

European Investment Bank Grants Valneva a €25 Million Loan to Fund R&D Activities

- + Signing of the finance contract by EIB Vice-President Ambroise Fayolle and Valneva's management board to take place today during a ceremony at the EIB's Paris offices
- + Valneva will use the funds to advance its vaccine R&D programs, including its Lyme vaccine program which is expected to enter the clinic this year

Lyon, Luxembourg, July 12, 2016 – Valneva SE (“Valneva” or “the Company”), a leading pure play vaccine company, and the European Investment Bank (EIB), the world's largest multilateral bank, today announced that the EIB granted Valneva a €25 million loan facility to support its vaccine R&D activities.

Valneva plans to use the EIB financing to support the research and development of vaccines including its Lyme Borreliosis vaccine candidate (the only active development program for Lyme Disease in the vaccine industry) which is due to enter Phase I in 2016, and amongst others, further pre-clinical R&D on Zika virus. The Company recently announced the successful generation of a highly purified Zika vaccine candidate, which can now be further tested in animals and potential human studies.

“This is an innovative financing operation, which will have a real impact on the health and daily life of Europe's citizens. Valneva is an excellent example of a European company as it was created by a European cross-border merger and has operations in France, Austria, Sweden and the United Kingdom,” commented EIB Vice-President Ambroise Fayolle ahead of the signing ceremony. “Fostering innovation is one of the top priorities of the EU bank. This is why we offer, together with the European Commission, financial products tailored to develop the industrial excellence and competitiveness of companies. It is our responsibility to create the optimal conditions for financing clinical research in Europe, which is essential for developing new vaccines.”

Thomas Lingelbach, President and CEO and Franck Grimaud, Deputy CEO of Valneva, added, *“We are proud to get the support of the EIB. We see their investment as a token of trust in Valneva's R&D capabilities to advance vaccines for better lives. We appreciate the flexibility that the EIB credit line adds to our financing strategy. As we move towards EBITDA break-even, we will continue to fund the substantial part of our R&D expenses with our commercial product cash flows, limiting our R&D investment to 15-20% of our revenues. At the same time, we will benefit from a strong liquidity position and improved cost of capital as a result of the facility provided by the EIB.”*

The EIB loan contract is subject to conditions precedent. Following their satisfaction, the €25 million loan, which is offered on favourable terms, may be utilized by the Company



in one or several tranches within a 24-month period. Each credit tranche is repayable at the end of a five-year period starting from the drawing date. The loan will be secured by collateral over Valneva's material subsidiaries, mainly ranking behind securities in connection with Valneva's existing asset-based financing. Conditions precedent under the finance contract notably include the signing of an agreement with Valneva's principal current financing provider. Drawings in excess of €15 million will be subject to certain financial performance parameters which the Company expects to fulfil in 2017.

The EIB loan granted to Valneva is part of the European Horizon 2020 initiative, in particular the "InnovFin MidCap Growth Finance (MGF) - EU Finance for Innovators" programme - which provides customised products for supporting the development of innovative SMEs and midcaps.

The EIB Group provided more than €18 billion in 2015 in support of basic, applied and clinical research programmes within the European Union. In France in 2015, 18% of the Group's total investment of just over €8.7 billion was devoted to supporting SMEs, innovation and R&D.

The finance contract between Valneva and the EIB has been supported by KENUP, a civic society organization that promotes fundamental innovation in the European health sector.

Note to editors

European Investment Bank

The European Investment Bank (EIB), whose shareholders are the Member States of the European Union (EU), is the EU's long-term financing institution. It provides long-term finance in support of quality projects to contribute to the achievement of the EU's key objectives. More information is available at www.eib.org

General information on InnovFin financial products

Under Horizon 2020, the new EU research programme for 2014-20 implemented under the supervision of Commissioner Moedas, in 2014 the European Commission and the European Investment Bank Group (EIB and EIF) launched a new generation of financial instruments and advisory services designed to help innovative firms access finance more easily. Until 2020, "InnovFin – EU Finance for Innovators" is offering a range of customised products which will make available more than EUR 24bn of financing support for research and innovation (R&I) by small, medium-sized and large companies and promoters of research infrastructure. Overall, this finance is expected to mobilise at least EUR 48bn of investment in research and innovation.

Backed by funds set aside under Horizon 2020 and by the EIB Group, InnovFin financial products are used to support R&I activities, which by their nature are riskier and harder to assess than traditional investments, and therefore often face difficulties in accessing



finance. Firms and other entities located in EU Member States and Horizon 2020 Associated Countries are eligible as final beneficiaries.

InnovFin MidCap Growth Finance offers long term senior, subordinated loans or mezzanine loans, in order to improve access to finance mainly for innovative larger midcaps (up to 3000 employees), but also SMEs and small midcaps. Loans from EUR 7.5m to EUR 25m will be delivered directly by the EIB.

About Valneva SE

Valneva is a fully integrated vaccine company that specializes in the development, manufacture and commercialization of innovative vaccines with a mission to protect people from infectious diseases through preventative medicine.

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 two commercial vaccines for travelers: one for the prevention of Japanese Encephalitis (IXIARO[®]/JESPECT[®]) and the second (DUKORAL[®]) indicated for the prevention of cholera and, in some countries, prevention of diarrhea caused by ETEC. The Company has proprietary vaccines in development including candidates against *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 listed on Euronext-Paris and the Vienna stock exchange and has operations in France, Austria, Scotland, Canada and Sweden with approximately 400 employees. More information is available at www.valneva.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 and needs for additional financing. 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, and the ability to obtain or maintain patent or other proprietary intellectual property protection. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made during this presentation will in fact be realized. Valneva is providing the information in these materials as of this press release, and disclaim any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.