RESS RELEASE

innate pharma

ANNUAL RESULTS 2014: STRONGER CASH POSITION AND EXPANDED CLINICAL PORTFOLIO

- ***€50m capital increase in June subscribed by specialized investors***
  - ***Cash horizon to the end of 2017***
- ***Acquisition of IPH2201, anti-NKG2A antibody, and start of Phase II clinical development***
- ***Expected in 2015:***
  - ***Initial efficacy data with lirilumab***
  - ***Roll out of Phase II clinical development plan with IPH2201***
  - ***IPH4102 to start clinical trial***

Marseille, France, February 19, 2015

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 – IPH), the innate immunity company developing first-in-class therapeutic antibodies for cancer and inflammatory diseases, reports today its consolidated financial results for the year ended December 31, 2014. The consolidated financial statements are attached to this press release.

Hervé Brailly, Chief Executive Officer of Innate Pharma, commented: *"2014 has been a big year for Innate Pharma. We have strengthened and advanced our pipeline with the acquisition of IPH2201 and the start of the first Phase II trial with this novel checkpoint inhibitor. With our most advanced program, lirilumab, we have completed the enrolment of the Phase II AML trial EffiKIR and our partner Bristol-Myers Squibb has expanded its clinical program to hematologic malignancies. Lastly, IPH4102 has received orphan drug designation in Europe and is on track to start a Phase I clinical trial in 2015.*

From the corporate perspective, we have raised €50m to finance the Phase II program of IPH2201 and therefore maintain a comfortable cash horizon to the end of 2017. We have reinforced our team, notably in the clinical organization with Pierre Dodion joining us as CMO in September, and our staff count increased from 84 to 99.

2015 will be a key year with initial read-out of lirilumab clinical trials, roll-out of IPH2201 Phase II trials and the start of clinical trials with IPH4102".

A conference call will be held today at 2:30pm (CET)

- Dial in number: +33 (0)1 70 77 09 39 -

A replay will be available during three months after the conference call.
Dial in number: +33 (0)1 72 00 15 01 Access number: 292312#.

Financial highlights for 2014:

Financial results are marked by a strengthening of the cash position to €69.2 million. This translates into a cash horizon to the end of 2017 in a context of increased R&D expenses related to the expansion of the clinical portfolio and notably the requirements of the Phase II clinical development of IPH2201.

The key elements of these results are as follows:

- Cash and cash equivalents as at December 31, 2014, amounting to €69.2 million (€41.3 million as at December 31, 2013), following a capital increase of €50 million in June 2014;
  - Financial debt of €4.2 million (€4.8 million as at December 31, 2013);
- Revenue and other income in the amount of €7.6 million (€16.7 million in 2013), primarily from existing collaboration agreements and research tax credit;
  - Revenue from collaboration and licensing agreements of €0.9 million in 2014 (€12.5 million in 2013) corresponds to the recognition of the upfront payment of €24.9 million received in July 2011 for the licensing deal with Bristol-Myers Squibb. This upfront payment is recognized in turnover during the expected period of duration of the program ongoing at the date of the signing, which is nearly completed.
- Operating expenses of €27.6 million (€19.4 million in 2013), of which more than 80% is in research and development;
- As a result of these changes in revenues and expenses, the operating loss amounted to €19.6 million (€2.9 million in 2013).

The table below summarizes the IFRS consolidated financial statements for the twelve-months period ended December 31, 2014, with a comparison to the same period in 2013:

	Year ended December 31	
In thousands of euros (IFRS)	**2014**	**2013**
Revenue from collaboration and licensing agreements	907	12,469
Government financing for research expenditures	6,715	4,182
Revenue and other income	**7,623**	**16,652**
Research and development expenses	(22,671)	(15,131)
General and administrative expenses	(4,918)	(4,313)
Net operating expenses	**(27,589)**	**(19,444)**
Operating income (loss)	**(19,966)**	**(2,793)**
Financial income / (expense), net	508	146
Profit / (loss) of dilution	(19)	179
Share of profit (loss) of associates and joint ventures	(170)	(424)
Net income (loss)	**(19,647)**	**(2,892)**

The consolidated annual IFRS financial statements as at December 31, 2014 as well as the management discussion on these results are presented in the appendix at the end of this document.

Pipeline update:

Lirilumab (anti-KIR antibody), partnered with Bristol-Myers Squibb:

During the second half of 2014, the clinical development plan of lirilumab continued and two new trials were initiated by Bristol-Myers Squibb during the third quarter.

- EffiKIR (double-blind placebo-controlled randomized Phase II trial of lirilumab as maintenance treatment in elderly patients with Acute Myeloid Leukemia in first complete remission - study IPH2102-201) :

  In September, the Data and Safety Monitoring Board ("DSMB") completed its third assessment of the EffiKIR study and recommended continuation of the trial as planned. The DSMB meets every six months and the next assessment will take place in March 2015. Results of EffiKIR on the primary efficacy endpoint, Leukemia-Free Survival, are expected by the end of 2015. No interim analysis is planned.

- Phase I trials testing lirilumab in combination in selected solid tumors :

  In December, new patient enrollment in the Phase I trial testing the combination of lirilumab and ipilimumab in selected solid tumors was closed. There were no safety issues leading to this decision and patients still under treatment or in active follow-up will continue as planned in the study protocol.

  The enrollment in the Phase I clinical trial testing the combination of the two investigational checkpoint inhibitors lirilumab and nivolumab is almost completed.

- Phase I trials testing lirilumab in combination in hematological malignancies:

  In October, two new Phase I trials testing lirilumab in combination in hematological malignancies started. The first one tests the tolerance and safety of lirilumab in combination with elotuzumab in patients with Multiple Myeloma. The second one tests the combination of lirilumab with nivolumab in some hematological cancers. These new trials initiated by Bristol-Myers Squibb are the first ones to test a combination of lirilumab in onco-hematology.

  In December 2014, two posters showing prelinical data supporting the rationale for the Phase I trial testing the combination of lirilumab and elotuzumab were presented at the ASH Annual Meeting.

IPH2201, anti-NKG2A antibody:

In December 2014, a first patient was treated in the first Phase II trial of IPH2201, opened at the Charité Comprehensive Cancer Center in Berlin, Germany. This trial tests IPH2201 as a single agent in a pre-operative setting of squamous cell carcinoma of the oral cavity, a tumor type representative of the larger group of squamous cell cancer of the head and neck.

Innate Pharma intends to start other Phase II trials with IPH2201 in 2015. Three indications have been prioritized – Head and Neck Cancer, Chronic Lymphocytic Leukemia and Ovarian Cancer. IPH2201 will be tested as a single agent or in combination with other agents.

IPH4102 (anti-KIR3DL2 antibody):

During the second half of 2014, IND-enabling studies for IPH4102 were completed. In August 2014, IPH4102 was granted orphan drug designation for the treatment of CTCL by the European commission. A peer-reviewed scientific article describing IPH4102 and results of preclinical efficacy studies was published in Cancer Research in November 2014. IPH4102 is expected to enter a Phase I clinical trial in 2015.

IPH4102 is a first-in-class cytotoxic antibody developed in some types of KIR3DL2-expressing cancers, such as the Sezary Syndrome ("SS") and Transformed Mycosis Fungoides ("TMF"), which are aggressive forms of cutaneous T-cell lymphomas.

IPH43 (anti-MICA antibody):

Innate Pharma progressed in the validation of MICA as a target in oncology. Antibodies were humanized and lead candidates have been characterized in order to select the best development candidate.

IPH43 is a program to develop a first-in-class anti-MICA therapeutic antibody in oncology. MICA is a highly polymorphic ligand of the NK cell activating receptor NKG2D. It is specifically expressed on several highly prevalent solid tumors including breast, colorectal and lung.

Antibody-drug conjugate technology:

In October 2014, new preclinical data showing the interest of Innate Pharma's proprietary site-specific conjugation technology (« BTG-ADC ») were presented at the « World ADC Summit ».

Corporate update:

Nomination:

In September 2014, Innate Pharma appointed Pierre Dodion as Chief Medical Officer and member of the Executive committee. In his most recent roles, Pierre Dodion was Senior Vice President Corporate Development and Operations of ARIAD Pharmaceuticals (2010-2013) and Associate Partner at Alacrita LLC (2014). He replaces Marcel Rozencweig who became President of Innate Pharma Inc., Innate's fully-owned US subsidiary. Marcel Rozencweig will represent the Company in its interaction with US stakeholders and remains a member of the Executive committee of Innate Pharma.

In December 2014, Mr. Karsten Munk Knudsen, Senior Vice President, Corporate Finance, became the new representative of Novo Nordisk A/S on the Innate Pharma Supervisory board.

Share information:

In December 2014, Innate Pharma became a component of the SBF 120 Index, which comprises 120 French quoted companies meeting pre-defined capitalization, free float and liquidity criteria.

About Innate Pharma:

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

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

The Company has two clinical-stage programs in immuno-oncology, a new therapeutic field that is changing cancer treatment by enhancing the capability of the body's own immune cells to recognize and kill cancer cells. Innate Pharma's science also has potential in chronic inflammatory diseases.

Listed on Euronext-Paris, Innate Pharma is based in Marseille, France, and had 99 employees as at December 31, 2014.

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

Practical Information about Innate Pharma shares:

ISIN code	FR0010331421
Ticker code	IPH

Disclaimer:

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

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

For additional information, please contact:

Innate Pharma
Laure-Hélène Mercier
Director, Investor Relations
Tel.: +33 (0)4 30 30 30 87
investors@innate-pharma.com

ATCG Press
Judith Aziza, Mob.: +33 (0)6 70 07 77 51
Marielle Bricman, Mob.: +33 (0)6 26 94 18 53

presse@atcg-partners.com

APPENDIX

Innate Pharma SA

Consolidated financial statements as at December 31, 2014

The following consolidated balance sheet, income statement and statement of cash flows are prepared in accordance with International Financial Reporting Standards.

The audit procedures on the consolidated financial statements have been performed. The auditors' report will be issued after the finalization of the required procedures relating to the filing of the annual report ('Document de Référence'). The consolidated financial statements were approved by the Company's Executive board on February 17, 2015. These statements were reviewed by the Company's Supervisory board on February 17, 2015 and will be submitted for approval to the Shareholders' General Meeting on April 27, 2015.

Innate Pharma's financial annual report, included in the reference document, will be available in the second quarter of 2015.

Balance Sheet
(in thousands of euros)

	At December 31,	
	2014	**2013**
Assets		
Current Assets		
Cash and cash equivalents	64,286	38,360
Current financial instruments	4,952	2,989
Current receivables	10,075	8,002
Total current assets	**79,314**	**49,350**
Non-current assets		
Intangible assets	5,362	-
Tangible assets	5,931	6,258
Associates and joint ventures	-	272
Other non-current assets	84	2
Total non-current assets	**11,377**	**6,532**
Total assets	**90,690**	**55,882**
Liabilities		
Current liabilities		
Trade payables	10,322	8,665
Financial liabilities	453	613
Provisions	-	-
Total current liabilities	**10,775**	**9,278**
Non-current liabilities		
Financial liabilities	3,753	4,206
Defined benefit obligations	1,094	789
Other non current liabilities	441	1,324
Total non-current liabilities	**5,289**	**6,319**
Shareholders' equity		
Capital and reserves attributable to equity holders of the Company		
Share capital	2,648	2,287
Share premium	181,746	128,000
Retained earnings	(89,881)	(87,072)
Net income (loss)	(19,647)	(2,892)
Other reserves	(241)	(38)
Total capital and reserves attributable to equity holders of the Company	**74,626**	**40,286**
Total liabilities and equity	**90,690**	**55,882**

Income Statement
(in thousands of euros)

	Year ended December 31,	
	2014	**2013**
Revenue from collaboration and licensing agreements	907	12,469
Government financing for research expenditures	6,715	4,182
Revenue and other income	**7,623**	**16,652**
Cost of supplies and consumable materials	(1,693)	(1,453)
Intellectual property expenses	(511)	(309)
Other purchases and external expenses	(14,432)	(9,219)
Employee benefits other than share-based compensation	(7,915)	(6,946)
Share-based compensation	(377)	(325)
Depreciation and amortization	(2,344)	(880)
Other expenses	(317)	(312)
Net operating expenses	**(27,589)**	**(19,444)**
Operating income (loss)	**(19,966)**	**(2,793)**
Financial income	917	533
Financial expenses	(409)	(387)
Net gain on dilution	(19)	179
Share of profit (loss) of associates and joint ventures	(170)	(424)
Net income (loss) before tax	**(19,647)**	**(2,892)**
Income tax expense	-	-
Net income (loss)	**(19,647)**	**(2,892)**
Net income (loss) per share attributable to equity holders of the Company:		
Weighted average number of shares (in thousands):	50,152	38,703
(in € per share)		
- Basic	(0.39)	(0.07)
- Diluted	(0.39)	(0.07)

Statement of cash flows
(in thousands of euros)

	Year ended December 31,	
	2014	**2013**
Net income (loss)	**(19,647)**	**(2,892)**
Depreciation and amortization	2,344	880
Provisions for charges and defined benefit obligations	118	102
Reversal of provisions	154	-
Share-based compensation	377	325
Share of profit (loss) of associates and joint ventures	170	424
Net gain / (loss) dilution	19	(179)
Debt write-off	-	79
(Gains) / losses on disposal of fixed assets	2	3
Gains on assets and other financial assets	(541)	(438)
Net paid interests	165	144
Other	5	-
Operating cash flow before changing in working capital	**(16,834)**	**(1,552)**
Current receivables and prepayments	(2,074)	379
Deferred revenue	(883)	(4,273)
Trade payables	1,657	(5,521)
Net cash generated from / (used in) operating activities	**(18,134)**	**(10,967)**
Acquisition of property and equipment	(2,343)	(433)
Disposals of non-current assets	-	116
Purchase of current financial instruments	(1,963)	(2,996)
Disposal of current financial instruments	-	2,038
Variance of the intercompany account with the associate	(60)	(120)
Gains on assets and other financial assets	541	438
Net cash generated from / (used in) investing activities	**(3,823)**	**(958)**
Proceeds from the exercise / subscription of equity instrument	1,015	423
Capital increase	47,785	18 394
Increase in financial liabilities	-	1,500
Repayment of financial liabilities	(613)	(1,186)
Net paid interests	(165)	(144)
Transactions on treasury shares	(70)	151
Net cash generated from / (used in) financing activities	**47,950**	**19,677**
Effect of the exchange rate changes	(68)	23
Net increase / (decrease) in cash and cash equivalents	**25,926**	**7,776**
Cash and cash equivalents at the beginning of the year	**38,360**	**30,584**
Cash and cash equivalents at the end of the year	**64,286**	**38,360**

Management discussion on annual results for 2014:

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 16.7 million euros and 7.6 million euros for the fiscal years ended December 31, 2013 and 2014, respectively, from the following sources:

	Year ended December 31	
In thousand euros	**2014**	**2013**
Revenue from collaboration and licensing agreements	907	12,469
Government financing for research expenditures	6,715	4,182
Revenue and other income	**7,623**	**16,652**

Revenue from collaboration and licensing agreements

Revenue from collaboration and licensing agreements respectively amounted to 12.5 and 0.9 million euros for the fiscal years ended on December 31, 2013 and 2014. These revenues result from the licensing agreement signed with Bristol-Myers Squibb in July 2011.

Following the licensing agreement signed with Bristol-Myers Squibb for the development and commercialization of the drug candidate IPH2102 (lirilumab), the Company received an upfront payment of 24.9 million euros (35.3 million US dollars). This upfront payment, which is non-refundable and non-creditable, is recognized in turnover during the expected period of duration of the clinical program in course at the date of the contract. The amount that is not yet recognized as turnover is booked as deferred revenue in the balance sheet (1.3 million euros). In addition to this upfront payment, the Company invoices Bristol-Myers Squibb for certain expenses relating to the licensed program.

The decrease in the turnover in 2014 mainly reflects the fact that the work contemplated initially within the upfront is largely completed.

Government financing for research expenditures

The table below details government financing for research expenditure for the fiscal years ended December 31, 2013 and 2014:

	Year ended December 31	
In thousands of euros	**2014**	**2013**
Research tax credit	6,510	4,182
French and foreign public grants	205	-
Government financing for research expenditures	**6,715**	**4,182**

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, 2013 and 2014:

	Year ended December 31	
In thousands of euros	**2014**	**2013**
R&D expenses eligible for the research tax credit	21,568	13,756
Grants received, net	-	(66)
Net expenses eligible for the research tax credit	**21,568**	**13,690**

When research tax credit is not deductible from taxes payable by the Company, it is usually reimbursed by the French government during the fourth fiscal year following the period for which it was booked in the income statement. Since 2010, companies classified as small and medium sized ("SMEs") according to the European Union criterias are eligible for an early reimbursement of the research tax credit. Innate Pharma qualifies for early reimbursement of the research tax credit and received the 2013 amount in July 2014.

Since 2008, repayable grants received are deducted from the basis of calculation of the research tax credit. These amounted to 66 thousand euros in 2013 and there were none in 2014. In parallel, the Company conducts studies outside of the European Union, notably in the USA, and these research expenses are not eligible for the research tax credit calculation.

For the 2014 fiscal year, the Company booked a grant amounting to 0.2 million euros in its income statement, as opposed to repayable loans which are recognized as debt and thus only impact the 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, 2013 and 2014:

	Year ended December 31	
In thousands of euros	**2014**	**2013**
Research and development expenses	(22,671)	(15,131)
General and administrative expenses	(4,918)	(4,313)
Net operating expenses	**(27,589)**	**(19,444)**

Research and development expenses include the cost of employees assigned to research and development operations, product manufacturing costs, subcontracting costs as well as costs of materials (reagents and other consumables) and pharmaceutical products.

Research and development expenses amounted to 15.1 million euros and 22.7 million euros for the fiscal years ended on December 31, 2013 and 2014, respectively representing 78% and 82% of net operating expenses. The increase in research and development expenses between 2013 and 2014 results from several factors. These notably include an increase of subcontracting costs relating to the development and the progress of the portfolios of pre-clinical and clinical programs, an increase in the amortization costs relating to the recognition of the rights of anti-NKG2A as an intangible asset and the staff growth.

General and administrative expenses include expenses for employees not directly working on research and development, as well as the expenses necessary for the management of the business and its development. General and administrative expenses were 4.3 and 4.9 million euros for the fiscal years ended on December 31, 2013 and 2014, respectively representing 22% and 18% of the net operating expenses. This increase mainly results from the growth in staff costs, including share-based payments.

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, 2013 and 2014:

	Year ended December 31	
In thousands of euros	**2014**	**2013**
Cost of supplies and consumable materials	(1,693)	(1,453)
Intellectual property expenses	(511)	(309)
Other purchases and external expenses	(14,432)	(9,219)
Employee benefit other than share-based compensation	(7,915)	(6,946)
Share-based compensation	(377)	(325)
Depreciation and amortization	(2,344)	(880)
Other income and (expenses), net	(317)	(312)
Net operating expenses	**(27,589)**	**(19,444)**

Cost of supplies and consumable materials

The cost of supplies and consumable materials amounted to 1.5 million euros and 1.7 million euros for the fiscal years ending on December 31, 2013 and 2014. The increase in this line item between the two fiscal years results from the growth in purchases used in the Company's laboratories.

Intellectual property expenses

Intellectual property expenses amounted to 0.3 million euros and 0.5 million euros for the fiscal years ending on December 31, 2013 and 2014.

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 9.2 million euros and 14.4 million euros during the fiscal years ending ended on December 31, 2013 and 2014, broken down as follows:

	Year ended December 31,	
In thousands of euros	**2014**	**2013**
Sub-contracting	(9,883)	(5,817)
Travel and conference costs	(1,157)	(794)
Non-scientific consultancy	(904)	(694)
Leases, maintenance and utility	(900)	(854)
Scientific consultancy and services	(860)	(454)
Marketing, communication and public relations	(314)	(283)
Attendance fees	(183)	(150)
Others	(231)	(173)
Other purchases and external expenses	**(14,432)**	**(9,219)**

Sub-contracting expenses involve discovery research costs (financing of research conducted externally, particularly academic research, antibody humanization technologies, manufacturing process development, etc.), pre-clinical 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.

Travel and conference costs mainly include expenses for employees travelling and attending conferences, particularly scientific, medical, business development and financial conferences. The rise of the line item between 2013 and 2014 results from both the greater number of employees travelling given both the expansion in staff numbers and the development of our activities in the United States.

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 2013 and 2014 mainly results from recruitment fees and the outsourcing of the reception role in our premises.

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

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. The increase in these costs between 2013 and 2014 is mostly explained by the recruitment of some staff members as consultants, notably Dr. Pierre Dodion who acted as a consultant before his appointment as Chief Medical Officer of the Group.

Employee benefits other than share-based compensation

Employee benefit expenses other than share-based compensation came to 6.9 million euros and 7.9 million euros for the fiscal years ended on December 31, 2013 and 2014.

This includes salaries and social benefit costs. On average, Innate Pharma had 83 employees during the fiscal year ended on December 31, 2013 and 91 employees during the fiscal year ended on December 31, 2014.

The proportion of total staff, excluding Executive committee members, allocated to research and development operations was respectively 76% and 78% for the fiscal years ended on December 31, 2013 and 2014.

The average amount of staff costs per employee was 84 and 87 thousand euros for fiscal years ended on December 31, 2013 and 2014.

Share-based compensation

Share-based compensation amounted 0.3 and 0.4 million for the fiscal years 2013 and 2014.

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 2013 and 2014 result from the issuance during the fiscal year of warrants for shares not including a condition requiring presence. As a consequence, the fair value of these instruments were not deferred but have been recognized as expenses in the income statement for the 2013 and 2014 fiscal year.

Depreciation and amortization

Depreciation and amortization amounted 0.9 and 2.3 million euros for the fiscal years ended December 31, 2013 and 2014 respectively. This variance results from the amortization of the intangible asset relating to anti-NKG2A purchased in February 2014. The relating amortization expense amounts to 1.6 million euro for the fiscal year 2014.

Other income and expenses, net

Other income and expenses amounted 0.3 million euros for the fiscal years ended on December 31, 2013 and 2014. They mainly included certain indirect taxes, as well as exceptional income and expenses.

Net financial income

The net financial income amounted respectively to 0.1 million euros and 0.5 million euros for the fiscal years ended on December 31, 2013 and 2014.

The Company's cash investment policy favours the absence of risk on principal and, wherever possible, guaranteed minimum performance.

The balance of cash, cash equivalents and financial instruments was 41.3 million euros and 69.2 million euros for the fiscal years ended on December 31, 2013 and 2014. This improvement in cash position mainly results from the capital increase carried out in June 2014 for a net amount of 47.8 million euros (50.0 million euros, gross).

Net gain (loss) on dilution

As a consequence of the acquisition of an equity interest in Platine Pharma Services SAS by the company Indicia Biotechnology SA in July 2013, the Group recognized a net gain on dilution for an amount of 0.2 million euros.

Share of profit (loss) in associate and joint-venture

This amount represents the share of the Group of the loss of the company Platine Pharma Services SAS for the first half of the fiscal year 2014. Following the entry in the capital of the company Advanced Bioscience Laboratories Inc., Platine Pharma Services SAS is not consolidated anymore.

Income tax expense

Because of the accumulated losses reported this year and over the past fiscal years, there is no income tax expense. No deferred tax asset has been recorded as there is a minimal likelihood of recovery.

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 0.07 euros and 0.39 euros for the fiscal years ended December 31, 2013 and 2014.

Balance sheet items:

Since its incorporation in 1999, the Company has been primarily financed from revenue from its licensing activities, by issuing new securities, and by government financing for research expenditure and repayable advances (Oséo, now BPI).

Financial debt amounted to 4.2 million euros as of December 31, 2014.

Cash, cash equivalents and current financial instruments amounted to 69.2 million euros as of December 31, 2014, compared with 41.3 million euros as of December 31, 2013.

At December 31, 2014, trade payables include the part of the upfront payment received from Bristol-Myers Squibb which will be recognized in revenue in 2015. Other non-current liabilities include the part of this upfront payment which will be recognized later on.

Post balance sheet events:

None

Risk factors:

Risk factors affecting the Company are presented in Chapter 5 of the latest "Document de Référence" submitted to the French stock-market regulator, the "Autorité des Marchés Financiers" on April 7, 2014.

Annual financial report for 2014 and "Reference Document":

The Company intends to file its 2014 annual financial report as well as its "Reference Document" for the year so that these documents are made public in the second quarter of 2015.