

NOTICE OF MEETING BROCHURE

Ordinary and Extraordinary General Meeting

Tuesday 29 May 2018, 10am
117 avenue de Luminy, 13009 Marseille



innate pharma

TABLE OF CONTENTS

1.	GENERAL MEETING OF MAY 29, 2018	3
2.	COMPANY'S PRESENTATION	7
3.	ACTIVITIES 2017	7
4.	ANNUAL FINANCIAL ACCOUNTS	11
5.	CONSOLIDATED FINANCIAL STATEMENTS	20
6.	GENERAL INFORMATION ON THE COMPANY	32
7.	AGENDA	34
8.	DRAFT RESOLUTIONS	37



More information in the Annual Shareholders Meeting section on Innate Pharma's website.

For additional information: investors@innate-pharma.com

1. GENERAL MEETING OF MAY 29, 2018

A - How to participate to the General Meeting?

- J Attending in person
- J Voting by post
- J Being represented by a proxy or giving power to his or her spouse or his or her partners who he or she has entered into a civil union with, or by another shareholder (natural or legal person) of its choice or by sending a power of representation without naming a proxy, in such a case, their vote will be deemed in favor of adopting drafted resolutions approved By the Executive board and against adopting any other resolutions. Shareholders may also vote by post.

The owner of registered shares must be registered in the Company's registers held for the Company by its agent, SOCIETE GENERALE (Service des Assemblées -CS 30812 - 44308 NANTES CEDEX 3) at the latest on May 25, 2018.

The owner of shares at the bearer, must justify their identity and their quality as shareholder at the latest on May 25, 2018 at midnight, by providing the Société Générale Securities Services, through the authorised intermediary who hold the bearer shares account, a certificate of shareholding recording the ownership of their shares

B - How to attend in person the General Meeting?

- J **The owner of registered shares** must request an admission card to the Société Générale, using the pre-paid envelope provided.
- J **The owner of shares at the bearer**, must, as soon as possible and at the latest on May 25, 2018 at midnight, request a certificate of participation to its financial intermediary. The intermediary will then send this certificate to Société Générale, which will send the shareholder an admission card. This certificate will also be issued to shareholders who wish to attend the meeting and who have not received an admission card the second business day preceding the meeting at midnight, Paris time.

On the General Meeting day, any shareholder must have its identity documents and its admission card.

C - How to vote by post, grant a proxy or be represented to the General Meeting?

If you cannot attend in person the General Meeting, you can:

- J Be represented by a proxy or another shareholder or by your husband or spouse or you partner with who you entered into a civil union or by any other person (legal or natural) of your choice, with signed power
- J You can also choose to be represented by the General Meeting's Chairman or send to the Company a power of representation without naming a proxy.

If you decide to give power of representation to the General Meeting's Chairman, your vote will be deemed in favor of adopting drafted resolutions approved by the Executive board and against adopting any other resolutions, as indicated under [the Executive board report to the General Meeting](#), published on the Company's website.

If you hold registered shares: you will directly receive the single voting form or proxy, with the notice of meeting. You must fill out, date, sign and return the form using the pre-paid envelope enclosed with the notice of meeting to the Société Générale (Service des Assemblées - CS 30812 - 44308 NANTES CEDEX 3) to vote by post, being represented or grant a proxy, before May 25, 2018.

If you hold bearer shares: you must request a single voting form or proxy, to your account-holding institution. The single voting form must be filled in and returned to your account-holding institution at the latest on May 23, 2018. The account-holding institution will forward the single voting form along with a certificate of participation to Société Générale Securities Services, so as you can vote by post being represented or grant a proxy.

Warning: once you have voted by post, send a proxy or request an admission card to attend in person the General Meeting, you will no longer have the option of choosing another mode of participation in the shareholders meeting.

The [single voting form](#) is available on the Company's website.

D - How to fill in the voting form?

To personally attend the Meeting: check box A

You vote by post: check here and follow the instructions

Resolutions not approved by the Executive Board, if applicable

Resolutions proposed during the meeting: fill in this frame

You give your proxy to the Chairman of the General Meeting: check here, date and sign at the bottom of the form without completing

You give your proxy to a person named: check here and fill in the details of this person

Complete here your surname, first name and address

Date and sign here

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this , date and sign at the bottom of the form.
A. Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

INNATE PHARMA
 117 avenue de Luminy
 13009 Marseille - France
 Au capital de 2 880 351,55€
 424 365 336 R.C.S. MARSEILLE

ASSEMBLÉE GÉNÉRALE MIXTE
du 29 mai 2018 à 10h00
 au siège social
 117 avenue de Luminy
 13009 Marseille - France

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account / Nominatif / Registered / Vote simple / Single vote
 Nombre d'actions / Number of shares / Porteur / Bearer / Vote double / Double vote
 Nombre de voix - Number of voting rights

JE VOTE PAR CORRESPONDANCE // I VOTE BY POST
 Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this , for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci la case correspondant à mon choix.
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this .

	1	2	3	4	5	6	7	8	9	A	Non/No Yes Abst/Abs	F	Non/No Yes Abst/Abs
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JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
 See reverse (3)

JE DONNE POUVOIR À : Cf. au verso (4)
I HEREBY APPOINT: See reverse (4)
 M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
 Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
 Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
 Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.....
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to vote NO)
 - Je donne procuration (cf. au verso revér (4)) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom
 / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :
 In order to be considered, this completed form must be returned at the latest:

à la banque / to the bank 25/05/2018

Date & Signature

E - What if you wish to sell your shares before the General Meeting or you just purchased Company's shares?

If the sale occurs before May 25, 2018, the Company shall invalidate or amend, as appropriate, remote expressed vote, the proxy, the admission card or certificate of participation. To this end, the authorized intermediary and account holder shall notify the sale to the Company or to Société Générale Securities Services and shall provide the necessary information.

If the sale occurs as from May 26, 2018, notwithstanding any agreement to the contrary, it does not have to be notified by the authorized intermediary or to be taken into consideration by the Company.

F - You wish to request for the registration of additional resolution?

Applications for registration of points or draft resolutions to the agenda by shareholders representing at least 5% of the share capital of the Company should be sent to the Company head office by registered letter with acknowledgment of receipt, or electronically at the following address: investors@innate-pharma.fr, at the latest on May 4, 2018.

The applicants shall (i) provide evidence of their ownership at the application date, by the registration of the corresponding securities either in the registered share accounts held for the Company by Société Générale Securities Services or in the bearer share accounts held by an authorized intermediary account holder and (ii) transmit a certificate of registration into account. The request for an additional item on the agenda must be motivated. The application is accompanied by the text of the draft resolutions and a brief statement of reasons. Where the draft resolution concerns the presentation of a candidate for the post of board of directors or supervisory board member, it is accompanied by the information referred to in 5 of Article R. 225-83 of the Commercial Code.

The discussion at the Shareholders' Meeting covering agenda items or draft resolutions filed by the shareholders is subject to the transmission, by the authors, of a new certificate justifying the registration of the shares under the same conditions on the second working day preceding the Shareholders' Meeting at 00.00, Paris time.

G - How to submit written questions?

Any shareholder will be entitled to submit written questions to the Chairman of the Executive Board of the Company until May 23, 2018, by registered letter with acknowledgment of receipt or electronically at the following address: investors@innate-pharma.fr at later than the fourth business day preceding the date of the shareholders meeting. They must be accompanied by a certificate of registration into account.

H - Where do I find documentation relating to the General Meeting?

Shareholders may obtain, on time and conditions of Article R. 225-88 of the Commercial Code, the documents referred to in Articles R. 225-81 and R. 225-83 of the Commercial Code by simple request to the Company or SOCIETE GENERALE. The documents referred to in Article R. 225-73 7° of the Commercial Code will be made available to shareholders at the registered office of the Company as of the notice of meeting and at least during the fifteen days preceding the date of the general meeting.

For a continuous period beginning no later than the twenty-first day before the shareholders meeting, the Company will publish on its website (www.innate-pharma.com) the information and documents referred to in Article R. 225-73 -1 of the commercial Code.

2. COMPANY'S PRESENTATION

Innate Pharma S.A. is a clinical-stage biotechnology company dedicated to improving cancer treatment and clinical results for patients through first-in-class therapeutic antibodies. Innate Pharma specializes in immuno-oncology, a new therapeutic field that is changing cancer treatment by mobilizing the power of the body's immune system to recognize and kill cancer cells.

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

Target Discovery	Drug Discovery	Preclinical	Dose finding	Signal detection	Pivotal
~20 targets or concepts under exploration	Anti-Siglec-9	IPH52 Anti-CD39	IPH5401 Anti-C5aR	Monalizumab Anti-NKG2A	
	SAN-NKCE-2	IPH53 Anti-CD73		Lirilumab Anti-KIR2DL1,2,3	
	Other undisclosed targets	IPH4301 Anti-MICA/B		IPH4102 Anti-KIR3DL2	
		IPH61 SAN-NKCE-1			

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

3. ACTIVITIES 2017

In 2017, Innate Pharma continued to advance its strategic pillars, and particularly in strengthening and developing its portfolio of proprietary clinical-stage antibodies:

- J the Company acquired IPH5401, an anti-C5aR antibody, which belonged to Novo Nordisk A/S and
- J the data presentation for IPH4102 also marked the advancement of its clinical plan.

The development of monalizumab, an antibody partnered with AstraZeneca that targets NKG2A receptors expressed on NK and CD8 T-cells, also progressed in 2017 through the completion of the dose-escalation part and the beginning of cohort expansions in trial evaluating monalizumab in combination AstraZeneca's anti-PD-L1, durvalumab.

During the first quarter, the Phase I/II trial evaluating lirilumab, led by Bristol-Myers Squibb, has been expanded to include a randomized cohort exploring nivolumab with or without lirilumab in squamous cell carcinoma of the head and neck (SCCHN). At the year's end, the assessment of efficacy from the ongoing exploration of doublet combinations with lirilumab did not provide clear evidence of benefit to patients or an obvious development path. Discussions are ongoing regarding next steps.

The Company also continues to advance its pipeline of preclinical candidates and to develop its innovative technologies.

During the first quarter of 2018, Innate Pharma announced the appointment of Professor Eric Vivier, a world-renowned immunologist, as Chief Scientific Officer.

A - Monalizumab (anti-NKG2A antibody), co-development and commercialization agreement with AstraZeneca

Monalizumab is currently tested in an exploratory program of Phase I and I/II clinical trials in monotherapy and combination in multiple cancer indications.

- J Monalizumab is tested in combination with cetuximab, in a Phase Ib/II trial, in patients with refractory or metastatic SCCHN. In the dose escalating part of the study, the combination was well tolerated with no additional safety concerns compared to monalizumab or cetuximab alone. (AACR¹ 2017). The first preliminary clinical efficacy data of the combination tested in previously treated patients with recurrent and/or metastatic squamous cell carcinoma of the head & neck (R/M SCCHN) were presented at AACR annual meeting 2018. Among the 31 patients enrolled in the expansion part, the combination was well tolerated, consistent with previously presented data at AACR 2017, with no additional safety concerns compared to monalizumab or cetuximab given alone. The majority of adverse events (AE) were of Grade 1–2 severity, rapidly reversible and easily manageable. No infusion-related reactions or treatment-related deaths occurred. The most frequent AEs (skin disorders) described with cetuximab were not potentiated by the combination with monalizumab. At the cut-off date of March 9, 2018, there were 8 confirmed RECIST partial responses (31%) with median time to follow-up of 129 days, achieving the predefined number of 8 responses needed to declare the trial positive. 14 patients (54%) had stable disease. Median duration of response has not yet been reached; six responders are still on treatment. The trial has now enrolled all planned patients (n=40). Further follow-up is needed to evaluate the duration of response, progression-free survival (PFS) and overall survival (OS).
- J Monalizumab is also tested in combination with durvalumab (anti-PD-L1). This trial, led by AstraZeneca, started in February 2016. The dose escalation part ended. The cohort expansion part has begun in four indications. First clinical efficacy data will be presented by AstraZeneca/MedImmune at the ASCO² annual meeting in June 2018. In March 2018, MedImmune has amended the clinical trial protocol of the ongoing Phase I trial investigating the safety and efficacy of monalizumab in combination with durvalumab, in patients with advanced solid tumors. The trial protocol has been expanded to add new expansion cohorts aiming at testing monalizumab in combination with durvalumab and standard of care in patients with 1st- and 2nd-line, metastatic colorectal cancer.

B - IPH4102 (anti- KIR3DL2 antibody)

IPH4102 is a first-in-class anti-KIR3DL2 humanized cytotoxicity-inducing antibody, designed for treatment of CTCL, an orphan disease, and in particular, its most aggressive subtypes, Sézary Syndrome and transformed mycosis fungoides.

In June 2017, the dose-escalation part of a Phase I trial was presented during an oral session in a lymphoma-specialized medical congress, the ICML³, in Lugano. IPH4102 was evaluated in elderly and heavily pretreated patients with advanced cutaneous T-cell lymphomas (CTCL), mostly with Sézary

¹ American Association for Cancer Research

² American Society of Clinical Oncology

³ International Conference on Malignant Lymphoma

syndrome. IPH4102 was well tolerated: no dose-limiting toxicity was reported and the maximum tolerated dose (MTD) was not reached.

In October 2017, the final results of the dose-escalation part of the ongoing Phase I study investigating IPH4102 in patients with relapsed/refractory CTCL, an orphan disease, were presented by Pr. Martine Bagot, Principal Investigator and Head of the Dermatology Department at the Saint-Louis Hospital, Paris, in an oral session at the EORTC CLTF⁴ in London.

These data confirm the good safety profile and promising activity of IPH4102 in this elderly and heavily pretreated patients population (n=25). The objective response rate in the 20 patients with Sézary syndrome was 50%; the ORR⁴ was 40%, the disease control rate (DCR), 90%, the median duration of response (DOR), 9.9 months and the median progression free survival (PFS), 10.8 months, respectively. Data on pruritus were reported for the first time and show substantial improvement in patients having a global clinical response but also in patients with stable disease. The Recommended Phase 2 Dose (RP2D) has been identified at 750 mg, a fixed dose equivalent to 10 mg/kg. Expansion cohorts started, including 2 cohorts of 15 patients each in two CTCL subtypes: Sézary syndrome and transformed mycosis fungoides.

Biomarker results were presented in an oral presentation by Dr. Maxime Battistella, Assistant Professor Pathology and Dermatopathology at St Louis Hospital and Université L. Diderot.

C - IPH5401 (anti-C5aR antibody), acquired from Novo Nordisk A/S

In June 2017, Innate Pharma entered into an agreement with Novo Nordisk A/S granting Innate Pharma full worldwide exclusive rights to develop and commercialize a first-in-class clinical-stage anti-C5aR antibody (now IPH5401). The terms of the transaction provide for a total upfront payment of €40m, of which €37.2m has been paid in new Innate Pharma shares and €2.8m in cash. Novo Nordisk A/S is eligible for €370m in development, regulatory and sales milestone payments. Novo Nordisk A/S will also be eligible for double digit royalties on net sales.

The acquisition has been closed on July 13th 2017. 3 343 748 ordinary shares have been issued to Novo Nordisk A/S at a price of €11.12. Novo's stake in the share capital of Innate Pharma increased from 10.3% to 15.5%.

In September 2017, at the third CRI-CIMT-EATI-AACR International Cancer Immunotherapy conference, Innate Pharma has presented preclinical data that reinforce IPH5401 rationale. This data show the selective expression of C5aR on myeloid-derived suppressor cells (MDSC) and neutrophils. These immune cells accumulate within the tumor microenvironment and secrete pro-angiogenic factors which promote tumor progression. They also inhibit NK and T cells and suppress anti-tumor immunity. In the poster presented during this conference, the data demonstrate that IPH5401 selectively inhibits the activation of neutrophils. Moreover, the data show that the combined administration of anti-C5aR with an anti-PD-1 reduced tumor growth. Taken together, these data suggest that C5aR blockade may result in a more permissive environment for immune-mediated tumor killing and treatment with checkpoint inhibitors.

D - Lirilumab (anti-KIR2DL-1,-2,-3 antibody), licensed to Bristol-Myers Squibb

In January 2017, Innate Pharma, per the licensing agreement for lirilumab has received a US\$15 million milestone payment from, Bristol-Myers Squibb for the continued exploration of lirilumab in combination with nivolumab. This milestone payment follows the presentation at the SITC annual

⁴ European Organization for Research and Treatment of Cancer Cutaneous Lymphoma Task Force

meeting (November 2016) of encouraging preliminary activity results from the cohort of patients with Squamous Cell Cancer of the Head and Neck (SCCHN) of a Phase I/II trial.

In February 2017, the Company announced top-line results from the EffiKIR trial, a randomized, double-blind, placebo-controlled Phase II trial testing the efficacy of lirilumab as a single agent maintenance treatment in elderly patients with acute myeloid leukemia (AML) in first complete remission. The study did not meet its primary efficacy endpoint of leukemia-free survival. In December 2017, full data have been disclosed in an oral presentation by Pr. Norbert Vey, Team leader Translational Medicine - Hematology at the Paoli-Calmettes Institute (IPC), at the ASH annual meeting. These data suggest that alternate dosing regimens, where KIR receptors are not permanently occupied and allow the interaction with their cognate ligands during maturation, could be worth exploring.

In November 2017, Innate Pharma provided an update on the clinical study program of lirilumab, licensed to Bristol-Myers Squibb. While lirilumab was shown to be well-tolerated, the assessment of efficacy from the ongoing exploration of doublet combinations, notably the nivolumab combination in an extended population of SCCHN patients, did not provide clear evidence of benefit to patients or an obvious development path. Discussions are ongoing regarding next steps for the program.

E - Preclinical pipeline

Innate Pharma owns several preclinical proprietary programs of which IPH4301, IPH52 and IPH53 are the most advanced.

) IPH4301 (anti-MICA/B):

IPH4301 is a first-in-class anti MICA/B therapeutic antibody which acts with a dual mechanism of action: targeting MICA/B tumor antigen and ADCC-mediated tumor killing (ADCC for antibody-dependent cell-mediated cytotoxicity) on the first hand, and immunomodulation by restoring the expression of immune cells' activating receptor NKG2D, on the other hand.

) IPH52 (anti-CD39) and IPH53 (anti-CD73):

CD39 and CD73 are membrane-bound extracellular enzyme which play a major role in promoting immunosuppression through the pathway degrading adenosine triphosphate (ATP) into adenosine. The blockade of CD39 and CD73 has the potential to promote anti-tumor immune responses across a wide range of tumors.

In November 2017, preclinical data for IPH52 and IPH53 were presented at the Immune Checkpoint Inhibitors Summit in Munich. These data demonstrate the expression of CD39 and CD73 in the tumor microenvironment, the blockade rationale in tumor models, especially in combination with checkpoint inhibitors, as well as the efficacy in blocking the ATP/Adenosine pathway.

Preclinical data further supporting the rationale of developing of IPH52 and IPH53, notably in combination, were presented at the AACR annual meeting in April 2018.

4. ANNUAL FINANCIAL ACCOUNTS

Balance Sheet (in thousand euros)

	As of December 31,	
	2017	2016
Assets		
Non-current assets		
Intangible assets	46,192	9,075
Buildings	512	29
Property and equipment	3,893	2,845
Other tangible fixed assets	846	186
Financial assets	60,329	33,072
Total non-current assets	111,773	45,207
Current assets		
Trade accounts receivables	–	14,230
Other receivables	15,873	12,691
Short term investments	16,426	21,652
Cash and cash equivalent	99,362	175,893
Total current assets	131,662	224,466
Adjustment accounts		
Prepaid expenses	5,898	6,323
Total adjustment accounts	5,898	6,323
Total assets	249,332	275,996

Balance Sheet
(in thousand euros)

As of December 31

	2017	2016
Liabilities		
Shareholders' equity		
Share capital	2,880	2,696
Share premium	216,207	178,734
Retained earnings	(97,947)	(111,018)
Net income (loss)	(38,761)	13,071
Tax regulated provisions	850	551
Total shareholders' equity	83,230	84,034
Provisions		
Provisions for contingencies and losses	1,012	136
Pensions and similar obligations	2,621	2,418
Total provisions	3,632	2,554
Liabilities		
Borrowings	2,851	1,425
Trade notes payable	20,123	15,669
Tax and social liabilities	4,378	4,391
Other liabilities	205	662
Deferred income	134,914	167,260
Total liabilities	162,470	189,408
Total liabilities	249,332	275,996

Income Statement
(In thousand euros)

Year ended December
31,

	2017	2016
Revenue	32,359	56,159
Operating grants	361	479
Reversal of provisions, transfer of charges	158	80
Other operating income	438	-
Total operating income	33,315	56,718
Purchases of raw materials and other supplies	(4,286)	(2,852)
Other purchases and external expenses	(49,943)	(37,836)
Taxes	(338)	(570)
Salaries	(9,667)	(8,200)
Social charges	(4,889)	(4,041)
Depreciation and amortization expense	(3,841)	(2,872)
Change in provisions for contingencies and	(1,331)	(723)
Other expenses	(522)	(309)
Total operating expenses	(74,818)	(57,403)
Operating income (loss)	(41,502)	(685)
Financial income / (expense), net	(7,539)	5,131
Result before tax and exceptional items	(49,040)	4,446
Exceptional income / (expense), net	(393)	(155)
Research tax credit	11,041	9,082
Income tax	(368)	(301)
Net income (loss)	(38,761)	13,071

Statement of cash flows
(In thousand euros)

	Year ended December	
	2017	2016
Cash flow from operating activities		
Net income (loss)	(38,761)	13,071
<i>Adjustments to reconcile net loss to net cash from operating</i>		
Depreciation and amortization on fixed assets	3,841	2,872
Increase / (reversal) of provision and excess of tax	1,377	969
Depreciation on financial non-current assets	1,087	(1,624)
Gain / (loss) on the disposal of assets	50	(213)
Interests on assets and other financial assets	(981)	(1,655)
Gross cash flow	(33,387)	13,420
Net change in working capital related to activities ⁽¹⁾	(16,891)	(51,205)
Net cash from / (used in) operating activities	(50,278)	(37,785)
Cash flow from investing activities		
Acquisition of tangible and intangible assets	(6,032)	(9,395)
Variance of financial assets	(28,346)	7,111
Interests on assets and other financial assets	981	1,655
Net cash from / (used in) investing activities	(33,396)	(629)
Cash flow from financing activities		
Proceeds from the exercise / subscription of equity	491	193
Repayment of financial liabilities	(313)	(75)
Collection of borrowings	1,739	-
Net cash from / (used in) financing activities	1,917	118
Variance of treasury	(81,757)	(38,296)
Opening treasury	197,545	235,841
Closing treasury	115,788	197,545
Including:		
Cash and cash equivalent	99,362	175,893
Marketable securities	16,426	21,652
Total of closing treasury	115,788	197,545

Revenue

Revenue mainly results from the agreements signed with and AstraZeneca and is composed of the following items:

This is the staggering of the initial payment received in June 2015: €32.3 million for the fiscal year 2017 in comparison with €41.6 million for the fiscal year 2016. The Company collected a lump sum payment at the signature agreement for a non-refundable amount of \$250 million (€223.5 million) received in July 2015 but whose recognition is spread on the basis of the costs that Innate Pharma has committed to support in the context of the agreement to the rhythm of the expenses incurred.

Grants and government financing

The Company receives grants from the French Government, the European Union and French local public authorities under different forms:

-] Operational grants and,
-] Research tax credits.

Grants received from local public authorities

Since its inception, due to its innovative nature, the Company receives a number of aid or grants from the Government or public authorities to finance its operations or specific recruitments.

In contrast to repayable down-payment:

The company has insurance to comply with conditions attached to these grants and these grants are non-refundable. These grants are booked in the income statement at the related expenses period.

Research tax credit

-] The research tax credits are detailed below:
-] Research tax credit
-] The Company benefits from the provisions of Articles 244 quarter B and 49 septies of the Tax Code relating to research tax credit. In accordance with the principle described in Note2e1, research tax credit is recorded during the year in which the research expenses are eligible.
-] The following table presents the evolution of research tax credits recognized over the last two years:

In thousand euros	Year ended December 31,	
	2017	2016
2016 Research tax credit	-	9,082
2017 Research tax credit	11,022	-
Research tax credit	11,022	9,082

Other purchases and external expenses

Other purchases and external expenses are analyzed as follows:

In thousand euros	Year ended December 31,	
	2017	2016
Subcontracting ⁽¹⁾	(37,996)	(28,330)
Leasing, maintenance and utility ⁽²⁾	(2,924)	(2,288)
Non-scientific advisory and consulting ⁽³⁾	(4,220)	(3,362)
Travel expenses and congress attendance	(1,294)	(1,224)
Intellectual property expenses ⁽⁴⁾	(1,392)	(1,146)
Scientific advisory and consulting ⁽⁵⁾	(975)	(585)
Marketing, communication and public relations ⁽⁶⁾	(702)	(541)
Insurance	(169)	(140)
Others ⁽⁷⁾	(271)	(220)
Other purchases and external expenses	(49,943)	(37,836)

(1) Sub-contracting expenses include discovery research costs (financing research conducted externally, particularly academic research, antibody humanization technologies, manufacturing process development, etc.), preclinical development (pilot manufacturing, tolerance and pharmacology studies, etc.) and clinical costs (clinical trial management, etc.) outsourced to third parties. The increase in 2017 compared to 2016 is mainly explained by the rise in sub-contracting costs relating to the preclinical and clinical programs.

(2) The Company rents its premises (through lease-financing agreements – see Note 25) and uses third parties for procurement of utilities as well as for maintenance of its laboratory and office premises. Since July 2017, the Company rents its administrative premises. Furthermore, the Company also rents some of its computer equipments.

(3) Non-scientific advisory and consulting are services performed to support the selling, general and administration activities of the Company, such as legal, accounting and audit fees as well as business development support. The increase in these expenses mainly results from consulting fees due to the Company's structuring in a context of strong expansion. 4) Intellectual property expenses include, on the one hand, the expenses related to patents and patent applications relating to the Company's inventions and also for third party inventions and on the other hand, the costs related to licenses and options for licenses for third parties inventions.

(5) Scientific advisory and consulting expenses relate to consulting services performed by third parties to support the research and development activities of the Company.

(6) Marketing, communication and public relations services are mainly outsourced.

(7) As of December 31, 2017 and 2016 under the line item "Others, net" were mostly mainly consisted of expenses relating to telecommunication costs, bank fees and staff training and temporary staff.

Financial income / (expense)

The financial income and expense can be analyzed as follows:

In thousand euros	Year ended December 31,	
	2017	2016
Gain on financial assets	1,277	1,898
Foreign exchange gains / (losses)	(8,713)	2,421
Depreciation of financial assets	(99)	889
Financial expense on brokering/liquidity contract	-	(53)
Other financial income / (expenses)	(3)	(24)
Financial income / (expense), net	(7,539)	5,131

The foreign exchange (loss) / gain represent the exchange difference on the US dollar bank account (See Note 8). The Company uses this bank account to pay its US dollar denominated invoices. . Foreign exchange loss and gain are also observed on dollar financial instruments hold by the Company.

Income tax

The tax expense for the fiscal year 2016 corresponds to the corporate income tax of the Company Innate Pharma SA (net of imputed tax credits). As stated in the Note 2, the Company applied for the fiscal year 2016, the tax rate of 15% applicable for the operating income related to monalizumab. Following the adjustment of the withholding tax, the Company recognized an additional income tax amounting to €368 thousand.

Expenses considered in 2017 as extravagant spendings (article 39.4 of the General Tax Code) and non-deductible for corporate tax base amounted to €0.1 million and essentially corresponds to the deductible part of the attendance fees.

Breakdown of the income tax for the year ended December 31, 2017:

Year ended December 31,2017 (in thousand euros)	Prior income tax	Income tax (15%)	After income tax
Operating income/(loss)	(38,000)	(368)	(38,368)
Exceptional income/(loss)	(393)	-	(393)
Net income/(loss)	(38,393)	(368)	(38,761)

**The "competitiveness and employment tax credit" (CICE) amounting to €0.2 million is deducted from staff costs and not booked as tax.*

Breakdown of the income tax for the year ended December 31, 2016:

Year ended December 31,2016 (in thousand euros)	Prior income tax	Income tax (15%)	After income tax
Operating income/(loss)	13,528	(301)	13,227
Exceptional income/(loss)	(155)	-	(155)
Net income/(loss)	13,373	(301)	13,071

**The “competitiveness and employment tax credit” (CICE) amounting to €0.2 million is deducted from staff costs and not booked as tax. For the fiscal year ended December 31, 2017, the rate amounts to 18.33% applied to the 2016 ta result, which corresponds to the difference between 33.33% and the 15% rate applied in 2016.*

Net income without non-derogatory tax

The net charge of derogatory amortization amounts to €0.3 million for the year ended 31, 2017 (€0.2 million for the year end 31, 2016).

Net income without non-derogatory tax

The taxable income for the year ended December 31, 2017 includes elements that will generate future tax savings. It is mainly the allowance for retirement and seniority bonuses (base of €2.7 million that will bring the Company to generate a tax saving of €0.9 million).

Tax losses carried forward

Taking into account the tax regulations in force, the Company has tax losses to be carried forward with no time limit in therefore a total amount of €219.5 million as of December 31, 2017 (€163.9 million as of December 31, 2016).

Research tax credit

The Company benefits from the provisions of Articles 244 quarter B and 49 septies of the Tax Code relating to research tax credit. In accordance with the principle described in Note2e1, research tax credit is recorded during the year in which the research expenses are eligible.

The following table presents the evolution of research tax credits recognized over the last two years:

In thousand euros	Year ended December 31,	
	2017	2016
2016 Research tax credit	-	9,082
2017 Research tax credit	11,022	-
Research tax credit	11,022	9,082

Information on the Company’s capital, cash and cash equivalents and sources of financing

Cash, cash equivalents and current financial assets amounted to €115.8 million as of December 31, 2017, compared with €197.6 million as of December 31, 2016. The cash assets held by the Company are composed of current accounts and fixed term accounts. Current financial assets are mainly composed of shares of mutual funds and bonds. Their purpose consists of financing our activities, including our research and development costs.

The Company also holds non-current financial assets which are investments intended to finance medium and long term activities, including R&D fees.

Since its incorporation in 1999, the Company has been primarily financed by issuing new securities. The Company has also generated cash flow from its collaborations, from repayable financing and grants received from various French and foreign public organizations (including Oséo, become Bpifrance) and from research tax credit.

The other main items composing the assets and the liabilities as of December 31, 2017 are the following:

- Deferred revenue relating to the AZ agreement to be recognized amounts to €134.9 million (including €87.0 deferred revenue relating to the AZ agreement to be recognized under one year.
- Receivables are composed of Research Tax Credit 'CIR" for €11.0 million
- Intangible assets are amounting to €46.2 million and are related to rights and licenses following the acquisition of antibodies: anti-NKG2A, anti-CD39 and anti-C5aR;

The shareholder's equity amount to €83,2 million including the loss of the period of €388 million.

Cash Flow:

The net cash flow used for the period 2017 amounts to €81.8 million, compared to the cash flow used in 2016 amounted to €38.3 million.

The cash flow used during the period mainly comes from:

- J The net cash flow used in operating activities for €50.3 million resulting from R&D activities and personnel costs.
- J The net cash flow used in investing activities for €33.4 million resulting from:
 - o The acquisition of non-current financial instruments for €28.3 million;
 - o The acquisition of intangible assets for €3,1 million, related to the acquisition of the antibody C5aR (€2.8 million paid in cash) ;
 - o The acquisition of tangible asset for €2.9 million.
- J The net cash flow used in financing activities for €1.9 million.

5. CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position (in thousand euros)

	Year ended December 31,	
	2017	2016
Assets		
Current assets		
Cash and cash equivalents	99,367	175,906
Short term investments	16,743	21,782
Current receivables	21,412	32,390
Total current assets	137,521	230,078
Non-current assets		
Intangible assets	46,192	9,075
Tangible assets	10,729	9,094
Non-current financial assets	60,469	32,975
Other non-current financial assets	111	355
Total non-current assets	117,501	51,499
Total assets	255,023	281,577
Liabilities		
Current liabilities		
Trade payables	24,657	20,265
Financial liabilities – current portion	1,343	1,264
Deferred revenue – current portion	47,909	54,912
Total current liabilities	73,909	76,441
Non-current liabilities		
Financial liabilities – non-current portion	4,521	4,063
Defined benefit obligations	2,621	2,418
Deferred revenue – non-current portion	87,005	112,348
Provisions	1,012	136
Total non-current liabilities	95,158	118,965

	Year ended December 31,	
	2017	2016
Shareholders' equity attributable to equity holders of the Company		
Share capital	2,880	2,696
Share premium	234,874	187,571
Consolidated reserves	(103,595)	(116,235)
Net income (loss)	(48,385)	12,640
Other reserves	180	(503)
Total shareholders' equity attributable to equity holders of the Company	85,956	86,169
Total liabilities and equity	255,023	281,577

Statement of income (loss)
(in thousand euros)

Year ended December 31,

	2017	2016
Revenue from collaboration and licensing	32,631	56,159
Government financing for research expenditures	11,402	9,561
Revenue and other income	44,033	65,721
Research and development	(67,000)	(48,628)
General and administrative	(17,015)	(9,522)
Net operating expenses	(84,015)	(58,150)
Operating income (loss)	(39,983)	7,571
Financial income	2,482	7,327
Financial expenses	(10,516)	(1,957)
Net income (loss) before tax	(48,016)	12,941
Income tax expense	(368)	(301)
Net income (loss)	(48,385)	12,640
Net income (loss) per share attributable to equity holders of the Company:		
Weighted average number of shares (in thousand):	54,352	53,869
(in € per share)		
- Basic loss per share	(0.89)	0.23
- Diluted loss per share	(0.89)	0.23

Statement of cash flows
(in thousand euros)

Year ended December 31,

	2017	2016
Net income (loss)	(48,385)	12,640
Depreciation and amortization	4,393	3,263
Provisions for defined benefit obligations	381	609
Provisions for charges	877	136
Share-based compensation expense	9,829	1,031
Change in valuation allowance on financial assets	(26)	(826)
Gains (losses) on financial assets	3,381	(834)
Change in valuation allowance on financial instruments	(204)	(183)
Gains on assets and other financial assets	(1,442)	(1,699)
Interest paid	113	124
Others	–	(324)
Operating cash flow before change in working capital	(31,080)	(13,937)
Change in working capital	(16,980)	(50,788)
Net cash generated from / (used in) operating activities	(48,060)	(36,851)
Acquisition of property and equipment	(2,964)	(1,350)
Acquisition of intangible assets	(3,062)	(8,043)
Purchase of current financial instruments	(2,543)	(16,629)
Purchase of non-current financial instruments	(40,729)	(1,525)
Disposal of current financial instruments	5,646	78,565
Disposal of non-current financial instruments	12,750	7,793
Gains on assets and other financial assets	1,442	1,699
Net cash generated from / (used in) investing activities	(29,460)	60,510
Proceeds from the exercise / subscription of equity instrument	491	193

	Year ended December 31,	
	2017	2016
Proceeds from new loans	1,739	-
Repayment of financial liabilities	(1,202)	(685)
Interest paid	(113)	(124)
Purchase/sale of treasury shares	-	14
Net cash generated from / (used in) financing activities	915	(602)
Effect of the exchange rate changes	68	(23)
Net increase / (decrease) in cash and cash equivalents	(76,539)	23,036
Cash and cash equivalents at the beginning of the year	175,906	152,870
Cash and cash equivalents at the end of the year	99,367	175,906

Revenue and other income

Revenue and other income result from government financing for research expenditure and collaboration and licensing agreements. The Company's revenue and other income were €65.7 million and €44.0 million for the fiscal years ended December 31, 2016 and 2017, from the following sources:

Year ended December 31 (in thousand euros)	2017	2016
Revenue from collaboration and licensing agreements	32.631	56.159
Government financing for research expenditures	11.407	9.561
Revenue and other income	44.033	65.721

Revenue from collaboration and licensing agreements

Revenue from collaboration and licensing agreements amounted to €56.2 million and €32.6 million for the fiscal years ended December 31, 2016 and 2017, respectively. These revenues result from the agreements signed with Bristol-Myers Squibb in July 2011 (for 2016 only) and AstraZeneca in April 2015.

Following the licensing agreement signed with Bristol-Myers Squibb for the development and commercialization of the drug candidate lirilumab (July 2011), the Company received an upfront payment of €24.9 million (\$35.3 million). This upfront payment, which is non-refundable and non-creditable, was recognized in turnover during the expected period of duration of the clinical program in course at the date of the contract. The amount recognized as revenue amounted to €0.4 million for the fiscal year 2016. This payment was entirely recognized in revenue as of June 30, 2016.

Following the presentation at the SITC annual meeting (November 2016) of preliminary activity results from the cohort of patients with SCCHN of a Phase I/II trial, the Company has been eligible to a milestone payment of \$15 million (€13.8 million). The consideration was received in January 2017 but principally recognized as revenue in 2016, since the trigger event occurred in 2016. The payment received in 2017 has generated an exchange gain of €0.3m.

The Company entered into a global co-development and commercialization agreement with AstraZeneca for monalizumab in April 2015. The Company received an initial payment amounting to \$250 million on June 30, 2015. The recognition of this amount is based on the costs Innate Pharma is engaged to bear in the context of the agreement. The amount recognized for the fiscal year 2016 amounts to €41.6 million and €32.3 million for the fiscal year 2017. The percentage of completion has been determined on the basis of the costs recognized during the period compared to the total expected costs. As of December 31, 2017, the amount not yet in revenue amounts to €134.9 million (€47.9 million as "Operational liabilities" and €87.0 million as "Other non-current liabilities").

Consequently, the fall of the turnover in 2017 results from both the revenue relating to Bristol-Myers Squibb agreement (€14.3 million decrease) and the AstraZeneca agreement (€9.2 million decrease).

Government funding for research expenditures

The table below details government financing for research expenditure for the fiscal years ended December 31, 2016 and 2017:

Year ended December 31 (in thousand euros)	2017	2016
Research tax credit	11.041	9.082
French and foreign public grants	361	479
Government financing for research expenditures	11.402	9.561

The calculation of the research tax credit is based on 30% of the amount of eligible expenses for the fiscal year.

The table below shows the amount of R&D expenses (net of grants) eligible for the fiscal years ended December 31, 2016 and 2017:

Year ended December 31 (in thousand euros)	2017	2016
R&D expenses eligible for the research tax credit	37,074	30,203
Grants received, net	(334)	-
Net expenses eligible for the research tax credit	36,740	30,203

Net expenses eligible for the research tax credit increased by 23% compared to the fiscal year 2016 whilst the R&D expenses increased by 38%. This results from the fact that, since the fiscal year 2015, the Company reached the cap of the subcontracting expenses eligible to the calculation of the research tax credit. For the fiscal year 2017, the rise of the eligible expenses mainly results from the amortization expense relating to the anti-NKG2A intangible asset and the staff costs.

In the absence of corporate tax to pay, the research tax credit is generally reimbursed by the French government four years after the fiscal year for which it is determined. However, since 2011, companies that meet the definition of small and medium sized enterprises (SME) according to European Union criteria are eligible for early reimbursement of their research tax credit receivable. The status of SME is lost when the criteria for eligibility are exceeded during two consecutive years. For the fiscal year 2016, for the first time, the Company exceeded all the criteria (including a turnover higher than €50 million). For the fiscal year 2017, the Company is below the criteria and will therefore continue to benefit from the status of SME and the corresponding benefits, especially the early reimbursement of the research tax credit. Innate Pharma qualifies for early reimbursement of the research tax credit and received the 2016 amount in July 2017.

During the fiscal years 2016 and 2017, the income resulting from grants relates to an European grant in the context of the FP-7 program and a grant under the FEDER Program. These grants directly impact our income statement, as opposed to repayable loans which are recorded as debt and thus only impact our balance sheet.

Operating expenses by business function

The table below gives a breakdown of net operating expenses by business function for the fiscal years ended December 31, 2016 and 2017:

Year ended December 31 (in thousand euros)	2017	2016
Research and development expenses	(67,000)	(48,628)
General and administrative expenses	(17,015)	(9,522)
Net operating expenses	(84,015)	(58,150)

R&D expenses include the cost of employees assigned to research and development operations (including employees assigned to work under the collaboration and licensing agreements), product manufacturing costs, subcontracting costs as well as costs of materials (reagents and other consumables) and pharmaceutical products.

R&D expenses amounted to €48.6 million and €67.0 million for the fiscal years ended December 31, 2016 and 2017, respectively representing 84% and 80% of net operating expenses. The rise in R&D expenses between 2016 and 2017 mainly results from an increase of subcontracting costs related to the progress in the development of the preclinical and clinical programs and a staff growth.

General and administrative expenses include expenses for employees not directly working on R&D, as well as the expenses necessary for the management of the business and its development. General and administrative expenses were €9.5 million and €17.0 million for the fiscal years ended December 31, 2016 and 2017, respectively representing 16% and 20% of the net operating expenses. This increase mainly results from the growth in staff costs (especially the IFRS 2 expense relating to share-based payments), lawyers and audit fees due to the Company's structuring in a context of strong expansion and a provision for late payment interests relating to the late payment of a withholding tax in the context of the purchase of the antibody anti-NKG2A (monalizumab) in 2014 and 2016.

Operating expenses by nature

The table below gives a breakdown of net operating expenses by nature of expenses for the fiscal years ended December 31, 2016 and 2017:

Year ended December 31 (in thousand euros)	2017	2016
Cost of supplies and consumable materials	(4,287)	(2,852)
Intellectual property expenses	(1,499)	(1,235)
Other purchases and external expenses	(47,609)	(36,022)
Employee benefit other than share-based compensation	(15,163)	(12,796)
Share-based compensation	(9,985)	(1,032)
Depreciation and amortization	(4,396)	(3,263)
Other income and (expenses), net	(1,076)	(950)
Net operating expenses	(84,015)	(58,150)

Cost of supplies and consumable materials

The cost of supplies and consumable materials amounted to €2.9 million and €4.3 million for the fiscal years ended December 31, 2016 and 2017, respectively. The increase in this line item results from the growth in purchases used in the Company's laboratories, which is mainly due to the rise in staff.

Intellectual property expenses

Intellectual property expenses amounted to €1.2 million and €1.5 million for the fiscal years ended December 31, 2016 and 2017, respectively.

These expenses include the cost of filing and protecting patents (including patents that were acquired from third parties and where the agreements specified that Innate Pharma is responsible for the relevant costs) as well as the costs for obtaining an option or license for intellectual property. In accordance with IAS 38, considering the degree of maturity of the Company and the uncertainty that exists as to the outcome of its research and development projects, intellectual property expenses are recorded in expenses.

Other purchases and external expenses

Other purchases and external expenses amounted to €36.0 million and €47.6 million during the fiscal years ended December 31, 2016 and 2017, respectively, broken down as follows:

Year ended December 31 (in thousand euros)	2017	2016
Sub-contracting	(37,996)	(28,329)
Non-scientific consultancy	(4,357)	(3,371)
Leases, maintenance and utility	(1,781)	(1,418)
Travel and conference costs	(1,294)	(1,223)
Scientific consultancy and services	(845)	(585)
Marketing, communication and public relations	(649)	(508)
Attendance fees	(205)	(200)
Insurance	(169)	(140)
Others	(313)	(248)
Other purchases and external expenses	(47,609)	(36,022)

Sub-contracting expenses involve discovery research costs (financing of research conducted externally, particularly academic research, antibody humanization technologies, manufacturing process development, etc.), preclinical development (pilot manufacturing, tolerance and pharmacology studies, etc.) and clinical costs (clinical trial management, etc.) outsourced to third parties. The increase in these costs mainly results from the growth and progress of the portfolio of preclinical and clinical programs.

Non-scientific consultancy expenses are mostly fees paid to audit firms, to our certified public accountant for his assistance in accounting, tax and employee matters, to our lawyers, to business strategy or development consultants and recruitment fees. The increase in these expenses between 2016 and 2017 mainly results from lawyers and audit fees due to the Company's structuring in a context of strong expansion.

Leases, maintenance and utility costs are mainly maintenance costs for laboratory equipment and the building.

Travel and conference costs mainly include expenses for employees travelling and attending conferences, particularly scientific, medical, business development and financial conferences.

Scientific consultancy and services consist of costs related to external consultants assisting in the research and development of our products. It also covers fees paid to members of our Scientific Advisory Board.

Employee benefits other than share-based compensation

Employee benefit expenses other than share-based compensation came to €12.8 million and €15.2 million for the fiscal years ended December 31, 2016 and 2017, respectively.

This includes salaries and social benefit costs. On average, Innate Pharma had 133 employees during the fiscal year ended December 31, 2016 and 171 employees during the fiscal year ended December 31, 2017.

The proportion of total staff, excluding Executive committee members, allocated to R&D operations was 77% and 80% for the fiscal years ended December 31, 2016 and 2017 respectively.

The average amount of staff costs per employee was €96 and €95 thousand for fiscal years ended December 31, 2016 and 2017 respectively.

Share-based compensation

Share-based compensation amounted to €1.0 million and €10.0 million for the fiscal years ended December 31, 2016 and 2017, respectively.

In accordance with IFRS 2, these costs correspond to the fair value of the equity instruments allocated to directors and employees. The costs recognized in 2016 and 2017 mainly result from the issuance during the fiscal year 2016 of warrants for shares not including a condition requiring presence. As a consequence, the fair value of these instruments were recognized as expenses on a straight-line basis in the income statement over the acquisition period.

Depreciation and amortization

Depreciation and amortization amounted €3.3 million and €4.4 million for the fiscal years ended December 31, 2016 and 2017, respectively. This variance mainly results from the amortization of the intangible asset relating to a price complement to be paid to Novo Nordisk A/S following the agreement signed with AstraZeneca. The related amortization expense amounts to €3.0 million for fiscal year 2017 compared to €2.4 million for the fiscal year 2016.

Other income and expenses, net

Other income and expenses amounted €1.0 million and €1.1 million for the fiscal years ended December 31, 2016 and 2017, respectively.

Net financial income

The net financial income amounted to €5.4 million for the fiscal year ended December 31, 2016, to be compared to a €8.0 million loss for the fiscal years ended December 31, 2017. This adverse variance mainly results from foreign exchange losses on our financial assets held in U.S. dollars resulting from the variance of the Euro / U.S. dollar exchange rate.

The Company's cash investment policy is preferentially directed to instruments with an absence of risk on principal and, whenever possible, guaranteed minimum performance. Only a small fraction of its

investment portfolio (2.3% as of December 31, 2017) includes some financial instruments presenting a level of risk, which is considered as very low.

The balance of cash, cash equivalents and short term investments was €197.7 million and €116.1 million for the fiscal years ended December 31, 2016 and 2017, respectively. In addition, the Company held €33.0 million and €60.5 million of non-current financial assets at December 31, 2016 and 2017, respectively. This decrease in our cash position in 2017 resulted from the financing of our activities and especially our R&D expenses.

Income tax expense

For the first time, the taxable income of the company was positive for the year ended December 31, 2016. The tax payable in respect of this exercise amounts to €301 thousand. According to the nature of its revenues, the Company concluded in 2016 that it was subject to the regime of capital gains income from intellectual property and therefore benefits from the reduced 15% tax rate. In 2017, the Company eventually concluded that it was not eligible to this regime and recognized an additional €368 thousand income expense, which corresponds to the difference between the standard 33.33% and the 15% rate.

In the absence of a sufficient probability for recovering, no deferred tax asset was recognized.

In accordance with IFRS, the research tax credit is classified as an 'Other revenue' and not in the line 'Income tax expense'.

Net income/(loss) per share

The net loss per authorized and issued share came to a gain of €0.23 per share and a loss of €0.89 per share for the fiscal years ended December 31, 2016 and 2017, respectively.

Balance sheet items

Cash, cash equivalents and financial instruments (current and non-current) amounted to €176.6 million as of December 31, 2017, including non-current financial instruments (€60.5 million), compared with €230.7 million as of December 31, 2016. The cash assets held by the Company are composed of current accounts and fixed term accounts. Current financial assets are mainly composed of shares of mutual funds and bonds. Their purpose consists of financing our activities, including our research and development costs.

Since its incorporation in 1999, the Company has been primarily financed by partnerships and by issuing new securities. The Company has generated cash flow from its collaborations, from repayable financing and grants received from various French and foreign public organizations (including Oséo, become Bpifrance) and from research tax credit.

The other key balance sheet items as of December 31, 2017 are as follows:

- J Deferred revenue for €134.9 million relating to the remaining of the initial payment from AstraZeneca not yet recognized as turnover (including €87.0 million booked as 'Other non-current liabilities');
- J Receivables from the French government in relation to research tax credit for the year 2017 (€11.0 million);
- J Intangible assets for a net book value of €46.2 million, mainly corresponding to the rights and licences relating to the acquisition of the anti-NKG2A, anti-CD39 and anti-C5aR antibodies;
- J Shareholders' equity of €86.0 million including the net loss for the period (€48.4 million).

Cash-flow items

Net cash flows used over the fiscal year 2017 amounted to €76.5 million, to be compared to net cash flows used for the fiscal year 2016 amounting to €23.0 million.

The cash flow used during the period under review mainly results from the following:

- J Net cash used in operating activities of €48.1m, mainly resulting from research and development activities and personnel expenses;
- J Net cash used in investing activities for an amount of €29.5 million, mainly resulting from:
 - o The purchase (net of disposal) of non-current financial assets for an amount of €28.0 million,
 - o The purchase of intangible assets for an amount of €3.1 million, mainly corresponding to the purchase of anti-C5aR (€2.8 million paid in cash);
 - o The purchase of tangible assets for an amount of €3.0 million.
- J Net cash from financing activities for an amount of €0.9m.

Post balance sheet events

- J On January 30, the Company announced a non-exclusive clinical trial collaboration with MedImmune, the global biologics research and development arm of AstraZeneca. The Phase I/II study (STELLAR-001) will evaluate the safety and efficacy of durvalumab, an anti-PD-L1 immune checkpoint inhibitor, in combination with Innate's investigational first-in-class anti-C5aR monoclonal antibody, IPH5401, as a treatment for patients with selected solid tumors. Innate will sponsor the study with costs equally shared by both parties.

Risk factors

Risk factors affecting the Company are presented in Paragraph 1.9 of the latest "Document de Référence" submitted to the French stock-market regulator, the "Autorité des Marchés Financiers" on April 25, 2018.

"Reference Document"

The Company filed its 2017 annual financial report as well as its "Reference Document" for the fiscal year 2017 on April 25, 2018. These documents are available on Innate Pharma's website.

6. GENERAL INFORMATION ON THE COMPANY

A - Gouvernance

Executive board members



Mondher MAHJOUBI

Chairman of the Executive board



Yannis MOREL

Executive board member

Supervisory board members



Hervé BRAILLY

Chairman of the Supervisory board



Irina STAATZ GRANZER

Vice-president of the Supervisory board



Gilles BRISSON



Patrick LANGLOIS



NOVO NORDISK A/S

Permanent representative:
Marcus SCHINDLER



BPIFRANCE PARTICIPATIONS

Permanent representative:
Mailys FERRERE



Véronique CHABERNAUD



Jean-Yves BLAY



Olivier MARTINEZ

Observer

	Hervé BRAILLY	Irina STAATZ GRANZER	Gilles BRISSON	Patrick LANGLOIS	NOVO NORDISK A/S (Marcus SCHINDLER)	BPIFRANCE PARTICIPATIONS (Mailys FERRERE)	Véronique CHABERNAUD	Jean-Yves BLAY
Audit Committee								
Compensation and nomination committee								
Transaction committee								

president

B - Number of shares and voting rights of Innate Pharma

57,600,100 ordinary shares (A Shares)

6,931 preferred shares (B Shares)

57,600,100 theoretical voting rights (1)

57,581,525 exercisable voting rights (2)

(1) The total number of theoretical voting rights (or “gross” voting rights) is used as the basis for calculating the crossing of shareholding thresholds. In accordance with Article 223-11 of the AMF General Regulation, this number is calculated on the basis of all shares to which voting rights are attached, including shares whose voting rights have been suspended.

(2) The total number of exercisable voting rights (or “net” voting rights) is calculated without taking into account the shares held in treasury by the Company, with suspended voting rights. It is released so as to ensure that the market is adequately informed, in accordance with the recommendation made by the AMF on July 17, 2007.

7. AGENDA

I. Resolutions to be submitted to the ordinary shareholder's meeting

Resolution n° 1 – Approval of the annual financial statements for the 2017 fiscal year

Resolution n° 2 – Approval of the consolidated financial statements for the 2017 fiscal year

Resolution n° 3 – Allocation of earnings for the fiscal year

Resolution n° 4 – Related-party transactions

Resolution n° 5 – Renewal of Audit Conseil Expertise as Statutory Auditor

Resolution n° 6 – Approval of the appointment of Jean-Yves Blay as member of the Supervisory Board

Resolution n° 7 – Renewal of Olivier Martinez as observer of the Supervisory Board

Resolution n° 8 – Determination of the attendance fees (*jetons de présence*) to be allocated to members of the Supervisory Board

Resolution n° 9 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Chairman of the Executive Board for the 2018 fiscal year

Resolution n° 10 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Executive Board members for the 2018 fiscal year

Resolution n° 11 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Chairman of the Supervisory Board for the 2018 fiscal year

Resolution n° 12 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Supervisory Board members for the 2018 fiscal year

Resolution n° 13 – Approval of the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted to the Chairman of the Executive Board for the 2017 fiscal year

Resolution n° 14 – Approval of the principles and criteria for determining, allocating and granting of the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted to Yannis Morel as Executive Board member for the 2017 fiscal year

Resolution n° 15 – Approval of the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted to the Chairman of the Supervisory Board for the 2017 fiscal year

Resolution n° 16 – Authorization for the Company’s purchase of its own shares

II. Resolutions to be submitted to the extraordinary shareholder’s meeting:

Resolution n°17 – Authorization granted to the Executive Board to allocate existing or new free shares for the benefit of employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company or its subsidiaries as part of their variable annual compensation

Resolution n° 18 – Authorization granted to the Executive Board to allocate existing or new free shares for the benefit of employees of the Company or its subsidiaries

Resolution n° 19 – Authorization granted to the Executive Board to allocate existing or new free shares on the basis of the performance criteria for the benefit of executive officers, employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company or its subsidiaries

Resolution n° 20 – Authorization granted to the Executive Board to allocate existing or new free shares on the basis of the performance criteria for the benefit of employees of the Company or its subsidiaries

Resolution n° 21 – Delegation of authority to the Executive Board for the purpose of issuing autonomous share subscription warrants reserved for Supervisory Board members

Resolution n° 22 – Delegation of authority to the Executive Board for the purpose of issuing ordinary Company shares and/or of securities giving access to the share capital of the Company, with shareholders’ preferential subscription rights

Resolution n° 23 – Delegation of authority to the Executive Board for the purpose of issuing ordinary Company shares and/or of securities giving access to the share capital of the Company, without shareholders’ preferential subscription rights

Resolution n° 24 – Delegation of authority to the Executive Board for the purpose of issuing, without shareholders’ preferential subscription rights, ordinary shares of the Company and/or securities giving

access to the share capital of the Company, within the framework of an offering as described in paragraph II of Article L.411-2 of the French Monetary and Financial Code

Resolution n° 25 - Determination of the issuance price, up to the limit of 10% of the share capital per annum, of the ordinary shares and/or of securities giving access to the share capital of the Company, in the event of the suppression of shareholders' preferential subscription rights

Resolution n° 26 - Delegation of authority to the Executive Board for the purpose of issuing of ordinary Company shares and /or of securities giving access to the share capital of the Company, without shareholders' preferential subscription rights and reserved for certain categories of investors

Resolution n° 27 - Authorization granted to the Executive Board to increase of 15% the number of securities to be issued in the event of a share capital increase with or without shareholders' preferential subscription rights

Resolution n° 28 - Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, as compensation for contributions in kind comprised of equity securities or securities giving access to the share capital

Resolution n° 29 - Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, in the event of a public exchange offer initiated by the Company

Resolution n° 30 - Overall cap applicable to the resolutions n° 22 to 24 and 26 to 29 above

Resolution n° 31 - Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company for the benefit of the members of a company savings plan

Resolution n° 32 - Delegation of power granted to the Executive Board for the purpose of cancelling all or part of the treasury shares of the Company, acquired pursuant to the authorization to repurchase shares

Resolution n°33 - Amendment to Article 12 of the Articles of Association in order to grant a double voting right attached to the ordinary shares

Resolution n° 34 - Amendment to Article 25 of the Articles of Association in order to remove the obligation to appoint one or more alternate auditors

Resolution n° 35 - Powers for formalities

8. DRAFT RESOLUTIONS

A - Resolutions to be submitted to the ordinary shareholder's meeting

➤ Approval of the 2017 financial statements and allocation of earnings

The first items of the agenda are on the approval of the financial statements for the 2017 financial year (resolution n°1) and the consolidated financial statements for the 2017 financial year (resolution n°2). The resolution n°3 is on the allocation of earnings to "retained earnings" since the outcome of the financial year showing a net loss.

For further details on the financial statements, please refer to the [Management report](#).

Resolution n° 1 – Approval of the annual financial statements for the 2017 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having deliberated and reviewed the report of the Executive Board, the Supervisory Board's observations on the report of the Executive Board and the report of the Statutory Auditors on the performance of their mission during the fiscal year ended 31 December 2017, approves the annual financial statements as they were presented to the Shareholders' meeting, as well as the transactions evidenced in these statements and summarized in these reports.

The Shareholders' meeting acknowledges that the annual financial statements for the fiscal year ended 31 December 2017 show expenditures referred to in Article 39,4° of the French General Tax Code (*Code général des impôts*) and incurred by the Company during the fiscal year ended 31 December 2017 amounting to EUR124,774 for attendance fees and EUR18,463 for excess amortizations (*amortissements excédentaires*) on private passenger vehicles.

The Shareholders' meeting also acknowledges that said financial statements do not show general expenses referred to in Article 39,5° of the French General Tax Code.

Resolution n° 2 – Approval of the consolidated financial statements for the 2017 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for Ordinary Shareholders' meetings, having deliberated and reviewed the report of the Executive Board, the Supervisory Board's observations on the report of the Executive Board and the report of the Statutory Auditors on the performance of their mission during the fiscal year ended 31 December 2017, approves the consolidated financial statements for the fiscal year ended 31 December 2017 as they were presented to the Shareholders' meeting, as well as the transactions evidenced in these statements and summarized in these reports.

Resolution n° 3 – Allocation of earnings for the fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having deliberated and reviewed the Executive Board's report, decides to allocate the EUR38,760,687 loss incurred in the fiscal year ended 31 December 2017 to the accounting item entitled "Retained Earnings". After the allocation of this loss, "Retained Earnings" will amount to a loss of EUR136,707,317.

Pursuant to Article 243 *bis* of the French General Tax Code, the General Shareholders' meeting acknowledges that no dividend was distributed over the last three fiscal years.

➤ **Related-party transactions**

The fourth resolution aims at approving the agreements falling within the scope of Articles L.225-86 *et. seq.* of the French Commercial Code attached as Annex 1 of the [Executive board Report to the Annual General Meeting](#).

Resolution n° 4 – Related-party transactions

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having deliberated and reviewed the Executive Board's report and the special report of the Statutory Auditors on the related-party transactions referred to in Article L.225-86 of the French Commercial Code (*Code de Commerce*), acknowledges the conclusions outlined in said report and approves the related-party transactions mentioned therein pursuant to Article L.225-88 of the French Commercial Code.

➤ **Renewal of the mandate of the Statutory Auditor**

Resolution n° 5 –Renewal of Audit Conseil Expertise as Statutory Auditor

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, noting that the mission of Audit Conseil Expertise, SA expires at the end of this Shareholders' meeting approving the financial statements for the fiscal year ended 31 December 2017, after having deliberated, renews the appointment of Audit Conseil Expertise, SA – member of PKF International, 17, boulevard Cieussa, 13007 Marseille in its functions as Statutory co-Auditor for a period of six years, until the end of the Ordinary Shareholders' meeting called in 2024 to approve the financial statements for the fiscal year ended 31 December 2023.

➤ **Ratification of the temporary appointment of a new Supervisory board's member and renewal of the censor**

Resolution n° 6 – Approval of the appointment of Jean-Yves Blay as member of the Supervisory Board

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings and having deliberated, approves the temporary appointment of:

Monsieur Jean-Yves Blay

Residing at: 28, rue Laennec Centre Léon Bérard, 69008 Lyon

made by the Executive Board during the meeting held on 13 December 2017 a member of the Executive Board, to replace Jean-Charles Sonia, for a period of one year to expire at the end of the ordinary Shareholder's meeting called in 2019 to approve the financial statements for the fiscal year ended 31 December 2018.

Jean-Yves Blay indicated that he accepts the duties assigned to him and that nothing prevents him from accepting these duties.

Resolution n° 7 – Renewal of Olivier Martinez as observer of the Supervisory Board

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, noting that the mission of Olivier Martinez as observer of the Supervisory Board expires today and having deliberated, renews the appointment as observer of the Supervisory Board for a period of one year to expire at the end of the ordinary shareholders' meeting called in 2019 to approve the financial statements for the fiscal year ended 31 December 2018 of:

Mr. Olivier Martinez

Residing at: 4, rue Turgot, 75009 Paris

➤ Attendance fees

Under the resolution n°8, we invite you to vote on the allocation of attendance fees to the benefit of the Supervisory board members of a maximum amount of € 200,000 for 2018 (same amount than in 2017).

The attendance fees are allocated depending on the level of participation during meetings and their responsibility in the different committees.

The allocation table of the attendance fees is described under section 2.1.2.1 of the [Governance Report](#).

Resolution n° 8 – Determination of the attendance fees (*jetons de présence*) to be allocated to members of the Supervisory Board

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, after having deliberated and reviewed the Executive Board's report, decides to allocate a combined maximum amount of EUR200,000 to the members of the Supervisory Board in the form of attendance fees (*jetons de présence*) for the 2017 fiscal year.

The Shareholders' meeting grants power to the Supervisory Board to distribute all or part of this amount among its members in accordance with the procedures it shall establish.

➤ Say on Pay « *ex ante* »

Resolutions n°9 to 12 aim at voting on the 2018 compensation policy of the Chairman of the Executive board, the Executive board members, the Chairman of the Supervisory board and the Supervisory board members.

The Say on Pay "*ex ante*" is described under sections 2.1.1 and 2.1.2 of the [Governance Report](#).

Resolution n° 9 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Chairman of the Executive Board for the 2018 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Chairman of the Executive Board in such capacity, as described in section 2.1.1 of the corporate governance report attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

Resolution n° 10 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Executive Board members for the 2018 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the members of the Executive Board in such capacity, as described in section 2.1.1 of the corporate governance report attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

Resolution n° 11 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Chairman of the Supervisory Board for the 2018 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Chairman of the Supervisory Board in such capacity, as described in section 2.1.2 of the report on corporate governance attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

Resolution n° 12 – Approval of the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the Supervisory Board members for the 2018 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the principles and criteria for determining, allocating and granting the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the members of the Supervisory Board in such capacity, as described in section 2.1.2 of the report on corporate governance attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

➤ **Say on Pay « *ex post* »**

Resolutions n°13 to 15 aim at voting on the 2017 compensation of the Chairman of the Executive board, the Executive board members and the Chairman of the Supervisory board.

The Say on Pay « *ex post* » is described under section 2.2.1 of the [Governance Report](#).

Resolution n° 13 – Approval of the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted to the Chairman of the Executive Board for the 2017 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted for the fiscal year 2017 to the Chairman of the Executive Board in such capacity, as described in section 2.2.1 of the report on corporate governance attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

Resolution n° 14 – Approval of the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted to Yannis Morel as Executive Board member for the 2017 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted for the fiscal year 2017 to Mister Yannis Morel, member of the Executive Board in such capacity, as described in section 2.2.1 of the report on corporate governance attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

Resolution n° 15 – Approval of the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted to the Chairman of the Supervisory Board for the 2017 fiscal year

The Shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, approves, in pursuance of article L.225-82-2 of the French Commercial Code, the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted for the fiscal year 2017 to the Chairman of the Supervisory Board in such capacity, as described in section 2.2.1 of the report on corporate governance attached to the report referred to in articles L.225-100 and L.255-102 of the French Commercial Code.

➤ Company share repurchase programme

Resolution n°16 aims at voting on the repurchase by the Company of its own shares, for the purposes described under the resolution.

We remind you that the Company did not repurchased its own shares in 2017.

Such repurchase authorization may not occur during public tending offers initiated by the Company or aiming at its securities.

Resolution n° 16 – Authorization for the Company’s purchase of its own shares

The Shareholders’ meeting, acting under the conditions of quorum and majority required for ordinary shareholders’ meetings, after having deliberated and reviewed the Executive Board’s report, authorizes the Executive Board, along with the power to sub-delegate, pursuant to the conditions set forth in Articles L.225-209 of the French Commercial Code, to purchase Company’s shares through the implementation of a share repurchase program.

The Shareholders’ meeting decides that:

- the maximum purchase price (excluding expenses) per share is set at EUR20.00 and,
- the maximum amount of funds allocated to the implementation of this share repurchase program may not exceed EUR1,000,000.

In the event of a change in the nominal share value, a share capital increase by incorporation of reserves, an allocation of free shares to all shareholders, a split or reverse split of securities, a distribution of reserves or of any other assets, capital amortization or any other transaction affecting shareholders’ equity, the Shareholders’ meeting grants to the Executive Board, along with the power to sub-delegate, pursuant to the conditions set forth in Articles L.225-209 *et seq.* of the French Commercial Code, the powers to adjust the purchase price above in order to take into account the effect of those transactions on the value of the share.

The Shareholders’ meeting decides that the Company may purchase a number of shares such that:

- the maximum number of shares that may be acquired pursuant to this authorization may not exceed 10% of the total number of shares comprising the Company’s share capital and 5% of the total number of shares comprising the Company’s share capital for the allocations made to retain shares and to subsequently use them as payment or in an exchange in the context of a merger, split or contribution transaction; it being specified that (i) these limits apply to an amount of the Company’s share capital that will be adjusted, if necessary, to take into account those transactions that will affect the share capital subsequent to this Shareholders’ meeting, and (ii) when the shares are bought back to promote liquidity the number of shares taken into account to calculate the above mentioned 10% limit corresponds to the number of shares purchased, minus the number of shares re-sold during the authorization period; and
- the allocations carried out by the Company must not result in the Company holding, at any moment whatsoever, directly or indirectly, more than 10% of its share capital.

This authorization is intended to allow the Company to pursue the following objectives, in compliance with applicable legislative and regulatory provisions:

(i) to retain the Company's shares that will have been purchased and to use them in exchange or in payment within the context of potential external growth transactions, in accordance with stock market regulations;

(ii) to deliver shares upon the exercise of rights attached to securities giving access to the share capital of the Company;

(iii) to allocate shares to employees or corporate officers of the Company or its subsidiaries in accordance with the terms and conditions set forth by law, in particular with respect to the allocation of free shares, the participation in the profits resulting from the expansion of the business, stock option plans or through a company savings plan;

(iv) to ensure liquidity and to promote the secondary market for the Company's securities;

(v) to cancel all or part of the repurchased securities, provided the thirty-second resolution below is adopted; and

(vi) to accomplish all other authorized goals or goals that could become authorized by law or recognized or that would be recognized as a market practice by the *Autorité des Marchés Financiers*, in which case the Company would inform its shareholders by way of a press release.

Purchase of Company's shares may be carried out at any time, except during period of public offering on the Company share capital.

The Shareholders' meeting decides that these purchase, sale, exchange or transfer transactions may be carried out in any manner, either on the regulated market, on a multilateral trading facility, through a systematic internalizer or through an over-the-counter transaction, such as an allocation or block trades, or by resorting to financial instruments, in particular financial derivatives negotiated on a regulated market, on a multilateral trading facility, through a systematic internalizer or through a private transaction or by resorting to warrants, in compliance with the conditions set forth by the legislative and regulatory provisions that are applicable on the date of the considered transactions and during the periods set by the Company's Executive Board or by the person to whom the Executive Board delegated its authority. The maximum portion of the share capital acquired or transferred in the form of blocks trades can be the total amount of the repurchase program.

Moreover, the Shareholders' meeting grants full powers to the Executive Board, along with the power to sub-delegate pursuant to the conditions set forth in Article L.225-209 of the French Commercial Code, to decide and implement this authorization, to specify, if necessary, its terms and, in particular, to place any on or off-market orders, to allocate or reallocate purchased shares to the various set objectives, in accordance with applicable laws and regulations, to enter into any agreements, particularly for the purpose of maintaining share purchase and sale registries, to complete any formalities or statements with any agencies, particularly the *Autorité des Marchés Financiers* and, generally speaking, to take any necessary action in order to complete the transactions carried out pursuant to this authorization.

The Shareholders' meeting also grants full powers to the Executive Board, if the law or the *Autorité des Marchés Financiers* were to extend or supplement to the authorized objectives for share repurchase programs, to inform the public of any changes to the repurchase program concerning the modified objectives, in accordance with applicable laws and regulations.

This authorization is granted for a period of eighteen (18) months from the date of this Shareholders' meeting. It voids, from this day, as the case may be, any unused part of any prior authorization having the same purpose, i.e., any authorization relating to the repurchase of its own shares by the Company. This authorization therefore voids the authorization granted by the Shareholders' meeting dated 23 June 2017 pursuant to its twenty fifth resolution.

B – Resolutions to be submitted to the Extraordinary General Meeting

- **Payment of part of the annual variable compensation of the Executive committee members and employed senior executives and/or corporate officers in free shares**

Resolution n°17 aims at having the possibility for the Executive committee members and/or corporate officers and some senior executives to opt for the payment of 50% of their annual variable compensation (increased by a 30% premium) into free shares to preserve the Company's cash position.

Section 2.1.1.2 of the Governance Report details the attribution and acquisition processes of such free shares.

Resolution n° 17 – Authorization granted to the Executive Board to allocate existing or new free shares for the benefit of employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company or its subsidiaries as part of their variable annual compensation

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having reviewed the report of the Executive Board and the special report of the Statutory Auditors, pursuant to the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code, authorizes the Executive Board to proceed with, for the benefit of employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company or its consolidated subsidiaries eligible under the above mentioned texts, a free allocation of 90,000 common shares, existing or to be issued, with a nominal value of EURO.05 each (the "**Free Shares**").

This authorization must be used within thirty-eight (38) months from the date of this Shareholders' meeting.

(1) Capital increase

The allotment of the totality of the Free Shares, in the case of new shares, will result in a capital increase of EUR4,500, capital increase authorized by this Shareholders' meeting, it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

The capital increase that will result from the creation of the Free Shares will be implemented by way of special incorporation of all or part of the reserve accounts available and, in particular, of the “premium account”. The Shareholders’ meeting acknowledges that this decision implies shareholders’ renunciation of their right, for the benefit of holders of Free Shares, to the said reserves.

(2) Vesting and retention periods

The Executive Board shall determine, for each allocation, a vesting period of one year after which the allocation of existing or new shares will become definitive, followed by a mandatory retention period of one year which runs from the definitive allocation of the Free Shares. The definitive allocation of the Free Shares at the end of a minimum of a one year vesting period must be subject to (i) the performance criteria that have been fixed by the Executive Board and to (ii) the condition of the beneficiary’s presence in the Company or its consolidated subsidiaries as an employee and/or an executive officer and/or a member of a governance or administration body (board of director or supervisory board or, as the case may be, their equivalent under foreign law).

However, in the event of disability of the beneficiary corresponding to the classification in the second or third categories provided for in Article 341–4 of the French Social Security Code (or its equivalent in foreign law), the Free Shares will be definitively allocated before the end of the remaining vesting period, said shares being then freely transferable.

(3) Delegation of powers to the Executive Board

The Shareholders’ meeting grants full powers to the Executive Board, with the option to sub-delegate under the conditions set forth by law, to implement the allocation of Free Shares, including:

- to determine the eligibility of employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company as referred to in the first paragraph, eligible for such allocation;
- to determine the performance conditions allowing the definitive allocation of the Free Shares, considering that the Free Shares being linked to the variable annual compensation of the beneficiaries, these performance conditions will be the same for the variable annual compensation et will be measured during the same period (and then, as the case may be, during a period different from the acquisition period);
- to determine the identity of the beneficiaries and the number of Free Shares granted to each of them;
- to establish the rules for the allocation plan of the Free Shares;
- to set, in accordance with the conditions and limits set forth by applicable legal provisions, the dates on which the Free Shares will be allocated;
- as required, to take all measures in order to preserve the rights of the holders of Free Shares pursuant to any legal or regulatory provision;
- to acknowledge the completion of the capital increase resulting from such allocation after the vesting period;
- to set the dividend entitlement date (*date de jouissance*), even retroactively, of the Free Shares to be issued; and

– take any action required by the implementation of this authorization, in accordance with the legislation currently in force.

Prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board.

This authorization voids, from this day, the authorizations granted by the Shareholders' meeting held on 23 June 2017 pursuant to its twenty-seventh resolution.

➤ **Free shares for the benefit of Company's employees**

Resolution n°18 aims at allocating free shares to the Company's employees to tie their interest to those of the shareholders and associate them to the Company's growth.

The use of such authorization will be subject to the Supervisory board's prior approval.

Resolution n° 18 – Authorization granted to the Executive Board to allocate existing or new free shares for the benefit of employees of the Company or its subsidiaries

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, pursuant to the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code, authorizes the Executive Board to proceed with, for the benefit of employees of the Company or its consolidated subsidiaries eligible under the above mentioned texts, a free allocation of 110,000 common shares, existing or to be issued, with a nominal value of EUR0.05 each (the "Free Shares").

This authorization must be used within thirty-eight (38) months from the date of this Shareholders' meeting.

(1) Capital increase

The allotment of the totality of the Free Shares, in the case of new shares, will result in a capital increase of EUR 5,500, capital increase authorized by this Shareholders' meeting, it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

The capital increase that will result from the creation of the Free Shares will be implemented by way of special incorporation of all or part of the reserve accounts available and, in particular, of the "premium account". The Shareholders' meeting acknowledges that this decision implies shareholders' renunciation of their right, for the benefit of holders of Free Shares, to the said reserves.

(2) Vesting and retention periods

The Executive Board shall determine, for each allocation, a vesting period of one year after which the allocation of existing or new shares will become definitive, followed by a mandatory retention period of one year which runs from the definitive allocation of the Free Shares. The definitive allocation of the Free Shares at the end of the one-year vesting period must be subject to the condition of the beneficiary's presence in the Company or its consolidated subsidiaries as an employee and/or an

executive officer and/or a member of a governance or administration body (board of director or supervisory board or, as the case may be, their equivalent under foreign law).

However, in the event of disability of the beneficiary corresponding to the classification in the second or third categories provided for in Article 341-4 of the French Social Security Code (or its equivalent in foreign law), the Free Shares will be definitively allocated before the end of the remaining vesting period, said shares being then freely transferable.

(3) Delegation of powers to the Executive Board

The Shareholders' meeting grants full powers to the Executive Board, with the option to sub-delegate under the conditions set forth by law, to implement the allocation of Free Shares, including:

- to determine the eligibility of the employees of the Company or its subsidiaries as referred to in the first paragraph, eligible for such allocation;
- to determine the identity of the beneficiaries and the number of Free Shares granted to each of them;
- to establish the rules for the allocation plan of the Free Shares;
- to set, in accordance with the conditions and limits set forth by applicable legal provisions, the dates on which the Free Shares will be allocated;
- as required, to take all measures in order to preserve the rights of the holders of Free Shares pursuant to any legal or regulatory provision;
- to acknowledge the completion of the capital increase resulting from such allocation after the vesting period;
- to set the dividend entitlement date (*date de jouissance*), even retroactively, of the Free Shares to be issued; and
- take any action required by the implementation of this authorization, in accordance with the legislation currently in force.

Prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board.

This authorization voids, from this day, the authorizations granted by the Shareholders' meeting held on 23 June 2017 pursuant to its twenty-eighth resolution.

➤ **Performance free shares to the benefit of Executive committee members, employed senior executives and some Company's employees**

Resolutions n°19 and 20 aims at allocating free shares (which definitive acquisition is subject to performance conditions observed over a three-year period) to Executive committee members and/or corporate officers, senior executive officers and some of the Company's employees.

Such performance free shares aim at motivating and retaining the leadership and management team and tie them to the long-term success of the Company and its shareholders.

The performance criteria are described under section 2.1.1.3 of the [Governance Report](#).

The use of such authorization will be subject to the Supervisory board's prior approval.

Resolution n° 19 – Authorization granted to the Executive Board to allocate existing or new free shares on the basis of the performance criteria for the benefit of executive officers, employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company or its subsidiaries

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, pursuant to the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code, authorizes the Executive Board to proceed with, for the benefit of employed members of the Executive Committee, employed senior executives and/or corporate officers of the Company or its consolidated subsidiaries eligible under the above mentioned texts, a free allocation of 300,000 common shares, existing or to be issued, with a nominal value of EUR0.05 each (the "**Performance Free Shares**").

This authorization must be used within thirty-eight (38) months from the date of this Shareholders' meeting.

(1) Capital increase

The allotment of the totality of the Performance Free Shares, in the case of new shares, will result in a capital increase of EUR15,000, capital increase authorized by this Shareholders' meeting, it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

The capital increase that will result from the creation of the Performance Free Shares will be implemented by way of special incorporation of all or part of the reserve accounts available and, in particular, of the "premium account". The Shareholders' meeting acknowledges that this decision implies shareholders' renunciation of their right, for the benefit of holders of the Performance Free Shares, to the said reserves.

(2) Vesting period

The Executive Board shall determine, for each allocation, a vesting period of three years after which the allocation of existing or new shares will become definitive. The definitive allocation of the Performance Free Shares at the end of the three-year vesting period must be subject to (i) the performance criteria that have been fixed by the Executive Board and to (ii) the condition of the beneficiary's presence in the Company or its consolidated subsidiaries as an employee and/or an executive officer and/or a member of a governance or administration body (board of director or supervisory board or, as the case may be, their equivalent under foreign law).

However, in the event of disability of the beneficiary corresponding to the classification in the second or third categories provided for in Article 341-4 of the French Social Security Code (or its equivalent in foreign law), the Performance Free Shares will be definitively allocated before the end of the remaining vesting period, said shares being then freely transferable.

(3) Delegation of powers to the Executive Board

The Shareholders' meeting grants full powers to the Executive Board, with the option to sub-delegate under the conditions set forth by law, to implement the allocation of the Performance Free Shares, including:

- to determine the eligibility of executive officer, employed member of the Executive Committee, employed senior executives and/or corporate officer of the Company as referred to in the first paragraph, eligible for such allocation;
- to determine the performance criteria granting the definitive allocation of the Performance Free Shares;
- to determine the identity of the beneficiaries and the number of the Performance Free Shares granted to each of them;
- to establish the rules for the allocation plan of the Performance Free Shares including the performance criteria requested for the definitive allocation of the Performance Free Shares;
- to set, in accordance with the conditions and limits set forth by applicable legal provisions, the dates on which the Performance Free Shares will be allocated;
- as required, to take all measures in order to preserve the rights of the holders of the Performance Free Shares pursuant to any legal or regulatory provision;
- to acknowledge the completion of the capital increase resulting from such allocation after the vesting period;
- to set the dividend entitlement date (*date de jouissance*), even retroactively, of the Performance Free Shares to be issued; and
- take any action required by the implementation of this authorization, in accordance with the legislation currently in force.

Prior to using this delegation of authority, the Executive Board must submit the principle of its use to the

Resolution n° 20 – Authorization granted to the Executive Board to allocate existing or new free shares on the basis of the performance criteria for the benefit of employees of the Company or its subsidiaries

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, pursuant to the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code, authorizes the Executive Board to proceed with, for the benefit of employees of the Company or its consolidated subsidiaries eligible under the above mentioned texts, a free allocation of 450,000 common shares, existing or to be issued, with a nominal value of EURO.05 each (the "**Performance Free Shares**").

This authorization shall be used within thirty-eight (38) months from the date of this Shareholders' meeting.

- (1) Capital increase

The allotment of the totality of the Performance Free Shares, in the case of new shares, will result in a capital increase of EUR22,500, capital increase authorized by this Shareholders' meeting, it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

The capital increase that will result from the creation of the Performance Free Shares will be implemented by way of special incorporation of all or part of the reserve accounts available and, in particular, of the "premium account". The Shareholders' meeting acknowledges that this decision implies shareholders' renunciation of their right, for the benefit of holders of the Performance Free Shares, to the said reserves.

(2) Vesting period

The Executive Board shall determine, for each allocation, a vesting period of three year after which the allocation of existing or new shares will become definitive. The definitive allocation of the Performance Free Shares at the end of the three-year vesting period must be subject to (i) the performance criteria that have been fixed by the Executive Board and to (ii) the condition of the beneficiary's presence in the Company or its consolidated subsidiaries as an employee and/or an executive officer and/or a member of a governance or administration body (board of director or supervisory board or, as the case may be, their equivalent under foreign law).

However, in the event of disability of the beneficiary corresponding to the classification in the second or third categories provided for in Article 341-4 of the French Social Security Code (or its equivalent in foreign law), the Performance Free Shares will be definitively allocated before the end of the remaining vesting period, said shares being then freely transferable.

(3) Delegation of powers to the Executive Board

The Shareholders' meeting grants full powers to the Executive Board, with the option to sub-delegate under the conditions set forth by law, to implement the allocation of the Performance Free Shares, including:

- to determine the eligibility of the employees of the Company or its subsidiaries as referred to in the first paragraph, eligible for such allocation;
- to determine the performance criteria granting the definitive allocation of the Performance Free Shares;
- to determine the identity of the beneficiaries and the number of Free Shares granted to each of them;
- to establish the rules for the allocation plan of the Performance Free Shares including the performance criteria requested for the definitive allocation of the Performance Free Share;
- to set, in accordance with the conditions and limits set forth by applicable legal provisions, the dates on which the Performance Free Shares will be allocated;
- as required, to take all measures in order to preserve the rights of the holders of the Performance Free Shares pursuant to any legal or regulatory provision;

- to acknowledge the completion of the capital increase resulting from such allocation after the vesting period;
- to set the dividend entitlement date (*date de jouissance*), even retroactively, of the Performance Free Shares to be issued; and
- take any action required by the implementation of this authorization, in accordance with the legislation currently in force.

Prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board.

➤ **Share subscription warrants (Bons de souscription d'actions) to the benefit of independent Supervisory board members**

Resolution n°21 aims at issuing share subscription warrants (BSA) to the independent Supervisory board members at the time of their appointment and/or in case of exceptional events.

The BSA purpose is to attract high level profile to the Supervisory board while preserving the Company's cash position.

The BSA characteristics are detailed under section 2.1.2.2 of the Governance Report and section II.1.(b) of the Executive board report to the General Meeting.

The use of such authorization will be subject to the Supervisory board's prior approval.

Resolution n° 21 – Delegation of authority to the Executive Board for the purpose of issuing autonomous share subscription warrants reserved for Supervisory Board members

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of Article L.225-129 to L.225-129-6, L.225-135, L.225-138 and L.228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Executive Board for the purpose of deciding to increase the share capital, either once in full or in a number of installments, in the proportions and at the times it shall determine, through the issuance of share subscription warrants (*bons de souscription d'actions*, or "BSA"), it being specified that the Executive Board may delegate to the Chairman of the Executive Board or, with the Chairman's approval, to one or more of its members, under the conditions set forth by law, all the necessary powers to decide on the share capital increase;

2. Decides that the nominal amount of the share capital increases that could potentially be carried out pursuant to this delegation cannot exceed a maximum nominal amount of EUR2,500 (or, on the basis of the current nominal value of the Company's shares, equal to EURO.05, a maximum amount of 50,000 shares), it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the

case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

3. Decides to suppress the preferential subscription right of shareholders to the BSA referred to in this resolution and to reserve the right to subscribe to such rights to any natural person or legal entity that is a member of the Supervisory Board including after the resolutions presented to this shareholders' meeting have been adopted authorizing the use of this delegation by the Executive Board;

4. Acknowledges that, for the benefit of holders of BSA issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies shareholders' renunciation of their preferential subscription right to shares that these BSA grant rights over;

5. Decides that the Executive Board will determine the precise list of beneficiaries within the category of beneficiaries previously mentioned for whose benefit the preferential subscription right was suppressed and will determine the characteristics, amounts and terms and conditions of any issuance, as well as the terms and conditions for paying up the issued shares, it being specified that one BSA will grant the right to subscribe one share of the Company. In particular, it will determine the number of BSA to be issued for the benefit of each beneficiary and will set the subscription price and the exercise price of such BSA, their dividend entitlement date (*date de jouissance*), it being specified that the amount paid or that should be paid to the Company for each share issued within the context of this delegation, will be at least equal to the average of the closing prices of the share during the last ten stock market trading days preceding the time of allocation of the BSA, provided that the subscription price of the BSA will be equal to 10 % of the exercise price of the BSA as calculated above and that the amount paid upon subscription of the BSA shall be deducted from the amount due upon exercise;

6. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board; and

7. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the following ordinary Shareholders' meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Executive Board is valid for a term of eighteen (18) months as from the date of this Shareholders' meeting.

- **Financial delegation authorizing the Executive board to increase the share capital (resolutions n°22 to 30)**

Resolutions n°22 to 30 aim at granting to the Executive board (upon Supervisory board's authorization), the possibility of increasing the Company's share capital to strengthen its equity and enable the development of its activities.

The maximum number of shares that may be issued pursuant to the financial delegations represents **25% of the current share capital, being specified that if the preferential subscription right is removed, the maximum number of shares that may be issued shall represent 20% of the current share capital.**

Such capital increases may be carried:

- With shareholder's preferential subscription right
- Without this right in the context of public offerings
- Without this right in the context of an institutional private transaction or for certain categories of investors
- Through contributions in kind or exchange public offers under external growth transactions paid in shares

The purposes of such resolutions are also to:

- Provide for, up to the limit of 10% of the share capital over 12 months, a 15% discount of the shares price
- Have the possibility of increasing the initial size of the transaction by 15% (within the cap of 25% or 20% above)

These financial delegations may not occur during public tending offers initiated by the Company or aiming at its securities.

If such resolutions are adopted, the delegations would be granted for a period of 26 months, until July 29, 2020 (except for the resolution n°26 on the capital increases without preferential subscription right reserved for certain categories of investors, which is granted for a period of 18 months).

Such resolutions as well as their use are detailed under section II. 2 of the Executive board report to the General Meeting.

Resolution n° 22 – Delegation of authority to the Executive Board for the purpose of issuing of ordinary Company shares and/or of securities giving access to the share capital of the Company, with shareholders' preferential subscription rights

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of articles L.225-129 to L.225-129-6 and L.228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Executive Board to decide with shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, including through the allocation of free share warrants, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*). Such issuance may be carried out once in full or in various installments, in the proportions and at the times it shall determine, both in France and outside of France. It is hereby further specified that the Executive Board will also have the option to sub-delegate all necessary powers to decide and implement the share capital increase to the Chairman of the Executive Board or, with the Chairman's approval, to one or more of its members, under the conditions set forth by law;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Decides that the nominal amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to this delegation cannot exceed an overall nominal amount of EUR720,087.85 (or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 14,401,757 shares), it being specified that this amount will be included in the overall nominal cap amount of EUR720,087.85 set forth in the thirtieth resolution of this Shareholders' meeting and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

4. Also delegates its authority to the Executive Board for the purpose of deciding on the issuance of securities that are debt securities giving access to share capital of the Company to be issued;

5. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued, that could potentially be issued pursuant to this delegation will amount to a maximum of EUR150 million or to the exchange value of this amount in the event of an issuance carried out in a foreign currency or in any currency unit set through reference to a number of currencies;

6. Decides that the shareholders will have the option of exercising their preferential subscription right with respect to the amount they are irrevocably entitled to, under the conditions set forth by law. In addition, the Executive Board will have the option of granting shareholders the right to subscribe, subject to a reduction, a number of securities that is higher than the amount they are irrevocably entitled to, in proportion to the subscription rights they hold and, in all cases, up to the limit of the amount they request. If the subscriptions made as an irrevocable right and, as the case may be, the subscriptions subject to a reduction, have not exhausted the total amount of an issuance of securities, the Executive Board can decide to:

- limit the amount of the capital increase to the amount subscribed, provided it reaches at least three quarters of the increase decided;

- decide to freely allot all or part of the unsubscribed shares or securities,
- offer all or part of the unsubscribed shares or securities to the public.

7. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies the shareholders' renunciation to their preferential subscription right to shares that these securities grant rights over immediately or in the future;

8. Decides that the amount paid or that should be paid to the company for each of the shares issued pursuant to this delegation will be at least equal to the nominal value of the share on the issuance date of said shares;

9. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board; it being specified that in the case the size of the capital increase presented to the Supervisory Board by the Executive Board represent, alone or together with the capital increases realized pursuant to this resolution and the twenty-third, twenty-fourth, twenty-sixth, twenty-seventh, twenty-eighth and twenty-ninth resolutions of this Shareholders' meeting, prior or simultaneous with the said capital increase, more than EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, more than 11,521,406 shares), the Supervisory Board shall decide by a majority of 2/3 of its members;

10. Acknowledges that this delegation voids, from this day, as the case may be, any unused part of any prior delegation of authority having the same purpose, i.e., any delegation relating to a share capital increase with shareholders' preferential subscription rights, covering the shares and securities referred to in this resolution. This delegation therefore voids the delegation granted by the Shareholders' meeting held on 2 June 2016 pursuant to its twelfth resolution; and

11. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the following ordinary Shareholders' meeting, in accordance with applicable laws and regulations, on the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Executive Board is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

Resolution n° 23 – Delegation of authority to the Executive Board for the purpose of issuing ordinary Company shares and/or of securities giving access to the share capital of the Company, without shareholders' preferential subscription rights

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of articles L.225-129 to L.225-129-6, L.225-135, L.225-136 and L.228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Executive Board to decide, without shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*). Such issuance is to be carried out through a public offering, once in full or in various installments, at the time or times set by the Executive Board and in the proportions it shall determine, both in France and outside of France. It is hereby further specified that the Executive Board will also have the option to sub-delegate all necessary powers to decide and implement the share capital increase to the Chairman of the Executive Board or, with the Chairman's approval, to one or more of its members, under the conditions set forth by law;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Decides that the nominal amount of the share capital increases that could potentially be carried out immediately or in the future pursuant to this delegation cannot exceed an overall nominal amount of EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 11,521,406 shares), it being specified that this amount will be included in the overall nominal cap amounts of EUR720,087.85 and EUR576,070.30 set forth in the thirtieth resolution of this Shareholders' meeting and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

4. Also delegates its authority to the Executive Board for the purpose of deciding on the issuance of securities that are debt securities giving access to share capital of the Company to be issued;

5. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued, that could potentially be issued pursuant to this delegation will amount to a maximum of EUR150 million or to the exchange value of this amount in the event of an issuance carried out in a foreign currency or in any currency unit set through reference to a number of currencies;

6. Decides to suppress the preferential subscription right of shareholders to the securities to be issued pursuant to this delegation. The Executive Board will have the option to grant shareholders a priority subscription period bearing on all or part of the issuance of these securities, for duration and under conditions it shall determine, in accordance with the provisions of paragraph 5 of Article L.225-135 of the French Commercial Code. This priority period shall not give rise to the creation of marketable entitlements and shall be exercised in proportion to the number of shares owned by each shareholder and may potentially be supplemented by a subscription subject to reduction;

7. Acknowledges that if the subscriptions have not absorbed all of the issuance of shares or securities giving access to the share capital, the Executive Board may limit the amount of the transaction to the amount of the subscriptions received;

8. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies

the shareholders' renunciation to their preferential subscription right to shares that these securities grant rights over immediately or in the future;

9. Decides that the issuance price of the shares issued pursuant to this delegation will be at least equal to the minimum value set forth by law and applicable regulations at the time this delegation is used, which currently corresponds to the weighted average of the price of the share during the last three stock market trading days preceding the date on which the issuance price is set, minus as the case may be a maximum discount of 5% of this amount after any applicable corrections in order to account for the difference in dividend entitlement date (*date de jouissance*) if any;

10. Decides that the issue price of the securities giving access to the share capital will be such that the amount received immediately by the Company, increased, as applicable, by the amount to be received in the future for each share issued as a result of the issue of these securities, is at least equal to the minimum issuance price defined in the preceding paragraph;

11. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board; it being specified that in the case the size of the capital increase presented to the Supervisory Board by the Executive Board represent, alone or together with the capital increases realized pursuant to this resolution and the twenty-second, twenty-fourth, twenty-sixth, twenty-seventh, twenty-eighth and twenty-ninth resolutions of this Shareholders' meeting, prior or simultaneous with the said capital increase, more than EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, more than 11,521,406 shares), the Supervisory Board shall decide by a majority of 2/3 of its members;

12. Acknowledges that this delegation voids, from this day, as the case may be, any unused part of any prior delegation of authority having the same purpose, i.e., any delegation of authority relating to a share capital increase without shareholders' preferential subscription rights, covering the shares and securities referred to in this resolution. This delegation therefore voids the delegation granted by the Shareholders' meeting held on 2 June 2016 pursuant to its thirteenth resolution; and

13. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the following ordinary Shareholders' meeting, in accordance with applicable laws and regulations, on the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Executive Board is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

Resolution n° 24 – Delegation of authority to the Executive Board for the purpose of issuing, without shareholders' preferential subscription rights, ordinary shares of the Company and/or securities giving access to the share capital of the Company, within the framework of an offering as described in paragraph II of Article L.411-2 of the French Monetary and Financial Code

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.228-91 *et seq.* of the French Commercial Code and L.411-2 of the French Monetary and Financial Code:

1. Delegates its authority to the Executive Board to decide, without shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*). Such issuance is to be carried out through an offering qualified as a private placement as described in Article L.411-2 II of the French Monetary and Financial Code, in the proportions and at the times it shall determine, both in France and outside of France. It is hereby further specified that the Executive Board will also have the option to sub-delegate all necessary powers to decide and implement on the share capital increase to the Chairman of the Executive Board or, with the Chairman's approval, to one or more of its members, under the conditions set forth by law;
2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;
3. Decides that the nominal amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to this delegation cannot exceed an overall nominal amount of EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 11,521,406 shares), it being specified that this amount will be included in the overall nominal cap amounts of EUR720,087.85 and EUR576,070.30 set forth in the thirtieth resolution of this Shareholders' meeting and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;
4. Decides that, issuance of capital securities carried out pursuant to this delegation will not, in any event, exceed the limits set out by the applicable regulations on the issue date, i.e. 20% per annum at the time of the issuance (it being specified that this 20% limit shall be assessed at any time and shall apply to the share capital as adjusted according to the transactions, with or without a public offering, affecting it subsequent to this Shareholders' meeting);
5. Also delegates its authority to the Executive Board for the purpose of deciding on the issuance of securities that are debt securities giving access to share capital of the Company to be issued;
6. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued, that could potentially be issued pursuant to this delegation will amount to a maximum of EUR150 million or to the exchange value of this amount in the event of an issuance carried out in a foreign currency or in any currency unit set through reference to a number of currencies;
7. Decides to suppress the preferential subscription right of shareholders to the securities to be issued pursuant to this delegation;
8. Acknowledges that if the subscriptions have not absorbed all of the issuance of shares or securities giving access to the share capital, the Executive Board may limit the amount of the transaction to the amount of the subscriptions received;
9. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies

the shareholders' renunciation to their preferential subscription right to shares that these securities grant rights over immediately or in the future;

10. Decides that the issuance price of the shares issued pursuant to this delegation will be at least equal to the minimum value set forth by law and applicable regulations at the time this delegation is used, which currently corresponds to the weighted average of the price of the share during the last three stock market trading days preceding the date on which the issuance price is set, minus as the case may be a maximum discount of 5% of this amount after any applicable corrections in order to account for the difference in dividend entitlement date (*date de jouissance*) if any;

11. Decides that the issue price of the securities giving access to the share capital will be such that the amount received immediately by the Company, increased, as applicable, by the amount to be received in the future for each share issued as a result of the issue of these securities, is at least equal to the minimum issuance price defined in the preceding paragraph;

12. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board; it being specified that in the case the size of the capital increase presented to the Supervisory Board by the Executive Board represent, alone or together with the capital increases realized pursuant to this resolution and the twenty-second, twenty-third, twenty-sixth, twenty-seventh, twenty-eighth and the twenty-ninth resolutions of this General meeting, prior or simultaneous with the said capital increase, more than EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, more than 11,521,406 shares), the Supervisory Board shall decide by a majority of 2/3 of its members;

13. Acknowledges that this delegation voids, from this day, as the case may be, any unused part of any prior delegation of authority having the same purpose, i.e., any delegation relating to a share capital increase without shareholders' preferential subscription rights within the framework of an offering as described in paragraph II of Article L.411-2 of the French Monetary and Financial Code, covering the shares and securities referred to in this resolution. This delegation therefore voids the delegation granted by the Shareholders' meeting held on 2 June 2016 pursuant to its fourteenth resolution; and

14. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the subsequent ordinary Shareholders' meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Executive Board is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

Resolution n° 25 – Determination of the issuance price, up to the limit of 10% of the share capital per annum, of the ordinary shares and/or of securities giving access to the share capital of the Company, in the event of the suppression of shareholders' preferential subscription rights

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of paragraph 2 of Article L.225-136 1° of the French Commercial Code, and up to the limit of 10% of the share capital per annum at the time of the issuance (it being specified that this 10% limit shall be

assessed at any time and shall apply to the share capital as adjusted according to the transactions, with or without a public offering, affecting it subsequent to this Shareholders' meeting):

1. Authorizes the Executive Board, with the option to sub-delegate, under the conditions set forth by law, to set the price of the ordinary shares issued directly or through the issuance of any other securities giving access to the share capital, after taking into account any market opportunities, at a price that is at least equal to the volume-weighted average (in the central order book excluding off-market block trades) of the closing prices of the Company's share on Euronext Paris during the last three five stock market trading days preceding the date upon which the issuance price is set, it being specified that this average could be adjusted, if necessary, to account for the different dividend entitlement date (date de jouissance) and potentially be discounted by a maximum amount of 15 %;
2. Specifies that the five stock market trading days above are those that will immediately precede the determination of the issuance price of the ordinary shares, such determination to take place at the close of the period during which investors are placing firm or indicative subscription orders (such period being the bookbuilding period) and therefore to reflect the price of such orders;
3. Acknowledges that the Executive Board will have the option to implement this resolution both pursuant to the twenty-third and twenty-fourth resolutions;
4. Acknowledges in the event the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall prepare a supplementary report, certified by the Statutory Auditors, describing the final terms of the transaction and providing the criteria for assessing the actual impact on the shareholder's situation.

The delegation of authority thus granted to the Executive Board is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

Resolution n°26 – Delegation of authority to the Executive Board for the purpose of issuing of ordinary Company shares and /or of securities giving access to the share capital of the Company, without shareholders' preferential subscription rights and reserved for certain categories of investors

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of articles L.225-129 to L.225-129-6, L.225-135, L.225-138 and L.228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Executive Board to decide, without shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*). It is hereby further specified that the Executive Board will also have the option to sub-delegate all necessary powers to decide and implement the share capital increase to the Chairman of the Executive Board or, with the Chairman's approval, to one or more of its members, under the conditions set forth by law;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Decides that the overall nominal amount of the share capital increases that could potentially be carried out immediately or in the future pursuant to this delegation cannot exceed an overall nominal amount of EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 11,521,406 shares), it being specified that this amount will be included in the overall nominal cap amounts of EUR720,087.85 and EUR576,070.30 set forth in the thirtieth resolution of this Shareholders' meeting and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

4. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued, that could potentially be issued pursuant to this delegation will amount to a maximum of EUR150 million or to the exchange value of this amount in the event of an issuance carried out in a foreign currency or in any currency unit set through reference to a number of currencies;

5. Decides to suppress the preferential subscription right of shareholders to the securities to be issued pursuant to this delegation and to reserve the right to subscribe to industrial and commercial companies involved in the pharmaceutical / biotechnological sector or to investment companies or companies of funds' management companies or directly to investment funds, governed by French or foreign law, or to any other legal person (including a trust) or natural person that invest on a regular basis, in the pharmaceutical / biotechnological sector likely to invest in, as part of a private placement, and to investment services providers, governed by French or foreign law, likely to underwrite the completion of such an issuance of securities, according to article L.411-2 II of the French Monetary and Financial Code for French investors (qualified investors as described in article D. 411-1 of the French Monetary and Financial Code or restricted circle of investors as described in article D. 411-4 of the French Monetary and Financial Code) and to the equivalent provisions for foreign investors;

6. Delegates its authority to the Executive Board, with sub-delegation faculty, that the issuance price of the shares issued or any instrument giving access to the ordinary shares of the Company, after considering the market opportunities, will be at least equal to the volume-weighted average of the Company's share price on the Euronext Paris regulated market for the last five stock market trading days preceding the date on which the issuance price is set, minus as the case may be a maximum discount of 15 % of the amount after any applicable corrections price, in order to account for the difference in dividend entitlement date (*date de jouissance*) if any;

7. Specifies that the five stock market trading days above are those that will immediately precede the determination of the issuance price of the ordinary shares, such determination to take place at the close of the period during which investors are placing firm or indicative subscription orders (such period being the bookbuilding period) and therefore to reflect the price of such orders;

8. Grants to the Executive Board, with the power to sub-delegate, all powers to proceed to the execution of this delegation under the conditions set forth by law and particularly to fix the investors' list, in the categories of mentioned investors above for which the preferential subscription right of shareholders to the securities to be issued has been suppressed and determine the number to allocate to each beneficiary;

9. Decides that before using this delegation of competence, the Executive Board will have to submit the principle to the Supervisory Board, provided that, if the size of the capital increase presented to the Supervisory Board by the Executive Board, alone or together with the other capital increase pursued under the twenty-second, twenty-third, twenty-fourth, twenty-seventh, twenty-eighth and twenty-ninth resolutions of this Assembly before or within the above-mentioned increase, more than EUR576,070.30 (on the basis of the nominal value of the share of the Company of EUR0.05, more than 11,521,406 shares), the Supervisory Board will be called to decide at the two third majority of its members.

10. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies the shareholders' renunciation to their preferential subscription right to shares that these securities grant rights over immediately or in the future; and

11. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the following ordinary shareholders' meeting, in accordance with applicable laws and regulations, on the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Executive Board is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

Resolution n° 27 - Authorization granted to the Executive Board to increase of 15% the number of securities to be issued in the event of a share capital increase with or without shareholders' preferential subscription rights

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of Article L.225-135-1 of the French Commercial Code:

1. Authorizes the Executive Board, with the option to sub-delegate to its Chairman or, with the Chairman's approval, to one or more of its members, under the conditions set forth by law, to increase the number of securities to be issued for each of the issuances, with or without shareholders' preferential subscription rights, decided upon pursuant to the twenty-second, twenty-third, twenty-fourth and twenty-sixth resolutions of this Shareholders' meeting within thirty days following the closing of the subscription period, up to a limit of 15% of the initial issuance, and at the same price as the price retained for the initial issuance; and

2. Decides that the maximum nominal amount of the capital increases that could potentially be carried

out pursuant to this delegation of authority will be included in the overall nominal share capital increase caps set by the thirtieth resolution of this Shareholders' meeting.

The authorization granted to the Executive Board pursuant to the resolution is valid for a term of twenty sixth (26) months as from the date of this Shareholders' meeting.

Resolution n° 28 – Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, as compensation for contributions in kind comprised of equity securities or securities giving access to the share capital

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of articles L.225-129 to L.225-129-6, L.225-147, 6th paragraph, and L.228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Executive Board for the purpose of deciding on the issuance of shares or any other securities giving access to the share capital of the Company, in order to offer compensation for contributions in kind granted to the Company and comprised of equity securities or securities giving access to the share capital, when the provisions of Article L.225-148 of the French Commercial Code do not apply and decides, as necessary, to suppress the preferential subscription right of shareholders to these shares and securities to be issued, for the benefit of the holders of these securities, it being specified that the overall nominal amount of the capital increases that could potentially be carried out pursuant to this delegation may not, at the time of the issuance exceed 10% of the share capital (this 10% limit shall apply at any time to a capital adjusted according to the transactions affecting it subsequent to this Shareholders' meeting), it being further specified that this amount will be included in the EUR720,087.85 and EUR576,070.30 overall nominal cap amounts set forth in the thirtieth resolution of this Shareholders' meeting;
2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;
3. Also delegates its authority to the Executive Board for the purpose of deciding on the issuance of securities that are debt securities giving access to share capital of the Company to be issued;
4. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued, that could potentially be issued pursuant to this delegation will amount to a maximum of EUR150 million or to the exchange value of this amount in the event of an issuance carried out in a foreign currency or in any currency unit set through reference to a number of currencies;
5. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies the shareholders' renunciation to their preferential subscription right to shares that these securities grant rights over immediately or in the future;

6. Decides that the Executive Board will have full powers, with the option to sub-delegate under the conditions set forth by law, to implement this resolution and, in particular, to set the list of securities contributed, approve or reduce the valuation of contributions and the granting of specific advantages, to set, as the case may be, the cash amount to be paid, and acknowledge the number of securities contributed to the exchange;

7. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the ; it being specified that in the case the size of the capital increase presented to the Supervisory Board by the Executive Board represent, alone or together with the capital increases realized pursuant to this resolution and twenty-second, twenty-third, twenty-fourth, twenty-sixth, twenty-seventh and twenty-ninth resolutions of this General meeting, prior or simultaneous with the said capital increase, more than EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares of EUR0.05, more than 11,521,406 shares), the Supervisory Board shall decide by a majority of two thirds of its members;

8. Acknowledges that this delegation voids, from this day, as the case may be, any unused part of any prior delegation of authority having the same purpose, i.e., any delegation relating to the issuance of shares or any other securities giving access to the share capital without preferential subscription rights maintained offering compensation for contributions in kind bearing on capital securities or securities giving access to the share capital. This delegation therefore voids the delegation granted by the Shareholders' meeting held on 2 June 2016 pursuant to its seventieth resolution; and

9. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the following ordinary Shareholders' meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority granted to the Executive Board pursuant to this resolution is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

Resolution n° 29 – Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, in the event of a public exchange offer initiated by the Company

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the Executive Board and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L.225-129 to L.225-129-6, L.225-148, and L.228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Executive Board for the purpose of deciding on the issuance of shares as well as any other securities giving access to the share capital of the Company, as compensation for securities tendered in the context of a public exchange offer initiated by the Company and carried out in France or outside of France in accordance with local regulations, relating to the securities of another company admitted to trading on one of the regulated markets described in Article L.225-148 of the French Commercial Code, and decides, as necessary, to suppress the preferential subscription right of shareholders to these shares and securities to be issued, for the benefit of holders of these securities;

2. the nominal amount of the share capital increases that could potentially be carried out pursuant to this delegation cannot exceed an overall nominal amount of EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, equal to EURO.05, a maximum amount of 11,521,406 shares), it being specified that this amount will be included in the EUR720,087.85 and EUR576,070.30 overall nominal cap amounts set forth in the thirtieth resolution of this Shareholders' meeting and that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;
3. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;
4. Also delegates its authority to the Executive Board for the purpose of deciding on the issuance of securities that are debt securities giving access to share capital of the Company to be issued;
5. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued, that could potentially be issued pursuant to this delegation will amount to a maximum of EUR150 million or to the exchange value of this amount in the event of an issuance carried out in a foreign currency or in any currency unit set through reference to a number of currencies;
6. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies the shareholders' renunciation to their preferential subscription right to shares that these securities grant rights over immediately or in the future;
7. Decides that the Executive Board will have full powers, with the option to sub-delegate under the conditions set forth by law, to implement this resolution and, in particular, to set the exchange parity as well as, if applicable, the cash amount to be paid, and to acknowledge the number of securities contributed to the exchange;
8. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the ; it being specified that in the case the size of the capital increase presented to the Supervisory Board by the Executive Board represent, alone or together with the capital increases realized pursuant to this resolution and twenty-second, twenty-third, twenty-fourth, twenty-sixth, twenty-seventh and twenty-eighth resolutions of this General meeting, prior or simultaneous with the said capital increase, more than EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, more than 11,521,406 shares), the Supervisory Board shall decide by a majority of two thirds of its members;
9. Acknowledges that this delegation voids, from this day, as the case may be, any unused part of any prior delegation of authority having the same purpose, i.e., any delegation relating to the issuance of ordinary shares and/or any other securities giving access to the share capital in the event of a public exchange offer initiated by the Company. This delegation therefore voids the delegation granted by the Shareholders' meeting held on the 2 June 2016 pursuant to its twenty-eighth resolution; and

10. Acknowledges that, in the event of the use by the Executive Board of the delegation of authority granted by this resolution, the Executive Board shall report to the following ordinary Shareholders' meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority granted to the Executive Board pursuant to this resolution is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting

Resolution n° 30 – Overall cap applicable to the resolutions n° 22 to 24 and 26 to 29 above

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated, decides:

- that the overall amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to the twenty-second to twenty-fourth, and twenty-sixth to twenty-ninth resolutions of this Shareholders' meeting, cannot exceed an overall nominal amount of EUR720,087.85 (or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 14,401,757 shares); and
- furthermore, within the above-mentioned threshold, the overall amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to the twenty-third, twenty-fourth, twenty-sixth, twenty-seventh, twenty-eighth and twenty-ninth resolutions of this Shareholders' meeting, cannot exceed an overall nominal amount of EUR576,070.30 (or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 11,521,406 shares);

it being specified that these overall amounts do not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

➤ **Capital increase for the benefit of members of a company savings plan**

Pursuant to the provisions of article L.225-129-6 of the French Commercial code, resolution n°31 is to delegate to the Executive board the authority to decide a capital increase under a company saving plans.

Resolution n° 31 – Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company for the benefit of the members of a company savings plan

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, after having deliberated and reviewed the report of the

Executive Board and the special report of the Statutory Auditors, within the framework of the provisions of articles L.3332-18 *et seq.* of the French Labor Code and of Article L.225-138-1 of the French Commercial Code and in accordance with the provisions of Article L.225-129-6 of that same Code:

1. Delegates all powers to the Executive Board for the purpose of increasing the Company's share capital, either once in full or in a number of installments, in the proportions and at the times it shall determine, by a maximum nominal amount of EUR10,000(or, on the basis of the current nominal value of the Company's shares, equal to EUR0.05, a maximum amount of 200,000 shares), through the issuance of shares or other securities giving access to the share capital, reserved to members of a company savings plan of the Company and of French or foreign companies that are related to the Company under the conditions set forth in Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code;

2. Decides that the subscription price of the new shares will be equal to 80% of the average of the first listed prices of the Company's share on the Euronext Paris stock exchange during the twenty stock market trading days preceding the date of the decision setting the opening date for subscription when the duration of the lock-up period stipulated by the savings plan pursuant to Article L.3332-25 *et seq.* of the French Labor Code is less than 10 years, and to 70% of this average when said lock-up period is greater than or equal to 10 years. Nevertheless, the Shareholders' meeting expressly authorizes the Executive Board, if it thinks it appropriate, to reduce or suppress the above-mentioned discounts, within legal and regulatory limits, in order to take into account, among others, the applicable legal, accounting, tax and social security considerations in the countries where the members of a company savings plan benefiting from the capital increase reside;

3. The Executive Board will also have the power to substitute all or part of the discount with an allocation of free shares or other securities giving access to the Company's share capital, either existing or to be issued, it being specified that the total benefit resulting from the allocation and, as applicable, the discount mentioned above, may not exceed the total benefit that members of the savings plan would have received if that shortfall had been 20% or 30% when the lock-up period stipulated by the plan pursuant to articles L.3332-25 *et seq.* of the French Labor Code is greater than or equal to 10 years;

4. Decides, pursuant to Article L.3332-21 of the French Labor Code, that the Executive Board may also provide for the allocation, free of charge, of new or existing shares or other new or existing securities giving access to the Company's share capital, as an employer matching contribution, provided that their equivalent monetary value, valued at the subscription price, will not have the effect of exceeding the limits provided for in articles L.3332-10 *et seq.* of the French Labor Code;

5. Decides to suppress, in favor of members of a company savings plan, the shareholders' preferential subscription rights to the new shares to be issued or to other securities giving access to the share capital, and to the securities to which such securities issued pursuant to this resolution gives access to;

6. Decides that the characteristics of the other securities giving access to the share capital will be decided by the Executive Board, under the conditions set forth by applicable regulations;

7. Decides that the Executive Board shall have all powers, with the power to delegate or sub-delegate pursuant to applicable legal and regulatory provisions, to implement this resolution and, in particular, with respect to determining the terms and conditions of the transactions and deciding on the dates and terms of the issuances to be carried out pursuant to this delegation, setting the opening and closing dates of the subscription periods, the dividend entitlement dates (dates de jouissance) of the issued securities, determining the terms and conditions for paying up the shares and other securities giving access to the Company's share capital, determining the timeframe for such paying up of shares and, as applicable, of the securities giving access to the Company's share capital, requesting the created securities' admission to trading on the stock market wherever appropriate, announcing the completion of the share capital increases in the amount of the shares that will actually be subscribed, completing, directly or through an agent, any transactions and formalities in connection with share capital increases and, at its sole discretion and if it sees fit, deducting the costs of the share capital increases from the amount of premiums associated with those increases and withholding from that amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase;

8. Decides that prior to using this delegation of authority, the Executive Board must submit the principle of its use to the Supervisory Board; and

9. Acknowledges that this delegation voids, from this day, as the case may be, any unused part of any prior delegation of authority having the same purpose, i.e., any delegation relating to the issuance shares and/or securities giving access to the share capital of the Company for the benefit of the members of a company savings plan. This delegation therefore voids the delegation granted by the Shareholders' meeting held on 23 April 2017 pursuant to its thirty second resolution.

The delegation thus granted to the Executive Board is valid for a term of twenty-six (26) months as from the date of this Shareholders' meeting.

➤ **Cancellation of shares under the share repurchase programme (resolution n°32)**

Resolution n°32 aims at, under resolution n°16 (share repurchase programme), authorising the Executive board to cancell all or part of the shares of the Company, which it may acquire under a share repurchase programme, up to the 10% limit of shares comprising the share capital of the Company per 24 months period.

Resolution n° 32 – Delegation of power granted to the Executive Board for the purpose of cancelling all or part of the treasury shares of the Company, acquired pursuant to the authorization to repurchase shares

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, having reviewed the report of the Executive Board and the special report of the Statutory Auditors, subject to the adoption of the authorization allowing the Company to repurchase its own shares as detailed in the sixteenth resolution above, authorizes the Executive Board, pursuant to the provisions of Articles L.225-209 *et seq.* of the French Commercial Code, to cancel, in the proportions and at the times it shall determine, once in full or in several

installments, all or part of the Company's shares that the Company holds pursuant to the authorization granted to the Executive Board to repurchase the Company's shares, and to reduce the share capital by the overall nominal amount of the shares thus cancelled, within the limit of 10% of the share capital over a period of twenty-four (24) months; it being reminded that this 10% limit applies to the Company's share capital, which may, if applicable, be adjusted according to transactions affecting the share capital that may occur subsequent to this Shareholders' meeting.

The Shareholders' meeting grants full power to the Executive Board, with the power to sub-delegate under the conditions set forth by law, for the purpose of proceeding with said capital reduction, acknowledging its successful completion, adding the difference between the cancelled share repurchase price and their par value to all items relating to reserves or premiums, carrying out the corresponding amendments to the by-laws, as well as making any declarations to the *Autorité des Marchés Financiers*, complete any other formalities and, generally speaking, take any necessary action.

This authorization is granted for a term of eighteen (18) months as from the date of this Shareholders' meeting. It voids, as from this day, as the case may be, any unused part of any prior delegation of authority granted to the Executive Board, having the same purpose, i.e., any delegation relating to the reducing of the share capital by cancellation of treasury shares. This delegation therefore voids the delegation granted by the Shareholders' meeting held on 23 June 2017 pursuant to its thirtieth third resolution.

➤ **Modification of the by-laws**

- Resolution n°33 aims at amending article 12 of the by-laws in order to grant a double voting rights on the ordinary shares to the shareholders holding their shares at the nominative form for a period of at least two years as from May 29, 2018

If the resolution is adopted, the double voting right shall not have any retroactive effect. Thus, the first double voting right may only be exercised as from May 29 2020, by shareholders holding their shares at the nominative form since May 29, 2018.

Such amendment of the by-laws aims at retaining the long-term shareholders.

- Resolution n°34 aims at removing the obligation to appoint one or more alternate auditors, in accordance with article L. 823-1 of the French Commercial code as amended by "Sapin II" Law.

Resolution n°33 – Amendment to Article 12 of the Articles of Association in order to grant a double voting right attached to the ordinary shares

The Shareholders' meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders' meetings, having reviewed the report of the Executive Board and the draft of the new Articles of Association, in accordance with article L.255-123 of the French Commercial Code which provides for a double voting right for shares admitted to trading on a regulated market except otherwise provided in the Articles of Association, decides to amend the second subparagraph of

paragraph I “Rights attributable to Shares A” of the Article 12 of the Articles of Association “Rights and obligations attributable to the shares” in order to grant a double voting right attached to the ordinary shares, the remainder remaining unchanged :

“Furthermore, it entitles to the voting right and to the representation at the shareholder’s meetings in accordance with the conditions prescribed by law and by the Articles of Association. The company’s shares (including the company’s shares that could be freely allocated in the event of a capital increase by capitalisation of reserves, profit or issue premium) which justify the holding in registered form during a period of at least two years from 29 May 2018 in the name of the same shareholder, are granted a double voting right.”

Resolution n° 34 – Amendment to Article 25 of the Articles of Association in order to remove the obligation to appoint one or more alternate auditors

The Shareholders’ meeting, acting under the conditions of quorum and majority required for Extraordinary Shareholders’ meetings, having reviewed the report of the Executive Board and the draft of the new Articles of Association, in accordance with article L.823-1 of the French Commercial Code as amended by Law n°2016-1691 of 9 December 2016 related to transparency, anti-corruption and the modernization of economic life, which introduced the possibility of not appointing an alternate auditor when the statutory auditor is a multi-partner legal person, decides to withdraw the third paragraph of Article 25 of the Articles of Association “Statutory Auditors” relating to the obligation to appoint one or more alternate auditors which is no longer applicable to the Company, the remainder remaining unchanged.

- Power for formalities

Resolution n° 35 – Powers for formalities

The Shareholders’ meeting grants full powers to the holder of an original, a copy, or an excerpt of the minutes of these resolutions for the purpose of completing any legal formalities.



REQUEST FOR DOCUMENTS OR FURTHER INFORMATION

For the INNATE PHARMA Combined Shareholders' Meeting of May 29, 2018

I the undersigned:

SURNAME:

(Mr, Mrs, Miss or Company Name)

First name:

Address:

holder of

and/or

registered shares,
bearer shares,

of INNATE PHARMA Company,

request documents and information concerning the Combined Shareholders' Meeting of May 29, 2018

* as listed in the article R.225-83 of the French Commercial Code.

Signed in :

On: / / 2018

Signature

Request to be sent to:

If you hold **registered** shares :

SOCIETE GENERALE
Département Titres et Bourse
Service Assemblées Générales
CS 30812
32 rue du champ de tir
44308 Nantes cedex 3 - France

If you hold **bearer** shares :

to the intermediary who holds your bearer shares
account

