partial responses. Clinical Benefit Rate remained unchanged at 85.7% [95% CI tbc]. In Cohort 3, comprising 18 patients with KIR3DL2 < 1% MF, findings remain unchanged.
- Top-line final results for MF Cohorts 2 and 3 are expected in 2024 and when available Innate expects to share them at an upcoming medical conference.

iii. Clinical Trials in PTCL

- Despite objective responses observed, the Company-sponsored Phase 1b clinical trial evaluating lacutamab as monotherapy in patients with KIR3DL2-expressing refractory/relapsing PTCL will

not be reopened to recruitment as the prespecified threshold for meaningful clinical activity was not reached.

- At the ASH Annual Congress 2023, Innate presented a poster with preclinical data demonstrating a synergistic effect between lacutamab and chemotherapy in preclinical models of PTCL, supporting the rationale for combination strategy in this clinical indication.
- The Phase 2 KILT (anti-KIR in T Cell Lymphoma) trial, an investigator-sponsored, randomized trial led by the Lymphoma Study Association (LYSA) to evaluate lacutamab in combination with chemotherapy GEMOX (gemcitabine in combination with oxaliplatin) versus GEMOX alone in patients with KIR3DL2-expressing relapsed/refractory PTCL is ongoing.

***Monalizumab, a Dual Checkpoint Inhibitor Targeting T Cells and NK Cells***

a. Mechanism & Rationale

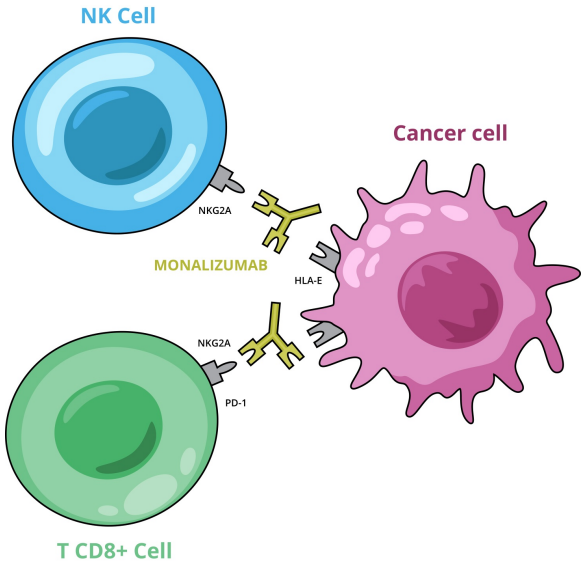
Monalizumab (IPH2201) is a potentially first-in-class immune checkpoint inhibitor targeting NKG2A receptors expressed on tumor infiltrating cytotoxic $CD8^+$ T cells and NK cells. NKG2A is an inhibitory receptor for HLA-E. HLA-E is frequently overexpressed in the cancer cells of many solid tumors and hematological malignancies. By expressing HLA-E, cancer cells can protect themselves from killing by $NKG2A^+$ immune cells. Monalizumab may reestablish a broad anti-tumor response mediated by NK and T cells, and may enhance the cytotoxic potential of other therapeutic antibodies (André et al., Cell 2018).

b. Rationale for combinations with monalizumab

The Company is primarily focused on investigating monalizumab in combination with durvalumab, which is an antibody directed against PD-L1. PD-L1 and HLA-E are both up-regulated on many cancer cells, and they have both been observed to suppress tumor immune response and contribute to tumor progression. Innate Pharma's preclinical data support its hypothesis that a monalizumab and durvalumab

combination therapy may result in a greater anti-tumor immune response than durvalumab alone by blocking both the PD-1/PD-L1 and the NKG2A/HLA-E inhibitory pathways.

The following illustration depicts the way in which monalizumab, in combination with durvalumab, is designed to result in greater anti-tumor activity.




The rationale for this combination is further supported by the favorable tolerability profile of monalizumab that the Company observed in preclinical studies and earlier clinical trials, suggesting that monalizumab is generally not expected to negatively impact the safety profile of combination partner drugs.

c. Clinical Development Plan

i. Overview

Monalizumab has been evaluated in clinical trials in head and neck, lung and other cancer indications. Innate is responsible for the conduct of the IPH2201-203 study in head and neck squamous cell carcinoma, while AstraZeneca is conducting all other trials (except for the External Sponsored studies).

Below is a summary of ongoing clinical trials in NSCLC that AstraZeneca is conducting to evaluate monalizumab:

| Phase | Trials | Sponsor | Population | Patients estimated | Design | Endpoints | Status |
|---|---|---|---|---|---|---|---|
| Phase 3 | PACIFIC-9<br>NCT05221840 | AstraZeneca | Unresectable (stage III) NSCLC | 999 | **Arm 1:**<br>• Durvalumab<br>**Arm 2:**<br>• Durvalumab + Oleclumab<br>**Arm 3:**<br>• Durvalumab + Monalizumab | **Primary endpoints:**<br>• PFS<br>**Secondary endpoints:**<br>• OS, ORR, DoR, PFS2, TTDM, TFST, PD-L1 exp., ADA, TTFCD, Concentration Durva-Olec-Mona | • Recruiting<br>• Data anticipated: >2024 |
| Phase 2 | COAST<br>NCT03822351 | AstraZeneca | Unresectable (stage III) NSCLC | 188 | **Arm 1:**<br>• Durvalumab<br>**Arm 2:**<br>• Durvalumab + Oleclumab<br>**Arm 3:**<br>• Durvalumab + Monalizumab | **Primary endpoints:**<br>• Objective Response<br>**Secondary endpoints**:<br>• AE, DoR, DC, PFS, ADA, Concentration Durva-Olec-Mona | • Active, not recruiting<br>• Data readout: Q3 2021 |
| Phase 2 | NeoCOAST<br>NCT03794544 | AstraZeneca | Resectable early stage (I to IIIA) NSCLC | 84 | **Arm 1:**<br>• Neoadjuvant durvalumab monotherapy<br>**Arm 2:**<br>• Neoadjuvant durvalumab with novel agents including monalizumab | **Primary endpoints:**<br>• Major Path. Resp Rate<br>**Secondary endpoints:**<br>• Feasibility to surgery, AE, CR, PK, immunogenicity | • Completed<br>• Data readout: Q1 2022 |
| Phase 2 | NeoCOAST-2<br>NCT05061550 | AstraZeneca | Resectable early stage (II to IIIB) NSCLC | 350 | **Arm 1:**<br>• Durvalumab + Oleclumab + chemotherapy<br>**Arm 2:**<br>• Durvalumab + Monalizumab + chemotherapy | **Primary endpoints:**<br>• pathological Complete Response (pCR)<br>• Adverse Events and Serious Adverse Events<br>**Secondary endpoints:**<br>• EFS, DFS, surg. res., mPR, ORR, OS, Ser con., ADA, baseline PD-L1 exp., ctDNA | • Recruiting<br>• Data anticipated: >2024 |

ii. Clinical Development Plan in Lung Cancer

Lung cancer is the leading cause of cancer death, accounting for about one-third of all cancer deaths. In 2020, an estimated 2.2 million people were diagnosed with lung cancer worldwide. Eighty to eighty-five percent are classified as NSCLC. Stage III NSCLC represents approximately one quarter of NSCLC incidence. In 2018, the FDA approved durvalumab for patients with unresectable stage III NSCLC whose disease has not progressed following concurrent platinum-based chemotherapy and radiation therapy. However, there is still a need for new treatment options to further increase the potential for cure in this setting. AstraZeneca conducted COAST, a randomized Phase 2 trial investigating durvalumab alone or in combination with either oleclumab (anti-CD73 monoclonal antibody) or monalizumab (anti-NKG2A monoclonal antibody) in patients with locally advanced, unresectable Stage III NSCLC who had not progressed after chemoradiotherapy (CRT). Following on the signal observed in this Phase 2 study, AstraZeneca has started a randomized Phase 3 study PACIFIC-9 of monalizumab or oleclumab plus durvalumab in unresectable, Stage III NSCLC setting for patients who have not progressed after concurrent chemoradiation therapy.

Separately, AstraZeneca evaluated the effectiveness and safety of neoadjuvant durvalumab alone or in combination with monalizumab or oleclumab in subjects with resectable, early-stage (Stage I [>2 cm] to IIIA) non-small cell lung cancer (NeoCOAST) and in 2022 initiated the Phase 2 trial, NeoCOAST-2, with neoadjuvant and adjuvant treatment, that includes an arm with durvalumab in combination with chemotherapy and monalizumab.

iii. Clinical Development Plan in Head and Neck Cancer

In head and neck cancer, Innate and AstraZeneca evaluated monalizumab in combination with cetuximab in R/M SCCHN IO naïve or IO-pretreated in a Phase 1b/2 study (IPH2201-203). Based on the results and the unmet need in the IO-pretreated population, AstraZeneca and Innate elected to advance this program to a Phase 3 study (INTERLINK-1). Dosing of the first patient in this trial triggered a $50 million

milestone payment from AstraZeneca to Innate in October 2020. In 2022, Innate shared that a planned futility interim analysis of the INTERLINK-1 Phase 3 study sponsored by AstraZeneca did not meet a pre-defined threshold for efficacy. Based on this result and the recommendation of an Independent Data Monitoring Committee, AstraZeneca informed Innate that the study would be discontinued. There were no new safety findings.

- **IPH2201-203** was an open-label, Phase 1b/2 clinical trial in combination with cetuximab and/or durvalumab in patients with R/M SCCHN. This study, sponsored by Innate Pharma started in December 2015 and the last patient last visit was in March 2023. The study included :
  - a Phase 1b dose-escalation portion
  - a Phase 2 portion comprising three expansion cohorts:
    - Cohort 1, which enrolled 43 patients, evaluated the combination of monalizumab and cetuximab in patients with recurrent or metastatic squamous cell carcinoma of the head and neck (R/M SCCHN) who had been previously treated with chemotherapy alone or chemotherapy followed by checkpoint inhibitors;
    - Cohort 2, which enrolled 41 patients and evaluated the combination of monalizumab and cetuximab in patients with R/M SCCHN who have received a maximum of two prior systemic regimens in the R/M setting and with prior exposure to a PD-(L)1 inhibitor (who Innate refers to as IO-pretreated patients); and
    - Cohort 3, which enrolled 40 patients, began recruiting in April 2019 and evaluated the combination of monalizumab, cetuximab and durvalumab in IO-naïve patients with R/M SCCHN.
- **Interlink-1** was a global, multi-center, randomized, double-blind Phase 3 study of monalizumab and cetuximab vs. placebo and cetuximab designed to enroll approximately 600 patients with recurrent or metastatic squamous cell carcinoma of the head and neck (R/M SCCHN) who have been previously treated with platinum-based chemotherapy and PD-(L)1 inhibitors ("IO-pretreated"). The study started on October 2, 2020 and on August 1, 2022, the company announced that the study will be discontinued.

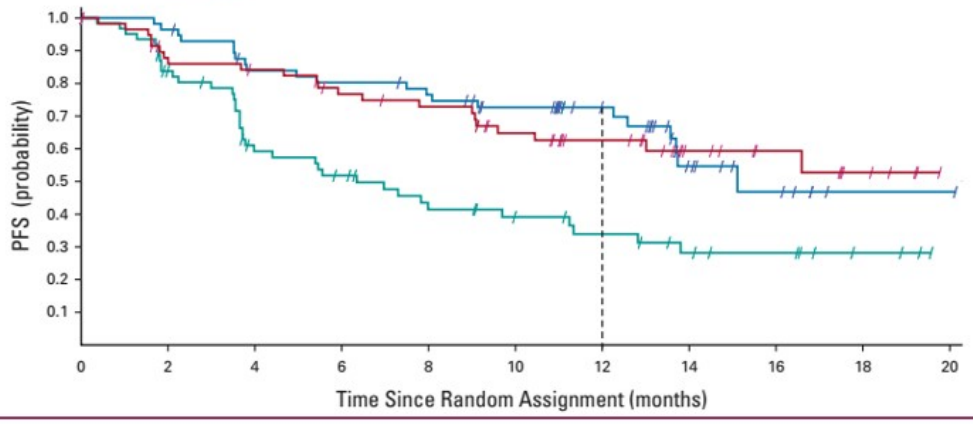
d. Clinical Results

i. Lung Cancer: Phase 2 COAST Study

In September 2021, AstraZeneca presented a late-breaker abstract on the randomized COAST Phase 2 trial in patients with unresectable, Stage III non-small cell lung cancer (NSCLC) at the European Society for Medical Oncology (ESMO) Congress. The presentation highlighted progression-free survival (PFS) and overall response rate (ORR) results for durvalumab in combination with monalizumab, Innate's lead partnered asset, and oleclumab, AstraZeneca's anti-CD73 monoclonal antibody. After a median follow-up of 11.5 months, the results of an interim analysis showed a 10-month PFS rate of 72.7% for durvalumab plus monalizumab, versus 39.2% with durvalumab alone in unresectable, Stage III NSCLC patients following chemoradiation therapy. The results also showed an increase in the primary endpoint of confirmed ORR for durvalumab plus monalizumab over durvalumab alone (36% vs. 18%). Data are published in the Journal of Clinical Oncology in 2022 (figure below).

| Antitumor Activity | Durvalumab (n = 67) | Durvalumab + Oleclumab (n = 60) | Durvalumab + Monalizumab (n = 62) |
|---|---|---|---|
| Confirmed ORR, % (95% CI)[a] (No.) | 17.9 (9.6 to 29.2) (12) | 30.0 (18.8 to 43.2) (18) | 35.5 (23.7 to 48.7) (22) |

| Treatment Arm | No. of Events/ Total No. of Patients (%) | Median PFS, Months (95% CI)[a] | 12-Month PFS Rate, % (95% CI) | HR, % (95% CI)[b,c] |
|---|---|---|---|---|
| Durvalumab + monalizumab | 21/62 (33.9) | 15.1 (13.6 to NE) | 72.7 (58.8 to 82.6) | 0.42 (0.24 to 0.72) |
| Durvalumab + oleclumab | 22/60 (36.7) | NR (10.4 to NE) | 62.6 (48.1 to 74.2) | 0.44 (0.26 to 0.75) |
| Durvalumab | 38/67 (56.7) | 6.3 (3.7 to 11.2) | 33.9 (21.2 to 47.1) | – |




ii. Lung Cancer: Phase 2 NeoCOAST Study

In March 2022, the Phase 2 NeoCOAST multi-drug platform study assessing the safety and efficacy of neoadjuvant durvalumab in combination with chemotherapy and oleclumab, monalizumab or danvatirsen and adjuvant treatment in participants with resectable, early-stage non-small cell lung cancer was accepted for an oral presentation on April 11, 2022 at the Annual Meeting 2022 of the American Association for Cancer Research (AACR)." The study demonstrated that a single cycle of neoadjuvant durvalumab combined with oleclumab, monalizumab, or danvatirsen produced numerically improved MPR rates (19, 30 and 31.2%, respectively) compared with durvalumab alone (11.1%). No differences in pCR rates were observed between treatment arms.

iii. Lung Cancer: Phase 3 PACIFIC-9

In June 2023, AstraZeneca presented at the ASCO conference a trial-in-progress poster on the PACIFIC-9 study: "Phase 3 study of durvalumab combined with oleclumab or monalizumab in patients with unresectable stage III NSCLC (PACIFIC-9)."

PACIFIC-9 started in February 2022 and continues to enroll patients.

iv. Lung Cancer: Phase 2 NeoCOAST-2

In June 2023, AstraZeneca presented at the ASCO conference a trial-in-progress poster on the NeoCOAST-2: study: "NeoCOAST-2: A Phase 2 study of neoadjuvant durvalumab plus novel immunotherapies (IO) and chemotherapy (CT) or MEDI5752 (volrustomig) plus CT, followed by surgery and adjuvant durvalumab plus novel IO or volrustomig alone in patients with resectable non-small-cell lung cancer (NSCLC)."

NeoCOAST-2 started in April 2022 and continues to enroll patients.

v. Head and Neck Cancer: IPH2201-203 Study

- Phase 2: Expansion cohort 1

The primary endpoint for the Phase 2 portion of the trial is objective response rate, which is measured as the rate of patients who had a complete or partial response according to RECIST 1.1. Secondary endpoints for the Phase 2 portion of the trial include duration of response, progression-free survival and overall survival.

As of April 30, 2019, 40 patients were enrolled globally. The monalizumab and cetuximab combination demonstrated an acceptable safety profile. The trial was declared positive, as the required predefined number of at least eight responses was reached with an ORR of 27.5% (36% and 17% in IO naïve and IO pretreated patients, respectively). With a median follow-up of 17 months (mo), median OS is 8.5 mo with a trend for improved survival in IO-pretreated patients (14.1 mo in IO-pretreated patients and 7.8 in IO naïve patients, respectively) and 12 mo OS rate of 44% (60% in IO-pretreated and 32% in IO naïve patients, respectively).

- Phase 2: Expansion cohort 2

As of August 31, 2020, 40 patients with R/M SCCHN post platinum and anti-PD-(L)1 were included in cohort 2 in the United States and France. Median duration of follow-up (FU) was 13.1 months (range 7.9-15.9).

The monalizumab and cetuximab combination therapy demonstrates a good safety profile and promising activity in R/M SCCHN post platinum and post anti-PD-(L)1 where no treatment options were currently approved. In this population with a high medical need, the Company observed a high response rate of 20% and promising 6- and 12-month OS of 80% and 33% with monalizumab combined with cetuximab. These results were presented at the ESMO IO conference in 2020.

Based on these results, a randomized Phase 3 trial, INTERLINK-1, was started to evaluate the combination monalizumab + cetuximab versus cetuximab + placebo in R/M SCCHN post platinum and post anti-PD-(L)1 patients.

- Phase 2: Expansion cohort 3

As of August 1, 2021, 40 patients were enrolled in the cohort 3 evaluating monalizumab, cetuximab and durvalumab in first line treatment of R/M SCCHN. Median follow-up was 16.3 months (4.4-25.7); 13 patients had a confirmed response, ORR=32.5% [95%CI: 20-48], including three complete responses. Median time to response was 1.8 months [1.6-3.7]. 6/13 responders were still on treatment, with median duration of response not yet reached [7.1-NR]. Median PFS was 6.9 months [4.4-9.3], and 12 months OS was 59% [45-77]. These results were presented at the ESMO IO conference in 2021.

vi. Head and Neck Cancer: INTERLINK-1

Interlink-1 was a global, multi-center, randomized, double-blind Phase 3 study of monalizumab and cetuximab vs. placebo and cetuximab designed to enroll approximately 600 patients with recurrent or metastatic squamous cell carcinoma of the head and neck (R/M SCCHN) who have been previously treated with platinum-based chemotherapy and PD-(L)1 inhibitors ("IO-pretreated"). On August 1, 2022, the company announced that a planned futility interim analysis did not meet a pre-defined threshold for efficacy. Based on this result and the recommendation of an Independent Data Monitoring Committee, AstraZeneca informed Innate that the study would be discontinued. There were no new safety findings. Clinical data presented at the ESMO conference on October 23, 2023 showed that OS and PFS were not

improved with monalizumab plus cetuximab versus placebo plus cetuximab; and that ORR in the placebo plus cetuximab arm was higher than in previous reports of participants with R/M HNSCC with progression on / after platinum therapy. Exploratory biomarker analyses are ongoing to identify subpopulations that may benefit from monalizumab plus cetuximab treatment.

vii. Phase 1/2 Clinical Trial in Solid Tumors, including Colorectal Cancer (in combination with durvalumab): D419NC00001

AstraZeneca has evaluated monalizumab in combination with durvalumab in a Phase 1/2 clinical trial in 383 patients with advanced solid tumor malignancies. The study consisted of three parts: dose escalation (Part 1), dose expansion (Part 2) and dose exploration (Part 3). In 2018, clinical data showed preliminary anti-tumor activity in patients with recurrent/metastatic microsatellite-stable colorectal cancer (MSS-CRC), a population historically unresponsive to PD-1/L1 blockade. Thirty-one percent disease control rate at 16 weeks (DCR: % of responses and stable disease) suggested that patients may benefit from stabilizing effect when 88% of patients had two or more prior lines of therapy for recurrent/metastatic disease. These data formed a basis for exploring the combination with standard of care therapies (SoC) in less heavily pretreated patients.

e. Partnership with AstraZeneca

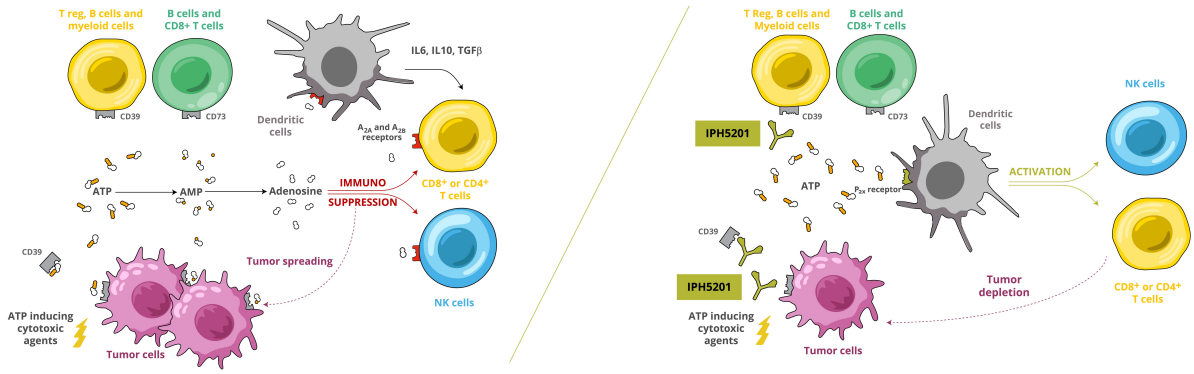
On April 24, 2015, the Company signed a co-development and commercialization agreement with AstraZeneca to accelerate and broaden the development of monalizumab. AstraZeneca obtained full oncology rights to monalizumab in October 2018. The financial terms of the agreement include potential cash payments of up to $1.275 billion to Innate Pharma. With the addition of the $50 million payment triggered by dosing the first patient in the Phase 3 PACIFIC-9 clinical trial, Innate Pharma has received $450 million to date. AstraZeneca will book all sales and will pay Innate low double-digit to mid-teen percentage royalties on net sales worldwide except in Europe where Innate Pharma will receive if it chooses to co-promote the licensed products in certain European countries a 50% share of the profits and losses in these territories. Should Innate Pharma elect not to co-promote, its share of profits in Europe will be reduced by a specified amount of percentage points not to exceed the mid-single digits. Innate will co-fund 30% of the costs of the Phase 3 development program of monalizumab with a pre-agreed limitation on Innate's financial commitment.

***IPH5201, an Anti-CD39 Antibody Targeting the Immunosuppressive Adenosine Pathway***

a. Mechanism & Rationale

CD39 is an extracellular enzyme that is expressed in the tumor microenvironment, on both tumor infiltrating cells and stromal cells in several cancer types. CD39 inhibits the immune system by degrading adenosine triphosphate (ATP) into adenosine monophosphate (AMP), that is then further degraded into adenosine by CD73. By promoting the accumulation of immune-stimulating ATP, and preventing the production of immune-suppressive adenosine, the blockade of CD39 may stimulate anti-tumor activity.

IPH5201 is a blocking antibody targeting the CD39 immunosuppressive pathway.




Targeting the adenosine pathway has recently been reported to improve Durvalumab (anti-PD-L1) efficacy in early-stage Non-Small Cell Lung Cancer (NSCLC) patients, through the use of Oleclumab, an anti-CD73 mAb. Indeed, in the COAST randomized Phase 2 study, oleclumab in combination with durvalumab improved progression-free survival (PFS) and objective response rate (ORR) compared to durvalumab alone in patients with unresectable, Stage III non-small cell lung cancer (NSCLC) (Herbst, JCO, 2022). Also, in the NeoCoast randomized Phase 2 study, one cycle of neoadjuvant oleclumab in combination with durvalumab improved major pathological response (MPR) and pathological complete response (pCR) rates versus durvalumab alone, in stage I-IIIA resectable NSCLC patients (Cascone, AACR 2022).

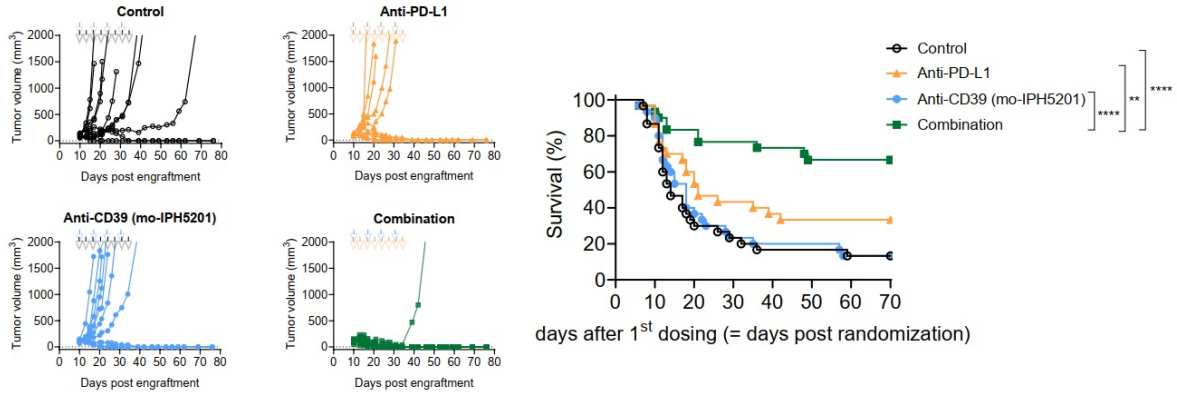
This supports the evaluation of the combined blockade of CD39 and PD-L1, with IPH5201 and durvalumab, respectively, that can hypothetically increase activity when compared to durvalumab monotherapy by altering the balance of ATP and adenosine in the tumor microenvironment.

b. Non Clinical Development

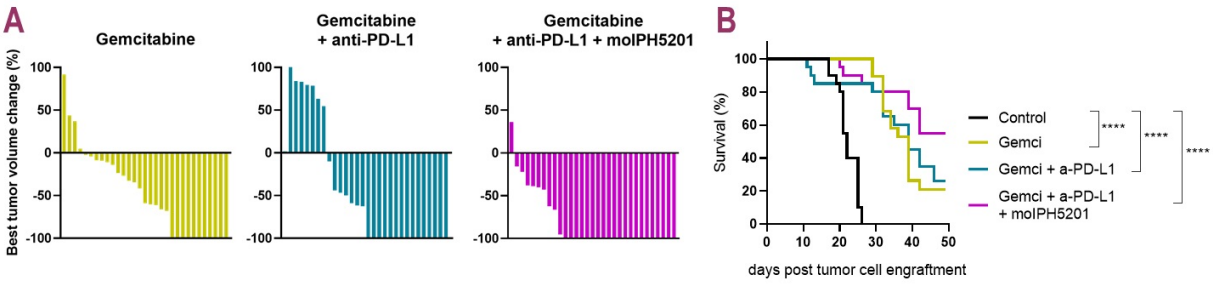
The rationale is supported by the analysis of anti-tumor immune responses in tumor-challenged CD39 deficient mice and by its non-clinical data for IPH5201 in mouse tumor models.

CD39-deficient mice are more resistant to developing lung or liver metastatic tumors after systemic challenge with syngeneic B16F10 or MC38 tumor cells (Sun, 2010). Subcutaneous (SC) syngeneic B16F10 tumors also grew more slowly in CD39-deficient mice, leading to improved overall survival versus wild-type mice, and correlated with reduced angiogenesis and improved effector function of tumor infiltrating T cells in CD39-deficient mice (Jackson, 2007; Sun, 2013). Furthermore, CD39 deficiency enhanced the anti-tumor activity of PD-1 blocking antibodies alone and in combination with oxaliplatin chemotherapy in tumor-bearing mice (Perrot, 2019).

The Company's non-clinical studies demonstrated that IPH5201 blocking CD39 mAb effectively targets and inhibits CD39 (soluble and membrane form) activity, reverses adenosine-mediated T cell suppression, and enhances ATP-dependent macrophages and DC activation (adenosine independent). IPH5201 synergized with a blocking mAb against CD73 to restore activation of T cells isolated from cancer patients in vitro (Perrot, 2019). In syngeneic tumor-bearing human CD39 knock-in mice, the Company observed that a mouse version of IPH5201 enhanced the antitumor effects of PD-L1 blockade.




CD39 is expressed in both squamous and adenocarcinoma subtypes of NSCLC with expression noted across disease stages (Anceriz, ESMO-IO 2022, Poster 190P, abstract 384). In a mouse tumor model engrafted in huCD39KI mice, moIPH5201 was able to decrease the human CD39 enzymatic activity and to lower the Ado level in situ. In vitro, chemotherapies induced extracellular ATP release by tumor cells and IPH5201 was able to accumulate the released ATP, following chemotherapy treatment. Finally, as shown in the figure below, in vivo, in a mouse tumor model engrafted in huCD39KI mice, moIPH5201 improved the anti-tumor efficacy of gemcitabine and anti-PD-L1 combination. The three graphs on the left (A) show the best tumor volume change in percentage, for each treated group in comparison to the control group. The diagram on the right outlines survival in each group.




Altogether, the expression profile of CD39 in early-stage NSCLC and preclinical combination data support the clinical evaluation of IPH5201 in combination with Durvalumab and chemotherapies in early-stage NSCLC patients.

c. Clinical development

i. Overview and indications

IPH5201 has been evaluated in a Phase 1 clinical in advanced solid tumors, in monotherapy and in combination with durvalumab; and is being investigated in a Phase 2 clinical trial, MATISSE, in combination with durvalumab and chemotherapy in non-small cell lung cancer (NSCLC).

| Phase | Trials | Sponsor | Population | Patients estimated | Design | Endpoints | Status |
|---|---|---|---|---|---|---|---|
| Phase 1 | IPH5201 (CD39) NCT04261075 | AstraZeneca | Advanced Solid Tumors | 57 | **Dose escalation**<br>• IPH5201 monotherapy<br>**Dose escalation**<br>• IPH5201 + durvalumab | **Primary endpoints:**<br>• Safety (AEs, SAEs, DLTs, lab values, Incidence of clinically significant ECG)<br>**Secondary endpoints:**<br>• OR, DC<br>• PK, Immunogenicity | • Completed<br>• Study completion: 2022 |
| Phase 2 | MATISSE IPH5201 (CD39) NCT05742607 | innate pharma | Resectable early stage (II to IIIB) NSCLC | 70 | **Experimental:**<br>• IPH5201 + durvalumab + chemotherapy | **Primary endpoints:**<br>• Path. Complete Response (pCR)<br>• AEs, SAEs<br>**Secondary endpoints:**<br>• EFS, DFS, Surg. Res., major Pathological response (mPR), ORR, OS<br>• PK, Immunogenicity | • Recruiting<br>• Data anticipated: >2024 |

Lung cancer is the second most common cancer in both men and women, with an estimated 234,030 new cases of lung cancer in the United States in 2018, and remains the main cause of cancer-related deaths worldwide. Resectable, early-stage NSCLC is considered a potentially curable disease, and the standard of care is surgery alone or surgery with adjuvant or neoadjuvant platinum-based doublet chemotherapy (NCCN 2022). However, patients had five-year survival rates ranging from approximately 70% for Stage IA1 NSCLC to 20% for Stage IIIA NSCLC (Chansky, 2017).

Recently, the role of PD-1/PD-L1 inhibition has been evaluated for the treatment of resectable, early-stage NSCLC in adjuvant and neoadjuvant setting and led to improved outcomes and recent approval (Nivolumab/Checkmate 816 and Pembrolizumab/KEYNOTE-671). Recent interim data from the Phase III AEGEAN study (NCT03800134) showed that perioperative durvalumab (anti-PD-L1) plus neoadjuvant CT significantly improved both pathological complete response (pCR) rate (17.2% in the durvalumab-based regimen arm vs 4.3% in the CT arm) and Event-Free Survival (EFS) (median not reached in the durvalumab-based regimen arm vs 25.9 months in the CT arm) in patients with resectable, Stage IIA–IIIB[N2] NSCLC.

ii. Phase I in advanced solid tumors

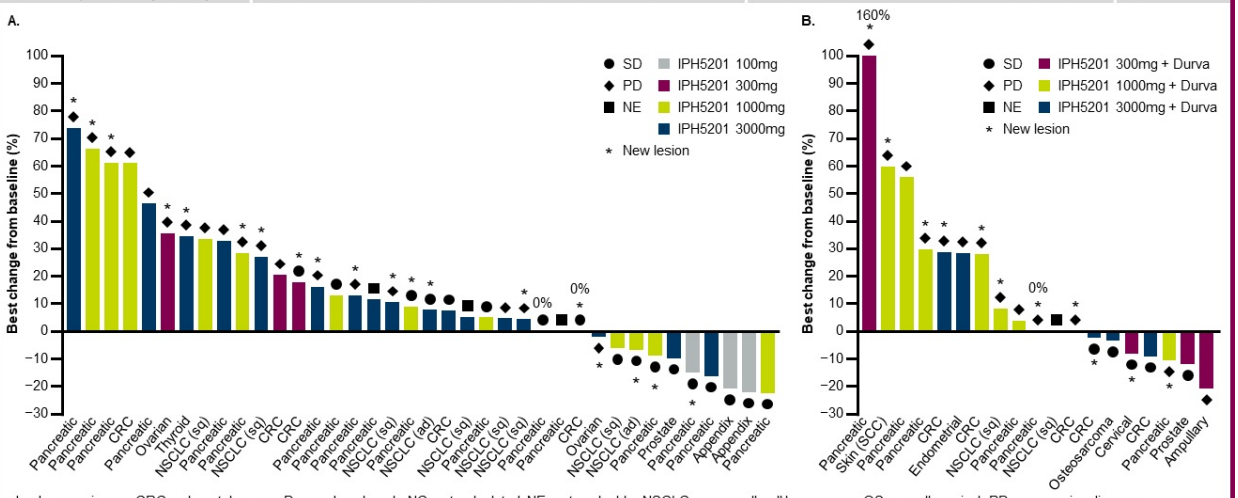
A Phase 1 clinical trial (NCT04261075), sponsored by AstraZeneca, with first patient treated in March 2020, evaluated IPH5201, an anti-CD39 blocking monoclonal antibody, in adult patients with advanced solid tumors. The purpose of the study was to evaluate IPH5201 as monotherapy and in combination with durvalumab (anti-PD-L1) and with or without oleclumab (anti-CD73 monoclonal antibody). This multicenter, open-label, dose-escalation Phase 1 study evaluated the safety, tolerability, antitumor activity, pharmacokinetics (PK), pharmacodynamics (PD) and immunogenicity of IPH5201 alone, or in combination with AstraZeneca's anti-PD-L1 therapy, durvalumab, with or without its anti-CD73 monoclonal antibody, oleclumab.

The current study status is completed and results were presented at the ESMO-IO congress (Imbimbo, Poster 188P, abstract 472). IPH5201 was well tolerated when used alone or in combination with durvalumab up to a dose of 3000 mg Q3W. The safety profile was manageable, with the most common treatment-related adverse events being infusion-related reactions and fatigue; no new safety signals were identified beyond those observed with durvalumab monotherapy. No maximum tolerated dose (MTD) was identified. PK of IPH5201 was non-linear at ≤300 mg and linear at ≥1000 mg. The PD

profile, including inhibition of CD39 activity in the tumors of patients treated with IPH5201, was consistent with the proposed mechanism of action for IPH5201.

As clinical activity results, 22/57 patients (38.6%) had stable disease as their best overall response; there were no partial or complete responses. In IPH5201 monotherapy subgroup, 17/38 patients (44.7%) had stable disease as their best overall response

| | IPH5201 | | | | IPH5201 + durvalumab | | | Total (N=57) |
|---|---|---|---|---|---|---|---|---|
| | 100 mg (n=3) | 300 mg (n=3) | 1000 mg (n=13) | 3000 mg (n=19) | 300 mg (n=4) | 1000 mg (n=8) | 3000 mg (n=7) | |
| **Best overall response, n (%)** | | | | | | | | |
| SD | 3 (100.0) | 1 (33.3) | 8 (61.5) | 5 (26.3) | 2 (50.0) | 0 | 3 (42.9) | 22 (38.6) |
| PD | 0 | 2 (66.7) | 5 (38.5) | 11 (57.9) | 2 (50.0) | 8 (100.0) | 3 (42.9) | 31 (54.4) |
| NE | 0 | 0 | 0 | 3 (15.8) | 0 | 0 | 1 (14.3) | 4 (7.0) |
| **Disease control ≥12 weeks, n (%)** | 3 (100.0) | 1 (33.3) | 6 (46.2) | 4 (21.1) | 2 (50.0) | 0 | 3 (42.9) | 19 (33.3) |
| **Median PFS, months (95% CI)** | NC (4.1, NE) | 1.3 (1.3, NE) | 2.5 (1.3, 5.3) | 1.4 (1.3, 2.8) | 6.9 (1.4, NE) | 1.3 (0.8, 1.4) | 1.4 (0.7, 6.2) | 1.4 (1.4, 2.5) |
| **Median OS, months (95% CI)** | 12.5 (9.8, NE) | 13.1 (1.6, NE) | 8.2 (4.4, 8.7) | 7.0 (4.3, 11.2) | NC (2.1, NE) | 4.2 (2.7, NE) | 11.2 (1.0, NE) | 8.2 (5.9, 10.9) |




ad, adenocarcinoma; CRC, colorectal cancer; Durva, durvalumab; NC, not calculated; NE, not evaluable; NSCLC, non-small-cell lung cancer; OS, overall survival; PD, progressive disease; PFS, progression-free survival; scc, squamous cell carcinoma; SD, stable disease; sq, squamous

iii. Phase II MATISSE study in NSCLC

MATISSE is a Phase 2 multicenter single-arm study (NCT05742607), sponsored by Innate Pharma, evaluating neoadjuvant and adjuvant treatment with IPH5201, an anti-CD39 blocking monoclonal antibody, in combination with durvalumab (anti-PD-L1) and chemotherapy, in treatment-naïve patients with resectable early stage non-small cell lung cancer (NSCLC). The primary objectives of the study are to assess antitumor activity of neoadjuvant treatment based on pathological complete response (pCR) and safety. Innate is responsible for conducting the study and shares study costs with AstraZeneca. AstraZeneca supplies clinical trial drugs.

The first patient was dosed in June 2023. In October 2023, Innate Pharma presented at the ESMO conference a trial-in-progress poster on the MATISSE study: "A Phase II multicenter, open label, non-randomized study of neoadjuvant and adjuvant treatment with IPH5201 and durvalumab in patients with resectable, early-stage (II to IIIA) non-small cell lung cancer (MATISSE)."

d. Partnership

In October 2018, Innate Pharma and AstraZeneca entered into a development collaboration and option agreement for further co-development and co-commercialization for IPH5201. Following the dosing of the first patient on March 9, 2020, in the IPH5201 Phase 1 clinical trial, AstraZeneca made a $5 million

milestone payment to Innate under the companies' October 2018 multi-product oncology development collaboration. Innate made a €2.7 million milestone payment to Orega Biotech SAS after the dosing of the first patient in the Phase 1 pursuant to Innate's exclusive licensing agreement (see "Item 10C.—Material Contracts").

In June 2022, the 2018 IPH5201 Option Agreement was amended. Innate received a $5 million milestone payment from AstraZeneca upon signature of the amendment and is responsible for conducting a Phase 2 multicenter, open label, non-randomized study of neoadjuvant and adjuvant treatment with IPH5201, durvalumab, and chemotherapy in patients with resectable, early-stage non-small cell lung cancer (NSCLC). The "MATISSE" Study has started and is recruiting patients. AstraZeneca and Innate will share study costs and AstraZeneca will supply clinical trial drugs. Innate made a €0.6 million milestone payment to Orega Biotech SAS pursuant to Innate's exclusive licensing agreement.

***IPH5301, an Anti-CD73 Antibody Targeting the Immunosuppressive Adenosine Pathway***

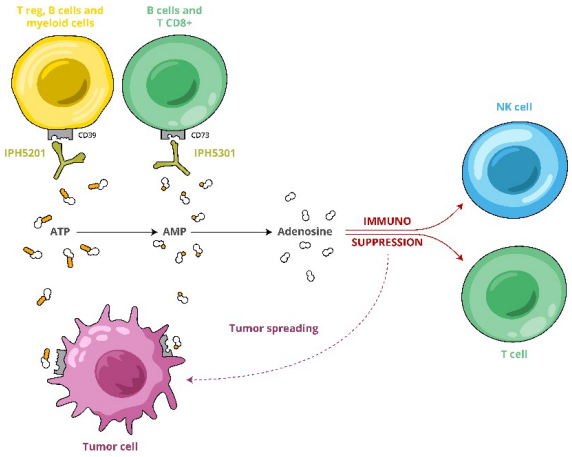
a. Mechanism & Rationale

Targeting the pathway that metabolizes adenosine triphosphate (ATP) to adenosine in the tumor microenvironment is an emerging therapeutic strategy to promote antitumor immunity (Di Virgilio et al., 2018, Leone et al., 2018, Vijayan, 2017). Within the tumor microenvironment, extracellular ATP is released by dying cells and has an immune-stimulatory activity, promoting activation of antigen presenting cells, and a subsequent immune response (de Andrade Mello et al., 2017; Ghiringhelli et al., 2009). The extracellular enzyme CD39 hydrolyses ATP into adenosine diphosphate (ADP) and adenosine monophosphate (AMP) in the extracellular space, and CD73 ectonucleotidase (NT5E, ecto-5'-nucleotidase) further metabolizes AMP to adenosine (Allard, 2016). Adenosine exerts immunosuppressive effects on both the myeloid and lymphoid compartments (de Andrade Mello et al., 2017). In T cells, adenosine inhibits effector T cell activation, induces T cell anergy and expands T regulatory cells (Ehrentraut et al., 2012; Romio et al., 2011; Zarek et al., 2008). Finally, adenosine inhibits NK cell-mediated tumor cell lysis (Beavis et al., 2013).

The benefit of targeting CD73 in oncology has been further demonstrated by results of the COAST randomized Phase 2 study, where anti-CD73 oleclumab in combination with durvalumab improved progression-free survival (PFS) and objective response rate (ORR) compared to durvalumab alone in patients with unresectable, Stage III non-small cell lung cancer (NSCLC) (Herbst, JCO, 2022), as well as in results from NeoCoast randomized Phase 2 study showing that one cycle of neoadjuvant oleclumab in combination with durvalumab improved MPR (Major Pathological Response) and pCR (pathological Complete Response) rates versus durvalumab alone, in stage I-IIIA resectable NSCLC patients (Cascone, AACR 2022).

The Company is developing IPH5301 (anti-CD73) as a potential anticancer therapy for patients with advanced or metastatic disease in selected solid tumors. IPH5301 is a monoclonal antibody that selectively binds to and inhibits the activity of both membrane-bound and soluble human CD73 (NT5E, ecto-5'-nucleotidase).

IPH5301 inhibits CD73-mediated hydrolysis of adenosine monophosphate (AMP) to adenosine. CD73 has been shown to be expressed by tumor cells as well as stromal cells, endothelial cells and B and T lymphocytes within the tumor microenvironment, and it has been shown to play a significant role in promoting immunosuppression through the pathway degrading AMP into adenosine. Therefore, inhibition of CD73-mediated hydrolysis of AMP by IPH5301 has the potential to reduce the formation of immunosuppressive adenosine, thereby leading to increased antitumor immunity across multiple tumor types, as shown in the figure below.




b. Indication

In the tumor microenvironment, CD73 is expressed by tumor cells as well as stromal cells, endothelial cells and B and T lymphocytes (Allard et al., 2017). Inhibition of CD73 enzymatic activity by IPH5301 has the potential to reduce the formation of immunosuppressive adenosine, thereby leading to increased antitumor immunity across multiple tumor types.

c. Preclinical Development

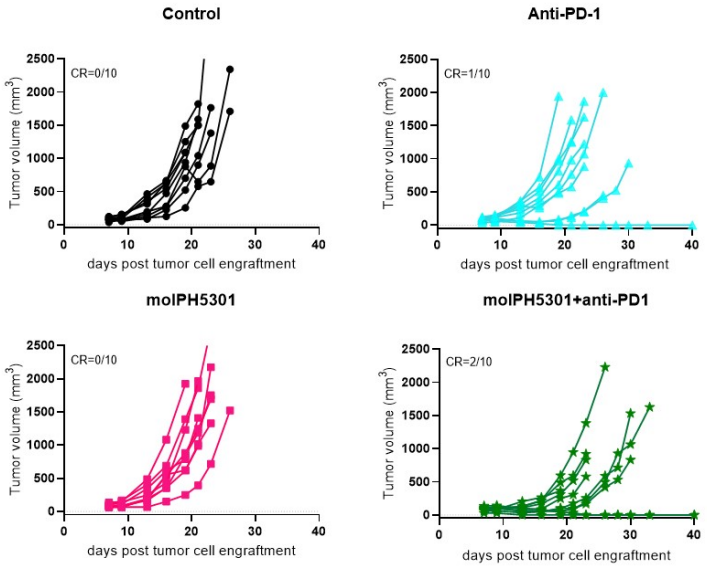
CD73 immunohistochemistry studies have revealed that in breast, pancreas and ovarian cancers the vast majority of patients expressed CD73 on either tumor or stromal cells (Wang et al; Oncotarget 2017, Innate Pharma Internal data). Additionally, high expression of CD73 in tumors has been associated with poor prognosis in a variety of cancer types: non-small cell lung cancer, prostate cancer, TNBC, ovarian cancer, colorectal cancer and gastric cancer (Inoue et al. 2017; Leclerc et al. 2016; Loi et al. 2013; Gaudreau et al. 2016; Wu et al. 2016; Lu et al. 2013).

CD73-deficient mice have been shown to have an increased resistance to the growth of tumors derived from a variety of certain tumor cell lines, as well as to metastasis (Stagg 2011). These mice were also resistant to the induction of fibrosarcomas by the carcinogen 3-methylcholanthrene (MCA), as well as to the continued growth of established MCA-induced tumors (Stagg 2012). Wild type mice showed decreased tumor growth and metastases in some models when administered with an anti-CD73 antibody alone (Antonioli, 2016, Antoniolli 2017). The small anti-tumor effect of anti-CD73 antibodies in mouse models was greatly enhanced by combination with checkpoint inhibition such as PD-1 or an adenosine receptor antagonist (Allard, 2013; Young, 2016).

The Company published preclinical data further supporting the rationale of developing IPH5301. IPH5301 blocked the enzymatic activity of both CD73 expressed at the cell surface and the soluble form of CD73. IPH5301 was able to efficiently restore T cell proliferation inhibited by AMP in vitro. In addition, IPH5301 has been observed to have a differentiated and superior activity compared to benchmark antibodies that are currently in clinical development (Perrot, 2019).

In syngeneic murine tumor-bearing human CD73 knock-in mice, IPH5301 enhanced the antitumor effects of PD-1 blockade, as shown in the figure below. The four graphs show changes in tumor volume over time depending on the type of treatment group, which included a control group (black), an IPH5301

(mouse version) group (pink), an anti-mouse PD-1 group (blue) and an PD-1 and IPH5301 combination group (green).




Thus, IPH5301 could potentially exhibit a favorable efficacy profile in patients with advanced or metastatic disease in selected solid tumors, including serving as a candidate for combination treatments with chemotherapy or immune therapeutic agents.

As further evidence for the negative role of CD73 in anti-tumor response, Loi et al., 2013, examined gene expression data from 6,000 breast cancer patients and found that high CD73 expression was associated with poor prognosis in triple-negative breast cancer (TNBC), as was the association between high CD73 gene expression and pre-surgery treatment with the standard of care chemotherapy anthracycline. In mice inoculated with the syngeneic 4T1.2 breast tumor cell line, a combination of an anti-CD73 antibody and doxorubicin (an anthracycline) led to a greater reduction in tumor volume and increase in mouse survival than either treatment alone.

In HER2-positive breast tumors, high CD73 expression was shown to promote resistance to trastuzumab. In addition, targeting CD73 was shown to enhance efficacy of treatment with anti-HER2 therapy (Turcotte, 2017). On the other hand, several chemotherapeutic agents including taxanes, anthracyclines and platinum salts were shown to increase the release of ATP (Martins and Tesniere, 2009); (Martins and Wang, 2014).

All together, these preclinical results indicate that CD73 blockade with IPH5301 has also the potential to enhance antitumor activity observed with not only PD1 immunotherapy, but also with chemotherapy and trastuzumab.

d. Ongoing Clinical Trial

| Phase | Trials | Sponsor | Population | Patients estimated | Design | Endpoints | Status |
|---|---|---|---|---|---|---|---|
| Phase 1 | CHANCES IPH5301 (CD73) NCT05143970 | INSTITUT PAOLI-CALMETTES | Advanced Solid Tumors | Up to 27 | Dose escalation IPH5301 monotherapy Cohort expansion IPH5301 in combination with chemotherapy and trastuzumab | **Primary endpoints:** • DLTs | • Recruiting |

In December 2021, an investigator-sponsored Phase 1 trial of IPH5301 was initiated by the Institut Paoli-Calmettes. CHANCES-IPC 2021-008 (NCT05143970) is a First In Human, Phase 1, multicenter, European study evaluating an anti-CD73, IPH5301, in advanced and/or metastatic cancer. The trial will be conducted in two parts. The Part I-Dose escalation aims to identify the maximum tolerated dose (MTD) of IPH5301 agent in monotherapy and recommended Phase 2 dose (RP2D) for future trials, followed by a safety expansion study part cohort. In the Part II-Expansion cohort, a total of 12 $HER2^+$ cancer patients, respectively six breast cancer patients and six gastric cancer patients, are planned to be enrolled into the next expansion cohort to select a recommended dose of IPH5301 to be administered in combination with chemotherapy and trastuzumab for evaluation in future trials with selected advanced solid tumors. In March 2022, The Institut Paoli Calmettes announced that the first patient had been dosed. In December 2022, a "Trial in Progress" poster was presented by the Institut Paoli Calmettes at ESMO-IO 2022 congress (Goncalvez, ESMO-IO 2022, Poster 199, abstract 290). This trial is ongoing.

### *ANKET® Platform*

a. General Overview

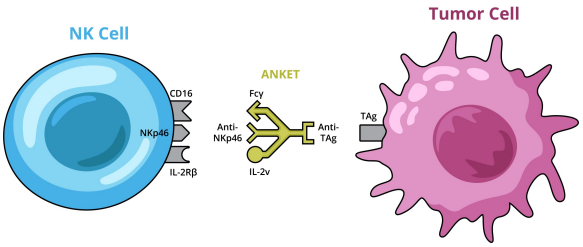
Multi-specific monoclonal antibodies, or multi-specifics, are antibody-derived formats that can simultaneously bind to two or more different types of molecules. A number of studies of bispecific antibodies are currently underway, such as those assessing the safety and efficacy of bispecific T cell engagers, such as BiTEs, which engage T cells via the antigen receptor on one side of the bispecific T cell engager, and a tumor antigen on the other side of the BiTE. These molecules have demonstrated the ability to reduce or slow the growth of tumors in cancer patients, but they also carry a significant toxicity risk. This toxicity risk occurs by engaging all T cells, irrespective of their specificity and development status, potentially leading to an overt production of cytokines by these T cells, referred to as a cytokine storm. In parallel, bispecific killer cell engagers (BiKEs) that engage CD16 receptors found on NK cells, and tri-specific killer cell engagers (TriKEs) that engage CD16 receptors and contain IL-15, a cytokine that promotes NK cell activation and survival, have also been developed to target antigens expressed on solid tumors. BiKEs and TriKEs can be effective both in vitro and in vivo in preclinical models. These multi-specific molecules that engage NK cells could reduce the risks associated with toxicity, as NK cell counts represent only approximately 10% of T cell counts, thereby potentially limiting the likelihood of inducing a cytokine storm. However, it remains unclear whether these multifunctional CD16 engager antibodies can activate NK cells in solid tumors since they often express low levels of CD16.

ANKET® (Antibody-based NK cell Engager Therapeutics) is Innate's proprietary platform for developing next-generation, multi-specific NK cell engagers to treat certain types of cancer.

This versatile, fit-for-purpose technology is creating an entirely new class of molecules to induce synthetic immunity against cancer. It leverages the advantages of harnessing NK cell effector functions against cancer cells and also provides proliferation and activation signals targeted to NK cells.

Innate's latest innovation, the tetra-specific ANKET® molecule, is the first NK cell engager technology to engage activating receptors (NKp46 and CD16), a tumor antigen and an interleukin-2 receptor (via an

IL-2 variant, IL-2v) via a single molecule. This innovation is built on its existing tri-specific NK cell engager technology, which has demonstrated potent NK cell activation, cytotoxicity and efficient control of tumor growth in preclinical models.




Because NKp46 is expressed on all NK cells and conserved on tumor infiltrating NK cells, and NK cells are not expected to produce a cytokine storm, ANKET® molecules may overcome the limitations of both ADCC-inducing antibodies and T cell engagers.

***ANKET® Pipeline***

***Sanofi's partnership***

***IPH6101/SAR'579, a CD123-targeting NK Cell Engager***

a. Mechanism

IPH6101/SAR443579 is the first trifunctional anti-CD123 NK cell engager NKp46/CD16 using Innate's proprietary multi-specific antibody format ANKET®. It has shown anti-tumor activity in preclinical models, including supporting pharmacokinetic/pharmacodynamic (PK/PD) and safety data in non-human primate studies, leading to its selection as a drug candidate for development. It is part of the Sanofi 2016 research collaboration and licensing agreement, under which the companies collaborate on the development of innovative multi-specific antibody formats engaging NK cells through the activating receptors NKp46 and CD16 to kill tumor cells. Several NK cell therapies have been shown to induce antitumor responses, without the complications frequently associated with T cell therapies, such as cytokine release syndrome (CRS) or neurotoxicity.

b. Indication and Rationale

Acute myeloid leukemia (AML) is the most common acute leukemia in adults, mostly affecting elderly patients, with a median age at diagnosis of 65-70 years. AML is a heterogeneous cancer characterized by the clonal expansion of myeloid precursors in the bone marrow and peripheral blood. Despite significant progress in the care of AML patients in the past decade, there is still a clear unmet medical need in AML, as up to 50% of patients relapse after initial chemotherapy, and the prognosis for older patients remains poor**.**

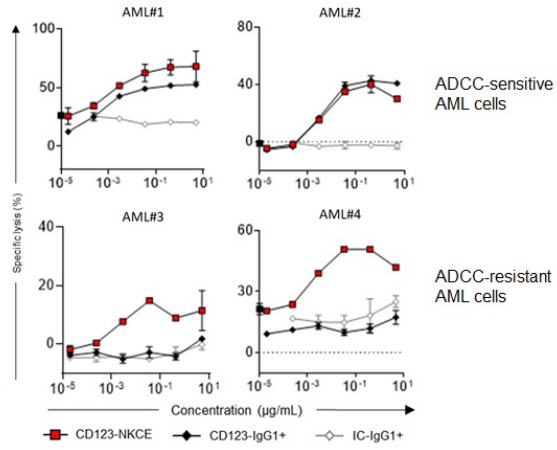
Cytotoxic antibodies targeting CD123 displayed limited antileukemic activity in several clinical trials, even when tested in the form of Fc-engineered antibodies designed specifically to increase antibody-dependent cell cytotoxicity (ADCC). By contrast, T cell engager molecules and CAR-T cell therapies have some clinical efficacy, but are also highly toxic, confirming the need for alternative targeted approaches for the treatment of AML. NK cell-based therapies may provide new treatment perspectives and a safer alternative for targeting tumor cells in this context.

c. Preclinical Development

In its preclinical studies, Innate and Sanofi investigated whether NKp46-based NKCE technology could provide more effective antitumor activity than regular IgG antibodies for AML treatment by generating a NKCE molecule targeting CD123. Innate and Sanofi evaluated the ex vivo antitumor activity of this molecule, comparing it with a regular IgG1 antibody derived from clone 7G3 (CD123-IgG1$^{+}$) with an engineered Fc domain for enhanced ADCC.

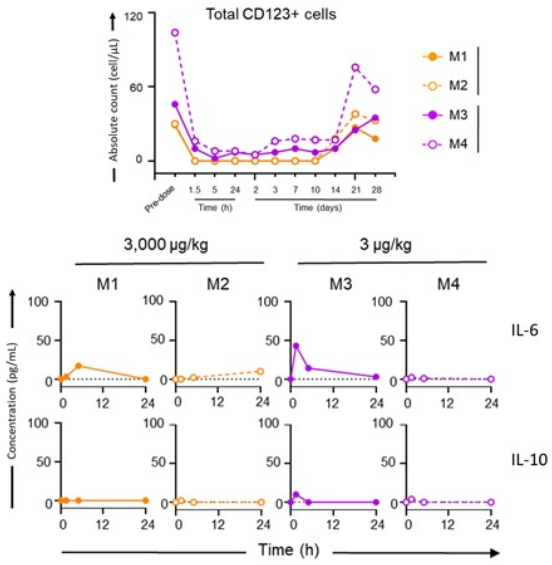
The anti-CD123 antibody-mediated killing of primary blasts from AML patients (AML#1 to AML#4) was evaluated ex vivo with NK cells from healthy donors as effectors. The anti-CD123 antibody (CD123-IgG1$^{+}$) mediated the killing of blasts from half the patient samples (AML#1 and AML#2) but was barely active against blasts from the other half of the primary samples (AML#3 and AML#4). The patient samples could therefore be separated into two distinct groups: CD123-IgG1$^{+}$-responders and CD123-IgG1$^{+}$-non-responders.

Innate and Sanofi observed that trifunctional CD123-ANKET® displayed killing activity against all primary malignant AML cells, promoting significant antitumor activity in CD123-IgG1$^{+}$-non-responders samples from AML patients against which the regular anti-CD123 cytotoxic antibody was completely inactive.




The minimal level of pro-inflammatory cytokine release following the treatment of human peripheral blood mononuclear cells (PBMCs) with NKCE in vitro (data not shown) was further confirmed in vivo, in dedicated pharmacokinetic (PK), pharmacodynamic (PD) and toxicology studies performed in non-human primates (NHPs).

Innate and Sanofi evaluated the PK/PD of CD123-NKCE administered by a single one-hour i.v. infusion of a high (3 mg/kg) or low (3 µg/kg) doses in male cynomolgus monkeys (two animals each for the 3 mg/kg and 3 µg/kg doses). Treatment with CD123-NKCE promoted a sustained and complete depletion of CD123$^{+}$ cells in the blood of all monkeys, for more than 10 days, at both the 3 mg/kg and 3 µg/kg doses, with only very small amounts (< 50 pg/mL) of the pro-inflammatory cytokines IL-6 and IL-10 released without any associated clinical signs.




d. Ongoing Clinical Trial

IPH6101/SAR443579 is currently being evaluated in a Phase 1/2 clinical trial (NCT05086315) in patients with relapsed or refractory acute myeloid leukemia (R/R AML), B-cell acute lymphoblastic leukemia (B-ALL) or high risk-myelodysplastic syndrome (HR-MDS).

The purpose of the dose escalation and dose expansion study, which is sponsored by Sanofi, is to evaluate the safety, pharmacokinetics, pharmacodynamics and initial clinical activity of IPH6101/SAR443579, Innate's lead ANKET® asset, in various CD123-expressing hematological malignancies.

Innate Pharma announced that the first patient was dosed on December 16, 2021.

- In June 2023, safety and preliminary efficacy were presented during an oral presentation at the ASCO Meeting. Preliminary data showed SAR443579 / IPH6101 was well tolerated and induced three complete responses in the eight patients at 1 mg/kg as the highest dose. In addition, Innate Pharma shared Sanofi's news that the FDA has granted Fast Track Designation for SAR'579 / IPH6101 for the treatment of hematological malignancies.
- In October 2023, a preliminary Pharmacokinetics (PK) and Pharmacodynamic (PD) Analysis of the CD123 NK Cell Engager SAR'579/IPH6101 in patients with relapsed or refractory AML, B-ALL or HR-MDS was presented at the ESMO congress.
- In December 2023, updated efficacy and safety results were shared in a poster presentation at the ASH Annual Meeting. Abstract details included:
    - As of July 5, 2023, 43 patients (42 R/R AML and one HR-MDS) across eight dose levels at 10 – 6000 µg/kg/dose were included. Patients had received a median of 2.0 (1.0 – 10.0) prior lines of treatment with 13 patients (30.2%) reporting prior hematopoiectic stem cell transplantation and 36 patients (83.7%) with prior exposure to venetoclax.
    - In dose levels with a highest dose of 1000 µg/kg QW, 5 out of 15 (33.3%) AML patients achieved a complete remission, or CR, (4 CRs and 1 CR with incomplete hematological recovery) as of the cut-off date.

- Data from preliminary pharmacokinetics / pharmacodynamic and in vitro mechanistic analyses studying dose-response relations were also presented.
- SAR443579 was well tolerated up to doses of 6000 µg/kg QW with observed clinical benefit in patients with R/R AML. The results are consistent with the predicted favorable safety profile.

***IPH6401/SAR'514, a BCMA-targeting NK Cell Engager***

a. Mechanism

IPH6401/SAR'514 is a trifunctional anti-BCMA NKp46xCD16 NK cell engager, using Sanofi's proprietary CROSSODILE® multi-functional platform, which comprises the Cross-Over-Dual-Variable-Domain (CODV) format. It induces a dual targeting of the NK activating receptors, NKp46 and CD16, for an optimized NK cell activation, based on Innate's ANKET® (Antibody-based NK cell Engager Therapeutics) proprietary platform.

b. Clinical trial

| Phase | Trials | Sponsor | Population | Patients estimated | Design | Endpoints | Status |
|---|---|---|---|---|---|---|---|
| Phase 1/2 | NCT05839626 | sanofi | Relapsed/Refractory Multiple Myeloma (RRMM)<br><br>Relapsed/Refractory Light-chain Amyloidosis (RRLCA) | 101 | **Arm 1:**<br>• SAR445514 RRMM Dose escalation phase (Part 1a).<br>**Arm 2:**<br>• SAR445514 RRLCA Dose escalation phase (part 1b)<br>**Arm 3:**<br>• SAR445514 Dose level A (part 2) - RRMM<br>**Arm 4:**<br>• SAR445514 Dose level B (part 2) - RRMM<br>**Arm5:**<br>• SAR445514 RRMM Dose expansion (part 3a)<br>**Arm 6:**<br>• SAR445514 RRLCA Dose expansion (part 3b) | **Primary endpoints**:<br>• DLT<br>• TEAEs<br>• ORR<br>• HR<br><br>**Secondary endpoints:**<br>• ORR, DLT, TEAEs, VGPR or Better Rate, DOR, TT1R, TTBR, PFS, OS, CBR, OHR, HCR, TT1HR, DOHR, IARs, ISR, laboratory abnormalities, PK, Incidence of anti-drug antibody against SAR445514 in monotherapy, MRD | • Recruiting<br>• Data anticipated: >2024 |

A Sanofi-sponsored Phase 1/2 clinical trial (NCT05839626) is evaluating SAR'514 / IPH6401 in relapsed/refractory Multiple Myeloma (RRMM) and Relapsed/Refractory Light-chain Amyloidosis (RRLCA). The purpose of the dose escalation and dose expansion study is to evaluate the safety, pharmacokinetics and preliminary efficacy of SAR'514 in monotherapy in patients with RRMM and RRLCA. The clinical trial is part of the Sanofi 2016 research collaboration and licensing agreement.

Innate Pharma announced that the first patient was dosed in November 2023.

***IPH62, a B7-H3-targeting NK Cell Engager***

IPH62 is a multi-specific NK cell-engaging antibody targeting B7-H3, using Innate's proprietary multi-specific antibody format, the ANKET® platform.

IPH62 provides dual targeting of NK cell activating receptors, NKp46 and CD16, based on Innate's proprietary ANKET® (Antibody-based NK cell Engager Therapeutics) platform for optimised NK cell activation.

***Proprietary ANKET®***

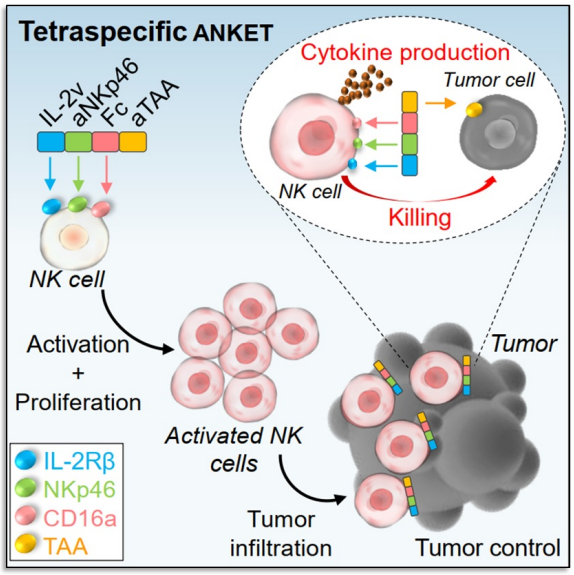
***IPH6501, a CD20-targeting tetra-specific NK Cell Engager***

a. Mechanism

The IPH6501 program is developing a CD20-targeting tetra-specific Antibody-based NK cell Engager Therapeutics (ANKET®). CD20 is an antigen expressed by a number of B cell malignancies, and its targeting by therapeutic antibodies has shown efficacy to treat the patients although a number of the tumors develop resistance and relapse. Compared to a classical IgG1-based antibody which engages Fc receptors and a tumor antigen, IPH6501 co-engages on one hand NKp46 and Fc receptors, as well as CD122 subunit of the IL-2 receptor (but not CD25 subunit), and on the other hand CD20 as a targeted antigen on malignant B cells, leading to potent NK cell activation, cytotoxicity and control of tumor growth.

IPH6501 was designed to induce NK cell mediated-cytotoxicity and cytokine secretion by co-engaging CD16a and NKp46. Only the binding of IPH6501 to CD20, bridging the NK cells to the target cells, was able to trigger the cytotoxic activity of NK cells. IPH6501 is thus a promising biologic designed to harness the anti-tumor functions of NK cells in $CD20^+$ B cell malignancies.

Moreover, the IL-2R binding element incorporated in IPH6501 is an IL-2 variant (IL-2v) designed with point mutations that abolish binding to the IL-2R-α chain (CD25), with the goal of limiting toxicity and interaction with Tregs. IL-2v incorporated into IPH6501 is directed towards NK cells through the binding with high affinity to NKp46 and CD16a, providing its ability to interact with IL-2R preferentially on NK cells and to promote their activation and proliferation at pM doses.




b. Indication and Rationale

IPH6501 is being developed in patients with relapsed or refractory (R/R) $CD20^+$ B-cell non-Hodgkin's lymphomas (NHL).

NHL is the most prevalent hematological malignancy, accounting for 4% of all new cancer cases and 3% of cancer-related deaths in the United States (Howlader 2020a, Howlader 2020b). For 2021, estimates for the United States include 81,560 new cases and 20,720 deaths from NHL (American Cancer Society 2021a, American Cancer Society 2021b). In 2020, Europe had 122,979 new cases of NHL reported, and

49,684 deaths were attributable to NHL (World Health Organization (WHO) 2020). The emergence of relapsed refractory (r/r) disease among B-cell malignancies with curtailed sustained responses to treatment and unattained long-term survivals has created a significant unmet need (National Comprehensive Cancer Network (NCCN) 2021a).

CD20 is expressed by >90% of B-cell non-Hodgkin's lymphomas (NHL). Several generations of CD20-targeting monoclonal antibodies including rituximab, ofatumumab, and obinutuzumab have been widely used for B-cell malignancy therapies. Despite the recent approvals of novel CD20-targeting agents, new alternatives and strategies are still required for patients, which are relapsing or refractory after several lines of treatment. High circulating NK cell numbers have been associated with better clinical responses to anti-CD20-targeting monoclonal antibodies, supporting the role of NK cells in efficacy of these treatments.

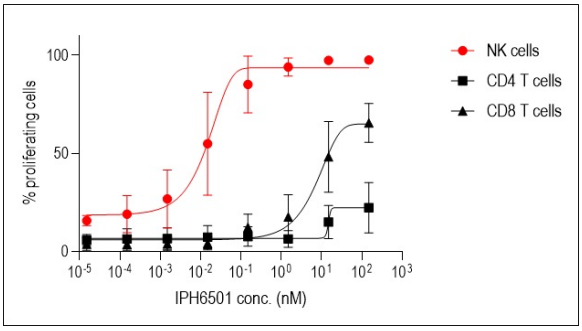
c. Preclinical Development

IPH6501 preclinical activity was explored both in vitro and in vivo. In vitro studies established that IPH6501´s main modes of action were NK cell proliferation and antibody-dependent cell cytotoxicity (ADCC) against CD20-expressing cells.

- In vitro

Non-saturating doses of IPH6501 on NK cells and on $CD20^+$ cells were sufficient to promote maximal killing activity. Furthermore, IPH6501 promoted NK cell cytotoxicity against tumor cells expressing very low levels of CD20. IPH6501 also demonstrated superiority to control tumor cell growth *in vitro,* as compared to the CD20-targeting clinical benchmark antibodies rituximab and the Fc-optimized obinutuzumab.

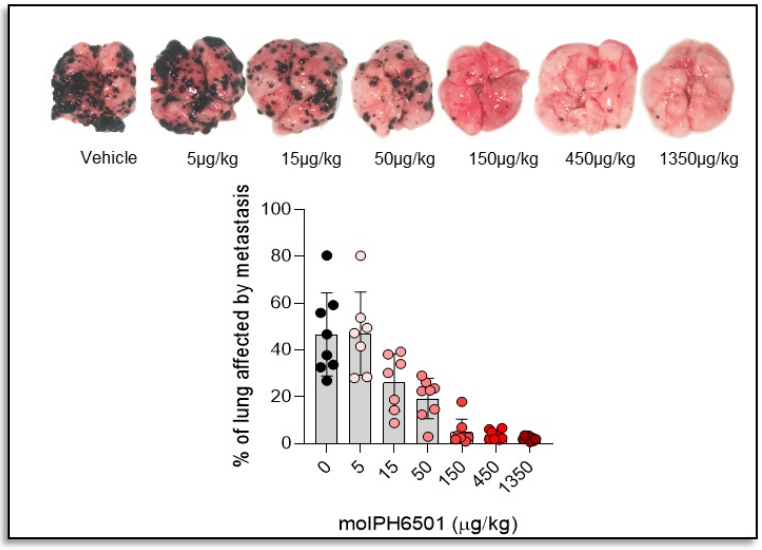
IPH6501 alone without NK cells did not induce direct killing of $CD20^+$ cells. Culturing human purified NK cells with $CD20^+$ B-lymphoma cell lines and IPH6501 induced the specific lysis of tumoral $CD20^+$ cells. Alternatively, culturing human PBMCs with IPH6501 induced the specific depletion of normal $CD20^+$ B lymphocytes without affecting other lymphocyte population numbers, as well as cytokine production in line with NK cell activation. Incubation of human PBMC with IPH6501 induced a preferential NK cell proliferation that occurred at lower doses as compared to the proliferating effect of IPH6501 on other $CD8^+$ or $CD4^+$ T lymphocytes (expressing the IL-2R).




- In vivo

*In vivo* treatment with a mouse surrogate of IPH6501 induced peripheral NK cell proliferation and activation, and demonstrated potent antitumor efficacy in a xenograft mouse model using the aggressive human B-lymphoma $CD20^+$ RAJI cell line engrafted subcutaneously. Surrogate moIPH6501 also showed

a dose dependent and significant control of tumor growth in a model of CD20-expressing B16F10 cells injected intravenously (IV) in immunocompetent mice, as shown in figure below.




Updated preclinical data were presented at the European Hematology Association (EHA) congress in June 2023, including experiments on non-human primates and samples from R/R B-NHL patients. In preclinical settings, IPH6501 was shown to induce NK cell proliferation and to trigger high NK cell cytoxicity against CD20+ target cells in in vitro assays, in ex vivo assays with relapse/refractory (R/R) B-NHL patient samples who received at least one prior treatment, as well as in in vivo studies in non-human primates. A surrogate of IPH6501 mediated a potent anti-tumor activity in vivo in CD20+ tumor models in mice. In addition, in ex vivo assays with R/R B-NHL patient samples, IPH6501 was shown to be more efficient than a T cell engager targeting CD20.

- Non-human primates

In non-human primates, a well-tolerated dose of IPH6501 resulted in NK cell expansion, with minimal increase in systemic cytokine levels, and to the depletion of CD20+ B cells in circulation and lymphoid tissues.

- Analysis from samples from R/R B-NHL patients

Flow cytometric analysis of samples from R/R B-NHL patients revealed that NK cell numbers in blood were within normal range values, and NKp46 expression was maintained in blood and tumor-involved lymph nodes. Of note, in contrast to NKp46, cell surface expression of CD16 was down-regulated on NK cells in B-NHL patient's lymph nodes, suggesting a potential therapeutic advantage of targeting NKp46 with IPH6501 in B-NHL compared with classical monoclonal antibodies. IPH6501 stimulated NK cell

proliferation andCD20+ cell depletion ex vivo in PBMC samples from R/R B-NHL patients, which compared favourably with acontrol CD3xCD20 T cell engager.

IPH6501 is a first-in-class CD20-targeting tetra-specific NK cell engager designed to promote NK cell proliferation and specific cytotoxicity against $CD20^+$ cells. IPH6501 is thus a promising biologic designed to harness the anti-tumor functions of NK cells in $CD20^+$ B cell malignancies.

d. Clinical Trial

| Phase | Trials | Sponsor | Population | Patients estimated | Design | Endpoints | Status |
|---|---|---|---|---|---|---|---|
| Phase 1/2 | IPH6501-101 NCT06088654 | innate pharma | R/R B-Cell Non-Hodgkin Lymphoma | Up to 184 | IPH6501 monotherapy<br>Ph1- Dose finding<br>Ph2- Dose expansion | **Primary endpoints:**<br>• Safety and tolerability (DLT, MTD and RP2D)<br>**Secondary endpoints:**<br>• ORR, DoR, PFS, PK, immunogenicity | • Recruiting |

An international, first-in-human, multicenter, open-label Phase 1/2 study will evaluate the safety profile, tolerability of IPH6501, and determine the recommended Phase 2 dose (RP2D) for patients with B-Cell non-Hodgkin lymphoma. The Company received a Study May Proceed Letter from FDA in July 2023.

On March 6, 2024, the Company announced that the first patient was dosed in its Phase 1/2 multicenter trial (NCT06088654), investigating the safety and tolerability of IPH6501 in patients with Relapsed and/ or Refractory CD20-expressing B-cell non-Hodgkin's lymphoma. The study is ongoing and planned to enroll up to 184 patients.

**Antibody Drug Conjugates**

a. Proprietary

To further our R&D program, the Company continues to develop different approaches for the treatment of cancer utilizing its antibody engineering capabilities to deliver novel assets, with its innovative ANKET® platform and continuing to explore Antibody Drug Conjugates (ADC) formats. The Company has a robust pipeline of additional preclinical product candidates. Its additional disclosed preclinical pipeline includes :

- IPH45 is Innate's proprietary pre-IND anti-Nectin-4 targeting antibody drug conjugate including a Topoisomerase I inhibitor payload. IPH45 is progressing towards the clinic with IND targeted in 2024.
- IPH43, an anti-MICA/B ADC.

Innate will share first preclinical data with IPH45 in an oral presentation at the American Association for Cancer Research (AACR) 2024.

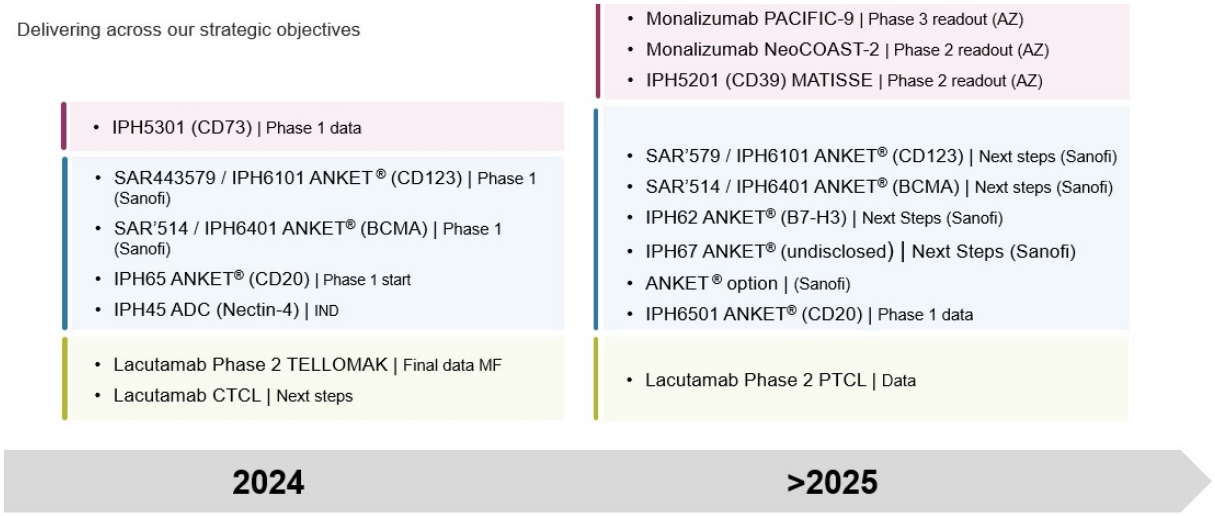
b. Partnered

Innate announced in April 2023 that it granted Takeda exclusive worldwide rights to research and develop ADC using a panel of selected Innate antibodies against an undisclosed target, with a primary focus in Celiac disease.

Takeda will be responsible for the future development, manufacture and commercialization of any potential products developed using the licensed antibodies.

Under the terms of the license agreement, Innate has received an upfront payment of $5 million and is eligible to receive up to $410 million in future development, regulatory and commercial milestones if all milestones are achieved during the term of the agreement, plus royalties on potential net sales of any commercial product resulting from the license.

***Next Step***




**Competition**

The biotechnology and pharmaceutical industry, and notably the cancer field, is characterized by rapidly advancing technologies, products protected by intellectual property rights and intense competition and is subject to significant and rapid changes as researchers learn more about diseases and develop new technologies and treatments. While the Company believes that its technology, knowledge, experience, collaborations and scientific resources provide Innate with competitive advantages, the Company faces potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions. Any approved product that Innate Pharma commercializes will compete with existing therapies and new therapies that may become available in the future.

A large number of companies are developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. Many of their competitors have significantly greater experience, personnel and resources as they relate to research, drug development, manufacturing and marketing. In particular, large pharmaceutical laboratories have substantially more experience than the Company does in conducting clinical trials and obtaining regulatory authorizations. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of its competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors are also likely to compete with Innate to recruit and retain top qualified scientific and management personnel, acquire rights for promising product candidates and technologies, establish clinical trial sites and patient registration for clinical trials, acquire

technologies complementary to, or necessary for, its programs and enter into collaborations with potential partners who have access to innovative technologies.

Innate's commercial opportunity could be reduced or eliminated if its competitors develop and commercialize products that are more effective, have a better safety profile, are more convenient, have a broader label, have more robust intellectual property protection or are less expensive than any products that the Company may develop. Its competitors also may obtain regulatory approval for their products more rapidly than the Company may obtain approval for its products, which could result in its competitors establishing a strong market position before the Company is able to enter the market. In addition, its competitors could be more efficient in manufacturing or more effective in marketing their own products than the Company or its partners may be in the future.

With respect to its lead product candidate, lacutamab, a monoclonal antibody product candidate targeting KIR3DL2, the Company is aware of several pharmaceutical companies marketing and developing products for the treatment of patients with CTCL, including MF and Sézary syndrome, and PTCL. The latest drugs approved by the FDA for CTCL are: Adcetris (brentuximab vedotin), marketed by Seattle Genetics and approved in combination with chemotherapy for treatment of patients with primary cutaneous anaplastic large cell lymphoma (pcALCL) or CD30-expressing MF who have received prior systemic therapy, and Poteligeo (mogamulizumab), marketed by Kyowa Kirin and approved for the treatment of adult patients with R/R MF or Sézary syndrome after at least one prior systemic therapy. Zolinza (vorinostat) is the only drug approved by the FDA for CTCL patients after two prior failures. In the second line setting of PTCL, Beleodaq (belinostat), Folotyn (pralatrexate) and Istodax (romidepsin) have all been approved by the FDA; however, none of these treatments have been approved by the EMA.

With respect to monalizumab, a novel dual-targeting checkpoint inhibitor, other anti-NKG2A have started to be assessed in clinical trials, and several pharmaceutical companies are marketing and developing treatments for either NSCLC. Currently two ongoing clinical trials are assessing other anti-NKG2A molecules. A Phase 1/2 is assessing BMS-986315 (Bristol-Myers Squibb) monotherapy or in combination with nivolumab or cetuximab in patients with solid tumors. A Phase 1 study is assessing S095029 (Servier) monotherapy or in combination with an anti-PD-1 in patients with solid tumors with dose expansion cohorts that add an anti-HER2 or anti-EGFR to the doublet. A Phase 1 study is evaluating BRY805 (BioRay Pharmaceutical Co.) as monotherapy in patients with solid tumours. Exelis and Invenra are collaborating to develop a bispecific targeting PD-L1 and NKG2A which is in the preclinical setting.

There are also several pharmaceutical and biotechnology companies that are focused on the tumor microenvironment, including the complement and the adenosine pathways. Many companies are active in the adenosine pathway, targeting CD73, CD39 or the adenosine receptors. For example, AstraZeneca and I-Mab Biopharma U.S. Limited each have anti-CD73 product candidates in Phase 2 clinical development, and several other biotechnology companies are active in the adenosine pathway area, including Trishula Therapeutics, Inc., Novartis Pharmaceuticals, Gilead Sciences, Inc. and Arcus Biosciences Inc.

NK cells have been increasingly researched and the Company is aware of many companies activating and /or harnessing NK cells to target and kill cancer cells through different approaches such as cell therapies (for example, Fate Therapeutics, Inc. and NKarta, Inc.) and multi-specifics (for example, Affimed N.V. and Dragonfly Therapeutics, Inc.).

**Intellectual Property**

Commercial success of the Company depends in part on obtaining and maintaining patent, trade secret and other intellectual property and proprietary protection of its technology, current and future products and product candidates and methods used to develop and manufacture them. The Company cannot be sure

that patents will be granted with respect to any of its pending patent applications or to any patent applications filed by Innate in the future, nor can the Company be sure that any of its existing patents or any patents that may be granted to Innate in the future will be sufficient to protect its technology or will not be challenged, invalidated or circumvented. Its success also depends on its ability to operate its business without infringing, misappropriating or otherwise violating any patents and other intellectual property or proprietary rights of third parties.

The Company relies, in some circumstances, on trade secrets to protect its technology. However, trade secrets can be difficult to protect. The Company seeks to protect its trade secrets, in part, by confidentiality agreements with its employees, consultants, scientific advisors and contractors. These agreements may not provide meaningful protection or may be breached, and the Company may not have an adequate remedy for any such breach. The Company also seeks to preserve the integrity and confidentiality of its data and trade secrets by maintaining physical security of its premises and physical and electronic security of its information technology systems. Notwithstanding these measures, these agreements and systems may be breached, and the Company may not have adequate remedies for any such breach. In addition, its trade secrets may otherwise become known or be independently discovered by competitors or misused by collaborators to whom the Company discloses such information. Despite measures taken to protect its intellectual property, unauthorized parties may attempt to copy aspects of its products or drug candidates or obtain or use information that the Company regards as proprietary. As a result, the Company may be unable to meaningfully protect its trade secrets and proprietary information. To the extent that its employees, consultants, contractors or partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For more information regarding the risks related to intellectual property, please see "Risk Factors—Risks Related to Intellectual Property Rights."

***Patents***

The Company files patent applications to protect its product candidates, technical processes and the processes used to prepare its product candidates, the compounds or molecules contained in these product candidates and medical treatment methods. The Company also licenses rights to patents owned by third parties, academic partners or other companies in its field.

***Monalizumab/IPH2201***

As of December 31, 2023, the principal intellectual property rights related to monalizumab are in-licensed from Novo Nordisk A/S and include U.S. Patent Nos. 8,206,709 and 8,901,283, European patents EP 2 038 306 B1 and EP 2 426 150 B1 and counterpart patents in certain other countries. These patents are directed to the composition of matter of monalizumab and have a statutory expiration date in 2027, not including patent term adjustment or any potential patent term extension. Other patent rights include U.S. Patent No. 11,572,410, European patent 3 193 931 B1 and counterpart patents in certain other countries relating to use of monalizumab in combination with agents that neutralize PD-1 or PDL1, which patents are solely owned by us and have a statutory expiration date in 2035, not including patent term adjustment or any potential patent term extension.

***Lacutamab/Anti-KIR3DL2***

As of December 31, 2023, the principal intellectual property rights related to lacutamab are wholly owned by Innate and include U.S. Patent Nos. 10,280,222 and 11,066,470, European patent EP 3 116 908 B1 and counterpart patent applications in certain other countries. These patents and patent applications are directed to the composition of matter of lacutamab, and such patents have, and any patents that issue from such applications would have, a statutory expiration date in 2035, not including patent term adjustment or any potential patent term extension.

***IPH5201/Anti-CD39***

As of December 31, 2023, the principal intellectual property rights related to IPH5201 are co-owned by Innate together with Orega Biotech, and include U.S. patent No. 11,377,503, one European patent application, and other patent applications in certain other countries. These patents and patent applications are directed to the composition of matter of IPH5201, and such have, and any patents that issue from such patent application would have, a statutory expiration date in 2039, not including patent term adjustment or any potential patent term extension.

***IPH5301/Anti-CD73***

As of December 31, 2023, the principal intellectual property rights related to IPH5301 are solely owned by us, and include one U.S. non-provisional patent application, one European patent application, and other patent applications in certain other countries. If a patent directed to IPH5301 issues from such U.S. patent application, it would have a statutory expiration date in 2040, not including patent term adjustment or any potential patent term extension.

***IPH6501***

As of December 31, 2023, the principal intellectual property rights related to IPH6501 are solely owned by us, and include one U.S. non-provisional patent application, one European patent application, and other patent applications in certain other countries. If a patent directed to IPH6501 issues from such U.S. patent application, it would have a statutory expiration date in 2042, not including patent term adjustment or any potential patent term extension.

The term of individual patents depends upon the legal term of patents in the countries in which they are obtained. In most countries, including the United States, the patent term is 20 years from the earliest claimed filing date of a non-provisional patent application or its foreign equivalent in the applicable country. In the United States, a patent's term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date. In the United States, a patent may also be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent applicable to each regulatory review period may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended.

***Trademarks***

The Company owns the mark INNATE PHARMA in the United States, Australia and Europe (EU community trademark), and INNATE in Europe (EU community trademark). The Company also owns registrations for the mark ANKET® respectively in the United States and Europe (EU community trademark), the marks LONKIRLO and KIRTAMSY in France.

**Regulation**

Research and development work, preclinical tests, clinical studies, facilities, and the manufacture and sale of its products are and will continue to be subject to the complex legislative and regulatory provisions implemented by the various competent authorities in Europe, the United States and other countries. The EMA, FDA and the various national regulatory authorities impose considerable constraints on the development, manufacture and sale of products that the Company develops and clinical trials it conducts. In case of non-compliance with these laws or regulations, the regulatory authorities may impose fines, seize or withdraw products from the market or even partially or totally suspend their production. They may also revoke previously granted marketing authorizations and reject applications seeking authorization. These legal and regulatory constraints are important in considering whether an investigational product can ultimately become an approved, commercialized drug, as well as for recognizing the time and investments necessary for such development.

Although there are differences from one country to another, the development of therapeutic products for human use is subject to similar procedures and companies must comply with the same types of regulations in all ICH countries (countries that are part of the International Council for Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use). In order to obtain marketing authorization for a product, proof of its efficacy and safety should be provided by the applicant, along with detailed information on its composition and manufacturing process. This entails significant pharmaceutical and preclinical developments, clinical trials and laboratory tests. The development of a new drug from basic research to commercial marketing generally comprises five steps: (i) research, (ii) preclinical trials, (iii) clinical trials in humans, (iv) marketing authorization and (v) marketing.

***Preclinical studies***

Preclinical studies include laboratory evaluation of the purity and stability of the manufactured substance or active pharmaceutical ingredient and the formulated product, as well as in vitro and animal studies to assess the safety and activity of the product candidate for initial testing in humans and to establish a rationale for therapeutic use. The conduct of preclinical studies is subject to national regulations and requirements, including Good Laboratory Practices (GLP) regulations. The results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical studies, among other things, are submitted to the applicable regulatory agency in connection with the application to begin human testing. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, and long-term toxicity studies, may continue after submission of the application.

***Regulation of clinical trials***

In humans, clinical trials are usually carried out in three Phases that are generally sequential, but under certain circumstances Phases of trials can overlap or even be skipped, following a specific review and determination by regulatory agencies. Clinical trials are sometimes necessary or required by regulatory authorities after marketing authorization to explain certain side-effects, investigate a specific pharmacological effect or obtain more accurate or additional data. Additional trials are also commonly conducted to explore new indications. Regulatory authorization and ethics approvals are needed to carry out clinical trials. The regulatory authorities may put on clinical hold, block, suspend or require significant modifications to the clinical study protocols submitted by companies seeking to test products, including the imposition of clinical holds before or after a clinical trial has commenced.

***Clinical trial authorization in the European Union***

In the European Union, clinical trials are governed by the Clinical Trials Regulation (EU) No 536/2014 (CTR), which entered into application on January 31, 2022, repealing and replacing the former Clinical Trials Directive 2001/20 (CTD) and related national implementing legislation of EU Member States.

The CTR applies to interventional clinical trials on medicinal products and to clinical trials authorized under the CTD with a three-year transition period from the CTR that has come into operation. As from January 31, 2023, all new clinical trial applications are registered pursuant to the CTR. Trials approved under the CTD before January 30, 2023 can continue to be regulated under the CTD until January 30, 2025.

The CTR allows better consistency throughout EU Member States:

- Single submission of the clinical trial application dossier through the EU Clinical Trials Information System (Article 5) including a common part assessed jointly by all participating EU Member States, and a national part covering the ethical and operational aspects of the trial assessed by each EU Member State independently.
- A clinical trial authorization issued in the form of a single decision.

The CTR applies in the Member States without the requirement for separate implementing legislation by each Member State, but some of the existing laws of the Member States applicable at a national level will continue to apply.

This regulation is intended to increase transparency of authorized clinical trials in the European Union: the EU Clinical Trials Information System serves as the source of public information, without prejudice of personal data protection, commercially confidential information protection, and protection of confidential communication and trial supervision between Member States. Public information includes clinical trial authorization information, protocol data, and a summary of the results 12 months after the end of the trial (or six months in case of pediatric clinical trials).

***Clinical trial authorization in the United States***

In the United States, an Investigational New Drug (IND) application must be submitted to the FDA and accepted before clinical trials can start on humans. An IND is an exemption from the Federal Food, Drug, and Cosmetic Act (FDCA) that allows an unapproved product candidate to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer an investigational product to humans. This application contains early research data as well as the pharmaceutical dossier, preclinical and clinical data (if any) and includes the clinical protocol. If there is no objection from the FDA, the IND application becomes valid 30 days after it is received by the FDA. This waiting period is designed to allow the FDA to review the IND to determine whether human research subjects will be exposed to unreasonable health risks. At any time during or subsequent to this 30-day period, the FDA may request the suspension or clinical hold of clinical trials, whether such trials are planned or in progress, and may request additional information. This temporary suspension (clinical hold) continues until the FDA receives the information it has requested.

In addition to the foregoing IND requirements, one or more independent institutional review board (IRB) covering each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct continuing review and reapprove the study at least annually. The IRB must review and approve, among other things, the study protocol and informed consent information to be provided to study subjects. An IRB must operate in compliance with FDA regulations and other application regulations and internal compliance procedures. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it

represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

The FDA's primary objectives in reviewing an IND are to assure the safety and rights of patients and to help assure that the quality of the investigation will be adequate to permit an evaluation of the biological product's safety, purity and potency. The decision to suspend or terminate development of an investigational biological product may be made by either a health authority body such as the FDA, an IRB, or by Innate for various reasons. Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee (DSMB). This group provides authorization for whether or not a trial may move forward at designated check points based on data from the study that is made available to such DSMB for such purpose. Suspension or termination of development during any Phase of clinical trials can occur if it is determined that the participants or patients are being exposed to an unacceptable health risk. Other reasons for suspension or termination may be made by Innate based on evolving business objectives and/or the competitive climate.

***Good clinical practices (GCP)***

In most countries, clinical trials also must comply with the current GCP, or cGCP, standards as defined by the International Council for Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH). Directive 2005/28/EC dated April 8, 2005 adopted the cGCP principles in the context of strengthening the regulatory structure specified by Directive 2001/20/EC. In the US, ICH GCP standards are adopted by FDA as guidance. The competent authority designated in each Member State to authorize clinical trials must take into consideration, among other factors, the scientific value of the study, the safety of the drug and the possible responsibility of the clinical site.

***Conducting clinical trials***

Clinical trials must be carried out in compliance with complex regulations throughout the various Phases of clinical development, based on the principle of informed consent by the patient to whom the products will be administered.

***Clinical trial Phases***

Clinical trials may be conducted in the United States, in Europe or in other parts of the world as long as such trials have been approved by health authorities and ethics committees or IRBs in each country where the trial is conducted. There are three well-established and internationally recognized clinical Phases: Phase 1, 2 and 3. This classification is used by the FDA and the EMA, as well as other regulatory agencies. Each of these clinical Phases is described below.

- Phase 1: The product candidate is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion. In the case of some products for severe or life-threatening diseases, such as cancer, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted with patients. Sponsors sometimes designate their Phase 1 trials as Phase 1a or Phase 1b. Phase 1b trials are typically aimed at confirming dosing, pharmacokinetics and safety in larger number of patients. Some Phase 1b studies evaluate biomarkers or surrogate markers that may be associated with efficacy in patients with specific types of diseases.
- Phase 2: This Phase involves clinical trials in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and appropriate dosage.

- Phase 3: Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These clinical trials, generally comparative, are intended to demonstrate the overall risk-benefit ratio of the product candidate and provide, if appropriate, an adequate basis for product labeling.

Post-approval trials, sometimes referred to as Phase 4 studies, may be conducted after marketing approval is obtained. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the applicable regulator may mandate the performance of Phase 4 clinical trials as a condition of approval.

In specific situations, certain Phases of development can be merged or even skipped when clear signs of efficacy emerge in the early Phases of development and the product candidate is designed for patients with major unmet medical needs. However, these deviations from the standard pattern of development must be discussed and approved by health authorities. Given the high unmet medical need for certain cancer patients, deviations from the typical Phases of development are frequent in oncology and particularly in the field of immunotherapy.

***Disclosure of clinical trial information***

Sponsors of applicable clinical trials of FDA-regulated drugs are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Similarly, in Europe, Sponsors are required to register and disclose certain clinical trial information on a single portal, CTIS (Clinical Trial Information System), replacing Eudra-CT, set up by the European Medicines Agency (EMA). CTIS is a single entry point centralizing information and databases on clinical trials in the EU. Eudra-CT will be definitively abandoned at the end of the transition period, i.e., on January 30, 2025. Information related to the product, patient population, Phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors of applicable clinical trials are also obligated to disclose the results of their clinical trials within a certain timeframe after completion. Disclosure of the results of these trials may be delayed until the new product or new indication being studied has been approved, subject to time-based limitations. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

***Regulations concerning marketing authorizations***

In order to be marketed, a drug product must have regulatory authorization (known as approval of a New Drug Application (NDA) or licensure of a Biologics License Application (BLA) in the United States, a Marketing Authorization Application (MAA) in the European Union and a Great Britain Marketing Authorisation Application). The competent authorities are the FDA in the United States, the EMA in the European Union and the Medicines and Healthcare products Regulatory Agency (MHRA) in the United Kingdom. Companies apply for a marketing authorization based on quality, safety and efficacy data. In the European Union, the United States and Japan, the dossier is a standard dossier referred to as a CTD, or Common Technical Document. Generally, the dossier describes the manufacturing of the drug substance (active substance), the manufacturing of the final product and the clinical and non-clinical studies common to all jurisdictions while providing a separate module for region-specific information.

***United States review and approval process for biological products***

In the United States, the FDA licenses complex biological products under the Public Health Service Act, or PHSA. In order to obtain approval to market a biological product in the United States, a BLA must be submitted to the FDA with data establishing the safety, purity and potency of the proposed biological product for its intended indication. The application includes all relevant data available from pertinent preclinical and clinical trials, including negative or ambiguous results as well as positive findings,

together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing authorization, the data submitted must be sufficient in quality and quantity to establish the safety, purity and potency of the biological product to the satisfaction of the FDA.

The BLA is the vehicle through which applicants formally propose that the FDA approve a new biological product for marketing and sale in the United States for one or more indications. Every new biological product candidate must be the subject of an approved BLA before it may be commercialized in the United States. Under federal law, the submission of most BLAs is subject to an application user fee and the sponsor of an approved BLA is also subject to annual program user fees. These fees typically increase annually. Certain exceptions and waivers are available for some of these fees, such as an exception from the application fee for products with orphan drug designation and a waiver for certain small businesses, an exception from the establishment fee when the establishment does not engage in manufacturing the product during a particular fiscal year, and an exception from the product fee for a product that is the same as another product approved under an abbreviated pathway.

Following submission of a BLA, the FDA conducts a preliminary review of the application generally within 60 calendar days of its receipt and strives to inform the sponsor, via the "Day 74 Letter," by the 74th day after the FDA's receipt of the submission of whether the application is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept the application for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA has agreed to specified performance goals in the BLA review process. Under that agreement, FDA committed to review and act on 90% of applications seeking approval of original BLA's within 10 months of the filing date and on 90% of original BLA submissions that have been designated for "priority review" within six months of the filing date. The review process and the Prescription Drug User Fee Act goal date for an original application may be extended by the FDA for three additional months to consider new information or clarification provided by the applicant to address an outstanding deficiency identified by the FDA following the original submission.

Before approving an application, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. These pre-approval inspections may cover all facilities associated with a BLA submission, including component manufacturing, finished product manufacturing, and control testing laboratories. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with cGCP.

As a condition of approval, the FDA may require an applicant to develop a Risk Evaluation and Mitigation Strategy (REMS). REMS are required risk management plans that use risk mitigation strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease/condition to be treated, expected benefit of the product, expected duration of treatment, seriousness of known or potential adverse events, and whether the product is a new molecular entity.

To support its evaluation, the FDA may request advice from an advisory committee. Preliminary plans on whether to hold an advisory committee are included in the Day 74 Letter. The FDA requests advice from advisory committees on a variety of matters, including various aspects of clinical investigations and

applications for marketing approval of drug products. Advisory committee members are scientific experts such as physician-researchers and statisticians, as well as representatives of the public, including patients. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

On the basis of the FDA's evaluation of the application and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. The FDA has committed to reviewing and acting on 90% of such resubmissions in two or six months depending on the type of information included. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

If the FDA approves a product, it may limit the approved indications for use for the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the product's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs.

***Registration procedures in the European Union***

To access the European markets through community procedures, drug products must be submitted through the Centralized Procedure, the Mutual Recognition Procedure or the Decentralized Procedure. The process for doing this depends, among other things, on the nature of the medicinal product. Regulation (EC) No 726/2004 of the European Parliament and of the Council of March 31, 2004 provides for the Centralized Procedure. The Centralized Procedure results in a single MA, granted by the European Commission that is valid across the European Economic Area or EEA (i.e., the European Union as well as Iceland, Liechtenstein and Norway). The Centralized Procedure is compulsory for human drugs that are: (i) derived from biotechnology processes, (ii) contain a new active substance indicated for the treatment of certain diseases, such as cancer, HIV/AIDS, diabetes, neurodegenerative diseases, autoimmune and other immune dysfunctions and viral diseases, (iii) officially designated orphan medicines and (iv) advanced-therapy medicines, such as gene therapy, somatic cell therapy or tissue-engineered medicines.

Under Article 3 of the Regulation (EC) No 726/2004, the Centralized Procedure is optional for any other human medicinal product if: (1) the medicinal product contains a new active substance ; or (2) the applicant shows that the medicinal product constitutes a significant therapeutic, scientific or technical innovation or that the granting of authorization in accordance with this Regulation is in the interests of patients health at the EU level.

Under the Centralized Procedure in the European Union, the European Medicines Agency (EMA), shall ensure that the opinion of the Committee for Medicinal Products for Human Use (CHMP), is given within 210 days (Article 6.3). This excludes so-called clock stops, during which additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP (Article 7). At the end of the review period, the CHMP provides its opinion through a scientific assessment report to the European Commission. The Commission may then adopt a final decision to grant an MA. Once granted,

the MA is valid across all EEA countries for an initial period of five years. Since 2008, as a consequence of a European directive, a marketing authorization is now renewed only once, five years after the initial registration. The marketing authorization shall be then valid for an unlimited period, unless the Commission decides, on justified grounds, relating to pharmacovigilance, to proceed with one additional five-year renewal.

National MAs, issued by the competent authorities of the member states of the EEA, are also available; however these only cover their respective territory. National MAs may be applied for through the Mutual Recognition Procedure or Decentralized Procedure in order that multiple competent authorities in different member states of the EEA may each issue a national MA in their territory for the same product on the back of the same application. National MAs are only available for products not falling within the mandatory scope of the Centralized Procedure.

It is possible for a drug to be withdrawn from the market, upon the request of the health authorities, if a serious problem arises, in particular a safety-related problem. The marketing authorization is then cancelled. There can be various reasons for the withdrawal of drugs from the market, with the main reasons being public health, major undesirable side effects and non-compliance with manufacturing rules.

***Non-standard regulatory procedures***

Aside from the standard procedures of granting a BLA or a European MA, as described above, non-standard regulatory procedures allow a shorter time-to-market for new medicines.

The following programs that are in place in the United States are intended to facilitate the development and/or expedite the review and potential approval of drug products:

- Accelerated Approval: FDA may grant accelerated approval to a product for a serious or life-threatening disease or condition upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. This procedure is somewhat comparable to the "conditional approval" in the European Union.
- Priority Review: An application for a drug will receive priority review designation if it is for a drug that treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness. Priority Review provides for a shorter review clock: the time it takes FDA to review a filed BLA is reduced to six months rather than 10 months. This procedure is somewhat comparable to the "accelerated assessment" in the European Union.
- The Fast Track Designation: Section 506(b) of the FDCA provides for the designation of a drug as a fast track product "if it is intended, whether alone or in combination with one or more other drugs, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition." This provision is intended to facilitate development and expedite review of drugs to treat serious and life-threatening conditions so that an approved product can reach the market expeditiously. For fast track designated drugs, sponsors may have a higher number of interactions with the FDA. In addition, the FDA may review sections of the BLA for a fast track designated drug on a rolling basis before the complete application is submitted. Fast track designation may be rescinded if the qualifying criteria are no longer met. Fast Track designation does not necessarily lead to a Priority Review or Accelerated Approval.

- The Breakthrough Therapy Designation: Section 506(a) of the FDCA provides for designation of a drug as a breakthrough therapy "if the drug is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development." The standard for breakthrough therapy designation is not the same as the standard for drug approval as the clinical evidence needed to support breakthrough designation is preliminary. In contrast, as is the case for all drugs, FDA will review the full data submitted to support approval of drugs designated as breakthrough therapies to determine whether the drugs are safe and effective for their intended use before they are approved for marketing. The program provides the same advantages of the fast track designation, but also includes intensive FDA guidance to promote efficient development and FDA organizational commitment. Breakthrough therapy designation may be rescinded if the qualifying criteria are no longer met.

In the European Union, non-standard registration procedures under the Centralized Procedures are as follows:

- Conditional marketing authorization: valid one year (instead of five). It is granted only if the benefit / risk ratio is positive, if the product addresses unmet medical needs, and if the benefits to public health outweigh the risks associated with uncertainty because of an incomplete evaluation of the drug (for instance, because of clinical trials still ongoing at the time of the evaluation, or when additional clinical trials are needed). It is renewed annually if an appropriate report is submitted annually by the sponsor. Once the results of the pending studies are provided, it can become a "regular" marketing authorization.
- Approval under exceptional circumstances: a marketing authorization may be granted in exceptional cases, reviewed each year to reassess the risk-benefit balance when the initial dossier for assessment of the drug cannot contain all required data, for instance when the condition to be treated is rarely encountered.
- Accelerated assessment : the evaluation process is accelerated (150 days instead of 210 days) when a drug is of major interest from the standpoint of public health or in particular from the viewpoint of therapeutic innovation.
- The PRIME (priority medicines) scheme refers to a process for enhanced interactions and early dialogue with EMA to facilitate the development and speed up examination of drugs which target unmet medical needs or offer a major therapeutic advantage over existing treatments. Through PRIME, drug developers can expect to be eligible for accelerated assessment at the time of application for a marketing authorization.

As part of the EU pharmaceuticals strategy, the EU Commission worked on a revision of the EU's general legislation on medicines for human use. On April 26, 2023 the EU Commission adopted a Directive proposal and a Regulation proposal, which represent the largest pharmaceutical reform in over 20 years. The revision will impact the global legal framework for medicinal products in the EU, including legislation relating to Orphan and pediatric drugs and will review the incentives system (data protection and market exclusivity) in place.

*Orphan drugs*

Generally, orphan drugs are drugs used for the prevention or treatment of life-threatening or serious rare conditions.

In the United States, the 1983 Orphan Drug Act was passed to encourage the development of drugs for rare disease or conditions. In the United States, a rare disease or condition is defined as a disease that affects fewer than 200,000 people in the United States, or affects more than 200,000 but there is no reasonable expectation that the cost of developing and making available a drug for such disease or condition in the United States will be recovered from U.S. sales of the drug. The FDA has authority to grant orphan drug designation to a drug or biological product to prevent, diagnose or treat a rare disease or condition, a designation which carries with it the following incentives: the possibility of obtaining research grants from the American government for clinical trials; tax credits for a portion of research costs; a possible exemption from user fees; and the potential for a seven-year period of exclusivity if a marketing authorization is granted.

Regarding orphan drug exclusivity, if a product with orphan drug designation receives the first FDA approval for the disease or condition for which it has such designation or for a select indication or use within the rare disease or condition for which it was designated, the product will generally receive orphan drug exclusivity. Orphan drug exclusivity means that the FDA may not approve another sponsor's marketing application for the same drug for the same use or indication for seven years, except in certain limited circumstances. Orphan drug exclusivity does not block the approval of a different product for the same rare disease or condition, nor does it block the approval of the same product for different indications. If a product designated as an orphan drug ultimately receives marketing approval for an indication broader than what was designated in its orphan drug application, it may not be entitled to exclusivity.

Orphan exclusivity will not bar approval of another product under certain circumstances, including if a subsequent product that is the same biologic for the same use or indication is shown to be clinically superior to the approved product on the basis of greater effectiveness than the approved drug, greater safety in a substantial portion of the target populations, or demonstration of a major contribution to patient care. Additionally, FDA may approve another application for the same biologic for the same use or condition notwithstanding the applicability of orphan drug exclusivity, if the company with orphan drug exclusivity is not able to assure a sufficient quantity of the drug.

In the European Union, equivalent legislation has been adopted to promote treatments for rare diseases (Regulation 141/2000/EC of December 16, 1999, as amended by Regulation 847/2000/EC of April 27, 2000). A medicinal product may be designated as orphan if: (a) it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 persons in the European Union when the application is made, or (b) it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the medicinal product in the European Union would generate sufficient return to justify the necessary investment.

For either of these conditions, the applicant must demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the medicinal product will be of significant benefit to those affected by that condition.

Medicinal products receiving orphan designation in the European Union can receive 10 years of market exclusivity, during which time no similar medicinal product can be submitted for the same therapeutic indication. An orphan product can also obtain an additional two years of market exclusivity in the European Union for pediatric studies (in this case for orphan drugs no extension to any supplementary protection certificate can be granted, see further detail below). Orphan medicinal products are also eligible for financial incentives such as reduction of fees or fee waivers and scientific assistance for study proposals. (Articles 6 and 9 of the above-mentioned regulation). The application for orphan drug

designation must be submitted before the application for marketing authorization (Article 5). The applicant will receive a fee reduction for the marketing authorization application if the orphan drug designation has been granted, but not if the designation is still pending at the time the marketing authorization is submitted. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

The 10-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation, for example, if the product is sufficiently profitable not to justify maintenance of market exclusivity (Article 8). However, marketing authorization may be granted to a similar medicinal product for the same indication at any time if:

- the holder of the marketing authorization, or MA, for the original orphan medicinal product has given its consent to the second applicant;
- the holder of the MA for the original orphan medicinal product cannot supply sufficient quantities of the orphan medicinal product; or
- the second applicant can establish in the application that its product, although similar to the orphan medicinal product already authorized, is safer, more effective or otherwise clinically superior.

***Registration procedures outside of the European Union and the United States***

In addition to regulation in the United States and the European Union, a variety of foreign regulations govern clinical trials, commercial sales and distribution of drugs. Pharmaceutical firms who wish to market their medicinal drugs outside the European Union and the United States must submit marketing authorization application to the national authorities of the concerned countries, such as the Pharmaceutical and Medical Device Agency (PMDA) in Japan. The approval process varies from jurisdiction to jurisdiction and the time to approval may be longer or shorter than that required by the FDA or European Commission.

Of note, in the United Kingdom (which comprises Great Britain and Northern Ireland), Great Britain is no longer covered by EU centralized procedures for MAs (under the Northern Ireland Protocol, EU centralized procedures for MAs continue to be recognized in Northern Ireland). For a period of two years from January 1, 2021, when determining an application for a Great Britain Marketing Authorization, the MHRA was allowed to rely on  on a decision taken by the European Commission on the approval of a new MA in the centralized procedure (the European Decision Reliance Procedure). On January 1, 2024, a new international recognition framework procedure (IRP) replaced the European Decision Reliance Procedure. Under the IRP,  the MHRA may take into account the approval of MAs made by the EMA and certain other regulators. The MHRA also has the power to take into account MAs approved in EU Member States through decentralized or mutual recognition procedures with a view to more quickly granting an MA in the United Kingdom.

***Post-approval regulations***

***Post-approval regulation in the United States***

Biologics manufactured or distributed pursuant to FDA licensure are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There are also continuing, annual user fee requirements for any marketed products and the establishments at which such

products are manufactured, as well as new application fees for supplemental applications with clinical data.

In addition, manufacturers and other entities involved in the manufacture and distribution of approved products are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and aforementioned state agencies for compliance with drug manufacturing regulations, including current good manufacturing practices (cGMP). Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revising the approved labeling to add new safety information; imposing post-market studies or clinical trials to assess new safety risks; or imposing distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, suspension of the approval, or complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending applications or supplements to approved BLAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

In addition, the distribution of prescription pharmaceutical products is subject to the Prescription Drug Marketing Act (PDMA) and its implementing regulations, as well as the Drug Supply Chain Security Act (DSCSA), which respectively regulate the distribution and tracing of prescription drug samples at the federal level and set floor and ceiling standards for the regulation of wholesale distributors by the states. PDMA, its implementing regulations and state laws limit the distribution of prescription pharmaceutical product samples, and DSCSA imposes requirements to ensure accountability during distribution and to identify and remove counterfeit and other illegitimate products from the market, each among other objectives.

The FDA strictly regulates labels/labeling, advertising and promotion of prescription drugs that are placed on the market. The FDA-required labeling sets forth the conditions of use under which the licensed biologics has been shown to meet the relevant standard for marketing and provides directions and information on how to use the product safely and effectively under those conditions. Licensed biologics may be promoted only for the approved indications and in accordance with the provisions of the approved label, including information consistent with the FDA required labeling and not otherwise false or misleading. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. A company that is found to have improperly promoted off-label uses may be subject to significant liability.

*Patent term restoration and extension in the United States*

A patent claiming a new biologic product may be eligible for a limited patent term extension under the Hatch-Waxman Act, which permits a patent restoration of up to five years for patent term lost during

product development and the FDA regulatory review period. A regulatory review period consists of two periods of time: a testing phase and an approval phase. The restoration period granted on a patent covering a product is calculated as one-half the testing phase (the time between the exemption to permit the clinical investigations of the drug product becomes effective and start of the approval phase) plus the approval phase (the time between the submission date of an application and the ultimate approval date). A maximum of five years can be restored to a patent and patent term extension cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date. Additionally, only one patent applicable to an approved product is eligible for the extension, the application for the extension must be submitted prior to the expiration of the patent in question, and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The USPTO reviews and approves the application for any patent term extension or restoration in consultation with the FDA. For more information regarding the risks related to patent term restoration and extension, please see "Risk Factors—Risks Related to Intellectual Property Rights—If the Company does not obtain protection under the Hatch-Waxman Amendments and similar non-U.S. legislation for extending the term of patents covering Lumoxiti and each of its product candidates, its business may be materially harmed."

*Healthcare law and regulation in the United States*

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of biologic products that are granted marketing approval. Arrangements with providers, consultants, third-party payors and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, transparency laws and patient data privacy laws and regulations and other healthcare laws and regulations that may constrain business and/or financial arrangements. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the U.S. Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid;
- the U.S. civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false, fictitious or fraudulent or knowingly making, using or causing to be made or used a false record or statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the U.S. Health Insurance Portability and Accountability Act of 1996 (HIPAA), which created additional federal criminal laws that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their respective implementing regulations, including the Final Omnibus Rule published in January 2013, which impose obligations on covered entities and their business associates, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal transparency requirements known as the federal Physician Payments Sunshine Act, under the Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, or the ACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the Centers for Medicare & Medicaid Services (CMS) within the United States Department of Health and Human Services, information related to payments and other transfers of value made by that entity to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures. Certain state laws require the reporting of information relating to drug and biologic pricing; and some state and local laws require the registration of pharmaceutical sales representatives. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Failure to comply with these laws or any other governmental regulations as applicable, could result in the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, possible exclusion from government funded healthcare programs, such as Medicare and Medicaid, additional integrity reporting requirements and oversight, as well as contractual damages, reputational harm, diminished profits and future earnings, and curtailment of operations.

*Healthcare reform in the United States*

A primary trend in the United States healthcare industry and elsewhere is cost containment. There have been a number of federal and state proposals and changes during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for biologics and other medical products, government control and other changes to the healthcare system in the United States.

On March 23, 2010, President Obama signed into law the ACA, which includes a number of healthcare reform provisions and requires most U.S. citizens to have health insurance. The ACA, among other things, imposed a significant annual fee on companies that manufacture or import branded prescription drug products; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations; and establishes a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D. Substantial new provisions affecting compliance also have been added, which may require modification of business practices with healthcare practitioners. The ACA also revised the definition of "average manufacturer price" for reporting purposes, which could increase the amount of Medicaid drug rebates to states.

There have been judicial, congressional, and executive branch efforts to repeal, modify or delay the implementation of the law. In July and December 2018, CMS published final rules with respect to

permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under its risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017 includes a provision that repealed, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that, commonly referred to as the "individual mandate." On December 14, 2018, a Texas U.S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by the U.S. Congress as part of the Tax Cuts and Jobs Act of 2017. Additionally, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus the ACA remains in effect in its current form. It is unclear how judicial and Congressional challenges and other efforts to repeal and replace the ACA will impact the ACA. The Company continues to evaluate how the ACA and recent efforts to limit the implementation of the ACA will impact its business.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, in August 2011, the Budget Control Act of 2011, among other things, included aggregate reductions to Medicare payments to providers and suppliers of 2% per fiscal year, starting in 2013, and, due to subsequent legislative amendments to the statute, will remain in effect through 2032, unless additional Congressional action is taken .

The American Taxpayer Relief Act of 2012 further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Furthermore, there has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. There have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs.

For example, in August 2022, the Inflation Reduction Act of 2022 was signed into law. This legislation contains substantial drug pricing reforms, including the establishment of a drug price negotiation program within the U.S. Department of Health and Human Services that would require manufacturers to charge a negotiated "maximum fair price" for certain selected drugs or pay an excise tax for noncompliance, the establishment of rebate payment requirements on manufacturers of certain drugs payable under Medicare Parts B and D to penalize price increases that outpace inflation, and requires manufacturers to provide discounts on Part D drugs. The Inflation Reduction Act of 2022 also caps Medicare beneficiaries' annual out-of-pocket drug expenses. Substantial penalties can be assessed for noncompliance with the IRA drug pricing provisions. Provisions of the IRA are subject to legal challenges, and the full impact of the IRA on the pharmaceutical industry remains uncertain.

The U.S. Congress and the current administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

At the state level, legislatures are increasingly passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

***Pharmacovigilance system in the European Union***

An MA holder in the EU must establish and maintain a pharmacovigilance system and appoint an individual qualified person for pharmacovigilance (QPPV), who is responsible for oversight of the pharmacovigilance system. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports (PSURs).

All new MA applications must include a risk management plan (RMP) describing the risk management system that the company will put in place and documenting measures to prevent or minimize the risks associated with the product. The regulatory authorities may also impose specific obligations as a condition of the MA. Such risk-minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs or the conduct of additional clinical trials or post-authorization safety studies. RMPs and PSURs are routinely available to third parties requesting access, subject to limited redactions.

***Advertising regulation in the European Union***

All advertising and promotional activities for the product must be consistent with the approved summary of product characteristics, and therefore all off-label promotion is prohibited. Direct-to-consumer advertising of prescription medicines is also prohibited in the European Union. Although general requirements for advertising and promotion of medicinal products are established under European Union directives, the details are governed by regulations in each European Union Member State and can differ from one country to another.

If the Company fails to comply with applicable foreign regulatory requirements, the Company may be subject to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

***Pharmaceutical coverage, pricing and reimbursement***

***European Union***

In the European Union, pricing and reimbursement schemes vary widely from country to country. In some countries, products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies or so-called health technology assessments, in order to obtain reimbursement or pricing approval. For example, the European Union provides options for its member states to restrict the range of products for which their national health insurance systems provide reimbursement for and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other member states allow companies to fix their own prices for products, but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Recently, many countries in the European Union have increased the amount of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the European Union. The downward pressure on health care costs in general, particularly prescription products, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states, and parallel trade, i.e., arbitrage between low-priced and high-priced member states, can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical

products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries.

***United States***

In the United States, patients who have treatments prescribed for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and establish adequate reimbursement levels for, the product. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which may not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable marketing approvals. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product candidate could reduce physician utilization once the product is approved, which could have a material adverse effect on sales, results of operations and financial condition. Additionally, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

The containment of healthcare costs also has become a priority of federal, state and foreign governments and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

***Anti-corruption, anti-kickback and transparency regulations***

Arrangements with healthcare providers, physicians, third-party payors and customers can expose pharmaceutical manufactures to broadly applicable anti-bribery, fraud and abuse and other healthcare laws and regulations, which may constrain the business or financial arrangements and relationships through which such companies sell, market and distribute pharmaceutical products.

More specifically, each of the above-mentioned steps of the development of therapeutic products for human use is heavily regulated and therefore involves significant interaction with public officials which is likely to cause a risk of corruption or bribery. For instance, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain

payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to enforcement actions. That is why business activity may be subject to anti-bribery or anti-corruption laws, regulations or rules of other countries in which the Company operates, including without limitation the Foreign Corrupt Practices Act, the U.K. Bribery Act or the French Sapin 2 Law.

These statutes generally prohibit offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a government or a foreign government official or employees of public international organizations in order to influence official action, or otherwise obtain or retain business. The implementation of these statutes may also impose internal compliance programs, procedures and guidelines to detect and report any suspicious activities and to mitigate any risks of noncompliance which may occur.

In addition, the Company may be subject to specific healthcare regulations, including, without limitation:

- the French "transparency" provisions, or "French Sunshine Act" (Articles L. 1453-1 and D. 1453-1 and seq. of the French Public Health Code or PHC), which contains provisions regarding transparency of fees received by some healthcare professionals from industries, i.e. companies manufacturing or marketing healthcare products (medicinal products, medical devices, etc.) in France. According to the provisions, these companies shall publicly disclose (on a specific public website available at https://transparence.sante.gouv.fr) the advantages and fees paid to healthcare professionals amounting to €10 or above, as well as the agreements concluded with the latter, along with detailed information about each agreement (the precise subject matter of the agreement, the date of signature of the agreement, its end date, the total amount paid to the healthcare professional, etc.); and
- the French "anti-gift" provisions (Articles L.1453-3 to L.1453-12 PHC), setting out a general prohibition of payments and rewards from industries, i.e. companies manufacturing or marketing health products to healthcare professionals (HCP), healthcare organizations (HCO), healthcare associations and students with limited exceptions, and strictly defining the conditions under which such payments or awards are lawful. The regime entails strict formalities depending on the amount paid, when authorized, to the HCP, HCO, students or associations.

***Data protection rules***

The Regulation 2016/679, known as the General Data Protection Regulation, or GDPR, that came into force on May 25, 2018, as well as EU Member State implementing legislations, apply to the collection and processing of personal data, including health-related information, by companies located in the EU, or in certain circumstances, by companies located outside of the EU and processing personal information of individuals located in the EU.

These laws impose strict obligations on the ability to process personal data, including health-related information, in particular in relation to their collection, use, disclosure and transfer.

Also, in certain countries, in particular France, the conduct of clinical trials is subject to compliance with specific provisions of the Act No.78-17 of January 6, 1978 on Information Technology, Data Files and Civil Liberties, as amended. These provisions require, among others, the filing of compliance undertakings with "standard methodologies" and a specific framework applicable to the retention of personal data when researching in the health sector (July 2020) adopted by the French Data Protection Authority (the CNIL), or, if not compliant, obtaining a specific authorization from the CNIL.

The most common standard methodologies are the following:

- Decision No. 2018-153 of May 3, 2018 concerning the approval of a standard methodology for the processing of personal data carried out within the context of research in the field of clinical trials, which requires the express consent of the person involved (standard methodology MR-001)
- Decision No. 2018-154 of May 3, 2018 concerning the approval of a standard methodology for the processing of personal data in the context of research in the field of health, which does not require the express consent of the person involved (methodology MR-003).

Deliberation no. 2020-077 of June 18, 2020 adopting a framework relating to the retention periods of personal data processed for the purposes of research, study or evaluation in the field of health.

In certain specific cases, entities processing health personal data may have to comply with article L1111-8 of the French Public Health Code which imposes certain certifications for the hosting service providers.

**C. Organizational Structure.**

On December 31, 2023, Innate Pharma is the sole shareholder of Innate Pharma Inc., a Delaware corporation.

**D. Property, Plants and Equipment.**

Innate Pharma's corporate offices and laboratories are located in Luminy, Marseille, France and the Company owns the buildings and land.

**Item 4A. Unresolved Staff Comments.**

Not applicable.

**Item 5. Operating and Financial Review and Prospects.**

*You should read the following discussion of the Company financial condition and results of operations in conjunction with the "Selected Consolidated Financial Data" and its consolidated financial statements and the related notes thereto included elsewhere in this Annual Report. In addition to historical information, the following discussion and analysis contains forward-looking statements that reflect the Company plans, estimates and beliefs. The Company actual results and the timing of events could differ materially from those anticipated in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report, particularly in sections titled "Item 3.D – Risk Factors" and "Special Note Regarding Forward-Looking Statements." The Company audited consolidated financial statements as of and for the years ended December 31, 2021, 2022 and 2023 have been prepared in accordance with IFRS as issued by the IASB, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including the United States.*

**Overview**

Innate is a global, clinical-stage biotechnology company developing immunotherapies for cancer patients. Its innovative approach aims to harness the innate immune system through therapeutic antibodies and its ANKET® (Antibody-based NK cell Engager Therapeutics) proprietary platform.

Innate's portfolio includes lead proprietary program lacutamab, developed in advanced form of cutaneous T cell lymphomas and peripheral T cell lymphomas, monalizumab developed with AstraZeneca in non-small cell lung cancer, as well as ANKET® multi-specific NK cell engagers to address multiple tumor types. The Company has developed, internally and through its business development strategy, a broad and diversified portfolio including seven clinical drug candidates and a robust preclinical pipeline. Innate has

entered into collaborations with leaders in the biopharmaceutical industry, such as AstraZeneca,Sanofi and Takeda. Innate Pharma believes its drug candidates and clinical development approach are differentiated from current immuno-oncology therapies and have the potential to significantly improve the clinical outcome for patients with cancer.

Since its inception, the Company has devoted substantially all of its financial resources to research and development efforts, including conducting preclinical studies and clinical trials of its product candidates, providing general and administrative support for its operations and protecting its intellectual property.

As of December 31, 2023, the Company had €102.3 million in cash, cash equivalents, short-term investments and non-current financial assets. Since its inception, the Company has raised a total of €311.4 million through the sale of equity securities, including €33.7 million in the initial public offering of its ordinary shares on Euronext Paris in 2006 and €66.0 million in the initial public offering of our ordinary shares on Euronext and ADS on The Nasdaq Global Select Market, or Nasdaq, in 2019. As of December 31, 2023, the Company has also received $635.4 million (€560.1 million) in payments from its collaborators, including AstraZeneca, since 2011, excluding payments received for purchases of its equity securities by its collaborators.

The Company has significant agreements with AstraZeneca, Sanofi and Takeda pursuant to which it has the right to earn milestone and royalty payments. The Company has other license agreements, pursuant to which it has acquired intellectual property and under which the Company will be required to make payments to the counterparty upon the achievement of certain milestone events and commercial sales related to its product candidates.

The Company has incurred net losses in each year since its inception except for the years ended December 31, 2016 and 2018. The Company net income (loss) was €(52.8) million, €(58.1) million and €(7.6) million for the years ended December 31, 2021, 2022 and 2023, respectively. Substantially all of its net losses have resulted from costs incurred in connection with its research and development programs and from selling, general and administrative expenses associated with its operations. As the Company continues advancing its product candidates through research and development programs, the Company expects to continue to incur significant expenses and may again incur operating losses in future periods. The Company anticipates that such expenses will increase substantially if and as the Company:

- continues the research and development of its product candidates;
- initiates clinical trials for, or additional preclinical development of, its product candidates;
- further develops and refines the manufacturing processes for its product candidates;
- changes or adds manufacturers or suppliers of biological materials;
- seeks regulatory and marketing authorizations for any of its product candidates that successfully complete development;
- seeks to identify and validate additional product candidates;
- acquires or licenses other product candidates, technologies or biological materials;
- makes milestone, royalty or other payments under any current or future license agreements;
- obtains, maintains, protects and enforces its intellectual property portfolio;
- secures manufacturing arrangements for commercial production;
- seeks to attract and retain new and existing skilled personnel;
- creates additional infrastructure to support its operations as a U.S. public company and incurs increased legal, accounting, investor relations and other expenses; and

- experiences delays or encounters issues with any of the above.

The Company anticipates that it will need to raise additional funding, prior to completing clinical development of any of its product candidates. Until such time that the Company can generate significant revenues from sales of its product candidates, if approved, the Company expects to finance its operating activities through a combination of milestone payments received pursuant to its strategic alliances, equity offerings, debt financings, government or other third-party funding and collaborations, and licensing arrangements. However, the Company may not receive milestone payments when expected, or at all, and the Company may be unable to raise additional funds or enter into such arrangements when needed on favorable terms, or at all, which would have a negative impact on its financial condition and could force the Company to delay, limit, reduce or terminate its development programs or commercialization efforts or grant to others rights to develop or market product candidates that the Company would otherwise prefer to develop and market itself. Failure to receive additional funding could cause the Company to cease operations, in part or in full.

**Presentation of Financial Information**

The Company audited consolidated financial statements included herein as of and for the years ended December 31, 2021, 2022 and 2023 have been prepared in accordance with IFRS as issued by the IASB.

Due to the listing of its ordinary shares on Euronext Paris and in accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the Company also prepares and publishes its consolidated financial statements in accordance with IFRS as adopted by the European Union (EU).

All the standards published by the IASB that are mandatorily applicable in the years ended December 2021, 2022 and 2023 are endorsed by the EU and are mandatorily applicable in the EU. Therefore, the Company audited consolidated financial statements for the years ended December 31, 2021, 2022 and 2023 are compliant with both IFRS as issued by the IASB and IFRS as adopted by the EU.

The preparation of financial statements in accordance with IFRS requires the Company to make significant judgments and estimates which are presented below. See "—Critical Accounting Policies and Significant Judgments and Estimates."

**Principal Collaboration and Licensing Agreements of the Company**

The Company results of operations are impacted by the terms and conditions of its principal collaboration and licensing agreements. For a description of its principal collaboration and licensing agreements, see "Item 10C.—Material Contracts."

**Principal Components of the Company Results of Operations**

***Revenue and other income***

The Company revenue and other income mainly consists of revenues from collaboration and licensing agreements and government financing for research expenditure in the form of research tax credits, as well as other grants.

***Revenue from collaboration and licensing agreements***

The Company currently derives substantially all its revenues from payments pursuant to its licensing and collaboration agreements notably with AstraZeneca relating to monalizumab and IPH5201, Sanofi relating to IPH6101/SAR'579, IPH6401/SAR'514 and IPH62 consisting of (i) upfront payments, (ii) milestone payments based upon the achievement of pre-determined development, regulatory and commercial events and (iii) research and development fees related to charges for full time equivalents, or FTEs, at contracted rates and reimbursement of research and development expenses.

The Company has not generated any significant revenue from product sales since its inception, with the exception in 2018, 2019, 2020 and 2021 of Lumoxiti sales, which were previously classified in its half-year and annual reports in the net income (loss) from distribution agreements during the transition period with AstraZeneca (ended September 30, 2020) and as revenue since the fourth quarter of 2020.

As a result of Innate's decision to terminate the agreement entered into with AstraZeneca in October 2018 and relating to the license of Lumoxiti (the "Lumoxiti Agreement") in December 2020, a termination and transition agreement was negotiated and executed, effective as of June 30, 2021 terminating the Lumoxiti Agreement as well as Lumoxiti related agreements (including the supply agreement, the quality agreement and other related agreements) and transferring the U.S. marketing authorization and distribution rights of Lumoxiti back to AstraZeneca, or the Termination and Transition Agreement. Under the Termination and Transition Agreement, Innate and AstraZeneca delivered a notice to the FDA requesting that the U.S. marketing authorization be transferred back to AstraZeneca as from October 1, 2021. AstraZeneca has reimbursed Innate for all Lumoxiti related costs, expenses and benefited net sales. As of December 31, 2023, this transfer has now been completed.

As a consequence of the termination of the Lumoxiti Agreement, the Lumoxiti activity (including sales) is presented in the consolidated income statement and the notes to the consolidated financial statements as a discontinued operation for the 2023, 2022 and 2021 financial years in accordance with IFRS5 "non-current assets held for sale and discontinued operations."

The Company ability to generate significant product revenue and to become profitable will depend upon its ability to successfully develop, obtain regulatory approval for and commercialize any product candidates. Because of the numerous risks and uncertainties associated with product development and regulatory approval, the Company is unable to predict the amount, timing or whether it will be able to obtain product revenue.

***Government financing for research expenditures***

The Company's government financing for research expenditures consists of research tax credits *(crédit d'impôt recherche*) and grants.

The research tax credit is granted to companies by the French tax authorities in order to encourage them to conduct technical and scientific research. Companies demonstrating that they have expenses that meet the required criteria, including research expenses located in France or, since January 1, 2005, within the EU or in another state that is a party to the agreement in the European Economic Area that has concluded a tax treaty with France that contains an administrative assistance clause, receive a tax credit which can be used against the payment of the corporate tax due for the fiscal year in which the expenses were incurred and during the next three fiscal years, or, as applicable, can be reimbursed for the excess portion. The expenditures taken into account for the calculation of the research tax credit involve only research expenses.

The main characteristics of the research tax credit are:

- the research tax credit results in a cash inflow to the Company, i.e., it is used to offset the payment of corporate income tax the year after the date of its record as a tax credit in the income statement, or is paid directly to the Company from the tax authorities for the portion that remains unused, in principle, three years after the fiscal year for which it is determined;
- The Company's corporate income tax liability does not limit the amount of the research tax credit. If the Company does not pay any corporate income tax, the Company can offset the remaining research tax credit the year following its record in the income statement; and

- the research tax credit is not included in the determination of the corporate income tax.

When the research tax credit is not deductible from taxes payable by the Company, it is generally reimbursed by the French government three years after the fiscal year for which it is determined. However, since 2011, companies that meet the definition of small and medium sized enterprises ("SMEs") according to the European Union criteria are eligible for early reimbursement of their research tax credit receivable. The status of SME is lost when the criteria for eligibility are exceeded during two consecutive years. The Company lost its SME status at the end of the 2019 fiscal year but has been eligible again since the end of the 2021 financial year. As of December 31, 2023, the company lost again the SME status due to two consecutive year with a statutory turnover over €50 000 thousands.

The Company has concluded that the research tax credit meets the definition of a government grant as defined in IAS 20 Accounting for government grants and disclosure of government assistance (IAS 20), and that the classification as "Revenue and other income" in its consolidated statement of income (loss) is appropriate.

Innate also from time to time receives government grants, which are recognized in its consolidated statement of income (loss) when comply with the conditions attached to the grants and they are non-repayable grants.

***Operating expenses from continuing operations***

Since its inception, Innate's operating expenses have consisted primarily of research and development expenses and general and administration expenses.

Following the transfer back of the U.S. marketing authorization to AstraZeneca linked to the Termination and Transition Agreement (from October 1, 2021), selling expenses relating to Lumoxiti activities are presented as discontinued operations since December 31, 2021. The 2020 and 2019 comparatives have been restated compared to previous publications, in accordance with the same standard (see "*Discontinued Operations"* below).

***Research and development expenses***

The Company engages in substantial research and development efforts to develop innovative product candidates. Research and development expenses consist primarily of:

- personnel costs, including salaries, related benefits and share-based compensation, for Innate's employees engaged in scientific research and development functions;
- cost of third-party contractors and academic institutions involved in preclinical studies or clinical trials that the Company may conduct, or third-party contractors involved in field trials;
- purchases of biological raw materials, real estate leasing costs as well as conferences and travel costs; and
- certain other expenses, such as expenses for use of laboratories and facilities for Innate's research and development activities as well as depreciation and amortization.

Innate's research and development efforts are focused on its existing product candidates and preclinical programs, including the advancement of its lead product candidates, monalizumab, lacutamab. Its direct research and development expenses consist principally of external costs associated with subcontracting of preclinical and clinical operations to third parties, which Innate tracks on a program-by-program basis. The Company also uses its employee and infrastructure resources across multiple research and development programs, and does not track these indirect expenses on a program-by-program basis.

Research and development costs are expensed as incurred. Costs for certain activities are recognized based on an evaluation of the progress to completion of specific tasks using data such as information provided to Innate Pharma by its vendors and analyzing the progress of its preclinical studies or other services performed. Significant judgment and estimates are made in determining the accrued expense balances at the end of any reporting period. Non-refundable advance payments for research and development goods or services to be received in the future from third parties are deferred and capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

Research and development activities are central to Innate's business. As product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials, the Company expects that its research and development costs will increase in the foreseeable future. Such cost increases are expected to occur as the Company conducts existing clinical trials and initiates future clinical trials, manufactures pre-commercial clinical trial and preclinical study materials, expands its research and development efforts, seeks regulatory approvals for its product candidates that successfully complete clinical trials, accesses and develops additional technologies and hires additional personnel to support its research and development efforts.

The Company cannot determine with certainty the duration and total costs of its future clinical trials of its product candidates or if, when, or to what extent it will generate revenues from the commercialization and sale of any of its product candidates, or those of its collaborators, that might obtain regulatory approval. The Company may never succeed in achieving regulatory approval for any product candidates. The duration, costs and timing of clinical trials and development of its product candidates will depend on a variety of factors, including:

- the scope, rate of progress and expense of its ongoing clinical trials as well as any additional preclinical studies, clinical trials conducted by its collaborators and other research and development activities;
- clinical trial and preclinical study results;
- the terms and timing of regulatory approvals;
- the expense of filing, maintaining, prosecuting, defending and enforcing patent claims and other intellectual property rights; and
- the ability to market, commercialize and achieve market acceptance for any products that receive regulatory approval.

A change in the outcome of any of these variables with respect to the development of monalizumab, lacutamab or any other product candidate or preclinical program that the Company is developing or could develop in the future could mean a significant change in the costs and timing associated with the development of such product candidates or preclinical programs. For example, if the FDA, the EMA or another regulatory authority were to require Innate to conduct preclinical studies and clinical trials beyond those that it currently anticipates will be required for the completion of clinical development, or if the Company experiences significant delays in enrollment in any clinical trials, the Company could be required to spend significant additional financial resources and time on the completion of clinical development. For a discussion of the risks associated with completing the development projects on schedule, see “Risk Factors—Risks Related to the Development of the Product Candidates.”

***General and administrative expenses***

General and administrative expenses consist primarily of personnel costs and share-based compensation for personnel other than research and development staff. Selling, general and administrative expenses also

consist of fees for professional services, mainly related to audit, IT, accounting, recruitment and legal services, communication and travel costs, real-estate leasing costs, office furniture and equipment costs, allowance for amortization and depreciation, director's attendance fees and insurance costs and overhead costs, such as postal and telecommunications expenses.

***Net financial income (loss)***

The financial income (loss) primarily consists of realized and unrealized foreign exchange gains and losses primarily related to the purchase of services as well as deposit accounts denominated in U.S. dollars and gains and losses and interest received in relation to cash and cash equivalents that have been deposited in cash accounts, short-term fixed deposits and short-term highly liquid investments with original maturities of three months or less. Thus, the Company's cash and cash equivalents generated €1.9 million of interest income in the financial year ended December 31, 2023. Innate expects to continue this investment philosophy in the future.

***Net result from discontinued operations***

Pursuant to the Termination and Transition Agreement, in the year ended December 31, 2020 results announcement, the Company reported a contingent liability of up to $12.8 million in its consolidated financial statements, which was related to the splitting of certain manufacturing costs. As part of the Termination and Transition Agreement, Innate and AstraZeneca agreed to split these manufacturing costs, and Innate paid $6.2 million (€5.5 million as of December 31, 2021) to AstraZeneca on April 30, 2022.

As a consequence of the termination of the Lumoxiti Agreement, the Lumoxiti activity (including sales) is presented in the consolidated income statement and the notes to the consolidated financial statements as a discontinued operation for the 2023, 2022 and 2021 financial years in accordance with IFRS5 "non-current assets held for sale and discontinued operations." Therefore, the income statement for the years ended December 31, 2020 and subsequent years have been prepared with the Lumoxiti activity (including sales) as a discontinued operation for the 2020 and subsequent financial years in accordance with the same IFRS standard.

*Impairment of intangible assets*

The Group assesses at the end of each reporting period whether there is an indication that intangible assets, property and equipment may be impaired. If any indication exists, the Group estimates the recoverable amount of the related asset.

Whether or not there is any indication of impairment, intangible assets not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable amount.

Pursuant to IAS 36—*Impairment of Assets,* criteria for assessing indication of loss in value may notably include performance levels lower than forecast, a significant change in market data or the regulatory environment, or obsolescence or physical damage of the asset not included in the amortization/ depreciation schedule. The recognition of an impairment loss alters the amortizable/depreciable amount and potentially, the amortization/depreciation schedule of the relevant asset.

As of December 31, 2022, impairment of intangible assets consisted of the full depreciation of avdoralimab rights for an amount of €41.0 million, following the Company's decision to stop avdoralimab development in bullous phemphigoid ("BP") indication in inflammation following a decision taken by a sponsor to stop the Phase 2 clinical trial in said indication during the fourth quarter of 2022.

## A. Operating Results

***Comparisons for the years ended December 31, 2022 and 2023***

The operating result is not impacted by hyperinflation on the Company's business.

The following table sets forth a summary of the Company's consolidated statements of income (loss) for the periods presented.

| | Year ended December 31, | |
|---|---|---|
| | **2022** | **2023** |
| | **(in thousands)** | |
| Revenue from collaboration and licensing agreements | € 49,580 | € 51,901 |
| Government financing for research expenditures | 8,035 | 9,729 |
| Other income | 59 | 11 |
| **Revenue and other income** | **57,674** | **61,641** |
| | | |
| Research and development expenses | (51,663) | (56,022) |
| General and administrative expenses | (22,436) | (18,288) |
| Impairment of intangible assets | (41,000) | — |
| | | |
| **Operating expenses** | **(115,099)** | **(74,310)** |
| | | |
| **Operating income (loss)** | **(57,425)** | **(12,669)** |
| | | |
| Financial income | 4,775 | 6,934 |
| Financial expenses | (5,321) | (1,835) |
| **Net financial income (loss)** | **(546)** | **5,099** |
| | | |
| **Net income (loss) before tax** | **(57,972)** | **(7,570)** |
| | | |
| Income tax expense | — | — |
| **Net income (loss) from continuing operations** | **(57,972)** | **(7,570)** |
| | | |
| **Net income (loss) from discontinued operations** | **(131)** | **—** |
| | | |
| **Net income (loss)** | **€ (58,103)** | **€ (7,570)** |

***Revenue and other income***

Revenue and other income from continuing operations resulted from collaboration and licensing agreements and government financing for research expenditure. Revenue and other income from

continuing operations increased by €4.0 million, to €61.6 million for the year ended December 31, 2023, as compared to revenue and other income of €57.7 million for the year ended December 31, 2022.

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| | (in thousands) | |
| Revenue from collaboration and licensing agreements | € 49,580 | € 51,901 |
| Government financing for research expenditures | 8,035 | 9,729 |
| Other income | 59 | 11 |
| **Revenue and other income** | **€ 57,674** | **€ 61,641** |

***Revenue from collaboration and licensing agreements***

Revenue from collaboration and licensing agreements from continuing operations increased by €2.3 million, to €51.9 million for the year ended December 31, 2023, as compared to revenue from collaboration and licensing agreements of €49.6 million for the year ended December 31, 2022.

Revenue from collaboration and licensing agreements mainly resulted from the partial or entire recognition of the proceeds received pursuant to the agreements with AstraZeneca signed in April 2015 and October 2018, as well as the agreement signed with Sanofi in 2016 and 2022 and also with Takeda in 2023. Proceeds are recognized on the basis of the percentage of completion of the works performed by the Company under such agreements.

Revenue from collaboration and licensing agreements is set forth in the table below.

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| | (in thousands) | |
| *Proceeds from collaboration and licensing agreements* | | |
| *of which monalizumab agreement - AstraZeneca* | 22,376 | € 9,499 |
| *of which IPH5201 agreement - AstraZeneca* | 4,677 | — |
| *of which preclinical molecules agreement - AstraZeneca* | 17,400 | — |
| *of which Sanofi agreement 2016* | 4,000 | 2,000 |
| *of which Sanofi agreement 2022 - ANKET IPH62 - Recognition of license initial* | — | 18,873 |
| *of which Sanofi agreement 2022 - ANKET IPH67 -Recognition of license initial* | — | 15,800 |
| *of which Takeda agreement 2023* | — | 4,553 |
| *of which other agreements* | 353 | — |
| Proceeds from collaboration and licensing agreements | 48,806 | 50,725 |
| Invoicing of research and development costs (IPH5201) | 1,391 | 1,165 |
| Exchange gains (loss) on collaboration agreements | (627) | — |
| Others | 10 | 11 |
| **Revenue from collaboration and licensing agreements** | **€ 49,580** | **€ 51,901** |

*Proceeds related to monalizumab*.

Revenues related to monalizumab result from the partial recognition of the $250.0 million non-refundable upfront payment and the $100.0 million milestone resulting from the exercise of the option received in June 2015 and October 2018 from AstraZeneca. The additional payment of $50.0 million (€47.7 million) received from AstraZeneca in December 2020 triggered by the dosing of the first patient in the Phase 3 trial evaluating monalizumab was treated in full as a collaboration commitment ("collaboration liability" in the consolidated balance sheet) in view to the commitment linked to the agreement for the Phase 1/2 (co-financing) and Phase 3 studies (amendment signed in September 2020). For more information, see Note 1.1 to the consolidated financial statements are included as part of this Annual Report. Consequently, this additional payment has no impact on the transaction price.

In addition to these amounts, AstraZeneca made an additional payment of $50.0 million (€47.7 million) in June 2022, triggered by the treatment of the first patient in a second Phase 3 trial evaluating monalizumab in April 2022. This additional payment has been treated as a collaboration commitment ("collaboration liability" in the consolidated balance sheet) for an amount of $36.0 million (€34.3 million) in view to the contractual commitment linked to the Phase 1/2 studies (co-funding under the initial contract). The remaining $14.0 million was treated as a change in estimate of the transaction price, recognized in the income statement in line with the progress of the Phase 1/2 studies.

Revenue related to monalizumab decreased by €12.9 million, to €9.5 million for the year ended December 31, 2023, as compared to €22.4 million for the year ended December 31, 2022. This €12.9 million decrease mainly resulted from to the increase, in the first half of 2022, in the transaction price of €13.4 million ($14.0 million) triggered by the launch of the PACIFIC-9 Phase 3 trial on April 28, 2022. As a reminder, this increase in the transaction price led to the recognition of additional income of €12.6 million in the income related to the monalizumab agreement for 2022. As of December 31, 2023, the amount not recognized as revenue amounted to €5.2 million, and is presented in full under "Current contract liabilities" given the maturity of the Phase 1/2 trials.

*Proceeds related to IPH5201*. Revenue related to IPH5201 for the year ended December 31, 2023 is $0.0 compared with $5.0 million (€4.7 million) for the year 2022. This revenue related to the milestone payment received from AstraZeneca following the signature on June 1, 2022 of an amendment to the initial contract signed in October 2018. This amendment sets the terms of the collaboration following AstraZeneca's decision to advance IPH5201 to a Phase 2 study. The Company will conduct the study. Both parties will share the external cost related to the study and incurred by the Company and AstraZeneca will provide products necessary to conduct the clinical trial. For more information on this amendment, see Note 1.1 to the consolidated financial statements are included as part of this Annual Report.

*Proceeds related to collaboration and option agreement related to four to-be-agreed upon molecules (preclinical molecules).*

During the first half of 2022, the Company received from AstraZeneca a notice that it will not exercise its option to license the four preclinical programs covered in the "Future Programs Option Agreement." This license option was part of the 2018 multi-term agreement between AstraZeneca and the Company under which the Company had received an upfront payment of $20.0 million (€17.4 million). As the rights related to these four preclinical programs have been returned to the Company, the entire upfront payment of $20.0 million (€17.4 million) has been recognized as revenue as of June 30, 2022.

*Invoicing of research and development costs - IPH5201.*

Pursuant to the Company's agreements with AstraZeneca, research and development costs related to IPH5201 in connection with preclinical work are fully borne by AstraZeneca, in accordance with the initial 2018 agreement. These costs were re-invoiced on a quarterly basis. Following the signature on June 1, 2022 of an amendment to the initial agreement signed in October 2018 specifying the terms of the collaboration following the decision to advance IPH5201 to a Phase 2 study, the parties are committed to sharing the external costs of the study incurred by the Company and AstraZeneca will provide products necessary to conduct the clinical trial.

Revenue from invoicing of research and development costs for the year ended December 31, 2023 was €1.2 million compared to €1.4 million for the year ended December 31, 2022, or a decrease of € 0.2 million.

*Proceeds related to Sanofi 2016 agreement.*

Revenues under the collaboration and license agreement signed with Sanofi in 2016 amounted to €2.0 million for the year ended December 31, 2023 as compared to €4.0 million for the year ended December 31, 2022. The Company announced that, in June 2023, the first patient was dosed in a Sanofi-sponsored Phase 1/2 clinical trial evaluating IPH6401/SAR'514 in relapsed or refractory Multiple Myeloma. As provided by the licensing agreement signed in 2016, Sanofi made a milestone payment of €2.0 million, fully recognized in revenue since June 2023. This amount was received by the Company on July 21, 2023. As a reminder, the revenue recognized in 2022 resulted from Sanofi's decision to advance IPH6401/ SAR'514 towards regulatory preclinical studies for a new investigational drug. This decision triggered a milestone payment of €3.0 million fully recognized in revenue. This amount was received by the Company on September 9, 2022.

*Proceeds related to Sanofi 2022 agreement*

On December 19, 2022, the Company announced that it had entered into a research collaboration and license agreement with Genzyme Corporation, a wholly-owned subsidiary of Sanofi ("Sanofi") pursuant to which the Company granted Sanofi an exclusive license on the Innate Pharma's B7-H3 ANKET® program and options on two additional targets. On January 25, 2023, the Company announced the expiration of the waiting period under the *Hart-Scott-Rodino* (HSR) *Antitrust Improvements Act* of 1976 and the effectiveness of the licensing agreement as of January 24, 2023. Consequently, the Company received an upfront payment of €25.0 million in March 2023, including €18.5 million relating to the exclusive license, €1.5 million relating to the research work and €5.0 million relating to the two additional targets options.

The Company considers that the license to the B7-H3 technology is a right to use the intellectual property granted exclusively to Sanofi as from the effective date of the agreement. As such, the €18.5 million upfront payment relating to the exclusive license has been fully recognized in revenue since June 2023.

The Company will provide collaborative research services to Sanofi for an initial estimated three years period as from the effective date of the collaboration, i.e., January 24, 2023. During this period, Sanofi and Innate will collaborate and work on research activities as defined in the work program described in the agreement. Consequently, the corresponding upfront payment of €1.5 million will be recognized on a straight-line basis over the duration of the research services that the Company has agreed to carry out. As a result, a €0.4 million has been recognized in revenue as of December 31, 2023, and amounts not recognized in revenue are classified as deferred revenue—current portion equal to €0.3 million and deferred revenue—non-current portion equal to €0.8 million.

Under the terms of this agreement, the Company has also granted two exclusive options, exercisable no later than three years after the effective date, for exclusive licenses to Innate's intellectual property for the

research, development, manufacture and commercialization of NKCEs specifically targeting two preclinical molecules. The Company considers that the option to acquire an exclusive license provide a material right to Sanofi that it would not receive without entering into this agreement. The Company will recognize the related revenues either at the reporting date or three years after the effective date. Consequently, the €5.0 million initial payment relating to these options was recognized in deferred revenue—non-current portion as of June 30, 2023.

On December 19, 2023, the Company announced that Sanofi had exercised an option for one of the two preclinical molecules. As a consequence, the Company recognized related income of €2.5 million as of December 31, 2023.

This option exercise also resulted in a milestone payment of €15.0 million, including €13.3 million in respect of the exclusive license, which was fully recognized in income as of December 31, 2023, and €1.7 million in respect of research services to be carried out by the Company. Sanofi and Innate will collaborate and work on the research activities defined in the contractual work program. Consequently, the corresponding initial payment of €1.7 million will be recognized on a straight-line basis over the duration of the research work that the Company has agreed to carry out. This work had not yet begun as of December 31, 2023. In this respect, no revenue has been recognized in the income statement, and the amount of €1.7 million is presented under current contract liabilities (€0.4 million) and non-current contract liabilities (€1.3 million).

Under the terms of the agreement, Sanofi still retains a license option for a third preclinical molecule.

*Proceeds related to Takeda agreement*

On April 3, 2023, the Company announced that it has entered into an exclusive license agreement with Takeda under which Innate granted Takeda exclusive worldwide rights to research and develop ADCs using a panel of selected Innate antibodies against an undisclosed target, with a primary focus in Celiac disease. Takeda will be responsible for the future development, manufacture and commercialization of any potential products developed using the licensed antibodies. As such, the Company considers that the license granted is a right to use the relevant intellectual property, which is granted fully and perpetually to Takeda. The agreement does not stipulate that Innate's activities will significantly affect the intellectual property granted during the life of the agreement. Consequently, the $5.0 million (or €4.6 million) initial payment, received by the Company in May 2023, was fully recognized in revenue since June 30, 2023.

***Government financing for research expenditures***

Government funding for research expenditures increased by €1.7 million, or 21.08%, to €9.7 million for the year ended December 31, 2023, as compared to €8.0 million for the year ended December 31, 2022. As a reminder, the 2022 research tax credit included a reduction of €1.3 million related to a provision following the tax inspection carried out in 2022 by the French tax authorities. This provision was based on estimated amounts and adjustments not disputed by the Company and has been increased in 2023 for €0.1 million.

The table below details government funding for research expenditures for the years ended December 31, 2022 and 2023.

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| Research Tax Credit(1) | € 7,925 | € 9,729 |
| Grant and other tax credit(2) | 110 | — |
| **Government financing for research expenditures** | **€ 8,035** | **€ 9,729** |

(1) As of December 31, 2023, the amount is mainly composed of (i) the research tax credit calculated and recognized for the 2023 financial year for an amount of €9.8 million compared to €9.2 million for the 2022 financial year which is subtracted (ii) a provision amounting to €0.1 million following the tax inspection compared to €1.3 million last year. As a reminder, the tax inspection carried out by the French tax authorities related to the 2018, 2019 and 2020 tax credit calculation and 2019 and 2020 income tax calculation as the prescription period are different. On February 13, 2024, the Company received from the tax authorities the rectification proposal and adjusted the provision to €0.1 million following the final settlement.

(2) The company can be eligible to local or European grants dedicated to R&D program.

The research tax credit is calculated as 30% of the amount of research and development expenses, net of grants received, eligible for the research tax credit for the fiscal year.

***Operating expenses***

The table below presents our operating expenses from continuing operations for the years ended December 31, 2023 and 2022.

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| | (in thousands) | |
| Research and development expenses | (51,663) | (56,022) |
| General and administrative expenses | (22,436) | (18,288) |
| Impairment of intangible assets | (41,000) | — |
| **Total operating expenses after impairment** | **€ (115,099)** | **€ (74,310)** |

***Research and development expenses***

Our research and development expenses are broken down as set forth in the table below for the years ended December 31, 2022 and 2023.

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| | (in thousands) | |
| Lacutamab | € (12,473) | € (12,248) |
| Monalizumab | (1,224) | (791) |
| Avdoralimab | (385) | (175) |
| IPH5201 | (1,648) | (2,313) |
| IPH5301 | (625) | (296) |
| *Sub-total programs in clinical development* | *(16,355)* | *(15,823)* |
| *Sub-total programs in preclinical development* | *(11,129)* | *(14,356)* |
| Total direct research and development expenses | **(27,484)** | **(30,179)** |
| Personnel expenses (including share-based payments) | (16,373) | (17,121) |
| Depreciation and amortization | (2,928) | (3,891) |
| Other expenses | (4,877) | (4,831) |
| Personnel and other expenses | **(24,178)** | **(25,843)** |
| **Total research and development expenses (1)** | **€ (51,663)** | **€ (56,022)** |

(1) 2022 Total Research and Development expenses excludes €41.0 million of avdoralimab impairment.

Research and development expenses from continuing operations increased by €4.4 million, or 8.4%, to €56.0 million for the year ended December 31, 2023, as compared to research and development expenses of €51.7 million for the year ended December 31, 2022. This increase over the period is mainly due to an increase in direct research and development expenses of €2.7 million over the period due to the significant increase in expenses relating to pre-clinical development programs, partly offset by the decrease in expenses relating to clinical programs. Research and development expenses represented a total of 75.4% and 69.7% of operating expenses before impairment for years ended December 31, 2023 and December 31, 2022, respectively. Indirect expenses increased by €1.7 million mainly in personnel expenses and amortization and depreciation.

Direct research and development expenses increased by €2.7 million, or 9.8%, to €30.2 million for the year ended December 31, 2023, as compared to direct research and development expenses of €27.5 million for the year ended December 31, 2022. This increase is mainly due to a €3.2 million increase in expenses related to preclinical development programs relating notably to the ADC field, partly offset by a €0.5 million decrease in expenses related to the Company's clinical programs. This decrease in clinical programs expenses mainly results from a €0.4 million decrease in expenses relating to the monalizumab program, a €0.2 million decrease in expenses relating to the avdoralimab program and a €0.2 million decrease in expenses relating to the lacutamab program, partly offset by a €0.7 million increase in expenses related to the growth in IPH5201 phase 2 trials patient recruitment.

Also, as of December 31, 2023, the collaboration liabilities relating to monalizumab and the agreements signed with AstraZeneca in April 2015, October 2018 and September 2020 amounted to €52.7 million, as compared to collaborations liabilities of €63.2 million as of December 31, 2022. This decrease of €10.5 million mainly results from (i) net repayment of €8.4 million during year 2023 to AstraZeneca linked to the Monalizumab cofinancing program, including phase 3 trial INTERLINK-1 launched in October 2020 and PACIFIC-9 launched in April 2022, and (ii) the decrease of the collaboration commitment

("collaboration liabilities" in the consolidated statements of financial position) for an amount of €2.0 million linked to the Euro-dollar parity exchange rate variation.

Personnel and other expenses allocated to research and development increased by €1.7 million, or 6.9%, to €25.8 million for the year ended December 31, 2023, as compared to an amount of €24.2 million for the year ended December 31, 2022. This increase is due to the (i) €0.7 million increase in staff costs allocated to research and development, of which €0.5 million in personnel expenses and €0.2 million in share-based payment expenses, (ii) increase of €1.0 million in depreciation and amortization. The line item is mainly composed of the amortization of the monalizumab, IPH5201 intangible assets.

As of December 31, 2023, the Company had 140 employees, including Leadership Team members, in research and development functions, compared to 155 as of December 31, 2022.

***General and administrative expenses***

General and administrative expenses from continuing operations decreased by €4.1 million, or 18.5%, to €18.3 million for the year ended December 31, 2023, as compared to €22.4 million for the year ended December 31, 2022. General and administrative expenses represented a total of 24.6% and 30.3% of our total operating expenses before impairment for the years ended December 31, 2023 and 2022, respectively.

The table below presents our general and administrative expenses by nature for the years ended December 31, 2022 and 2023:

| | Year ended December 31, | |
|---|---|---|
| | **2022** | **2023** |
| | **(in thousands)** | |
| Personnel expenses (including share based payments) | € (10,229) | € (8,842) |
| Non scientific advisory and consulting | (4,244) | (2,906) |
| Other expenses [(1)] | (7,963) | (6,540) |
| **Total general and administrative** | **€ (22,436)** | **€ (18,288)** |

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(1) Other expenses are related to intellectual property, maintenance costs for laboratory equipment and our headquarters, depreciation and amortization and other general and administrative expenses.

Personnel expenses, which includes the compensation paid to our employees and consultants, decreased by €1.4 million, or 13.6%, to €8.8 million for the year ended December 31, 2023, as compared to personnel expenses of €10.2 million for the year ended December 31, 2022. This decrease mainly results from a decrease in wages of €1.2 million as well as a decrease of €0.2 million in share-based payment expenses mainly explained by the decrease of employees. As of December 31, 2023, we had 39 employees, including Leadership Team members, in general and administrative functions, as compared to 55 as of December 31, 2022.

Non-scientific advisory and consulting expenses mostly consist of auditing, accounting, legal and hiring services. These expenses decreased by €1.3 million, or 31.5%, to €2.9 million for the year ended December 31, 2023, as compared to an amount of €4.2 million for the year ended December 31, 2022. This decrease mainly results from operating efficiency measures, which led to a reduction in the number of new hires, and use of external communication and consulting services.

Other general and administrative expenses relate to intellectual property, depreciation and amortization and other general, administrative expenses. These expenses decreased by €1.4 million or 17.9% to €6.5 million for the year ended December 31, 2023, as compared to an amount of €8.0 million for the year ended December 31, 2022.

This decrease related notably to savings (reduction in office space) and a reclassification of R&D laboratory support costs (maintenance, supplies, depreciation of R&D equipment) for 1.0 million euros in R&D.

***Impairment of intangible assets***

As a reminder, for the year ended December 31, 2022, impairment of intangible assets results from full impairment of anti-C5aR rights acquired from Novo/Nordisk A/S (avdoralimab intangible asset) for an amount of €41.0 million. During the fourth quarter of 2022, the Company was informed by the sponsor of the Phase 2 clinical trial evaluating avdoralimab in inflammation in bullous pemphigoid ("BP") indication of its decision to stop said trial. Consequently, the Company decided in December 2022 to stop the development of avdoralimab in BP indication in inflammation, only indication supporting the recoverable amount of the asset as of December 31, 2021 (as well that as of June 30, 2022). Without any new event during year ended December 31, 2023, the impairment has not been reassessed.

***Financial income (loss), net***

The net financial result increased by €5.6 million, to a €5.1 million profit for the year ended December 31, 2023, as compared to a €0.5 million loss for the year ended December 31, 2022. This change mainly results from interest income on financial investments (net gain of €2.5 million in 2023), the change in the fair value of certain financial instruments (net gain of €1.6 million in 2023 as compared to a net loss of €1.6 million in 2022) and a net foreign exchange gain of €0.9 million in 2023 as compared to a net foreign exchange gain of €0.8 million in 2022.

The table below presents the components of our net financial result for the years ended December 31, 2022 and 2023:

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| | (in thousands) | |
| Interests and gains on financial assets | € 546 | € 3,177 |
| Unrealized gains on financials assets | 418 | 1,648 |
| Foreign exchange gains | 3,810 | 2,109 |
| Other financial income | — | — |
| **Financial income** | **4,775** | **6,934** |
| | | |
| Foreign exchange losses | (2,983) | (1,195) |
| Unrealized losses on financial assets | (2,050) | — |
| Interest on financial liabilities | (288) | (640) |
| Other financial expenses | — | — |
| **Financial expenses** | **(5,321)** | **(1,835)** |
| | | |
| **Net financial income (loss)** | **€ (546)** | **€ 5,099** |

For the years ended December 31, 2022 and 2023, the foreign exchange gains and losses mainly result from the variance of the exchange rate between the Euro and the U.S. dollar on U.S. dollar-denominated cash and cash equivalents, short-term investments and financial assets. For instruments for which the valuation may be subject to certain events, the Company has ensured that no such events have occurred a of December 31, 2023.

***Net result from discontinued operations***

Subsequently to the Termination and Transition Agreement, operations related to Lumoxiti are presented as a discontinued operation as of October 1, 2021.

As a consequence, the Lumoxiti activity (including sales) is presented in the consolidated income statement and the notes to the consolidated financial statements as a discontinued operation for the 2021 financial year in accordance with IFRS5 "non-current assets held for sale and discontinued operations."

Thus, the net result from discontinued operations relating to Lumoxiti represents a net loss of €0.1 million as compared to a net loss nil for the years ended December 31, 2022 and 2023, respectively, presented as follows :

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| **Revenue and other income** | **(in thousands)** | |
| Revenue from collaboration and licensing agreements | € 194 | € — |
| Sales | 22 | — |
| **Total revenue and other income** | **216** | **—** |
| | | |
| Research and development expenses [(1)] | — | — |
| Selling, general and administrative expenses [(2)] | (346) | — |
| **Total operating expenses** | **(346)** | **—** |
| | | |
| Net income (loss) from distribution agreements | — | — |
| Impairment of intangible assets | — | |
| **Operating income (loss)** | **(131)** | **—** |
| | | |
| Financial income | — | — |
| Financial expenses | — | — |
| **Net financial income (loss)** | **—** | **—** |
| | | |
| **Net income (loss) before tax** | **(131)** | **—** |
| | | |
| Income tax expense | — | — |
| **Net income (loss) from discontinued operations** | **(131)** | **—** |

(1) *Research and development expenses*. Research and development expenses relating to Lumoxiti discontinued operations are nil for the years ended December 31, 2022 and 2023, respectively.

(2) *Selling, general and administrative expenses*. Selling, general and administrative expenses relating to Lumoxiti discontinued operations amounted to €0.3 million and are nil for the years ended December 31, 2022 and 2023, respectively. For the year ended December 31, 2022, these expenses mainly consisted of remaining transition costs.

***Comparisons for the years ended December 31, 2021 and 2022***

The following table sets forth a summary of our consolidated statements of income (loss) for the periods presented.

| | Year ended December 31, | |
|---|---|---|
| | **2021** | **2022** |
| | **(in thousands)** | |
| Revenue from collaboration and licensing agreements | € 12,112 | € 49,580 |
| Government financing for research expenditures | 12,591 | 8,035 |
| Sales | — | 59 |
| **Revenue and other income** | **24,703** | **57,674** |
| | | |
| Research and development expenses | (47,004) | (51,663) |
| General and administrative expenses | (25,524) | (22,436) |
| Impairment of intangible assets | — | (41,000) |
| **Operating expenses** | **(72,528)** | **(115,099)** |
| | | |
| **Operating income (loss)** | **(47,825)** | **(57,425)** |
| | | |
| Financial income | 6,344 | 4,775 |
| Financial expenses | (3,997) | (5,321) |
| **Net financial income (loss)** | **2,347** | **(546)** |
| | | |
| **Net income (loss) before tax** | **(45,478)** | **(57,972)** |
| | | |
| Income tax expense | — | — |
| **Net income (loss) from continuing operations** | **(45,478)** | **(57,972)** |
| | | |
| **Net income (loss) from discontinued operations** | **(7,331)** | **(131)** |
| | | |
| **Net income (loss)** | **€ (52,809)** | **€ (58,103)** |

***Revenue and other income***

Revenue and other income from continuing operations resulted from collaboration and licensing agreements and government financing for research expenditure. Revenue and other income from continuing operations increased by €33.0 million, to €57.7 million for the year ended December 31, 2022, as compared to revenue and other income of €24.7 million for the year ended December 31, 2021.

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (in thousands) | |
| Revenue from collaboration and licensing agreements | € 12,112 | € 49,580 |
| Government financing for research expenditures | 12,591 | 8,035 |
| Other income | — | 59 |
| **Revenue and other income** | **€ 24,703** | **€ 57,674** |

***Revenues from collaboration and licensing agreements***

Revenue from collaboration and licensing agreements from continuing operations increased by €37.5 million, to €49.6 million for the year ended December 31, 2022, as compared to revenue from collaboration and licensing agreements of €12.1 million for the year ended December 31, 2021. Revenue from collaboration and licensing agreements mainly resulted from the agreements with AstraZeneca signed in April 2015 and October 2018, as well as the agreement signed with Sanofi in 2016. Revenue from collaboration and licensing agreements is set forth in the table below.

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (in thousands) | |
| *Proceeds from collaboration and licensing agreements* | | |
| *of which monalizumab agreement - AstraZeneca* | € 7,497 | € 22,376 |
| *of which IPH5201 agreement - AstraZeneca* | — | 4,677 |
| *of which preclinical molecules agreement - AstraZeneca* | — | 17,400 |
| *of which Sanofi agreement 2016* | 3,000 | 4,000 |
| *of which other agreements* | — | 353 |
| Proceeds from collaboration and licensing agreements | 10,497 | 48,806 |
| | | |
| Invoicing of research and development costs (IPH5201) | 1,613 | 1,391 |
| Exchange gains (loss) on collaboration agreements | — | (627) |
| Others | — | 10 |
| **Revenue from collaboration and licensing agreements** | **12,112** | **€ 49,580** |

*Proceeds related to monalizumab*. Revenue related to monalizumab increased by €14.9 million, to €22.4 million for the year ended December 31, 2022, as compared to €7.5 million for the year ended December 31, 2021. This €14.9 million increase mainly results from the transaction price increase related to the additional payment of $50.0 million (€47.7 million) made by AstraZeneca in June 2022 and triggered by the treatment of the first patient in a second Phase 3 trial "PACIFIC-9" evaluating monalizumab in April 2022. This additional payment has been treated as an increase of the collaboration commitment ("collaboration liabilities" in the consolidated statements of financial position) for an amount of $36.0 million (€34.3 million) in connection to the Phase 3 study co-funding commitment made by the Company and notified to AstraZeneca in July 2019. The remaining amount of $14.0 million (€13.4 million) has

been treated as an increase of the transaction price, recognized in the income statement in line with the progress of the Phase 1/2 studies. This increase in the transaction price generated a €12.6 million favorable cumulative adjustment in the revenue related to monalizumab agreements over the period. As of December 31, 2022, the deferred revenue related to monalizumab amounted to €14.5 million (€6.6 million as "Deferred revenue—Current portion" and €7.9 million as "Deferred revenue—Non-current portion").

*Proceeds related to IPH5201*. Revenue related to IPH5201 for the year ended December 31, 2022 is €4.7 million and results from the entire recognition in revenue of the $5.0 million (€4.7 million) milestone payment received from AstraZeneca following the signature on June 1, 2022 of an amendment to the initial contract signed in October 2018. This amendment sets the terms of the collaboration following AstraZeneca's decision to advance IPH5201 to a Phase 2 study. The Company will conduct the study. Both parties will share the external cost related to the study and incurred by the Company and AstraZeneca will provide products necessary to conduct the clinical trial.

*Proceeds related to collaboration and option agreement related to four to-be-agreed upon molecules (preclinical molecules)*. During the first half of 2022, the Company received from AstraZeneca a notice that it will not exercise its option to license the four preclinical programs covered in the "Future Programs Option Agreement." This license option was part of the 2018 multi-term agreement between AstraZeneca and the Company under which the Company had received an upfront payment of $20.0 million (€17.4 million). As the rights related to these four preclinical programs have been returned to the Company, the entire upfront payment of $20.0 million (€17.4 million) has been recognized as revenue as of June 30, 2022.

*Invoicing of research and development costs - IPH5201*. Pursuant to the Company's agreements with AstraZeneca, research and development costs related to IPH5201 in connection with preclinical work are fully borne by AstraZeneca, in accordance with the initial 2018 agreement. These costs were re-invoiced on a quarterly basis. Following the signature on June 1, 2022 of an amendment to the initial agreement signed in October 2018 specifying the terms of the collaboration following the decision to advance IPH5201 to a Phase 2 study, the parties are committed to sharing the external costs of the study incurred by the Company and AstraZeneca will provide products necessary to conduct the clinical trial.

Revenue from invoicing of research and development costs for the year ended December 31, 2022 was €1.4 million compared to €1.6 million for the year ended December 31, 2021, or a decrease of € 0.2 million.

*Proceeds related to Sanofi 2016 agreement.* Revenues under the collaboration and license agreement signed with Sanofi in 2016 amounted to €4.0 million for the year ended December 31, 2022 as compared to €3.0 million for the year ended December 31, 2021. During the period, the Company announced, notably, the decision taken by Sanofi to advance IPH6401/SAR'514 towards regulatory preclinical studies for a new investigational drug. This decision triggered a milestone payment of €3.0 million fully recognized in revenue. This amount was received by the Company on September 9, 2022.

***Government financing for research expenditures***

Government funding for research expenditures decreased by €4.6 million, or 36.2%, to €8.0 million for the year ended December 31, 2022, as compared to €12.6 million for the year ended December 31, 2021. This change is mainly due to a €2.4 million decrease in the research tax credit which is mainly due to (i) a decrease in eligible expenses in the research tax credit calculation and (ii) a provision following the tax inspection carried out in 2022 by the French tax authorities and recognized as a deduction from the 2022 research tax credit. This provision is based on estimated amounts and adjustments not disputed by the

Company.The table below details government funding for research expenditures for the years ended December 31, 2021 and 2022.

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (in thousands) | |
| Research Tax Credit(1) | € 10,310 | € 7,925 |
| Grant and other tax credit(2) | € 2,281 | € 110 |
| **Government financing for research expenditures** | **€ 12,591** | **€ 8,035** |

(1) As of December 31, 2022, the amount is mainly composed of (i) the research tax credit calculated and recognized for the 2022 financial year for an amount of €9.2 million from which is subtracted (ii) a provision amounting to €1.3 million following the tax inspection carried out in 2022 by the French tax authorities and relating to the 2019 and 2020 financial years as well as to the research tax credit and the accuracy of its calculation for the 2018 to 2018 financial years 2020. This provision was recognized as a deduction from the 2022 research tax credit, based on estimated amounts and adjustments not disputed by the Company. On March 3, 2023, the Company received from the tax authorities the rectification proposal, confirming the amount of the provision recognized on the amounts of the rectifications not disputed by the Company.

(2) As a reminder, the total amount of grants recognized in the income statement as of December 31, 2021 included an amount of €2.0 million representing the first tranche received (€1.4 million) and a remaining amount to be received (€0.6 million) related to the BPI financing contract signed in August 2020 as a part of the program set up by the French government to help develop a therapeutic solution with a preventive or curative aim against COVID-19. As of December 31, 2021, the financing is considered by the Company to be non-refundable, in accordance with the terms of the agreement, in light of the technical and commercial failure of the project based on the results of the Phase 2 "Force" trial evaluating avdoralimab in COVID-19, published in July 6, 2021. The remaining amount of €0.6 million has been received by Company in January and May, 2022.

The research tax credit is calculated as 30% of the amount of research and development expenses, net of grants received, eligible for the research tax credit for the fiscal year.

### *Operating expenses*

The table below presents our operating expenses from continuing operations for the years ended December 31, 2022 and 2021.

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (in thousands) | |
| Research and development | € (47,004) | € (51,663) |
| Selling, general and administrative | (25,524) | (22,436) |
| **Total operating expenses** | **€ (72,528)** | **€ (115,099)** |

### *Research and development expenses*

Our research and development expenses from continuing operations are broken down as set forth in the table below for the years ended December 31, 2021 and 2022.

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (in thousands) | |
| Lacutamab | € (14,834) | € (12,473) |
| Monalizumab | (1,913) | (1,224) |
| Avdoralimab | (3,330) | (385) |
| IPH5201 | (558) | (1,648) |
| IPH5301 | — | (625) |
| *Sub-total programs in clinical development* | *(20,635)* | *(16,355)* |
| *Sub-total programs in preclinical development* | *(6,089)* | *(11,129)* |
| Total direct research and development expenses | **(26,724)** | **(27,484)** |
| Personnel expenses (including share-based payments) | (15,208) | (16,373) |
| Depreciation and amortization | (3,153) | (2,928) |
| Other expenses | (1,918) | (4,877) |
| Personnel and other expenses | **(20,279)** | **(24,178)** |
| **Total research and development expenses** | **€ (47,004)** | **€ (51,663)** |

Research and development expenses from continuing operations increased by €4.7 million, or 9.9%, to €51.7 million for the year ended December 31, 2022, as compared to research and development of €47.0 million for the year ended December 31, 2021. This increase over the period is mainly due to an increase in indirect research and development expenses resulting from an increase of €3.9 million in personnel and other expenses in line with (i) an increase in scientific and non scientific fees related to research and development operations. In addition, direct research and development expenses increased by €0.8 million over the period due to the significant increase in expenses relating to non-clinical development programs, partly offset by the decrease in expenses relating to clinical programs. Research and development expenses represented a total of 69.7% and 64.8% of operating expenses before impairment for years ended December 31, 2022 and December 31, 2021, respectively.

Direct research and development expenses increased by €0.8 million, or 2.8%, to €27.5 million for the year ended December 31, 2022, as compared to direct research and development expenses of €26.7 million for the year ended December 31, 2021. This increase is mainly due to: (i) a €5.0 million increase in expenses related to preclinical development programs relating notably to IPH6501, partly offset by a €4.3 million decrease in expenses related to the Company's clinical programs. This decrease in clinical programs expenses mainly results from a €2.9 million and decrease in expenses relating to the avdoralimab program and a €2.4 million decrease in expenses relating to the lacutamab program, partly offset by a €1.1 million increase in expenses related to IPH5201.

Also, as of December 31, 2022, the collaboration liabilities relating to monalizumab and the agreements signed with AstraZeneca in April 2015, October 2018 and September 2020 amounted to €63.2 million, as compared to collaborations liabilities of €40.4 million as of December 31, 2021. This increase of €22.8 million mainly results from the additional payment of $50.0 million (€47.7 million) made by AstraZeneca in June 2022 and triggered by the treatment of the first patient in a second Phase 3 trial “PACIFIC-9” evaluating monalizumab in April 2022. This additional payment has been treated as an increase of the collaboration commitment ("collaboration liabilities" in the consolidated statements of financial position) for an amount of $36.0 million (€34.3 million) in connection to the Phase 3 study co-funding commitment made by the Company and notified to AstraZeneca in July 2019. This increase was partially offset by

payments made in 2022 to AstraZeneca related to the co-funding of the monalizumab program, including the Phase 3 INTERLINK-1 and PACIFIC-9 trials.

Personnel and other expenses allocated to research and development increased by €3.9 million, or 19.2%, to €24.2 million for the year ended December 31, 2022, as compared to an amount of €20.3 million for the year ended December 31, 2021. This increase is due to (i) a €3.0 million increase in other expenses related to the €1.3 million increase in non-scientific fees and the €1.0 million increase in scientific fees allocated to research and development, mainly explained by the increase in the use of external medical and regulatory experts, as well as (ii) the €1.2 million increase in staff costs allocated to research and development. This increase is mainly explained by the increase of €1.7 million share-based payments expenses.

As of December 31, 2022, the Company had 152 employees in research and development functions, compared to 148 as of December 31, 2021.

***General and administrative expenses***

General and administrative expenses from continuing operations decreased by €3.1 million, or 12.1%, to €22.4 million for the year ended December 31, 2022, as compared to €25.5 million for the year ended December 31, 2021. General and administrative expenses represented a total of 30.3% and 35.2% of our total operating expenses before impairment for the years ended December 31, 2022 and 2021, respectively.

The table below presents our selling, general and administrative expenses from continuing activities by nature for the years ended December 31, 2021 and 2022:

| | Year ended December 31, | |
|---|---|---|
| | **2021** | **2022** |
| | **(in thousands)** | |
| Personnel expenses (including share based payments) | € (10,883) | € (10,229) |
| Non scientific advisory and consulting | (5,108) | (4,244) |
| Other expenses [(1)] | (9,533) | (7,963) |
| **Total general and administrative** | **€ (25,524)** | **€ (22,436)** |

(1) Other expenses are related to intellectual property, maintenance costs for laboratory equipment and our headquarters, depreciation and amortization and other general and administrative expenses.

Personnel expenses, which includes the compensation paid to our employees and consultants, decreased by €0.7 million, or 6.0%, to €10.2 million for the year ended December 31, 2022, as compared to personnel expenses of €10.9 million for the year ended December 31, 2021. This decrease mainly results from a decrease in wages of €0.6 million, mainly resulting from restructuring costs and higher annual bonuses level in 2021 as compared to 2022. This decrease is completed by the decrease in share-based payments of €0.1 million. As of December 31, 2022, we had 59 employees in general and administrative functions, as compared to 65 as of December 31, 2021.

Non-scientific advisory and consulting expenses mostly consist of auditing, accounting, legal and hiring services. These expenses decreased by €0.9 million, or 16.9%, to €4.2 million for the year ended December 31, 2022, as compared to an amount of €5.1 million for the year ended December 31, 2021.

This decrease results mainly from (i) an increase of €0.9 million in fees for strategic consulting and implementation of the "At-the-Market" capital increase program, offset by (ii) a decrease of legal assistance costs, support costs by external service providers in the context of compliance with the Sarbanes-Oxley (SOX) Act and costs relating to our wholly owned U.S. subsidiary, Innate Pharma Inc.

Other general and administrative expenses relate to intellectual property, the costs of maintaining laboratory equipment and our premises, depreciation and amortization and other general, administrative expenses. These expenses increased by €1.6 million or 16.5% to €8.0 million for the year ended December 31, 2022, as compared to an amount of €9.5 million for the year ended December 31, 2021. This decrease related notably to the reversals of provisions for charges in connection with restructuring costs linked to the abandonment of the Company's commercial activities, as well as reversals of tax provisions, both with the 2021 financial year. These elements are completed by a net position of more favorable commercial exchange gains over the 2022 financial year.

***Impairment of intangible assets***

For the year ended December 31, 2022, impairment of intangible assets results from full impairment of anti-C5aR rights acquired from Novo/Nordisk A/S (avdoralimab intangible asset) for an amount of €41.0 million. During 2022 fourth quarter, the Company was informed by the sponsor of the Phase 2 clinical trial evaluating avdoralimab in inflammation in BP indication of its decision to stop said trial. Consequently, the Company decided in December 2022 to stop the development of avdoralimab in BP indication in inflammation, only indication supporting the recoverable amount of the asset as of December 31, 2021 (as well that as of June 30, 2022).

***Financial income (loss), net***

Net financial result decreased by €2.9 million, to a €0.5 million loss for the year ended December 31, 2022, as compared to a €2.3 million gain for the year ended December 31, 2021. This change results mainly from the change in the fair value of certain financial instruments (net loss of €1.6 million in 2022 as compared to a €1.1 million gain in 2021) and a net foreign exchange gain of €0.8 million in 2022 as compared to a net foreign exchange gain of €1.2 million in 2021.

The table below presents the components of our net financial result for the years ended December 31, 2021 and 2022:

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| | (in thousands) | |
| Interests and gains on financial assets | € 327 | € 546 |
| Unrealized gains on financials assets | 1,177 | 418 |
| Foreign exchange gains | 4,839 | 3,810 |
| Other financial income | — | — |
| **Financial income** | **6,344** | **4,775** |
| | | |
| Foreign exchange losses | (3,591) | (2,983) |
| Unrealized losses on financial assets | (95) | (2,050) |
| Interest on financial liabilities | (312) | (288) |
| Other financial expenses | — | — |
| **Financial expenses** | **(3,997)** | **(5,321)** |
| | | |
| **Net financial income (loss)** | **€ 2,347** | **€ (546)** |

For the years ended December 31, 2021 and 2022, the foreign exchange gains and losses mainly result from the variance of the exchange rate between the Euro and the U.S. dollar on U.S. dollar-denominated cash and cash equivalents, short-term investments and financial assets. Unrealized gains and losses on financial assets relate to unquoted instruments.

***Net result from discontinued operations***

Subsequently to the Termination and Transition Agreement, operations related to Lumoxiti are presented as a discontinued operation as of October 1, 2021.

As a consequence, the Lumoxiti activity (including sales) is presented in the consolidated income statement and the notes to the consolidated financial statements as a discontinued operation for the 2021 financial year in accordance with IFRS5 "non-current assets held for sale and discontinued operations."

As a consequence, net result from discontinued operations relating to Lumoxiti represents a net loss of €7.3 million as compared to a net loss €0.1 million for the years ended December 31, 2021 and 2022, respectively, presented as follows:

| | Year ended December 31, | |
|---|---|---|
| | 2021 | 2022 |
| **Revenue and other income** | **(in thousands)** | |
| Revenue from collaboration and licensing agreements | 926 | € 194 |
| Sales | 874 | 22 |
| **Total revenue and other income** | **1,800** | **216** |
| | | |
| Research and development expenses [1] | (624) | — |
| Selling, general and administrative expenses [2] | (8,507) | (346) |
| **Total operating expenses** | **(9,131)** | **(346)** |
| | | |
| Net income (loss) from distribution agreements | — | — |
| Impairment of intangible assets | — | — |
| **Operating income (loss)** | **(7,331)** | **(131)** |
| | | |
| Financial income | — | — |
| Financial expenses | — | — |
| **Net financial income (loss)** | **—** | **—** |
| | | |
| **Net income (loss) before tax** | **(7,331)** | **(131)** |
| | | |
| Income tax expense | — | — |
| **Net income (loss) from discontinued operations** | **(7,331)** | **(131)** |

(1) *Research and development expenses*. Research and development expenses relating to Lumoxiti discontinued operations amounted to €0.6 million and nil for the years ended December 31, December 31, 2021 and 2022, respectively.

(2) *Selling, general and administrative expenses*. Selling, general and administrative expenses relating to Lumoxiti discontinued operations amounted to €8.5 million and €0.3 million for the years ended December 31, 2021 and 2022, respectively. For the year ended the December 31, 2021, these expenses mainly consisted of the amount of $6.2 million (€5.5 million) to be paid on April 30, 2022 to AstraZeneca under the Termination and Transition Agreement.That amount was paid in 2022 by the Company in April 2022 for €5.9 million ($6.2 million).

**Critical Accounting Policies and Significant Judgments and Estimates**

The Company's consolidated financial statements are prepared in accordance with IFRS. Some of the accounting methods and policies used in preparing the financial statements under IFRS are based on complex and subjective assessments by our management or on estimates based on past experience and assumptions deemed realistic and reasonable based on the facts and circumstances. The actual value of the Company's assets, liabilities and shareholders' equity, as well as its income and expenses, could differ from the value derived from these estimates if conditions changed and these changes had an impact on the assumptions adopted. See Note 2 to the Company's consolidated financial statements appearing elsewhere in this Annual Report.

The Company believes that the most significant management judgments and assumptions in the preparation of its consolidated financial statements are described below.

***Accounting for collaboration and licensing arrangements***

To date, the Company's revenue has been generated primarily from payments received in relation to research, collaboration and licensing agreements signed with pharmaceutical companies. These contracts generally provide for components such as upfront payments, milestone payments upon reaching certain predetermined development objectives, research and development funding, as well as payment of royalties on future sales of products.

Non-refundable upfront payments are deferred and recognized as revenue over the period Innate is engaged to deliver services to the third party. Revenue is recognized based on completion of the underlying work.

Milestone payments represent amounts received from Innate's collaborators, the receipt of which is dependent upon the achievement of certain scientific, regulatory, or commercial milestones. The Company recognizes milestone payments when the triggering event has occurred, there are no further contingencies or services to be provided with respect to that event, and the counterparty has no right to a refund of the payment. The triggering event may be scientific results achieved by the Company or another party to the arrangement, regulatory approvals, or the marketing of products developed under the arrangement. As of December 31, 2023, given the significant progress of the work to be performed (98.1%) and the level of budget consumption, the impact of accounting estimates is no longer a determining factor in the calculation of revenue related to the monalizumab agreement.

***Estimate of the recoverable amount of the acquired and under progress licenses***

Impairment tests are performed on a yearly basis for the intangible assets which are not amortized (such as intangible assets in progress). The Company is testing amortizable intangible assets for impairment when there is an indicator of impairment. Impairment tests involve comparing the recoverable amount of the licenses to their net book value. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the carrying amount of any asset is above its recoverable amount, the Company recognizes an impairment loss to reduce the carrying amount to the recoverable amount. The main assumptions used for the impairment test include (a) the amount of cash flows that are set on the basis of the development and commercialization plans and budgets approved by management, (b) assumptions related to the achievement of the clinical trials and the launch of the commercialization, (c) the discount rate, (d) assumptions on risk related to the development and (e) for the commercialization, selling price and volume of sales, and are provided in Note 6 to the Company's consolidated financial statements which are included elsewhere in this Annual Report. Any change in these assumptions could

lead to the recognition of an impairment charge that could have a significant impact on the Company's consolidated financial statements. In case of failure of the clinical trials in progress, the Company may have to fully depreciate the intangible asset. As of December 31, 2022, given the Company's decision in December 2022 to discontinue the development of avdoralimab in the indication of BP supporting the recoverable amount of the asset as of December 31, 2021 and June 30, 2022, the rights related to the intangible asset have been fully impaired for the net carrying amount of the intangible asset, of €41,000 thousand, without using the historical assumptions described above (see Note 6 to the Company's consolidated financial statements which are included elsewhere in this Annual Report). As a result, the Company considers that there are no longer any critical estimates in line with intangible assets since 2022. Without any new event to be considered since then, there are therefore no longer any critical assumptions that could call into question the recoverable amount of the asset.

## B. Liquidity and Capital Resources

The liquidity and capital resources discussion that follows contains certain estimates as of the date of this Annual Report of the Company's estimated future sources and uses of liquidity (including estimated future capital resources and capital expenditures) and future financial and operating results. These estimates reflect numerous assumptions made by Innate with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, and matters specific to its businesses, all of which are difficult or impossible to predict and many of which are beyond its control.

***Sources and uses of liquidity***

As of December 31, 2023, the Company has primarily financed its operations through its receipt of $635.4 million (€560.1 million) in payments from its collaborators, including AstraZeneca and Sanofi, since 2011, excluding payments received for purchases of Innate's equity securities by its collaborators.

Innate has also financed its operations since its inception through several rounds of public and private financings. Since its inception, Innate has raised a total of €311.4 million through the sale of equity securities, including €33.7 million in the initial public offering of Innate's ordinary shares on Euronext Paris in 2006 and €66.0 million in the initial public offering of the Company's initial public offering of its ordinary shares on Nasdaq in 2019.

In addition, Innate has received an aggregate of €100.1 million in research tax credits through December 31, 2023. As a French biopharmaceutical company, Innate Pharma has benefited from certain tax advantages, including, for example, the research tax credit. The research tax credit can be offset against French corporate income tax due and the portion in excess, if any, may be refunded. The research tax credit is calculated based on Innate's claimed amount of eligible research and development expenditures in France. The research tax credit increased by €1.8 million, or 23% , to €9.7 million for the year ended December 31, 2023, as compared to a research tax credit of €7.9 million for the year ended December 31, 2022.

Innate lost its status as a small or medium size business at the end of the year ended December 31, 2019 and, therefore, was no longer entitled to the immediate reimbursement of the research tax credit for the fiscal year ended 2019 and 2020 but instead will be reimbursed within the expiry of a three-year period. The 2019 tax credit was refunded on February 2023. For the 2021 and 2022 financial year, the Company again met the criteria of an SME according to the criteria of the European Union. As a result, the Company was eligible for the early repayment by the French treasury of the 2021 research tax credit during the fiscal year 2022. The Company will also be eligible for the early repayment by the French treasury of the 2022 research tax credit during the fiscal year 2023. As of December, 31 2023 financial

year, the Company lost again the SME status. As a consequence, the 2023 research tax credit will be paid after a three-year period. If necessary, the Company could mobilize the receivable.

Innate is potentially eligible to earn milestone payments and royalties under its agreements with AstraZeneca in the event that the Company satisfies certain pre-specified milestones. Innate may enter into new collaboration agreements that also provide milestone payments. These milestone payments are dependent on the accomplishment of various development, regulatory and commercialization objectives, and the achievement of many of these milestones is outside of Innate's control. However, Innate's ability to earn these payments and their timing will, in part, be dependent upon the outcome of its research activities, which is uncertain at this time.

On July 3, 2017, Innate Pharma borrowed from the bank Société Générale in order to finance the construction of its future headquarters. This loan, amounting to a maximum of €15.2 million, can be drawn down during the period of the construction in order to pay supplier payments as they become due, but in any event no later than August 30, 2019. Given the development of its portfolio, and in particular the refocusing of its activities on research and development, the Company has for the time being suspended the project to build its new head office on the land acquired in Luminy. In the meantime, the loan will be used to finance several structuring projects (improvement of the information system, development of a commercial platform, development of additional premises rented, etc.). Repayment of any amounts drawn down are payable over a 12-year term beginning on August 30, 2019 and ending on August 30, 2031. As security for the loan, Innate pledged collateral in the form of financial instruments held at Société Générale amounting to €15.2 million. The security interest on the pledged financial instruments will be released in accordance with the following schedule: €4.2 million in July 2024, €5.0 million in August 2027 and €6.0 million in August 2031. The Company had drawn down €15.2 million under the loan as of December 31, 2019. The loan bears a fixed interest rate of 2.01%. Under the loan, Innate is subject to a covenant that its total cash, cash equivalents and current and non-current financial assets as of each fiscal year end will be at least equal to the amount of outstanding principal under the loan. The repayment period started on August 30, 2019. As of December 31, 2023, the remaining capital of this loan amounted to €10.2 million as compared to €11.3 million as of December 31, 2022.

On January 5, 2022, the Company announced that it had obtained non-dilutive financing of €28.7 million in the form of two State-Guaranteed Loans (*Prêts Garantis* "PGE") from Société Générale (€20.0 million) and BNP Paribas (€8.7 million). The funds related to these two PGEs were collected by the Company on December 27 and 30, 2021, respectively. These two loans have an initial maturity of one year, with an option to extend up to five years from August 2022. They are 90% guaranteed by the French State as part of a system put in place to support companies in the face of the COVID-19 health crisis. In August 2022, the Company requested the extension of these two loans repayment for an additional period of five years starting in 2022 and including a one-year grace period (2023). Consequently, the Company has obtained agreements from Société Générale and BNP Paribas. The effective interest rates applied to these contracts during the additional period are 1.56% and 0.95% for Société Générale and BNP Paribas loans, respectively, excluding insurance and guarantee fees, with an amortization exemption for the entire year 2023. During this grace period, the Company will only be liable for the payment of interest and the guarantee fees, with amortization of the two loans starting in 2024 over a period of four years. The state guarantee fees amount to €877 thousand and €379 thousand for Société Générale and BNP Paribas loans respectively. As of December 31, 2023, the remaining capital of these loans amounted to €28.7 million.

Lastly, during the years ended December 31, 2016 and 2017, Innate also used lease-financing and bank loans to finance the acquisition of laboratory equipment and to set up new laboratories. The debt related to these loans amounts to €0.2 million at December 31, 2023.

The following table summarizes the Company's contractual obligations (principal amount only) as of December 31, 2023:

| (in thousands of euro) | ≤ 1 year | 2 to 5 years included | ≥ 5 years | Total |
|---|---|---|---|---|
| State guaranteed loan Société Générale | 4,884 | 15,116 | — | 20,000 |
| State guaranteed loan BNP Paribas | 2,144 | 6,556 | — | 8,700 |
| State guaranteed loans - accrued interest | 14 | — | — | 14 |
| Lease liabilities – Building "Le Virage" | 244 | 131 | — | 375 |
| Lease liabilities – Premises Innate Inc | 92 | 154 | — | 246 |
| Lease liabilities – Laboratory equipment | 109 | — | — | 109 |
| Lease liabilities – Vehicles | 31 | 56 | — | 87 |
| Lease liabilities - Printers | 9 | 9 | — | 18 |
| Loans – Equipment | 56 | 43 | — | 99 |
| Loan – Building | 1,353 | 5,081 | 3,814 | 10,248 |
| **Total** | **8,936** | **27,148** | **3,814** | **39,896** |

The table below summarizes Innate's contractual obligations (principal amount and interest) as of December 31, 2023:

| (in thousands of euro) | ≤ 1 year | 2 to 5 years included | ≥ 5 years | Total |
|---|---|---|---|---|
| State guaranteed loan Société Générale | 5,167 | 15,502 | — | 20,669 |
| State guaranteed loan BNP Paribas | 2,222 | 6,662 | — | 8,884 |
| Lease liabilities – Building "Le Virage" | 255 | 133 | — | 388 |
| Lease liabilities – Premises Innate Inc | 95 | 157 | — | 252 |
| Lease liabilities – Laboratory equipment | 109 | — | — | 109 |
| Lease liabilities – Vehicles | 33 | 56 | — | 89 |
| Lease liabilities - Printers | 9 | 9 | — | 18 |
| Loans – Equipment | 57 | 43 | — | 100 |
| Loan – Building | 1,545 | 5,587 | 3,923 | 11,056 |
| **Total** | **9,492** | **28,149** | **3,923** | **41,565** |

***Liquidity position***

Cash, cash equivalents and short-term investments decreased by €9.0 million, or 9%, to €92.5 million as of December 31, 2023, as compared to cash, cash equivalents and short-term investments of €101.5 million as of December 31, 2022. Cash and cash equivalents are mainly composed of current bank accounts, interest-bearing accounts, fixed-term accounts and money market funds as per AMF definition. Short-term investments primarily consist of shares of mutual funds and all investments with a maturity less than one year. Their purpose is to finance Innate's activities, including Innate's research and development costs.

As a reminder, Innate has received a total of €306.4 million in cash from capital increases, before deducting the costs associated with capital increases, and after excluding proceeds from share

compensation instruments, between 1999 and December 31, 2019. The table below summarizes the main capital increases between 1999 and December 31, 2023 :

| Date | Gross Proceeds |
|---|---|
| April 2000 | € 1.2 million |
| March 2001 | 3.3 million |
| July 2002 | 20.0 million |
| March 2004 | 5.0 million |
| July 2004 | 10.0 million |
| March 2006 | 10.0 million |
| November 2006 | 33.7 million |
| December 2009 | 24.3 million |
| November 2013 | 20.3 million |
| June 2014 | 50.0 million |
| October 2018 | 62.6 million |
| October 2019 | 66.0 million |
| **Total** | **€ 306.4 million** |

***Cash flows***

***Comparisons for the year ended December 31, 2022 and 2023***

The following table sets forth cash flow data for the years ended December 31, 2022 and 2023:

| | Year ended December 31, | |
|---|---|---|
| | **2022** | **2023** |
| | **(in thousands)** | |
| Cash flows from / (used in) operating activities | € (19,155) | € (32,558) |
| Cash flows from / (used in) investing activities | 1,877 | 20,631 |
| Cash flows from / (used in) financing activities | (1,828) | (1,966) |
| Effect of the exchange rate changes | (428) | 274 |
| **Net increase / (decrease) in cash and cash equivalents** | **€ (19,532)** | **€ (13,619)** |

***Cash flows from / (used in) operating activities***

The Company's net cash flow used in operating activities decreased by €13.4 million to €32.6 million for the year ended December 31, 2023 as compared to net cash flows used in operating activities of €19.2 million for the year ended December 31, 2022. This variation is mainly due to (i) the receipt of €25.0 million from Sanofi in March 2023 following the entry into force of the research collaboration and licensing agreement signed in December 2022 under which the Company granted Genzyme Corporation, a wholly-owned subsidiary of Sanofi ("Sanofi") an exclusive licence to Innate Pharma's B7H3 ANKET®

program and options on two additional targets, (ii) the receipt in May 2023 of a payment of €4.6 million ($5.0 million) received from Takeda following the conclusion of an exclusive licensing agreement under which Innate granted Takeda exclusive worldwide rights for the research and development of ADCs, (iii) the receipt in July 2023 of €2.0 million following the treatment of the first patient in the Phase 1/2 clinical trial sponsored by Sanofi evaluating IPH6401/SAR'514 in patients with relapsed or refractory multiple myeloma. Lastly, during 2023, the Company benefited from the early repayment of the research tax credit claim relating to the 2022 financial year, amounting to €9.2 million, paid to the Company by the French Treasury in July 2023. As a reminder, cash flows used in operating activities for the year ended December 31, 2022, included successive (i) the collection of €47.7 million ($50.0 million) and €4.9 million ($5.0 million) in June 2022 and August 2022,respectively, under the monalizumab agreement and the amendment to the IPH5201 collaboration and option agreement, (ii) the collection of €3.0 million received from Sanofi under the 2016 agreement and following Sanofi's decision to advance IPH6401/ SAR'514 into regulatory preclinical studies for an investigational new drug, and (iii) in 2022, the Company collected the early repayment of the research tax credit receivable relating to the 2021 financial year for an amount of €10.3 million, paid to the Company by the French Treasury in November 2022. These collections were partially offset by the €5.9 million payment to AstraZeneca on April 20, 2022 pursuant to the Termination and Transition Agreement and cash outflows related to the Company's operating activities. Not considering these specific effects, net cash flows used by operating activities for the year ended December 31, 2023 decreased by €5.5 million. This decrease is mainly explained by the decrease in the Company's research and development activities, notably related to preclinical trials, and also by higher cash outflows related to the re-invoicing of costs to AstraZeneca for the Phase 3 trials evaluating monalizumab, INTERLINK-1 and PACIFIC-9, in accordance with the Company's co-financing commitments and the reduction in staff costs related to the reduction of staff in the Company.

Net cash flow consumed by operating activities in connection with the Lumoxiti discontinued operation are nil for the year ended December 31, 2023 as compared to € 5.1 million for the year 2022. In 2022, the cash consumption related to the payment to AstraZeneca of €5.9 million in April 2022 under the Termination and Transition Agreement.

***Cash flows from / (used in) investing activities***

The Company's net cash flows from investing activities for the year ended December 31, 2023 amounted to €20.6 million and are mainly composed of a disposal of a non-current financial instrument which generated a net cash collection of €22.8 million partially offset by acquisitions of property, plant and equipment and intangible assets for a net amount €2.2 million. As a reminder, net cash flow used in investing activities for the year ended December 31, 2022 amounted to €1.9 million and were mainly comprised of acquisitions of tangibles assets and disposal of a current financial instrument liquidation for €3.0 million.

Net cash flows consumed by investing activities in connection with the Lumoxiti discontinued operation were nil for the year ended December 31, 2023 and 2022, respectively.

***Cash flows from / (used in) financing activities***

The Company's net cash flows used in financing activities for the year ended December 31, 2023 increased by €0.1 million to €2.0 million for the year ended December 31, 2023 as compared to net cash flows from financing activities of €1.8 million for the year ended December 31, 2022.

Loan repayments amounted to €2.4 million for the year ended December 31, 2023 as compared to €2.0 million for the year ended December 31, 2022.

In addition, net cash flows from financing activities related to Lumoxiti discontinued operations are nil for the year ended December 31, 2022 and 2021, respectively.

***Comparisons for the year ended December 31, 2021 and 2022***

The following table sets forth cash flow data for the years ended December 31, 2021 and 2022:

| | Year ended December 31, | |
|---|---|---|
| | **2021** | **2022** |
| | **(in thousands)** | |
| Cash flows from / (used in) operating activities | € (58,457) | € (19,155) |
| Cash flows from / (used in) investing activities | (917) | 1,877 |
| Cash flows from / (used in) financing activities | 26,819 | (1,828) |
| Effect of the exchange rate changes | (483) | (428) |
| **Net increase / (decrease) in cash and cash equivalents** | **€ (33,039)** | **€ (19,532)** |

***Cash flows from / (used in) operating activities***

The Company's net cash flow used in operating activities decreased by €39.3 million to €19.2 million for the year ended December 31, 2022 as compared to net cash flows used in operating activities of €58.5 million for the year ended December 31, 2021. This increase mainly results from (i) the collection of €47.7 million ($50.0 million) and €4.9 million ($5.0 million) in June 2022 and August 2022,respectively, under the monalizumab agreement and the amendment to the IPH5201 collaboration and option agreement, (ii) the collection of €3.0 million received from Sanofi under the 2016 agreement and following Sanofi's decision to advance IPH6401/SAR'514 into regulatory preclinical studies for an investigational new drug. Finally, (iii) the Company collected during 2022 the early repayment of the research tax credit receivable relating to the 2021 financial year for an amount of €10.3 million, paid to the Company by the French Treasury in November 2022. These collections are partially offset by the €5.9 million payment to AstraZeneca on April 20, 2022 pursuant to the Termination and Transition Agreement and cash outflows related to the Company's operating activities. As a reminder, cash flows used in operating activities for year ended December 31, 2021, included successive receipts for a total amount of €10.0 million from Sanofi (in January, February and December 2021) in connection with the IPH6101/ SAR443579 agreement signed in 2016, following Sanofi's decision at the end of 2020 to advance IPH6101/SAR443579 towards regulatory preclinical studies for a new investigational drug, and the launch of the first related Phase 1 trial in December 2021. Restated of these receipts and payments, net cash flows used by operating activities for the year ended December, 2022 increased by €10.4 million. This increase is mainly explained by the increase in the Company's research and development activities, notably related to pre-clinical trials, and also by higher cash outflows related to the re-invoicing of costs to AstraZeneca for the Phase 3 trials evaluating monalizumab, INTERLINK-1 and PACIFIC-9, in accordance with the Company's co-financing commitments.

Net cash flow consumed by operating activities in connection with the Lumoxiti discontinued operation amounted to €5.1 million for the year ended December 31, 2022 as compared to € 3.6 million for the year 2021. This increase is mainly related to the payment to AstraZeneca of €5.9 million in April 2022 under the Termination and Transition Agreement.

***Cash flows from / (used in) investing activities***

The Company's net cash flows from investing activities for the year ended December 31, 2022 amounted to €1.9 million and are mainly composed of a disposal of a non-current financial instrument which generated a net cash collection of €3.0 million partially offset by acquisitions of property, plant and equipment and intangible assets for €1.1 million. As a reminder, net cash flow used in investing activities for the year ended December 31, 2021 amounted to €0.9 million and were mainly comprised of acquisitions of tangibles assets.

Net cash flows consumed by investing activities in connection with the Lumoxiti discontinued operation were nil for year ended December 31, 2022 and December 31 2021, respectively.

***Cash flows from / (used in) financing activities***

The Company's net cash flows used in financing activities for the year ended December 31, 2022 decreased by €28.6 million to €1.8 million as compared to net cash flows from financing activities of €26.8 million for the year ended December 31, 2021. As a reminder, the Company's obtained in 2021 a non-dilutive financing of €28.7 million in the form of two State guaranteed loans from Société Générale (€20.0 million) and BNP Paribas (€8.7 million). The Company received the funds related to these two loans on December 27 and 30, 2021, respectively.

Loan repayments amounted to €2.0 million for the year ended December 31, 2022 as compared to €2.1 million for the year ended December 31, 2021.

In addition, net cash flow from financing activities related to Lumoxiti discontinued operation are nil for year ended December 31, 2022 and 2021, respectively.

***Funding requirements***

Innate Pharma believes that its existing cash, cash equivalents, short-term investments and non-current financial assets, will enable it to fund its operations for at least the next 12 months. Innate has based this estimate on assumptions that may prove to be wrong, and the Company could use its capital resources sooner than it currently expects.

Until Innate can generate a sufficient amount of revenue from the sale of approved products, if ever, it expects to finance its operating activities through its existing liquidity and expected milestone payments from collaborators.

Innate's present and future funding requirements will depend on many factors, including, among other things:

- the size, progress, timing and completion of its clinical trials and preclinical studies for any current or future product candidates, including its lead product candidates, monalizumab and lacutamab;
- the number of potential new product candidates Innate identifies and decides to develop;
- costs associated with its payment obligations to third parties in connection with its development and potential commercialization of certain of its product candidates;
- costs associated with expanding its organization;
- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims of infringement raised by third parties;

- the time and costs involved in obtaining regulatory approval for its product candidates and any delays the Company may encounter as a result of evolving regulatory requirements or adverse results with respect to any of these product candidates;
- the amount of revenues, if any, Innate Pharma may derive either directly, or in the form of milestone or royalty payments from any future potential partnership agreements, from monalizumab, IPH5201, IPH6101/SAR443579, IPH6401/SAR'514, B7H3 or other target or relating to its other product candidates.

For more information as to the risks associated with Innate's future funding needs, see "Risk Factors—The Company may need to raise additional funding to complete the development and any commercialization of its product candidates, which may not be available on acceptable terms, or at all, and failure to obtain this necessary capital when needed may force the Company to delay, limit or terminate its product development efforts or other operations."

***Capital expenditures***

Innate Pharma's operations mainly require investment in intangible assets. Innate acquired the rights of avdoralimab from Novo Nordisk A/S in 2017. The Company paid an upfront fee of €40.0 million, of which €37.2 million was contributed in new ordinary shares and €2.8 million in cash. As part of this agreement, an additional amount of € 1.0 million was paid in October 2020 to Novo Nordisk A / S following the launch of the first avdoralimab Phase 2 trial.

In January 2019, Innate Pharma paid to AstraZeneca an initial payment for the license related to Lumoxiti ($50.0 million, or €43.8 million, using the foreign exchange rate of 1.1422 at the date of payment), and in February 2019, Innate paid to Novo Nordisk A/S additional consideration relating to monalizumab ($15.0 million, or €13.1 million, using the exchange rate of 1.1394 at the date of payment). In June 2019, Innate paid €7.0 million to Orega Biotech in relation to the anti-CD39 program as consideration following the collaboration and option agreement signed on October 22, 2018 with AstraZeneca regarding IPH5201.

Innate's operations generally require little investment in tangible assets because the Company outsources most of the manufacturing and research activities to third parties. Innate Pharma leases some of its computer equipment under operating lease agreements. Innate accounts for its payments for these items as operating expenses in the consolidated statement of income.

The Company's capital expenditures in the years ended December 31, 2021, 2022 and 2023 primarily related to laboratory equipment. Clinical research and development costs are not capitalized until marketing authorizations are obtained.

Innate's corporate office in Luminy, Marseille, France is leased under a finance lease agreement signed in 2008 with Sogebail, a subsidiary of Société Générale, for an aggregate amount of €6.6 million. The lease-financing agreement has a 12-year term. Innate has a purchase option for all of the buildings and land for the lump sum of €1 at the end of the term of the contract on June 9, 2020, which it has exercised. The Company now owns its corporate office in Luminy, Marseille.

Since July 2017, Innate also rents office space in Marseille, France under a commercial lease.

On January 10, 2020, the Company signed an amendment to the lease for the "Le Virage" building in order to expand its premises. This amendment also extended the duration of the contractual commitment until 2025.

On March 13, 2023, the Company signed an amendment to the lease for "Le Virage Building" in order to reduce the rental area of its premises located in the "Le Virage" building. This amendment has the effect of reducing the amount of the commitment relating to rent by €685 thousand. The Company remains committed under this contract until June 30, 2025.

### C. Research and Development

For a discussion of our research and development activities, see "Item 4.B—Business Overview" and "Item 5.A—Operating Results."

### D. Trend Information

For a discussion of trends, see "Item 4.B—Business Overview," "Item 5.A—Operating Results" and "Item 5.B—Liquidity and Capital Resources." Other than as disclosed in these sections, we are not aware of any trends, uncertainties, demands, commitments or events since December 31, 2023 that are reasonably likely to have a material effect on our operating revenues, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

### E. Critical Accounting Estimates.

The Company applies IFRS as issued by the IASB in its primary financial statements (see Note 2 to the Company's consolidated financial statements appearing elsewhere in this Annual Report).

## Item 6. Directors, Senior Management and Employees.

## A. Directors and Senior Management.

### Directors and Officers

On May 20, 2022 annual shareholders meeting renewed the appointment of Pascale Boissel as member of the Supervisory Board for two years and appointed Sally Bennett as a new member of the Supervisory Board for two years.

On May 12, 2023 annual shareholders meeting renewed the appointment, for two years, of Hervé Brailly, Irina Staatz-Granzer, Jean-Yves Blay, Gilles Brisson, Véronique Chabernaud and Bpifrance Participations represented by Olivier Martinez.

The following table sets forth information concerning the members of the Supervisory Board , the Executive Board and the Leadership Team (formerly named "Executive Committee") as of December 31, 2023.

| Name | Age | Position |
|---|---|---|
| **Executive Board Members** | | |
| Mondher Mahjoubi, M.D. | 65 | Chairman of the Executive Board, Chief Executive Officer, Member of the Leadership Team |
| Yannis Morel, Ph.D. | 50 | Member of the Executive Board, EVP, Product Portfolio Strategy & Business Development, Member of the Leadership Team |
| **Supervisory Board Members** | | |
| Hervé Brailly, Ph.D. | 62 | Chairman of the Supervisory Board |
| Irina Staatz-Granzer, Ph.D. | 63 | Member and Vice Chairman of the Supervisory Board |
| Jean-Yves Blay, Ph.D. | 61 | Member of the Supervisory Board |
| Gilles Brisson | 72 | Member of the Supervisory Board |
| Véronique Chabernaud, M.D. | 62 | Member of the Supervisory Board |
| Olivier Martinez | 53 | Member of the Supervisory Board |
| Sally Bennett | 52 | Member of the Supervisory Board |
| Pascale Boissel | 57 | Member of the Supervisory Board |
| **Members of the Leadership Team** | | |
| Sonia Quaratino | 57 | Member of the Leadership Team, EVP, Chief Medical Officer |
| Odile Belzunce | 43 | Member of the Leadership Team, VP Compliance, IT and Portfolio Management |
| Eric Vivier, D.V.M., Ph.D. | 59 | Permanent Guest to the Leadership Team, SVP, Chief Scientific Officer |
| Nicolas Beltraminelli | 54 | Member of the Leadership Team, VP Chief Development Officer |
| Odile Laurent | 62 | Member of the Leadership Team, VP Human Resources |
| Frédéric Lombard | 49 | Member of the Leadership Team, Chief Financial Officer |
| Claire de Saint Blanquat | 51 | Member of the Leadership Team, VP Legal and Corporate Affairs |
| Henry Wheeler | 41 | Member of the Leadership Team, VP Investor Relations and Communications |

***Executive Board***

*Mondher Mahjoubi, M.D.*, Chief Executive Officer and Chairman of its Executive Board, was appointed Chief Executive Officer and Chairman of its Executive Board on December 30, 2016. His mandate was due to terminate at the end of January 2025. After seven years, he resigned from his position on December 31, 2023. Prior to joining Innate Pharma, Dr. Mahjoubi led AstraZeneca's oncology therapy area franchise, playing an instrumental role in the development and execution of its oncology product strategy from 2013 to 2016. Prior to that role, he served as the Senior Vice President of Global Product Strategy in Oncology at Genentech from 2010 to 2013. He also previously held various positions as Vice President of Marketing and Medical Affairs at Roche, Sanofi-Aventis and Rhone Poulenc Rorer. Dr. Mahjoubi is trained as a medical oncologist, holds a M.D. from the University of Tunis (Tunisia) and university degrees in Medical Oncology from the University of Paris Sud (France) and in Clinical Research and Methodology from the University of Lariboisiere-Saint Louis (France). He was resident doctor at the Faculty of Medicine in Tunis and at the Gustave-Roussy Institute in Villejuif. He is a member of the American Society of Clinical Oncology and European Society of Medical Oncology. He is also currently a consultant at Boston Pharmaceuticals and an independent board member and Chairman of the Board of Directors at PDC*line Pharma, a clinical stage biotech company developing a novel class of anticancer vaccines.

*Yannis Morel, Ph.D.*, has served as a member of the Executive Board since June 25, 2015. His mandate was due to terminate at the end of January 2025. He is Executive Vice-President, Product Portfolio Strategy and Business Development. He joined Innate in December 2001 and until 2007, was in R&D positions, initially as a scientist in the immunology team, before becoming team manager, and finally becoming responsible for research programs. From 2007, he was in charge of business development for the company. Mr. Morel holds a PhD in oncology from Aix-Marseille University (France) and is an alumnus of Ecole Normale Supérieure de Cachan (France), with a BS in physical and molecular chemistry.

***Supervisory Board***

*Hervé Brailly, Ph.D.*, has served has the Chairman of the Supervisory Board since 2017. As a biotech entrepreneur, he founded Innate Pharma in 1999 and led the Company from 1999 to 2016 as Chief Executive Officer and Chairman of the Executive Board. Mr. Brailly is also the acting CEO and co-founder of Kalsiom (immunology, Brest), and co-founded MI-MAbs SAS (immuno-technology, Marseille) in 2020 and Systol Dynamics (cardiology, Marseille). He is Chairman of the Board of Directors of NH Theraguix (oncology, Grenoble). Mr. Brailly graduated from the *Ecole des Mines de Paris* (1983, France) and he holds a PhD in immunology with a specialty in immune-pharmacology. During his career, he has been involved in the governance of several public and academic bodies in the field of higher education, research and technology transfer. He is currently Chairman of the School of Engineering of Aix-Marseille University (AMU, France).

*Irina Staatz-Granzer, Ph.D.*, Vice Chairman and member of the Supervisory Board, has served on the Supervisory Board of the Company since June 23, 2009. Dr. Staatz-Granzer has held business development positions at Hermal (subsidiary of Merck KGaA), Boots Healthcare International, Knoll (BASF Pharma, later Abbott) and as Chief Executive Officer of Scil Technology Gmbh, Chief Executive Officer of U3 Pharma AG and Chief Executive Officer of Blink Biomedical SAS. Ms. Staatz-Granzer also serves as Chairman of PLCD (German Pharma Licensing Club). She founded and is currently Chief Executive Officer of Staatz Business Development & Strategy. She is also member of the Supervisory Board of Aelis Farma SAS. Dr. Staatz-Granzer received a degree in pharmacy from Philipps-Universität Marburg (Germany) and a Ph.D. from the University of Tübingen (Germany).

*Jean-Yves Blay, Ph.D.*, has served has a member of the Supervisory Board of the Company since December 13, 2017. He has held the post of General Director of the *Centre Léon Bérard* in Lyon, France, since 2014 and renewed in 2019. He became President of Unicancer in 2019. He is President of the French Sarcoma Group and Director of the European Reference Network for Rare Adult Cancers (EURACAN). Between 2009 and 2012 he held the position of President of the European Organization for Research and Treatment of Cancer (EORTC). Prof. Blay currently holds various other university and hospital positions. He is a member of the European Union Committee of Experts of Rare Disease, the European Commission's Scientific Panel for Health (SPH) and served as a Faculty Coordinator for Sarcoma for the European Society of Medical Oncology (ESMO) between 2012 and 2016. Prof. Blay trained as a medical oncologist with a PhD from the University Claude Bernard in Lyon (France); his research activities have been focused on the role of immune effector cells and cytokines in cancer. Prof. Blay is a member of various scientific societies and academic expert groups, has been awarded several honors and is the author of more than 200 publications over the last three years.

*Gilles Brisson*, member of the Supervisory Board, has served on the Supervisory Board of the Company since June 26, 2007 and was the Chairman until December 30, 2016. Mr. Brisson has worked in management positions at Rhône-Poulenc and then at Aventis Pharma (Sanofi), where he served as Chairman of the Executive Board, Chairman of the Supervisory Board and Europe Manager. He received a degree from Hautes Etudes Commerciales de Paris (France).

*Véronique Chabernaud, M.D.*, has served as a member of the Supervisory Board since April 27, 2015. She is an oncologist, a graduate of ESSEC Business School (France) and has worked for 20 years in the pharmaceutical industry. In particular, she was the Director of the French Oncological Operational Unit at Sanofi Aventis, a Vice President of Marketing and Sales at Aventis Intercontinental and Europe, and Director of Oncology Global Medical Affairs at Rhône Poulenc Rorer. She also works as a consultant for companies in the field of innovative technologies with a high impact on public health, on a national and international level. Such companies include Genomic Health, BioSystems International, MaunaKea Technologies, Ariana Pharma, Qynapse, Omicure. In 2007, Dr. Chabernaud founded "*Créer la Vitalité*", which helps companies and organizations in the development of health innovations and prevention. Dr. Chabernaud graduated in 2017 from the *Institut Français des Administrateurs* and *Sciences Po Paris* with a Certificate in Corporate Directorship and has been involved in this program since 2017. Dr. Chabernaud also founded the association "*Enfance et Vitalité*" which offers health workshops to children. She is also co-author of the book "*Capital Humain versus Humain Capital*." From July 2019 to July 2021, Dr. Chabernaud has been member of the Board of Directors and Chairman of the Compensation and nomination committee of Groupe Bastide le confort médical (BLC).

*Pascale Boissel,* has served as a member of the Supervisory Board since May 19, 2020. She is, with more than 30 years of financial experience, an expert in finance, audit, transactions, internal control, growth management and restructuring operations. Her experience has been represented in a variety of industries, including: food and beverage (Danone), building materials (Lafarge Holcim), education and, for more than 10 years now, healthcare and biotechnology. Before, she was Chief Financial Officer of ENYO Pharma. Ms. Boissel was the Deputy-Chief Executive Officer and Administrative and Financial Director of the BIOASTER Institute (IRT) in the field of infectious diseases and microbiology. In 2009, Ms. Boissel joined Ipsogen a listed company developing and marketing molecular diagnostic products as Chief Financial Officer. Ms. Boissel began her career in audit and corporate finance at PricewaterhouseCoopers Paris.

*Olivier Martinez,* has been permanent representative of Bpifrance Participations since June 30, 2021; Bpifrance Participations has been a member of the Supervisory Board since June 23, 2017. He is Senior Investment Director of the Investments Biotech Department of the Direction of Innovation of Bpifrance. Prior to that, Mr. Martinez was Investment Director at CDC Entreprises (2010-2013) and Partner at

Bioam Gestion (2000-2010). Mr. Martinez is an alumnus of the *Ecole Normale Supérieure* and holds a PhD in cell biology from the University of Paris XI and an MBA from the *Collège des Ingénieurs* (France).

*Sally Bennett, MBChB*., has served as a member of the Supervisory Board since May 20, 2022. She has a significant experience and expertise in financial analysis and capital markets in the healthcare and biotechnology sectors. Dr. Bennett has a career spanning medicine, equity & capital markets and investment management. She spent 15 years in senior roles as both a public and private investor at HealthCor, a U.S. based global healthcare and life science investment manager and most recently co-led the firm's move into private investing. She is now acting as a Senior Advisor to Catalio Capital in conjunction with its acquisition of HealthCor Management. Prior to HealthCor, she spent 10 years as a senior analyst at ING Financial Markets and then at Piper Jaffray. Dr. Bennett serves as an Independent Non-Executive Director at BerGenBio, a publicly traded European biopharmaceutical company, where she Chairs the Audit Committee and is also an Advisory Board member of the P4 Precision Medicine Accelerator Programme in the UK. She also serves on the Board of a private UK Company, Mosaic Therapeutics, where she represents the Sanger Institute. She was also a member of the Board of Governors of UCLH, an NHS Foundation Trust hospital, where she served on the Research and Innovation Committee. She is a member of the Institute of Directors (IoD) and has been awarded the CertIoD qualification. Dr. Bennett received a BSc in Anatomical Sciences and a Medical Degree, awarded with honors, both from the University of Manchester. She is a British citizen.

***Leadership Team Members***

*Sonia Quaratino*, MD, PhD, joined Innate Pharma in November 2023 as Executive Vice President and Chief Medical Officer (CMO) and as a member of Innate's Leadership Team. Dr. Quaratino has over 25 years of experience in basic research, clinical development and translational medicine. Most recently, Dr. Quaratino was CMO at Georgiamune INC (USA), and prior to that, CMO at Kymab (UK), a clinical-stage biopharmaceutical company focused on immune-mediated diseases and immuno-oncology treatments. Previously, Dr. Quaratino was Global Program Lead in Oncology at Novartis (Switzerland) and Senior Medical Director Oncology and Advisor in Immunology at Merck Serono (Germany). She was Professor of Immunology at the University of Southampton in the UK and her research has been published in high-impact scientific journals.

*Odile Belzunce*, member of the Leadership Team, Vice President, Compliance and Operations, was appointed as a member of the Executive Committee of the Company on January 31, 2019. Ms. Belzunce joined Innate Pharma in February 2005. She was Quality Manager for 10 years before becoming Head of Compliance. During her career at Innate, Ms. Belzunce contributed to the structuration of the processes as the Company was growing, developing its portfolio and its activities. Ms. Belzunce currently holds the position of VP, Compliance and Operations.

*Nicola Beltraminelli, PhD*, member of the Leadership Team, Vice President, Chief Development Officer, joined Innate Pharma as Vice President and Chief Development Officer in January 2022. Dr. Beltraminelli brings more than 20 years of biotech experience to the role, and specifically in the development of biologic products from early discovery to GMP manufacture. Most recently, Dr. Beltraminelli served as Chief Technical Officer at Lysogene, where he led the CMC activities for two late-stage assets. Prior to Lysogene, he held senior level positions at HiFiBiO Therapeutics and BliNK Biomedical SAS. At HiFiBiO, Dr. Beltraminelli led the R&D activities of the company’s French site, as well as its global CMC efforts, bringing three projects to the clinic. Dr. Beltraminelli holds a PhD in Molecular Biology from the University of Lausanne, Switzerland.

*Eric Vivier, D.V.M., Ph.D.*, permanent guest to the Leadership Team, Senior Vice President, Chief Scientific Officer, joined Innate in that role in 2018. Prof. Vivier is a Doctor of Veterinary Medicine

(DVM) from the *Ecole Nationale Vétérinaire de Maisons-Alfort* and holds a PhD in Immunology from the Paris University (Paris XI). After completing his post-doctoral fellowship at Harvard Medical School (Dana-Faber Cancer Institute), Prof. Vivier joined the Center of Immunology at Marseille-Luminy (CIML) in 1993, becoming its director in 2008 and serving in that role until 2017. A pioneer in the field of innate immunity, he is one of the four immunologists whose research led to the creation of Innate Pharma. He has been four times laureate of the prestigious European Research Council (ERC) grants. During his career, Prof. Vivier has been a visiting professor at The Scripps Research Institute, The Rockefeller University, and The Walter and Elisa Hall Institute. He is a member of the French National Academy of Medicine, of the *Institut Universitaire de France* and of the Royal Academy of Medicine of Belgium. He is on the board of numerous committees and has been awarded several prizes and honors, including the European Federation of Immunological Society award and the *Grand Prix Charles Oberling* in Oncology. He is also *Chevalier de la Légion d'Honneur and Officier de l'Ordre National du Mérite*.

*Odile Laurent*, member of the Leadership Team, Vice President, Human Resources Director, joined Innate in that role in September 2017. Ms. Laurent has been appointed Vice President, Human Resources Director in January 2020. Before joining Innate Pharma, Ms. Laurent was Group Human Resources Director at Marie Brizard Wine&Spirits Group from 2015 to 2017. Previously, Ms. Laurent was Director of Human Resources for the "Power Transformers" business unit at Areva T&D, and was subsequently appointed Head of Global Sales at Alstom Grid. Ms. Laurent has spent most of her career at Sanofi-Aventis where from 2005 she was successively in charge of the Multi-site and European Human Resources Department of the "Matures Products and OTC" business unit, and later of the Supply-Chain business unit worldwide. Ms. Laurent holds a PhD in Physical Sciences from the *Institut National Polytechnique* of Toulouse and a Master of Business Administration in Human Resources from the *Institut d'Administration des Entreprises* of Toulouse (France).

*Frederic Lombard*, member of the Leadership Team, Chief Financial Officer, joined Innate Pharma in April 2021. Mr. Lombard joined Innate with more than 20 years of financial experience in the pharmaceutical industry, holding senior finance roles at Ipsen, AstraZeneca and Novartis. Throughout his career, Mr. Lombard has developed international financial teams with the aim of strengthening team members' skill sets and positioning the function as a collaborative business partner. He also specializes in project management, successfully conducting significant transformation projects in multi-cultural environments. Prior to his financial career in the healthcare sector, Mr. Lombard worked in the information technology industry, where he became familiar with the information systems standards in fast-changing environments. He holds a BA in Economics & Finance from Lyon 2 University and a MBA from EM Lyon Business School.

*Claire de Saint-Blanquat*, member of the Leadership Team, Vice President, Legal and Corporate Affairs and Secretary of the Supervisory Board, joined Innate Pharma in October 2020 and was appointed to the Leadership Team in January 2023. Ms. de Saint-Blanquat has nearly 20 years of experience in diverse legal positions in the pharmaceutical industry. Admitted to the Paris Bar in 1998, she started her career at Clifford Chance and then held senior positions, notably at Teva, Servier and Biogaran, where she was Legal and Compliance Director since 2016. Ms. de Saint-Blanquat holds a master's degree in private law from the University of Paris II - Panthéon Assas (1995), a DEA in civil and commercial obligations law from the University of Paris V - Malakoff (1996) and a DESS in biotechnology law from the University of Versailles- Saint Quentin (2003).

*Henry Wheeler,* MSc, member of the Leadership Team, Investor Relations and Communications, joined Innate Pharma as Vice President, Investor Relations in June 2021 and was appointed to the Leadership Team in January 2023. Mr. Wheeler has over 15 years' experience across the pharmaceutical and financial industries. Mr. Wheeler joined from AstraZeneca, where he led investor relations for the company's oncology portfolio, having previously served within AstraZeneca's Oncology Business Unit.

Prior to this, Mr. Wheeler worked in various healthcare financial roles, including at Third Bridge and Morgan Stanley in London. Mr. Wheeler graduated with a MSc in Drug Discovery Skills and a BSc with honors in Pharmacology, both from King's College, London.

On December 18, 2023, Innate Pharma announced that Mondher Mahjoubi has resigned from his position as Chief Executive Officer (CEO) and Chairman of the Executive Board of the Company, effective as of January 2024, to pursue a senior level opportunity at a large pharmaceutical company.

Hervé Brailly, Innate Pharma's current Chairman of the Supervisory Board, former CEO and co-founder was appointed as interim CEO and Chairman of the Executive Board while a permanent successor is sought. The Company aims to strengthen the Executive Board in the new year.

Irina Staatz-Granzer, who has been Vice-Chairwoman of the Supervisory Board for several years was appointed Chairwoman of the Supervisory Board.

On January 4, 2024, Innate Pharma announced that it has strengthened the Company's leadership and corporate governance with the appointment of two new Executive Board members. Arvind Sood, Executive Vice President (EVP), President of U.S. Operations, and Dr. Sonia Quaratino, EVP, Chief Medical Officer have joined Hervé Brailly, interim Chief Executive Officer and Yannis Morel, EVP, Chief Operating Officer.

Yannis Morel, current EVP, Business Development and Product Portfolio Strategy and member of the Executive Board broadened his remit to become EVP, Chief Operating Officer extending his operational responsibility to the management of research and early development, working with Innate Pharma's Chief Scientific Officer Prof. Eric Vivier, and Chief Development Officer, Nicola Beltraminelli.

Dr. Sonia Quaratino, current EVP, Chief Medical Officer was appointed to the Executive Board. Dr. Quaratino joined Innate Pharma in October 2023, bringing over 25 years of experience in basic research, clinical development, and translational medicine, having worked in academia, global large pharmaceuticals, and biotech companies.

Arvind Sood joined the Company in a newly created position of Executive Vice President, Innate Pharma SA and President of U.S. Operations. Arvind was also appointed to the Executive Board. Based in the United States, Arvind is responsible for the execution of the Company's U.S. strategy, helping expand the Company's U.S. investor base, and sourcing of business development and corporate development opportunities in the U.S. including liaising with academic institutions and clinical key opinion leaders. Arvind joined Innate Pharma most recently from Amgen and has amassed over four decades of experience within large biopharma companies in areas including commercial operations, investor relations and financial communications.

**Family Relationships**

There are no family relationships among any of the members of the Executive Board, the Supervisory Board, and the Leadership Team of the Company referred to above.

**Arrangements with existing Major Shareholders and Customers**

There are no arrangements with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as member of the Executive Board, the Supervisory Board, or of the Leadership Team of the Company.

## B. Compensation.

### Compensation of Members of the Executive and Supervisory Boards

Following the entry into force of the Sapin 2 Law (French law no. 2016-1691 of December 9, 2016), the Ordonnance no. 2019-1234 dated November 27, 2019 and the Decree no. 2019-1235 dated November 27, 2019, the payment of any variable or exceptional compensation attributed for a financial year to the Chairman of the Supervisory Board, the Chairman of the Executive Board and members of the Leadership Team, is subject to approval at the next ordinary general meeting (*ex-post* vote). The payments of the below variable compensations, for the year ended December 31, 2023, will be submitted for approval to the ordinary and extraordinary shareholder meeting to be held on May 23, 2024. In addition to the *ex-post* vote described above, French law also requires that the compensation policy for the members of the Executive and Supervisory Board for the year ending December 31, 2023 is subject to the approval at the ordinary general meeting relating to the year ending December 31, 2023.

#### *Compensation of Members of the Supervisory Board*

#### *Attendance Fees*

The Company pays attendance fees to the members of the Supervisory Board, except for the permanent representative of Bpifrance Participations and the Chairman of the Supervisory Board. At its general meeting of shareholders held on May 12, 2023, shareholders set the total attendance fees to be distributed among the members of the Supervisory Board at €300,000. The attendance fees consist of a fixed portion

and a variable portion based on attendance at meetings of the Supervisory Board and its committees. The following table shows the breakdown of the attendance fees for the year ended December 31, 2023:

| | Member Role | Attendance Fee |
|---|---|---|
| Fixed Portion (annual fee) | Supervisory Board Member | €15,000 |
| | Chair of the Audit Committee and Compensation and Nomination Committee | €25,000 |
| | Chair of the Corporate Social Responsibility (CSR) Committee | €19.000 |
| Variable Portion (attendance fee at each meeting of the Supervisory Board, the Audit Committee and the Compensation and Nomination Committee) | Supervisory Board Member [(1)] | €2,000 |
| | Committee Member | €2,000 |
| Variable Portion (attendance fee at each meeting of an additional Supervisory Board, a Transaction Committee or a CSR Committee) | Supervisory Board Member | €1,000 |
| | Transaction Committee or CSR Member | €1,000 |

(1) reduction of 50% of variable portion received in the event of remote participation in the Supervisory Board meeting held to approve the annual and half-yearly financial statements, the annual strategic Supervisory Board meeting, the Supervisory Board meeting held to approve the budget, and the Supervisory Board meeting following the Annual General Meeting.

The following table sets forth information regarding the attendance fees earned by members of the Supervisory Board during the year ended December 31, 2023:

| Member | Attendance Fees |
|---|---|
| Gilles Brisson | €29,000 |
| Irina Staatz-Granzer | €42,000 |
| Véronique Chabernaud | €48,000 |
| Jean-Yves Blay | €29,000 |
| Pascale Boissel | €60,000 |
| Sally Bennett | €45,000 |

The Supervisory Board of January 25, 2024 decided to put to the vote of the shareholders at the general meeting of shareholders to be held on May 23, 2024, a total attendance fees envelop to be distributed among the members of the Supervisory Board amounting to €300,000 for the year ending December 31, 2024 . The following table shows the breakdown of Innate's attendance fees for the year ended December 31, 2024:

| | Member Role | Attendance Fee |
|---|---|---|
| Fixed Portion (annual fee) | Supervisory Board Member | €15,000 |
| | Chair of the Audit Committee and Compensation and Nomination Committee | €25,000 |
| | Chair of the Corporate Social Responsibility (CSR) Committee | €19.000 |

| | | |
|---|---|---|
| Variable Portion (attendance fee at each meeting of the Supervisory Board, the Audit Committee and the Compensation and Nomination Committee) | Supervisory Board Member [(1)] | €2,000 |
| | Committee Member | €2,000 |

| | | |
|---|---|---|
| Variable Portion (attendance fee at each meeting of an additional Supervisory Board, a Transaction Committee or a CSR Committee) | Supervisory Board Member | €1,000 |
| | Transaction Committee or CSR Member | €1,000 |

(1) reduction of 50% of variable portion received in the event of remote participation in the Supervisory Board meeting held to approve the annual and half-yearly financial statements, the annual strategic Supervisory Board meeting, the Supervisory Board meeting held to approve the budget, and the Supervisory Board meeting following the Annual General Meeting.

***Chairman Compensation***

Hervé Brailly, the Chairman of the Supervisory Board, receives a specific compensation pursuant to article L.225-84 of the French Commercial Code for his duties as Chairman of the Supervisory Board. For the year ended December 31, 2023, Innate paid Mr. Brailly a specific compensation of €100,000 for the performance of his duties as Chairman of the Supervisory Board.

***Compensation of Members of the Executive Board***

***Breakdown of the Executive Board Members' Compensation***

During the year ended on December 31, 2023, the Executive Board consisted of Mondher Mahjoubi and Yannis Morel. Dr. Mahjoubi served as Chairman of the Executive Board.

The compensation of members of the Executive Board is decided by the Supervisory Board upon recommendation by the Compensation and Nomination Committee. The compensation of Dr. Mahjoubi, as Chairman of the Executive Board, is paid under his social mandate (*mandat social*), whereas the compensation of Dr. Morel is paid under his employment contract.

The compensation of members of the Executive Board includes the following components:

- *Fixed Compensation.* The members of the Executive Board receive a fixed compensation pursuant to their employment agreements or, in the case of the Chairman, his social mandate (*mandat social*).
- *Annual Variable Compensation.* The members of the Executive Board are eligible to receive annual variable compensation upon the recommendation of the Compensation and Nomination Committee based on the achievement of pre-specified objectives. For the year ended on December 31, 2023, such objectives were based on the achievement of the Company's main strategic pillars and operational targets defined according to Innate Pharma's activities in order to (i) take into account the outperformance inherent to a fast-growing biotech company and (ii) motivate the executives to exceed their objectives.

The strategic pillars are the following: (i) maximizing the value of Lacutamab, (ii) advancing the R&D portfolio, (iii) sustaining the Company's business, complemented by two other pillars: (iv) finance and (v) CSR (Corporate and Social Responsibility)

Each pillar was subdivided into:

(i) a baseline target; and

(ii) an outperformance target.

The weights of each pillar are as follows:

| | Baseline target | Outperformance target |
|---|---|---|
| Lacutamab | 25% | 25% |
| R&D pipeline | 25% | 25% |
| Business Development | 20% | 20% |
| Finance | 20% | 20% |
| CSR | 10% | 10% |

If 100% of the basic target objectives are achieved, 100% of the corresponding bonus is paid. If not 100% of the targets is achieved, the percentage of the bonus paid is proportional to the percentage of achievement of the targets. In case of outperformance for the year 2023, it may be decided to increase the amount of the bonus beyond 100% up to a limit of 150% based on other predefined criteria.

The outperformance targets may only be reached if 100% of the baseline targets are reached.

- *Performance Free Shares*. The members of the Executive Board are able to receive, upon authorization of the Supervisory Board and upon recommendation of the Compensation and Nomination Committee, equity compensation in the form of performance free shares.
- *Other Benefits.* The members of the Executive Board may also receive other benefits consisting of a supplementary pension plan, in-kind benefits and, for the Chairman of the Executive Board, an unemployment insurance.

***Executive Compensation Clawback Policy***

Pursuant to the rules adopted by the SEC pursuant to Section 10D-1 of the Exchange Act, requiring national securities exchanges and national securities associations, such as the NYSE, to amend their relevant listing standards no later than November 28, 2023 to require companies with listed securities to put in place a policy whereby listed companies will recover erroneously-awarded variable compensation from the Chief Executive Officer and certain other “executive officers” as defined in Rule 10D-1(d) under the Exchange Act. On June 9, 2023, the SEC approved the Nasdaq’s proposed rule amending its listing standards for recovery of erroneously awarded compensation by listed issuers, which has taken effect on October 2, 2023.

On October 13, 2023, the Supervisory Board approved the adoption of a clawback policy, applicable from October 2, 2023, requiring the recovery in full or in part of the components of the Chief Executive Officer's compensation that are wholly or partially contingent on the attainment of financial performance criteria based on financial information that has been determined to be erroneous and has required restatement of the financial statements for accounting purposes.

***2023 Compensation of Mondher Mahjoubi***

The following table sets forth the compensation earned by Dr. Mahjoubi during the year ended on December 31, 2023:

| Type of Compensation | Amount of Compensation | Description |
|---|---|---|
| Fixed Compensation | €470,000 | Gross fixed compensation pursuant to Dr. Mahjoubi's social mandate (*mandat social*). |
| Annual Variable Compensation—Cash | €282,000 | This amount represents Dr. Mahjoubi's annual variable compensation, based on his achievement of 100% of the annual objectives. |
| Benefits in Kind | €22,733 | Primarily represents amounts paid for use of a company car and additional retirement benefits (known as "article 83"), among other benefits. |
| **Total Compensation** | **€774,733** | |

*2023* ***Compensation of Yannis Morel***

The following table sets forth the compensation earned by Dr. Morel during the year ended on December 31, 2023:

| Type of Compensation | Amount of Compensation | Description |
|---|---|---|
| Fixed Compensation | €252,000 | Gross fixed compensation pursuant to Dr. Morel's employment contract. |
| Annual Variable Compensation—Cash | €100,800 | This amount represents Dr. Morel's annual variable compensation, based on his achievement of 100% of the annual objectives . |
| Performance Free Shares 2023 | €240,000 | This amount was calculated in accordance with the IFRS 2 valuation of the grant to Dr. Morel of 150,000 performance free shares 2023. |
| Benefits in Kind | €7,118 | Primarily represents amounts paid for use of a company car and additional retirement benefits (known as "article 83"), among other benefits. |
| **Total Compensation** | **€599,918** | |

***2024 Executive Board Members' Compensation***

At the general meeting of shareholders of the Company to be held on May 23, 2024, the compensation of the members of the Executive Board sets forth in the following table for the year ended on December 31, 2023 will be put to the vote of the shareholders:

| Type of Compensation | Hervé Brailly | Yannis Morel | Sonia Quaratino | Arvind Sood |
|---|---|---|---|---|
| Fixed Compensation | €470,000 | €300,000 | €350,000 | $300,000 |
| Maximum Annual Variable Compensation if 100% of the objectives are reached | €282,000 | €120,000 | €140,000 | $120,000 |
| Maximum Annual Variable Compensation in case of over-performance (150%) | €423,000 | €180,000 | €210,000 | $180,000 |

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The variable compensation for the year ended on December 31, 2024 is based on the achievement of the Company's main strategic pillars and operational targets defined according to Innate Pharma's activities in order to (i) take into account the outperformance inherent to a fast-growing biotech company and (ii) motivate the managers to exceed their objectives.

There are five pillars which are essential to the achievement of the strategic axes mentioned above.

Each pillar has been subdivided into:

(i) a baseline target; and

(ii) an outperformance target.

The weights of each pillar are:

| | Baseline target | Outperformance target |
|---|---|---|
| Clinical & BD | 25% | 25% |
| Clinical | 20% | 20% |
| Research and Explanatory Development | 20% | 20% |
| Finance | 25% | 25% |
| Corporate | 10% | 10% |

The annual objectives thus defined make it possible to reward the Company's expected performance but also to assess outperformance.

If 100% of the basic target objectives are achieved, 100% of the corresponding bonus is paid. If not 100% of the targets are achieved, the percentage of the bonus paid is proportional to the percentage of achievement of the targets. In case of outperformance for the year 2024, the amount of the bonus may be increased beyond 100% up to a limit of 150% based on other predefined criteria.

The outperformance targets may only be reached if 100% of the baseline targets are reached.

At the general meeting of shareholders of the Company to be held on May 23, 2024, the allocation of free performance shares subject to capitalization evolution and internal conditions will be put to the vote of its shareholders.

**Limitations on Liability and Indemnification Matters**

Under French law, provisions of bylaws that limit the liability of the members of Executive and Supervisory Boards are prohibited. However, French law allows *sociétés anonymes* to contract for and maintain liability insurance against civil liabilities incurred by members of Executive and Supervisory Boards involved in a third-party action, provided that they acted in good faith and within their capacities as members of such Boards of the Company. Criminal liability cannot be indemnified under French law, whether directly by the Company or through liability insurance.

The Company has a liability insurance for its Executive and Supervisory Board members, and insurance coverage for liability under the Securities Act. The Company also entered into agreements with its Executive and Supervisory Board members to provide contractual indemnification. With certain exceptions and subject to limitations on indemnification under French law, these agreements provide for indemnification for damages and expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any Executive or Supervisory Board member in any action or proceeding arising out of his or her actions in that capacity. The Company believes that this insurance and these agreements are necessary to attract qualified Executive and Supervisory Board members.

These agreements may discourage shareholders from bringing a lawsuit against the Executive and Supervisory Board members for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against the Executive and Supervisory Board members, even though such an action, if successful, might otherwise benefit the Company and its shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent the Company pays the costs of settlement and damages awards against its Executive and Supervisory Board members pursuant to these insurance agreements.

**Equity Incentives**

The Company believes that the ability to grant equity incentives is a valuable and necessary compensation tool that allows the Company to attract and retain the best personnel for positions of substantial responsibility, provides additional incentives to employees and promotes the success of its business. Due to French corporate law and tax considerations, the Company has historically granted several different equity incentive instruments to its Executive Board and Supervisory Board members, employees and consultants, including (i) warrants (BSAs), which have historically only been granted to independent members of the Supervisory Board and consultants, (ii) redeemable warrants (BSAARs) and (iii) free shares.

The Executive Board's authority to grant these warrants and free shares and the aggregate amount authorized to be granted must be approved by two-thirds of the shareholders present at the relevant extraordinary shareholders' meeting. Once approved by the shareholders, the Executive Board can continue to grant such awards for a specified period upon prior authorization of the Supervisory Board.

The Company has various compensation plans for its Executive Board members, Supervisory Board members, employees and consultants that have been approved by the shareholders. The last allocation of BSAARs which occurred in 2015 no longer continues to vest following termination of the employment, office or service of the holder within the first two years and all vested warrants must be exercised within post-termination exercise periods set forth in the issuance agreement. In the event of certain changes in its share capital structure, such as a consolidation or share split or dividend, French law and applicable issuance agreement provides for appropriate adjustments of the numbers of ordinary shares issuable and/ or the exercise price of the outstanding warrants.

As of December 31, 2023, the Company had the following equity awards, warrants and free shares outstanding:

- 242,460 ordinary shares issuable upon the exercise of share warrants (BSA) outstanding as of December 31, 2023 at a weighted average exercise price of 8,38 € per ordinary share;
- 1,045,722 ordinary shares issuable upon the exercise of redeemable share warrants (BSAAR) outstanding as of December 31, 2023 at an exercise price of 7,20 € per ordinary share;
- 757,190 ordinary shares issuable upon conversion of 6,263 free preferred shares (AGAP 2016) outstanding as of December 31, 2023;
- 25,000 ordinary shares issuable upon the vesting of 25,000 free shares ( New Member 2023) as of December 31, 2023;
- 1,299,300 ordinary shares issuable upon definitive acquisition of 1,299,300 free performance shares 2021 as of December 31, 2023 (AGA de Performance 2021), assuming all the performance and presence conditions are met;
- 1,723,500 ordinary shares issuable upon definitive acquisition of 1,723,500 free performance shares 2022 as of December 31, 2023 (AGA de Performance 2022), assuming all the performance and presence conditions are met;
- 2,149,000 ordinary shares issuable upon definitive acquisition of 2,149,000 free performance shares 2023 as of December 31, 2023 (AGA de Performance 2023), assuming all the performance and presence conditions are met.

***Equity Warrants and Redeemable Share Subscription Warrants***

***Share Warrants (BSA)***

Share warrants (BSA) are issued at a *de minimis* price and entitle the holder of one BSA to exercise the warrant for one underlying share, at an exercise price per share determined by the Executive Board of the Company at the time of issue by reference to the then prevailing share price. The Company has issued BSA to Supervisory Board members and certain consultants of the Company. The Company's BSA plans include provisions that allow for the adjustment of the one-for-one exercise ratio to compensate for certain modifications of its share capital, such as rights issues, stock splits, mergers and other events affecting all existing shareholders. None of those events have occurred yet. The Company's BSA have an exercise period of 10 years – BSA not exercised after that time lapse and are automatically cancelled. The Company's BSA cannot be sold.

The following table shows the BSA outstanding as of December 31, 2023:

| Plan title | BSA 2014 | BSA 2015-1 | BSA 2015-2 | BSA 2017 | BSA 2022 | BSA 2023 |
|---|---|---|---|---|---|---|
| Shareholder general meeting date | March 27, 2014 | April 27, 2015 | April 27, 2015 | June 2, 2016 | May 20, 2022 | May 12, 2023 |
| Date of issue | July 16, 2014 | April 27, 2015 | July 1, 2015 | September 20, 2017 | October 3, 2022 | October 19, 2023 |
| Total number of BSA authorized | 150,000 | 150,000 | 150,000 | 150,000 | 50,000 | 70,000 |
| Total number of BSA issued | 150,000 | 70,000 | 14,200 | 37,000 | 8,260 | 38,000 |
| Start date of the exercise period | July 16, 2014 | April 27, 2015 | July 1, 2015 | September 20, 2017 | October 3, 2024 | October 19, 2025 |
| End date of the exercise period | July 16, 2024 | April 26, 2025 | June 30, 2025 | September 20, 2027 | October 3, 2032 | October 19, 2033 |
| Exercise price per BSA/ share | €8.65 | €9.59 | €14.05 | €11 | €2.31 | €2.26 |
| Number of BSA exercised as of December 31, 2023 | 75,000 | — | — | — | — | — |
| BSA cancelled or lapsed as of December 31, 2023 | — | — | — | — | — | — |
| BSA remaining as of December 31, 2023 | 75,000 | 70,000 | 14,200 | 37,000 | 8,260 | 38,000 |

***Redeemable Share Warrants (BSAAR)***

Redeemable share warrants, or BSAAR, are identical to the share warrants of BSA (including the one-for-one exercise ratio, its potential adjustment for certain modifications of the share capital and the exercise period of 10 years), except for the following features:

- the BSAAR are initially purchased by the beneficiary at their fair value, as determined by an expert, and

- the BSAAR plans include a “forcing” clause making it possible to encourage holders to exercise their BSAAR when the market price exceeds the exercise price and reaches a threshold defined in the BSAAR issuance agreement. The Company can then, subject to a time period for notifying the holders that will permit them to exercise their BSAAR, decide to purchase the unexercised BSAAR at a unit price equal to the BSAAR acquisition price initially paid by their holders.

Innate's redeemable share warrants cannot be sold. The BSAAR have been granted to certain of the executive officers and employees.

The following table shows the BSAAR outstanding as of December 31, 2023:

| **Plan title** | **BSAAR 2015** |
|---|---|
| Shareholder general meeting date | April 27, 2015 |
| Date of issue | July 1, 2015 |
| Total number of BSAAR issued | 1,050,382 |
| Start date of the exercise period | July 1, 2015 |
| End date of the exercise period | June 30, 2025 |
| BSAAR initial purchase price | €1.15 |
| Exercise price per BSAAR/share | €7.20 |
| Number of BSAAR exercised as of December 31, 2023 | 1,940 |
| BSAAR cancelled or lapsed as of December 31, 2023 | 2,720 |
| BSAAR remaining as of December 31, 2023 | 1,045,722 |

***Free Shares (AGA)***

Free shares (AGA) are employee equity incentive instruments pursuant to which the beneficiaries are granted, for free, the possibility to receive ordinary shares under certain conditions. Upon grant by the Executive Board of the Company, the AGA are subject to an acquisition, or vesting, period of at least one year. At the end of this period, the free shares vest and the beneficiary becomes a full shareholder. However, if the vesting period is less than a certain period set by law (currently two years), it must be followed by a holding period, so that the sum of the vesting period and the holding period is equal to a minimum total period also set by law (currently two years). Vesting can be conditional or not. The vesting of all or the Company's AGA is subject to a presence condition at the end of the vesting period. Some of the Company's AGA are also subject to performance conditions. Over the years, the Company has established several AGA plans, for its employees or for management only, sometimes as a “welcome package” (with no performance conditions). The Company's free share plans include provisions that allow for the adjustment of the number of ordinary shares to which a beneficiary is entitled at the end of the vesting period to compensate for certain modifications of its share capital, such as rights issues, stock splits, mergers and other events affecting all existing shareholders, during the vesting period. Certain of

the Company's plans also provide for an accelerated vesting in case of a tender offer on the Company during the vesting period.

The following table shows the AGAs outstanding as of December 31, 2023:

| Plan title (1) | AGA Perf Employees 2021 | AGA Perf Management 2021 | AGA Perf Employees 2022 | AGA Perf Management 2022 | AGA Perf Employees 2023 | AGA Perf Management 2023 |
|---|---|---|---|---|---|---|
| Shareholder general meeting date | May 28, 2021 | May 28, 2021 | May 20, 2022 | May 20, 2022 | May 12, 2023 | May 12, 2023 |
| Date of grant | October 1, 2021 | October 1, 2021 | December 12, 2022 | December 12, 2022 | December 21, 2023 | December 21, 2023 |
| Vesting Period | 3 years | 3 years | 3 years | 3 years | 3 years | 3 years |
| Holding period | None | None | None | None | None | None |
| Performance Conditions | Yes | Yes | Yes | Yes | Yes | Yes |
| Number of AGA granted | 1,066,600 | 610,000 | 1,371,500 | 550,000 | 1,403,500 | 750,000 |
| Number of vested AGA as of December 31, 2023 | — | — | — | — | — | — |
| Number of lapsed AGA as of December 31, 2023 | 247,300 | 130,000 | 198,000 | 0 | 4,500 | 0 |
| Number of AGA under a vesting period as of December 31, 2023 | 819,300 | 480,000 | 1,173,500 | 550,000 | 1,399,000 | 750,000 |

(1) Usually after the end of the vesting period, the Executive Board will convene and acknowledge the number of free shares that have vested and the number of those that have not because the presence condition and, as applicable, the performance conditions, have not been met. For the purpose of computing the amount of share-based compensation in its consolidated financial statements, AGA that have lapsed because the presence condition has not been met, are excluded from the computation, even though the Executive Board has not met yet and formally acknowledged this fact. As a result, certain of the numbers above are different from those in its consolidated financial statements.

The following authorization will be submitted for approval to the general meeting of the shareholders to be held on May 23, 2024: (i) up to 1,425,000 free shares with performance conditions to the benefit of executive officers, employed members of the Leadership Team, employed senior executives and/or corporate officers, (ii) up to 1,200,000 free shares with performance conditions to the benefit of employees, (iii) up to 300,000 free shares to the benefit of new executive officers without performance conditions, (iv) up to 300,000 free shares to the benefit of employees and Leadership Team and Executive Board (excluding the Chairman) members as part of the employee saving plan, (v) up to 150,000 stock options to the benefit of new executive officers and (vi) up to 40,000 warrants to the benefit of independent Supervisory Board members to be issued at the fair market value.

***Free Preferred Shares (AGAP)***

Free preferred shares (AGAP) are another employee equity incentive instrument similar to the free shares or AGA, except that, after a one-year vesting period, the beneficiaries receive a preferred shares (shares B) which will become convertible into ordinary shares following a lock-up period of two additional years, if the performance conditions (and a presence condition) are met at the end of this lock-up period. Each free preferred share is convertible into a number of ordinary shares of the Company – which number depends upon the degree of fulfilment of the performance conditions. The free preferred shares remain convertible into ordinary shares for a period of six years and six months. Free preferred shares not converted at the end of this conversion period can be repurchased by Innate and cancelled. The Company's AGAP cannot be sold.

The Company has established several AGAP plans in 2016 and 2017 for all of its employees or for management only.

Since the end of the lock-up period, holders of the 2016 AGAP that have not yet converted them into ordinary shares, are entitled to vote at the shareholders' meetings, to dividends and to preferential subscription rights, on the basis of the number of ordinary shares to which they are entitled if they convert their AGAP.

On October 21, 2019, the performance criteria of the 2016-1 AGAP were assessed and the conversion ratio was determined as follows: one 2016-1 AGAP gives right to 130 ordinary shares.

On December 30, 2019, the performance criteria of the 2016-2 AGAP were assessed and the conversion ratio was determined as follows: one 2016-2 AGAP gives right to 111 ordinary shares.

The 2017 AGAP are not convertible since the performance criteria were not met.

The following table shows the AGAPs outstanding as of December 31, 2023:

| Plan title | AGAP Management 2016-1 | AGAP Management 2016-2 | AGAP Employees 2016-1 |
|---|---|---|---|
| Shareholder general meeting date | June 2, 2016 | June 2, 2016 | June 2, 2016 |
| Date of grant | October 21, 2016 | December 30, 2016 | October 21, 2016 |
| Number of AGAP granted | 2,000 | 3,000 | 2,486 |
| Maximum number of ordinary shares into which each AGAP can be converted | 130 | 111 | 130 |
| Number of AGAP lapsed during the vesting period | 450 | — | 105 |
| Number of vested AGAP | 1,550 | 3,000 | 2,381 |
| Number of lapsed AGAP during the lock up period | 100 | — | 146 |
| Number of outstanding AGAP | 1,200 | 3,000 | 2,063 |

## C. Board Practices

### *Supervisory Board*

The Supervisory Board is made up of a minimum of three members and a maximum of eighteen. The members of the Supervisory Board are appointed for a renewable term of two years at the general meeting of shareholders, which may revoke their appointments at any time. The appointees are selected from among the shareholders and may be individuals or companies. Each member must own at least one of our ordinary shares for the entire term of the appointment. Members of the Supervisory Board cannot be members of the Executive Board.

The number of members of the Supervisory Board who have reached the age of seventy years cannot be higher than a third of the members of the Supervisory Board. If the age limitation is exceeded, the eldest member is deemed to have resigned automatically.

There was no directors' service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment, for the Company's last completed fiscal year.

### *Role of the Supervisory Board in Risk Oversight*

The Supervisory Board is primarily responsible for the oversight of the risk management activities and has delegated to the Audit Committee the responsibility to assist the Supervisory Board in this task. While the Supervisory Board oversees risk management, management, through the Executive Board is responsible for day-to-day risk management processes. The Supervisory Board expects the management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the Supervisory Board. The Company believes this division of responsibilities is the most effective approach for addressing the risks the Company faces.

### *Board Diversity Matrix*

| Board Diversity Matrix | |
|---|---|
| Country of Principal Executive Offices: | France |

| | | | | |
|---|---|---|---|---|
| Foreign Private Issuer | Yes | | | |
| Disclosure Prohibited under Home Country Law | **Yes** | | | |
| | As of December 31, 2022 | | As of December 31, 2023 | |
| Total Number of Members | 8 | | 8 | |
| **Gender Identity** | **Female** | **Male** | **Non-Binary** | **Did Not Disclose Gender** |
| Members | - | - | - | - |
| **Demographic Background** | | | | |
| Underrepresented Individual in Home Country Jurisdiction | - | | - | |
| LGBTQ+ | - | | - | |
| Did Not Disclose Demographic Background | - | | - | |

**Supervisory Board Committees**

The Supervisory Board has established an Audit Committee, a Compensation and Nomination Committee, a Corporate and Social Responsibility Committee and a Transactions Committee, which operate pursuant to rules of procedure adopted by the Supervisory Board.

Subject to available exemptions, the composition and functioning of all of the committees will comply with all applicable requirements of the French Commercial Code, the Exchange Act, the Nasdaq listing rules and SEC rules and regulations.

In accordance with French law, committees of the Supervisory Board only have an advisory role and can only make recommendations to the Supervisory Board. As a result, decisions are made by the Supervisory Board taking into account non-binding recommendations of the relevant Supervisory Board committee.

***Audit Committee***

Innate's Audit Committee assists the Supervisory Board in its oversight of the corporate accounting and financial reporting and oversees the selection of the auditors, their remuneration and independence and keeps the Supervisory Board informed on control systems, key processes and procedures, security and risks. From May 2022, the members of the Audit Committee as of the date of this Annual Report are Pascale Boissel, Irina Staatz-Granzer and Sally Bennett. Ms. Boissel is the Chairman of the Audit Committee.

The Company's Supervisory Board has determined that Dr. Bennett, Dr. Staatz-Granzer and Ms. Boissel are independent within the meaning of the applicable Nasdaq listing rules and the independence requirements contemplated by Rule 10A-3 under the Exchange Act. The Supervisory Board has further determined that Ms. Boissel is an "audit committee financial expert" as defined by the Nasdaq listing rules and that each of the members qualifies as financially sophisticated under the Nasdaq Listing Rules.

The principal responsibility of the Audit Committee is to monitor the existence and efficacy of the financial audit and risk control procedures on an ongoing basis.

Innate's Supervisory Board has specifically assigned the following duties to the Audit Committee:

- legal control of the half-year and annual accounts;
- evaluating internal control practices, risk analysis;
- supervising the creation of the financial statements published by us;

- assessing accounting methods; and
- selecting statutory auditors, negotiating their fees, reviewing of their conclusions and reviewing their independence.

The Audit Committee reviews and approves the report from the Chairman of the Supervisory Board on internal control.

***Compensation and Nomination Committee***

Innate's Compensation and Nomination Committee assists the Supervisory Board in reviewing and making recommendations to the Supervisory Board with respect to the appointment and the compensation of the members of the Executive Board, Supervisory Board and Leadership Team and other key employees. In accordance with operating rules adopted by the Supervisory Board, the Compensation and Nomination Committee is composed of at least two members appointed by the Supervisory Board. As of December 31, 2023, the members of the committee are Pascale Boissel, Hervé Brailly, Véronique Chabernaud and Jean-Yves Blay. The Company's Supervisory Board has determined that Pascale Boissel, Hervé Brailly, Véronique Chabernaud and Dr. Jean-Yves Blay are independent within the meaning of the applicable Nasdaq listing rules and the independence requirements contemplated by Rule 10A-3 under the Exchange Act.

The Company's Supervisory Board has specifically assigned the following duties to the Compensation and Nomination Committee:

- reviewing the remuneration policy, in particular the description of the collective objectives (applicable company-wide) and individual objectives (for members of the Executive Board and the Leadership Team);
- reviewing the compensation of the members of the Executive Board and the Leadership Team, the policy concerning the distribution of equity such as warrants, stock options, grants and capital increases reserved for members of the savings plan, examining the amount of attendance fees among the Supervisory Board and the committees members;
- assisting the Supervisory Board in the selection of the members of the Executive Board and committees; and
- making recommendations with respect to the independence of the members of the Supervisory Board and committees and preventing conflicts of interest within the Supervisory Board.

***Transactions Committee***

Innate's Transactions Committee assists the Supervisory Board in examining the business and corporate development opportunities available to us, which may include the acquisition of rights to products or the acquisition of other companies as well as out-licensing opportunities. As of December 31, 2023, the members of this committee are Irina Staatz-Granzer, Hervé Brailly, Bpifrance Participations and Gilles Brisson. Currently, Dr. Staatz-Granzer is an independent member and Chairman of the Transactions Committee.

Innate Pharma's Supervisory Board has specifically assigned the following duties to the Transactions Committee:

- to analyze the fundamentals of the products and/or companies targeted by us, the feasibility of targeted acquisitions; and
- to participate in the selection of investment bankers and/or consultants.

***CSR Committee***

The Supervisory Board of September 14, 2022, on the recommendation of the Compensation and Nomination Committee of September 12, 2022, decided to set up a CSR Committee. The first meeting of the committee was held on July, 5th 2023.

As of December 31, 2023, the members of the CSR Committee are Sally Bennett, Véronique Chabernaud, Hervé Brailly and Olivier Martinez.

The main duties of the CSR Committee are to:

- make recommendations on the CSR policy and its implementation by the Company;
- examine the content of the non-financial information;
- review the Company's CSR publications; and
- determine the CSR criteria for the annual and multi-annual variable remuneration.

**Other Committees**

***The Strategic Advisory Board***

The Company also has a Strategic Advisory Board composed of six external consultants, consisting of three individuals from the medical community and three individuals from the scientific community. The Strategic Advisory Board is not a committee of the Supervisory Board within the meaning of Article R.225-29 of the French Commercial Code; its members are chosen by the Executive Board. This kind of advisory committee is common in French companies in the biotechnology sector.

The Strategic Advisory Board's role is to assist Innate in the strategic choices in scientific and technical fields. Its main missions are to evaluate the relevance of the choices in terms of product development and to propose, if necessary, changes to strategic or technical approaches; to advise management and guide the scientific direction in identifying strategies and selecting product candidates, based, in particular, on the scientific results obtained by us, including new targets and new compounds and to promote and advise Innate in the alliance strategies, such as external growth supporting synergies, including acquisition of new competences, purchase of operating rights, product candidates and innovative technologies. The Strategic Advisory Board is comprised of Sebastian Amigorena, Aurélien Marabelle, Ruslan Medzhitov, Miriam Merad, Tanguy Seiwert and Mario Sznol. Dr. Merad is the Chairman of the Strategic Advisory Board.

*Sebastian Amigorena, Ph.D.*, is "*Directeur de Recherche de Classe Exceptionnelle*" at the *Centre National de la Recherche Scientifique*. He also leads the newly created Cancer Immunotherapy Center at Institut Curie in Paris (France). Dr. Amigorena has made significant contributions to immunology and cell biology at every stage of his career. His findings have helped advance the understanding of antigen presentation and T cell priming by dendritic cells, with applications in the fields of cancer immunotherapy and vaccination. Dr. Amigorena has received numerous national and international prizes and awards, including the prestigious senior European Research Council award in 2008 and in 2014.

*Aurélien Marabelle* MD,PhD is a medical oncologist and immunologist. His clinical practice is dedicated to early Phase clinical trials of cancer immunotherapies at the Gustave Roussy Cancer Center where he also leads a translational research laboratory dedicated to cancer immunology & immunotherapies (INSERM U1015 & CIC1428). He is a full professor of Clinical Immunology at the University of Paris Saclay. Prof. Marabelle is an active member of ESMO, ASCO, AACR, SITC, EATI and is the current president and co-founder of the French Society for Cancer Immunotherapies (FITC). He has published more than 250 peer reviewed publications and has an H-index of 66.

*Ruslan Medzhitov, Ph.D.,* is a Sterling Professor at Yale University School of Medicine in New Haven, Connecticut, and an Investigator of the Howard Hughes Medical Institute. His research interests include biology of inflammation, biological bases of diseases and evolutionary design of biological systems. Dr. Medzhitov is a member of the National Academy of Sciences, National Academy of Medicine and European Molecular Biology Organization. He is a fellow of the American Academy of Microbiology and a foreign member of the Russian Academy of Sciences.

*Miriam Merad, M.D.; Ph.D.*, is Director of the Precision Immunology Institute at Mount Sinai School of Medicine in New York (PrIISM) and Director of the Mount Sinai Human Immune Monitoring Center (HIMC). Dr. Merad is an internationally renowned physician-scientist with expertise in human disease immunology. Dr. Merad has identified the tissue-resident macrophage lineage and revealed its distinct role in organ physiology and pathophysiology. She has demonstrated the contribution of this macrophage lineage to cancer progression and inflammatory diseases. She is currently working on the development of new therapies targeting macrophages for these pathologies. In addition to her work on macrophages, Dr. Merad is known for her work on dendritic cells, a group of cells that control adaptive immunity. She has identified a new subset of dendritic cells, which is now considered to be a key target for antiviral and antitumor immunity. Dr. Merad directs the Institute of Immunology (PrIISM), whose mission is to develop new immunotherapies for the treatment of human diseases. Dr. Merad is the author of more than 300 articles and reviews in leading publications. Her work has been cited several thousand times. She is an elected member of the American Society of Clinical Investigation and has received the William B. Coley Award for her contributions to the field of cancer immunology. In 2020, she was elected to the French National Academy of Sciences and in 2023 to the French National Academy of Medicine in recognition of her contributions to the field of immunology. She is also President of the International Union of Immunological Societies (IUIS).

*Tanguy Seiwert, M.D.*, is Assistant Professor of Medicine, Section of Hematology and Oncology in the Department of Medicine at the University of Chicago. Dr. Seiwert's research focuses on the biology of head and neck cancer and lung cancer. In the laboratory, he studies targeted therapies that disrupt specific pathways vital to cancer growth and metastasis. More specifically, he focuses on which novel drugs appear most promising, which individual tumors are more likely to respond to these treatments and how to successfully combine therapies. Dr. Seiwert uses this preclinical knowledge to develop new treatments for use in clinical trials, and to ultimately improve patient care.

*Mario Sznol, MD,* is Professor of Internal Medicine, Leader of the Clinical Research Team in Melanoma and Kidney Cancer, and Co-Leader of the Cancer Immunology Program. Dr. Sznol is a graduate of Rice University and Baylor College of Medicine (BCM) in Houston, Texas. He trained in internal medicine at BCM and completed a fellowship in medical oncology in the Department of Neoplastic Diseases at Mount Sinai Hospital, New York. He spent the next twelve years in the Biologics Evaluation Section (BES), Investigational Drug Branch (IDB), Cancer Therapy Evaluation Program of the National Cancer Institute, and was BES Chief from 1994 to 1999. He was on the inpatient units of the Biological Response Modifiers Program, NCI, from 1988 to 1996, and on the immunotherapy service of the Surgery Branch, NCI, from 1997 to 1999. From 1999 to 2004, he served as Vice President of Clinical Development of Vion Pharmaceuticals in New Haven, Connecticut. Dr. Sznol is a past president of the Society for Immunotherapy of Cancer (SITC). Dr. Sznol's areas of interest include early drug development, immunotherapy and treatments for advanced melanoma and kidney cancer.

Leadership Team

The Company also has a Leadership Team composed of members with significant experience in strategy, financial management, medical research, research and development project management, the negotiation of industrial and commercial agreements in the field of innovative companies, including biotechnology

companies, compliance and regulations and in business development. The Leadership Team meets at least once a month and deals with all subjects regarding the activities and the management of the Company.

As of December 31, 2023, the members of the Leadership Team were Mondher Mahjoubi, Yannis Morel, Sonia Quaratino, Odile Belzunce, Odile Laurent, Frédéric Lombard, Nicola Beltraminelli, Claire de Saint Blanquat and Henry Wheeler. Eric Vivier, the Senior Vice President, Chief Scientific Officer, is a permanent guest to the meetings of the Leadership Team.

**Corporate Governance Practices**

As a French *société anonyme*, the Company is subject to various corporate governance requirements under French law. The Company is a "foreign private issuer" under the U.S. federal securities laws and the Nasdaq listing rules. As a foreign private issuer listed on the Nasdaq Global Market, we will be subject to the Nasdaq corporate governance listing standards. However, the Nasdaq Global Market's listing standards provide that foreign private issuers, as defined in the rules promulgated under the U.S. Securities Exchange Act of 1934, as amended, (the "Exchange Act"), are permitted to follow home country corporate governance practices instead of certain Nasdaq listing requirements, with certain exceptions. A foreign private issuer that elects to follow a home country practice instead of Nasdaq listing requirements must submit to Nasdaq a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws.

The Company applies the Middlenext code, which recommends that at least two members of the Supervisory Board be independent (as such term is defined under the code). Certain corporate governance practices in France may differ significantly from Nasdaq's corporate governance listing standards. Neither the corporate laws of France nor the bylaws requires that (i) a majority of the Members of our Supervisory Board be independent or (ii) the independent members of the Supervisory Board hold regularly scheduled meetings at which only independent members of the Supervisory Board are present. Other than as set forth below, the Company currently intends to comply with the corporate governance listing standards of Nasdaq to the extent possible under French law. However, we may choose to change such practices to follow home country practice in the future.

Although we are a foreign private issuer, these exemptions do not modify the independence requirements for the Audit Committee. Pursuant to the requirements of the Sarbanes-Oxley Act of 2002 and the Nasdaq Listing Rules, our Audit Committee must be composed of at least three independent members. Rule 10A-3 under the Exchange Act provides that the Audit Committee must have direct responsibility for the nomination, compensation and choice of the auditors, as well as control over the performance of their duties, management of complaints made, and selection of consultants. Under Rule 10A-3, if the laws of a foreign private issuer's home country require that any such matter be approved by our Supervisory Board or the shareholders of the Company, the Audit Committee's responsibilities or powers with respect to such matter may instead be advisory. Under French law, the Audit Committee may only have an advisory role and appointment of the statutory auditors, in particular, must be decided by the shareholders at the annual meeting.

In addition, Nasdaq Listing Rules require that a listed company specify that the quorum for any meeting of the holders of share capital be at least 33 1/3% of the outstanding shares of the company's ordinary voting shares. The Company intends to follow its French home country practice, rather than complying with this Nasdaq Listing Rule. Consistent with French Law, the Company's bylaws provide that when first convened, general meetings of shareholders may validly convene only if the shareholders present or represented hold at least (1) 20% of the voting shares in the case of an ordinary general meeting or of an extraordinary general meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, or (2) 25% of the voting shares in the case of any other extraordinary general meeting. If such quorum required by French law is not met, the meeting is adjourned. There is no

quorum requirement under French law when an ordinary general meeting or an extraordinary general meeting is reconvened where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, but the reconvened meeting may consider only questions that were on the agenda of the adjourned meeting. When any other extraordinary general meeting is reconvened, the required quorum under French law is 20% of the shares entitled to vote. The reconvened meeting may consider only questions that were on the agenda of the adjourned meeting. If a quorum is not met at a reconvened meeting requiring a quorum, then the meeting may be adjourned for a maximum of two months.

Finally, the Company follows French law with respect to shareholder approval requirements in lieu of the various shareholder approval requirements of Nasdaq Listing Rule 5635, which requires a Nasdaq listed company to obtain shareholder approval prior to certain issuances of securities, including: (a) issuances in connection with the acquisition of the stock or assets of another company if upon issuance the issued shares will equal 20% or more of the number of shares or voting power outstanding prior to the issuance, or if certain specified persons have a 5% or greater interest in the assets or company to be acquired (Nasdaq Listing Rule 5635(a)); (b) issuances or potential issuances that will result in a change of control of us (Nasdaq Listing Rule 5635(b)); (c) issuances in connection with equity compensation arrangements (Nasdaq Listing Rule 5635(c)); and (d) 20% or greater issuances in transactions other than public offerings, as defined in the Nasdaq rules (Nasdaq Listing Rule 5635(d)). Under French law, the Company's shareholders may approve issuances of equity, as a general matter, through the adoption of delegation of authority resolutions at the Company's meeting of shareholders pursuant to which shareholders may delegate their authority to the Executive Board to increase the Company's share capital within specified parameters set by the shareholders, which may include a time limitation to carry out the share capital increase, the cancellation of their preferential subscription rights to the benefit of named persons or a category of persons, specified price limitations and/or specific or aggregate limitations on the size of the share capital increase. Due to differences between French law and corporate governance practices and Nasdaq Listing Rule 5635, the Company follows French home country practice, rather than complying with this Nasdaq Listing Rule.

In accordance with French law, committees of our Supervisory Board will only have an advisory role and can only make recommendations to our Supervisory Board. As a result, decisions will be made by our Supervisory Board taking into account nonbinding recommendations of the relevant Supervisory Board committee.

**Code of Ethics**

The Company has adopted a Code of Ethics applicable to all of its employees and members of its Executive Board and Supervisory Board. The Code of Ethics is available on its website. The Company expects that any amendments to the Code of Ethics, or any waivers of its requirements, will be disclosed on its website.

***Executive Compensation Arrangements***

Except the arrangements described in "Item 7.B—Related Party Transactions—Arrangements with the members of the Executive and Supervisory Boards," there are no arrangements or understanding between Innate and any of the other members of the Executive and Supervisory Boards providing for benefits upon termination of their employment, other than as required by applicable law.

**D. Employees**

As of December 31, 2023, the Company had 179 full-time employees. Pursuant to French law, employees of Innate Pharma are subject to the French national collective bargaining agreement of Pharmaceutical Industries (*Convention collective Nationale des Industries Pharmaceutiques*). The Company believes that

it maintains good relations with its employees. The following tables show the number of employees as of December 31, 2023, broken out by department:

| Full-time equivalent employees of Innate Pharma SA and Innate Pharma Inc. | As of December 31, 2023 |
|---|---|
| Research and development | 136 |
| General and administrative | 34 |
| Leadership Team | 9 |
| Total | **179** |

### E. Share Ownership

For information regarding the share ownership of the directors and executive officers, see "Item 6.B—Compensation" and "Item 7.A—Major Shareholders."

### F. Disclosure of any action to recover erroneously awarded compensation

Not applicable.

## Item 7. Major Shareholders and Related Party Transactions

### A. Major Shareholders

The following table and accompanying footnotes set forth, as of December 31, 2023, information regarding beneficial ownership of the ordinary shares by:

- each person, or group of affiliated persons, known by Innate to beneficially own more than 5% of the ordinary shares;
- each of the Leadership Team and Supervisory Board members individually; and
- all of the Executive Board and Supervisory Board members as a group.

Assuming that all of the ordinary shares represented by ADSs are held by residents of the United States, as of December 31, 2023, the Company estimates that approximately 4.8 million shares, or 5.97% of the ordinary shares were held of record by residents of the United States.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including free shares that vest within 60 days of December 31, 2023 and options and warrants that are currently exercisable or exercisable within 60 days of December 31, 2023. Ordinary shares subject to free shares, options and warrants currently exercisable or exercisable within 60 days of December 31, 2023 are deemed to be outstanding for computing the percentage ownership of the person holding these free shares, options or warrants and the percentage ownership of any group of which the holder is a member, but are not deemed outstanding for computing the percentage of any other person.

Except as indicated by the footnotes below, the Company believes, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all ordinary shares shown that they beneficially own, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Innate Pharma S.A., 117, Avenue de Luminy – BP 30191, 13009 Marseille, France.

| | Number of Ordinary Shares Beneficially Owned | Percentage of Ordinary Shares Beneficially Owned |
|---|---|---|
| **5% Shareholders**: | | |
| Novo Nordisk A/S(1) | 9,817,546 | 12.14% |
| MedImmune Limited(2) | 7,485,500 | 9.26% |
| Bpifrance Participations(3) | 6,389,406 | 7.90% |
| **Executive Board and Supervisory Board members and other executive officers**: | | |
| Mondher Mahjoubi, M.D.(4) | 631,088 | 0.78% |
| Yannis Morel, Ph.D.(5) | 194,192 | 0.24% |
| Hervé Brailly, Ph.D.(6) | 739,784 | 0.92% |
| Irina Staatz-Granzer (7) | 25,100 | 0.03% |
| Jean-Yves Blay(8) | 50 | —% |
| Gilles Brisson (9) | 73,059 | 0.09% |
| Véronique Chabernaud(10) | 660 | —% |
| Olivier Martinez(11) | — | —% |
| Pascale Boissel(12) | 1,000 | —% |
| Sally Bennett(13) | 2,500 | —% |
| Sonia Quaratino | — | —% |
| Odile Belzunce(14) | 62,249 | 0.08% |
| Eric Vivier, D.V.M.(15) | 210,228 | 0.26% |
| Odile Laurent (16) | 37,979 | 0.05% |
| Frédéric Lombard (17) | 11,362 | 0.01% |
| Nicola Beltraminelli (18) | 9,246 | 0.01% |
| Henry Wheeler (19) | 3,185 | —% |
| Claire de St Blanquat (20) | 3,185 | —% |
| **All members of our Executive Board, Supervisory Board and other Leadership Team member as a group** | **25,697,319** | **32%** |

(1) Consists of 9,817,546 ordinary shares. The principal business address for Novo Nordisk A/S is Novo Allé, 2880 Bagsvaerd, Denmark.

(2) Consists of 7,485,500 ordinary shares. The principal business address for MedImmune Limited is Milstein Building, Granta Park, Cambridge, CB21 6GH, United Kingdom.

(3) Consists of 6,389,406 ordinary shares. The principal business address for Bpifrance Participations is 27-31, avenue du Général Leclerc, 94 710 Maisons Alfort Cedex, France.

(4) Consists of 631,088 ordinary shares.

(5) Consists of 194,192 ordinary shares and 88,000 redeemable warrants (BSAAR 2015).

(6) Consists of 739,784 ordinary shares, 150,000 redeemable warrants (BSAAR 2015) and 10,000 warrants (BSA2023).

(7) Consists of 25,100 ordinary shares, 10,000 warrants (BSA 2015-1) , 10,000 warrants (BSA 2017) and 10,000 warrants (BSA 2023).

(8) Consists of 50 ordinary shares and 8,000 warrants (BSA 2023).

(9) Consists of 73,059 ordinary shares, 15,000 warrants (BSA 2015-1) , 10,000 warrants (BSA 2017) and 10,000 warrants (BSA 2023).

(10) Consists of 660 ordinary shares, 14,200 warrants (BSA 2015-2) and 10,000 warrants (BSA 2017).

(11) As representative of Bpifrance Participations, the legal entity that holds this Supervisory Board seat.

(12) Consists of 1,000 ordinary shares.

(13) Consists of 2,500 ordinary shares.

(14) Consists of 62,249 ordinary shares and 10,000 warrants (BSA).

(15) Consists of 210,228 ordinary shares.

(16) Consists of 37,979 ordinary shares.

(17) Consists of 11,362 ordinary shares.

(18) Consists of 9,246 ordinary shares.

(19) Consists of 3,185 ordinary shares.

(20) Consists of 3,185 ordinary shares.

None of the principal shareholders has voting rights different than the other shareholders.

To the best of our knowledge, no other shareholder currently holds, directly or indirectly and acting alone or in concert, more than 5% of our share capital or voting rights. Furthermore, we believe that we are not directly or indirectly owned or controlled by another corporation or government, or by any other natural or legal persons. To our knowledge, there are no arrangements that may result in a change of control.

## B. Related Party Transactions.

Since January 1, 2023, the Company has engaged in the following transactions with members of its Executive and Supervisory Boards and holders of more than 5% of its outstanding voting securities, and their respective affiliates, which Innate refers to as its related parties.

### Arrangements with the Members of the Executive and Supervisory Boards

#### *Director and Executive Officer Compensation*

See “Item 6B—Compensation—Limitations on Liability and Indemnification Matters” for information regarding compensation of the members of the Supervisory and Executive Boards.

#### *Termination letter for Mondher Mahjoubi*

Following the resignation of Mr. Mondher Mahjoubi from his duties as member and Chairman of the Executive Board with effect from December 31, 2023, the Supervisory Board meeting of December 15, 2023 authorized the Company to sign a letter specifying the terms and conditions of Mr. Mahjoubi's departure. These conditions are detailed below.

Mondher Mahjoubi, who will remain with the company until December 31, 2023, is eligible for the following:

- To his variable remuneration for 2023, in accordance with the level of achievement of the Company's 2023 objectives to be assessed by the Supervisory Board;
- To the 2020 free performance shares ("AGAP") granted to him by decision of the Executive Board on August 5, 2020, up to the level of achievement of the performance conditions as assessed by the Executive Board.

In addition, Mr. Mondher Mahjoubi's letter of termination specifies that the Supervisory Board authorizes the Executive Board to waive Mr. Mondher Mahjoubi's attendance conditions under the AGAP 2021 and 2022 programs, thereby enabling him to benefit from the shares granted to him by the Executive Board on October 1, 2021 and December 12, 2022 respectively, according to the level of achievement of the conditions by December 31, 2023, as determined by the Executive Board, with a definitive grant date in accordance with the programs concerned, i.e. December 31, 2024 and December 31, 2025 respectively.

Lastly, the non-compete clause has been waived.

***Mondher Mahjoubi consulting agreement***

Following the resignation of Mr. Mondher Mahjoubi from his duties as member and Chairman of the Executive Board with effect from December 31, 2023, the Supervisory Board meeting of December 15, 2023 authorized the conclusion of a services agreement with Mr. Mahjoubi for the month of January 2024, for remuneration equivalent to his fixed monthly remuneration, i.e. €39,000. This agreement has no impact on the fiscal year 2023.

***Agreement with Jean-Yves Blay as member of the Supervisory Board***

On May 12, 2023, the Supervisory Board authorized the conclusion of an agreement between Innate Pharma and Jean-Yves Blay in his capacity as member of the Supervisory Board in order to define the terms and conditions under which Jean-Yves Blay participates in the Supervisory Board.

This contract took effect on June 12, 2023 for the duration of Jean-Yves Blay's term of office, i.e., until the General Annual Meeting approving the financial statements for the year ending December 31, 2024 and at the latest June 30, 2025.

The contract provides that Jean-Yves Blay may receive a maximum remuneration of €43,000 per year.

For the financial year 2023, Jean-Yves Blay received €29,000 under this contract, corresponding to the amount of his fixed and variable remuneration as a member of the Supervisory Board.

***Amendments to the Pionner Consortium agreement***

At its meeting on May 12, 2023, the Supervisory Board authorized the conclusion of amendments no. 1 and 2 to the Pionner Consortium project agreement, involving nine academic and industrial partners, including Innate Pharma, AstraZeneca and the Centre Léon Bérard, in order to define the terms and conditions of the project.

The agreement was signed on November 7, 2018, with retroactive effect to November 1, 2017. An amendment n°1 was signed on September 8, 2022 to extend the duration of the project until October 31, 2023.

An amendment n° 2 was signed on June 2, 2023. This amendment added a new partner to the agreement, the "Institut Gustave Roussy", and extended the duration of the project to October 31, 2024.

***Indemnification Agreement with Mr. Hervé Brailly, Mrs. Irina Staatz-Granzer, Mr. Jean Yves Blay, Mr. Gilles Brisson, Mrs. Véronique Chabernaud, Mrs. Pascale Boissel, Ms. Sally Bennett and Mr. Olivier Martinez as members of the Supervisory Board and Mr. Mondher Mahjoubi and Mr. Yannis Morel as members of the Management Board***

In the context of the Nasdaq IPO and regarding the need to put in place insurance for the liability of officers of listed companies in the United States, the Supervisory Board decided :

(i) to subscribe to an insurance policy covering the risks associated with the Nasdaq IPO (IPO insurance) and an insurance policy extension for companies listed on the Nasdaq (D&O insurance policy); and

(ii) to enter into an indemnification agreement between the Company and the Supervisory and Executive Board members.

Such indemnification agreement provides that the Company would cover Supervisory Board members and Executive Board members in situations in which the IPO and D&O insurance policies would not cover them, but always within the limits of what is legally possible in terms of indemnification of directors and officers.

**Transaction with Related Companies**

From time to time, in the ordinary course of its business, the Company may contract for services from companies or institutions in which certain members of its Executive Board or Supervisory Board may serve as a director or advisor. The cost and provision of these services are negotiated on an arm's-length basis, and none of these arrangements are material.

**Related Person Transaction Policy**

The Company complies with French law regarding approval of transactions with related parties. On September 12, 2019, the Supervisory Board adopted a related person transaction policy that sets forth its procedures for the identification, review, consideration and approval or ratification of related person transactions. The policy became effective immediately upon the execution of the underwriting agreement for the October 2019 global offering. For purposes of its policy only, a related person transaction is a transaction, arrangement or similar contractual relationship, or any series of similar transactions, arrangements or relationships, in which the Company and any related person are, were or will be participants and the amount involved in the transaction exceeds $120,000, with the exception of usual transactions concluded under normal conditions. A related person is any member of the Executive Board or Supervisory Board or beneficial owner of more than 5% of any class of its voting securities, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, if a transaction has been identified as a related person transaction, including any transaction that was not a related person transaction when originally consummated or any transaction that was not initially identified as a related person transaction prior to consummation, the management must present information regarding the related person transaction to the Supervisory Board for review, consideration and approval or ratification. The presentation must include a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to Innate of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to or from employees generally. Under the policy, the Company will collect information that the Company deems reasonably necessary from each member of its Executive Board and Supervisory Board and, to the extent feasible, significant shareholder to enable Innate to identify any existing or potential related-person transactions and to effectuate the terms of the policy.

In addition, under its Code of Business Conduct and Ethics, which Innate Pharma adopted on September 12, 2019, its employees and Executive and Supervisory Board members have an affirmative responsibility

to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

In considering related person transactions, the Supervisory Board will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on the independence of a member of the Executive Board or Supervisory Board in the event that the related person is a member of the Executive Board or Supervisory Board, an immediate family member of a member of the Executive Board or Supervisory Board or an entity with which a member of Executive Board or Supervisory Board is affiliated;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify or reject a related person transaction, the Supervisory Board must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, the Company's best interests and those of its shareholders, as the Supervisory Board determines in the good faith exercise of its discretion.

All of the transactions described above were evaluated and approved by the Supervisory Board.

**C. Interests of Experts and Counsel.**

Not applicable.

**Item 8. Financial Information**

**A. Consolidated Statements and Other Financial Information.**

***Consolidated Financial Statements***

Our consolidated financial statements are included as part of this Annual Report, starting at page F-1.

***Legal Proceedings***

From time to time, the Company may be involved in various claims and legal proceedings relating to claims arising out of our operations. The Company is not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

***Dividend Policy***

The Company has never declared or paid any dividends on our ordinary shares. The Company does not anticipate paying cash dividends on our equity securities in the foreseeable future and intends to retain all available funds and any future earnings for use in the operation and expansion of our business, given our state of development.

Subject to the requirements of French law and our bylaws, dividends may only be distributed from our distributable profits, plus any amounts held in our available reserves which are reserves other than legal and statutory and revaluation surplus. Dividend distributions, if any in the future, will be made in euro and converted into U.S. dollars with respect to the ADSs, as provided in the deposit agreement. See the

information set forth in our prospectus dated October 16, 2019, filed with the SEC pursuant to Rule 424(b), under the heading "Description of Share Capital" for more information.

**B. Significant Changes.**

Not applicable.

**Item 9. The Offer and Listing.**

**A. Offer and Listing Details.**

The Company's ADSs have been listed on the Nasdaq Global Select Market under the symbol "IPHA" since October 21, 2019. The Company's ordinary shares have been trading on Euronext Paris under the symbol "IPH" since November 3, 2006. Prior to that date, there was no public trading market for the Company's ADSs or its ordinary shares.

**B. Plan of Distribution.**

Not applicable.

**C. Markets.**

The Company's ADSs have been listed on Nasdaq under the symbol "IPHA" since October 21, 2019. The Company's ordinary shares have been trading on Euronext Paris under the symbol "IPH" since November 3, 2006.

**D. Selling Shareholders.**

Not applicable.

**E. Dilution.**

Not applicable.

**F. Expenses of the Issue.**

Not applicable.

**Item 10. Additional Information.**

**A. Share Capital.**

Not applicable.

**B. Memorandum and Articles of Association.**

***Listing***

Our ADSs are listed on the Nasdaq Global Select Market under the symbol "IPHA." Our ordinary shares are listed on Euronext Paris under the symbol "IPH."

***Transfer Agent and Registrar***

The transfer agent and registrar for our ADSs is Citibank, N.A. Our share register for our ordinary shares is maintained by Société Générale Securities Services. The share register reflects only record owners of our ordinary shares. Holders of our ADSs are not treated as our shareholders and their names are therefore not entered in our share register. The depositary, the custodian or their nominees are the holder of the shares underlying our ADSs. Holders of our ADSs have a right to receive the ordinary shares underlying

their ADSs. For discussion on our ADSs and ADS holder rights, please refer to Exhibit 2.3 "Description of Securities" of this Annual Report.

***Corporate Purpose (Article 4 of the Bylaws)***

Our corporate purpose, directly or indirectly, in France or other countries is to:

- carry out, on our own behalf or on behalf of third parties, any research, development, studies and development of manufacturing or marketing procedures for pharmaceutical products;
- register or grant any patent or license directly or indirectly connected with our activity; and
- more generally, perform any operation of any kind, whether economic, legal, financial, civil or commercial, which may be directly or indirectly related to our corporate purpose or any similar, associated or complementary purpose.

***Executive Board (Articles 14 to 16 of the Bylaws)***

The Executive Board is responsible for our management and is composed of a minimum of two members and a maximum of five members who perform their duties under the supervision of the Supervisory Board.

Members of the Executive Board

The members of the Executive Board are appointed or have their appointments renewed by the Supervisory Board. The members of the Executive Board must be individuals. They are not required to be shareholders. They may be French citizens or citizens of other countries. Members of the Executive Board cannot be members of the Supervisory Board.

The maximum age for being a member of the Executive Board And the limitations on having such an appointment concurrently with an appointment in another company are subject to the applicable legal and regulatory provisions.

The term of office for the members of the Executive Board is three years and may be renewed. If there is a vacancy, the Supervisory Board must fill the vacancy within two months. The replacement is appointed for the time remaining until the Executive Board is up for renewal.

The members of the Executive Board may be removed from office, with or without cause and without notice, by the Supervisory Board or at any General Meeting of shareholders, by a simple majority vote of the shareholders present and voting at the meeting in person or by proxy.

Chairman of the Executive Board

The Supervisory Board elects a Chairman from among the members of the Executive Board to serve for the duration of his appointment as a member of the Executive Board. The Chairman of the Executive Board represents us in our relations with third parties.

The Supervisory Board may assign this power of representation to one or more other members of the Executive Board. Assignees have the title of General Manager.

Meetings and Powers of the Executive Board

The Executive Board meets as often as is in our interest, but at least once per quarter. Meetings are called by the Chairman or a member of the Executive Board appointed for this purpose.

At least three-quarters of the members of the Executive Board must be effectively present to constitute a quorum and decisions are made by a majority of the members of the Executive Board present or represented. Each member has one vote. In case of equality of expressed votes either in favor or against a decision (abstentions are not taken into account), the Chairman of the Executive Board has a casting vote.

The Executive Board has broad power to act under all circumstances on our behalf. It exercises this power within the limits of our corporate purpose and subject to any powers expressly given to the Supervisory Board and Shareholders' Meetings by law and according to our bylaws, and abiding by any restrictions on powers decided by the Supervisory Board. There are currently no limits imposed on the amounts of loans or borrowings that the Executive Board may approve.

Compensation of the Executive Board

The method and amount of compensation for each member of the Executive Board is determined by the Supervisory Board when appointing such member.

***Supervisory Board (Articles 17 to 22 of the Bylaws)***

Members of the Supervisory Board

The Executive Board is supervised by a Supervisory Board made up of a minimum of three members and a maximum of eighteen. The members of the Supervisory Board are appointed for a renewable term of two years at the General Meeting of shareholders, which may revoke their appointments at any time. The appointees are selected from among the shareholders and may be individuals or companies. Each member must own at least one of our ordinary shares for the entire term of the appointment. Members of the Supervisory Board cannot be members of the Executive Board.

The number of members of the Supervisory Board who have reached the age of seventy years cannot be higher than a third of the members of the Supervisory Board. If the age limitation is exceeded, the eldest member is deemed to have resigned automatically.

Chairman of the Supervisory Board

The Supervisory Board appoints from its members who are individuals a Chairman and a Vice-Chairman, who are in charge of convening the Supervisory Board and leading the debates.

Meetings and Powers of the Supervisory Board

The Supervisory Board meets as often as is in our interests but at least once per quarter. Meetings are called by the Chairman or Vice-Chairman, or by a member of the Executive Board or at least one-third of the members of the Supervisory Board, under the circumstances and according to the conditions set forth in the bylaws.

At least half of the members of the Supervisory Board must be present to constitute a quorum and decisions are made by a majority of the members of the Supervisory Board present or represented, it being specified that in a case of a split-vote, the Chairman of the Supervisory Board shall have the tiebreaking vote.

The Supervisory Board exercises permanent control over our management by the Executive Board and the powers explicitly conferred on it by the French laws. It alone has the authority to authorize certain significant transactions.

Under French law, any agreement entered into, directly or through an intermediary, between us and one of the members of the Executive Board or Supervisory Board, or a shareholder that holds over 10% of the voting rights, or, if such shareholder is a company, the controlling company thereof, must be subject to prior authorization from the Supervisory Board. The interested member cannot vote on such decision. The same applies to agreements in which a person referred above has an indirect interest. Such prior authorization also applies to agreements between us and another company if one of the members of our Executive Board or Supervisory Board is the owner, a partner with unlimited liability, manager, director, managing director, member of the Executive Board or of the Supervisory Board, or, in a general manner

is in a position of responsibility within the other company. These provisions are not applicable to agreements concerning day-to-day operations entered into under normal conditions.

In a report to the General Meeting of shareholders attached to the Executive Board's Management Report, the Supervisory Board reports on the conditions for preparing and organizing the work of the Supervisory Board as well as the internal control procedures set up by us.

Compensation of the Supervisory Board

Compensation for their attendance at board meetings (formerly known as *jetons de emunera*) is determined at the annual ordinary General Meeting. The General Meeting of shareholders may allocate an annual fixed sum and our Supervisory Board allocates this sum among its members as it sees fit. In addition, the Supervisory Board may allocate exceptional compensation (*emuneration exceptionnelle*) for missions or mandates entrusted to its members; in this case, this remuneration is subject to the provisions regarding related-parties agreements.

Committees

The Supervisory Board may decide to establish committees responsible for reviewing matters which the Supervisory Board or its Chairman wish to submit to them for examination and advice.

***Observers (Article 23 of the Bylaws)***

at the General Meeting of shareholders, one or more observers (*censeurs*) may be appointed, at the discretion of the shareholders for a term of office expiring at the shareholders meeting convened to decide on the financial statements for the preceding financial year after the first anniversary date of their appointment. This mandate is renewable without limit. Observers may be individuals or companies and are not required to be shareholders.

The observers attend all Supervisory Board meetings, with the right to participate but with a consultative vote only. They hold the same information and communication rights than the Supervisory Board's members and they are bound to the same confidentiality obligations.

***General Meeting of Shareholders (Articles 26 to 37 of the Bylaws)***

Calling Meetings and Conditions for Admission (Articles 27 to 30 of the Bylaws)

General Meetings of shareholders are called by the Executive Board, or failing that, by the Supervisory Board. They can also be called by the auditor(s) or an officer appointed by a court upon request, by any interested party or by the Works Council in an emergency, by one or more shareholders holding at least five percent of the ordinary shares or by an association of our shareholders. Meetings are held at our registered offices or at any other location indicated in the convening notice.

The meeting is published in the French Bulletin of Mandatory Legal Notices (*Bulletin des Annonces Légales Obligatoires* or BALO) at least 35 days prior to the date of a General Meeting of shareholders. In addition to the information concerning us, the notice indicates in particular the agenda of the General Meeting of shareholders and the draft resolutions that will be presented.

In the 21 days preceding the meeting, we will publish the information and documents relating to the meeting on our website.

The General Meeting of shareholders must be announced at least 15 days beforehand, by a notice placed in a journal that publishes legal announcements in the department where the headquarters are located, and in the BALO. Holders of registered shares who have owned them for at least one month as of the date on which the latest notice is published receive individual notices. When a General Meeting of shareholders is

unable to take action because the requisite quorum is not present, a second meeting is called at least ten days in advance using the same procedure as the first one.

The General Meeting of shareholders may only take action on items on the agenda. However, it may dismiss and replace one or more members of the Supervisory Board at any time. The General Meeting may also dismiss the members of the Executive Board. One or more shareholders representing at least the percentage of share capital fixed by law, and acting according to the legally required conditions and deadlines, are allowed to request that items and/or draft resolutions be added to the agenda of the General Meeting of shareholders.

Each shareholder has the right to attend the meetings and take part in deliberation (i) personally; (ii) by granting proxy to another shareholder, his or her spouse or partner in a civil union or any other natural or legal person of his or her choice; (iii) by sending a proxy to the Company without indication of the beneficiary; (iv) by voting by correspondence; or (v) by videoconference or another means of telecommunication, including internet, in accordance with applicable laws and regulations that allow identification; by presenting proof of identity and ownership of shares, subject to:

- for holders of registered shares, an entry in the shareholder registry at least two business days before the General Meeting of shareholders; and
- for holders of bearer shares, filing, under the conditions provided by law, of a certificate of participation issued by an authorized intermediary two business days before the date of the General Meeting of shareholders.

The final date for returning voting ballots by correspondence is set by the Executive Board and disclosed in the notice of meeting published in the BALO. This date cannot be earlier than three days prior to the meeting as provided in the bylaws.

A shareholder who has voted by correspondence will no longer be able to participate directly in the meeting or to be represented. In the case of returning the proxy form and the voting by correspondence form, the proxy form is taken into account, subject to the votes cast in the voting by correspondence form.

A shareholder may be represented at meetings by any individual or legal entity by means of a proxy form which we send to such shareholder either at the shareholder's request or at our initiative. A shareholder's request for a proxy form must be received at the registered office at least five days before the date of the meeting. The proxy is only valid for a single meeting, for two meetings (an ordinary and an extraordinary meeting convened for the same day or within 15 days) or for successive meetings convened with the same agenda.

A shareholder may vote by correspondence by means of a voting form, which we send to such shareholder either at the shareholder's request or at our initiative, or which we include in an appendix to a proxy voting form under the conditions provided for by current laws and requirements. A shareholder's request for a voting form must be received at the registered office at least six days before the date of the meeting. The voting form is also available on our website at least 21 days before the date of the meeting. The voting by correspondence form addressed by a shareholder is only valid for a single meeting or for successive meetings convened with the same agenda.

## C. Material Contracts.

### Strategic Collaborations and License Agreements

***AstraZeneca***

**2015 Agreements**

In April 2015, the Company entered into two agreements with MedImmune, a wholly owned subsidiary of AstraZeneca, which Innate refers to as AstraZeneca. The first agreement was a co-development and license agreement relating to certain combination products containing monalizumab ( the "Original Co-Development Agreement"), and the second agreement was a development and option agreement for products containing monalizumab, including products using monalizumab as a monotherapy (the "2015 Option Agreement"). The Company received an initial payment of $250 million under these agreements on June 30, 2015, of which $100 million was paid to Innate as an initial payment for the Original Co-Development Agreement and $150 million was paid to Innate as consideration for the 2015 Option Agreement described below. In October 2018, AstraZeneca exercised its option under the 2015 Option Agreement, which resulted in the automatic termination of both the Original Co-Development Agreement and the 2015 Option Agreement, and a new co-development and license agreement relating to all products containing monalizumab (the "2015 Co-Development Agreement"), automatically came into effect. In connection with AstraZeneca's exercise of its option under the 2015 Option Agreement, an upfront payment of $100 million was due under the 2015 Co-Development Agreement, which it paid in January 2019.

**2015 Co-Development Agreement (monalizumab)**

Under the 2015 Co-Development Agreement, the Company granted to AstraZeneca a worldwide, exclusive license, subject to certain exclusions, to certain of its patents and know-how to develop, manufacture and commercialize licensed products, including monalizumab, in the field of diagnosis, prevention and treatment of oncology diseases and conditions. The Company further granted to AstraZeneca a worldwide, non-exclusive license to certain of its other patents to develop, manufacture and commercialize licensed products, including monalizumab, in the field of diagnosis, prevention and treatment of oncology diseases and conditions. The Company retains the rights under the licensed patents and know-how to, among other things, co-promote licensed products in certain European countries,pursuant to its option to co-promote, and exploit the licensed patents and know-how to research, develop and commercialize the licensed products outside of the field of diagnosis, prevention and treatment of oncology diseases and conditions.

Under the 2015 Co-Development Agreement, the Company is required to collaborate with AstraZeneca to develop and commercialize licensed products. AstraZeneca will be the lead party in developing the licensed products and licensed product in certain major markets. Each party will have to use commercially reasonable efforts to complete certain development activities in accordance with a specified development plan.

The Company is required for a defined period of time to co-fund 30% of the Phase 3 clinical trials of licensed products, subject to an aggregate cap, in order to receive 50% of the profits in Europe.

On July 31, 2019, the Company notified AstraZeneca of its decision to co-fund future monalizumab Phase 3 clinical development program. In October 2020, AstraZeneca enrolled the first patient in the first Phase 3 trial which triggered a $50 million milestone payment from AstraZeneca to Innate.

In August 2022, the Company announced that the planned futility interim analysis of the INTERLINK-1 Phase 3 study sponsored by AstraZeneca did not meet a pre-defined threshold for efficacy. Based on this

result and the recommendation of an Independent Data Monitoring Committee, AstraZeneca has informed Company that the study will be discontinued.

In September 2021, AstraZeneca, based on data from the randomized Phase 2 trial in patients with unresectable, Stage III non-small cell lung cancer (NSCLC) presented at the European Society for Medical Oncology (ESMO) Congress, announced plans to initiate a Phase 3 trial for both combinations of monalizumab or oleclumab plus durvalumab in the unresectable, Stage III NSCLC setting for patients who had not progressed after concurrent chemoradiationtherapy.

In April 2022, the Company announced that AstraZeneca enrolled the first patient in a second Phase 3 trial, PACIFIC-9, evaluating durvalumab in a combination with monalizumab or oleclumab in patients with unresectable, Stage III NSCLC, which trigerred a $50 million milestone payment from AstraZeneca Innate.

Separately, AstraZeneca also announced that it is starting a Phase 2 clinical trial, NeoCOAST-2, that includes a treatment arm with durvalumab in combination with chemotherapy and monalizumab in resectable, early-stage NSCLC.

AstraZeneca will be responsible for the promotion of licensed products worldwide, subject to Innate's option to co-promote the licensed products in certain European countries. Should the Company elect not to co-promote, its share of profits in Europe will be reduced by a specified amount of percentage points not to exceed the mid-single digits.

The development by AstraZeneca of a licensed product under the 2015 Co-Development Agreement is subject to certain reciprocal non-compete obligations.

AstraZeneca is obligated to pay Innate up to $775 million in the aggregate upon the achievement of certain development and regulatory milestones ($350million), and commercialization milestones ($425 million). As described above, the arrangement also provides for a 50% profit share and, subject to certain deferrals of reimbursement, loss share of licensed products in Europe if the Company does not opt out of its co-funding and co-promoting obligations. In addition, the Company will be eligible to receive tiered royalties ranging from a low double-digit to mid-teen percentage on net sales of licensed products outside of Europe. The royalties payable to Innate under the 2015 Co-Development Agreement may be reduced under certain circumstances, including loss of exclusivity or lack of patent protection.

Innate's right to receive royalties under the 2015 Co-Development Agreement expires, on a licensed product-by-licensed product and country-by-country basis, on the latest of: (i) the tenth anniversary of the first commercial sale of such licensed product in such country, or in the case of European countries, in any European country, (ii) the expiration of regulatory exclusivity for such licensed product in such country and (iii) the expiration of the last-to-expire valid licensed patent claim subject to the agreement that covers such licensed product in such country.

Unless earlier terminated, the term of the 2015 Co-Development Agreement will expire on the date on which all of AstraZeneca’s payment obligations have expired. The Company may terminate the 2015 Co-Development Agreement if AstraZeneca challenges any patent licensed to it under the agreement. AstraZeneca may terminate the 2015 Co-Development Agreement in its entirety for convenience at any time effective upon 120 days’ prior written notice to us. Either party may terminate the 2015 Co-Development Agreement in the event of an uncured material breach by the other party or for certain bankruptcy or insolvency events involving the other party.

If the 2015 Co-Development Agreement is terminated by AstraZeneca for convenience or by Innate for AstraZeneca’s material breach, insolvency or a patent challenge by AstraZeneca, all licenses and rights granted under the agreement terminate, however, upon any such termination, AstraZeneca would grant Innate an exclusive, worldwide, royalty-bearing right and license, with the right to grant sublicenses,

under technology developed by AstraZeneca and incorporated into or necessary for the exploitation of licensed products, except for certain manufacturing technology that would require a separate agreement. If the 2015 Co-Development Agreement is terminated by AstraZeneca for Innate's material breach or insolvency, AstraZeneca has the right to continue the agreement by providing written notice to us. If AstraZeneca provides Innate with such written notice, among other things, its rights under the co-promote option will terminate and the Company must cease any development, manufacture or commercialization activities under the agreement.

***Collaboration and Option Agreement with AstraZeneca relating to CD39***

In October 2018, the Company entered into a collaboration and option agreement relating to IPH5201. The Company received an initial payment of $50 million under this agreement, $26 million of which was received in October 2018 and $24 million of which was received in January 2019. Pursuant to the 2018 CD39 Option Agreement, the Company granted to AstraZeneca an exclusive option to obtain an exclusive license to certain of its patents and know-how to develop and commercialize licensed products, including IPH5201 in the field of the diagnosis, prevention and treatment of all diseases and conditions in humans or animals, subject to certain limitations.

Under the 2018 CD39 Option Agreement, the Company must collaborate with AstraZeneca to develop CD39 option products. Prior to the expiration of the option period, the Company and AstraZeneca are subject to certain non-compete obligations.

AstraZeneca is responsible for funding the research and development costs of CD39 option products contemplated in the joint development plan. Additionally, the Company may conduct certain exploratory clinical studies at its own cost, subject to reimbursement by AstraZeneca with a premium under certain circumstances related to subsequent development by AstraZeneca.

Following the dosing of the first patient on March 9, 2020 in the IPH5201 Phase 1 clinical trial, AstraZeneca made a $5 million milestone payment to Innate.

In June 2022, the 2018 CD39 Option Agreement was amended. Innate received a $5 million milestone payment from AstraZeneca upon signature of the amendment and is responsible for conducting a new Phase 2 multicenter, open label, non-randomized study of neoadjuvant and adjuvant treatment with IPH5201, durvalumab and chemotherapy in patients with resectable, early-stage non-small cell lung cancer (NSCLC). The "MATISSE" Study has started. AstraZeneca and Innate will share study costs and AstraZeneca will supply clinical trial drugs. Innate made a €0.6 million milestone payment to Orega Biotech SAS pursuant to Innate’s exclusive licensing agreement (see below).

On June 26, 2023, the Company announced the first patient was dosed in MATISSE, a Phase 2 multicenter single-arm study (NCT05742607), sponsored by the Company, evaluating neoadjuvant and adjuvant treatment with IPH5201, an anti-CD39 blocking monoclonal antibody, in combination with durvalumab (anti-PD-L1) and chemotherapy, in treatment-naïve patients with resectable early stage non-small cell lung cancer (NSCLC). The primary objectives of the study are to assess antitumor activity of neoadjuvant treatment based on pathological complete response (pCR) and safety. The Company is responsible for conducting the study and shares study costs with AstraZeneca. AstraZeneca supplies clinical trial drugs. More information about the Phase 2 MATISSE trial, see “Item 4.B—Business Overview—IPH5201, an Anti-CD39 Antibody Targeting the Immunosuppressive Adenosine Pathway.” The Company received a $5 million milestone payment from AstraZeneca when the decision was made to progress IPH5201 to a Phase 2 clinical trial.

Unless earlier terminated, the term of the 2018 CD39 Option Agreement will expire on the earlier of exercise of the option or expiration of the option period in the event that AstraZeneca does not exercise the option. The Company may terminate the 2018 CD39 Option Agreement if AstraZeneca challenges any option patent. AstraZeneca may terminate the 2018 CD39 Option Agreement in its entirety for convenience at any time effective upon three months' prior written notice to us. Either party may terminate the 2018 CD39 Option Agreement in the event of an uncured material breach by the other party or for certain bankruptcy or insolvency events involving the other party.

***CD39 Co-Development and License Agreement Upon Option Exercise by AstraZeneca***

Upon exercise of the option under the 2018 CD39 Option Agreement, the Company would enter into a co-development and license agreement with AstraZeneca, or the CD39 Potential License Agreement.Under the CD39 Potential License Agreement, the Company would grant to AstraZeneca a worldwide,exclusive license, subject to certain exclusions, to certain of its patents and know-how regarding, among other things, its IPH5201 candidate, to develop, manufacture and commercialize licensed products in the field of diagnosis, prevention and treatment of diseases and conditions in humans and in animals, subject to certain limitations. The Company would retain certain rights under the licensed patents and know-how to, among other things, co-promote licensed products in certain European countries, pursuant to its option to co-promote.

The CD39 Potential License Agreement provides for a payment of $25 million upon exercise. Additionally, AstraZeneca would be obligated to pay Innate up to $795 million in the aggregate upon the achievement of certain development and regulatory milestones ($295 million) and commercialization milestones ($500 million). The arrangement also provides for a 50% profit share in Europe if the Company opts into certain co-promoting and late stage co-funding obligations. In addition, the Company would be eligible to receive tiered royalties ranging from a high-single digit to mid-teen percentage on net sales of IPH5201, or from a mid-single digit to low-double digit percentage on net sales of other types of licensed products, outside of Europe. The royalties payable to Innate under the CD39 Potential License Agreement may be reduced under certain circumstances, including loss of exclusivity or lack of patent protection.

Under the CD39 Potential License Agreement, unless the Company has elected not to co-fund, the Company would be required to collaborate with AstraZeneca to develop and commercialize licensed products. AstraZeneca would be the lead party in developing and commercializing the licensed products and each party must use commercially reasonable efforts to develop, obtain regulatory approval and commercialize at least one licensed product in certain major markets. Each party would have to use commercially reasonable efforts to complete its development activities in accordance with a specified development plan.

The Company would have the option to co-fund 30% of the Phase 3 clinical trials of licensed products in order to share in 50% of the profits and losses of licensed products in Europe. If the Company does not exercise this co-funding option, among other things, its right to share in 50% of the profits and losses in Europe and right to co-promote in certain European countries will terminate and will be replaced by rights to receive royalties on net sales at the rates applicable to outside of Europe. Additionally, certain milestone payments that may be payable to Innate would be reduced. AstraZeneca would be responsible for the promotion of licensed products worldwide, subject to its option to co-promote the licensed products in certain European countries if the Company elects to co-fund. Additionally, the Company would have a right of first negotiation in the event that AstraZeneca wishes to grant a third-party the right to commercialize licensed products in Europe or the United States.

The development by AstraZeneca of a licensed product under the Potential License Agreement is subject to certain reciprocal non-compete obligations.

Innate's right to receive royalties under the CD39 Potential License Agreement expires, on a licensed product-by-licensed product and country-by-country basis, on the latest of: (i) the tenth anniversary of the first commercial sale of such licensed product in such country, or, in the case of European countries, in any European country, (ii) the expiration of regulatory exclusivity for such licensed product in such country and (iii) the expiration of the last-to-expire valid licensed patent claim subject to the agreement that covers such licensed product in such country.

Unless earlier terminated, the term of the CD39 Potential License Agreement would expire on the date on which all of AstraZeneca's payment obligations have expired. The Company may terminate the CD39 Potential License Agreement if AstraZeneca challenges any patent licensed to it under the agreement.AstraZeneca may terminate the CD39 Potential License Agreement in its entirety for convenience at any time effective upon 120 days' prior written notice to us. Either party may terminate the CD39 Potential License Agreement in the event of an uncured material breach by the other party or for certain bankruptcy or insolvency events involving the other party.

***2018 Future Programs Option Agreement***

In October 2018, the Company entered into another option agreement with AstraZeneca, relating to four pre-clinical programs. The Company received an initial payment of $20 million at signing. Pursuant to the 2018 Future Programs Option Agreement, the Company granted to AstraZeneca four exclusive options that were exercisable until IND approval to obtain a worldwide, royalty-bearing, exclusive license to certain of its patents and know-how relating to certain specified pipeline candidates to develop and commercialize optioned products in all fields of use. In 2022, the Company has received from AstraZeneca a notice that it will not exercise its option to license the four pre-clinical programs covered in the Future Programs Option Agreement which is therefore terminated.

***Termination and Transition Agreement with AstraZeneca relating to Lumoxiti***

In October 2018, the Company entered into an agreement with AstraZeneca relating to the license of lumoxiti, or the Lumoxiti Agreement.

The Company made an initial payment to AstraZeneca of $50 million under this agreement in January 2019 as well as $15 million when filing of the BLA in Europe. Pursuant to the Lumoxiti Agreement, the Company obtained an exclusive license under certain patents and know-how of AstraZeneca to develop, manufacture and commercialize Lumoxiti for all uses in humans and animals in the United States, the European Union and Switzerland. In December 2020, the Company exercised its right of termination of the Lumoxiti Agreement by sending a termination notice to AstraZeneca.

Further to the decision to terminate the Lumoxiti Agreement and termination notice sent in December 2020, a termination and transition agreement, or the Termination and Transition Agreement, was executed, effective as of June 30, 2021 organizing the transition of the licensed rights and BLA back to AstraZeneca and a share of different costs including manufacturing. As provided by the termination and transition agreement, Innate paid $6.2 million to AstraZeneca on April 29, 2022. Transition of all Lumoxiti rights back to AstraZeneca was completed in July 2022.

***Novo Nordisk A/S***

***Development and License Agreement relating to monalizumab***

On February 5, 2014, the Company in-licensed the full development and commercialization rights to monalizumab from Novo Nordisk A/S. In consideration for these rights, the Company paid Novo Nordisk A/S €2 million in cash and 600,000 of its ordinary shares at a price of €8.33 per share. Novo Nordisk A/S is eligible to receive a total of €20 million in potential regulatory milestones and tiered mid-to-high single-digit percentage royalties on future net sales.

The agreement with Novo Nordisk A/S included a right to additional consideration in the event of an out-licensing agreement. Consequently, following the agreement signed with AstraZeneca in April 2015, the Company paid Novo Nordisk A/S an additional consideration amount of €6.5 million.

In October 2018 AstraZeneca exercised its option under the 2015 Option Agreement to acquire an exclusive license to monalizumab. Pursuant to this option exercise, AstraZeneca paid $100 million to Innate and, as a result, Novo Nordisk A/S became entitled to a second and final payment amounting to $15.0 million (€13.1 million). If the AstraZeneca agreement is terminated for any reason, the Company will pay to Novo Nordisk A/S a portion of any amounts that have been budgeted but have not been spent or will not be spent under the initial research and development budget. In light of current development plans and research and development costs incurred to date, the Company does not currently expect any amounts to be paid pursuant to this provision.

***License Agreement relating to avdoralimab***

In July of 2017 the Company entered into an exclusive license agreement with Novo Nordisk A/S relating to avdoralimab, or the 2017 Novo Agreement, pursuant to which the Company obtained a worldwide, exclusive license under certain patents and know-how of Novo Nordisk A/S to develop, manufacture and commercialize pharmaceutical products that contain or comprise an Anti-C5aR antibody. The Company made an initial payment to Novo Nordisk A/S of €40.0 million under the 2017 Novo Agreement which was offset against Novo Nordisk A/S's subscription in new shares. The Company is obligated to pay Novo Nordisk A/S in the aggregate up to €370.0 million upon achievement of certain development, regulatory and sales milestones and tiered royalties ranging from a low double-digit to low teen percentage on net sales. The Company's royalty payment obligations are subject to certain reductions and expire on a product-by-product and country-by-country basis upon the later of the date the exploitation of a licensed product is no longer covered by a claim of a licensed patent in such country, loss of data or regulatory exclusivity in such country, and the twelfth anniversary of the first commercial sale of such product in such country. In connection with the 2017 Novo Agreement, the Company obtained an exclusive sublicense from Novo Nordisk A/S under certain third-party intellectual property rights. In consideration for such sublicense, the Company may be obligated to pay a mid-single digit royalty on its net sales of a licensed product, however, the Company will be entitled to offset such payments against royalties payable to Novo Nordisk A/S.

Under the 2017 Novo Agreement, the Company is obligated to use commercially reasonable efforts to develop and seek regulatory approval for a licensed product.

The 2017 Novo Agreement shall expire upon expiration of the last royalty payment obligation under the agreement. Either party may terminate the 2017 Novo Agreement upon any uncured material breach of the agreement by the other party or upon a bankruptcy or insolvency of the other party. Additionally, Novo Nordisk A/S may terminate the agreement in the event the Company challenges any patent licensed under the agreement. The Company may terminate the 2017 Novo Agreement upon prior notice to Novo Nordisk A/S.

In 2020, the Company made a payment to Novo Nordisk A/S of €1 million under the 2017 Novo Agreement, covered by BPI funding, in respect of the start of a Phase 2 clinical trial of avdoralimab in COVID-19 patients with severe pneumonia. In July 2021, based on the Phase 2 clinical trial of avdoralimab in COVID-19 patients with severe pneumonia, results of which did not meet its primary endpoints in all three cohorts of the trial, the Company has stopped stop exploring avdoralimab in COVID-19.

Following a strategic review in 2021, the Company was solely pursuing avdoralimab in bullous pemphigoid ("BP"), an inflammatory disease, through an investigator-sponsored study and stopped further development in all other indications.

In last quarter of 2022, the Company was informed by the Sponsor, the Centre Hospitalier Universitaire de Nice, that the ongoing Phase 2 study for the treatment of BP will be discontinued. Consequently, the Company decided to stop further development in BP indication and will continue to review its strategy on avdoralimab.

***Sanofi***

***Collaboration and Licensing agreement (2016) - IPH6101 and IPH6401***

The Company entered into a research collaboration and licensing agreement with Sanofi in January 2016 to apply its proprietary technology to the development of bispecific antibody formats engaging NK cells to kill tumor cells through the activating receptor NKp46. The Company granted to Sanofi under certain of its intellectual property a non-exclusive, worldwide, royalty-free research license, as well as an exclusive, worldwide license to research, develop and commercialize products directed against two specified targets, for all therapeutic, prophylactic and diagnostic indications and uses.

The Company will work together with Sanofi on the generation and evaluation of up to two bispecific NK cell engagers, using its technology and Sanofi's tumor targets. Under the terms of the license agreement, Sanofi will be responsible for the development, manufacturing and commercialization of products resulting from the research collaboration. The Company will be eligible for up to €400.0 million in payments, primarily upon the achievement of development and commercial milestones, as well as royalties ranging from a mid to high single-digit percentage on net sales.

On January 5, 2021, the Company announced that Sanofi has made the decision to progress IPH6101/ SAR443579 into investigational new drug (IND) enabling studies. IPH6101/SAR443579 is a NKp46-based NK cell engager (NKCE) using Innate's proprietary multi-specific antibody format. The decision triggered a €7 million milestone payment from Sanofi to Innate. Sanofi will be responsible for all future development, manufacturing and commercialization of IPH6101/SAR443579. Additionally, in January 2021, a GLP-toxicology study was initiated for the IPH6101/SAR443579 program. In December 2021, the Company announced that the first patient was dosed in a Phase 1/2 clinical trial, evaluating IPH6101/ SAR443579, in patients with relapsed or refractory acute myeloid leukemia (R/R AML), B-cell acute lymphoblastic leukemia (B-ALL) or high risk-myelodysplastic syndrome (HR-MDS). The start of the trial has triggered a milestone payment, part of the €400.0 million mentioned above. The Company received €3.0m from Sanofi following the initiation of a GLP-tox Study and the launching of the first Phase 1 clinical trial in humans in relapsed of refractory AML with IPH6101/SAR443579, respectively in January and December 2021.

In July 2022, the Company announced that Sanofi has made the decision to progress IPH6401/SAR'514 into investigational new drug (IND) enabling studies, triggering a €3 million milestone payment.

On July 11, 2023, the Company announced that the first patient was dosed in a Sanofi-sponsored Phase 1/2 clinical trial (NCT05839626), evaluating SAR'514 / IPH6401 in relapsed/refractory multiple

myeloma (RRMM) and Relapsed/Refractory Light-chain Amyloidosis (RRLCA). SAR'514 is a trifunctional anti-BCMA NKp46xCD16 NK cell engager, using Sanofi's proprietary CROSSODILE® multi-functional platform, which comprises the Cross-Over-Dual-Variable-Domain (CODV) format. It induces a dual targeting of the NK activating receptors, NKp46 and CD16, for an optimized NK cell activation, based on the Company's ANKET® proprietary platform. The purpose of the dose escalation and dose expansion study is to evaluate the safety, pharmacokinetics and preliminary efficacy of SAR'514 in monotherapy in patients with RRMM and RRLCA. The start of the trial has triggered a milestone payment from Sanofi to Innate, which is part of a previously announced research collaboration with Sanofi. More information about the Phase 1/2 trial, see "Item 4.B—Business Overview—IPH6401/ SAR'514, a BCMA-targeting NK Cell Engager."

***Research Collaboration and Licensing agreement (2022) relating to Innate's ANKET® program - IPH62 and IPH67***

In December 2022, the Company entered into a research collaboration and licensing agreement with Genzyme Corporation, a wholly owned subsidiary of Sanofi under which the Company grants Sanofi an exclusive license to Innate's B7H3 ANKET® program (IPH62) and options for two additional targets to be named. Upon candidate selection, Sanofi will be responsible for all development, manufacturing and commercialization.

Under the terms of the research collaboration and license agreement, Innate has received in March 2023 €25 million as upfront payment and will receive, during the term of the Research and Collaboration Agreement, up to €1.35 billion total in preclinical, clinical, regulatory and commercial milestones plus royalties on potential net sales.

On December 19, 2023, Innate announced that Sanofi had exercised its option to license a natural killer (NK) cell engager program in solid tumors from the Company's ANKET® platform (IPH67) pursuant to the terms of the research collaboration and license agreement signed in December 2022. Following a research collaboration period, Sanofi will be responsible for all development, manufacturing and commercialization. Sanofi still retains the option to one additional ANKET® target as per the research collaboration and licensing agreement with Genzyme Corporation. Under the terms of the research collaboration and licensing agreement, the Company has received a €15 million payment for the exercise of this option. The Company is eligible for up to €1.35 billion total in preclinical, clinical, regulatory and commercial milestones plus royalties on potential net sales.

***Orega***

***Orega License Agreement with Orega relating to IPH5201***

Pursuant to its licensing agreement with Orega Biotech, Innate acquired an exclusive license to Orega Biotech's intellectual property rights relating to its anti-CD39 checkpoint inhibitor program. As of December 31, 2018, the Company had paid a total amount of €1.8 million to Orega Biotech for the acquisition of these intellectual property rights, and in June 2019, the Company paid Orega Biotech €7.0 million in relation to the anti-CD39 program as consideration relating to the collaboration and option agreement signed on October 22, 2018 with AstraZeneca for IPH5201. Following the dosing of the first patient on March 9, 2020 in the IPH5201 Phase 1 clinical trial, AstraZeneca made a $5 million milestone pursuant to Innate's collaboration agreement with AstraZeneca and Innate made a €2.5 million milestone payment in April 2020 and a €0.2 million milestone payment in June 2020 to Orega Biotech SAS pursuant to its licensing agreement with Orega Biotech SAS. In June 2022, Innate received a $5 million milestone payment from AstraZeneca upon signature of an amendment to the 2018 CD39 Option

Agreement (see above) and made a €0.6 million milestone payment to Orega Biotech SAS pursuant to its licensing agreement with Orega Biotech SAS.

Unless earlier terminated, the Company may also pay Orega Biotech up to an additional €48.8 million in the aggregate upon the achievement of development and regulatory milestones. Finally, the Company will be required to pay a low-teen percentage of sub-licensing revenues received by the Company pursuant to its agreement with AstraZeneca regarding IPH5201.]

***Takeda***

***License Agreement relating to development of antibody drug conjugates***

On April 3, 2023, the Company announced that it has entered into an exclusive license agreement with Takeda under which the Company grants Takeda exclusive worldwide rights to research and develop antibody drug conjugates (ADC) using a panel of selected Company antibodies against an undisclosed target, with a primary focus in Celiac disease.

Takeda will be responsible for the future development, manufacture and commercialization of any potential products developed using the licensed antibodies. Under the terms of the license agreement, the Company will receive a $5 million upfront payment and is eligible to receive up to $410 million in future development, regulatory and commercial milestones if all milestones are achieved during the term of the agreement, plus royalties on potential net sales of any commercial product resulting from the license.

**Bank Loans**

On July 17, 2017, the Company entered into one loan agreement with Société Générale, pursuant to which the Company obtained a financing in an amount equal to €15.2 million with a term of 12 years.

On December 22, and December 17, 2021, the Company entered into two loan agreements with Société Générale and BNP Paribas, respectively, pursuant to which the Company obtained non-dilutive financing in an aggregate amount equal to €28.7 million.

The two loans have an initial term of one year with an extension up to five years at Innate's option. They are 90% guaranteed by the French state ("PGE") as part of the package of measures put in place by the French government to support companies during the COVID-19 pandemic.

In August 2022, the Company requested the extension of these two loans repayment for an additional period of five years starting in 2022 and including a one-year grace period (2023). Consequently, the Company has obtained agreements from Société Générale and BNP Paribas. The effective interest rates applied to these contracts during the additional period are 1.56% and 0.95% for Société Générale and BNP Paribas loans, respectively, excluding insurance and guarantee fees, with an amortization exemption for the entire year 2023. During this grace period, the Company was only liable for the payment of interest and the guarantee fees, with amortization of the two loans starting in 2024 over a period of four years.

The summaries provided above do not purport to be complete and are qualified in their entirety by reference to the complete agreements, which are attached as exhibits to this Annual Report on Form 20-F. For additional information on its material contracts, please see "Item 4. Information on the Company," "Item 6. Directors, Senior Management and Employees," and "Item 7.B. Related Party Transactions" of this Annual Report on 20-F.

## D. Exchange Controls.

Under current French foreign exchange regulations there are no restrictions on the amount of cash transfers that may be made to residents of foreign countries (subject to the absence of any specific decision taken by the government otherwise). Laws and regulations concerning foreign exchange controls do, however, require that all payments or transfers of funds made by a French resident to a non-resident such as dividend payments be handled by an accredited intermediary. All registered banks and substantially all credit institutions in France are accredited intermediaries. For completeness, there is a reporting obligation to the custom officer for transfer of cash in banknotes and coins of €10,000 or more carried into, or out of, the European Union.

## E. Taxation.

### Material U.S. Federal Income Tax Considerations

The following describes material U.S. federal income tax considerations relating to the acquisition, ownership and disposition of the ordinary shares or ADSs by a U.S. holder (as defined below) who hold the ordinary shares or ADSs as capital assets. This summary does not address all U.S. federal income tax matters that may be relevant to a particular U.S. holder, such as the effects of Section 451(b) of the Code. This summary does not address tax considerations applicable to a holder of the ordinary shares or ADSs that may be subject to special tax rules including, without limitation, the following:

- banks, financial institutions or insurance companies;
- brokers, dealers or traders in securities, currencies, commodities, or notional principal contracts;
- tax-exempt entities or organizations, including an "individual retirement account" or "Roth IRA" as defined in Section 408 or 408A of the Code (as defined below), respectively;
- real estate investment trusts, regulated investment companies or grantor trusts;
- persons that hold the ordinary shares or ADSs as part of a "hedging," "integrated," "wash sale" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes;
- S corporations, partnerships, or other entities or arrangements classified as partnerships, for U.S. federal income tax purposes;
- certain former citizens or long-term residents of the United States;
- persons that received the ordinary shares or ADSs as compensation for the performance of services;
- persons acquiring the ordinary shares or ADSs in connection with a trade or business conducted outside of the United States, including a permanent establishment or a fixed base in France;
- holders that own directly, indirectly, or through attribution 10% or more of the voting power or value of the ordinary shares or ADSs; and
- holders that have a "functional currency" other than the U.S. dollar.

Holders of the ordinary shares or ADSs who fall within one of the categories above are advised to consult their tax advisor regarding the specific tax consequences which may apply to their particular situation.

For the purposes of this description, a "U.S. holder" is a beneficial owner of the ordinary shares or ADSs that is (or is treated as), for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or if such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the ordinary shares or ADSs, the tax consequences relating to an investment in the ordinary shares or ADSs will depend in part upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor regarding the specific tax considerations of acquiring, owning and disposing of the ordinary shares or ADSs in its particular circumstances.

**Persons considering an investment in the ordinary shares or ADSs should consult their own tax advisors as to the particular tax consequences applicable to them relating to the acquisition, ownership and disposition of the ordinary shares or ADSs, including the applicability of U.S. federal, state and local tax laws, French tax laws and other non-U.S. tax laws.**

This description does not address the U.S. federal estate, gift or alternative minimum tax considerations, the Medicare tax on net investment income or any U.S. state, local or non-U.S. tax considerations of the acquisition, ownership and disposition of the ordinary shares or ADSs.

This description is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, existing, proposed and temporary U.S. Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, in each case as of the date hereof. All the foregoing is subject to change, which change could apply retroactively, and to differing interpretations, all of which could affect the tax considerations described below. There can be no assurances that the U.S. Internal Revenue Service, or the IRS, will not take a position concerning the tax consequences of the acquisition, ownership and disposition of the ordinary shares or ADSs or that such a position would not be sustained by a court. The Company has not obtained, nor does the Company intend to obtain, a ruling with respect to the U.S. federal income tax considerations of the purchase, ownership or disposition of its ordinary shares or ADSs. Accordingly, holders should consult their own tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the ordinary shares or ADSs in their particular circumstances.

As indicated below, this summary is subject to the discussion below of the U.S. federal income tax rules applicable to a "passive foreign investment company" (PFIC).

In general, and taking into account the earlier assumptions, for U.S. federal income tax purposes, a U.S. holder holding ADSs will be treated as the owner of the ordinary shares represented by the ADSs. Exchanges of ordinary shares for ADSs, and ADSs for ordinary shares, generally will not be subject to U.S. federal income tax.

***Distributions***. Subject to the discussion under "—Passive Foreign Investment Company Considerations," below, the gross amount of any distribution (including any amounts withheld in respect of foreign tax) actually or constructively received by a U.S. holder with respect to the ordinary shares or ADSs will generally be taxable to the U.S. holder as a dividend to the extent of the U.S. holder's pro rata share of the current or accumulated earnings and profits as determined under U.S. federal income tax principles.

Distributions in excess of earnings and profits will generally be non-taxable to the U.S. holder to the extent of, and will be applied against and reduce, the U.S. holder's adjusted tax basis in the ordinary shares or ADSs. Distributions in excess of earnings and profits and such adjusted tax basis will generally be taxable to the U.S. holder as either long-term or short-term capital gain depending upon whether the U.S. holder has held the ordinary shares or ADSs for more than one year as of the time such distribution is received. However, since the Company does not calculate its earnings and profits under U.S. federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. Non-corporate U.S. holders may qualify for the preferential rates of taxation with respect to dividends on the ordinary shares or ADSs applicable to long-term capital gains (i.e., gains from the sale of capital assets held for more than one year), or qualified dividend income if the Company is a "qualified foreign corporation" and certain other requirements are met. A non-U.S. corporation (other than a corporation that is a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information provision, or (b) with respect to any dividend it pays on ADSs which are readily tradable on an established securities market in the United States. The ADSs are listed on the Nasdaq Global Select Market, which is an established securities market in the United States, and the Company believes the ADSs are readily tradable on the Nasdaq Global Select Market. There can be no assurance that the ADSs will continue to be considered readily tradable on an established securities market in the United States in later years. The Company, which is incorporated under the laws of France, believes that it qualifies as a resident of France for purposes of, and is eligible for the benefits of, the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed on August 31, 1994, as amended and currently in force, or the U.S.-France Tax Treaty, although there can be no assurance in this regard. Further, the IRS has determined that the U.S.-France Tax Treaty is satisfactory for purposes of the qualified dividend rules and that it includes an exchange-of-information program. Therefore, subject to the discussion under "—Passive Foreign Investment Company Considerations," below, such dividends will generally be "qualified dividend income" in the hands of individual U.S. holders, provided that a holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) and certain other requirements are met. The dividends will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders.

Subject to applicable limitations and the Final FTC Treasury Regulations (as defined below), a U.S. holder generally may claim the amount of any French withholding tax on a distribution not exceeding the rate provided by the U.S.-France Tax Treaty (as defined below) as either a deduction from gross income or a credit against its U.S. federal income tax liability. French taxes withheld in excess of the rate applicable with respect to such U.S. holder under the U.S.-France Tax Treaty will not be eligible for a credit against a U.S. holder's federal income tax liability. Treasury Regulations issued on December 28, 2021, which apply to foreign taxes paid or accrued in taxable years beginning on or after December 28, 2021, or the Final FTC Treasury Regulations, impose additional requirements for foreign taxes to be eligible for credit. However, the IRS has indicated that taxpayers may defer the application of many of the additional requirements until further notice. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits for any amounts withheld with respect to dividends on ADSs or ordinary shares, including under the Final FTC Treasury Regulations.

The foreign tax credit is subject to numerous complex limitations that must be determined and applied on an individual basis. Generally, the credit cannot exceed the proportionate share of a U.S. holder's U.S.

federal income tax liability that such U.S. holder's taxable income bears to such U.S. holder's worldwide taxable income. In applying this limitation, dividends received generally will be treated as income from foreign sources and generally will be "passive category income," or in certain cases "general category income" or "foreign branch income," which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to U.S. holders. In addition, the creditability of foreign taxes could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs or ordinary shares and the Company if, as a result of such actions, the holders of our ADSs or ordinary shares are not properly treated as beneficial owners of the underlying ordinary shares. Each U.S. holder should consult its own tax advisors regarding the foreign tax credit rules.

In general, the amount of a distribution paid to a U.S. holder in a foreign currency will be the U.S. dollar value of the foreign currency calculated by reference to the spot exchange rate on the day the depositary receives the distribution, in the case of the ADSs, or on the day the distribution is received by the U.S. holder, in the case of ordinary shares, regardless of whether the foreign currency is converted into U.S. dollars at that time. Any foreign currency gain or loss a U.S. holder realizes on a subsequent conversion of foreign currency into U.S. dollars will be U.S. source ordinary income or loss. If dividends received in a foreign currency are converted into U.S. dollars on the day they are received, a U.S. holder should not be required to recognize foreign currency gain or loss in respect of the dividend.

***Sale, Exchange or Other Taxable Disposition.*** A U.S. holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale, exchange or other taxable disposition of the ordinary shares or ADSs in an amount equal to the difference between the amount realized from such sale or exchange and the U.S. holder's adjusted tax basis in those ordinary shares or ADSs, each as determined in U.S. dollars. U.S. holders should consult their own tax advisors about how to account for proceeds received on the sale, exchange or other taxable disposition of ordinary shares or ADSs that are not paid in U.S. dollars. Subject to the discussion under "—Passive Foreign Investment Company Considerations" below, this gain or loss will generally be a capital gain or loss. The adjusted tax basis in the ordinary shares or ADSs generally will be equal to the U.S dollar cost of such ordinary shares or ADSs. Capital gain from the sale, exchange or other taxable disposition of the ordinary shares or ADSs by a non-corporate U.S. holder is generally eligible for a preferential rate of taxation applicable to capital gains, if the non-corporate U.S. holder's holding period determined at the time of such sale, exchange or other taxable disposition for such ordinary shares or ADSs exceeds one year (i.e., such gain is long-term taxable gain). The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations. Any such gain or loss that a U.S. holder recognizes generally will be treated as U.S. source gain or loss for foreign tax credit limitation purposes.

***Passive Foreign Investment Company Considerations***. If the Company is a PFIC in any taxable year, a U.S. holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

The Company will be a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules with respect to the income and assets of its subsidiaries, either: (1) at least 75% of the gross income is "passive income" or (2) at least 50% of the average quarterly value of the total gross assets (which would generally be measured by fair market value of its assets, and for which purpose the total value of its assets may be determined in part by the market value of the ADSs and its ordinary shares, which are subject to change) is attributable to assets that produce "passive income" or are held for the production of "passive income."

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets

which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of the ordinary shares or ADSs. If a non-U.S. corporation owns directly or indirectly at least 25% by value of the stock of another corporation or entity treated as a partnership for U.S. federal income tax purposes, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of such entity and as receiving directly its proportionate share of the other entity's income. The determination of whether the Company is a PFIC is a fact-intensive determination made on an annual basis, and the applicable law is subject to varying interpretation. If the Company is a PFIC in any taxable year during which a U.S. holder owns its ordinary shares or ADSs, such U.S. holder will be subject to special tax rules discussed below and could suffer adverse tax consequences.

The market value of the assets may be determined in large part by reference to the market price of the ADSs and its ordinary shares. Therefore, fluctuations in the market price of the ordinary shares or ADSs may result in the Company being a PFIC for any taxable year. Whether the Company is a PFIC for any taxable year will depend on income, assets, activities and market capitalization in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that the Company will not be a PFIC in any taxable year. The Company does not believe it was characterized as a PFIC in its taxable year ended December 31, 2023. However, there can be no assurance that the Company will not be a PFIC in the current year or for any future taxable year. Its U.S. counsel expresses no opinion regarding its conclusions or its expectations regarding its PFIC status.

If the Company is a PFIC in any year with respect to which a U.S. holder owns its ordinary shares or ADSs, the Company will continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ordinary shares or ADSs, regardless of whether the Company continue to meet the tests described above unless the Company ceases to be a PFIC and the U.S. holder has made a "deemed sale" election under the PFIC rules or is eligible to make and makes a mark-to-market election (as described below), with respect to all taxable years during such U.S. holder's holding period in which the Company is a PFIC. If the "deemed sale" election is made, a U.S. holder will be deemed to have sold the ordinary shares or ADSs the U.S. holder holds at their fair market value as of the date of such deemed sale and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as the Company does not become a PFIC in a subsequent taxable year, the U.S. holder's ordinary shares or ADSs with respect to which such election was made will not be treated as shares in a PFIC and the U.S. holder will not be subject to the rules described below with respect to any "excess distribution" the U.S. holder receives from the Company or any gain from an actual sale or other disposition of the ordinary shares or ADSs. U.S. holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if such election becomes available.

If the Company is a PFIC, and you are a U.S. holder that does not make one of the elections described above (and below in further detail), a special tax regime will apply to both (a) any "excess distribution" by the Company to you (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or your holding period for its ordinary shares or ADSs) and (b) any gain realized on the sale or other disposition of its ordinary shares or ADSs. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period for the ordinary shares or ADSs, (b) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before the Company became a PFIC, which would be subject to tax at the U.S. holder's regular ordinary income rate for the current year and would not be subject to the interest charge discussed below), and (c) the interest

charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to you will not qualify for the lower rates of taxation applicable to qualified dividends discussed above under "Distributions."

Certain elections may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment of the ordinary shares or ADSs. If a U.S. holder makes a mark-to-market election, the U.S. holder generally will recognize as ordinary income any excess of the fair market value of the ordinary shares or ADSs at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ordinary shares or ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the ordinary shares or ADSs will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of the ordinary shares or ADSs in a year in which the Company is a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). The mark-to-market election is available only if the Company is a PFIC and its ordinary shares or ADSs are "regularly traded" on a "qualified exchange." Its ordinary shares or ADSs will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of its ordinary shares or ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter (subject to the rule that trades that have as one of their principal purposes the meeting of the trading requirement are disregarded). The Nasdaq Global Select Market is a qualified exchange for this purpose and, consequently, if the ADSs are regularly traded, the mark-to-market election will be available to a U.S. holder. It should be noted that only the ADSs and not its ordinary shares are listed on the Nasdaq Global Select Market. Consequently, its ordinary shares may not be marketable if Euronext Paris (where its ordinary shares are listed) does not meet the applicable requirements. U.S. holders should consult their tax advisors regarding the availability of the mark-to-market election for ordinary shares that are not represented by ADSs.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that the Company owns, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. holder validly makes a mark-to-market election with respect to its ordinary shares or ADSs, the U.S. holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of its investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. holders should consult their tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

The Company does not currently intend to provide the information necessary for U.S. holders to make a "qualified electing fund election" if the Company is treated as a PFIC for any taxable year. U.S. holders should consult their tax advisors to determine whether this election would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

If the Company is a PFIC, the general tax treatment for U.S. holders described in this section would apply to indirect distributions and gains deemed to be realized by U.S. holders in respect of any of its subsidiaries that also may be PFICs. U.S. holders should consult their tax advisors regarding the application of the PFIC rules to the Company's subsidiaries.

If a U.S. holder owns its ordinary shares or ADSs during any taxable year in which the Company is a PFIC, the U.S. holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to the Company, generally with the U.S. holder's federal income tax return for that year. If the Company is a

PFIC for a given taxable year, then you should consult your tax advisor concerning your annual filing requirements.

**The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. investors are urged to consult their own tax advisors with respect to the acquisition, ownership and disposition of the ordinary shares or ADSs, the consequences to them of an investment in a PFIC, any elections available with respect to the ordinary shares or ADSs and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of the ordinary shares or ADSs.**

***Backup Withholding and Information Reporting***. U.S. holders generally will be subject to information reporting requirements with respect to dividends on the ordinary shares or ADSs and on the proceeds from the sale, exchange or disposition of the ordinary shares or ADSs that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an "exempt recipient." In addition, U.S. holders may be subject to backup withholding on such payments, unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

***Foreign Asset Reporting.*** Certain individual U.S. holders are required to report information relating to an interest in the ordinary shares or ADSs, subject to certain exceptions (including an exception for shares held in accounts maintained by U.S. financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. U.S. holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the ordinary shares or ADSs.

**THE DISCUSSION ABOVE IS A SUMMARY OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE ORDINARY SHARES OR ADSs AND IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS ANNUAL REPORT, ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE ORDINARY SHARES OR ADSs IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.**

**Material French Tax Considerations**

The following describes the material French income tax consequences to U.S. holders of purchasing, owning and disposing of ordinary shares or the ADSs.

This discussion does not purport to be a complete analysis or listing of all potential tax effects of the acquisition, ownership or disposition of our ordinary shares or the ADSs to any particular investor, and does not discuss tax considerations that arise from rules of general application or that are generally assumed to be known by investors. All of the following is subject to change. Such changes could apply retroactively and could affect the consequences described below.

French tax rules applicable to French assets that are held by or in foreign trusts generally provide inter alia for the inclusion of trust assets in the settlor's net assets for the purpose of applying the French real estate wealth tax , for the application of French gift and estate tax to French assets held in trust, for a specific tax on capital on the French assets of foreign trusts not already subject to the French real estate wealth tax and for a number of French tax reporting and disclosure obligations. The following discussion

does not address the French tax consequences applicable to securities (including ordinary shares or ADSs) held in trusts. If our ordinary shares or ADSs are held in trust, the grantor, trustee and beneficiary are advised to consult their own tax advisor regarding the specific tax consequences of acquiring, owning and disposing of such securities.

The description of the French income tax and real estate wealth tax consequences set forth below is based on the double tax treaty entered into between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital of August 31, 1994 (the "U.S.-France Tax Treaty"), which came into force on December 30, 1995 (as amended by any subsequent protocols, including the protocol of January 13, 2009), and the tax guidelines issued by the French tax authorities in force as of the date of this Annual Report.

For the purposes of this discussion, the term "U.S. Holder" means a beneficial owner of securities that is (1) an individual who is a U.S. citizen or resident for U.S. federal income tax purposes, (2) a U.S. domestic corporation or certain other entities created or organized in or under the laws of the United States or any state thereof, or (3) otherwise subject to U.S. federal income taxation on a net income basis in respect of securities.

If a partnership holds ADSs, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership is urged to consult its own tax advisor regarding the specific tax consequences of acquiring, owning and disposing of ADSs.

This discussion applies only to investors that hold ADSs as capital assets that are entitled to Treaty benefits under the "Limitation on Benefits" provision contained in the U.S.-France Tax Treaty, and whose ownership of the ordinary shares or ADSs is not effectively connected to a permanent establishment or a fixed base in France. Certain U.S. Holders (including, but not limited to, U.S. expatriates, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, banks, insurance companies, regulated investment companies, tax-exempt organizations, financial institutions, persons subject to the alternative minimum tax, persons who acquired the securities pursuant to the exercise of employee share options or otherwise as compensation, persons that own (directly, indirectly or by attribution) 5% or more of our voting stock or 5% or more of our outstanding share capital, dealers in securities or currencies, brokers, mutual funds, individual retirement or other tax-deferred accounts persons that elect to mark their securities to market for U.S. federal income tax purposes and persons holding securities as a position in a synthetic security, straddle or conversion transaction) may be subject to special rules not discussed below, and are advised to consult their usual tax advisor regarding the specific tax consequences which may apply to their particular situation.

U.S. Holders are advised to consult their own tax advisor regarding the tax consequences of the purchase, ownership and disposition of securities in light of their particular circumstances, especially with regard to the "Limitations on Benefits" provision contained in the U.S.-France Tax Treaty.

***Tax on Sale or other Disposals***

As a matter of principles, under French tax law subject to limited exemptions,and to the extent Innate is not a real estate company for the purpose of Article 244 bis A of the French Tax Code (*Code général des impôts*, the "FTC"), a U.S. Holder should not be subject to any French tax on any capital gain from the sale, exchange, repurchase or redemption by Innate of ordinary shares or ADSs, provided such U.S. Holder is not a French tax resident for French tax purposes and has not held more than 25% of the dividend rights, known as "*droits aux bénéfices sociaux*," at any time during the preceding five years, either directly or indirectly, and, as relates to individuals, alone or with relatives it has not transferred

ordinary shares or ADSs as part of redemption by Innate, in which case the proceeds may under certain circumstances be partially or fully characterized as dividends under French domestic law and, as result, be subject to French dividend withholding tax.

As an exception, a U.S. Holder resident, established or incorporated in certain non-cooperative States or territories as defined in Article 238-0 A of the FTC should be subject to a 75% withholding tax in France on any such capital gain, regardless of the fraction of the dividend rights it holds, subject to safe-harbor provisions and the more favorable provisions of the U.S.-France Tax Treaty. The list of non-cooperative State or territory is published by decree and is in principle updated annually. This list was last updated on 16 February 2024, and currently includes American Samoa, Anguilla, Antigua and Barbuda, the Bahamas, Belize, Fiji, Guam, Palaos, Panama, Russia, Samoa, Seychelles, Trinidad and Tobago, Turk and Caicos, the United States Virgin Islands and Vanuatu. States referred to in Article 238-0 A, 2 bis-2° of the FTC, and thus outside of the scope of Article 244 bis B of the FTC, are currently American Samoa, Fiji, Guam, Palaos, Samoa, Trinidad and Tobago and the United States Virgin Islands.

Under application of the U.S.-France Tax Treaty, a U.S. Holder who is a U.S. resident for purposes of the U.S.-France Tax Treaty and entitled to Treaty benefits will not be subject to French tax on such capital gain unless the ordinary shares or the ADSs form part of the business property of a permanent establishment or fixed base that the U.S. Holder has in France. U.S. Holders who own ordinary shares or ADSs through U.S. partnerships that are not resident for U.S.-France Tax Treaty purposes are advised to consult their own tax advisor regarding their French tax treatment and their eligibility for Treaty benefits in light of their own particular circumstances.

A U.S. Holder that is not a U.S. resident for U.S.-France Tax Treaty purposes or is not entitled to Treaty benefits (and in both cases is not resident, established or incorporated in certain non-cooperative States or territories as defined in Article 238-0 A of the FTC) and has held more than 25% of the dividend rights, known as “droits aux bénéfices sociaux” at any time during the preceding five years, either directly or indirectly, and, as relates to individuals, alone or with relatives will be subject to a levy in France (i) at the rate of 12.8% for individuals, and (ii) 25% for legal persons. However, eligible non-French tax resident legal entities may claim a refund of the 25% French levy to the extent such tax exceeds the amount that would have been due under French corporate income tax if they had been French tax residents. This refund mechanism is only available to certain legal entities. Non-French tax resident legal entities are advised to consult their own tax adviser regarding their French tax treatment and their eligibility to this refund mechanism.

The above French provisions expressly apply to sale, repurchase or redemption by us of ordinary shares.

Special rules apply to U.S. Holders who are residents of more than one country.

***Financial Transactions Tax***

Pursuant to Article 235 ter ZD of the FTC, purchases of shares or ADSs of a French company listed on a regulated market of the European Union or on a foreign regulated market formally acknowledged by the AMF are subject to a 0.3% French tax on financial transactions provided that the issuer’s market capitalization exceeds 1 billion euros as of December 1 of the year preceding the taxation year. A list of companies whose market capitalization exceeds 1 billion euros as of December 1 of the year preceding the taxation year, within the meaning of Article 235 ter ZD of the FTC, is published annually by the French tax authorities in their official guidelines. As at December 1, 2023, the market capitalization did not exceed 1 billion euros, pursuant to BOI-ANNX-000467-20/12/2023 issued on December 20, 2023.

Moreover, Nasdaq Global Select Market, on which ADSs are listed, is not currently acknowledged by the AMF, but this may change in the future.

As a consequence, neither the ADSs nor the ordinary shares are currently within the scope of the French tax on financial transactions.

Purchases of our securities may be subject to such tax in the future provided that the market capitalization exceeds 1 billion euros in the year preceding the taxation year and that the Nasdaq Global Select Market is acknowledged by the French AMF.

***Registration Duties***

In the case where Article 235 ter ZD of the FTC is not applicable, transfers of shares issued by a French company which are listed on a regulated or organized market within the meaning of the French monetary and financial code ("*Code monétaire et financier*") are subject to uncapped registration duties at the rate of 0.1% if the transfer is evidenced by a written statement ("*acte*") executed either in France or outside France. As ordinary shares of the company are listed on Euronext Paris, which is an organized market within the meaning of the French monetary code, their transfer should be subject to uncapped registration duties at the rate of 0.1% subject to the existence of a written statement ("*acte*"), and provided that Article 235 ter ZD of the FTC is not applicable. Although there is no case law or official guidelines published by the French tax authorities on this point, transfer of ADSs should remain outside of the scope of the aforementioned 0.1% registration duties. U.S. Holders are urged to consult their own tax advisor about the possible application of the registration duty upon the transfer of ADSs.

***Taxation of Dividends***

Dividends paid by a French corporation to non-residents of France are generally subject to French withholding tax at a rate of (i) 25% for payment benefiting legal persons which are not French tax residents, and (ii) 12.8% for payment benefiting individuals who are not French tax residents. Dividends paid by a French corporation in certain non-cooperative States or territories, as defined in Article 238-0 A of the FTC, will generally be subject to French withholding tax at a rate of 75%. However, eligible U.S. Holders entitled to Treaty benefits under the "Limitation on Benefits" provision contained in the U.S.-France Tax Treaty who are U.S. residents, as defined pursuant to the provisions of the U.S.-France Tax Treaty, will not be subject to this 25% or 75% withholding tax rate, but may be subject to the withholding tax at a reduced rate (as described below).

Under the U.S.-France Tax Treaty, the rate of French withholding tax on dividends paid to an eligible U.S. Holder who is a U.S. resident as defined pursuant to the provisions of the U.S.-France Tax Treaty and whose ownership of the ordinary shares or ADSs is not effectively connected with a permanent establishment or fixed base that such U.S. Holder has in France, is generally reduced to 15%, or to 5% if such U.S. Holder is a corporation and owns directly or indirectly at least 10% of the share capital of the issuer; such U.S. Holder may claim a refund from the French tax authorities of the amount withheld in excess of the U.S.-France Tax Treaty rates of 15% or 5%, if any.

For U.S. Holders that are not individuals but are U.S. residents, as defined pursuant to the provisions of the U.S.-France Tax Treaty, the requirements for eligibility for Treaty benefits, including the reduced 5% or 15% withholding tax rates contained in the "Limitation on Benefits" provision of the U.S.-France Tax Treaty, are complex, and certain technical changes were made to these requirements by the protocol of January 13, 2009. U.S. Holders are advised to consult their own tax advisor regarding their eligibility for Treaty benefits in light of their own particular circumstances.

Dividends paid to an eligible U.S. Holder may immediately be subject to the reduced rates of 5% or 15% provided that:

- such holder establishes before the date of payment that it is a U.S. resident under the U.S.-France Tax Treaty by completing and providing the depositary with a treaty form (Form 5000) in

accordance with French guidelines (BOI-INT-DG-20-20-20-20-12/09/2012 dated September 12, 2012); or

- the depositary or other financial institution managing the securities account in the U.S. of such holder provides the French paying agent with a document listing certain information about the U.S. Holder and its ordinary shares or ADSs and a certificate whereby the financial institution managing the U.S. Holder's securities account in the United States takes full responsibility for the accuracy of the information provided in the document.

Otherwise, dividends paid to a U.S. Holder, if such U.S. Holder is a legal person, will be subject to French withholding tax at the rate of 25%, or 75% if paid in certain non-cooperative States or territories (as defined in Article 238-0 A of the FTC), and then reduced at a later date to 5% or 15%, provided that such holder duly completes and provides the French tax authorities with the treaty forms Form 5000 and Form 5001 (due to recent case law regarding status of limitation for filing a withholding tax claim; U.S. Holders are advised to consult their own tax advisors in this respect).

Certain qualifying pension funds and certain other tax-exempt entities and certain U.S. residents may be subject to specific filing requirements. They are advised to consult their own tax advisors on this point.

Form 5000 and Form 5001, together with instructions, will be provided by the depositary to all U.S. Holders registered with the depositary. The depositary will arrange for the filing with the French tax authorities of all such forms properly completed and executed by U.S. Holders of ordinary shares or ADSs and returned to the depositary in sufficient time so that they may be filed with the French tax authorities before the distribution in order to immediately obtain a reduced withholding tax rate. Otherwise, the depositary must withhold tax at the full rate of 25% or 75% as applicable. In that case, the U.S. Holders may claim a refund from the French tax authorities of the excess withholding tax.

In any case, individual taxpayers who are not fiscally domiciled in France should not have to comply with these procedures if the French withholding tax applying to them is lower than 15%.

In particular, since the withholding tax rate applicable under French domestic law to U.S. Holders who are individuals does not exceed the cap provided in the U.S.-France Tax Treaty (i.e., 15%), the 12.8% rate shall apply, without any reduction provided under the U.S.-France Tax Treaty (except in the particular situation when the dividends are paid to such U.S. Holders out of France in a non-cooperative State or territory as defined in Article 238-0 A of the FTC other than those mentioned in 2° of 2 bis of the same Article 238-0 A of the FTC and are subject to the 75% withholding tax in France).

Besides, please note that pursuant to Article 235 quater of the FTC (introduced by the French finance bill No. 2019-1479 for 2020) and under certain conditions (in particular, in addition to certain reporting obligations, the interest held in the distributing company must not enable the beneficiary to participate effectively in the management or control of that company and the beneficiary company is located in a country that has signed an administrative assistance agreement with France to combat tax evasion and avoidance, as well as an administrative assistance agreement on tax collection, and that is not a non-cooperative country), a corporate U.S. Holder which is in a tax loss position or which tax result is nil due to offset of tax losses (French Administrative Supreme Court, October 18, 2022, n° 466329) for the fiscal year during which the dividend is received may be entitled to a deferral regime, and obtain a withholding tax refund. The tax deferral ends in respect of the first financial year during which this U.S. Holder is in a profit making position, as well as in the cases set out in Article 235 quater of the FTC. The refund must be claimed within the same period applicable to claim related to taxes other than local taxes. Also, pursuant to Article 235 quinquies of the FTC and under certain conditions, a corporate U.S. Holder may be entitled to a refund of a fraction of the withholding tax, up to the difference between the withholding tax paid (on a gross basis) and the withholding tax based on the dividend net of the expenses incurred for

the acquisition and conservation directly related to the income, provided (i) that these expenses would have been tax deductible had the U.S. Holder been established in France, and (ii) that the tax rules in the United States do not allow the U.S. Holder to offset the withholding tax.

***Estate and Gift Taxes***

In general, a transfer of securities by gift or by reason of death of a U.S. Holder that would otherwise be subject to French gift or inheritance tax, respectively, will not be subject to such French tax by reason of the double tax treaty entered into between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, dated November 24, 1978 (as amended from time to time), unless (i) the donor or the transferor is domiciled in France at the time of making the gift or at the time of his or her death, or (ii) the securities were used in, or held for use in, the conduct of a business through a permanent establishment or a fixed base in France.

***Real Estate Wealth Tax***

As from January 1, 2018, the French wealth tax (*impôt de solidarité sur la fortune*) is repealed and replaced by the French real estate wealth tax (*impôt sur la fortune immobilière* or IFI). The scope of such new tax is narrowed to French real estate assets (and certain assets deemed to be real estate assets) or rights, held directly or indirectly through one or more legal entities and whose net taxable assets amount at least to €1,300,000.

Broadly, subject to provisions of double tax treaties and to certain exceptions, individuals who are not residents of France for tax purposes within the meaning of Article 4 B of the FTC are subject to the IFI in France in respect of the portion of the value of their shares of the company representing real estate assets (Article 965, 2° of the FTC). Some exceptions are provided by the FTC. In particular, Innate's ordinary shares or ADSs owned by a U.S. Holder should not fall within the scope of the IFI provided that such U.S. Holder does not own (together with the members of his/her household) directly or indirectly a shareholding exceeding 10% of the financial rights and voting rights of Innate. U.S. Holders holding directly or indirectly a shareholding exceeding 10% of the financial rights and voting rights of Innate should seek additional advice.

Under the U.S.-France Tax Treaty (the provisions of which should be applicable to this IFI in France), the IFI will however generally not apply to securities held by an eligible U.S. Holder who is a U.S. resident, as defined pursuant to the provisions of the U.S.-France Tax Treaty, provided that such U.S. Holder (i) does not own directly or indirectly more than 25% of the issuer's financial rights and (ii) that the ADSs do not form part of the business property of a permanent establishment or fixed base in France.

U.S. Holders are advised to consult their own tax advisor regarding the specific tax consequences which may apply to their particular situation with respect to such IFI.

**F. Dividends and Paying Agents.**

Not applicable.

**G. Statement by Experts.**

Not applicable.

**H. Documents on Display.**

The Company is subject to the information reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, (the "Exchange Act") applicable to foreign private issuers and under those requirements will file reports with the SEC. Those reports may be inspected without charge at the

locations described below. As a foreign private issuer, the Company is exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and its officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, the Company is not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. Nevertheless, the Company will file with the SEC an Annual Report on Form 20-F containing financial statements that have been examined and reported on, with an opinion expressed by an independent registered public accounting firm.

The Company maintains a corporate website at *www.innate-pharma.com*. The Company intends to post its Annual Report on Form 20-F on its website promptly following it being filed with the SEC. Information contained on, or that can be accessed through, its website does not constitute a part of this Annual Report. The Company has included its website address in this Annual Report solely as an inactive textual reference.

The Securities and Exchange Commission maintains a website *(www.sec.gov)* that contains reports, proxy and information statements and other information regarding registrants, such as us, that file electronically with the SEC.

With respect to references made in this Annual Report to any contract or other document of the Company, such references are not necessarily complete and you should refer to the exhibits attached or incorporated by reference to this Annual Report for copies of the actual contract or document.

**I. Subsidiary Information.**

Not required.

**J. Annual Report to Security Holders**

To the extent we furnish an annual report to security holders, we will promptly submit an English version of this annual report to U.S. security holders under the cover of Form 6-K.

**Item 11. Quantitative and Qualitative Disclosures About Market Risk.**

The Company's activities are exposed to liquidity risk, foreign currency exchange risk, interest rate risk and credit risk.

***Liquidity risk***

The Company does not believe that it is exposed to short-term liquidity risk, considering its cash and cash equivalents and short-term investments of €92.5 million as of December 31, 2023, which consist primarily of cash and money market funds and term deposits, are convertible into cash immediately without penalty.

***Foreign currency exchange rate risk***

The Company is exposed to foreign exchange risk inherent in certain subcontracting activities related to its operations in the United States, which are invoiced in U.S. dollars. The Company does not currently have material recurring revenues in euro, dollars or in any other currency. As the Company further increases its business, particularly in the United States, the Company expects to face greater exposure to exchange rate risk.

Innate's revenue denominated in U.S. dollars has represented approximately 78%, 92% and 29% of revenue in the years ended December 31, 2021, 2022 and 2023, respectively. Payments in U.S. dollars represented approximately 50%, 50%, and 43% of the payments in the years ended December 31, 2021,

2022 and 2023, respectively. In order to cover this foreign currency exchange rate risk, the Company kept in U.S. dollars a part of the consideration received from AstraZeneca in June 2015, January 2019 and September 2020. The Company kept the entire U.S dollars portion of the proceeds received from its October 2019 global offering in U.S dollars. The Company does not use hedging instruments in its current operations. Refer to Item 3.D. Risk Factors - Innate's business may be exposed to foreign exchange risks.

***Interest rate risk***

The Company has limited exposure to interest rate risk. Its exposure primarily relates to money market funds and time deposit accounts. Changes in interest rates have a direct impact on the rate of return on these investments and the cash flows generated. The Company does not have any credit facilities bearing variable interest rates. The repayment of the advances from BPI France, the borrowings subscribed in 2017 and the two State Guaranteed Loans obtained in 2021 and extended in 2022, are not subject to interest rate risk. The effect of an increase or decrease in interest rates would have an immaterial effect on profit or loss.

***Credit risk***

The credit risk related to the cash equivalents, short-term investments and non-current financial assets is not significant in light of the quality of the issuers. The Company deemed that no instrument of its portfolio is exposed to credit risk.

**Item 12. Description of Securities Other than Equity Securities.**

**A. Debt Securities.**

Not applicable.

**B. Warrants and Rights.**

Not applicable.

**C. Other Securities.**

Not applicable.

**D. American Depositary Shares.**

Citibank, N.A. ("Citibank") acts as the depositary bank for the ADSs. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. ADSs represent ownership interests in securities that are on deposit with the depositary bank. ADSs may be represented by certificates that are commonly known as American Depositary Receipts (ADRs). Each ADS represents one ordinary share (or the right to receive one ordinary share). The depositary bank typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

The Company has appointed Citibank, N.A. as depositary bank pursuant to a deposit agreement. A copy of the deposit agreement has been filed with the SEC under cover of a Registration Statement on Form F-6 (Registration No. 333-234063). You may obtain a copy of the deposit agreement from the SEC's website at www.sec.gov.

For additional information on our ADSs, please refer to Exhibit 2.3 "Description of Securities Other than Equity Securities – American Depositary Shares" of this Annual Report.

**Fees and Expenses**

Pursuant to the terms of the amended and restated deposit agreement, the holders of the ADSs are required to pay the following fees to the depositary bank:

| Service | Fees |
|---|---|
| Issuance of ADSs (e.g., an issuance of ADS upon a deposit of ordinary shares, upon a change in the ADSs-to-ordinary shares ratio, or for any other reason), excluding ADS issuances as a result of distributions of ordinary shares) | Up to U.S. 5¢ per ADS issued |
| Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADSs-to-ordinary shares ratio, or for any other reason) | Up to U.S. 5¢ per ADS cancelled |
| Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements) | Up to U.S. 5¢ per ADS held |
| Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs | Up to U.S. 5¢ per ADS held |
| Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off) | Up to U.S. 5¢ per ADS held |
| ADS Services | Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the depositary bank |
| Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and *vice versa*, or for any other reason) | Up to U.S. 5¢ per ADS (or fraction thereof) transferred |
| Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the Deposit Agreement) into freely transferable ADSs, and *vice versa*). | Up to U.S. 5¢ per ADS (or fraction thereof) converted |

ADS holders are responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the

custodian, the depositary bank or any nominees upon the making of deposits and withdrawals, respectively;

- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depositary bank and/or service providers (which may be a division, branch or affiliate of the depositary bank) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depositary bank in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees, charges, costs and expenses incurred by the depositary bank, the custodian, or any nominee in connection with the ADR program.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary bank into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depositary bank fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary bank fees from any distribution to be made to the ADS holder. Note that the fees and charges you may be required to pay may vary over time and may be changed by Innate and by the depositary bank. You will receive prior notice of such changes. The depositary bank may reimburse Innate for certain expenses incurred by Innate Pharma in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the depositary bank agree from time to time.

**Payment of Taxes**

ADS holders are responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary bank and the custodian may deduct from any

distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You are liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary bank may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary bank and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary bank and to the custodian proof of taxpayer status and residence and such other information as the depositary bank and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary bank and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

**Depositary Payments for 2023**

Not applicable.

**PART II**

**Item 13. Defaults, Dividend Arrearages and Delinquencies.**

Not applicable.

**Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.**

Not applicable

**Item 15. Controls and Procedures.**

**Disclosure Controls and Procedures**

The management, with the participation of the Chief Executive Officer (principal executive officer) and the Chief Financial Officer (principal financial officer), after evaluating the effectiveness of the disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), as of December 31, 2023, have concluded that, the disclosure controls and procedures were effective as of December 31, 2023.

**Management’s Annual Report on Internal Control over Financial Reporting**

The management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the assessment of the effectiveness of our internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of the Chief Executive Officer (principal executive officer) and the Chief Financial Officer (principal financial officer), the management conducted an evaluation of internal control over financial reporting based upon the criteria established in internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on that evaluation under these criteria, the management concluded that, as of December 31, 2023, the Company's internal control over financial reporting was effective to provide reasonable assurance

regarding the reliability of its financial reporting and the preparation of its financial statements for external purposes, in accordance with International Financial Reporting Standards (IFRS) principles.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements, and can only provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Remediation of Previously Identified Material Weakness in Internal Control over Financial Reporting**

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected on a timely basis.

As previously disclosed in "Item 15 - Controls and Procedures" of our Annual Report on Form 20-F for the year ended December 31, 2022, management concluded that, as of December 31, 2022, the Company's internal control over financial reporting was not effective because of the existence of a material weakness in the internal control over financial reporting in connection with the preparation of the financial results for the year ended December 31, 2022.

The material weakness in the aggregate was related to:

- The control activities that allow detecting or preventing material errors in the classification and presentation of the consolidated financial statements, and related disclosure; and
- The control activities that allow ensuring all third-party services are accounted in the correct period.

In response to the identified material weakness, the Company took several actions during the year ended December 31, 2023, to enhance the design of its control activities, applying more granularity to avoid any material errors in the presentation of the consolidated financial statements, related disclosures, and in relation to cutoff, including the following:

- Implementation of an automated control in its Enterprise Resource Planning (ERP) tool requiring an approval by the Financial Planning and Analysis department (FP&A) of allocation of a purchase order, including to appropriately classify expenses between General & Administration and Research & Development expenses;
- Strengthening of the reconciliation of the data collected from the Company's alliance partners with the consolidated financial statements and related disclosure to ensure a proper classification of the maturity of debts between current and non-current in the balance sheet; and
- Improvement of existing controls to include a verification of open purchase orders without any receipts or partially received so that third-party services are recorded in the correct period.

As a result of the remediation activities described above, as of December 31, 2023, management has concluded that there is no material weakness in connection with the preparation of the financial results for the year ended December 31, 2023. Although we have determined that the previously identified material weaknesses have been remediated as of December 31, 2023, we cannot assure you that we will not identify other material weaknesses or deficiencies, which could negatively impact our results of operations in future periods.

**Attestation Report of the Registered Public Accounting Firm**

This Annual Report does not include an attestation report of our registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for emerging growth companies.

**Changes in Internal Control over Financial Reporting**

Other than the remediation activities described above, there were no changes in the internal control over financial reporting during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

**Item 16. Reserved.**

Not applicable.

**Item 16A. Audit Committees Financial Expert.**

Innate's Supervisory Board has determined that Pascale Boissel is an "audit committee financial expert" as defined by SEC rules and regulations and each of the members of the Audit Committee has the requisite financial sophistication under the applicable rules and regulations of the Nasdaq Stock Market. Ms. Boissel, Dr. Staatz-Granzer and Dr. Sally Bennett are independent as such term is defined in Rule 10A-3 under the Exchange Act and under the listing standards of the Nasdaq Stock Market.

**Item 16B. Code of Business Conduct and Ethics.**

The Company has adopted a Code of Business Conduct and Ethics, or the Code of Ethics, that is applicable to all of its employees, executive officers and directors. A copy of the Code of Ethics is available on its website at *www.investors.innate-pharma.com*. The Audit Committee of its Supervisory board is responsible for overseeing the Code of Ethics and must approve any waivers of the Code of Ethics for employees, executive officers and directors. The Company expects that any amendments to the Code of Ethics, or any waivers of its requirements, will be disclosed on its website.

**Item 16C. Principal Accountant Fees and Services.**

Deloitte & Associés has served as the independent registered public accounting firm for 2022 and 2023. The accountants billed the following fees to Innate for professional services in each of those fiscal years, all of which were approved by the Audit Committee:

| | Year ended December 31, | |
|---|---|---|
| | 2022 | 2023 |
| **(in thousands of euro)** | **Deloitte & Associés** | **Deloitte & Associés** |
| Audit fees | 855 | 725 |
| Non-audit fees | 248 | 213 |
| **Total** | **1,103** | **938** |

**"Audit fees"** are the aggregate fees billed for the audit of the annual financial statements. This category also includes services that Deloitte & Associés provides, such as consents and assistance with and review of documents filed with the SEC.

**"Non-audit fees"** are the aggregate fees billed for services related to the production of certification in the context of the declaration of expenses for the obtention of grants and the preparation of special reports

relating to certain operations on the Company's capital. There were no tax fees included in "non-audit fees" as of December 2022 and 2023, respectively.

**Audit and Non-Audit Services Pre-Approval Policy**

The Audit Committee has responsibility for appointing, setting compensation of and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has adopted a policy governing the pre-approval of all audit and permitted non-audit services performed by the independent registered public accounting firm to ensure that the provision of such services does not impair the independent registered public accounting firm's independence from Innate and the management. Unless a type of service to be provided by the independent registered public accounting firm has received general pre-approval from the Audit Committee, it requires specific pre-approval by the Audit Committee. The payment for any proposed services in excess of pre-approved cost levels requires specific pre-approval by the Audit Committee.

Pursuant to its pre-approval policy, the Audit Committee may delegate its authority to pre-approve services to the chairperson of the Audit Committee. The decisions of the chairperson to grant pre-approvals must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee may not delegate its responsibilities to pre-approve services to the management.

The Audit Committee has considered the non-audit services provided by Deloitte & Associés as described above and believes that they are compatible with maintaining Deloitte & Associés's independence as the independent registered public accounting firm.

**Item 16D. Exemptions from the Listing Standards for Audit Committees.**

Not applicable.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

Not applicable.

**Item 16F. Change in Registrant's Certifying Accountant.**

The term of office of Odycé Nexia SAS, joint principal Statutory Auditor of the Company, will expire following the general meeting of shareholders of May 23, 2024. The Shareholders' Meeting will be called upon to decide on the appointment of PriceWaterhouseCoopers Audit as new Statutory Auditor to replace Odycé Nexia SAS.

**Item 16G. Corporate Governance.**

As a French *société anonyme*, the Company is subject to various corporate governance requirements under French law. The Company is a "foreign private issuer" under the U.S. federal securities laws and the Nasdaq listing rules. As a foreign private issuer listed on the Nasdaq Global Market, we are subject to the Nasdaq corporate governance listing standards. However, the Nasdaq Global Market's listing standards provide that foreign private issuers, as defined in the rules promulgated under the Exchange Act, are permitted to follow home country corporate governance practices instead of certain Nasdaq listing requirements, with certain exceptions. A foreign private issuer that elects to follow a home country practice instead of Nasdaq listing requirements must submit to Nasdaq a written statement from an

independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws.

The Company applies the Middlenext code, which recommends that at least two members of the Supervisory Board be independent (as such term is defined under the code). Certain corporate governance practices in France may differ significantly from Nasdaq's corporate governance listing standards. Neither the corporate laws of France nor the bylaws requires that (i) a majority of the members of our Supervisory Board be independent, (ii) each committee of the Supervisory Board has a formal written charte or (iii) the independent members of the Supervisory Board hold regularly scheduled meetings at which only independent members of the Supervisory Board are present. Other than as set forth below, the Company currently intends to comply with the corporate governance listing standards of Nasdaq to the extent possible under French law. However, we may choose to change such practices to follow home country practice in the future.

Although we are a foreign private issuer, these exemptions do not modify the independence requirements for the Audit Committee. Pursuant to the requirements of the Sarbanes-Oxley Act of 2002 and the Nasdaq Listing Rules, our Audit Committee must be composed of at least three independent members. Rule 10A-3 under the Exchange Act provides that the Audit Committee must have direct responsibility for the nomination, compensation and choice of the auditors, as well as control over the performance of their duties, management of complaints made, and selection of consultants. Under Rule 10A-3, if the laws of a foreign private issuer's home country require that any such matter be approved by our Supervisory Board or the shareholders of the Company, the Audit Committee's responsibilities or powers with respect to such matter may instead be advisory. Under French law, the Audit Committee may only have an advisory role and appointment of the statutory auditors, in particular, must be decided by the shareholders at the annual meeting.

In addition, Nasdaq Listing Rules require that a listed company specify that the quorum for any meeting of the holders of share capital be at least 33 1/3% of the outstanding shares of the company's ordinary voting shares. The Company intends to follow its French home country practice, rather than complying with this Nasdaq Listing Rule. Consistent with French Law, the Company's bylaws provide that when first convened, general meetings of shareholders may validly convene only if the shareholders present or represented hold at least (1) 20% of the voting shares in the case of an ordinary general meeting or of an extraordinary general meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, or (2) 25% of the voting shares in the case of any other extraordinary general meeting. If such quorum required by French law is not met, the meeting is adjourned. There is no quorum requirement under French law when an ordinary general meeting or an extraordinary general meeting is reconvened where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, but the reconvened meeting may consider only questions that were on the agenda of the adjourned meeting. When any other extraordinary general meeting is reconvened, the required quorum under French law is 20% of the shares entitled to vote. The reconvened meeting may consider only questions that were on the agenda of the adjourned meeting. If a quorum is not met at a reconvened meeting requiring a quorum, then the meeting may be adjourned for a maximum of two months.

Finally, the Company follows French law with respect to shareholder approval requirements in lieu of the various shareholder approval requirements of Nasdaq Listing Rule 5635, which requires a Nasdaq listed company to obtain shareholder approval prior to certain issuances of securities, including: (a) issuances in connection with the acquisition of the stock or assets of another company if upon issuance the issued shares will equal 20% or more of the number of shares or voting power outstanding prior to the issuance, or if certain specified persons have a 5% or greater interest in the assets or company to be acquired (Nasdaq Listing Rule 5635(a)); (b) issuances or potential issuances that will result in a change of control

of us (Nasdaq Listing Rule 5635(b)); (c) issuances in connection with equity compensation arrangements (Nasdaq Listing Rule 5635(c)); and (d) 20% or greater issuances in transactions other than public offerings, as defined in the Nasdaq rules (Nasdaq Listing Rule 5635(d)). Under French law, the Company's shareholders may approve issuances of equity, as a general matter, through the adoption of delegation of authority resolutions at the Company's shareholders' meeting pursuant to which shareholders may delegate their authority to the Executive Board to increase the Company's share capital within specified parameters set by the shareholders, which may include a time limitation to carry out the share capital increase, the cancellation of their preferential subscription rights to the benefit of named persons or a category of persons, specified price limitations and/or specific or aggregate limitations on the size of the share capital increase. Due to differences between French law and corporate governance practices and Nasdaq Listing Rule 5635, the Company follows French home country practice, rather than complying with this Nasdaq Listing Rule.

In accordance with French law, committees of our Supervisory Board will only have an advisory role and can only make recommendations to our Supervisory Board. As a result, decisions will be made by our Supervisory Board taking into account nonbinding recommendations of the relevant Supervisory Board committee.

**Item 16H. Mine Safety Disclosure.**

Not applicable.

**Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**Item 16J. Insider Trading Policies**

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will be applicable to the Company from the fiscal year ending December 31, 2024.

**Item 16K. Cybersecurity**

In order to assess, identify and manage material risks from cybersecurity threats, the Company maintains a cybersecurity roadmap, which includes processes for information technology, or IT, operations, technologies, business continuity and governance. The cybersecurity roadmap is based on an assessment performed by a third-party consultant.

To assess and manage material cybersecurity risks, the Company has established a dedicated steering committee, chaired by the Vice President, Compliance & Operations, who has managed the Company's cybersecurity strategy since 2020, including representatives from Innate's IT and compliance functions, the Chief Financial Officer and the relevant business functions. The steering committee's responsibilities include defining priorities, endorsing the cybersecurity roadmap, overseeing execution of the cybersecurity roadmap, and monitoring the ongoing implementation of our risk management strategy for IT infrastructure, systems, vendors, and regulatory compliance. The steering committee is responsible for tracking cybersecurity incidents, preparing mitigation plans, and managing any significant events related to cybersecurity. In support of objectivity and segregation of duties, the coordination of cybersecurity activities described above is assigned to a function independent of IT, hosted in the Compliance department of Innate including with a person who was previously the Head of Information Systems & Technology at Innate Pharma. Employees at each level of the organization receive regular training sessions about cybersecurity risks. Moreover, the company relies on external specialists and vendors for technical matters for which it has limited skills or infrastructure. All external subcontractors and IT systems that manage sensitive processes or data are selected taking into account cybersecurity and data

protection considerations, in particular by checking the certifications held by service providers or suppliers and performing, when appropriate, qualification and follow-up audits.

At Innate Pharma, cybersecurity risks are integrated within our overall risk management framework. Each year, the Vice President, Compliance & Operations gathers input from various stakeholders at the Company and identifies the risks facing our business and regularly presents the identified material risks, including cybersecurity risks to the Audit Committee. This reporting covers various matters, including the cybersecurity risks identified and proposed mitigation or preventative measures. Our risk assessment is performed regularly and is subject to change in case of any significant change or event during the year. In case of a significant cybersecurity incident, the cybersecurity steering committee would assess the incident severity, propose the appointment of an appropriate crisis unit and submit an action plan for the Executive Board's endorsement. If the incident is considered as critical to the Company's cybersecurity, the incident will be escalated to the Audit Committee and to the Supervisory Board.

As of the filing of this Form 20-F, the Company is not aware of any cyber-attacks that have occurred since the beginning of 2023 that have materially affected, or are reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. Although we have put in place the cybersecurity processes described above, we remain exposed to cybersecurity attacks and incidents and misuse or manipulation of any of our IT systems, which could have a material adverse effect on our business strategy, results of operations or financial condition. See "*Risk Factors – Risks Related to Innate Pharma's Organization and Operations*" in Item 3.D. of this Annual Report.

## PART III

### Item 17. Financial Statements.

See the financial statements beginning on page F-l of this Annual Report.

### Item 18. Financial Statements.

Not applicable.

### Item 19. Exhibits.

The following exhibits are filed as part of this Annual Report:

| Exhibit Number | Description of Exhibit | Schedule/ Form | File Number | Exhibit | File Date |
|---|---|---|---|---|---|
| 1.1* | By-laws (*status*) of the registrant (English translation) | | | | |
| 2.1 | Form of Deposit Agreement | F-1 | 333-233865 | 4.1 | 10/04/19 |
| 2.2 | Form of American Depositary Receipt (included in Exhibit 2.1) | F-1 | 333-233865 | 4.2 | 10/04/19 |
| 2.3* | Description of Securities registered under Section 12 of the Exchange Act | | | | |
| 4.1† | Co-Development and License Agreement between Innate Pharma S.A. and MedImmune Limited, dated April 24, 2015, as amended to date. | F-1 | 333-233865 | 10.1 | 09/20/19 |
| 4.2† | Termination and Transition Agreement, between Innate Pharma SA. and MedImmune Limited, dated June 30, 2021, as amended to date | 20-F | 001-39084 | 4.2 | 04/04/22 |

| Exhibit Number | Description of Exhibit | Schedule/ Form | File Number | Exhibit | File Date |
|---|---|---|---|---|---|
| 4.3† | Amendment and Restatement Agreement of the Collaboration and Option Agreement Relating to CD39, between Innate Pharma S.A. and MedImmune Limited, dated April 16, 2019. | F-1 | 333-233865 | 10.3 | 09/20/19 |
| 4.4† | Joint Research, Development, Option and License Agreement between Innate Pharma S.A. and Novo Nordisk A/S, dated March 28, 2006, as amended to date. | F-1 | 333-233865 | 10.4 | 09/20/19 |
| 4.5† | Finance Lease Agreement between Innate Pharma S.A. and Sogebail S.A., dated June 9, 2008 (English translation). | F-1 | 333-233865 | 10.5 | 09/20/19 |
| 4.6† | Amendment to Finance Lease Agreement between Innate Pharma S.A. and Sogebail S.A., dated September 29, 2016 (English translation). | F-1 | 333-233865 | 10.6 | 09/20/19 |
| 4.7† | Loan Agreement with Société Générale, dated December 22, 2021 (English translation) | 20-F | 001-39084 | 4.7 | 04/04/22 |
| 4.8† | Loan Agreement with BNP Paribas, dated December 17, 2021 (English translation) | 20-F | 001-39084 | 4.8 | 04/04/22 |
| 4.9† | Research Collaboration and License Agreement between Innate Pharma S.A. and Genzyme, Corporation, dated December 16, 2022 | 20-F/A | 001-39084 | 4.9 | 04/20/23 |
| 4.10* | Exclusive License Agreement between Innate Pharma S.A. and Takeda Pharmaceuticals U.S.A. Inc. dated March 31, 2023. | | | | |
| 8.1 | List of subsidiaries of the registrant | F-1 | 333-233865 | 21.1 | 09/20/19 |
| 12.1* | Certificate of Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | |
| 12.2* | Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | |
| 13.1** | Certification by the Principal Executive Officer and the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | | | | |
| 15.1 | Consent of Deloitte & Associés | | | | |
| 97.1* | Executive Compensation Clawback Policy | | | | |
| 101.INS* | XBRL Instance Document | | | | |
| 101.SCH* | XBRL Taxonomy Extension Schema Document | | | | |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document | | | | |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document | | | | |

| Exhibit Number | Description of Exhibit | Schedule/ Form | File Number | Exhibit | File Date |
|---|---|---|---|---|---|
| 101.LAB* | XBRL Taxonomy Extension Label Linkbase Document | | | | |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document | | | | |

* Filed herewith.

** Furnished herewith.

† Certain portions of this exhibit have been omitted because they are not material and would likely cause competitive harm to the registrant if disclosed

## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Innate Pharma S.A.

By: /s/ Hervé Brailly

Name: Hervé Brailly.

Title: Chief Executive Officer

Date: April 4, 2024

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

**Consolidated Financial Statements as of and for the Years Ended December 31, 2021, 2022 and 2023**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Innate Pharma S.A.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Innate Pharma S.A. and subsidiaries (the "Company") as of December 31, 2023, 2022 and 2021, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Associés

Paris La Défense, France

April 3, 2024

We have served as the Company's auditor since 2014.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(amounts in thousands of euro)

| | | Year Ended December 31, | | |
|---|---|---|---|---|
| | Note | 2021 | 2022 | 2023 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | 6 | 44,192 | 1,556 | 416 |
| Property and equipment | 7 | 10,174 | 8,542 | 6,322 |
| Non-current financial assets | 4 | 39,878 | 35,119 | 9,796 |
| Other non-current assets | | 148 | 149 | 87 |
| Trade receivables and others - non-current | 5 | 29,821 | 14,099 | 10,554 |
| Deferred tax assets | 17 | 5,028 | 8,568 | 9,006 |
| **Total non-current assets** | | **129,241** | **68,033** | **36,181** |
| **Current assets** | | | | |
| Cash and cash equivalents | 4 | 103,756 | 84,225 | 70,605 |
| Short-term investments | 4 | 16,080 | 17,260 | 21,851 |
| Trade receivables and others - current | 5 | 18,420 | 38,346 | 55,557 |
| **Total current assets** | | **138,256** | **139,831** | **148,012** |
| **TOTAL ASSETS** | | **267,496** | **207,863** | **184,193** |
| | | | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Shareholders' equity** | | | | |
| Share capital | 11 | 3,978 | 4,011 | 4,044 |
| Share premium | 11 | 375,220 | 379,637 | 384,255 |
| Retained earnings | | (219,404) | (272,213) | (329,323) |
| Other reserves | | 456 | 819 | 495 |
| Net income (loss) | | (52,809) | (58,103) | (7,570) |
| **Total shareholders' equity** | | **107,440** | **54,151** | **51,901** |
| **Non-current liabilities** | | | | |
| Collaboration liabilities – non-current portion | 13 | 32,997 | 52,988 | 45,030 |
| Financial liabilities – non-current portion | 9 | 13,503 | 40,149 | 30,957 |
| Defined benefit obligations | 10 | 2,975 | 2,550 | 2,441 |
| Deferred revenue – non-current portion | 13 | 25,413 | 7,921 | 4,618 |
| Provisions – non-current portion | 18 | 253 | 198 | 603 |
| Deferred tax liabilities | 17 | 5,028 | 8,568 | 9,006 |
| **Total non-current liabilities** | | **80,170** | **112,374** | **92,656** |
| **Current liabilities** | | | | |
| Trade payables and others | 8 | 28,573 | 20,911 | 17,018 |
| Collaboration liabilities – current portion | 13 | 7,418 | 10,223 | 7,647 |
| Financial liabilities – current portion | 9 | 30,748 | 2,102 | 8,936 |
| Deferred revenue – current portion | 13 | 12,500 | 6,560 | 5,865 |
| Provisions – current portion | 18 | 647 | 1,542 | 171 |
| **Total current liabilities** | | **79,886** | **41,338** | **39,637** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **267,496** | **207,863** | **184,193** |

## CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(amounts in thousands of euro, except share and per share data)

| | | Year ended December 31, | | |
|---|---|---|---|---|
| | Note | 2021[1] | 2022 | 2023 |
| **Revenue and other income** | | | | |
| Revenue from collaboration and licensing agreements | 13 | 12,112 | 49,580 | 51,901 |
| Government financing for research expenditures | 13 | 12,591 | 8,035 | 9,729 |
| Other income | | — | 59 | 11 |
| **Total revenue and other income** | | **24,703** | **57,674** | **61,641** |
| **Operating expenses** | | | | |
| Research and development expenses | 14 | (47,004) | (51,663) | (56,022) |
| General and administrative expenses | 14 | (25,524) | (22,436) | (18,288) |
| Impairment of intangible assets | 6 | — | (41,000) | — |
| **Total operating expenses** | | **(72,528)** | **(115,099)** | **(74,310)** |
| **Operating income (loss)** | | **(47,825)** | **(57,425)** | **(12,669)** |
| Financial income | 15 | 6,344 | 4,775 | 6,934 |
| Financial expenses | 15 | (3,997) | (5,321) | (1,835) |
| **Net financial income (loss)** | | **2,347** | **(546)** | **5,099** |
| **Net income (loss) before tax** | | **(45,478)** | **(57,972)** | **(7,570)** |
| Income tax expense | 16 | — | — | — |
| **Net income (loss) from continuing operations** | | **(45,478)** | **(57,972)** | **(7,570)** |
| **Net income (loss) from discontinued operations** | 17 | **(7,331)** | **(131)** | **—** |
| **Net income (loss)** | | **(52,809)** | **(58,103)** | **(7,570)** |
| **Basic income (loss) per share (€/share)** | 20 | **(0.66)** | **(0.73)** | **(0.09)** |
| **Diluted income (loss) per share (€/share)** | 20 | **(0.66)** | **(0.73)** | **(0.09)** |
| *- Basic income (loss) per share from continuing operations* | *20* | *(0.57)* | *(0.73)* | *(0.09)* |
| *- Diluted income (loss) per share from continuing operations* | *20* | *(0.57)* | *(0.73)* | *(0.09)* |
| *- Basic income (loss) per share from discontinued operations* | *20* | *(0.09)* | — | — |
| *- Diluted income (loss) per share from discontinued operations* | *20* | *(0.09)* | — | — |

(1) The 2020 comparatives has been restated to consider the impact of classifying the Lumoxiti business as discontinued operations in 2021. See note 2.v and 17 of our consolidated financial statements appearing elsewhere in this Annual Report.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(amounts in thousands of euro)

| (In thousands of euro) | | Year Ended December 31, | | |
|---|---|---|---|---|
| | Note | 2021 | 2022 | 2023 |
| **Net income (loss) for the period** | | **(52,809)** | **(58,103)** | **(7,570)** |
| ***Elements which will be reclassified in the consolidated statement of income (loss):*** | | | | |
| Change in fair value of short-term investments and non-current financial assets | 4 | — | — | — |
| Foreign currency translation gain (loss) | | (483) | (428) | 276 |
| ***Items which will not be reclassified in the consolidated statement of income (loss):*** | | | | |
| Actuarial gains and (losses) related to defined benefit obligations | 10 | 584 | 790 | 394 |
| **Other comprehensive income (loss)** | | **101** | **362** | **670** |
| **Total comprehensive income (loss)** | | **(52,708)** | **(57,741)** | **(6,900)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

(amounts in thousands of euro)

| | | Year Ended December 31, | | |
|---|---|---|---|---|
| | Note | 2021 | 2022 | 2023 |
| **Net income (loss)** | | **(52,809)** | **(58,103)** | **(7,570)** |
| ***Reconciliation of the net income (loss) and the cash generated from (used for) the operating activities*** | | | | |
| Depreciation and amortization, net | 6, 7 | 4,596 | 45,405 | 5,091 |
| Employee benefits costs | 10 | 437 | 365 | 285 |
| Provisions for charges | | 4 | 839 | (966) |
| Share-based compensation expense | 14 | 2,617 | 4,249 | 4,256 |
| Change in fair value of financial assets | 4 | (987) | 1,372 | (1,592) |
| Foreign exchange (gains) losses on financial assets | 4 | (1,136) | (912) | 544 |
| Change in accrued interests on financial assets | 4 | (55) | 118 | — |
| Gains (losses) on assets and other financial assets | | (367) | — | (991) |
| Interest paid | 16 | 312 | — | — |
| Disposal of property and equipment (scrapping) | 6, 7 | — | — | 470 |
| Other profit or loss items with no cash effect | | (1,185) | 15 | 6 |
| **Operating cash flow before change in working capital** | | **(48,573)** | **(6,652)** | **(467)** |
| *Change in working capital* | | (9,885) | (12,503) | (32,091) |
| **Net cash generated from / (used in) operating activities** | | **(58,457)** | **(19,155)** | **(32,558)** |
| Acquisition of intangible assets | 6.8 | (401) | (587) | (2,000) |
| Acquisition of property and equipment, net | 7.8 | (929) | (535) | (351) |
| Purchase of non-current financial instruments | 4 | — | — | — |
| Disposal of property and equipment | 4 | 7 | — | 150 |
| Disposal of other assets | | 40 | — | 66 |
| Acquisition of other assets | | (1) | (1) | (3) |
| Disposal of current financial instruments | 4 | — | 3,000 | — |
| Disposal of non-current financial instruments | 4 | — | | 22,768 |
| Interest received on financial assets | | 367 | — | — |
| **Net cash generated from / (used in) investing activities** | | **(917)** | **1,877** | **20,631** |
| Proceeds from the exercise / subscription of equity instruments | | 499 | 198 | 395 |
| Proceeds from borrowings | 9 | 28,700 | — | — |
| Repayment of borrowings | 9 | (2,069) | (2,026) | (2,361) |
| Net interest paid | | (312) | — | — |
| **Net cash generated from / (used in) financing activities** | | **26,819** | **(1,828)** | **(1,966)** |
| Effect of the exchange rate changes | | (483) | (428) | 274 |
| **Net increase / (decrease) in cash and cash equivalents** | | **(33,039)** | **(19,532)** | **(13,619)** |
| Cash and cash equivalents at the beginning of the year | 4 | 136,792 | 103,756 | 84,225 |
| **Cash and cash equivalents at the end of the year** | 4 | **103,756** | **84,225** | **70,605** |

| Change in working capital | Note | December 31, 2022 | December 31, 2023 | Variance |
|---|---|---|---|---|
| Trade receivables and others (excluding rebates related to capital expenditures) | 5 | 52,445 | 66,111 | (13,666) |
| Trade payables and others (excluding payables related to capital expenditures) | 8 | (20,911) | (17,018) | (3,893) |
| Collaboration liabilities - current and non-current portion | 13 | (63,211) | (52,677) | (10,534) |
| Deferred revenue - current and non-current portion | 13 | (14,481) | (10,483) | (3,998) |
| **Change in working capital** | | **(46,158)** | **(14,067)** | **(32,091)** |

| Change in working capital | Note | December 31, 2021 | December 31, 2022 | Variance |
|---|---|---|---|---|
| Trade receivables and others (excluding rebates related to capital expenditures) | 5 | 48,241 | 52,445 | (4,204) |
| Trade payables and others (excluding payables related to capital expenditures) | 8 | (28,573) | (20,911) | (7,662) |
| Collaboration liabilities - current and non-current portion | 13 | (40,415) | (63,211) | 22,796 |
| Deferred revenue - current and non-current portion | 13 | (37,913) | (14,481) | (23,432) |
| **Change in working capital** | | **(58,660)** | **(46,158)** | **(12,503)** |

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(amounts in thousands of euro, except share data)

| | Note | Number of shares | Share capital | Share premium | Retained earnings | Other reserves | Net income (loss) | Total Equity |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2020** | | **79,000,952** | **3,950** | **372,131** | **(156,476)** | **355** | **(63,984)** | **155,976** |
| Net loss | | — | — | — | — | — | **(52,809)** | **(52,809)** |
| Actuarial losses on defined benefit obligations | | — | — | — | — | 584 | — | **584** |
| Foreign currency translation loss | | — | — | — | — | (483) | — | (483) |
| **Total comprehensive income (loss)** | | **—** | **—** | **—** | **—** | **101** | **(52,809)** | **(52,708)** |
| Impact of applying IFRIC agenda decision on IAS 19 (1) | 10 | — | — | — | 1,054 | — | — | **1,054** |
| Allocation of prior period loss | | — | — | — | (63,984) | — | 63,984 | **—** |
| Exercise and subscription of equity instruments | | 555,770 | 28 | 471 | — | — | — | **499** |
| Increase capital, net | | — | — | — | — | — | — | **—** |
| Share-based payment | | — | — | 2,617 | | | | **2,617** |
| **December 31, 2021** | | **79,556,722** | **3,978** | **375,220** | **(219,404)** | **456** | **(52,809)** | **107,440** |
| Net loss | | — | — | — | — | — | (58,103) | **(58,103)** |
| Actuarial losses on defined benefit obligations | | — | — | — | — | 790 | — | 790 |
| Foreign currency translation loss | | — | — | — | | (428) | — | (428) |
| **Total comprehensive income (loss)** | | **—** | **—** | **—** | **—** | **362** | **(58,103)** | **(57,741)** |
| Allocation of prior period loss | | — | — | — | (52,809) | — | 52,809 | **—** |
| Exercise and subscription of equity instruments | | 669,442 | 34 | 168 | — | — | — | 202 |
| Increase capital, net | | — | — | — | — | — | — | **—** |
| Share-based payment | | — | — | 4,249 | | | | **4,249** |
| **December 31, 2022** | | **80,226,164** | **4,011** | **379,637** | **(272,213)** | **819** | **(58,103)** | **54,151** |
| Net loss | | — | — | — | — | — | **(7,570)** | **(7,570)** |
| Actuarial gains on defined benefit obligations | | — | — | — | — | 394 | — | **394** |
| Foreign currency translation gain | | — | — | — | 994 | (718) | — | 276 |
| **Total comprehensive income (loss)** | | **—** | **—** | **—** | **994** | **(324)** | **(7,570)** | **(6,900)** |
| Allocation of prior period loss | | — | — | — | (58,103) | — | 58,103 | **—** |
| Exercise and subscription of equity instruments | 11 | 648,489 | 32 | 363 | — | — | — | 395 |
| Increase capital, net | 11 | — | — | — | — | — | — | **—** |
| Share-based payment | 11.14 | — | — | 4,256 | | — | | **4,256** |
| **December 31, 2023** | | **80,874,653** | **4,044** | **384,255** | **(329,323)** | **495** | **(7,570)** | **51,901** |

(1) This restatement represents the impact of the change in accounting method following the IFRIC (International Financial Reporting Interpretations Committee) opinion validated by the IAS Board in June 2021, according to which the method for measuring the obligations of certain retirement benefit plans must be modified. The details of this change in method are presented in note 10.

## NOTES TO FINANCIAL STATEMENTS

### Note 1: The company

Innate Pharma SA (the "Company" and, with its subsidiary, referred to as the "Group"), is a global, clinical-stage biotechnology company developing immunotherapies for cancer patients. Its innovative approach aims to harness the innate immune system through therapeutic antibodies and its ANKET® (Antibody-based NK cell Engager Therapeutics) proprietary platform. Innate's portfolio includes lead proprietary program lacutamab, developed in advanced form of cutaneous T cell lymphomas and peripheral T cell lymphomas, monalizumab developed with AstraZeneca in non small cell lung cancer, as well as ANKET® multi-specific NK cell engagers to address multiple tumor types. The Company has developed, internally and through its business development strategy, a broad and diversified portfolio including seven clinical drug candidates and a robust preclinical pipeline. Innate has entered into collaborations with leaders in the biopharmaceutical industry, such as AstraZeneca,Sanofi and Takeda. Innate Pharma believes its drug candidates and clinical development approach are differentiated from current immuno-oncology therapies and have the potential to significantly improve the clinical outcome for patients with cancer.

From its inception, the Company has incurred losses due to its research and development ("R&D") activity. The financial year ended December 31, 2023 generated a €7,570 thousand net loss. As of December 31, 2023, the shareholders' equity amounted to €51,901 thousand. Subject to potential new milestone payments related to its collaboration agreements, the Company anticipates incurring additional losses until such time, if ever, that it can generate significant revenue from its product candidates in development.

The Company's future operations are highly dependent on a combination of factors, including: (i) the success of its R&D; (ii) regulatory approval and market acceptance of the Company's future drug candidates; (iii) the timely and successful completion of additional financing; and (iv) the development of competitive therapies by other biotechnology and pharmaceutical companies. As a result, the Company is and should continue, in the short to mid-term, to be financed through partnership agreements for the development and commercialization of its drug candidates and through the issuance of new equity instruments.

The Company's activity is not subject to seasonal fluctuations.

As of December 31, 2023, the Company had one wholly owned subsidiary: Innate Pharma, Inc., incorporated under the laws of Delaware in 2009.

This subsidiary is fully consolidated.

### 1.1. Significant contracts

The following paragraphs describe the key provisions of significant contracts.

#### *a) Agreements related to monalizumab with Novo Nordisk A/S and with AstraZeneca*

**2014 Novo Nordisk A/S monalizumab agreement**

On February 5, 2014, the Company acquired from Novo Nordisk A/S full development and commercialization rights to monalizumab. Novo Nordisk A/S received €2.0 million in cash and 600,000 ordinary shares at a price of €8.33 per share (€5.0 million). Novo Nordisk A/S is eligible to receive up to €20.0 million in potential regulatory milestones and single-digit tiered royalties on sales of monalizumab products. The agreement with Novo Nordisk A/S included a right to additional consideration in the event

of an out-licensing agreement. Consequently, following the agreement signed with AstraZeneca in April 2015 (as described below), the Company paid to Novo Nordisk A/S additional consideration of €6.5 million (paid in April 2016). Following the exercise of the option by AstraZeneca in October 2018 (as described below), Novo Nordisk A/S became entitled to a second and final additional payment amounting to $15.0 million (€13.1 million) which was recognized as a liability as of December 31, 2018 and was paid in February 2019. There are no other potential additional milestones payments due to Novo Nordisk A/S. These amounts were added to the net book value of the intangible asset and are amortized according to the same amortization plan as the initial €7.0 million recognized in 2014. The net book value of the license amounted to €0.4 million as of December 31, 2023.

Refer to Notes 2.h, 2.j and 6 for accounting description.

**2015 AstraZeneca monalizumab agreements**

Under co-development and option agreements signed with AstraZeneca in 2015, the Company granted to AstraZeneca an exclusive license, subject to certain exclusions, to certain of its patents and know-how to develop, manufacture and commercialize licensed products, including monalizumab, in the field of diagnosis, prevention and treatment of oncology diseases and conditions. The Company further granted to AstraZeneca a worldwide, non-exclusive license to certain of its other patents to develop, manufacture and commercialize licensed products, including monalizumab, in the field of diagnosis, prevention and treatment of oncology diseases and conditions.

The Company received an initial payment of $250 million under these agreements in June 2015, of which $100 million was paid to the Company as an initial payment for the co-development agreement and $150 million was paid to the Company as consideration for the option agreement. On October 22, 2018, AstraZeneca exercised this option, triggering the payment of $100.0 million, which was received by the Company in January 2019.

Following the option exercise, AstraZeneca became the lead party in developing the licensed products and must use commercially reasonable efforts to develop, obtain regulatory approval for and commercialize each licensed product in certain major markets.

In July 31, 2019, the Company notified AstraZeneca of its decision to co-fund a future monalizumab Phase 3 clinical development program.

In September 2020, the Company signed an amendment to the collaboration and license agreement concluded with AstraZeneca in 2015. Following the analysis of a longer patient follow-up as well as the maturation of the survival data of the Cohort 2, and after discussion with AstraZeneca, the Company agreed to amend the original agreement. This amendment changed the financial terms relating to the milestone payment expected following the treatment of the first patient with AstraZeneca in the first Phase 3 trial evaluating monalizumab. The original agreement signed in 2015 provided for a milestone payment of $100 million. Following the inclusion by AstraZeneca of the first patient in the first Phase 3 trial evaluating monalizumab (INTERLINK-1) in October 2020, and in accordance with the amendment signed in September 2020, the Company received a payment of $50 million . An additional payment of $50 million was subject to an interim analysis. On August 1, 2022, the Company announced that the combination of monalizumab and cetuximab did not reach the pre-specified efficacy threshold in the protocol-planned interim futility analysis of the Phase 3 INTERLINK-1 clinical study conducted by AstraZeneca. AstraZaneca has thus informed the Company that the study will be discontinued. Consequently, the Company is not eligible for the additional payment of $50.0 million as provided for in the amendment signed in September 2020.

On June 2022, the Company received an additionnal payment of $50.0 million from AstraZeneca following the inclusion of the first patient in the second trial evaluating monalizumab, on April 2022 ("PACIFIC-9").

In addition to the initial payment, the option exercise payment and the payment received for the inclusion of the first patient in the first Phase 3 trial, AstraZeneca is obligated to pay the Company up to $775 million in the aggregate upon the achievement of certain development and regulatory milestones ($350 million) and commercialization milestones ($425 million). The Company is eligible to receive tiered royalties ranging from a low double-digit to mid-teen percentage on net sales of licensed products outside of Europe. The Company is required for a defined period of time to co-fund 30% of the Phase 3 clinical trials of licensed products, subject to an aggregate cap, in order to receive 50% of the profits in Europe.

Refer to Notes 2.p and 13.a for accounting description.

***b) Agreement related to Lumoxiti with AstraZeneca***

In October 2018, the Company obtained an exclusive license from AstraZeneca under certain patents and know-how to develop, manufacture and commercialize Lumoxiti for all uses in humans and animals in the United States, the European Union and Switzerland. Under this Agreement, AstraZeneca was obligated to provide support for the continued development and commercialization of Lumoxiti in the European Union and Switzerland prior to regulatory submission and approval as well as support for the continued commercialization of Lumoxiti in the United States for a specified period running until September 30, 2020. Following this transition period, the company took charge of all marketing of Lumoxiti in the United States.

Under the agreement signed in 2018, the Company was obligated to pay a $50.0 million initial payment (€43.8 million), which it paid in January 2019, and a $15.0 million regulatory milestone (€13.4 million), which was paid in January 2020. The Company has reimbursed reimburse AstraZeneca for the development, production and commercialization costs it incurs during the transition period, ended in September 30, 2020.

Further to the decision to terminate the Lumoxiti Agreement and termination notice sent in December 2020, a termination and transition agreement was discussed and executed, effective as of June 30, 2021 terminating the Lumoxiti Agreement as well as Lumoxiti related agreements (including the supply agreement, the quality agreement and other related agreements) and transferring of the U.S. marketing authorization and distribution rights of Lumoxiti back to AstraZeneca. The FDA has effectively transferred the BLA to AstraZeneca on February 8, 2022. AstraZeneca has reimbursed Innate Pharma for all Lumoxiti related costs, expenses and benefited net sales. In the year ended December 31, 2020 results announcement, the Company reported a contingent liability of up to $12.8 million in its consolidated financial statements, which was related to the splitting of certain manufacturing costs. As part of the termination and transition agreement, Innate and AstraZeneca agreed to split these manufacturing costs, and Innate has paid $6.2 million to AstraZeneca (€5.9 million) on April 2022.

Following the termination and transition agreement signed in 2021, Lumoxiti activities are presented as discontinued operations as of December 31, 2021 and 2022, respectively. As of December 31, 2023, the transition of all Lumoxiti rights and the transfer of activities to AstraZeneca has been fully completed.

Refer to Notes 2.v and 17 for accounting description.

***c) Agreement related to IPH5201 with AstraZeneca***

In October 2018, the Company signed a collaboration and option agreement with AstraZeneca for co-development and co-commercialization of IPH5201. Under the agreement, AstraZeneca paid the

Company a $50.0 million upfront payment ($26.0 million paid in October 2018 and $24.0 million paid in January 2019), and a milestone payment of $5.0 million paid in June 2020 following the assay of the first patient in the first Phase 1 trial evaluating IPH5201, in March 2020. AstraZeneca is obligated to pay the Company up to an aggregate of $5.0 million upon the achievement of certain development milestones.

On June 1, 2022, the Company signed an amendment to the collaboration and license option agreement IPH5201 concluded with AstraZeneca in October 2018. Subsequently, the Company announced on June 3, 2022 the progress of IPH5201 towards a study of Phase 2 in lung cancers for which the Company will be the sponsor. In accordance with the amendment signed on June 1, 2022, the Company is eligible for a milestone payment of $5.0 million by AstraZeneca. This milestone payment was received on August 2, 2022 by the Company.

Upon exercise of its option under the agreement, AstraZeneca is committed to pay an option exercise fee of $25.0 million and up to $800.0 million in the aggregate upon the achievement of certain development and regulatory milestones ($300 million) and commercialization milestones ($500 million). The arrangement also provides for a 50% profit share in Europe if the Company opts into certain co-promoting and late stage co-funding obligations. In addition, the Company would be eligible to receive tiered royalties ranging from a high-single digit to mid-teen percentage on net sales of IPH5201, or from a mid-single digit to low-double digit percentage on net sales of other types of licensed products, outside of Europe. The royalties payable to the Company under the agreement may be reduced under certain circumstances, including loss of exclusivity or lack of patent protection. As of December 31, 2020, since the Company had fulfilled all of its commitments on preclinical work related to the start of Phase 1 of the IPH5201 program, the initial payment of $50.0 million and the milestone payment of $5.0 million were fully recognized in revenue. The Company was reimbursed by AstraZeneca for certain research and development expenses related to IPH5201 for the year ended December 31, 2023. The Company has the option to co-fund 30% of the shared development expenses related to the Phase 3 clinical trials in order to acquire co-promotion rights and to share in 50% of the profits and losses of licensed products in Europe. If the Company does not opt into the co-funding obligations, among other things, its right to share in 50% of the profits and losses in Europe and right to co-promote in certain European countries will terminate and will be replaced by rights to receive royalties on net sales at the rates applicable to outside of Europe. Additionally, certain milestone payments that may be payable to the Company would be materially reduced.

Refer to Notes 2.p and 13 for accounting description.

***d) Agreement related to additional preclinical molecules with AstraZeneca***

In October 2018, the Company granted to AstraZeneca four exclusive options that are exercisable until IND approval to obtain a worldwide, royalty-bearing, exclusive license to certain of the Company's patents and know-how relating to certain specified pipeline candidates to develop and commercialize optioned products in all fields of use. Pursuant to the agreement, AstraZeneca paid the Company a $20.0 million upfront payment (€17.4 million) in October 2018. The Company recognized this upfront payment in the consolidated statement of financial position as deferred revenue as of December 31, 2018, until the exercise or the termination of each option at the earliest.

During 2022 first semester, the Company received from AstraZeneca a notice that it will not exercise its option to license the four preclinical programs covered in the "*Future Programs Option Agreement*". Innate has now regained full rights to further develop the four preclinical molecules. Consequently, the entire initial payment of $20.0 million, or €17.4 million was recognized as revenue as of June 30, 2022

Refer to Notes 2.p and 13 for accounting description.

### *e) Agreements related to avdoralimab with Novo Nordisk and with AstraZeneca*

**2017 avdoralimab in-licensing agreement with Novo Nordisk A/S**

In July 2017, the Company signed an exclusive license agreement with Novo Nordisk A/S relating to avdoralimab. Under the agreement, Novo Nordisk A/S granted the Company a worldwide, exclusive license to develop, manufacture and commercialize pharmaceutical products that contain or comprise an anti-C5aR antibody, including avdoralimab. The Company made an upfront payment of €40.0 million, €37.2 million of which was contributed in new shares and €2.8 million of which in cash. In 2020, the Company made an additional payment of €1.0 million to Novo Nordisk A/S following the launch of the first Phase 2 trial of avdoralimab. The Company is obligated to pay up to an aggregate of €369.0 million upon the achievement of development, regulatory and sales milestones and tiered royalties ranging from a low double-digit to low-teen percentage of net sales.

Refer to Notes 2.h, 2.j and 6 for accounting description.

**2018 avdoralimab AstraZeneca agreement**

On January 1, 2018, the Company entered into a clinical trial collaboration agreement with AstraZeneca to sponsor a Phase 1/2 clinical trial (STELLAR-001) to evaluate the safety and efficacy of durvalumab, an anti-PD-L1 immune checkpoint inhibitor, in combination with avdoralimab, as a treatment for patients with select solid tumors. The Company is the sponsor of the trial and the costs are equally shared between the two partners. This collaboration is a non-exclusive agreement and does not include any licensing rights on avdoralimab to AstraZeneca. In the first half of 2020, and based on data from cohort extensions in the first two cohorts, the Company decided to stop recruiting in the STELLAR-001 trial.

Refer to Notes 2.p, 6 and 13 for accounting description.

### *f) Collaboration and license agreements concluded with Sanofi for the development of "NK Cell engages" in oncology*

**License and collaboration agreement with Sanofi signed in 2016**

On January 2016, the Company entered into a research collaboration and licensing agreement with Sanofi to apply its proprietary technology to the development of multi-specific antibody formats engaging NK cells to kill tumor cells through the activating receptor NKp46. The Company granted to Sanofi under certain of its intellectual property a non-exclusive, worldwide, royalty-free research license, as well as an exclusive, worldwide license to research, develop and commercialize products directed against two specified targets, for all therapeutic, prophylactic and diagnostic indications and uses.

The Company had work together with Sanofi on the generation and evaluation to two multispecific NK cell engagers (IPH6101/SAR443579 and IPH6401/SAR'514), using its technology and Sanofi's tumor targets and technology. Under the terms of the license agreement, Sanofi will be responsible for the development, manufacturing and commercialization of products resulting from the research collaboration. The Company will be eligible for up to €400.0 million in payments, primarily upon the achievement of development and commercial milestones, as well as royalties ranging from a mid to high single-digit percentage on net sales.

On January 5, 2021, the Company announced that Sanofi has made the decision to progress IPH6101/ SAR443579 into investigational new drug (IND) enabling studies. IPH6101/SAR443579 is a NKp46-based NK cell engager (NKCE) using Innate's proprietary multi-specific antibody format. The decision

triggered a €7.0m milestone payment from Sanofi to Innate. Sanofi will be responsible for all future development, manufacturing and commercialization of IPH6101/SAR443579. In December 2021, the Company announced that the first patient was dosed in a Phase 1/2 clinical trial, evaluating IPH6101/ SAR443579, in patients with relapsed or refractory acute myeloid leukemia (R/R AML), B-cell acute lymphoblastic leukemia (B-ALL) or high risk-myelodysplastic syndrome (HR-MDS). Following the initiation of the trial, the Company received a €3.0m milestone from Sanofi.

During 2022 first semester, the Company was informed of Sanofi's decision to advance IPH6401/ SAR'514 towards regulatory preclinical studies aimed at studying an investigational new drug. As such, Sanofi has selected a second multi-specific antibody that engages NK cells as a drug candidate. This selection triggered a €3.0 million milestone payment from Sanofi to the Company. On July 11, 2023, the company announced the dosing as of June 7, 2023, of the first in a Sanofi-sponsored Phase 1/2 clinical trial, evaluating IPH6401/SAR'514 in relapsed/refractory Multiple Myeloma. As a consequence, Sanofi made a milestone payment of €2.0 million to the Company.

Refer to Notes 2.p and 13 for accounting description.

**Collaboration and research license agreement with Sanofi signed in 2022**

On December 19, 2022, the Company announced that it had entered into a research collaboration and license agreement with Genzyme Corporation, a wholly-owned subsidiary of Sanofi ("Sanofi") pursuant to which the Company granted Sanofi an exclusive license on the Innate Pharma's B7H3 ANKET® program and options on two additional targets. Once selected, Sanofi will be responsible for all development, manufacturing and marketing.

Under the terms of the research collaboration and license agreement, the Company was eligible for an initial payment of €25.0 million, received in March 2023. Under the agreement, the Company is eligible for the duration of the research and collaboration agreement, to milestone payments of up to €1.35 billion in total, mainly linked to the achievement of preclinical, clinical, regulatory and commercial milestones (plus royalties on potential net sales).

The Company considers that the license to the B7-H3 technology is a right to use the intellectual property granted exclusively to Sanofi from the effective date of the agreement.

Under the terms of this agreement, the Company has also granted two exclusive options, exercisable no later than three years after the effective date, for exclusive licenses to Innate's intellectual property for the research, development, manufacture and commercialization of NKCEs specifically targeting two preclinical molecules. The Company considers that the option to acquire an exclusive license provide a material right to Sanofi that it would not receive without entering into this agreement.

On December 19, 2023, the Company announced that Sanofi had exercised one of the two license options for a new program based on the Company's ANKET® platform, triggering a milestone payment of €15.0 million from Sanofi to the Company.

The Company will also provide collaborative research services to Sanofi for an agreed period, extendable by mutual agreement. During this period, Sanofi and Innate will collaborate and work on research activities defined in a contractual work program.

Under the terms of the agreement, Sanofi still retains a license option for a third preclinical molecule.

Refer to Notes 2.p and 13 for accounting description.

**License agreement with Takeda signed in 2023**

On April 3, 2023, the Company announced that it has entered into an exclusive license agreement with Takeda under which Innate grants Takeda exclusive worldwide rights to research and develop antibody drug conjugates (ADC) using a panel of selected Innate antibodies against an undisclosed target, with a primary focus in Celiac disease. Takeda will be responsible for the future development, manufacture and commercialization of any potential products developed using the licensed antibodies. As such, the Company considers that the license granted is a right to use the intellectual property, which is granted fully and perpetually to Takeda.

Refer to Notes 2.p and 13 for accounting description.

### 1.2. Key events

#### *a) Key events for the year ended December 31, 2023*

On January 25, 2023, the Company announced the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act with respect to the expansion of its collaboration with Sanofi. As a reminder, On December 19, 2022, the Company announced that it had entered into a research collaboration and license agreement with Genzyme Corporation, a wholly-owned subsidiary of Sanofi ("Sanofi") pursuant to which the Company granted Sanofi an exclusive license on the Innate Pharma's B7-H3 ANKET® program and options on two additional targets.Once selected, Sanofi will be responsible for all development, manufacturing and marketing. The closing of the transaction was subject to the authorization of the American authorities in accordance with the *Hart Scott Rodino Act* of 1976. This authorization was obtained on January 24, 2023, the date on which the collaboration was effective. Under the terms of the collaboration and research license agreement, the Company is eligible from the effective date of the agreement for an initial payment of €25.0 million. This amount was collected by the Company in March 2023.

On April 3, 2023, the Company announced the signing of an exclusive license agreement with Takeda under which the Company grants Takeda exclusive worldwide rights to research and develop antibody drug conjugates (ADC) using a panel of selected Innate antibodies against an undisclosed target, with a primary focus in Celiac disease. Takeda will be responsible for the future development, manufacture and commercialization of any potential products developed using the licensed antibodies. Under the terms of the license agreement, the Company will receive a $5.0 million upfront payment and is eligible to receive up to $410.0 million in future development, regulatory and commercial milestones if all milestones are achieved during the term of the agreement, plus royalties on potential net sales of any commercial product resulting from the license. The $5.0 million upfront payment was received by the Company on May 15, 2023 for an amount of €4.6 million.

On April 14, 2023, the Executive Board carried out a capital increase of €11,907.15 following (i) the exercise of 14,550 "BSAAR 2012", and (ii) the creation of 223,593 ordinary shares benefiting the employees of the company, including 163,293 ordinary shares issued free of charge (subscription). The capital increase carried out can be broken as follow : (i) a creation of 14,550 ordinary shares, with a nominal value of €0.05 and an issue price of €2.04 per share (i.e an increase in share premium of €28,954.5), and (ii) a creation of 163,293 free shares with a nominal value of €0.05 issued free of charge by deduction from the share premium, with a creation of 60,300 ordinary shares with a nominal value of €0.05 and an issue price of €2.85 (i.e an increase in share premium of €168,840).

On April 26, 2023, the Company announced that it has filed a prospectus supplement with the Securities and Exchange Commission ("SEC") relating to a new *At-The-Market* ("ATM") program. Pursuant to this program, the Company may offer and sell to eligible investors a total gross amount of up to $75 million of *American Depositary Shares* ("ADS"), each ADS representing one ordinary share of Innate, from time to

time in sales deemed to be an “at the market offering” pursuant to the terms of a sales agreement with Jefferies LLC (“Jefferies”), acting as sales agent. The timing of any sales will depend on a variety of factors. The ATM program is presently intended to be effective unless terminated in accordance with the sales agreement or the maximum amount of the program has been reached. In connection with the establishment of a new ATM program, the Company has terminated the sales agreement, dated as of May 3, 2022, relating to its previous ATM program, effective as of April 19, 2023. The Company currently intends to use the net proceeds, if any, of sales of ADSs issued under the program to fund the research and development of its drug candidates and for working capital and general corporate purposes.

On June 26, 2023, the Company announced the first patient was dosing in MATISSE Phase 2 trial conducted by the Company in collaboration with AstraZeneca and evaluating IPH5201 in early stage lung cancer. This event triggered an additionnal payment of €2.0 million due to Orega in line with the agreement signed in 2019. As a reminder, in 2022, the Company received a $5.0 million upfront payment from AstraZeneca following the decision to advance IPH5201 into a phase 2 trial.

On July 6, 2023, the Executive Board carried out a capital increase of €3,320.5 following the exercise of 32,550 "BSAAR 2012" and 33,860 "BSA 2013". The capital increase carried out can be broken as follow : a creation of 66,410 ordinary shares, with a nominal value of €0.05 and an issue price of €2.04 and €2.36 and per share, respectively (i.e an increase in share premium of €142,991.1).

On July 11, 2023, the Company announced that the first patient was dosed, on June 7, 2023, in a Sanofi-sponsored Phase 1/2 clinical trial, evaluating IPH6401/SAR’514 in relapsed or refractory Multiple Myeloma. Under the terms of the license agreement signed in 2016, Sanofi made a milestone payment of €2.0 million fully recognized in revenue as of June 30, 2023. This amount was received by the Company on July 21, 2023.

On October 3, 2023, the Executive Board carried out a capital increase of €6,403.5 following the definitive acquisition of 128,061 free shares granted on October 3, 2022, under the “AGA Bonus 2022-1" plan. Thus, 128,061 ordinary shares were created with a nominal value of €0.05 issued free of charge by deduction from the issue premium.

On December 18, 2023, the company announced that the Chief Executive Officer and Chairman of the Executive Board has resigned from his position, effective as of January 2024. Hervé Brailly, Chairman of the Supervisory Board, former former CEO and co-founder is appointed as interim CEO and Chairman of the Executive Board while a permanent successor is sought. The Company aims to strengthen the Executive Board in the new year. Irina Staatz-Granzer, who has been Vice-Chairwoman of the Supervisory Board for several years is appointed Chairwoman of the Supervisory Board.

On December 19, 2023, the Company announced Sanofi's decision to exercise one of its two license options for an NK Cell Engager program in solid tumors, derived from the Company's ANKET® (Antibody-based NK Cell Engager Therapeutics) platform, pursuant to the terms of the research collaboration and license agreement signed in December 2022. After a research collaboration period, Sanofi will be responsible for all development, manufacturing and commercialization of the program.

Under the terms of this agreement, the Company received a payment of €15 million in January 2024. Sanofi still retains the option to one additional ANKET® target as per the license agreement.

On December 21, 2023, the Executive Board granted 1,403,500 free performances shares to employees of the Company and subsidiary ("AGA Perf Employees 2023-1"), and 750,000 free performances shares to members of the management ("AGA Perf Management 2023-1").

On January 2, 2024, the Executive Board approved the final performance as of December 31, 2023, relating to the "AGA Perf Employees 2020-1" and "AGA Perf Management 2020-1" free performances shares plans, granted on August 5, 2020. The definitive performance was 20%. Consequently, the Executive Board carried out a capital increase of €10,761.5 following (i) the definitive acquisition of 85,230 free performance shares under the "AGA Perf Employee 2020-1" plan and (ii) the definitive acquisition of 130,000 free performance shares under the "AGA Perf Management 2020-1" plan. Thus, 215,230 ordinary shares were created with a nominal value of €0.05 issued free of charge by deduction from the issue premium.

## 2) Accounting policies and statement of compliance

### *a) Basis of preparation*

Consolidated financial statements of the Company for the years ended December 31, 2021, 2022 and 2023 (the "Consolidated Financial Statements") have been prepared under the responsibility of the management of the Company in accordance with the underlying assumptions of going concern as the Company's loss-making situation is explained by the innovative nature of the products developed, therefore involving a multi-year research and development Phase.

The general accounting conventions were applied in compliance with the principle of prudence, in accordance with the underlying assumptions namely (i) going concern, (ii) permanence of accounting methods from one year to the next and (iii) independence of financial years, and in conformity with the general rules for the preparation and presentation of consolidated financial statements in accordance with IFRS, as defined below.

Except for share data and per share amounts, the Consolidated Financial Statements are presented in thousands of euro. Amounts are rounded up or down to the nearest whole number for the calculation of certain financial data and other information contained in these accounts. Accordingly, the total amounts presented in certain tables may not be the exact sum of the preceding figures

### *b) Statement of compliance*

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standard Board ("IASB") and were approved and authorized for issuance by the Board of Directors of the Company on March 20, 2024. They will be approved by the General Meeting of the Company on May 23, 2024, which has the right to modify them.

Due to the listing of ordinary shares of the Company on Euronext Paris and in accordance with the European Union's regulation No. 1606/2002 of July 19, 2002, the Consolidated Financial Statements of the Company for the years ended December 31, 2021, 2022 and 2023 are also prepared in accordance

with IFRS, as adopted by the European Union (EU). For the years ended December 31, 2021, 2022 and 2023, all IFRS that the IASB had published and that are mandatory are the same as those endorsed by the EU and mandatory in the EU. As a result, the Consolidated Financial Statements comply with International Financial Reporting Standards as published by the IASB and as adopted by the EU.

IFRS include International Financial Reporting Standards (IFRS), International Accounting Standards ("**IAS**"), as well as the interpretations issued by the Standing Interpretations Committee ("SIC"), and the International Financial Reporting Interpretations Committee ("**IFRIC**"). The main accounting methods used to prepare the Consolidated Financial Statements are described below. These methods were used for all periods presented.

***c) Recently issued accounting standards and interpretations***

Application of the following new and amended standards is mandatory for the first time for the financial period beginning on January 1, 2021 and, as such, they have been adopted by the Company:

- Amendments to IFRS 16 : Covid-19-Related Rent Concessions, published on May 22, 2020.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 : Interest Rate Benchmark Reform — Phase 2, published on September 26, 2019.
- IFRS IC opinion (IFRS / IAS Standards Interpretation Committee) addressed to the IASB in May 2021 and validated in June 2021 proposing to modify the way in which the commitments relating to certain defined benefit plans including an obligation of attendance at the retirement, a ceiling on rights from a certain number of years of seniority and depending on the seniority of the employee on the date of retirement. The changes in the calculation method presented in this opinion have been adopted by the Company from the financial year ended beginning on January 1, 2021 in the assessment of its commitments relating to retirement benefits. The details relating to this change in calculation method are presented in note 10) "Employee benefits"

Those standards and interpretations have no impact on the Consolidated Financial statements, except as noted below following IFRS IC opinion addressed to IASB and validated in June 2021.

The following new standards, amendments to existing standards and interpretations have been published but are not applicable in 2021 or have not yet been adopted by the European Union, and have not been applied early:

- Amendment to IFRS 3 "Update of a reference to the conceptual framework"
- Amendment to IAS16 "Products generated before their intended use"
- Amendment to IAS37 "Onerous contracts - Costs of performing a contract"
- Amendment to IAS1 "Classification of current or non-current liabilities"

The accounting rules and valuation principles used for the financial statements as of December 31, 2023 are identical to those used for the previous comparative year.

Application of the following new and amended standards is mandatory for the first time for the financial period beginning on January 1, 2022 and, as such, they have been adopted by the Company:

- Amendment to IFRS 3 "Update of a reference to the conceptual framework"
- Amendment to IAS16 "Products generated before their intended use"
- Amendment to IAS37 "Onerous contracts - Costs of performing a contract"

The following new standards, amendments to existing standards and interpretations have been published but are not applicable in 2022 or have not yet been adopted by the European Union, and have not been applied early:

- Amendment to IAS1 "Classification of current or non-current liabilities"

Application of the following new and amended standards is mandatory for the first time for the financial period beginning on January 1, 2023 and, as such, they have been adopted by the Company:

- IFRS 17 and amendments - Insurance contracts;
- Amendements to IAS 1 : Presentation of Financial Statements;
- Amendements to IAS 8 : Accounting policies, Changes in accounting Estimates and Errors;
- Amendements to IAS 12 : Income taxes.

The following new standards, amendments to existing standards and interpretations have been published but are not applicable in 2023 or have not yet been adopted by the European Union, and have not been applied early:

- IFRS 16 : Leases;
- IAS 1 : Presentation of Financial Statements;
- IAS 7 : Statement of Cash Flows;
- IFRS 7 : Financial instruments;
- IAS 21 : The Effects of Changes in Foreign Exchange Rates.

### *d) Change in accounting policies*

There has been no change in accounting policies for any of the years presented.

### *e) Translation of transactions denominated in foreign currency*

Pursuant to IAS 21 The effects of changes in foreign exchange rates, transactions performed by consolidated entities in currencies other than their functional currency are translated at the prevailing exchange rate on the transaction date.

Trade receivables and payables and liabilities denominated in a currency other than the functional currency are translated at the period-end exchange rate. Unrealized gains and losses arising from translation are recognized in net operating income.

Foreign exchange gains and losses arising from the translation of inter-Group transactions or receivables or payables denominated in currencies other than the functional currency of the entity are recognized in the line “net financial income (loss)” of the consolidated statements of income (loss).

Foreign currency transactions are translated into the presentation currency using the following exchange rates:

| | December 31, 2021 | | December 31, 2022 | | December 31, 2023 | |
|---|---|---|---|---|---|---|
| **€1 EQUALS TO** | **AVERAGE RATE** | **CLOSING RATE** | **AVERAGE RATE** | **CLOSING RATE** | **AVERAGE RATE** | **CLOSING RATE** |
| **USD** | 1.1827 | 1.1326 | 1.0530 | 1.0666 | 1.0813 | 1.1050 |

### *f) Consolidation method*

The Group applies IFRS 10 Consolidated financial statements. IFRS 10 presents a single consolidation model identifying control as the criteria for consolidating an entity. An investor controls an investee if it has the power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are entities over which the Company exercises control. They are fully consolidated from the date the Group obtains control and are deconsolidated from the date the Group ceases to exercise control. Intercompany balances and transactions are eliminated.

### *g) Financial instruments*

*Financial assets*

Financial assets are initially measured at fair value plus directly attributable transaction costs in the case of instruments not measured at fair value through profit or loss. Directly attributable transaction costs of financial assets measured at fair value through profit or loss are recorded in the consolidated statement of income (loss).

Under IFRS 9, financial assets are classified in the following three categories:

- Financial assets at amortized cost;
- Financial assets at fair value through other comprehensive income ("FVOCI"); and
- Financial assets at fair value through profit or loss.

The classification of financial assets depends on:

- The characteristics of the contractual cash flows of the financial assets; and
- The business model that the entity follows for the management of the financial asset.

*Financial assets at amortized cost*

Financial assets are measured at amortized cost when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is to hold assets in order to collect contractual cash flows and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI" criterion). They are subsequently measured at amortized cost, determined using the effective interest method ("EIR"), less any expected impairment losses in relation to the credit risk. Interest income, exchange gains and losses, impairment losses and gains and losses arising on derecognition are all recorded in the consolidated statement of income (loss).

This category primarily includes trade receivables, as well as other loans and receivables. Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income is mainly comprised is composed of debt instruments whose contractual cash flows represent payments of interest or repayments of principal, and which are managed with a view to collecting cash flows and selling the asset. Gains and losses arising from changes in fair value are recognized in equity within the statement of comprehensive income in the period in which they occur. When such assets are derecognized, the cumulative gains and losses previously recognized in equity are reclassified to profit or loss for the period within the line items Financial income or Financial expenses. The Company did not hold this type of instrument as of January 1, 2023 or as of December 31, 2023.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss is comprised of:

- financial assets that are not part of the above categories; and
- instruments that management has designated as "fair value through profit or loss" on initial recognition.

Gains and losses arising from changes in fair value are recognized in profit or loss within the line items financial income or financial expenses.

*Impairment of financial assets measured at amortized cost*

The main assets involved are trade receivables and others. Trade receivables are recognized when the Company has an unconditional right to payment by the customer. Impairment losses on trade receivables and others are estimated using the expected loss method, in order to take account of the risk of payment default throughout the lifetime of the receivables. The expected credit loss is estimated collectively for all accounts receivable at each reporting date using an average expected loss rate, determined primarily on the basis of historical credit loss rates. However, that average expected loss rate may be adjusted if there are indications of a likely significant increase in credit risk. If a receivable is subject to a known credit risk, a specific impairment loss is recognized for that receivable. The amount of expected losses is recognized in the balance sheet as a reduction in the gross amount of accounts receivable. Impairment losses on accounts receivable are recognized within Operating expenses in the consolidated statement of income (loss).

*Financial liabilities*

Financial liabilities comprise deferred revenue, collaboration liabilities, loans and trade and other payables.

Financial liabilities are initially recognized on the transaction date, which is the date that the Company becomes a party to the contractual provisions of the instrument. They are derecognized when the Company's contractual obligations are discharged, cancelled or expire.

Loans are initially measured at fair value of the consideration received, net of directly attributable transaction costs. Subsequently, they are measured at amortized cost using the EIR method. All costs related to the issuance of loans, and all differences between the issuance proceeds net of transaction costs and the value on redemption, are recognized within financial expenses in the consolidated statement of income (loss) over the term of the debt using the EIR method.

Other financial liabilities include trade accounts payable, which are measured at fair value (which in most cases equates to face value) on initial recognition, and subsequently at amortized cost.

*Cash and cash equivalents*

Cash equivalents are short-term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise the cash that is held at the bank and petty cash as well as the short-term fixed deposits for which the maturity is less than three months.

For the purpose of establishing the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits and short fixed-term deposits with banks and short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts.

Cash and cash equivalents are initially recognized at their purchase costs on the transaction date, and are subsequently measured at fair value. Changes in fair value are recognized in profit or loss.

*Fair value of financial instruments*

Under IFRS 13 Fair value measurement and IFRS 7 Financial instruments: disclosures, or IFRS 7, fair value measurements must be classified using a hierarchy based on the inputs used to measure the fair value of the instrument. This hierarchy has three levels:

- level 1: fair value calculated using quoted prices in an active market for identical assets and liabilities;
- level 2: fair value calculated using valuation techniques based on observable market data such as prices of similar assets and liabilities or parameters quoted in an active market; and
- level 3: fair value calculated using valuation techniques based wholly or partly on unobservable inputs such as prices in an inactive market or a valuation based on multiples for unlisted securities.

***h) Intangible assets***

*Research and development (R&D) expenses*

In accordance with IAS 38 Intangible assets, or IAS 38, expenses on research activities are recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Company's development activities is recognized only if all of the following conditions are met:

- Technically feasible to complete the intangible asset so that it will be available for use or sale;
- The Company has the intention to complete the intangible assets and use or sell it;
- The Company has the ability to use or sell the intangible assets;
- The intangible asset will generate probable future economic benefits, or indicate the existence of a market;
- Adequate technical, financial and other resources to complete the development are available; and
- The Company is able to measure reliably the expenditure attributable to the intangible asset during its development.

Because of the risks and uncertainties related to regulatory approval, the R&D process and the availability of technical, financial and human resources necessary to complete the development Phases of the product candidates, the six criteria for capitalization are usually considered not to have been met until the product candidate has obtained marketing approval from the regulatory authorities. Consequently, internally generated development expenses arising before marketing approval has been obtained, mainly the cost of clinical trials, are generally expensed as incurred within Research and development expenses.

However, some clinical trials, for example those undertaken to obtain a geographical extension for a molecule that has already obtained marketing approval in a major market, may in certain circumstances meet the six capitalization criteria under IAS 38, in which case the related expenses are recognized as an intangible asset. These related costs are capitalized when they are incurred and amortized on a straight line basis over their useful lives beginning when marketing approval is obtained.

*Licenses*

Payments for separately acquired research and development are capitalized within "Other intangible assets" provided that they meet the definition of an intangible asset: a resource that is (i) controlled by the

Group, (ii) expected to provide future economic benefits for the Group and (iii) identifiable (i.e. it is either separable or arises from contractual or legal rights).

In accordance with paragraph 25 of IAS 38 standard, the first recognition criterion, relating to the likelihood of future economic benefits generated by the intangible asset, is presumed to be achieved for research and development activities when they are acquired separately.

In this context, amounts paid to third parties in the form of initial payments or milestone payments relating to product candidates that have not yet obtained a regulatory approval are recognized as intangible assets. These rights are amortized on a straight-line basis:

(i) after obtaining the regulatory approval, over their useful life; or

(ii) after entering in an out-license collaboration agreement with a third-party partner, over their estimated useful life. This estimated useful life takes into consideration the period of protection of the out-licensed exclusivity rights and the anticipated period over which the Company will receive the economic benefits of the asset.

Unamortized rights (before marketing authorization) are subject to impairment tests in accordance with the method defined in Note 6.

When intangible assets acquired separately are acquired through variable or conditional payments, these payments are recognized as an increase of the carrying amount of the intangible asset when they become due. Royalties due by the Company related to acquired licenses are recognized as operating expenses when the Company recognizes sales subject to royalties.

Estimate of the useful life of the acquired licenses: intangible assets are amortized on a straight line basis over their anticipated useful life. The estimated useful life is the period over which the asset provides future economic benefits. It is estimated by management and is regularly revised by taking into consideration the period of development over which it expects to receive economic benefits such as collaboration revenues, royalties, product of sales, etc. However, given the uncertainty surrounding the duration of the R&D activities for the programs in development and their likelihood to generate future economic benefits to the Company, the estimated useful life of the rights related to these programs is rarely longer than the actual development Phase of the product candidate. When a program is in commercialization Phases, the useful life takes into account the protection of the exclusivity rights and the anticipated period of commercialization without taking into account any extension or additional patents. The prospective amendment of the amortization plan of the monalizumab intangible asset, which is modified according to the estimate ending date of the Phase 2 clinical trial is described in Note 6.

*Other intangible assets*

Other intangible assets consist of acquired software. Costs related to the acquisition of software licenses are recognized as assets based on the costs incurred to acquire and set up the related software. Software is amortized using the straight-line method over a period of one to three years depending on the anticipated period of use.

***i) Property and equipment***

Property and equipment are carried at acquisition cost. Major renewals and improvements are capitalized while repairs and maintenance are expensed as incurred.

Property and equipment are depreciated over their estimated useful lives using the straight-line depreciation method. Leasehold improvements are depreciated over the life of the improvement or the remaining lease term, whichever is shorter.

The headquarters of the Company was split into several components (e.g., foundations, structure, electricity, heating and ventilation systems) which are depreciated over different useful lives according to the anticipated useful life of these elements.

Depreciation periods are as follows:

| | |
|---|---|
| Buildings and improvements on buildings | 20 to 40 years |
| Installations | 5 to 20 years |
| Technical installations and equipment | 8 years |
| Equipment and office furniture | 5 years |
| Computers and IT equipment | 3 years |

### *j) Impairment of intangible assets, property, and equipment*

The Group assesses at the end of each reporting period whether there is an indication that intangible assets, property and equipment may be impaired. If any indication exists, the Group estimates the recoverable amount of the related asset.

Whether or not there is any indication of impairment, intangible assets not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable amount.

Pursuant to IAS 36—*Impairment of Assets,* criteria for assessing indication of loss in value may notably include performance levels lower than forecast, a significant change in market data and/or the regulatory environment, the asset development strategy approved by management, or obsolescence or physical damage of the asset not included in the amortization/depreciation schedule. The recognition of an impairment loss alters the amortizable/depreciable amount and potentially, the amortization/depreciation schedule of the relevant asset.

Impairment losses on intangible assets, property and equipment shall be reversed subsequently if the impairment loss no longer exists or has decreased. In such case, the recoverable amount of the asset is to be determined again so that the reversal can be quantified. The asset value after reversal of the impairment loss may not exceed the carrying amount net of depreciation/amortization that would have been recognized if no impairment loss had been recognized in prior periods.

The Group does not have any intangible assets with an indefinite useful life. However, as explained in Note 2.h, the Group recognized intangible assets in progress, which will be amortized once marketing authorization is received.

### *k) Employee benefits*

*Long-term pension benefits*

Company employees are entitled to pension benefits required by French law:

- Pension benefit, paid by the Company upon retirement (i.e. defined benefit plan); and
- Pension payments from social security entities, financed by contributions from businesses and employees (i.e. defined contribution plan").

In addition, the Company has implemented an additional, non-mandatory, pension plan ("Article 83"), initially for the benefit of executives only. This plan was extended to the non-executive employees starting on January 1, 2014. This plan meets the definition of defined contribution plan and is financed

through a contribution that corresponds to 2.2% of the employee's annual wage, with the Company paying 1.4% and the employee paying 0.8%.

For the defined benefit plan, the costs of the pension benefit are estimated using the "projected unit credit" method. According to this method, the pension cost is accounted for in the consolidated statement of income (loss), so that it is distributed uniformly over the term of the services of the employees. The pension benefit commitments are valued using the actual present value of estimated future payments, adopting the rate of interest of long-term bonds in the private sector (i.e. Euro zone AA or higher rated corporate bonds + 10 years). The difference between the amount of the provision at the beginning of a period and at the close of that period is recognized in the consolidated statement of income (loss) for the portion representing the costs of services rendered and the net interest costs, and through other comprehensive income for the portion representing the actuarial gains and losses. The Company's commitments under the defined benefit plan are not covered by any plan assets.

Payments made by the Company for defined contribution plans are accounted for as expenses in the consolidated statement of income (loss) in the period in which they are incurred.

*Other long-term benefits*

The Company pays seniority bonuses to employees reaching 10, 15 and 20 years of seniority. These bonuses represent long-term employee benefits. Under IAS 19R "Employee benefits", they are recording as a defined benefit obligation in the consolidated statement of financial position, but their remeasurements is not recognized in the consolidated statement of other comprehensive income (loss).

*Other short-term benefits*

An accrued expense is recorded for the amount the Company expects to pay its eligible employees in relation to services rendered during the reporting period (actual legal or implicit obligation to make to these payments on a short-term basis).

***l) Leases***

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in the financial liabilities in the consolidated statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the property and equipment line item in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

***m) Provisions and contingent liabilities***

In the course of its business, the Company could be exposed to certain risks and litigations, notably in relation to contractual arrangements. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that the Company is subject to a release of outflow representatives of economic benefits to settle the obligation and a reliable estimate of the amount of the obligation can be made. Management of the Company estimates the probability and the expected amount of a cash outflow associated with risks, together with the other information to be provided on possible liabilities. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is certain.

In addition, the Company may assess a potential obligation towards a third party resulting from events the existence of which will only be confirmed by the occurrence, or not, of one or more events. uncertain futures which are not totally under the control of the Company; or an obligation to a third party for which it is not probable or certain that it will result in an outflow of resources without at least equivalent consideration expected from the latter. These elements are mentioned in note 18 of the group's consolidated financial statements as contingent liabilities.

***n) Capital***

Ordinary shares are classified in shareholders' equity. Costs associated with the issuance of new shares are directly accounted for in shareholders' equity in diminution of issuance premium.

The Company's own shares bought in the context of a brokering/liquidity agreement are presented as a reduction in shareholders' equity until their cancellation, their reissuance or their disposal.

***o) Share-based compensation***

Since its inception, the Company has established several plans for compensation paid in equity instruments in the form of free shares ("*Attributions gratuites d'actions," or "AGA"*), free preferred shares convertible into ordinary shares ("*Attributions gratuites d'actions de préférence convertibles en actions ordinaires," or "AGAP"*), free performance shares ("*Attributions gratuites d'actions de performance," or "AGA Perf*"), share subscription warrants ("*Bons de souscription d'actions," or "BSA*"), redeemable share subscription warrants ("*Bons de Souscription et/ou d'Acquisition d'Actions Remboursables," or* "BSAAR"), granted to its employees, executives, members of the Executive Board and scientific consultants.

Pursuant to IFRS 2—*Share-based Payment,* these awards are measured at their fair value on the date of grant. The fair value is calculated with the most relevant formula regarding the conditions and the settlement of each plan.

For share-based compensation granted to employees, executives, members of the Executive Board and scientific consultants, the Company uses the Black-Scholes and Monte Carlo approach pricing models to determine the fair value of the share-based compensation. For scientific consultants providing similar services, as the Company cannot estimate reliably the fair value of the goods or services received, it measures the value of share-based compensation and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted also using the Black-Scholes option pricing model. The fair value of free shares included in the model is determined using the value of the shares at the time of their distribution.

In calculating the fair value of share-based compensation, the Company also considers the vesting period and the employee turnover weighted average probability as described in Note 11. Other assumptions used are also detailed in Note 11.

The Company recognizes the fair value of these awards as a share-based compensation expense over the period in which the related services are received with a corresponding increase in shareholders' equity. Share-based compensation is recognized using the straight-line method. The share compensation expense is based on awards ultimately expected to vest and is reduced by expected forfeitures.

***p) Revenue***

*Revenue from collaboration and license agreements*

To date, the Company's revenue results primarily from payments received in relation to research, collaboration and licensing agreements signed with pharmaceutical companies. These contracts generally provide for components such as:

- non-refundable upfront payments upon signature;
- payments for the exercise of the option to acquire licenses of drug candidates;
- milestones payments triggered following stages of development (scientific results obtained by the Company or by the partner, obtaining regulatory marketing approvals);
- payments related to the Company's R&D activities;
- payments triggered by the start of the commercialization of products resulting from development work or by crossing cumulative thresholds of product sales, as well as the allocation of royalties on future sales of products or a sharing of profits on sales.

Under collaboration and license agreements, the Company may promise its partners licenses on intellectual property, as well as research and development services. According to IFRS 15, the Company has to determine if the promises included in the contract are distinct (therefore recognized separately as revenue) or if they have to be combined as a single performance obligation.We conclude that the license is not distinct from the research and development services when the research and development services involve the Company's own expertise, so that the customer cannot benefit from the license alone or in combination with services provided by third parties, or when the intellectual property is at such a stage of development that the research and development work significantly modifies the initial purpose of the license.

When promises in a collaboration and license agreement are considered as a single performance obligation, the Company has to determine if the combined performance obligation is satisfied over time or at point in time. If the combined performance obligation is satisfied over time, revenue recognition is based on the percentage of completion of the costs to be incurred. Non-refundable initial payments are deferred and recognized as revenue during the period the Company is engaged to deliver services to the customer on the basis of the corresponding costs.

When promises in a collaboration and license agreement are considered as separate performance obligations, revenue is allocated to each obligation proportionally to its transaction price, which corresponds to a price each performance obligation would have been sold in the context of a separate transaction.

In accordance with IFRS 15, variable considerations cannot be included in the estimated transaction price as long as it not highly probable that the related revenue will not reversed in the future. According to the level of uncertainty relating to the results of preclinical and clinical trials and the decisions relating to the regulatory approvals, variable considerations depending on these events are excluded from the transaction price as long as the trigger event is not highly probable. When the trigger event occurs, the corresponding milestone is added to the transaction price. Such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and net income (loss) in the period of adjustment.

Revenues based on royalties, completion of commercialization steps or co-sharing profit from sales are recognized when the corresponding sales of products are carried out by the partner.

When a collaboration contract grants a partner an option to acquire a licensed intellectual property (“IP”), the Company determines the date of the transfer of control over the licensed IP. Depending on the Company analysis, revenue related to the option fee will be recognized (i) when control over the licensed IP transfers (payment related to the exercise of the option being therefore considered as a variable consideration), or, (ii) deferred until the exercise of the option or its expiration period.

When an agreement only promises development services, the Company will recognize the related revenue when the costs are incurred.

Up-front and milestones payments and fees are recorded as deferred revenue upon receipt or when due, and may require deferral of revenue recognition to a future period until the Company performs its obligations under these arrangements. Amounts due by the Company in relation to cost-sharing are recorded as collaboration liability. Amounts payable to the Company are recorded as accounts receivable when the Company’s right to consideration is unconditional.

See Note 13 for accounting description of significant agreements.

### *q) Government financing for research expenditures*

*Research tax credit*

The research tax credit (*Crédit d'Impôt Recherche*) (the "Research Tax Credit" or "CIR") granted by the French tax authorities in order to encourage Companies to conduct technical and scientific research. Companies that can justify that these expenses meet the required criteria receive such grants in the form of a refundable tax credit that can be used for the payment of taxes due for the period in which the expense was incurred and for the next three years. These grants are presented under other income, in "government financing for research expenditures" line item in the consolidated statements of income (loss), as soon as these eligible expenses were conducted.

The Company has benefited from a Research Tax Credit since its inception.

The reimbursements are made under the European Community tax rules for small and medium sized enterprises ("SME") in compliance with the applicable regulations in effect. Only companies that meet the definition of SME according to European Union criteria are eligible for early reimbursement of their CIR. Management ensured that the Company was a SME according to European Union criteria and can therefore benefit from this early reimbursement until as of December 31, 2019. As of December 31, 2019 and December 31, 2023, the Company no longer met the eligibility criteria for this status (criteria not met after year-end analysis). Thus, the CIR for the years 2019, 2020 and 2023 represent a receivable against the French Treasury which will in principle be offset against the French corporate income tax due by the company with respect to the three following years. The remaining portion of tax credit not being offset upon expiry of such a period may then be refunded to the Company. The research tax credit relating to 2019 financial year was reimbursed by the French Treasury in February 2024.

For the 2021 and 2022 financial year, the Company met again the definition of an SME according to the criteria of the European Union and therefore benefit for early repayment of the CIR in 2022 and 2023 in respect of the 2021 and 2022 tax years respectively.

The CIR is presented under other income, in "government financing for research expenditures" line item in the consolidated statements of income (loss) as it meets the definition of government grant as defined in IAS 20 *Accounting for government grants and disclosure of government assistance.*

*Subsidies*

Government grants are recognized when there is a reasonable assurance that:

- The Company will comply with the conditions attached to the grants; and that
- The grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of providing immediate financial support to the Company with no future related costs, is recognized as other income of the period in which it becomes receivable.

Government grants to subsidize capital expenditures are presented in the statement of financial position as deferred income and are recognized as income on a straight line basis over the useful life of those assets that have been financed through the grants.

A non-repayable loan from the government is treated as a government grant when there is a reasonable assurance that the Company will meet the terms for non-repayment of the loan. When there is no such assurance, the loan is recorded as a liability under borrowings.

***r) Income tax***

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Main temporary differences are generally associated with the depreciation of property and equipment, provisions for pension benefits and tax losses carried forward and also with the deferred tax liabilities / assets generated by the application of IFRS 15. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Due to Company's early stage of development, it is not probable that future taxable profit will be available against which the unused tax losses can be utilized. As a consequence, deferred tax assets are recognized up to deferred tax liabilities.

***s) Earnings (loss) per share***

In accordance with IAS 33 *Earnings per share*, basic income (loss) per share is calculated by dividing the income (loss) attributable to equity holders of the Group by the weighted average number of outstanding shares for the period.

Diluted income (loss) per share is measured by dividing the income (loss) attributable to holders of equity and dilutive instruments by the weighted average number of outstanding shares and dilutive instruments for the period.

If in the calculation of diluted income (loss) per share, instruments giving deferred rights to capital such as warrants generates an antidilutive effect, then these instruments are not taken into account.

***t) Other comprehensive income***

Items of income and expenses for the period that are recognized directly in equity are presented under "other comprehensive income." The items mainly include :

- Foreign currency translation gain (loss); and
- Actuarial gains and (losses) related to defined benefit obligations.

***u) Segment information***

For internal reporting purposes, and in order to comply with IFRS 8 *Operating segments*, the Company performed an analysis of operating segments. Following this analysis, the Company considers that it operates within a single operating segment being the R&D of pharmaceutical products in order to market them in the future. All R&D activities of the Company are located in France. Key decision makers (the Leadership Team of the Company) monitor the Company's performance based on the cash consumption of its activities. For these reasons, the Management of the Group considers it not appropriate to set up separate business segments in its internal reporting.

In addition, Lumoxiti sales were historically considered insignificant in relation to the consolidated financial statements taken as a whole and are now included in the income statement under "net income from discontinued operations" following the signature of the termination and transition contract with AstraZeneca in 2021 (see notes 1.a , 2.v and 17).

***v) Non-current assets held for sale and discontinued operations***

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale. It must either: represent a major separate line of business or geographical area of operations; be part of a single coordinated disposal plan; or be a subsidiary acquired exclusively with a view to resale. Intercompany transactions between continuing and discontinued operations are eliminated

against discontinuing operations. Non-current assets and disposal groups are classified as assets held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. They are stated at the lower of carrying amount and fair value less costs to sell with any resulting impairment recognized. Assets related to discontinued operations and assets of disposal group held for sale are not depreciated. The prior-year consolidated balance sheet is not restated.

Further to the decision to terminate the Lumoxiti Agreement and termination notice sent in December 2020, a termination and transition agreement was discussed and executed, effective as of June 30, 2021 terminating the Lumoxiti Agreement as well as Lumoxiti related agreements (including the supply agreement, the quality agreement and other related agreements) and transferring of the U.S. marketing authorization and distribution rights of Lumoxiti back to AstraZeneca. Consecutively, the activities related to Lumoxiti are presented as a discontinued operation as of October 1, 2021.

Consequently, in accordance with IFRS5 "non-current assets held for sale and discontinued operations", the Lumoxiti operations are presented in the consolidated statement of income (loss) and the notes to the consolidated financial statements as a discontinued operation for the 2021 financial year. As a reminder, the 2019 and 2020 comparatives have been restated compared to previous publications (where applicable), in accordance with the same standard.

***w) Critical accounting estimates and assumptions***

The preparation of the consolidated financial statements under IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company’s actual results may differ from these estimates under different assumptions or conditions.

These estimates and judgments involve mainly:

- **the accounting for collaboration and licensing agreements:** the revenue results primarily from payments based on several components (e.g., upfront payments, milestone payments) received in relation to research, collaboration and licensing agreements signed with pharmaceutical or other companies. When the Company is committed to perform R&D services, revenue is spread over the period the Company is engaged to deliver these services, more particularly on the basis of the Company’s inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. Milestone payments are dependent upon the achievement of certain scientific, regulatory, or commercial milestones. These variable payments are recognized when the triggering event has occurred, there are no further contingencies or services to be provided with respect to that event, and the counterparty has no right to refund of the payment. The changes in estimate regarding the completion of the works and the variable consideration relating to the contracts signed with customers are described in Note 13. As of December 31, 2023, given the significant progress of the work to be performed (98.1%) and the level of budget consumption, the impact of accounting estimates is no longer a determining factor in the calculation of revenue related to the monalizumab agreement.
- **the estimate of the recoverable amount of the acquired and under progress licenses:** impairment tests are performed on a yearly basis for the intangible assets which are not amortized (such as intangible assets in progress). Amortizable intangible assets are tested for impairment when there is an indicator of impairment. Impairment tests involve comparing the

recoverable amount of the licenses to their net book value. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the carrying amount of any asset is below its recoverable amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount. The main assumptions used for the impairment test include (a) the amount of cash flows that are set on the basis of the development and commercialization plans and budgets approved by Management, (b) assumptions related to the achievement of the clinical trials and the launch of the commercialization, (c) the discount rate, (d) assumptions on risk related to the development and (e) for the commercialization, selling price and volume of sales, Any change in these assumptions could lead to the recognition of an impairment charge that could have a significant impact on the Company's consolidated financial statements. As of December 31, 2022, given the Company's decision in December 2022 to discontinue the development of avdoralimab in the indication of bullous pemphigoid supporting the recoverable amount of the asset as of December 31, 2021 and June 30, 2022, the rights related to the intangible asset have been fully impaired for the net carrying amount of the intangible asset, of €41,000 thousand , without using the historical assumptions described above (see note 6). As a result, the Company considers that there are no longer any critical estimates in line with intangible assets in 2022. Without any new event to be considered since then, there are therefore no longer any critical assumptions that could call into question the recoverable amount of the asset.

## 3) Management of financial risks and fair value

The principal financial instruments held by the Company are cash, cash equivalents and marketable securities. The purpose of holding these instruments is to finance the ongoing business activities of the Company. It is not the Company's policy to invest in financial instruments for speculative purposes. The Company does not utilize derivatives.

The principal risks to which the Company is exposed are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk.

*Liquidity risk*

The Company's cash management is performed by the Finance department, in charge of monitoring the day-to-day financing and the short-term forecast and enabling the Company to face its financial commitments by maintaining an amount of available cash consistent with the maturities of its liabilities. As of December 31, 2023, cash, cash equivalents and short-term investments were €92,456 thousand, which represents more than a year of cash consumption.

The company's assets are fairly split between top-rated banks (S&P A+ rating).

The main characteristics of the financial instruments owned by the Company (including liquidity) are presented in Note 4.

*Foreign currency exchange risk*

The Company is exposed to foreign exchange risk inherent in certain subcontracting activities relating to its operations in the United States, which have been invoiced in U.S. dollars. The Company does not currently have recurring revenues in euros, dollars or in any other currency.

The revenue denominated in U.S. dollars has represented approximately 78%, 92% and 29% of revenue in the years ended December 31, 2021, 2022 and 2023, respectively. Payments in U.S dollars represented approximately 50%, 50%, and 43% of the payments in the years ended December 31, 2021, 2022 and 2023, respectively. In order to cover this risk, the Company kept in U.S. dollars a part of the consideration

received from AstraZeneca in June 2015, January 2019 and December 2020. The Company entirely kept the U.S dollars portion of the proceeds received from our Global Offering in October 2019.

The Company's foreign exchange policy does not include the use of hedging instruments in its current operations.

*Interest rate risk*

The Company has very low exposure to interest rate risk. Such exposure primarily involves money market funds and time deposit accounts. Changes in interest rates have a direct impact on the rate of return on these investments and the cash flows generated. The Company has no credit facilities. The repayment flows of the borrowings subscribed in 2017 and the two State Guaranteed Loans obtained in 2021 and extended in 2022, are not subject to interest rate risk.

*Credit risk*

The credit risk related to the Company's cash equivalents, short-term investments and non-current financial assets is not significant in light of the quality of the issuers. The Company deemed that none of the instruments in its portfolio are exposed to credit risk.

*Fair value*

The fair value of financial instruments traded on an active market is based on the market rate as of December 31, 2023. The market prices used for the financial assets owned by the Company are the bid prices in effect on the market as of the valuation date.

## 4) Cash, cash equivalents and financial assets

| | December 31 | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021** | **2022** | **2023** |
| Cash and cash equivalents | 103,756 | 84,225 | 70,605 |
| Short-term investments | 16,080 | 17,260 | 21,851 |
| ***Cash and cash equivalents and short-term investments*** | ***119,836*** | ***101,485*** | ***92,456*** |
| Non-current financial assets | 39,878 | 35,119 | 9,796 |
| **Total cash, cash equivalents and financial assets** | **159,714** | **136,604** | **102,252** |

Cash and cash equivalents are mainly composed of current bank accounts, interest-bearing accounts, fixed-term accounts and mutual funds units (with short-term maturities) held with various banking institutions.

Other non-current financial assets generally include a guarantee of capital at the maturity date (which is always longer than one year). These instruments are defined by the Company as financial assets at fair value through profit or loss and classified as non-current due to their maturity.

As of December 31, 2021, 2022 and 2023 the amount of cash, cash equivalents and financials assets denominated in U.S. dollars amounted respectively to €47,164 thousand , €34,735 thousand and €20,798 thousand

The variation of short-term investments and non-current financial assets for the periods presented, are the following:

| (in thousands of euro) | December 31, 2021 | Additions(1) | Deductions (2) | Variance of fair value through the consolidated statement of income (loss) | Variance of accrued interests | Foreign currency effect | December 31, 2022 |
|---|---|---|---|---|---|---|---|
| Short-term investments | 16,080 | — | — | 268 | — | 912 | 17,260 |
| Non-current financial assets | 39,878 | — | (3,000) | (1,640) | (118) | — | 35,119 |
| **Total** | **55,958** | **—** | **(3,000)** | **(1,372)** | **(118)** | **912** | **52,379** |

| (in thousands of euro) | December 31, 2022 | Additions(1) | Deductions (2) | Variance of fair value through the consolidated statement of income (loss) | Variance of accrued interests | Foreign currency effect | December 31, 2023 |
|---|---|---|---|---|---|---|---|
| Short-term investments | 17,260 | 3,950 | — | 1,010 | 174 | (544) | 21,851 |
| Non-current financial assets | 35,119 | — | (26,718) | 582 | 817 | — | 9,796 |
| **Total** | **52,379** | **3,950** | **(26,718)** | **1,592** | **991** | **(544)** | **31,647** |

(1) The additions correspond to both acquisitions and reclassifications of financial assets according to their maturity at the closing date.

(2) The deductions correspond to both disposals and reclassifications of financial assets according to their maturity at the closing date.

### 5) Trade receivables and others

Trade receivables and others are analyzed as follows:

| | Year ended December 31, | | |
|---|---|---|---|
| (in thousands of euro) | 2021 | 2022 | 2023 |
| Other receivables | 814 | 61 | 104 |
| Research tax credit[1] | 10,310 | 25,904 | 29,755 |
| Other tax credits | 333 | 361 | 360 |
| Prepaid expenses [2] | 2,582 | 4,672 | 5,693 |
| VAT refund | 1,170 | 1,614 | 1,037 |
| Trade account receivables [3] | 846 | 3,080 | 15,233 |
| Prepayments made to suppliers | 2,364 | 2,652 | 3,374 |
| **Receivables and others - current** | **18,420** | **38,345** | **55,557** |
| Research tax credit[1] | 29,821 | 13,018 | 9,800 |
| Prepaid expenses [2] | — | 1,081 | 754 |
| **Receivables and others - non-current** | **29,821** | **14,099** | **10,554** |
| *Trade receivables and others* | *48,241* | *52,445* | *66,111* |

(1) In accordance with the principles described in Note 2.q, the research tax credit (Crédit d'Impôt Recherche or "CIR") is recognized as other operating income in the year to which the eligible research expenditure relates. The amount of €9,800 thousand recognized in non-current receivables corresponds to the CIR for the 2023 tax year following the fact that the Company no longer met the eligibility criteria for the SME status as of December 31, 2023. Thus, the CIR for the 2023 represented a non-current receivable which will in principle be offset against the French corporate income tax due by the Company with respect to the three following years, or refunded if necessary upon expiry of such a period. The amount of CIR recognized as current receivables as of December 31, 2023 comprises the research tax credit for the 2019 and 2020 tax years, for which the three years period has expired as of December 31, 2023. The CIR for 2019 was reimbursed in February 2024 for an amount of €16,737 thousands. Repayment of the 2020 CIR is expected in 2024 in the amount of €13,018 thousand euros. As a reminder, the Company has already benefited from the reimbursement of the CIR for the 2021 tax year during 2022 for an amount of €10,302 thousand euros and of the CIR for the 2022 tax year during 2023 for an amount of €9,167 thousand euros. These amounts were received by the Company on November 16, 2022 and July 21, 2023 respectively.

(2) As of December 31 2023 and December 31, 2022, the prepaid expenses includes amounts of €1,005 thousand and €1,256 thousand, respectively, relating to the guarantee fees in line with the two State Guaranteed Loans from Société Générale and BNP Paribas. Following the extension of these two loans repayment for an additional period, the full amount of the guarantee fee over the additional five-year period has been recognized as an operating expense in 2022. As of December 31, 2023, an adjustment is made through the prepaid accounts to reflect the fact that the expenses are related to the fiscal year (see note 9).

(3) As of December 31, 2023, the amount is mainly comprised of invoice of €15,000 thousand issued in December 2023 following the exercise of the license option by Sanofi. This amount was collected by the Company in January 2024.As a reminder, as of December 31, 2022, the amount is entirely comprised of the receivables from AstraZeneca for an amount of €1,775 thousand and €1,303 thousand in line with the performance of research and development services under the monalizumab and IPH5201 collaboration agreements, respectively.

Trade receivables and others have payment terms of less than one year. No valuation allowance was recognized on trade receivables and others as the credit risk of each of debtors was considered as not significant.

## 6) Intangible assets

Intangible assets can be broken down as follows:

| (in thousands of euro) | Purchased licenses | Other intangible assets | In progress | Total |
|---|---|---|---|---|
| **January 1, 2021** | **5,103** | **185** | **41,000** | **46,289** |
| Acquisitions | — | 13 | — | 13 |
| Additional considerations | 368 (1) | — | — | 368 |
| Disposals | — | (39) | — | (39) |
| Depreciation | (2,310)(2) | (130) | — | (2,440) |
| Impairment | — | — | — | — |
| Transfers | — | — | — | — |
| **December 31, 2021** | **3,161** | **29** | **41,000** | **44,192** |

| (in thousands of euro) | Purchased licenses | Other intangible assets | In progress | Total |
|---|---|---|---|---|
| **January 1, 2022** | **3,161** | **29** | **41,000** | **44,192** |
| Acquisitions | — | — | — | — |
| Additional considerations | 587 (3) | — | — | 587 |
| Disposals | — | | — | — |
| Depreciation | (2,195)(2) | (29) | — | (2,224) |
| Impairment | — | — | (41,000) (4) | (41,000) |
| Transfers | — | — | — | — |
| **December 31, 2022** | **1,553** | **—** | **—** | **1,556** |

| (in thousands of euro) | Purchased licenses | Other intangible assets | In progress | Total |
|---|---|---|---|---|
| **January 1, 2023** | **1,553** | **—** | **—** | **1,556** |
| Acquisitions | — | | — | — |
| Additional considerations | 2,000 (5) | — | — | 2,000 |
| Disposals | — | | — | — |
| Depreciation | (3,140) (2) | — | — | (3,140) |
| Transfers | — | — | — | — |
| **December 31, 2023** | **416** | **—** | **—** | **416** |

(1) This amount relates to an additional consideration paid to Orega Biotech in January 2022 following the arbitration decision rendered in December 2021 relating to the joint ownership of certain patents relating to IPH5201. This additional payment is fully amortized as of December 31, 2021.

(2) As of December 31, 2021, the amount included the amortization of rights relating to monalizumab (€1,942 thousand) and IPH5201 (€368 thousand). As of December 31, 2022, this amount included the amortization of rights relating to monalizumab (€1,604 thousand) and IPH5201 (€587 thousand). As of December 31, 2023, this amount includes the amortization of rights relating to monalizumab (€1,138 thousand) and IPH5201 (€2,000 thousand).

(3) This amount corresponds to the additional payment made to Orega Biotech in October 2022 for the rights relating to IPH5201, following the amendment to the collaboration and license option agreement IPH5201 concluded with AstraZeneca in October 2018 and the announcement by the Company on June 3, 2022, of the progression of IPH5201 towards a Phase 2 study in lung cancers of which the Company will be a sponsor.

(4) Following the Company's decision in December 2022 to stop the development of avdoralimab in bullous pemphigoid ("BP") indication in inflammation, only indication supporting the recoverable amount of the asset as of December 31, 2021 (as well that as of June 30, 2022), the rights relating to the intangible asset have been fully impaired for their net book value on the date of the decision, i.e. €41,000 thousand (see below "Avdoralimab (IPH5401) (anti-C5aR) rights acquired from Novo Nordisk A/S').

(5) This amount corresponds to the additional payment made to Orega Biotech in July 2023 for the rights relating to IPH5201 following the first patient dosed in the Phase 2 MATISSE clinical trial in June 2023, in accordance to the agreement signed in 2019. This additional payment is fully amortized as of December 31,2023.

***Monalizumab rights under the 2014 monalizumab (NKG2A) Novo Nordisk agreement***

At the agreement inception, acquired rights were recorded as intangible asset for an amount of €7,000 thousand. The Company recorded an additional consideration of €6,325 thousand in 2015 and a final consideration of $15,000 thousand (€13,050 thousand) due in 2018 (see Note 1.1.a).

Since their acquisition by the Company, monalizumab rights are amortized on a straight-line basis over the anticipated residual duration of the Phase 2 trials. The Company has reassessed the anticipated residual duration of the Phase 2 trials as of December 31, 2023 and estimated that it would be fully

amortized by 2023, which is the same estimation as of December 31, 2022, as a result of the completion of some trials and by modifying the estimated end dates relating to certain cohorts.

The net book values of the monalizumab rights were €416 thousand and €1,551 thousand as of December 31, 2023 and December 31, 2022, respectively.

***IPH5201 (Anti-CD39) rights acquired from Orega Biotech***

On January 4, 2016, the Company and Orega Biotech entered into an exclusive licensing agreement by which Orega Biotech granted the Company full worldwide rights to its program of first-in-class anti-CD39 checkpoint inhibitors. The undisclosed upfront payment paid by the Company to Orega Biotech has been recognized as an intangible asset in the consolidated financial statements for the year ended December 31, 2016. Criteria relating to the first development milestone were reached in December 2016. Consequently, the amount of this milestone was recognized as an intangible asset in addition to the initial payment, for a total of €1.8 million as of December 31, 2022. In June 2019, the Company also paid Orega Biotech €7.0 million in relation to the anti-CD39 program as consideration following the collaboration and option agreement signed on October 22, 2018 with AstraZeneca regarding IPH5201. Under this agreement, the Company also paid in April and June 2020, respectively €2.5 and €0.2 million to Orega Biotech following the first Phase 1 dosing relating to IPH5201.

This asset was amortized on a straight-line basis since November 1, 2018 (corresponding to the effective beginning date of the collaboration) until the date the Company expected to fulfill its commitment (end of fiscal year 2020). As a reminder, these collaboration commitments have all been fulfilled. Thus, the rights relating to IPH5201 are fully amortized since December 31, 2020.

Orega Biotech claimed joint ownership of certain patents relating to IPH5201. the Company and Orega Biotech have resolved these claims in an arbitration proceeding, which decision was rendered in December 2021. As a result of this decision, the Company will be required to pay a low-teen percentage of sub-licensing revenues received by the Company pursuant to its agreement with AstraZeneca regarding IPH5201 Following this arbitration decision, the Company paid in January 2022 an additional amount of 0.4 million euros to Orega Biotech.

The Company announced on June 3, 2022 the progress of IPH5201 towards a study of Phase 2 in lung cancer, of which the Company will be a sponsor. In accordance with the amendment signed on June 1, 2022, the Company was eligible for a milestone payment of $5 million by AstraZeneca, received in August 2022 by the Company. In October 2022, the Company therefore paid an additional €0.6 million to Orega Biotech.

On June 26, 2023, the Company announced the treatment of the first patient in the Phase 2 MATISSE trial, conducted in collaboration with AstraZeneca and evaluating IPH5201 in early-stage lung cancer. As a consequence, the Company made an additional payment of €2.0 million to Orega Biotech in July 2023, in accordance with the agreement signed in 2019.

The Company may also be obligated to pay Orega Biotech up to €48.2 million upon the achievement of development and regulatory milestones.

***Avdoralimab (IPH5401) (anti-C5aR) rights acquired from Novo Nordisk A/S***

At the agreement inception, an upfront payment of €40 million for acquired rights were recorded as intangible asset. As part of this agreement, an additional amount of €1.0 million was paid in October 2020 to Novo Nordisk A / S following the launch of the first avdoralimab Phase 2 trial. As avdoralimab is still in clinical trial, the acquired rights are classified as intangible asset in progress. They were subject to annual impairment test. No impairment were recorded since inception.

According to the agreement, the Company will pay additional payments according to the reach of specific steps. As of December 31, 2023, according to the uncertainty of these potential future payments, no liability was recognized.

Development costs incurred by the Company are recognized as research and development expenses.

During 2022 fourth quarter, the Company was informed by the sponsor of the Phase 2 clinical trial evaluating avdoralimab in inflammation in bullous pemphigoid ("BP") indication of its decision to discontinue said trial. Consequently, the Company decided in December 2022 to stop the development of avdoralimab in bullous pemphigoid ("BP") indication in inflammation, only indication supporting the recoverable amount of the asset as of December 31, 2021 (as well that as of June 30, 2022).

Following that decision, the Company applied IAS 36 "Impairment of assets" and assessed that there was an indication of impairment sufficiently significant to result in the full impairment of the intangible asset. This depreciation was recognized with regard to the estimate of the recoverable value of avdoralimab's intangible assets, based on expected future cash flows, as of December 2022, date of the decision. Thus, on decision date to stop the development of avdoralimab in bullous pemphigoid ("BP") indication in inflammation, avdoralimab rights were fully written down to their net book value, i.e €41,000 thousand.

## 7) Property and equipment

| (in thousands of euro) | Land and buildings | Laboratory equipment and other | In progress | Total | Of which finance leases |
|---|---|---|---|---|---|
| **January 1, 2021** | **5,751** | **5,576** | **367** | **11,694** | ***6,423*** |
| Acquisitions | 11 | 987 | — | 998 | — |
| Disposals | | (7) | — | (7) | — |
| Transfers | — | 4 | (361) | (357) | — |
| Depreciation | (781) | (1,373) | — | (2,154) | — |
| **December 31, 2021** | **4,981** | **5,187** | **6** | **10,174** | ***6,423*** |

| (in thousands of euro) | Land and buildings | Laboratory equipment and other | In progress | Total | Of which right of use assets |
|---|---|---|---|---|---|
| **January 1, 2022** | **4,981** | **5,187** | **6** | **10,174** | ***6,423*** |
| Acquisitions | 20 | 535 | | 555 | — |
| Disposals | | (11) | (6) | (17) | — |
| Depreciation | (759) | (1,413) | | (2,172) | — |
| Transfers | | | | — | — |
| **December 31, 2022** | **4,242** | **4,298** | **—** | **8,542** | ***6,423*** |

| (in thousands of euro) | Land and buildings | Laboratory equipment and other | In progress | Total | Of which right of use assets |
|---|---|---|---|---|---|
| **January 1, 2023** | **4,242** | **4,298** | **—** | **8,542** | ***6,423*** |
| Acquisitions | 101 | 250 | | 352 | *110* |
| Disposals | (516) | (92) | — | (608) | (527) |
| Depreciation | (860) | (1,089) | | (1,948) | *(951)* |
| Transfers | (10) | 10 | — | — | — |
| **December 31, 2023** | **2,958** | **3,378** | **—** | **6,322** | ***5,055*** |

## 8) Trade payables and others

This line item is analyzed as follows:

| | December 31, | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021** | **2022** | **2023** |
| Suppliers (excluding payables related to capital expenditures) | 14,729 | 13,656 | 8,561 |
| Tax and employee-related payables | 7,463 | 5,978 | 7,021 |
| Other payables (1) | 6,380 | 1,260 | 1,436 |
| ***Trade payables and others excluding payables related to capital expenditures*** | *28,573* | *20,894* | *17,018* |
| Payables related to capital expenditures | — | 17 | — |
| **Payables and others** | **28,573** | **20,911** | **17,018** |

(1) As of December 31, 2022 and 2023, this amount mainly includes the liability relating to the payment of the guarantee fees on the two State Guaranteed Loans obtained from Société Générale and BNP Paribas in 2021 (see note 9). As a reminder, this amount included, as of December 31, 2021, the liability of $6,200 thousand (€5,474 thousand as of December 31, 2021) to be paid to AstraZeneca on April 30, 2022 under the Lumoxiti termination and transition agreement effective June 30, 2021 (see note 17).

The book value of trade payables and others is considered to be a reasonable approximation of their fair value.

## 9) Financial liabilities

This line item was broken down per maturity and is analyzed as follows:

| In thousand euros | December 31, 2020 | Proceeds from borrowing | Proceeds from lease liabilities and other non cash effects | Repayments of borrowings and lease liabilities | December 31, 2021 |
|---|---|---|---|---|---|
| BPI PTZI IPH41 (1) | 150 | — | | (150) | — |
| BPI Refundable advance - FORCE (2) | 1,454 | — | (1,454) | — | — |
| Lease liabilities – Building "Le Virage" | 2,387 | — | — | (512) | 1,875 |
| Lease liabilities – Premises Innate Inc | 447 | — | (16) | (40) | 391 |
| Lease liabilities – Laboratory equipment | 639 | — | — | (175) | 464 |

| | | | | | |
|---|---|---|---|---|---|
| Lease liabilities – Vehicles | 21 | — | 62 | (30) | 53 |
| Lease liabilities - Printers | 41 | — | — | (6) | 35 |
| Loans – Equipment | 262 | — | — | (53) | 209 |
| Loans – Building (4) | 13,687 | — | — | (1,162) | 12,525 |
| **Total** | **19,087** | **28,700** | **(1,408)** | **(2,128)** | **44,251** |

| **In thousand euros** | **December 31, 2021** | **Proceeds from borrowing** | **Proceeds from lease liabilities and other non cash effects** | **Repayments of borrowings and lease liabilities** | **December 31, 2022** |
|---|---|---|---|---|---|
| State guaranteed loan Société Générale (3) | 20,000 | — | — | — | 20,000 |
| State guaranteed loan BNP Paribas (3) | 8,700 | — | — | — | 8,700 |
| State guaranteed loans - accrued interest | — | — | 15 | — | 15 |
| Property transaction (down-payment) | — | — | — | — | — |
| Lease liabilities – Building "Le Virage" | 1,875 | — | — | (522) | 1,353 |
| Lease liabilities – Premises Innate Inc | 391 | — | 15 | (61) | 345 |
| Lease liabilities – Laboratory equipment | 464 | — | — | (177) | 287 |
| Lease liabilities – Vehicles | 53 | — | 12 | (32) | 33 |
| Lease liabilities - Printers | 35 | — | — | (8) | 27 |
| Loans – Equipment | 209 | — | — | (55) | 154 |
| Loans – Building (4) | 12,525 | — | — | (1,187) | 11,338 |
| **Total** | **44,251** | **—** | **42** | **(2,042)** | **42,251** |

| In thousand euros | December 31, 2022 | Proceeds from borrowing | Proceeds from lease liabilities and other non cash effects | Repayments of borrowings and lease liabilities | December 31, 2023 |
|---|---|---|---|---|---|
| State guaranteed loan Société Générale (3) | 20,000 | — | — | — | 20,000 |
| State guaranteed loan BNP Paribas (3) | 8,700 | — | — | — | 8,700 |
| State guaranteed loans - accrued interest | 15 | — | (1) | — | 14 |
| Lease liabilities – Building "Le Virage" | 1,353 | — | (685) | (293) | 375 |
| Lease liabilities – Premises Innate Inc | 345 | — | — | (99) | 246 |
| Lease liabilities – Laboratory equipment | 287 | — | — | (178) | 109 |
| Lease liabilities – Vehicles | 33 | — | 80 | (31) | 85 |
| Lease liabilities - Printers | 27 | — | — | (9) | 18 |
| Loans – Equipment | 154 | — | — | (55) | 99 |
| Loans – Building (4) | 11,338 | — | 17 | (1,108) | 10,247 |
| **Total** | **42,251** | **—** | **(589)** | **(1,773)** | **39,893** |

(1) In 2013, the Company was granted an interest-*free loan* for innovation ("PTZI") by BPI France relating to the program lacutamab IPH4102 for an amount of €1,500 thousand.

(2) As a reminder, on August 11, 2020, the Company signed a financing contract with Bpifrance Financement as part of the program set up by the French government to help develop a therapeutic solution with a preventive or curative aim against COVID-19. This funding, for a maximum amount of € 6.8m, consisted of (i) an advance repayable only in the event of technical and commercial success and (ii) a non-repayable grant. This funding should have been received in four successive installments. The first tranche of 1.7 million euros was paid at signing, and the other three tranches should be received after successful completion of certain clinical milestones, particularly around Phase 2 of the FORCE trial. The portion relating to the repayable advance included in this first tranche amounted to €1,454 thousand as of December 31, 2020 (including actualization). As of December 31, 2021, this financing is considered by the Company to be non-refundable, in accordance with the terms of the agreement, in light of the technical and commercial failure of the project based on the results of the Phase 2 "Force" trial evaluating avdoralimab in COVID-19, published on July 6, 2021 (see note 13.2).

(3) On January 5, 2022, the Company announced that it had obtained €28.7 million in non-dilutive financing in the form of two State Guaranteed Loans from Société Générale (€20.0 million) and BNP Paribas (€8.7 million). The Company received the funds related to these two loans on December 27 and 30, 2021 respectively. Both loans have an initial maturity of one year with an option to extend to five years from August 2022. They are 90% guaranteed by the French government as part of the package of measures put in place by the French government to support companies during the COVID-19 pandemic. In August 2022, the Company has requested the extension of these two loans repayment for an additional period of five years starting in 2022 and including a one-year grace period. Consequently, the Company has obtained agreements from Société Générale and BNP Paribas. The effective interest rates applied to

these contracts during the additional period are 1.56% and 0.95% for Société Générale and BNP Paribas loans, respectively, excluding insurance and guarantee fees, with an amortization exemption for the entire year 2023. During this grace period, the Company will only be liable for the payment of interest and the guarantee fees, with amortization of the two loans starting in 2024 over a period of four years. The state guarantee fees amounts to €877 thousand and €379 thousand for Société Générale and BNP Paribas loans respectively.

(4) On July 3, 2017, the Company borrowed from the Bank "Société Générale" in order to finance the construction of its future headquarters. This loan amounting to a maximum of €15,200 thousand will be raised during the period of the construction in order to pay the supplier payments as they become due. As of December 31, 2018 and 2019, the loan was raised at an amount of €1,300 thousand.

The loan release period was limited to August 30, 2019. On August 30, 2019, the Company drew down the remaining portion of the €15,200 thousand loan granted, for an amount of €13,900 thousand. The reimbursement of the capital has begun in August 30, 2019 and will proceed until August 30, 2031 (12 years). Given the development of its portfolio and in particular the refocusing of its activities on research and development, the Company has for the time being suspended the project to build its new head office on the land acquired in Luminy. In the meantime, the loan will be used to finance several structuring projects (improvement of the information system, development of a commercial platform, development of additional premises rented, etc.). As of December 31, 2023, the remaining capital of the loan amounted to €10,247 thousand. The Company authorized collateral over financial "Société Générale" instruments amounting to €15,200 thousand. The security interest on the pledge financial instruments will be released in accordance with the following schedule: €4,200 thousand in July 2024, €5,000 thousand in August 2027 and €6,000 thousand in August 2031.

This loan bears a fixed interest rate of 2.01%. It is subject to a covenant based on the assumption that the total cash, cash equivalents and current and non-current financial assets are at least equal to principal as of financial year end.

(3) On March 13, 2023, the Company signed an amendment to the lease for the "Le Virage" building, reducing the surface area of the leased premises. The effective date of the lease amendment is March 15, 2023. As a result, and in accordance with IFRS 16, the impact on the consolidated balance sheet at the effective date of the lease amendment is as follows: write-off of a right of use (asset) of €0.5 million and a lease liability of €0.7 million.

The table below shows the schedule for the contractual flows (principal only) as of December 31, 2021, 2022 and 2023 respectively :

| **In thousand euros** | **Year ended December 31,** | | |
|---|---|---|---|
| **Current financial liabilities** | **2021** | **2022** | **2023** |
| State guaranteed loan Société Générale | 20,000 | — | 4,884 |
| State guaranteed loan BNP Paribas | 8,700 | — | 2,144 |
| State guaranteed loans - accrued interest | — | 15 | 14 |
| Lease finance obligations – Rent Le Virage | 522 | 532 | 244 |
| Lease liabilities – Premises Innate Inc | 74 | 90 | 92 |
| Lease finance obligations – Laboratory equipment | 177 | 177 | 109 |
| Lease liabilities – Vehicles | 23 | 16 | 31 |
| Lease liabilities - Printers | 8 | 9 | 9 |
| Loans - Equipment | 55 | 55 | 56 |
| Loans - Building | 1,187 | 1,210 | 1,353 |
| **Total – Current financial liabilities** | **30,748** | **2,102** | **8,936** |

| In thousand euros | Year ended December 31, | | |
|---|---|---|---|
| **Non-Current financial liabilities** | **2021** | **2022** | **2023** |
| State guaranteed loan Société Générale | — | 20,000 | 15,116 |
| State guaranteed loan BNP Paribas | — | 8,700 | 6,556 |
| Lease finance obligations – Building Le Virage | 1,352 | 820 | 131 |
| Lease liabilities – Premises Innate Inc | 317 | 255 | 154 |
| Lease finance obligations – Laboratory equipment | 287 | 110 | — |
| Lease finance obligations – Vehicles | 30 | 17 | 56 |
| Lease liabilities - Printers | 26 | 18 | 9 |
| Loans - Equipment | 154 | 99 | 43 |
| Loans - Building | 11,338 | 10,128 | 8,895 |
| **Total – Non-Current financial liabilities** | **13,503** | **40,149** | **30,957** |

The table below shows the schedule for the contractual flows (being principal and interest payments):

| (in thousands of euro) | ≤ 1 year | 2 to 5 years included | ≥ 5 years | Total |
|---|---|---|---|---|
| State guaranteed loan Société Générale | 5,167 | 15,502 | — | 20,669 |
| State guaranteed loan BNP Paribas | 2,222 | 6,662 | — | 8,884 |
| Lease finance obligations – Rent Le Virage | 255 | 133 | — | 388 |
| Lease liabilities – Premises Innate Inc. | 95 | 157 | — | 252 |
| Lease liabilities – Laboratory equipment | 109 | — | — | 109 |
| Lease liabilities – Vehicles | 33 | 56 | — | 89 |
| Lease liabilities - Printers | 9 | 9 | — | 18 |
| Loans – Equipment | 57 | 43 | — | 100 |
| Loan – Building | 1,545 | 5,587 | 3,923 | 11,056 |
| **Total** | **9,492** | **28,149** | **3,923** | **41,565** |

## 10) Employee benefits

***Defined benefit obligations***

| (in thousands of euro) | Year ended December 31, 2021 | 2022 | 2023 |
|---|---|---|---|
| Allowance for retirement defined benefit | 2,544 | 2,184 | 2,064 |
| Allowance for seniority awards | 432 | 366 | 377 |
| **Total Defined benefit obligations** | **2,975** | **2,550** | **2,441** |

French law requires payment of a lump sum retirement indemnity to employees based on years of service, the rights guaranteed by the collective agreements and annual compensation at retirement. Benefits do not vest prior to retirement. The Company pays for this defined benefit plan. It is calculated as the present value of estimated future benefits to be paid, applying the projected unit credit method whereby each period of service is seen as giving rise to an additional unit of benefit entitlement, each unit being measured separately to build up the final. As a reminder, in April 2021, the IFRIC ( or "IFRS Interpretations Committee") sent a proposal to the IAS Board (International Accounting Standards Board) to change the way in which the liabilities for certain defined benefit plans are calculated. The IAS Board endorsed this position in June 2021. The impacts of this change in valuation method are taken into account since 2021.

In addition, the impact of the 2023 pension reform (including the raising of the retirement age) has been recognized as a plan amendment within the meaning of IAS 19, recognized in the income statement and balance sheet with no material impact as of June 30, 2023.

On March 24, 2016, the Company entered into an internal labor agreement with the employees representatives whereby the Company is committed to paying a seniority award after 15 years and 20 years of employment. This award is paid on the anniversary date. A similar award existed for employees having a seniority of 10 years but was not booked due to its insignificant amount. As such, in 2016 the Company recorded a provision for seniority awards and a corresponding charge included in "Personnel costs other than share-based payments" (see Note 14) other than payments in shares. These awards meet the definition of other long-term benefits under IAS 19. This provision is determined by an external actuary firm based on the assumptions disclosed hereafter and amounts to €377 thousand as of December 31, 2023 (€366 thousand as of December 31, 2022).

The main actuarial assumptions used to evaluate retirement benefits are the following:

| | Year ended December 31, | | |
|---|---|---|---|
| | **2021** | **2022** | **2023** |
| *Economic assumptions* | | | |
| Discount rate (iBoxx Corporate AA) for retirement | 0.95% | 3.75% | 3.20% |
| Annual rate of increase in wages | 3.00% | 4.00% | 2.50% |
| *Demographical assumptions* | | | |
| Type of retirement | At the initiative of the employee | At the initiative of the employee | At the initiative of the employee |
| Annual mobility rate | 4.2% | 4.3% | 5.2% |
| Rate of contributions | 48.39% | 47.07% | 48.01% |
| Rate of wages costs | 24.18% | 23.46% | 24.32% |
| Age at retirement | | | |
| Employees borned before 1st January 1968 | | | |
| - Executives | 64 years | 64 years | 64 years |
| - Non executives | 62 years | 62 years | 62 years |
| Employees borned after 1st January 1968 | | | |
| - Executives | 64 years | 64 years | 65 years |
| - Non executives | 62 years | 62 years | 64 years |
| Mortality table | TH-TF 00-02 | TH-TF 00-02 | TH-TF 00-02 |
| Annual turnover by tranche of age | All personnel | All personnel | All personnel |
| 16-24 years | 12.0% | 12.0% | 15.0% |
| 25-29 years | 9.0% | 10.0% | 14.0% |
| 30-34 years | 7.0% | 7.0% | 10.0% |
| 35-39 years | 4.5% | 5.0% | 6.0% |
| 40-44 years | 3.0% | 3.0% | 4.0% |

| | | | |
|---|---|---|---|
| 45-49 years | 1.5% | 1.5% | 2.0% |
| +50 years | 0% | 0% | 0% |

Changes in the projected benefit obligation for the periods presented were as follows (in thousands of euro):

| | |
|---|---|
| **December 31, 2020** | **4,177** |
| IAS19 Restatement related to the change in calculation method - IFRIC [(1)] | (1,054) |
| Service cost | 484 |
| Interest costs | (47) |
| Actuarial loss | (584) |
| **As of December 31, 2021** | **2,976** |
| Service cost | 427 |
| Interest costs | (62) |
| Actuarial gain | (790) |
| **As of December 31, 2022** | **2,550** |
| Service cost | 312 |
| Interest costs | (27) |
| Actuarial loss | (394) |
| **As of December 31, 2023** | **2,441** |

(1) In its April 2021 Update, the IFRS IC published a final agenda decision clarifying how to calculate the obligation relating to certain defined benefit plans under which the retirement benefit is (i) contingent on the employee being employed by the entity at the time of retirement; (ii) capped at a specified number of years of service; and (iii) linked to the employee's length of service at the date of retirement. In that decision, the IFRS IC took the view that the obligation should be recognized only over the years of service preceding the date of retirement in respect of which the employee generates entitlement to the benefit. The application of this decision has led to a change in accounting method, the effects of which should be taken into account retrospectively in accordance with IAS 8. However, as the Company considers the impact of this change of method on defined benefit obligation and the income statement to be insignificant, these impacts have not been restated for years prior to January 1, 2021. The effects of this change of method are therefore taken into account retrospectively as of January 1, 2021 in respect of 2020's and prior years defined benefit obligation. The adjustment at that date corresponds to a reduction in the 2020 commitments in the amount of €1,054 thousand. This reversal has been offset against previous reserves and retained earnings.

There is no asset covering the defined benefit obligations.

An increase/decrease of +/- 25 basis point of the discount rate would result in a decrease/increase of the total benefit obligation of €62 thousand.

The amounts recognized as an expense linked to defined contributions plans amounted to €1,434 thousand, €1,432 thousand and €1,283 thousand in the years ended December 31, 2021, 2022 and 2023, respectively.

## 11) Share capital and share based payments

### *a) Share capital*

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Company has never declared or paid any dividends on its ordinary shares. The Company does not anticipate paying cash dividends on its equity securities in the foreseeable future and intend to retain all available funds and any future earnings for use in the operation and expansion of its business, given our state of development.

As of December 31, 2023, the Company's share capital amounted to €4,043,732.85 divided into (i) 80,860,563 ordinary shares, each with a nominal value of €0.05, (ii) 6,509 "2016" free preferred shares, each with a nominal value of €0.05 and (iii) 7,581 "2017" free preferred shares, each with a nominal value of €0.05, respectively fully paid up.

Share capital does not include BSAs, BSAAR,AGAs and AGAPs that have been granted to certain investors or natural persons, both employees and non-employees of the Company, but not yet exercised.

In October 21, 2019 and December 30, 2019, the retention period for the "2016 free preferred shares" has ended. The number of ordinary shares to which the conversion of one preferred share entitle has been determined according to the fulfillment of the performance criteria. Holders of "2016" preferred shares" are entitled to vote at our shareholders' meetings, to dividends and to preferential subscription rights, on the basis of the number of ordinary shares to which they are entitled if they convert their preferred shares.

In April 3, 2021, the retention period for the "2017 free preferred shares" has ended. The number of ordinary shares to which the conversion of one preferred share entitle has been determined according to the fulfillment of the performance criteria. According to these same performance criteria, the Executive Board of April 7, 2021 noted that the "2017 preferred shares" did not give right to any ordinary shares. The "2017 preferred shares" will not be redeemed by the Company and will remain incorporated into the capital, unless subsequently decided by the Executive Board. As the conversion is void, the "2017 preferred shares" no longer give the right to vote at our general meetings, nor to receive dividends.

The table below presents the historical changes in the share capital of the Company as of December 31, 2021, 2022 and 2023, respectively:

| Date | Nature of the Transactions | Share Capital | Share premium | Number of Common shares | Number of Preferred shares | Nominal value |
|---|---|---|---|---|---|---|
| | **Balance as of January 1, 2021** | **3,950,048** | **372,130,982** | **78,986,490** | **14,462** | **€0.05** |
| June 4, 2021 | Capital increase by issuance of common shares (exercise of share warrants) | 1,500 | 59,700 | 30,000 | — | €0.05 |
| July 7, 2021 | Capital increase by issuance of common shares (exercise of share warrants) | 222 | 7,637 | 4,440 | — | €0.05 |
| July 19, 2021 | Capital increase by issuance of common shares (conversion of preferred shares in common shares) | 548 | (548) | 11,050 | (85) | €0.05 |
| July 22, 2021 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 2,418 | (2,418) | 48,362 | — | €0.05 |
| July 22, 2021 | Capital increase by issuance of common shares (exercise of share warrants) | 625 | 21,500 | 12,500 | — | €0.05 |
| August 6, 2021 | Capital increase by issuance of common shares (exercise of share warrants) | 10,000 | 398,000 | 200,000 | — | 0.05 |
| December 31, 2021 | Capital increase by issuance of common shares (conversion of preferred shares in common shares) | 1,819 | (1,819) | 36,660 | (282) | €0.05 |
| December 31, 2021 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 10,656 | (10,656) | 213,125 | — | €0.05 |
| | **December 31, 2021** | **3,977,836** | **375,219,667** | **79,542,627** | **14,095** | **€0.05** |

| Date | Nature of the Transactions | Share Capital | Share premium | Number of Common shares | Number of Preferred shares | Nominal value |
|---|---|---|---|---|---|---|
| | **Balance as of January 1, 2022** | **3,977,836** | **375,219,667** | **79,542,627** | **14,095** | **€0.05** |
| February 14, 2022 | Capital increase by issuance of common shares (exercise of share warrants) | 38 | 1,493 | 750 | — | €0.05 |
| February 14, 2022 | Capital increase by issuance of common shares | 2,316 | 187,596 | 46,320 | — | €0.05 |
| February 14, 2022 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 6,948 | (6,948) | 138,960 | — | €0.05 |
| April 22, 2022 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 1,250 | (1,250) | 25,000 | — | €0.05 |
| July 13, 2022 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 681 | (681) | 13,614 | — | €0.05 |
| July 25, 2022 | Capital increase by issuance of common shares (exercise of share warrants) | 6,287 | (6,287) | 125,748 | — | €0.05 |
| December 16, 2022 | Subsciption of share warrants | — | 9,995 | — | — | €— |
| November 7, 2022 | Capital increase by issuance of common shares (conversion of preferred shares in common shares) | 15,953 | (15,953) | 319,050 | — | €0.05 |
| December 31, 2022 | Share based payments | — | 4,249,113 | — | — | |
| | **December 31, 2022** | **4,011,308** | **379,636,744** | **80,212,069** | **14,095** | **€0.05** |

| Date | Nature of the Transactions | Share Capital | Share premium | Number of Common shares | Number of Preferred shares | Nominal value |
|---|---|---|---|---|---|---|
| | **Balance as of January 1, 2023** | **4,011,308** | **379,636,744** | **80,212,069** | **14,095** | **€0.05** |
| April 14, 2023 | Capital increase by issuance of common shares (exercise of share warrants) | 728 | 28,955 | 14,550 | — | €0.05 |
| April 14, 2023 | Capital increase by issuance of common shares | 3,015 | 168,840 | 60,300 | — | €0.05 |
| April 14, 2023 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 8,165 | (8,165) | 163,293 | — | €0.05 |
| July 6, 2023 | Capital increase by issuance of common shares (exercise of share warrants) | 3,321 | 142,991 | 66,410 | — | €0.05 |
| September 18, 2023 | Capital increase by issuance of common shares (conversion of preferred shares in common shares) | 33 | (33) | 650 | (5) | €0.05 |
| October 3, 2023 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 6,403 | (6,403) | 128,061 | — | €0.05 |
| December 15, 2023 | Subsciption of share warrants | — | 47,120 | — | — | €— |
| December 31, 2023 | Capital increase by issuance of common shares (definitive acquisition of free shares ) | 10,762 | (10,762) | 215,230 | — | €0.05 |
| December 31, 2023 | Share based payments | — | 4,255,748 | — | — | — |
| | **December 31, 2023** | **4,043,733** | **384,255,036** | **80,860,563** | **14,090** | **€0.05** |

*Holding by the Company of its own shares*

The Company held 18,575 of its own shares as of December 31, 2023.

***b) Share based payments***

The Company has issued BSAs, BSAARs, stock options, AGAs and AGAPs as follows as of December 31, 2021, 2022 and 2023, respectively: :

| Date | Types | Number of warrants issued as of 12/31/2021 | Number of warrants void as of 12/31/2021 | Number of warrants exercised as of 12/31/2021 | Number of warrants outstanding as of 12/31/2021 | Maximum number of shares to be issued as of 12/31/2021 | Exercise price per share (in €) |
|---|---|---|---|---|---|---|---|
| Sept. 9, 2011 | BSAAR 2011 | 650,000 | 25,000 | 625,000 | — | — | €2.04 |
| May 27, 2013 | BSAAR 2012 | 146,050 | — | 85,950 | 60,100 | 60,100 | €2.04 |
| July 1, 2015 | BSAAR 2015 | 1,050,382 | 2,720 | 1,940 | 1,045,722 | 1,045,722 | €7.20 |
| October 21, 2016 | AGAP Management 2016-1 | 2,000 | 550 | 250 | 1,200 | 156,000 | €— |
| October 21, 2016 | AGAP Employees 2016-1 | 2,486 | 251 | 167 | 2,068 | 268,840 | €— |
| October 21, 2016 | AGA Management 2016-1 | 50,000 | — | 50,000 | — | — | €— |
| December 30, 2016 | AGAP Management 2016-2 | 3,000 | — | — | 3,000 | 333,000 | €— |
| December 30, 2016 | AGA Management 2016-2 | 250,000 | — | 250,000 | — | — | — |
| April 3, 2018 | AGAP Employees 2017-1 | 5,725 | 5,725 | — | — | — | — |
| April 3, 2018 | AGAP Management 2017-1 | 2,400 | 2,400 | — | — | — | — |
| April 3, 2018 | AGA Employees 2017 | 114,500 | 4,000 | 110,500 | — | — | — |
| July 3, 2018 | AGA Bonus 2018-1 | 67,028 | 469 | 66,559 | — | — | — |
| November 20, 2018 | AGAP Perf Employees 2018-1 | 327,500 | 224,375 | 103,125 | — | — | — |
| November 20, 2018 | AGAP Perf Management 2018-1 | 260,000 | 150,000 | 110,000 | — | — | — |
| January 14, 2019 | AGA Employees 2018 | 90,650 | 5,000 | 85,650 | — | — | — |
| April 29, 2019 | AGA New Members 2017-1 | 25,000 | — | — | 25,000 | 25,000 | — |
| July 3, 2019 | AGA Bonus 2019-1 | 57,376 | — | 57,376 | — | — | — |
| November 4, 2019 | AGAP 2019 Employees 2019 | 546,700 | 189,900 | — | 356,800 | 356,800 | — |
| November 4, 2019 | AGAP 2019 Management 2019 | 355,000 | 30,000 | — | 325,000 | 325,000 | — |
| July 13, 2020 | AGA Bonus 2020-1 | 79,861 | 17,885 | 48,362 | 13,614 | 13,614 | — |
| August 5, 2020 | AGA Perf Employees 2020-1 | 766,650 | 249,826 | — | 516,824 | 516,824 | — |
| August 5, 2020 | AGA Perf Management 2020-1 | 710,000 | 30,000 | — | 680,000 | 680,000 | — |
| July 22, 2021 | AGA Bonus 2021-1 | 125,748 | — | — | 125,748 | 125,748 | — |
| October 1, 2021 | AGA Perf Employees 2021-1 | 1,066,600 | 17,500 | — | 1,049,100 | 1,049,100 | €— |
| October 1, 2021 | Management | 610,000 | 30,000 | — | 580,000 | 580,000 | €— |
| July 21, 2020 | Stock Options 2020-1 | 102,000 | 102,000 | — | — | — | €— |
| July 29, 2011 | BSA 2011-2 | 225,000 | 25,000 | 200,000 | — | — | €1.77 |
| July 17, 2013 | BSA 2013 | 237,500 | — | 191,140 | 46,360 | 46,360 | €2.36 |
| July 16, 2014 | BSA 2014 | 150,000 | — | 75,000 | 75,000 | 75,000 | €8.65 |
| April 27, 2015 | BSA 2015-1 | 70,000 | — | — | 70,000 | 70,000 | €9.59 |
| July 1, 2015 | BSA 2015-2 | 14,200 | — | — | 14,200 | 14,200 | €14.05 |
| September 20, 2017 | BSA 2017 | 37,000 | — | — | 37,000 | 37,000 | €11.00 |

| | **Total as of December 31, 2021** | **8,200,356** | **1,112,601** | **2,061,019** | **5,026,736** | **5,778,308** | |
|---|---|---|---|---|---|---|---|
| **Date** | **Types** | **Number of warrants issued as of 12/31/2022** | **Number of warrants void as of 12/31/2022** | **Number of warrants exercised as of 12/31/2022** | **Number of warrants outstanding as of 12/31/2022** | **Maximum number of shares to be issued as of 12/31/2022** | **Exercise price per share (in €)** |
| Sept. 9, 2011 | BSAAR 2011 | 650,000 | 25,000 | 625,000 | — | — | €2.04 |
| May 27, 2013 | BSAAR 2012 | 146,050 | — | 86,700 | 59,350 | 59,350 | €2.04 |
| July 1, 2015 | BSAAR 2015 | 1,050,382 | 2,720 | 1,940 | 1,045,722 | 1,045,722 | €7.20 |
| October 21, 2016 | AGAP Management 2016-1 | 2,000 | 550 | 250 | 1,200 | 156,000 | €— |
| October 21, 2016 | AGAP Employees 2016-1 | 2,486 | 251 | 167 | 2,068 | 268,840 | €— |
| October 21, 2016 | AGA Management 2016-1 | 50,000 | — | 50,000 | — | — | €— |
| December 30, 2016 | AGAP Management 2016-2 | 3,000 | — | — | 3,000 | 333,000 | €— |
| December 30, 2016 | AGA Management 2016-2 | 250,000 | — | 250,000 | — | — | — |
| April 3, 2018 | AGAP Employees 2017-1 | 5,725 | 5,725 | — | — | — | — |
| April 3, 2018 | AGAP Management 2017-1 | 2,400 | 2,400 | — | — | — | — |
| April 3, 2018 | AGA Employees 2017 | 114,500 | 4,000 | 110,500 | — | — | — |
| July 3, 2018 | AGA Bonus 2018-1 | 67,028 | 469 | 66,559 | — | — | — |
| November 20, 2018 | AGAP Perf Employees 2018-1 | 327,500 | 224,375 | 103,125 | — | — | — |
| November 20, 2018 | AGAP Perf Management 2018-1 | 260,000 | 150,000 | 110,000 | — | — | — |
| January 14, 2019 | AGA Employees 2018 | 90,650 | 5,000 | 85,650 | — | — | — |
| April 29, 2019 | AGA New Members 2017-1 | 25,000 | — | 25,000 | — | — | — |
| July 3, 2019 | AGA Bonus 2019-1 | 57,376 | — | 57,376 | — | — | — |
| November 4, 2019 | AGAP 2019 Employees 2019 | 546,700 | 375,150 | 171,550 | — | — | — |
| November 4, 2019 | AGAP 2019 Management 2019 | 355,000 | 207,500 | 147,500 | — | — | — |
| July 13, 2020 | AGA Bonus 2020-1 & 2 | 79,861 | 17,885 | 61,976 | — | — | — |
| August 5, 2020 | AGA Perf Employees 2020-1 | 766,650 | 286,306 | — | 480,344 | 480,344 | — |
| August 5, 2020 | AGA Perf Management 2020-1 | 710,000 | 60,000 | — | 650,000 | 650,000 | — |
| July 22, 2021 | AGA Bonus 2021-1 | 125,748 | — | 125,748 | — | — | — |
| October 1, 2021 | AGA Perf Employees 2021-1 | 1,066,600 | 95,600 | — | 971,000 | 971,000 | — |
| October 1, 2021 | AGA Perf Management 2021-1 | 610,000 | 90,000 | — | 520,000 | 520,000 | — |
| February 12, 2022 | AGA "Plan Epargne Entreprise" 2022 | 138,960 | — | 138,960 | — | — | — |
| October 3, 2022 | AGA Bonus 2022-1 | 128,061 | — | — | 128,061 | 128,061 | €— |
| December 12, 2022 | AGA Perf Employees 2022-1 | 1,371,500 | — | — | 1,371,500 | 1,371,500 | €— |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| December 12, 2022 | Management | 550,000 | — | — | 550,000 | 550,000 | €— |
| July 21, 2020 | Stock Options 2020-1 | 102,000 | 102,000 | — | — | — | €— |
| July 29, 2011 | BSA 2011-2 | 225,000 | 25,000 | 200,000 | — | — | €1.77 |
| July 17, 2013 | BSA 2013 | 237,500 | — | 191,140 | 46,360 | 46,360 | €2.36 |
| July 16, 2014 | BSA 2014 | 150,000 | — | 75,000 | 75,000 | 75,000 | €8.65 |
| April 27, 2015 | BSA 2015-1 | 70,000 | — | — | 70,000 | 70,000 | €9.59 |
| July 1, 2015 | BSA 2015-2 | 14,200 | — | — | 14,200 | 14,200 | €14.05 |
| September 20, 2017 | BSA 2017 | 37,000 | — | — | 37,000 | 37,000 | €11.00 |
| December 16, 2022 | BSA 2022-1 | 40,000 | 31,740 | — | 8,260 | 8,260 | €2.31 |
| | **Total as of December 31, 2022** | **10,428,877** | **1,711,671** | **2,684,141** | **6,033,065** | **6,784,637** | |

| **Date** | **Types** | **Number of warrants issued as of 12/31/2023** | **Number of warrants void as of 12/31/2023** | **Number of warrants exercised as of 12/31/2023** | **Number of warrants outstanding as of 12/31/2023** | **Maximum number of shares to be issued as of 12/31/2023** | **Exercise price per share (in €)** |
|---|---|---|---|---|---|---|---|
| Sept. 9, 2011 | BSAAR 2011 | 650,000 | 25,000 | 625,000 | — | — | €2.04 |
| May 27, 2013 | BSAAR 2012 | 146,050 | 12,250 | 133,800 | — | — | €2.04 |
| July 1, 2015 | BSAAR 2015 | 1,050,382 | 2,720 | 1,940 | 1,045,722 | 1,045,722 | €7.20 |
| October 21, 2016 | AGAP Management 2016-1 | 2,000 | 550 | 250 | 1,200 | 156,000 | €— |
| October 21, 2016 | AGAP Employees 2016-1 | 2,486 | 251 | 172 | 2,063 | 268,190 | €— |
| October 21, 2016 | AGA Management 2016-1 | 50,000 | — | 50,000 | — | — | €— |
| December 30, 2016 | AGAP Management 2016-2 | 3,000 | — | — | 3,000 | 333,000 | €— |
| December 30, 2016 | AGA Management 2016-2 | 250,000 | — | 250,000 | — | — | — |
| April 3, 2018 | AGAP Employees 2017-1 | 5,725 | 5,725 | — | — | — | — |
| April 3, 2018 | AGAP Management 2017-1 | 2,400 | 2,400 | — | — | — | — |
| April 3, 2018 | AGA Employees 2017 | 114,500 | 4,000 | 110,500 | — | — | — |
| July 3, 2018 | AGA Bonus 2018-1 | 67,028 | 469 | 66,559 | — | — | — |
| November 20, 2018 | AGAP Perf Employees 2018-1 | 327,500 | 224,375 | 103,125 | — | — | — |
| November 20, 2018 | AGAP Perf Management 2018-1 | 260,000 | 150,000 | 110,000 | — | — | — |
| January 14, 2019 | AGA Employees 2018 | 90,650 | 5,000 | 85,650 | — | — | — |
| April 29, 2019 | AGA New Members 2017-1 | 25,000 | — | 25,000 | — | — | — |
| July 3, 2019 | AGA Bonus 2019-1 | 57,376 | — | 57,376 | — | — | — |
| November 4, 2019 | AGAP 2019 Employees 2019 | 546,700 | 375,150 | 171,550 | — | — | — |
| November 4, 2019 | AGAP 2019 Management 2019 | 355,000 | 207,500 | 147,500 | — | — | — |
| July 13, 2020 | AGA Bonus 2020-1 & 2 | 79,861 | 17,885 | 61,976 | — | — | — |
| August 5, 2020 | AGA Perf Employees 2020-1 | 766,650 | 681,420 | 85,230 | — | — | — |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| August 5, 2020 | AGA Perf Management 2020-1 | 710,000 | 580,000 | 130,000 | — | — | — |
| July 22, 2021 | AGA Bonus 2021-1 | 125,748 | — | 125,748 | — | — | — |
| October 1, 2021 | AGA Perf Employees 2021-1 | 1,066,600 | 247,300 | — | 819,300 | 819,300 | — |
| October 1, 2021 | AGA Perf Management 2021-1 | 610,000 | 130,000 | — | 480,000 | 480,000 | — |
| February 12, 2022 | AGA "Plan Epargne Entreprise" 2022 | 138,960 | — | 138,960 | — | — | — |
| October 3, 2022 | AGA Bonus 2022-1 | 128,061 | — | 128,061 | — | — | €— |
| December 12, 2022 | AGA Perf Employees 2022-1 | 1,371,500 | 198,000 | — | 1,173,500 | 1,173,500 | €— |
| December 12, 2022 | AGA Perf Management 2022-1 | 550,000 | — | — | 550,000 | 550,000 | €— |
| April 14, 2023 | AGA "Plan Epargne Entreprise" 2023 | 163,293 | — | 163,293 | — | — | €— |
| November 2, 2023 | AGA New Members 2023-1 | 25,000 | — | — | 25,000 | 25,000 | €— |
| December 12, 2022 | AGA Perf Employees 2023-1 | 1,403,500 | 4,500 | — | 1,399,000 | 1,399,000 | €— |
| December 12, 2022 | AGA Perf Management 2023-1 | 750,000 | — | — | 750,000 | 750,000 | €— |
| July 21, 2020 | Stock Options 2020-1 | 102,000 | 102,000 | — | — | — | €— |
| July 29, 2011 | BSA 2011-2 | 225,000 | 25,000 | 200,000 | — | — | €1.77 |
| July 17, 2013 | BSA 2013 | 237,500 | 12,500 | 225,000 | — | — | €2.36 |
| July 16, 2014 | BSA 2014 | 150,000 | — | 75,000 | 75,000 | 75,000 | €8.65 |
| April 27, 2015 | BSA 2015-1 | 70,000 | — | — | 70,000 | 70,000 | €9.59 |
| July 1, 2015 | BSA 2015-2 | 14,200 | — | — | 14,200 | 14,200 | €14.05 |
| September 20, 2017 | BSA 2017 | 37,000 | — | — | 37,000 | 37,000 | €11.00 |
| December 16, 2022 | BSA 2022-1 | 40,000 | 31,740 | — | 8,260 | 8,260 | €2.31 |
| December 15, 2023 | BSA 2023-1 | 50,000 | 12,000 | — | 38,000 | 38,000 | €2.26 |
| | **Total as of December 31, 2023** | **12,820,670** | **3,057,735** | **3,271,690** | **6,491,245** | **7,242,172** | |

***AGA***

***Details of AGA***

| | **AGAP Management 2016-1** | **AGAP Employees 2016-1** | **AGA Management 2016-1** | **AGA Employees 2016-1** | **AGAP Management 2016-2** |
|---|---|---|---|---|---|
| Date of grant (Board of Directors) | October 21, 2016 | October 21, 2016 | October 21, 2016 | October 21, 2016 | October 21, 2016 |
| Vesting period (years) | 1 year | 1 year | 3 years | 1 year | 1 year |

| | | | | | |
|---|---|---|---|---|---|
| Non transferability period | 2 years after the vesting period end | 2 years after the vesting period end | None | 2 years after the vesting period end | 2 years after the vesting period end |
| Number of free shares granted | 2,000 | 2,486 | 50,000 | 99,932 | 3,000 |
| Share entitlement per free share | 130 [(1)] | 130 [(1)] | 1 | 1 | 111 |
| Grant date share fair value | €10.87 | €10.87 | €10.87 | €10.87 | €12.73 |
| Expected dividends | None | None | None | None | None |
| Performance conditions | Yes | Yes | None | None | Yes |
| Expected turnover (yearly basis) | 5% | 5% | — | 5% | 9% |
| Volatility | 40% | 40% | — | — | 40% |
| Fair value per AGA | €911 | €911 | €10.55 | €10.55 | €956 |

In October 21, 2019 and December 30, 2019, the retention period for the "2016 free preferred shares" has ended. The number of ordinary shares to which the conversion of one preferred share entitle has been determined according to the fulfilment of the performance criteria. Holders of "2016" preferred shares" are entitled to vote at our shareholders' meetings, to dividends and to preferential subscription rights, on the basis of the number of ordinary shares to which they are entitled if they convert their preferred shares.

| | **AGA Management 2016-2** | **AGA Employees 2016-2** | **AGA Bonus 2017** | **AGA Employee 2017** | **AGAP Employees 2017-1** |
|---|---|---|---|---|---|
| Date of grant (Board of Directors) | December 30, 2016 | December 30, 2016 | September 20, 2017 | April 3, 2018 | April 3, 2018 |
| Vesting period (years) | 3 years | 1 year | 1 year | 1 year | 1 year |
| Non transferability period | None | 2 years after the vesting period end | 1 year after the vesting period end | 1 year after the vesting period end | 2 years after the vesting period end |
| Number of free shares granted | 250,000 | 149,943 | 114,500 | 28,556 | 5,725 |
| Share entitlement per free share | 1 | 1 | 1 | 1 | 100 |
| Grant date share fair value | €12.73 | €12.73 | €5.52 | €10.90 | €5.52 |
| Expected dividends | None | None | None | None | None |
| Performance conditions | None | None | Yes | None | Yes |
| Expected turnover (yearly basis) | — | 5% | 4 | —% | 5% |
| Volatility | — | — | 55 | —% | 55% |
| Fair value per AGA | €14.61 | €10.55 | €5.83 | €10.30 | €90 |

| | AGAP Management 2017 | AGA Bonus 2018 | AGA Perf Employees 2018 | AGA Perf Management 2018 | AGA New Members 2017-1 |
|---|---|---|---|---|---|
| Date of grant (Board of Directors) | April 3, 2018 | July 3, 2018 | November 20, 2018 | November 20, 2018 | April 29, 2019 |
| Vesting period (years) | 1 year | 1 year | 3 years | 3 years | 3 years |
| Non transferability period | 2 years after the vesting period end | 1 year after the vesting period end | None | None | None |
| Number of free shares granted | 2,400 | 67,028 | 327,500 | 260,000 | 25,000 |
| Share entitlement per free share | 100 | 1 | 1 | 1 | 1 |
| Grant date share fair value | €5.52 | €5.06 | €8.00 | €8.00 | €5.74 |
| Expected dividends | None | None | None | None | None |
| Performance conditions | Yes | Yes | Yes | Yes | No |
| Expected turnover (yearly basis) | 11% | — | 4% | 10% | 10% |
| Volatility | 55% | — | 45% | 45% | — |
| Fair value per AGA | €90 | €4.69 | €3.81 | €3.81 | €5.74 |

| | AGA Employees 2018 | AGA Bonus 2019-1 | AGA Perf Employees 2019 | AGA Perf Management 2019 | AGA Bonus 2020 |
|---|---|---|---|---|---|
| Date of grant (Board of Directors) | January 14, 2019 | July 3, 2019 | November 4, 2019 | November 4, 2019 | July 13, 2020 |
| Vesting period (years) | 1 year | 1 year | 3 years | 3 years | 1 year |
| Non transferability period | 1 year after the vesting period end | 1 year after the vesting period end | None | None | 1 year after the vesting period end |
| Number of free shares granted | 90,650 | 57,376 | 546,700 | 355,000 | 79,861 |
| Share entitlement per free share | 1 | 1 | 1 | 1 | 1 |
| Grant date share fair value | €7.31 | €5.90 | €3.13 | €3.13 | €6.40 |
| Expected dividends | None | None | None | None | None |
| Performance conditions | No | No | Yes | Yes | No |
| Expected turnover (yearly basis) | 4.03% | — | 10% | 10% | —% |
| Volatility | N/A | — | 45% | 45% | —% |
| Fair value per AGA | €7.31 | €5.72 | €3.13 | €3.13 | €6.40 |

| | AGA Perf Employees 2020-1 | AGA Perf Management 2020-1 | AGA Bonus 2021-1 | AGA Perf Employees 2021-1 | AGA Perf Management 2021-1 |
|---|---|---|---|---|---|
| Date of grant (Board of Directors) | August 5, 2020 | August 5, 2020 | July 22, 2021 | October 1, 2021 | October 1, 2021 |
| Vesting period (years) | 3.5 years | 3.5 years | 1 year | 3.5 years | 3.5 years |
| Non transferability period | None | None | 1 year | None | None |
| Number of free shares granted | 769,202 | 710,000 | 125,748 | 1,066,600 | 610,000 |
| Share entitlement per free share | 1 | 1 | 1 | 1 | 1 |
| Grant date share fair value | €2.94 | €2.94 | €3.43 | €1.76 | €1.76 |
| Expected dividends | None | None | None | None | None |
| Performance conditions | Yes | Yes | No | Yes | Yes |
| Expected turnover (yearly basis) | 10.00% | 10.00 | — | 13.32 | 13.32 |
| Volatility | 45.00% | 45.00 | — | 50.00 | 50.00 |
| Fair value per AGA | €2.94 | €2.94 | €3.43 | €1.76 | €1.76 |

| | AGA "Plan Epargne Entreprise" 2022 | AGA Bonus 2022-1 | AGA Perf Employees 2022-1 | AGA Perf Management 2022-1 |
|---|---|---|---|---|
| Date of grant (Board of Directors) | February 14, 2022 | October 3, 2022 | December 12, 2022 | December 12, 2022 |
| Vesting period (years) | None | 1 year | 3.1 years | 3.1 years |
| Non transferability period | None | None | None | None |
| Number of free shares granted | 138,960 | 128,061 | 1,371,500 | 550,000 |
| Share entitlement per free share | 1 | 1 | 1 | 1 |
| Grant date share fair value | €4.10 | €3.89 | €1.39 | €1.39 |
| Expected dividends | None | None | None | None |
| Performance conditions | No | No | Yes | Yes |
| Expected turnover (yearly basis) | —% | — | 10.50 | 10.50 |
| Volatility | —% | — | 50.00 | 50.00 |
| Fair value per AGA | €4.10 | €3.89 | €1.39 | €1.39 |

| | AGA "Plan Epargne Entreprise" 2023 | AGA New Members 2023-1 | AGA Perf Employees 2023-1 | AGA Perf Management 2023-1 |
|---|---|---|---|---|
| Date of grant (Board of Directors) | April 14, 2023 | November 2, 2023 | December 21, 2023 | December 21, 2023 |
| Vesting period (years) | None | 3 years | 3.0 years | 3.0 years |
| Non transferability period | None | None | None | None |
| Number of free shares granted | 163,293 | 25,000 | 1,403,500 | 750,000 |
| Share entitlement per free share | 1 | 1 | 1 | 1 |
| Grant date share fair value | €2.85 | €2.23 | €1.60 | €1.60 |
| Expected dividends | None | None | None | None |
| Performance conditions | No | No | Yes | Yes |
| Expected turnover (yearly basis) | — | — | 11.20% | 11.20% |
| Volatility | — | — | 50.00% | 50.00% |
| Fair value per AGA | €2.85 | €2.23 | €1.60 | €1.60 |

*Change in Number of AGAs Outstanding*

| | Year ended December 31, | | |
|---|---|---|---|
| **Number of AGAs** | **2021** | **2022** | **2023** |
| **Balance at beginning of period** | **2,752,198** | **3,678,354** | **4,677,173** |
| Granted during the period | 1,802,348 | 2,188,521 | 2,341,793 |
| Forfeited during the period | (614,338) | (567,330) | (1,309,314) |
| Exercised during the period | (261,854) | (622,372) | (506,589) |
| Expired during the period | — | — | — |
| **Balance at end of period** | **3,678,354** | **4,677,173** | **5,203,063** |

*Breakdown of the Closing Balance*

| | Year ended December 31, | | |
|---|---|---|---|
| | 2021 | 2022 | 2023 |
| **Number of AGAs** | **Outstanding** | **Outstanding** | **Outstanding** |
| AGAP Management 2016-1 | 1,200 | 1,200 | 1,200 |
| AGAP Employees 2016-1 | 2,068 | 2,068 | 2,063 |
| AGAP 2016-2 | 3,000 | 3,000 | 3,000 |
| AGA New Members 2017-1 | 25,000 | — | — |
| AGA Perf Employees 2019-1 | 356,800 | — | — |
| AGA Perf Management 2019-1 | 325,000 | — | — |
| AGA Bonus 2020-1 | 13,614 | — | — |
| AGA Perf Employees 2020-1 | 516,824 | 480,344 | — |
| AGA Perf Management 2020-1 | 680,000 | 650,000 | — |
| AGA Bonus 2021-1 | 125,748 | — | — |
| AGA Perf Employees 2021-1 | 1,049,100 | 971,000 | 819,300 |
| AGA Perf Management 2021-1 | 580,000 | 520,000 | 480,000 |
| AGA Bonus 2022-1 | — | 128,061 | — |
| AGA Perf Employees 2022-1 | — | 1,371,500 | 1,173,500 |
| AGA Perf Management 2022-1 | — | 550,000 | 550,000 |
| AGA New Members 2023-1 | — | — | 25,000 |
| AGA Perf Employees 2023-1 | — | — | 1,399,000 |
| AGA Perf Management 2023-1 | — | — | 750,000 |
| **TOTAL** | **3,678,354** | **4,677,173** | **5,203,063** |

The fair value of granted free shares is based on the closing price of the Company's share at grant date, reduced when necessary by an estimated turn-over rate. This estimated fair value is recognized as operating expenses on a straight-line basis over the vesting period.

*Free performance shares 2018 (AGA Perf Employees 2018-1 and AGA Perf Management 2018-1)*

Free performance shares granted in 2018 are subject to share price conditions and a vesting kicker triggered by the performance of an internal condition, which is the success of certain clinical trials.

The fair value of these free performance shares is based on a third-party valuation report. The valuation method used to estimate the fair value of these free performance shares is presented below:

- Estimation of the expectation of gain associated with internal and share price conditions, made on the basis of a CAPM model of the share price using a Monte Carlo approach;
- Adjustment of the estimation by applying expected turnover rates.

Changes in internal conditions are taken into account in the revision of the estimated number of free performance shares expected to vest during the vesting period.

On January 3, 2022, the Executive Board determined the achievement of the performance conditions and the final vesting of the free performance shares 2018 as of November 20, 2021. The underlying performance conditions were thus achieved at 55%, noting on November 20, 2021 the final acquisition of 103,125 "AGA Perf Employees 2018-1" as well as 110,000 "AGA Perf Management 2018-1".

Expenses were €(232) thousand (income) for the financial year ended December 31, 2021. These instruments were definitively acquired during the 2021 financial year. Consequently, no expense relating to these plans was recognized during the financial year ended December 31, 2022 and 2023.

*AGA 2017-1 Management (New Members)*

Expenses were €71 thousand for the financial year ended December 31, 2021. These instruments were definitively acquired during the 2021 financial year. Consequently, no expense relating to this plan was recognized during the financial year ended December 31, 2022 and 2023, respectively.

*Free performance shares 2019 (AGA Perf Employees 2019-1 / AGA Perf Management 2019)*

Free performance shares granted in 2019 are subject to share price conditions and a vesting kicker triggered by the performance of an internal condition, which is Lumoxiti's market penetration rate in the United States.

The fair value of these free performance shares is based on a third-party valuation report. The valuation method used to estimate the fair value of these free performance shares is presented below:

- Estimation of the expectation of gain associated with internal and share price conditions, made on the basis of a CAPM model of the share price using a Monte Carlo approach;
- Adjustment of the estimation by applying expected turnover rates.

On November 7, 2022, the Executive Board determined the achievement of the performance conditions and the final vesting of the 2019 free performance shares as of November 4, 2022. The underlying performance conditions were thus achieved at 50%. Consequently, on November 7, 2022, the Executive Board carried out the definitive acquisition of 171,550 free performance shares under the "AGA Perf Management 2019-1" plans.

Expenses were €649 thousand, €(181) thousand (income) for the financial years ended December 31, 2021, 2022 and respectively. Income relating to the 2022 financial year is explained by the review of the performance conditions during the 2022 financial year with regard to the definitive achievement of the vesting. These instruments were definitively acquired during the 2022 financial year. Consequently, no expense relating to these plans was recognized during the financial year ended December 31,2023.

*Free performance shares 2020 (AGA Perf Employees 2020-1 / AGA Perf Management 2020)*

Free performance shares granted in 2020 are subject to share price conditions and two vesting kickers triggered by the performance of internal conditions, which are :

- A commercial break-even point for Lumoxiti in the U.S. reached at the end of fiscal year 2023 (this criterion will not be met given the return of the commercial rights notified to AstraZeneca in December 2020).
- Revenue from collaborative and licensing agreements accrued between the attribution and definitive acquisition date (excluding payment by AstraZeneca for the first patient in Phase 3 for monalizumab), reaching $100 million.

The fair value of these free performance shares is based on a third-party valuation report. The valuation method used to estimate the fair value of these free performance shares is presented below:

- Estimation of the expectation of gain associated with internal and share price conditions, made on the basis of a CAPM model of the share price using a Monte Carlo approach;

- Adjustment of the estimation by applying expected turnover rates.

On January 2, 2024, the Executive Board determined the achievement of the performance conditions and the final vesting of the 2020 free performance shares as of December 31, 2023. The underlying performance conditions were thus achieved at 20%. Consequently, on December 31, 2023, the Executive Board carried out the definitive acquisition of 85,230 free performance shares under the "AGA Perf Employees 2020-1" plans and 130,000 free performance shares under the "AGA Perf Management 2020-1" plans.

Expenses were €1,253 thousand, €1,738 thousand and €1,436 thousand for the financial year ended December 31, 2021 2022 and 2023, respectively.

*Free performance shares 2021 (AGA Perf Employees 2021-1 / AGA Perf Management 2021-1)*

Free performance shares granted in 2021 are subject to share price conditions and two vesting kickers triggered by the performance of internal conditions, which are :

- An interim analysis demonstrates a predefined threshold of clinical activity in the INTERLINK-1 study (phase 3 study evaluating monalizumab in combination with cetuximab in patients with squamous cell carcinoma of the head and neck and previously treated with chemotherapy).
- Obtaining positive Phase 2 results for a product in the Company's portfolio.
- The start of a first clinical trial for a product in the Company's portfolio

The fair value of these free performance shares is based on a third-party valuation report. The valuation method used to estimate the fair value of these free performance shares is presented below:

- Estimation of the expectation of gain associated with internal and share price conditions, made on the basis of a CAPM model of the share price using a Monte Carlo approach;
- Adjustment of the estimation by applying expected turnover rates.

Expenses were €473 thousand, €1,577 thousand and €1,161 thousand for the financial years ended December 31, 2021, 2022 and 2023, respectively.

*AGA Bonus 2021-1*

AGA Bonus 2021 were granted to the Executive members Committee who opted for these compensation plans. For each recipient, the number of shares definitely acquired is equal to the cash equivalent of 50% of the annual variable compensation increased by a 50% premium. In the event of an over-performance (i.e. achieved target above 100%), the surplus is paid in cash.

Expenses were €432 thousand for the financial year ended December 31, 2021. These instruments were definitely acquired during the 2022 financial year. No expense relating to this plan was recognized during the financial years ended December 31, 2022 and 2023.

*Free performance shares 2022 (AGA Perf Employees 2022-1 / AGA Perf Management 2022-1)*

Free performance shares granted in 2022 are subject to share market capitalization and three vesting kickers triggered by the performance of internal conditions, which are :

- The filing and approval of a BLA (Biologic License Application) application filed with the Food and Drug Administration ("FDA") in the United States or the European Medicine Agency ("EMEA") in Europe for one of the Company's products.
- The start of a first clinical trial for a product from the Company's portfolio.
- The conclusion of a collaboration or license agreement.

The fair value of these free performance shares is based on a third-party valuation report. The valuation method used to estimate the fair value of these free performance shares is presented below:

- Estimation of the expectation of gain associated with internal and share price conditions, made on the basis of a CAPM model of the share price using a Monte Carlo approach;
- Adjustment of the estimation by applying expected turnover rates.

Expenses were €46 thousand and €1,157 thousand for the financial year ended December 31, 2022 and 2023, respectively.

*AGA Bonus 2022-1*

AGA Bonus 2022 were granted to the Executive members Committee who opted for these compensation plans. For each recipient, the number of shares definitely acquired is equal to the cash equivalent of 50% of the annual variable compensation increased by a 50% premium. In the event of an over-performance (i.e. achieved target above 100%), the surplus is paid in cash.

Expenses were €499 thousand for the financial year ended December 31, 2022. These instruments were definitely acquired during the 2023 financial year. No expense relating to this plan was recognized during the financial year ended December 31, 2023.

*AGA New-members 2023-1*

Expenses were €3 thousand for the financial year ended December 31, 2023.

*Free performance shares 2023 (AGA Perf Employees 2023-1 / AGA Perf Management 2023-1)*

Free performance shares granted in 2023 are subject to the Company's market capitalization and three internal performance internal conditions and a bonus condition, which are :

- The start of a first clinical trial involving a product in the Company's portfolio or the "proof of concept" of a new therapeutic approach involving a product in the Company's portfolio;
- the conclusion of a collaboration or licensing agreement or the receipt of income from collaboration and licensing agreements totalling €50 million ;
- the implementation of six environmental or social actions by the Company's employees;
- obtaining marketing authorization for a product in the Company's portfolio (bonus condition).

The fair value of these free performance shares is based on a third-party valuation report. The valuation method used to estimate the fair value of these free performance shares is presented below:

- Estimation of the expectation of gain associated with internal and share price conditions, made on the basis of a CAPM model of the share price using a Monte Carlo approach;
- Adjustment of the estimation by applying expected turnover rates.

Expense was €33 thousand for the financial year ended December 31, 2023.

***BSA***

*Details of BSA*

| | BSA 2013 | BSA 2014 | BSA 2015-1 | BSA 2015-2 | BSA 2017 |
|---|---|---|---|---|---|
| Date of grant (Board of directors) | July 17, 2013 | July 16, 2014 | April 27, 2015 | July 1, 2015 | September 20, 2017 |
| Vesting period (years) | 2 years | 2 years | 2 years | 2 years | 2 years |
| Plan expiration date | July 17, 2023 | July 16, 2024 | April 26, 2025 | June 30, 2025 | September 20, 2027 |
| Number of BSA granted | 237,500 | 150,000 | 70,000 | 14,200 | 37,000 |
| Share entitlement per BSA | 1 | 1 | 1 | 1 | 1 |
| Exercise price | €2.36 | €8.65 | €9.59 | €14.05 | €11.00 |
| Valuation method used | Black & Scholes | Black & Scholes | Black & Scholes | Black & Scholes | Black & Scholes |
| Grant date share fair value | €2.45 | €6.85 | €13.65 | €13.64 | €10.41 |
| Expected volatility | 31.83% | 46.72% | 54.08% | 47.83% | 61.74% |
| Average life of BSA | 5.5 years | 5.5 years | 5.5 years | 5.5 years | 6 years |
| Risk-free interest rate | 2.42% | 1.00% | 0.25% | 0.25% | 0.20% |
| Expected dividends | None | None | None | None | None |
| Performance conditions | None | None | None | None | None |
| Fair value per BSA | €0.87 | €2.51 | €6.59 | €4.73 | €0.57 |

| | BSA 2022-1 | BSA 2023-1 |
|---|---|---|
| Date of grant (Board of directors) | December 16, 2022 | December 15, 2023 |
| Vesting period (years) | 2 years | 2 years |
| Plan expiration date | October 3, 2032 | October 19, 2033 |
| Number of BSA granted | 40,000 | 50,000 |
| Share entitlement per BSA | 1 | 1 |
| Exercise price | €2.31 | €2.26 |
| Valuation method used | Black & Scholes | Black & Scholes |
| Grant date share fair value | €1.31 | €1.24 |
| Expected volatility | 50.00% | 45.00% |
| Average life of BSA | 5.5 years | 5.5 years |
| Risk-free interest rate | 2.40% | 2.50% |
| Expected dividends | None | None |
| Performance conditions | None | None |
| Fair value per BSA | €1.21 | €1.24 |

*Change in Number of BSA Outstanding*

| | Year ended December 31, | | |
|---|---|---|---|
| **Number of BSA** | **2021** | **2022** | **2023** |
| **Balance at beginning of period** | **284,500** | **242,560** | **250,820** |
| Granted during the period | — | 40,000 | 50,000 |
| Forfeited during the period | — | (31,740) | (24,500) |
| Exercised during the period | (16,940) | — | (33,860) |
| Expired during the period | (25,000) | — | — |
| **Balance at end of period** | **242,560** | **250,820** | **242,460** |

*Breakdown of the Closing Balance*

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | **2021** | | **2022** | | **2023** | |
| **Number of BSA** | **Outstanding** | **Exercisable** | **Outstanding** | **Exercisable** | **Outstanding** | **Exercisable** |
| BSA 2011-2 | — | — | — | — | — | — |
| BSA 2013 | 46,360 | 46,360 | 46,360 | 46,360 | — | — |
| BSA 2014 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| BSA 2015-1 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| BSA 2015-2 | 14,200 | 14,200 | 14,200 | 14,200 | 14,200 | 14,200 |
| BSA 2017 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 |
| BSA 2022-1 | — | — | 8,260 | 8,260 | 8,260 | 8,260 |
| **TOTAL** | **242,560** | **242,560** | **250,820** | **250,820** | **242,460** | **242,460** |

***BSAAR***

**BSAAR** are securities whose subscription price and exercise price are fixed at their fair value as determined by an expert. The BSAAR subscription therefore represents an investment on the part of the beneficiary. At the end of the exercise period, if they have not been exercised, the BSAAR becomes void. The Company benefits from a clause called «forcing» making it possible to encourage holders to exercise their redeemable equity warrants when the market price exceeds the exercise price and reaches a threshold defined in the BSAAR issuance agreement. The Company may, then, subject to a time period for notifying holders that will permit them to exercise the BSAAR, decide to reimburse the warrants not exercised at a unit price equal to the BSAAR acquisition price paid by its holder.

*Details of BSAAR*

*BSAAR.* The methodology used to estimate the fair value of the BSAAR is similar to the one used to estimate the fair value of the BSA, except for the following:

*Expected Term*. Unlike the BSA, the Company does not have sufficient historical experience for the BSAAR. Consequently, the expected term used for the valuation of the fair value is the legal maturity of the instrument (10 years).

No share-based payment compensation expense was recognized relating to the BSAAR since the amount paid by the beneficiaries is equal to the fair value.

| | **BSAAR 2015** |
|---|---|
| Date of grant (Board of directors) | July 1, 2015 |
| Vesting period (years) | 2 years |
| Plan expiration date | June 30, 2025 |
| Number of BSAAR granted | 1,050,382 |
| Share entitlement per BSAAR | 1 |
| Exercise price | €7.20 |
| Valuation method used | Black & Scholes |
| Grant date share fair value | €13.77 |
| Expected volatility | 41% |
| Average life of BSAAR | 10 years |
| Risk-free interest rate | 1.22% |
| Expected dividends | None |
| Performance conditions | No |
| Fair value per BSA | €1.15 |

*Change in Number of BSAAR Outstanding*

| | **Year ended December 31,** | | |
|---|---|---|---|
| **Number of BSAAR** | **2021** | **2022** | **2023** |
| **Balance at beginning of period** | **1,360,822** | **1,105,822** | **1,105,072** |
| Granted during the period | — | — | — |
| Forfeited during the period | — | — | (12,250) |
| Exercised during the period | (230,000) | (750) | (47,100) |

| | | | |
|---|---|---|---|
| Expired during the period | (25,000) | — | — |
| **Balance at end of period** | **1,105,822** | **1,105,072** | **1,045,722** |

*Breakdown of the Closing Balance*

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | 2022 | | 2023 | |
| **BSAAR** | **Outstanding** | **Exercisable** | **Outstanding** | **Exercisable** | **Outstanding** | **Exercisable** |
| BSAAR 2011 | — | — | — | — | — | — |
| BSAAR 2012 | 60,100 | 60,100 | 59,350 | 59,350 | — | — |
| BSAAR 2015 | 1,045,722 | 1,045,722 | 1,045,722 | 1,045,722 | 1,045,722 | 1,045,722 |
| **TOTAL** | **1,105,822** | **1,105,822** | **1,105,072** | **1,105,072** | **1,045,722** | **1,045,722** |

***Breakdown of expenses per financial year***

The share-based compensation expenses are broken down as follows (in thousands of euro):

| | Year ended December 31, | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021** | **2022** | **2023** |
| AGA Perf Management 2018 / AGA Perf Employees 2018 | (232) | — | — |
| AGA 2017-1 Management (New Members) | 71 | — | — |
| AGAP Employee 2019 / AGAP Management 2019 | 649 | (181) | — |
| AGAP Employee 2020 / AGAP Management 2020 | 1,253 | 1,738 | 1,436 |
| Stock Options 2020 | (28) | — | — |
| AGA Bonus 2021-1 | 432 | — | — |
| AGAP Employee 2021 / AGAP Management 2021 | 473 | 1,577 | 1,161 |
| AGA "Plan Epargne Entreprise" 2022 | — | 570 | — |
| AGA Bonus 2022-1 | — | 499 | — |
| AGAP Employee 2022 / AGAP Management 2022 | — | 46 | 1,157 |
| AGA New Members 2023-1 Management | | | 3 |
| AGAP Employee 2023/ AGAP Management 2023 | | | 33 |
| AGA "Plan Epargne Entreprise" 2023 | | | 465 |
| **Share based compensation** | **2,617** | **4,249** | **4,256** |

## 12) Financial instruments recognized in the statement of financial position and related effect on the income statement

The following tables show the carrying amounts and fair values of financial assets and financial liabilities. The tables do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| As of December 31, 2021 (in thousands of euro) | Book value on the statement of financial position | Fair value through profit and loss[(1)] | Receivables | Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current financial assets | 39,878 | 39,878 | | 39,878 |
| Trade receivables and others | 48,241 | — | 48,241 | 48,241 |
| Short-term investments | 16,080 | 16,080 | — | 16,080 |

| | | | | |
|---|---|---|---|---|
| Cash and cash equivalents | 103,756 | 103,756 | — | 103,756 |
| **Total financial assets** | **207,955** | **159,714** | **48,241** | **207,955** |

| As of December 31, 2021 (in thousands of euro) | Book value on the statement of financial position | Fair value through profit and loss[1] | Debt at amortized cost[3] | Fair value |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Financial liabilities—non-current portion | 13,503 | — | 13,503 | 13,503 |
| Financial liabilities—current portion | 30,748 | — | 30,748 | 30,748 |
| Trade payables and others | 28,573 | — | 28,573 | 28,573 |
| **Total financial liabilities** | **72,822** | **—** | **72,822** | **72,822** |

| As of December 31, 2022 (in thousands of euro) | Book value on the statement of financial position | Fair value through profit and loss[1] | Receivables | Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current financial assets | 35,119 | 35,119 | — | 35,119 |
| Trade receivables and others | 52,445 | — | 52,445 | 52,445 |
| Short-term investments | 17,260 | 17,260 | — | 17,260 |
| Cash and cash equivalents | 84,225 | 84,225 | — | 84,225 |
| **Total financial assets** | **189,049** | **136,604** | **52,445** | **189,049** |

| As of December 31, 2022 (in thousands of euro) | Book value on the statement of financial position | Fair value through profit and loss[1] | Debt at amortized cost[3] | Fair value |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Financial liabilities—non-current portion | 40,149 | — | 40,149 | 40,149 |
| Financial liabilities—current portion | 2,102 | — | 2,102 | 2,102 |
| Trade payables and others | 20,911 | — | 20,911 | 20,911 |
| **Total financial liabilities** | **63,162** | **—** | **63,160** | **63,160** |

| As of December 31, 2023 (in thousands of euro) | Book value on the statement of financial position | Fair value through profit and loss[1] | Receivables | Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current financial assets | 9,796 | 9,796 | — | 9,796 |
| Trade receivables and others | 66,111 | — | 66,111 | 66,111 |
| Short-term investments | 21,851 | 21,851 | — | 21,851 |
| Cash and cash equivalents | 70,605 | 70,605 | — | 70,605 |
| **Total financial assets** | **168,363** | **102,252** | **66,111** | **168,363** |

| As of December 31, 2023 (in thousands of euro) | Book value on the statement of financial position | Fair value through profit and loss[1] | Debt at amortized cost[3] | Fair value |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Financial liabilities—non-current portion | 30,957 | — | 30,957 | 30,957 |
| Financial liabilities—current portion | 8,936 | — | 8,936 | 8,936 |
| Trade payables and others | 17,018 | — | 17,018 | 17,018 |
| **Total financial liabilities** | **56,911** | **—** | **56,911** | **56,911** |

(1) The fair value of financial assets classified as fair value through profit and loss corresponds to the market value of the assets, which are primarily determined using level 2 measurements.

(2) The fair value of financial assets classified as fair value through comprehensive income corresponds to the market value of the assets, which are primarily determined using level 1 measurements.

(3) The book amount of financial assets and liabilities measured at amortized cost was deemed to be a reasonable estimation of fair value.

In accordance with the amendments to IFRS 7, financial instruments are presented in three categories based on a hierarchy of methods used to determine fair value:

Level 1: fair value determined based on quoted prices in active markets for assets or liabilities;

Level 2: fair value determined on the observable database for the asset or liability concerned either directly or indirectly;

Level 3: fair value determined on the basis of evaluation techniques based in whole or in part on unobservable data.

## 13) Revenue and government financing for research expenditures

*Revenue from collaboration and licensing agreements*

The Company's revenue from collaboration and licensing agreements amounts to €12,112, €49,580 and €51,901 for the fiscal year ended December 31, 2021, 2022 and 2023, respectively.

| | Year ended December 31, | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021[(1)]** | **2022** | **2023** |
| Proceeds from collaboration and licensing agreements | 10,497 | 48,806 | 50,725 |
| *of which monalizumab agreement - AstraZeneca* | *7,497* | *22,376* | *9,499* |
| *of which IPH5201 agreement - AstraZeneca* | *—* | *4,677* | *—* |
| *of which preclinical molecules agreement - AstraZeneca* | *—* | *17,400* | *—* |
| *of which Sanofi agreement 2016* | *3,000* | *4,000* | *2,000* |
| of which Sanofi agreement 2022 - ANKET IPH62 - Recognition of license initial payment and income related to the completion of work in line with the joint research program | — | — | *18,873* |
| of which Sanofi agreement 2022 - ANKET IPH67 -Recognition of license initial payment and income related to the option exercise | — | — | *15,800* |
| of which Takeda agreement 2023 | — | — | *4,553* |
| of which other agreements | — | 353 | — |
| Invoicing of research and development costs (IPH5201) | 1,613 | 1,391 | 1,165 |
| Exchange gains (loss) on collaboration agreements | — | (627) | — |
| Others | — | 10 | 11 |
| **Revenue from collaboration and licensing agreements** | **12,112** | **49,580** | **51,901** |

### *a) Revenue recognition related to monalizumab AstraZeneca agreements and amendments*

The Company identified the following promises under the monalizumab AstraZeneca agreements and amendments: (1) a non-exclusive license related to monalizumab restricted to two applications, with an option for an exclusive license related to monalizumab including all applications, (2) the performance of certain initial studies related to Phases 1/2 trials, and participation in certain studies of Phases 1/2 trials and Phase 3 clinical trials through a co-financing.

The Company considered the license has a standalone functionality and is capable of being distinct. However the Company determined that the license is not distinct from the performance of initial studies and participation to Phase 3 clinical trials because they increased the utility of the licensed IP. Thus, the licensed IP, the performance of initial studies and participation to Phase 3 clinical trials are combined into a single performance obligation.

This performance obligation was considered as satisfied over time as AstraZeneca controls the licensed IP which is being enhanced during the agreement. The revenue is recognized over time, based on the input method (costs incurred). As a result, the Company recognizes the price of the transaction as a revenue on the basis of the progress of studies that the Company has undertaken to carry out under the agreement.

Progression is assessed following to actual costs incurred relative to the total budgeted costs to fulfill the obligation.

The transaction price was initially estimated to the initial payment of $250,000 thousand, less the amounts that the Company expected to pay to AstraZeneca for co-financing Phase 1/2 clinical studies. The additional payment of $100,000 thousand triggered by AstraZeneca's exercise of the exclusivity option was treated as a change in the price estimate of the transaction. In addition, the amendment of the contract, which modified the scope and budget of the studies to be carried out by the Company as well as the arrangements for sharing the cost of the other studies, led to a revision of the degree of progress and the price of the transaction. Thus, the exercise of the option and the amendment of the contract resulted in the recognition of a favourable cumulative adjustment of €38,321 thousand in revenue for the year ended December 31, 2019.

The additional payment of $50,000 thousand triggered by the dosing of the first patient in the Phase 3 trial evaluating monalizumab was treated in full as a collaboration commitment ("collaboration liability" in the consolidated balance sheet) in view to the commitment linked to the contract for the Phase 1/2 (co-financing) and Phase 3 studies (amendment signed in September 2020). Consequently, this additional payment has no impact on the transaction price.

In addition to these amounts, AstraZeneca made an additional payment of $50.0 million (€47.7 million) in June 2022 and triggered by the treatment of the first patient in a second Phase 3 trial "PACIFIC-9" evaluating monalizumab in April 2022. This additional payment has been treated as an increase of the collaboration commitment ("collaboration liabilities" in the consolidated statements of financial position) for an amount of $36.0 million (€34.3 million) in connection to the Phase 3 study co-funding commitment made by the Company and notified to AstraZeneca in July 2019. The remaining amount of $14.0 million (€13.4 million) has been treated as an increase of the transaction price, recognized in the income statement in line with the progress of the Phase 1/2 studies.

The subsequent milestones and potential royalty payments are excluded from the transaction price due to the uncertainties of clinical trials results.

The Company used the most likely amount to determine variable consideration. Variable consideration for cost-sharing payments related to certain studies of Phases 1/2 trials and Phase 3 clinical trials when applicable are included in the transaction price.

As a reminder, the expected payments to AstraZeneca are classified as collaboration liability in the consolidated statement of financial position. Quarterly invoices received from AstraZeneca reduce the collaboration liability and have no impact on the consolidated statement of income.

*Change in monalizumab deferred revenue (in thousands of euro):*

| | |
|---|---|
| **As of December 31, 2020** | **26,572** |
| Revenue for the 2021 financial year | (7,497) |
| Transfer from collaboration liabilities | 1,084 |
| **As of December 31, 2021** | **20,159** |
| Increase in deffered revenu resulting from the $50m milestone relating to the dosage of the first patent in the Phase 3 trial PACIFIC-9 | 47,687 |
| Revenue for the 2022 financial year | (22,376) |
| Transfer from collaboration liabilities | (30,989) |
| **As of December 31, 2022** | **14,481** |
| Revenue for the 2023 financial year | (9,499) |
| Transfer from collaboration liabilities | 173 |
| **As of December 31, 2023** | **5,156** |

(1) As a reminder, the increase in deferred revenue relating to monalizumab agreement between December 31, 2021 and December 31, 2022 is explained by the additional payment of €47,687 thousand ($50,000 thousand) made by AstraZeneca in June 2022 and triggered by the launch of the "PACIFIC-9" Phase 3 trial on April 28, 2022. This increase has led to a simultaneous increase in collaboration commitment ("collaboration liability"- see below) of €34,335 thousand ($36,000 thousand) in accordance with the Company's July 2019 option concerning the co-financing of Phase 3 trials in the field of collaboration.

*Change in monalizumab collaboration liablities (in thousands of euro):*

| | |
|---|---|
| **As of December 31, 2020 (1)** | **46,686** |
| Additions | 4,262 |
| Deductions | (10,534) |
| **As of December 31, 2021 (2)** | **40,415** |
| Additions (3) | 37,564 |
| Deductions | (14,768) |
| **As of December 31, 2022 (4)** | **63,211** |
| Additions | — |
| Deductions | (10,534) |
| **As of December 31, 2023 (5)** | **52,677** |

(1) Of which €1,832 thousand of current portion and €44,854 of non-current portion.

(2) Of which €7,418 of current portion and €32,997 of non-current portion.

(3) The increase in collaboration liabilities relating to monalizumab agreement between December 31, 2021 and December 31, 2022 mainly results from (i) a €34,335 thousand ($36,000 thousand) increase in collaboration commitments in connection with the launch of the "PACIFIC-9" Phase 3 trial on April 28, 2022, and (ii) a €2,145 thousand net increase in the collaboration commitments in connection with exchange rate fluctuations over the period.

(4) Of which €10,223 thousand of current portion and €52,988 thousand of non-current portion.

(5) Of which €7,647 thousand of current portion and €45,030 thousand of non-current portion.

***b) Revenue recognition related to IPH5201 AstraZeneca collaboration and option agreement***

Revenue related to IPH5201 for the year ended December 31, 2023 is nil as compared to revenue of €4,677 thousand as of December 31, 2022 which resulted from the entire recognition in revenue of the $5.0 million (€4.7 million) milestone payment received from AstraZeneca following the signature on June

1, 2022 of an amendment to the initial contract signed in October 2018. This amendment sets the terms of the collaboration following AstraZeneca's decision to advance IPH5201 to a Phase 2 study. The Company will conduct the study. Both parties will share the external cost related to the study and incurred by the Company and AstraZeneca will provide products necessary to conduct the clinical trial.

***c) Revenue recognition related to collaboration and license agreement signed with Sanofi in 2016***

Revenues under the collaboration and license agreement signed with Sanofi in 2016 amounted to €2,000 thousand for the year ended December 31, 2023 as compared to €4,000 thousand for the year ended December 31, 2022. The Company announced that, in June 2023, the first patient was dosed in a Sanofi-sponsored Phase 1/2 clinical trial evaluating IPH6401/SAR'514 in relapsed or refractory Multiple Myeloma. As provided by the licensing agreement signed in 2016, Sanofi made a milestone payment of €2.0 million, fully recognized in revenue since June 2023. This amount was received by the Company on July 21, 2023. As a reminder, the revenue recognized in 2022 resulted from Sanofi's decision to advance IPH6401/SAR'514 towards regulatory preclinical studies for a new investigational drug. This decision triggered a milestone payment of €3.0 million fully recognized in revenue. This amount was received by the Company on September 9, 2022.

***d) Revenue recognition related to Sanofi research collaboration and licensing agreement (2022)***

On January 25, 2023, the Company announced the expiration of the waiting period under the *Hart-Scott-Rodino* (HSR) *Antitrust Improvements Act* of 1976 and the effectiveness of the licensing agreement as of January 24, 2023. Consequently, under the terms of such agreement, the Company received an upfront payment of €25,000 thousand in March 2023, including €18,500 thousand for the exclusive license, €1,500 thousand for the research work and €5,000 thousand for the two additional targets options. On December 19, 2023, the Company announced that Sanofi had exercised an option for a one of the two preclinical molecules. This option exercise also resulted in a milestone payment of €15,000 thousand, including €13,300 thousand in respect of the exclusive license, which was fully recognized in income as of December 31, 2023, and €1,700 thousand in respect of research work to be carried out by the Company. The Company considers that the licenses granted constitute a right to use the intellectual property granted exclusively to Sanofi from the effective date of the agreement. As such, all upfront payments relating to the licenses granted have been recognized in the income statement representing an amount of €31,800 thousand, including €18,500 thousand relating to the B7-H3 license and €13,300 thousand following the option exercised.

***e) Revenue recognition related to Takeda licensing agreement (2023)***

On April 3, 2023, the Company announced that it has entered into an exclusive license agreement with Takeda under which Innate grants Takeda exclusive worldwide rights to research and develop antibody drug conjugates (ADC) using a panel of selected Innate antibodies against an undisclosed target, with a primary focus in Celiac disease. Takeda will be responsible for the future development, manufacture and commercialization of any potential products developed using the licensed antibodies. As such, the Company considers that the license granted is a right to use the intellectual property, which is granted fully and perpetually to Takeda. The agreement does not stipulate that Innate's activities will significantly affect the intellectual property granted during the life of the agreement. Consequently, the $5.0 million (or €4.6 million) initial payment, received by the Company in May 2023, was fully recognized in revenue since June 30, 2023. This amount was received by the Company in May 2023.

*Change in deferred revenue relating to the 2022 research collaboration and licensing agreement :*

| (in thousands of euro) | Total |
|---|---|
| **As of December 31, 2022** | **—** |
| Additions | 8,200 |
| Deductions | (2,874) |
| **As of December 31, 2023** | **5,327** |

### *d) Schedule of variance of deferred revenue*

The main variance of the global deferred revenue is presented in the following schedule:

| (in thousands of euro) | December 31, 2020 | Recognition in P&L | Proceeds | Transfer from collaboration liabilities | December 31, 2021 |
|---|---|---|---|---|---|
| Monalizumab | 26,572 | (7,497) | — | 1,084 | 20,159 |
| Preclinical molecules | 17,400 | — | — | — | 17,400 |
| Others | — | — | 353 | — | 353 |
| **Total** | **43,973** | **(7,497)** | **353** | **1,084** | **37,913** (1) |

(1) Of which €12,500 thousand of current deferred revenue and €25,413 thousand of non-current deferred revenue.

| (in thousands of euro) | December 31, 2021 | Recognition in P&L | Proceeds | Transfer from collaboration liabilities | December 31, 2022 |
|---|---|---|---|---|---|
| Monalizumab | 20,159 | (22,376) | 47,687 | (30,989) | 14,481 |
| IPH5201 | — | — | — | — | — |
| Preclinical molecules | 17,400 | (17,400) | — | — | — |
| Others | 353 | (353) | — | — | — |
| **Total** | **37,913** | **(40,129)** | **47,687** | **(30,989)** | **14,481** (2) |

(2) Of which €6,560 thousand of current deferred revenue and €7,921 thousand of non-current deferred revenue.

| (in thousands of euro) | December 31, 2022 | Recognition in P&L | Proceeds and other increase | Transfer from collaboration liabilities | December 31, 2023 |
|---|---|---|---|---|---|
| Monalizumab | 14,481 | (9,499) | — | 173 | 5,155 |
| Sanofi options | — | (2,500) | 5,000 | — | 2,500 |
| Sanofi services | — | (374) | 3,200 | — | 2,826 |
| **Total** | **14,481** | **(12,373)** | **8,200** | **173** | **10,483** (3) |

(3) Of which €5,865 thousand of current deferred revenue and €4,618 thousand of non-current deferred revenue.

*Government financing for research expenditures*

The Company receives grants from the European Commission and the French government and state organizations in several different forms:

- Investment and operating grants; and

- Research Tax Credits.

The total amount for government financing for research expenditures recorded as other income in the income statement can be analyzed as follows:

| | Year ended December 31, | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021** | **2022** | **2023** |
| Research Tax Credit(1) | 10,310 | 7,925 | 9,729 |
| Grant and other tax credit(2) | 2,281 | 110 | — |
| **Government financing for research expenditures** | **12,591** | **8,035** | **9,729** |

(1) As of December 31, 2023, the amount is mainly composed of the research tax credit calculated and recognized for the 2023 financial year for an amount of €9,800 thousand. As a reminder, as of December 31, 2022, the amount was mainly composed of (i) the research tax credit calculated and recognized for the 2022 financial year for an amount of €9,167 thousand from which is subtracted (ii) a provision amounting to €1,270 thousand following the tax inspection carried out in 2022 by the French tax authorities and relating to the 2019 and 2020 financial years as well as to the research tax credit and the accuracy of its calculation for the 2018 to 2020 financial years. This provision was recognized as a deduction from the 2022 research tax credit, based on estimated amounts and adjustments not disputed by the Company. On March 3, 2023, the Company received from the tax authorities the rectification proposal, confirming the amount of the provision recognized on the amounts of the rectifications not disputed by the Company.

(2) As a reminder, as of December 31, 2021, the total amount of grants recognized in the income statement included all installments of the refundable advance received and remaining to be received as of December 31, 2021 for a total amount of €1,988 thousand. The Company considered that the initial payment of €1,360 thousand euros and an amount to be received of €628 thousand as of December 31, 2021 as non-refundable in accordance with the terms of the agreement and in light of the technical and commercial failure of the project.

## 14) Operating expenses

| (in thousands of euro) | Year ended December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 [1] | | | 2022 | | | 2023 | | | |
| | R&D | G&A | Total | R&D | G&A | Total | R&D | G&A | Impairment | Total |
| Subcontracting costs[1] | (24,189) | (101) | **(24,290)** | (24,432) | — | **(24,432)** | (27,568) | — | — | **(27,568)** |
| Cost of supplies and consumable materials | (2,533) | (532) | **(3,065)** | (3,051) | (531) | **(3,582)** | (2,611) | (244) | — | **(2,855)** |
| Personnel expenses other than share-based compensation | (14,859) | (8,616) | **(23,475)** | (14,329) | (8,025) | **(22,354)** | (14,834) | (6,874) | — | **(21,708)** |
| Share-based compensation | (349) | (2,267) | **(2,617)** | (2,044) | (2,204) | **(4,249)** | (2,288) | (1,968) | — | **(4,256)** |
| *Personnel expenses* | *(15,208)* | *(10,883)* | ***(26,092)*** | *(16,373)* | *(10,229)* | ***(26,603)*** | *(17,121)* | *(8,842)* | — | ***(25,964)*** |
| Non-scientific advisory and consulting[2] | (161) | (5,108) | **(5,269)** | (1,441) | (4,244) | **(5,685)** | (732) | (2,906) | — | **(3,638)** |
| Leasing and maintenance | (260) | (1,754) | **(2,014)** | (200) | (1,798) | **(1,998)** | (879) | (1,047) | — | **(1,926)** |
| Travel expenses and meeting attendance | (103) | (170) | **(273)** | (466) | (252) | **(718)** | (380) | (268) | — | **(648)** |
| Marketing, communication and public relations | (79) | (393) | **(472)** | (130) | (530) | **(660)** | (52) | (316) | — | **(368)** |
| Scientific advisory and consulting[3] | (288) | — | **(288)** | (1,263) | — | **(1,263)** | (1,220) | — | — | **(1,220)** |
| Other purchases and external expenses | (30) | (2,395) | **(2,425)** | (91) | (2,557) | **(2,648)** | (28) | (2,636) | — | **(2,664)** |
| Depreciation and amortization | (3,153) | (1,416) | **(4,569)** | (2,928) | (1,496) | **(4,424)** | (3,891) | (1,202) | — | **(5,093)** |
| Intellectual property expenses | (1,279) | (305) | **(1,584)** | (996) | (296) | **(1,292)** | (1,292) | (203) | — | **(1,495)** |
| Other income and (expenses), net | 279 | (2,467) | **(2,188)** | (292) | (503) | **(795)** | (248) | (623) | — | **(872)** |
| Impairment of intangible assets [4] | — | — | **—** | — | — | **(41,000)** | — | | — | **—** |
| **Total net operating expenses** | **(47,004)** | **(25,524)** | **(72,528)** | **(51,663)** | **(22,436)** | **(115,099)** | **(56,022)** | **(18,288)** | **—** | **(74,310)** |

(1) The Company subcontracts a significant part of its preclinical (pharmaceutical development, tolerance studies and other model experiments, etc.) and clinical operations (coordination of trials, hospital costs, etc.) to third parties. Associated costs are recorded in subcontracting on the basis of the level of completion of the clinical trials.

(2) Non-scientific advisory and consulting are services performed to support the selling, general and administration activities of the Company, such as legal, accounting and audit fees as well as business development support.

(3) Scientific advisory and consulting expenses relate to consulting services performed by third parties to support the research and development activities of the Company.

(4) Following the Company's decision in December 2022 to stop the development of avdoralimab in bullous pemphigoid ("BP") indication in inflammation, only indication supporting the recoverable amount of the asset as of December 31, 2021 (as well as of June 30, 2022), the rights relating to the intangible asset have been fully impaired for their net book value on the date of the decision, i.e. €41,000 thousand (see note 6)

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | 2022 | | 2023 | |
| (in thousands of euro) | Deloitte & Associés | Total | Deloitte & Associés | Total | Deloitte & Associés | Total |
| Audit fees | 702 | **702** | 855 | **855** | 725 | **725** |
| Non-audit fees | 78 | **78** | 248 | **248** | 213 | **213** |
| **Total** | **780** | **780** | **1,103** | **1,103** | **938** | **938** |

* Non-audit fees: these fees correspond to services performed by the auditors related to the production of certification in the context of the declaration of expenses for the obtention of grants; to the verification report of social and environmental information, special reports within the framework of operations on the Company's capital

*Personnel expenses other than share-based compensation*

The line item amounted to €23,475 thousand, €22,354 thousand and €21,708 thousand for the years ended December 31, 2021, 2022 and 2023 respectively. These items do not include personnel expenses relating to the Lumoxiti discontinued operation (see note 17). The Company had 208 full-time equivalent employees as of December 31, 2022, compared to 175 full-time equivalent employees as of December 31, 2023.

*Depreciation and amortization*

The line item is mainly composed of the amortization of the monalizumab, IPH5201 intangible assets (see Note 6).

*Cost of supplies and consumable materials*

Cost of supplies and consumable materials consists mainly of the cost of procurement of the Company's drug substance and/or drug product that is manufactured by third-parties. This line item amounts to €3,065 thousand €3,582 thousand and €2,855 thousand for the years ended December 31, 2021, 2022 and 2023, respectively.

## 15) Net financial income (loss)

Net financial income (loss) can be analyzed as follows:

| | Year ended December 31, | | |
|---|---|---|---|
| (in thousands of euro) | 2021 | 2022 | 2023 |
| Interests and gains on financial assets | 327 | 546 | 3,177 |
| Unrealized gains on financials assets | 1,177 | 418 | 1,648 |
| Foreign exchange gains | 4,839 | 3,810 | 2,109 |
| Other financial income | — | — | — |
| **Financial income** | **6,344** | **4,775** | **6,934** |
| Foreign exchange losses | (3,591) | (2,983) | (1,195) |
| Unrealized losses on financial assets | (95) | (2,050) | — |
| Interest on financial liabilities | (312) | (288) | (640) |
| Other financial expenses | — | — | — |
| **Financial expenses** | **(3,997)** | **(5,321)** | **(1,835)** |
| **Net financial income (loss)** | **2,347** | **(546)** | **5,099** |

For the financial years ended December 31, 2022 and 2023, the foreign exchange gains and losses mainly result from the variance of the exchange rate between the Euro and the U.S. dollar on U.S. dollars denominated cash and cash equivalent and financial assets accounts.

Unrealized losses on financial assets relate to unquoted instruments, the fair value of which is determined using level 2 measurements.

**16) Income Tax**

Due to the Company's early stage of development, it is not probable that future taxable profit will be available against which the unused tax losses can be utilized. As a consequence, deferred tax assets are recognized up to deferred tax liabilities.

Temporary differences mainly result from leases, provision for defined benefit obligation and tax losses carryforwards.

As of December 31, 2023, the accumulated tax losses carryforwards of Innate Pharma SA were €483,570 thousand with no expiration date (€392,633 and €466,153 thousand as of December 31, 2021 and 2022). At December 31, 2023, the amount of losses carried forward by Innate Pharma S.A. at December 31, 2022 has been adjusted downwards by €277.0 thousand to take account of the impact of the tax audit.

As of December 31, 2023, the accumulated tax losses carryforwards of Innate Pharma Inc. was €15,181 thousand, or $16,775 thousand, (€11,955 thousand, or $16,081 thousand and €14,198 thousand, or $16,446 thousand as of December 31, 2021 and 2022, respectively), with a 20-year period expiration.

*Tax rate reconciliation*

| | Year ended December 31, | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021** | **2022** | **2023** |
| **Net income (loss) before tax** | **(52,809)** | **(58,103)** | **(7,570)** |
| Statutory tax rate | 26.50% | 25.00% | 25.00% |
| **Income tax benefit / (expense) calculated at statutory tax rate** | **13,994** | **14,526** | **1,892** |
| *Increase / (decrease) in income tax benefit / (expenses) arising from:* | | | |
| Differences in tax rates | 62 | — | — |
| Research tax credit | 3,091 | 1,971 | 2,457 |
| Provision for defined benefit obligations | 39 | 106 | 27 |
| Share-based compensation | (694) | (1,062) | (1,064) |
| Revenue from collaboration agreements | (3,313) | 2,210 | 1,095 |
| Non-recognition of deferred tax assets related to tax losses and temporary differences | (14,433) | (18,290) | (4,501) |
| Carry-back | — | — | — |
| Impact linked to intra-group merger operations | — | — | — |
| Impact linked to the exercise of a real estate leasing option | — | — | — |
| Others differences | 1,254 | 539 | 94 |
| **Income tax benefit / (expense) (a)** | **—** | **—** | **—** |
| **Effective tax rate** | **0%** | **0%** | **0%** |
| Deferred tax income / (loss) (b) | — | — | — |
| **Income tax benefit / (expense) (a) + (b)** | **—** | **—** | **—** |

## 17) Discontinued Operations

As a reminder, a termination and transition agreement was negotiated and executed, effective as of June 30, 2021 further to the Company's decision to return the rights of Lumoxiti back to AstraZeneca. Consecutively, activities related to Lumoxiti are presented as discontinued operations since October 1, 2021. As part of the termination and transition agreement, Innate and AstraZeneca agreed to share manufacturing costs, and Innate had to pay $6.2 million on April 30, 2022. This amount was paid by the Company as part of the agreement in April 2022 for an amount of €5.9 million ($6.2 million).

The net income from discontinued operations related to Lumoxiti as of December 31, 2023 are nil compared to a net loss of €0.13 million as of December 31, 2022 corresponding to residual costs associated with the transfer of activities to AstraZeneca. This transfer has now been completed.

***a) Financial Performance***

| | Year ended December 31, | | |
|---|---|---|---|
| | **2021** | **2022** | **2023** |
| **Revenue and other income** | | | |
| Revenue from collaboration and licensing agreements | 926 | 194 | — |
| Sales | 874 | 22 | — |
| **Total revenue and other income** | **1,800** | **216** | **—** |
| **Operating expenses** | | | |
| Research and development expenses | (624) | — | — |
| Selling, general and administrative expenses | (8,507) | (346) | — |
| Impairment of intangible assets | — | — | — |
| **Total operating expenses** | **(9,131)** | **(346)** | **—** |
| Net income (loss) from distribution agreements | — | — | — |
| **Operating income (loss)** | **(7,331)** | **(131)** | **—** |
| Financial income | — | — | — |
| Financial expenses | — | — | — |
| **Net financial income (loss)** | **—** | **—** | **—** |
| **Net income (loss) before tax** | **(7,331)** | **(131)** | **—** |
| Income tax expense | — | — | — |
| **Net income (loss) from discontinued operations** | **(7,331)** | **(131)** | **—** |

***b) Cash-Flows***

| | Year ended December 31, | | |
|---|---|---|---|
| | **2021** | **2022** | **2023** |
| Net cash generated from / (used in) operating activities | (3,552) | (5,097) | — |
| Net cash generated from / (used in) investing activities | — | — | — |
| Net cash generated from / (used in) financing activities | — | — | — |
| **Net cash flows from discontinued operations** | **(3,552)** | **(5,097)** | **—** |

## 18) Commitments, contingencies and litigations

***Commitments***

The Company has identified the following off-balance sheet commitments as of December 31, 2023:

- non-cancellable purchase commitments as of December 31, 2023 for a total of €5,965 thousand with various suppliers notably contract research organizations (CRO) or contract manufacturing organizations (CMO). These commitments are comprised of non-cancellable purchase orders for the supply of various services in relation with preclinical work for an amount of €2,373 thousand and clinical work for an amount of €3,592 thousand. The execution and billing of these has not yet started as of December 31, 2023;
- On July 3, 2017, Innate Pharma borrowed from the bank Société Générale in order to finance the construction of its future headquarters. As security for the loan, Innate pledged collateral in the form of financial instruments held at Société Générale amounting to €15.2 million. The security interest on the pledged financial instruments will be released in accordance with the following schedule: €4,200 thousand in July 2024, €5,000 thousand in August 2027 and €6,000 thousand in August 2031. Furthermore, under the loan, Innate is subject to a covenant that its total cash, cash equivalents and current and non-current financial assets as of each fiscal year end will be at least equal to the amount of outstanding principal under the loan. As of December 31, 2023, the remaining capital of this loan amounted to €10,247 thousand. The Company was in compliance with this covenant as of December 31, 2023;
- The Company has entered into indemnification agreements with its directors & officers (the « Beneficiaries »), under which (1) Company will provide to the Beneficiaries the benefit of one or more director and officer ("D&O") insurance policies and (2) if not indemnifiable under the D&O insurance policy, the Beneficiary shall be compensated for any indemnifiable claim by the Company to the fullest extent permitted by law.

*Licensing and collaboration agreements*

Commitments related the Company's licensing and collaboration agreements are disclosed in Note 1.1 and 6.

***Contingencies and litigations***

The Company is exposed to contingent liabilities relating to legal actions before the labor court or intellectual property issues happening in the ordinary course of its activities. Each pre-litigation, known litigation or procedure in ordinary course the Company is involved in was analyzed at the closing date after consultation of advisors.

***Provisions***

Provisions amounted to €900 thousand, €1,740 thousand and €774 thousand as of December 31, 2021, 2022 and 2023, respectively. As of December 31, 2023, they mainly consist of provision for charges relating and the employer contribution in respect of the grants of employee equity instruments for an amount of €565 thousand.

As a reminder, as of December 31, 2022, they mainly consist of (i) a provision amounting to €1,270 thousand following the tax inspection carried out in 2022 by the French tax authorities and relating to the 2019 and 2020 financial years as well as to the research tax credit and the accuracy of its calculation for the 2018 to 2018 financial years 2020. This provision was based on estimated amounts and adjustments not disputed by the Company. On March 3, 2023, the Company received from the tax authorities the rectification proposal, confirming the amount of the provision recognized on the amounts of the rectifications not disputed by the Company, and (ii) provisions for employee departures and provision for charges relating and the employer contribution in respect of the grants of employee equity instruments.

In accordance with IFRS 2, when a Company decides to provide its employees with shares bought back on the market, a provision has to be recognized upon the decision to allocate free shares that are spread over the vesting period when the plan conditions actions for employees when they join the Company at the end of the plan.

## 19) Related party transactions

***Members of the Executive Board and Leadership Team***

For each of the periods presented, the following compensation was granted to the members of the Leadership Team of the Company and were recognized as expense:

| | Year ended December 31, | | |
|---|---|---|---|
| **(in thousands of euro)** | **2021** | **2022** | **2023** |
| Personnel expenses and other short-term employee benefits | 3,456 | 2,176 | 2,856 |
| Extra pension benefits | 11 | 43 | 33 |
| Share-based compensation | 2,067 | 1,989 | 2,081 |
| Advisory fees | — | 661 | 471 |
| **Executive Committee members compensation** | **5,534** | **4,869** | **5,441** |

As of December 31, 2023, two members of the Leadership Team were also members of the Executive Board.

Calculation of share-based compensation is detailed in Note 11.b.

***Members of the Supervisory Board***

The Company recognized a provision of €353 thousand for attendance fees (*jetons de presence*) relating to the year ended December 31, 2023 which should be paid in 2024. This amount includes the

compensation for the Chairman of the Supervisory Board. The company recognized a provision of €338 thousand and €348 thousand as of December 31, 2021 and 2022, respectively.

***Related parties***

AstraZeneca is a shareholder and is related to the Company through several collaboration and option licensing or license agreements for different drug candidates (monalizumab, avdoralimab, IPH5201). The payments between the two companies as well as the liabilities and receivables as of 31 December 2023 are as follows:

| | As of December 31, 2023 | |
|---|---|---|
| **(in thousands of euros)** | **Payments** | **Assets/Liabilities** |
| Collection (AstraZeneca towards the Company) / Receivables | 4,724 | 648 |
| Payments (the Company towards AstraZeneca) / Liabilities | (10,911) | (3,301) |
| **Total[(1)]** | **(6,187)** | **(2,653)** |

***Subsidiaries***

The business relationships between the Company and its subsidiary Innate Pharma Inc are governed by intra-group agreements, conducted at standard conditions on an arm's length basis.

## 20) Income (loss) per share

***Basic income (loss) per share***

Basic income (loss) per share is calculated by dividing the net income (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in circulation during the corresponding period.

| | Year ended December 31. | | |
|---|---|---|---|
| **(in thousands of euro, except for data share)** | **2021** | **2022** | **2023** |
| Net income (loss) | (52,809) | (58,103) | (7,570) |
| Weighted average number of ordinary shares in circulation | 79,542,627 | 79,639,826 | 80,453,282 |
| **Basic income (loss) per share (€ per share)** | **(0.66)** | **(0.73)** | **(0.09)** |

The instruments that entitle their holders to a portion of the share capital on a deferred basis (BSAs, BSAAR, AGAs and AGAPs) are considered to be anti-dilutive (2,166,829 instruments in 2021, 2,265,301 instruments in 2022 and 5,145,914 instruments in 2023). These instruments are presented in detail in Note 11.

***Diluted income (loss) per share***

Diluted income (loss) per share is calculated by dividing the net income (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in circulation during the corresponding period, increased by all dilutive potential ordinary shares.

| | Year ended December 31, | | |
|---|---|---|---|
| **(in thousands of euro, except for data share)** | **2021** | **2022** | **2023** |
| Net income (loss) | (52,809) | (58,103) | (7,570) |
| Weighted average number of ordinary shares in circulation | 79,542,627 | 79,639,826 | 80,453,282 |
| Adjustment for share instruments | — | — | — |
| **Diluted income (loss) per share (€ per share)** | **(0.66)** | **(0.73)** | **(0.09)** |

## 21) Events after the reporting date

- On January 4, 2024, the Company announced that the U.S. Food and Drug Administration (FDA) has lifted the partial clinical hold placed on the lacutamab IND. On October 5, the Company announced that the lacutamab IND has been placed on partial clinical hold by FDA following a recent patient death in the TELLOMAK study. The death of a patient affected by Sézary Syndrome was initially considered due to hemophagocytic lymphohistiocytosis (HLH), a rare hematologic disorder. The FDA decision to lift the partial clinical hold is based on the FDA review of the fatal case which Innate, together with a steering committee of independent experts, determined to be related to aggressive disease progression and lacutamab unrelated.
- On January 4, 2024, the company announced that it has strengthened the Company's leadership and corporate governance with the appointment of two new Executive Board members. Arvind Sood, Executive Vice President (EVP), President of US Operations, Dr Sonia Quaratino, EVP, Chief Medical Officer are thus joining Hervé Brailly, interim Chief Executive Officer and Yannis Morel, EVP, Chief Operating Officer.
- On March, 6, the Company announced the first patient was dosing in its Phase 1/2 multicenter trial (NCT06088654), investigating the safety and tolerability of IPH6501 in patients with Relapsed and/or Refractory CD20-expressing B-cell Non-Hodgkin's Lymphoma (NHL). IPH6501 is Innate's first-in-class CD20-targeting tetraspecific ANKET® (Antibody-based NK cell Engager Therapeutics) that co-engages CD20 as a target antigen on malignant B cells and three receptors on NK cells.


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