VALNEVA SE
Gerland Plaza Techsud
70, Rue Saint-Jean-de-Dieu
69007 Lyon, *France*

Valneva takes direct control over Marketing & Distribution of IXIARO® to increase margin and profitability

- In support of the company's strategy to build a leading, independent and fully integrated vaccines biotech company, and to leverage synergies with its recently acquired second travel vaccine and distribution infrastructure, Valneva has terminated the IXIARO®-related Marketing & Distribution agreement with GSK.
- Valneva expects this step to significantly improve its sales margin and the profitability of IXIARO® from 2016.
- Valneva intends to commercialize IXIARO® through its own sales & marketing teams for the US Military, Canada, Nordics and select countries, in addition to entering into distribution agreements with established local partners.
- The transition from GSK to Valneva is anticipated to last until early 2016.
- Valneva's annual IXIARO® net sales revenues are expected to increase from approximately EUR 30 million to more than EUR 50 million following the completion of the transition; However, 2015 sales may be negatively affected and are now expected to be EUR 20 to 25 million compared to Valneva's guidance of approximately EUR 30 million.
- Other existing agreements with GSK, such as the Strategic Alliance Agreement for Valneva's R&D portfolio or the EB66® license agreements, remain in full force and are not impacted by the termination.

Lyon (France), June 22, 2015 – European biotechnology company Valneva SE ("Valneva") announced today that it has decided to take direct control over the marketing and distribution of IXIARO®, its travel vaccine against Japanese Encephalitis, by terminating the marketing and distribution agreement with GSK related to IXIARO®, signed in 2006 with Novartis Vaccines.

This important step which has been possible because of specific contract provisions following the completion of the asset swap between Novartis and GSK, supports the company's strategy to build a leading, independent and fully integrated vaccines biotech company and unlock synergies with Dukoral®, Valneva's recently acquired second travel vaccine.

Valneva expects to significantly improve sales margins and profitability from IXIARO®, its largest revenue contributor, as of 2016 and beyond. Prior to termination, Valneva recognized 50% of in-market net sales revenues of IXIARO® to private travellers and two thirds of US military sales. Going forward, Valneva will recognize 100% of sales from markets where it distributes the product directly and an improved margin in other markets under country-specific marketing & distribution arrangements. In addition, the company believes that it will be able to continue to grow in-market sales from current

levels by giving the product full focus and attention and by entering markets in which IXIARO® is approved but not marketed today.
Following a transition period which is anticipated to last until early 2016 in all major territories, Valneva will market and distribute its JE-Vaccine through a combination of its own sales & marketing teams and country-specific marketing & distribution arrangements with established local partners. In particular, Valneva will be able to fully leverage its sales and marketing team in the Nordic countries (Sweden, Norway, Denmark and Finland) which was inherited through the acquisition of Crucell Sweden AB earlier this year, as well as its newly established teams in France, UK and Canada. Valneva will also distribute IXIARO® directly to its most important customer, the US military, as it had done from 2009 through 2013. For other key markets or segments, including the U.S. private market and Germany, the company is in advanced discussions for entering into exclusive wholesale distribution agreements.
Valneva expects 2015 in-market sales levels to be consistent with previous estimates, as GSK sells out existing IXIARO® stocks. No significant product deliveries in the second half of 2015 are expected, resulting in a short-term adverse financial impact for Valneva's 2015 IXIARO® net sales revenues of up to approximately EUR 5 to 10 million. Valneva now expects EUR 20 to 25 million sales from IXIARO® in 2015 compared to its previous guidance of approximately EUR 30 million, resulting in total revenues coming in at the low end of the previously expected range of EUR 75 to EUR 85 million. The Company expects to fully make up for this short-term adverse financial impact already in 2016.
Thomas Lingelbach, President & CEO and Franck Grimaud, Deputy CEO of Valneva commented, "The ability to now directly manage the commercialization and future growth of IXIARO®, in addition to Dukoral®, adds significant strategic and financial value to Valneva. We consider this as a pivotal step in support of our ambition to build a leading, independent and fully integrated vaccine company. Our expanded commercial portfolio justifies the continued development of our in-house sales & marketing teams, and represents a great opportunity to commercialize additional vaccines – either developed in-house, through partnerships or by way of acquisition. We want to thank the teams of Novartis Vaccines and now GSK for their work and excellent collaboration over the past 6 years in positioning and growing IXIARO®. We look forward to continuing our R&D collaboration with GSK, not only on the Pseudomonas and Clostridium difficile projects but also on the development of EB66®-based vaccines."

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 two commercial vaccines for travelers: one for the prevention of Japanese encephalitis (IXIARO®) and the second (Dukoral®) indicated for

the prevention of cholera and, in some countries, ETEC infection or traveler's diarrhea caused by ETEC (*Enterotoxigenic Escherichia coli)*. The company has proprietary vaccines in development including candidates 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, Scotland and Sweden with approximately 400 employees. More information is available at www.valneva.com.

About Japanese Encephalitis

Japanese Encephalitis (JE) is a deadly infectious disease found mainly in Asia. 67,900 cases of JE are estimated to occur in Asia each year, although the actual number of cases is likely much higher due to underreporting in rural areas and other factors. JE is fatal in approximately 30 percent of those who show symptoms, and leaves half of survivors with permanent brain damage. The disease is endemic in Southeast Asia, a region with more than 3 billion inhabitants. In 2005, Japanese Encephalitis killed more than 1,200 children in only 1 month during an epidemic outbreak in Uttar Pradesh, India, and Nepal.

About IXIARO®/JESPECT®

Valneva's Japanese Encephalitis vaccine is indicated against Japanese encephalitis for adults who travel to, or live in, endemic areas. It has received marketing approval in the U.S., Europe, Canada, Hong Kong, Singapore, and Israel under the trade name IXIARO® and in Australia and New Zealand where it is marketed as JESPECT®. It is the only vaccine being marketed to the U.S. military for Japanese encephalitis. IXIARO® is approved for use in individuals 2 months of age and older in the US and EU member states, Norway, Liechtenstein, Iceland, Singapore, Hong Kong and Israel. In all other licensed territories, IXIARO®/JESPECT® is indicated for use in persons 18 years of age and above.

Contact:
Laetitia Bachelot-Fontaine
Head of Investor Relations
& Corporate Communications
T +02-28-07-14-19
M +33 (0)6 4516 7099
Communications@valneva.com

Teresa Pinzolits
Corporate Communications Specialist
T +43-1-206 20-1116
M +43-676-84 55 67 357