Analyst call: FY 2013 and Updates

March 24, 2014

valneva

Disclaimer
Forward Looking Statements

These materials contain certain forward-looking statements relating to the business of Valneva SE (the "Company"), including with respect to the progress, timing and completion of the Company's research, development and clinical trials for product candidates, the Company's ability to manufacture, market, commercialize and achieve market acceptance for product candidates, its ability to protect its intellectual property and operate its business without infringing on the intellectual property rights of others, the Company's estimates for future performance and its estimates regarding anticipated operating losses, future revenues, capital requirements and its needs for additional financing. In addition, even if the Company's actual results or development are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of the Company's results or developments in the future. In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," or similar words. These forward-looking statements are based largely on the Company's current expectations as of the date of this presentation 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 Company's expectations 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, the impact of the global credit crisis, and the Company's 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 and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in these materials.

The Company is providing the information in these materials as of this date, and we 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.

Table of contents

Valneva's management team

Dedicated and committed to the future growth of Valneva

Thomas Lingelbach

President and Chief Executive Officer,
Président du Directoire

+ CEO of Intercell since 2011
+ Formerly COO of Intercell
+ Managing Director for Novartis Vaccines & Diagnostics Germany
+ Vice President Global Industrial Operations Chiron Vaccines

Franck Grimaud

President and Chief Business Officer,
Directeur Général

+ CEO and co-founder of Vivalis since 1999
+ Formerly responsible for Groupe Grimaud's development in China, Malaysia and Thailand

Reinhard Kandera

Chief Financial Officer,
CFO

+ CFO of Intercell since 2009
+ Formerly at Deutsche Bank
+ 17 years professional experience in finance and Life Science industries

Valneva's 2013 key milestones and 2014 outlook

Significant potential value inflection points

2013

✓ *Completed*

+ IXIARO® pediatric label extension granted by EMA and in the US ✓
+ First NDA submission filed for a human product using the EB66® cell line ✓
+ Sale of CMO in Nantes (France) ✓
+ Completion of a EUR 40.2m rights offering ✓
+ Phase I B results Clostridium difficile ✓
+ Phase II/III interim results Pseudomonas ✓
+ New EB66® licenses agreements ✓

2014

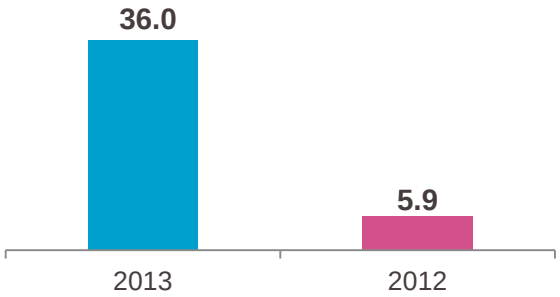
+ Fourth antibody program with Sanofi Pasteur using the VIVA|Screen® platform ✓
+ Next approval of a veterinary product produced in the EB66® cell line ✓
+ Phase II/III study continuation Pseudomonas aeruginosa* ✓ NEW
+ Market approval and launch of EB66® cell-based pandemic influenza vaccine in Japan
+ Sanofi opt-in milestone for first VIVA|Screen® antibody program
+ Phase II trial start C. difficile*
+ Further IC31® / Tuberculosis data
+ Borrelia vaccine Phase I

* Subject to regulatory acceptance and agreement with development partner

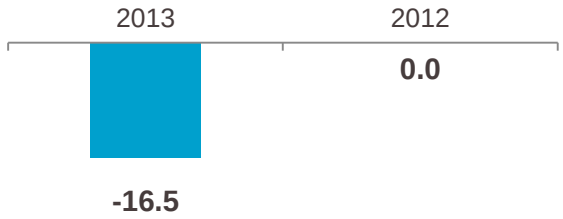
Table of contents

FY 2013 key figures
IFRS, EUR million

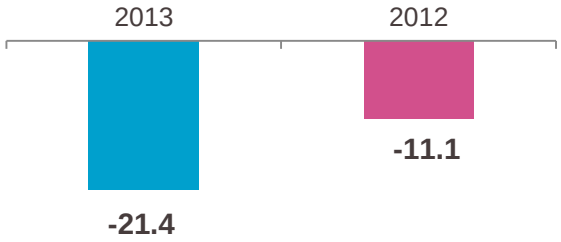
Revenues & grants



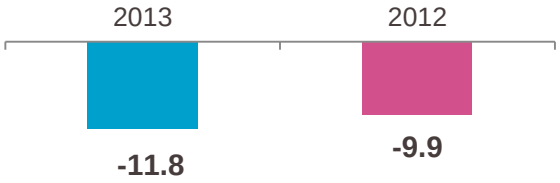
Cost of goods sold



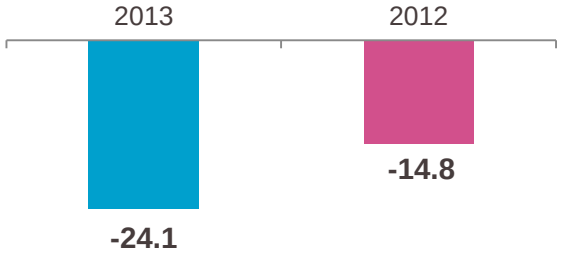
R&D expenses



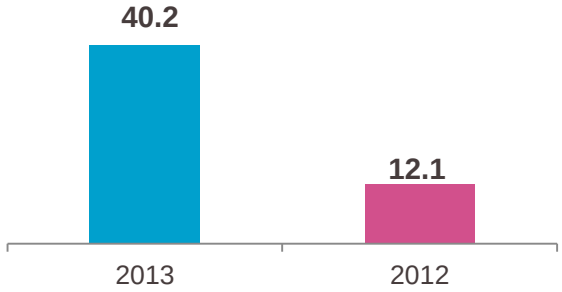
EBITDA



Net loss



Cash



FY 2013 P&L
IFRS reported figures vs. pro forma*

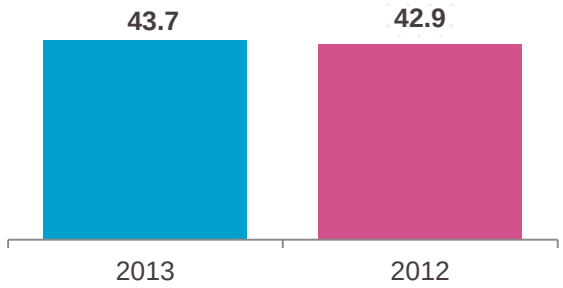
EUR in thousands	IFRS Year ended Dec 31,		Pro forma* Year ended Dec 31,	
	2013	2012	2013	2012
Product sales	23,239	-	27,212	26,772
Revenues from collaborations and licensing, grants	12,752	4,909	16,472	16,144
Revenues and Grants	**35,991**	**5,909**	**43,684**	**42,916**
Cost of goods sold	(16,508)	-	(20,003)	(19,730)
R&D expenses	(21,423)	(11,095)	(30,786)	(30,865)
S,G&A expenses	(14,720)	(5,565)	(20,790)	(18,614)
Other income and expenses, net	1,157	(292)	1,820	837
Amortization of intangible assets	(5,353)	(1,790)	(6,469)	(4,271)
OPERATING LOSS	**(20,856)**	**(12,833)**	**(32,543)**	**(29,722)**
Finance & tax expenses, net	(3,117)	(152)	(6,222)	(5,845)
Loss from discontinued operations	(137)	(1,856)	(137)	(1,856)
LOSS FOR THE YEAR	**(24,110)**	**(14,841)**	**(38,902)**	**(37,424)**
EBITDA	**(11,845)**	**(9,937)**	**(20,538)**	**(19,599)**

* For detailed explanation of pro forma assumptions and reconciliation to IFRS results see notes to Valneva's consolidated financial statements available on the Company's webpage www.valneva.com

Pro forma* key figures & outlook

Significant EBITDA improvement and reduction of net loss expected in 2014

Revenues (pro forma*)

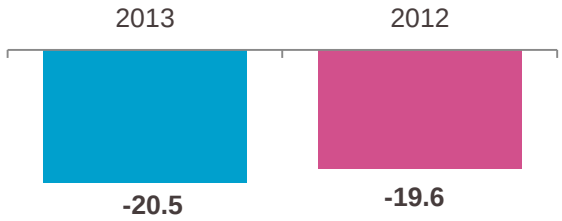


+ Significant revenue base from JEV product sales, licensing, collaborations and grants

EUR 40-45m revenues expected for 2014

(JEV sales growth offset by change in revenue recognition)

EBITDA (pro forma*)

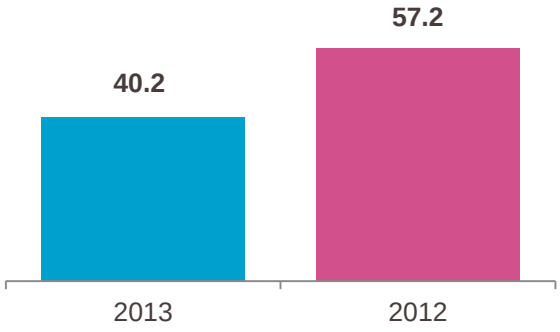


+ Focused spending in research and development, merger synergies effective in 2014

Significant improvement in operational results in 2014

(driven by merger synergies and savings in sales expenses)

Cash position (pro forma*)



+ Cash position strengthened in 2013 – cash outflow driven by R&D pipeline investments

Significant reduction of operating cash outflow expected for 2014

(strong cash position remains management focus)

* For detailed explanation of pro forma assumptions and reconciliation to IFRS results see notes to Valneva's consolidated financial statements available on the Company's webpage www.valneva.com

Table of contents

IXIARO®/ JESPECT®:
A marketed, unique product licensed in 35+ countries[7]

Japanese Encephalitis (JE): Most Common Viral Encephalitis in Asia[1]

+ JE is caused by a Flavivirus (like Dengue, Yellow Fever, Tick-borne Encephalitis)[2]
+ JE is the leading cause of viral neurological disease & disability in Asia[3]
+ JE results in 68,000 estimated symptomatic cases in Asia each year[4]
+ Between 1 in 25 and 1 in 1,000 infections lead to clinical disease[5]
+ Currently there is no effective treatment for JE[1]
+ JE is fatal in 20-30% of symptomatic cases and leaves half of the survivors with neurological sequelae[1]

The Product

+ Vero-cell derived, inactivated
+ No gelatin, no stabilizers
+ Alum-adjuvanted
+ Liquid formulation
+ 2 injections (day 0 and 28)
+ For travelers, including adults and children aged 2 months and above*
+ For military personnel (exclusive contract with US Department of Defense)[8]

Global Marketing and Distribution Agreements

US, EU, Asia[6] — NOVARTIS

Australia, New Zealand — CSL

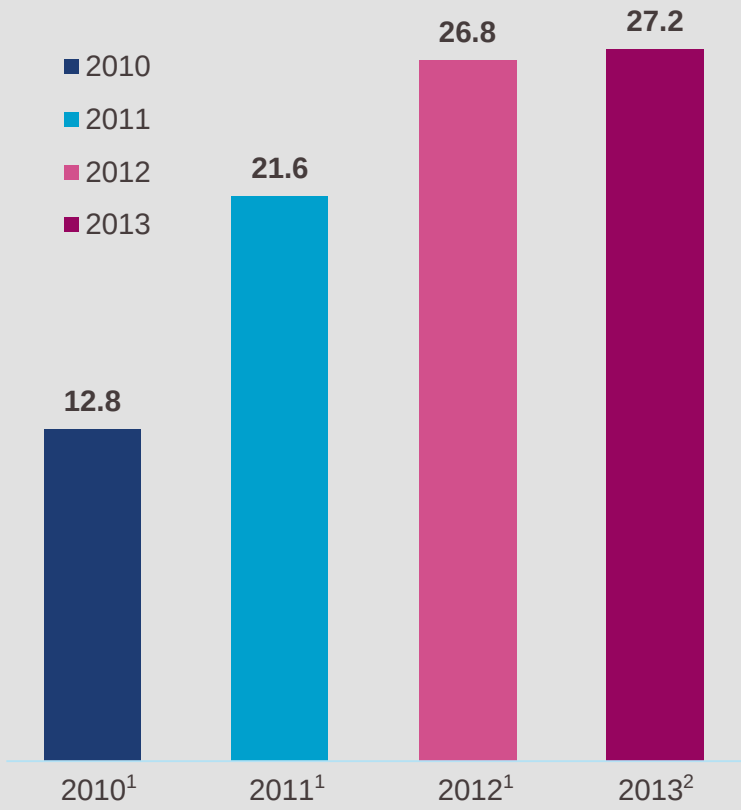
India, Indian subcontinent[6] — BE Biological E. Limited
(local manufacturing based on Valnevas's technology)

1 CDC. MMWR 2010;59:1-27; 2 CDC. MMWR 2010;59:1-27 Solomon T et al. J. Neurol. Neurosurg. Psychiatry 2000;68:405-415; 3 Solomon T et al. J. Neurol. Neurosurg. Psychiatry 2000;68:405-415; 4 WHO. Bull World Health Organ 2011; 89:766–774E.; 5 van den Hurk AF et al. Annu Rev Entomol 2009;54:17-35; 6 M&D rights, not yet approved or launched; 6 trade name JEEV®; 7 EU (28 countries), Norway, Lichtenstein, Iceland, Switzerland, Israel, Hong Kong, Singapore, Macau, USA, Canada, Australia, New Zealand; 8 PR Intercell 2009-05-08.

* **Please refer to Product / Prescribing Information (PI) / Medication Guide approved in your respective countries for complete information, incl. dosing, safety and age groups in which this vaccine is licensed. The currently available presentation for IXIARO can be used in children from 3 years of age. Prior to availability of the new presentation, no attempt should be made to adjust the syringe volume or to administer a 0.25mL/3µg dose in children less than 3 years of age.**

IXIARO®/ JESPECT®:
Significant revenue growth and long-term potential

Product sales revenues in EUR m



2013 sales analysis

+ Reduction of approximately 30% in distributors' inventory levels
+ Key travel market sales show solid (double digit) in market growth
+ Updating of USM JE vaccination policy for forward deployed troops drove sales of 150.000ds
+ Responsibility for USM customer shifted to Novartis
+ Valneva US business re-aligned to drive product profitability

Business potential

+ Military business expected to grow as military population deployed in Asia increases
+ Valneva expects to double travel markets penetration rate in the mid-term
+ Valneva has a gross margin target of ~50% on net sales revenues
+ Long term in-market business potential of ~EUR 150-200m[3]

1 Intercell product sales before merger
2 2013 pro forma sales; for pro forma assumptions and reconcilition to IFRS results see notes to Valneva's consolidated financial statements available on the Company's webpage www.valneva.com
3 Travel vaccine market to 2017, GBI Research published on 14 May 2013 / total JEV market potential

Amendment to Novartis Marketing & Distribution Agreement

Key principles and outlook

Principles	+ Parties decide to leverage successes in 2013 and developments to optimize global commercialization structure for IXIARO + Planned sales levels including minimum sales growth targets + Agreed inventory management principles
Outlook	+ Net Product sales of EUR 27-28 million in 2014 – comparable to EUR 31-32 million without the changes to the US military revenue recognition * + Sustained in-market sales growth in traveler and military markets + Significant increase in product profitability **

*) VLA will recognize 66,67% of US military in-market sales as Net product sales

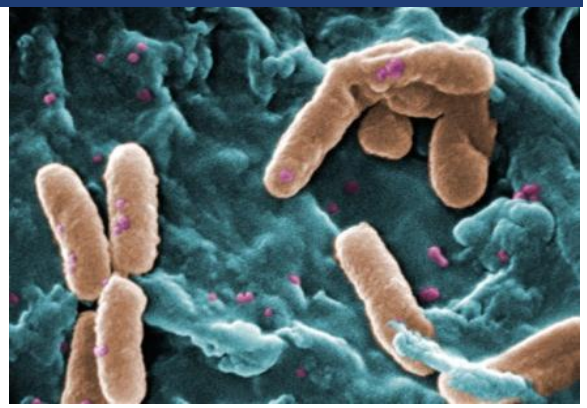
**) no royalty payments to Marketing & Distribution partner and no respective in-house costs for Distribution etc. for US military business, improved cost-structure in manufacturing

Table of contents

Pseudomonas aeruginosa:
Targeting an unmet medical need

IC43 vaccine candidate (Phase II/III)

+ Causes ~20% of nosocomial infections[1,3]
+ No. 1 cause of ICU-related pneumonia[1]
+ No. 2 cause of all nosocomial pneumonia[1]
+ Pseudomonas aeruginosa colonization of ventilated patients is associated with increased mortality rate[2]



Our product candidate

+ Recombinant OprF/I fusion produced in *E. coli*
+ No preservatives
+ Liquid formulation
+ 2 injections (days 0 and 7)

Current development

+ Currently in Phase II/III pivotal efficacy trial that is co-financed by partner Novartis
+ Reduction in mortality as primary endpoint
+ Interim analysis after approx. 400 patients completed
+ Study continuation targeting approx. 800 patients

Source: 1 Pseudomonas Infection, Selina SP Chen, Russell W Steele, MD – Chapter on Epidemiology http://emedicine.medscape.com/article/970904-overview#a0199
2 Robert Koch Institut: Gesundheitsbericht des Bundes Heft 8: Nosokomiale Infektionen, p. 13, 3 Vincent JP et al, JAMA, 1995; p639-644,

Pseudomonas aeruginosa:
Development partners jointly decided on current PhII/III trial continuation

Decision process completed

+ Data review of interim analyses by Data Monitoring Committee (DMC)*
+ Guidance from additional experts (Steering Committee)**
+ Scientific advices with European regulators***
+ Internal assessments****

Continuation initiated

+ Recruitment of patients for clinical trial is expected to resume Q2 / 2014
+ Preliminary results are expected at the end of 2015 / early 2016
+ Trial conduct and end-point unchanged
+ Initial sample size unchanged to keep option to potentially achieve statistical significance at targeted 800 patients level – potential fastest route to licensure

Co-develop with Novartis (cost sharing)
Opt-in right following successful trial outcome under pre-defined terms
(Valneva to select between milestone/royalty model
or continue co-development/profit-sharing model)

* Data Monitoring Committee – fully unblinded / independent. DMC reports any recommendation (i.e. after ad hoc and scheduled meetings) to a Steering Committee**
**Steering Committee to assist Sponsor (blinded) on overall guidance and direction for the study - .Based on DMC's report(s), Steering Committee makes final recommendation to the Sponsor with regards to continuation, discontinuation or modification of the study.
*** Rapporteur & Co-Rapporteur from initial EMA Scientific Advice (SA)
**** It is the Sponsor's final responsibility to implement the Steering Committee recommendations

Pseudomonas aeruginosa:
Current PhII/III interim analysis indicates further confirmation of previous findings

Previous Key Findings

Pre-clinical[1]:

+ Protective in a murine lethal Pseudomonas aeruginosa challenge model

Phase I (163 subjects)**[2]:**

+ Immunogenic in healthy volunteers
+ Safe and well tolerated

Phase II (400 patients)**[2]:**

+ Immunogenic in ICU patients, no safety concerns
+ Significant reduction of all-cause mortality vs. placebo*
+ Significant prognostic value of OprF/I titer on survival
+ Reduced mortality rates in patients with infection

Current Interim Findings**

Phase II/III interim (394 patients)[3]:

+ Clinically meaningful difference in mortality rates Vaccine-Placebo
+ No safety concerns regarding safety profile
+ Difference in mortality not as pronounced and planned based on Ph II (therefore formally futile)
+ Trends on mortality progression (efficacy) seem to be confirmed

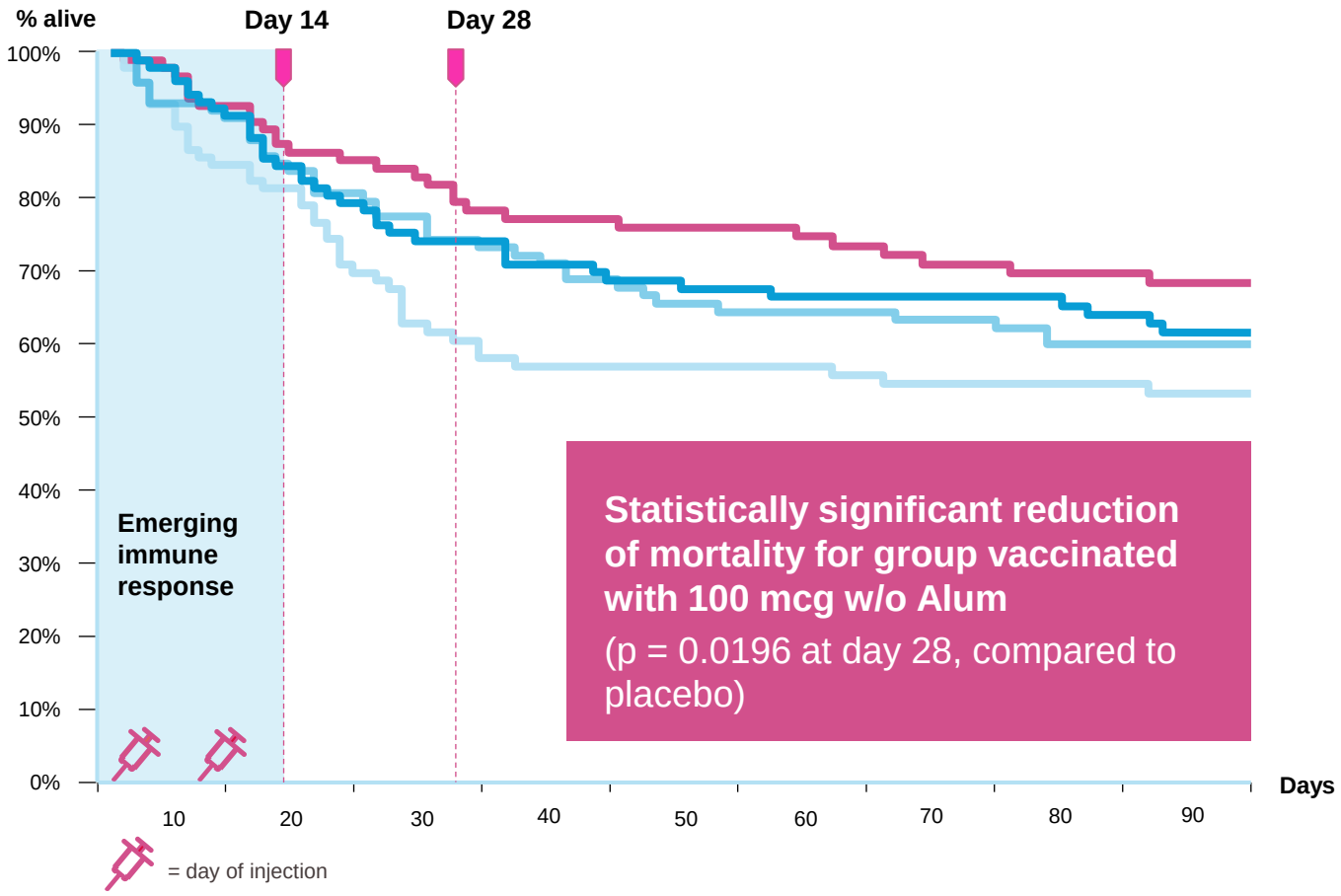
1 Investigator's Brochure 8.0, section "non-clinical pharmacology studies", pp 26-28, 2 Intercell PR 2010.10.25, 3 Valneva PR 2013.10.30.

*: Statistically significant reduction of mortality for group vaccinated with 100mcg w/o Alum (formulation chosen for ongoing phase II/III trial)
** Fully blinded / Analysis conducted by Data Monitoring Committee

Pseudomonas aeruginosa:

Key findings from Phase II: reduction of mortality in all Pseudomonas vaccine groups vs. placebo

Survival Rates IC43-201 Phase II trial*



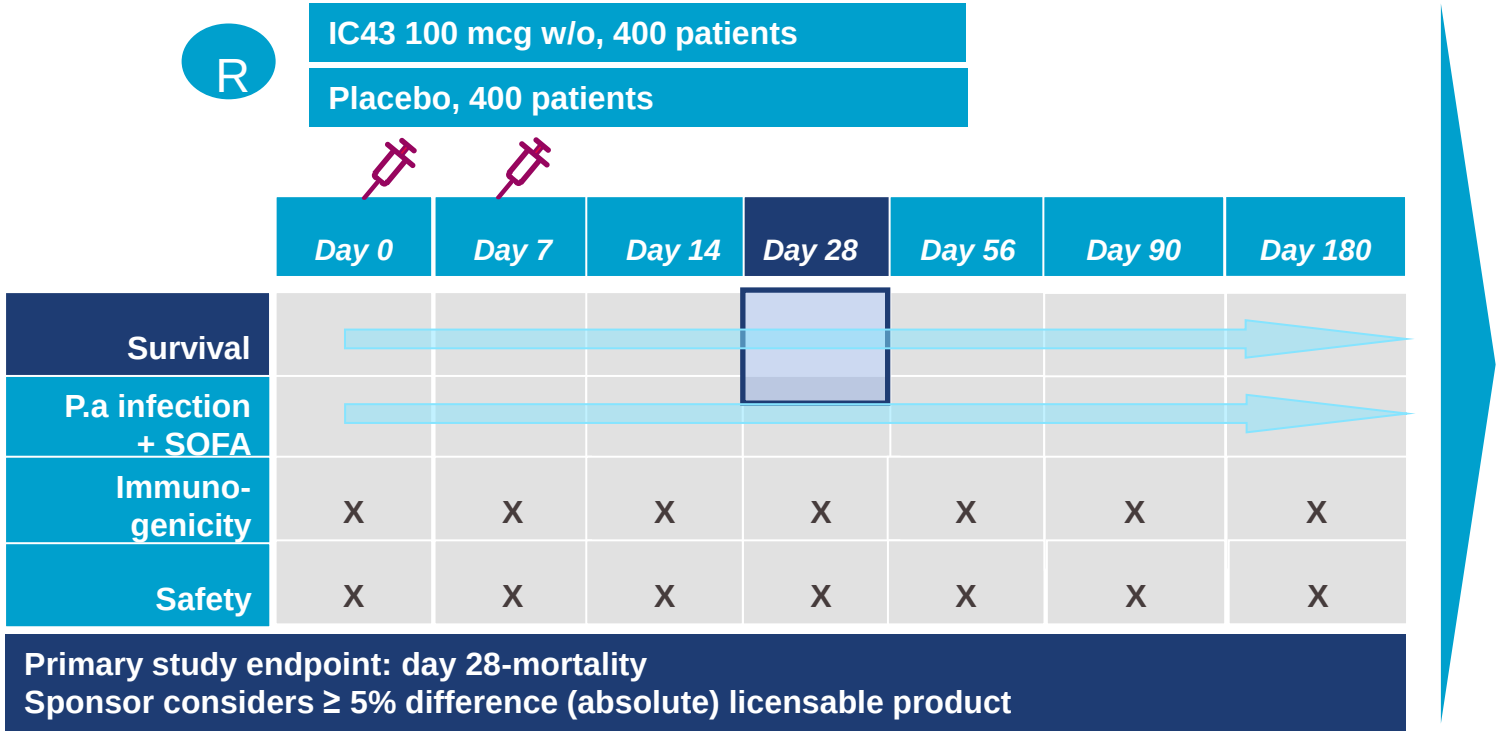
Selected for ongoing Phase II/III study

- 100 mcg w/o Alum (n = 100)
- 100 mcg with Alum (n = 100)
- 200 mcg with Alum (n = 100)
- Placebo (n = 100)

* IC43-201 Clinical Study Report 1.0 Fig 22, page 206

Pseudomonas aeruginosa:
IC43-202 – A Confirmatory Efficacy Study

+ Phase II/III, double-blind, randomized, multi-center, placebo-controlled pivotal efficacy study*
+ Participating countries: Austria, Belgium, Hungary, Germany, Spain, Czech Republic



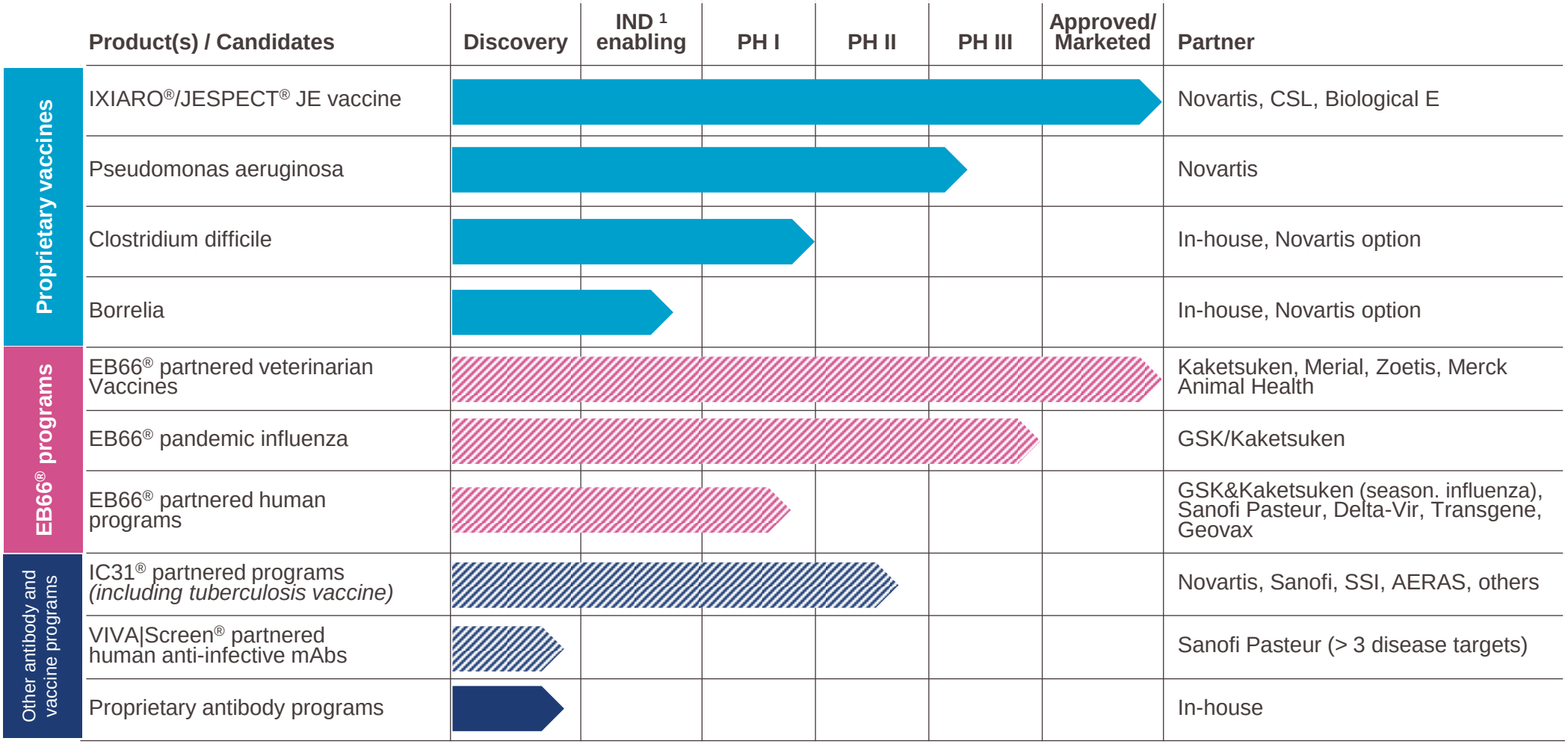
+ Potential consideration to extend sample size if necessary and justified

*Based on EMA scientific advice obtained in October 2011

Table of contents

Valneva's pipeline of commercialized and R&D assets

From discovery through to market – in-house and with partners



[1] Investigational New Drug

solid color: in-house program

shaded color: program managed by partner(s)

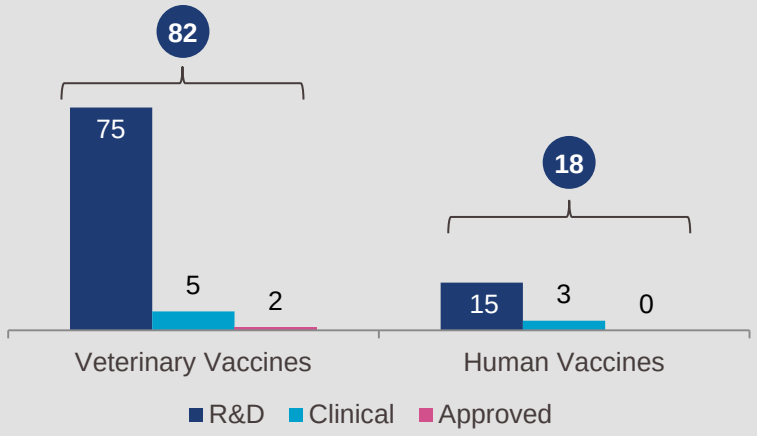
EB66®: An emerging, highly efficient platform for vaccine production

Over 35 agreements with the world‘s biggest pharmaceutical companies

EB66® cell line

+ Avian embryonic stem cell derived technology
+ The alternative to chicken eggs for large scale manufacturing of human and veterinary vaccines
+ Biological master file accepted by the US FDA
+ First veterinary vaccine approved in 2012
+ First approval of human vaccine expected in 2014

EB66® vaccines under development or approved



A growing, revenue-generating franchise

+ 7 new licenses signed on average every year
+ EUR 30m in upfront, milestones and research fees received to date
+ Potential additional milestones of up to EUR 80m and royalty payments from existing licenses
+ Selected licensees:

zoetis, gsk GlaxoSmithKline Biologicals, KAKETSUKEN, MERIAL, Boehringer Ingelheim, δ VIR, Daiichi-Sankyo, SANOFI PASTEUR, MSD Animal Health, transgene

Table of contents

Thank you
Merci
Danke

valneva