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