

Valneva Secures USD 30M New Financing and Confirms Sale of Clinical Manufacturing Operations in France

Lyon (France), December 9, 2013 – European Biotechnology company Valneva SE (Valneva) today announced that it has secured a USD 30 million financing from an investment fund managed by Pharmakon Advisors for its Austrian subsidiary Valneva Austria GmbH.

The new asset-based financing, which extends over a five year period, follows the repayment in the third quarter of a royalty-related loan of more than EUR 20 million, in connection with the Intercell and Vivalis merger which took place at the end of May 2013 to form Valneva. The new loan, secured under improved terms, will be used primarily to support the sales growth of Valneva's Japanese encephalitis vaccine IXIARO[®]/JESPECT[®] and to advance the company's pipeline of clinical candidates.

The loan carries a fixed interest rate of 9.5%. As from 2016, Valneva will pay a 2.6% royalty to Pharmakon on its IXIARO[®]/JESPECT[®] sales during the term of the loan. The asset-based loan is secured by a security interest on the incoming funds from Valneva's marketing partners relating to IXIARO[®]/JESPECT[®] and on the shares of Valneva's Austrian and Scottish subsidiaries, which hold the key IXIARO[®]/JESPECT[®] assets. The financing is expected to close before year end, subject to certain closing conditions.

"We are pleased to be partnering with Valneva on this transaction," said Pedro Gonzalez de Cosio, Managing Member of Pharmakon Advisors. "We are strong believers in the clinical utility and long term growth potential of IXIARO[®]/JESPECT[®]."

Valneva also confirmed that it has recently finalized the sale of its Clinical Manufacturing Operations (CMO) in Nantes, consisting in the transfer of the facility along with 22 Valneva employees.

The divestment of the CMO operations, which is part of Valneva's strategy to realize cost synergies of EUR 5 to 6 million annually, should contribute up to EUR 3 million to these savings. In addition, a purchase price exceeding the current book value of the facility has been agreed with the buyer.

Thomas Lingelbach, President and Chief Executive Officer and Franck Grimaud, President and Chief Business Officer of Valneva, commented, "this new financing and the completion of the CMO sale mark an important step for Valneva's future as it is now in a position to fully implement its strategy of progressively becoming a self-sustainable biotech company while at the same time financing its own R&D."



With the sale proceeds of the CMO facility and following the closing of the financing, Valneva expects its cash position to be approximately EUR 40 million at the end of 2013.

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About Valneva SE

Valneva is a new European biotech company focused on vaccine development and antibody discovery. It was created in 2013 through the merger between Intercell AG and Vivalis SA. Valneva's mission is to excel in both antibody discovery, and vaccine development and commercialization, either through in-house programs or in collaboration with industrial partners using innovative technologies developed by the company. Valneva generates diversified revenue from both its marketed product, a vaccine for the prevention of Japanese encephalitis (IXIARO[®]), commercial partnerships around a portfolio of product candidates (in-house and partnered), and licensed technology platforms (EB66[®] cell line, VIVA|Screen[™] antibody discovery technology, and the IC31[®] adjuvant) developed by Valneva that are becoming widely adopted by the biopharmaceutical industry worldwide. Headquartered in Lyon, France, the company employs approximately 350 people in France, Austria, Scotland, the United States, and Japan. The internationally experienced management team has a proven track-record across research, development, manufacturing, and commercialization

www.valneva.com

About Pharmakon Advisors

Investment Funds managed by Pharmakon Advisors have raised over \$1 billion to invest in debt securities and capped royalties secured by revenues from life sciences products. Pharmakon Advisors' management team has a long and successful track record of structuring debt investments and making direct investments in royalty interests on life sciences products. Pharmakon Advisors has structured investments secured by sales or royalty payments from sixteen different pharma, biotech and medical device products.

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.