

Valneva Signs an Agreement to Acquire Dukoral[®] Vaccine

Agreement includes Crucell Sweden AB, the Dukoral franchise and Nordic vaccine sales infrastructure

Lyon (France), January 5, 2015 – European biotechnology company Valneva SE (“Valneva”) announced today that it has entered into a Sale and Purchase Agreement with Crucell Holland B.V. to acquire Crucell Sweden AB (“Crucell Sweden”) and all assets, licenses and privileges related to Dukoral^{®1}, a vaccine against cholera and traveler’s diarrhea caused by ETEC, as well as a Nordics vaccine distribution business of the seller and its affiliates (the “Acquisition”). The agreement entails in particular the purchase of the manufacturing site in Solna (Sweden) and will comprise approximately 115 employees (FTE’s).

The total transaction consideration amounts to EUR 45 million.

The acquired business generated revenues of EUR 38 million in 2013 and EUR 23 million in the first nine months of 2014 from the sales of the Dukoral[®] vaccine and the distribution of several other vaccines for third parties

Valneva anticipates that the envisaged transaction will:

- Complement Valneva’s Japanese encephalitis vaccine by creating critical mass in traveler’s vaccines and adding commercial infrastructure
- Add cash generating assets with long-term upside potential
- Unlock synergies to further support Valneva’s development towards financial sustainability
- Create a fully-integrated vaccines player with scarcity value in an attractive pharmaceutical segment

Valneva intends to finance the Acquisition with a combination of debt and equity. The latter will be raised through the launch of a public rights issue subject to market conditions.

Thomas Lingelbach, President and Chief Executive Officer and Franck Grimaud, President and Chief Business Officer of Valneva commented, “Dukoral^{®1} is the only approved traveler’s vaccine against Cholera / Travelers’ Diarrhea caused by ETEC and with this second traveler’s vaccine in our portfolio, together with its commercial infrastructure, we are strengthening our foundations for further growth. This acquisition is in line with Valneva’s strategy to reinforce its commercial vaccines portfolio and accelerates the Company’s path to financial self-sustainability”. “We are excited about the prospect of welcoming our new Swedish colleagues and a site with such a long standing heritage in vaccines.”

The completion of the envisaged transaction, which remains subject to the completion of customary conditions precedent for this kind of transaction, is expected to occur in February 2015.

Financing of the Acquisition

In order to finance the Acquisition and progress the development of its clinical stage vaccine pipeline products, Valneva intends to launch, in the near future, subject to market conditions and the approval of the French market authority (*Autorité des marchés financiers*) on a prospectus to be established for this purpose, a capital increase with preferential subscription rights (the "Rights Issue"). This Rights Issue would enable the Company to raise approximately EUR 45 million, of which EUR 30 million will be used to finance the Acquisition. The remaining amount will allow Valneva to efficiently integrate the acquired assets and pursue the on-going development of its pre-commercial products portfolio.

In this context, Valneva has already received the support of Bpifrance Participations ("Bpifrance"), one of its principal shareholders owning approximately 10% of the Company's ordinary share capital. Bpifrance has irrevocably committed to subscribe on an irreducible basis pro rata its stake and place a reducible order to have a total commitment of approximately EUR 10 million.

Furthermore, funds affiliated with two international life sciences investors, Athyrium Capital Management LLC ("Athyrium") and Capital Ventures International, have committed to purchase from the Company's historical shareholder Groupe Grimaud la Corbière ("Groupe Grimaud") preferential subscription rights and exercise these rights. Groupe Grimaud which owns approximately 21% of Valneva's ordinary share capital, will reinvest the proceeds from the sale of its preferential subscription rights in the Rights Issue.

In aggregate, subscription commitments from Bpifrance, Athyrium, Capital Ventures International and Groupe Grimaud amount to approximately EUR 20 million, i.e. approximately 44% of the contemplated rights issue.

Credit Agricole Corporate and Investment Bank and Kempen & Co will act as Joint Bookrunners of the Rights Issue and, subject to customary conditions, committed to underwrite the balance of the Rights Issue.

Additionally, in order to finance the Acquisition, a newly formed Swedish acquisition subsidiary of Valneva has entered into a EUR 15 million term loan facility from funds managed by Athyrium. The loan, which is guaranteed by Valneva, extends over a 5 year period and carries a fixed yearly interest rate of 11% payable in cash on a quarterly basis. The loan will be fully redeemed in cash at maturity and is secured by collateral on the acquired assets.

¹ About Dukoral[®]

Dukoral[®] is used to protect against cholera - a very serious disease caused by *Vibrio Cholerae* (*V. cholerae*), which is caught from contaminated food or water and causes severe diarrhea. In some regions, i.e. Canada and Switzerland, Dukoral[®] is indicated for the prevention of and protection against travelers' diarrhea caused by ETEC (*Enterotoxigenic Escherichia coli*) and/or cholera.

Dukoral[®] is used in adults, adolescents and children from two years of age who will be visiting high-risk areas. The vaccine contains four different inactivated strains (types) of the

bacterium V. cholerae serotype O1, and part of a toxin from one of these strains as active substances.

About Valneva SE

Formed in 2013 through the merger of Intercell AG and Vivalis SA, Valneva is a biotechnology company developing, manufacturing and commercializing innovative vaccines with a vision to protect people from infectious diseases.

The Company seeks financial returns through focused R&D investments in promising product candidates and growing financial contributions from commercial products, striving towards financial self-sustainability.

Valneva's portfolio includes a commercial vaccine for the prevention of Japanese encephalitis (IXIARO[®]) and proprietary vaccines in development against Pseudomonas aeruginosa, Clostridium difficile and Lyme Borreliosis. A variety of partnerships with leading pharmaceutical companies complement the company's value proposition and include vaccines being developed using Valneva's innovative and validated technology platforms (EB66[®] vaccine production cell line, IC31[®] adjuvant).

Valneva is headquartered in Lyon, France, listed on Euronext-Paris and the Vienna stock exchange and operates out of France, Austria and Scotland with approximately 270 employees. More information is available at www.valneva.com.

About Athyrium Capital Management

With over USD1 billion of assets under management, Athyrium is a dedicated healthcare investment manager. Athyrium invests worldwide in a wide range of financial instruments including equities, structured credit and royalties as well as select special situations. For further information: www.athyrium.com

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Forward-Looking Statements

This press release contains certain forward-looking statements relating to the business of Valneva, including with respect to the progress, timing and completion of research, development and clinical trials for product candidates, the ability to manufacture, market, commercialize and achieve market acceptance for product candidates, the ability to protect intellectual property and operate the business without infringing on the intellectual property rights of others, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing, the contemplated Acquisition and the contemplated Rights Issue. In addition, even if the actual results or development of Valneva are consistent with the forward-looking statements contained in this press release, those results or developments of Valneva may not be

indicative of their in the future. In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. These forward-looking statements are based largely on the current expectations of Valneva as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of Valneva could be affected by, among other things, uncertainties involved in the development and manufacture of vaccines, unexpected clinical trial results, unexpected regulatory actions or delays, competition in general, currency fluctuations, the impact of the global and European credit crisis, the ability to obtain or maintain patent or other proprietary intellectual property protection, the ability to successfully integrate the Acquisition assets and the success of the contemplated Rights Issue. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Valneva is providing the information in these materials as of this press release, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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