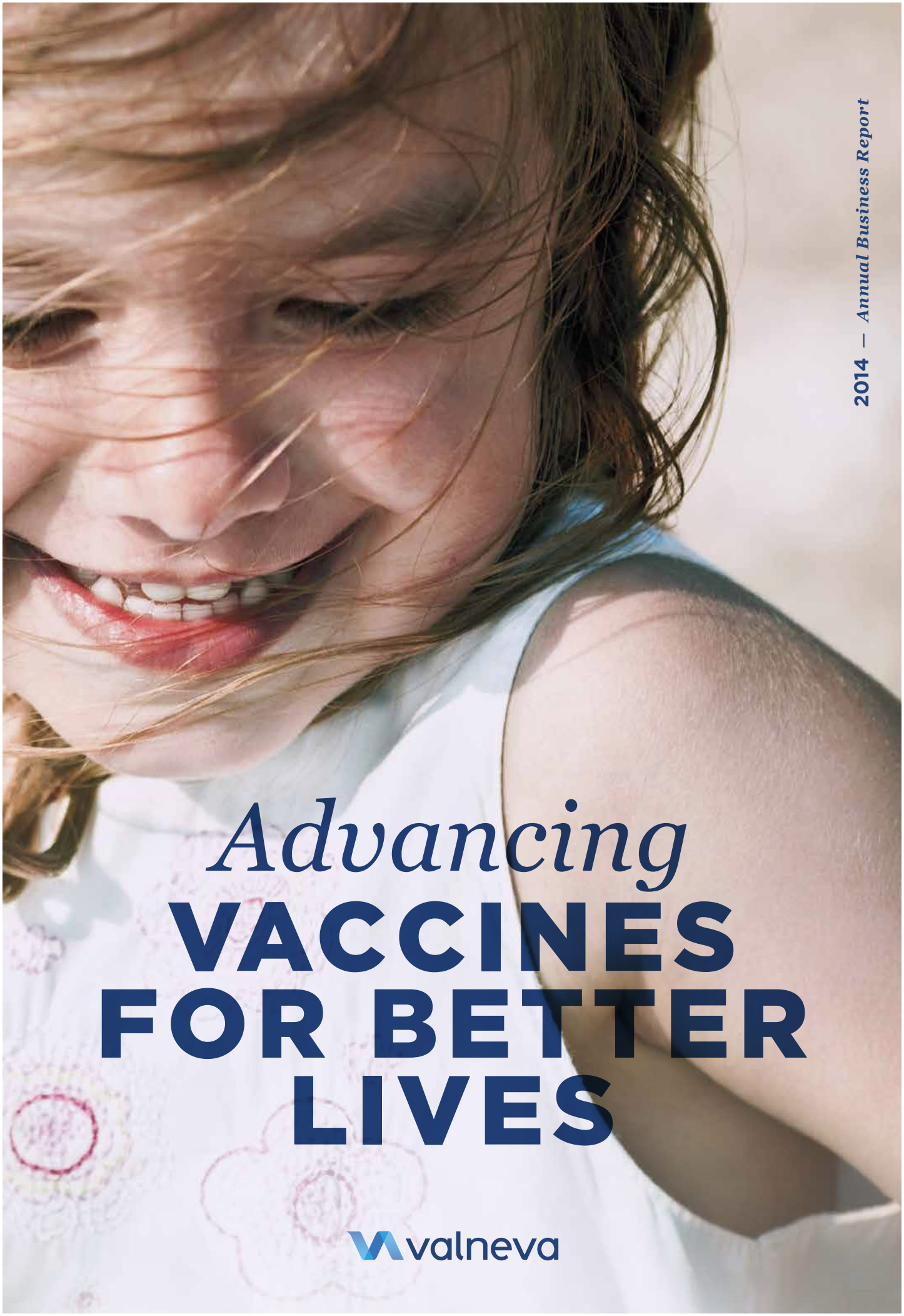

2014 — *Annual Business Report*

Advancing VACCINES FOR BETTER LIVES

valneva

AS A VACCINE BIOTECH COMPANY THAT SPECIALIZES IN THE DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION OF INNOVATIVE VACCINES, VALNEVA'S MISSION IS TO ADVANCE VACCINES FOR BETTER LIVES.

WITH TWO VACCINES ON THE MARKET, THREE PROMISING PRODUCT CANDIDATES AND TWO VALIDATED TECHNOLOGIES, VALNEVA PLAYS A PROMINENT ROLE IN SEGMENTS WHERE INNOVATIVE VACCINES ARE URGENTLY NEEDED.

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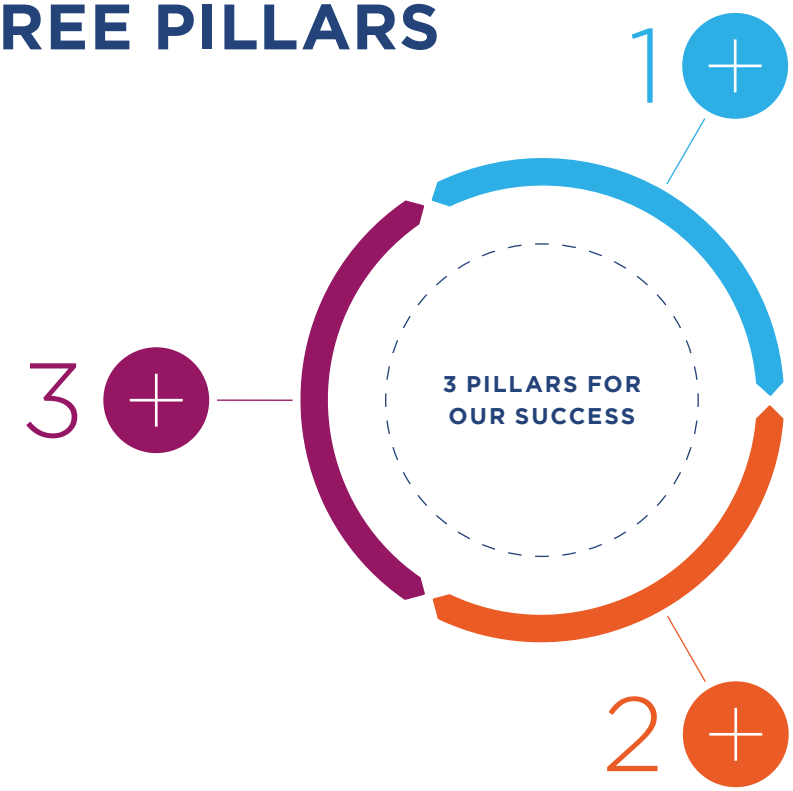
Important note: *Please read the disclaimer on page 38*

A GROWTH STRATEGY BASED ON THREE PILLARS



1 COMMERCIALIZED VACCINES

With a portfolio of two commercialized vaccines, Valneva has gained a decisive foothold in the travelers' vaccines segment:

IXIARO® is an intramuscular vaccine indicated for active immunization against the Japanese Encephalitis virus.
DUKORAL® is an oral vaccine indicated for active immunization against Cholera. The indication in some countries also includes Diarrhea caused by ETEC (Enterotoxigenic Escherichia coli).

2 VACCINE CANDIDATES

Three important vaccine candidates with potential for driving strategic transformation:

Valneva conducts clinical trials to develop **new vaccines against the life-threatening healthcare-acquired bacteria, Pseudomonas aeruginosa and Clostridium difficile.** Following promising preclinical data, **Valneva's vaccine candidate against Lyme Borreliosis** is expected to enter into a phase I study in 2016. Lyme Borreliosis is a fast growing health threat in Western countries.

3 TECHNOLOGIES AND SERVICES

Valneva's two proprietary technologies enable the Company and its partners to develop and produce new human and veterinary vaccines:

The EB66® cell line and the adjuvant IC31®: Valneva has signed strategic partnerships and collaborations with large vaccine manufacturers and distributors, including GSK, Sanofi Pasteur, the Statens Serum Institut, Merial or Kaketsuken, to develop new vaccines using Valneva's technologies.

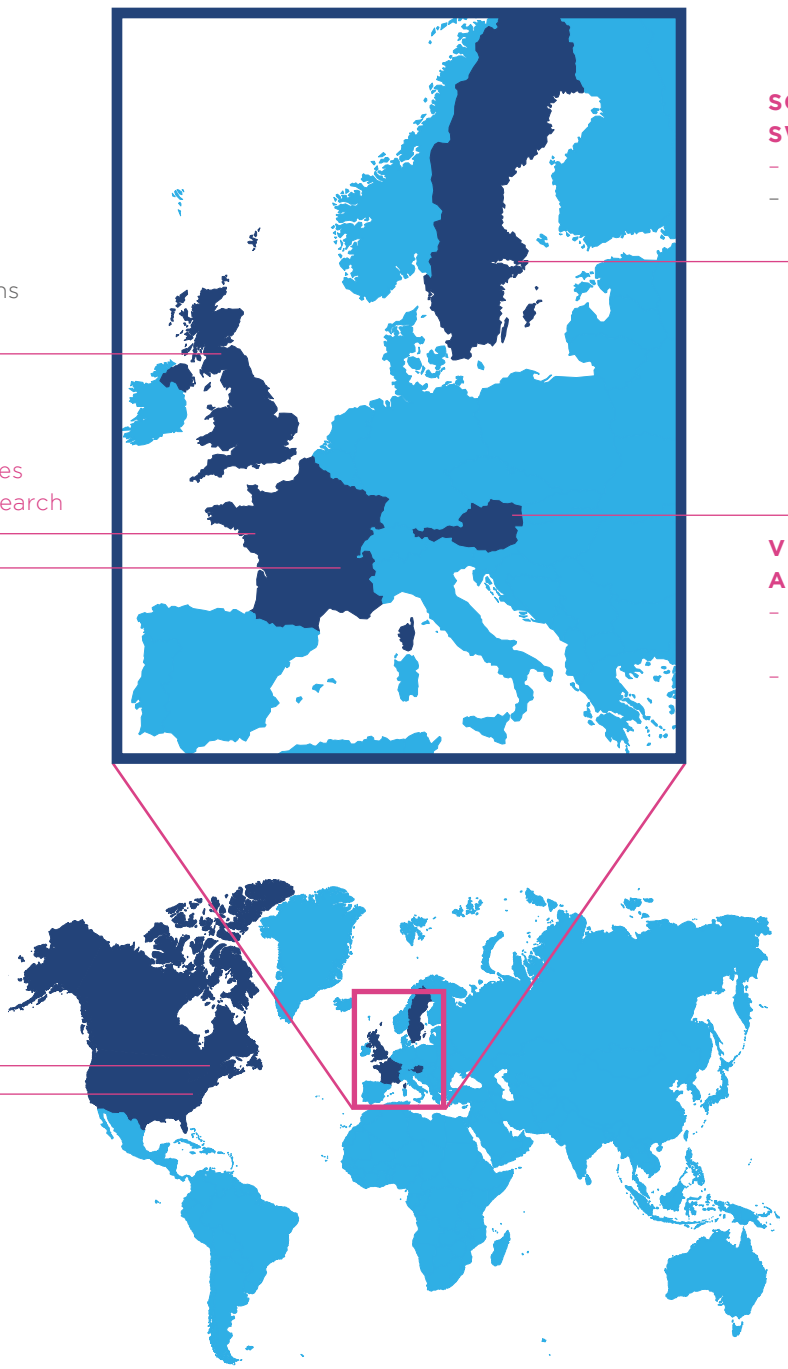
Valneva is pursuing a strategy to become an independent, leading and profitable vaccine player through growing revenues from its commercialized vaccines and innovative technologies and by investing into vaccines development.

With a strong footprint in its core target markets, Valneva has extended its strategic international position.

LIVINGSTON, UK
- Manufacturing
- Commercial Operations (London)

NANTES, FRANCE
- Cell-based technologies
- Vaccine discovery research

LYON, FRANCE
- Registered seat
- Corporate Sales & Marketing Operations



SOLNA, SWEDEN
- Manufacturing
- Commercial Operations Nordics (SE, DK, NO, FI)

VIENNA, AUSTRIA
- Vaccines pre-clinical and clinical R&D
- Manufacturing (Quality Assurance/ Control)

MONTREAL, CANADA
Commercial Operations

GAITHERSBURG, US
Commercial Operations

As of July 2015

REINHARD KANDERA
CFO

FRANCK GRIMAUD
Deputy CEO

THOMAS LINGELBACH
President and CEO

MESSAGE FROM THE MANAGEMENT BOARD

Major decisions were taken and actions implemented in 2014 to further develop Valneva into a leading independent, global pure-play vaccine biotech company.

Following the creation of Valneva in 2013, we have focused and consolidated the business through divestitures and acquisitions to increase the Company's future financial performance without jeopardizing investments in our key R&D activities.

In 2014, on a pro-forma basis the Company's EBITDA was reduced by 64 % to EUR (7.4) million from EUR (20.4) million reported in 2013 and the Company's net loss decreased by 32.5 % to EUR (26.3) million from EUR (38.9) million in 2013. During the next two years, further revenue growth is expected to support the Company towards break-even by the end of 2016.

Valneva's strategy is to grow revenues through marketed products, existing and future technology and product partnering licenses and deals, and to invest into vaccines development. Our portfolio of commercialized vaccines was broadened in February 2015 with the combined acquisition of a second travelers' vaccine, DUKORAL®, and SBL Vaccin Distribution, a well-established Nordic country vaccine distribution business. For our two vaccines, IXIARO® and DUKORAL®, we have identified further growth opportunities that will enable us to further enhance their value.

The development of our three vaccine candidates is progressing according to plan and, considering their respective target markets, we believe they offer potential to drive our Company's strategic transformation. Two major clinical trials are ongoing: a phase II / III efficacy study for our vaccine candidate against Pseudomonas aeruginosa, a hospital-acquired infection and a frequent cause of severe nosocomial infections, and a phase II study with our vaccine candidate against Clostridium difficile, the most common pathogen of acute healthcare-associated infections. The results expected at the end of 2015 or early 2016 will mark a decisive stage in Valneva's development. We will continue developing other in-house clinical candidates to their next value inflection points and new vaccines to market.

Our main technology platforms (EB66®, IC31® adjuvant) will continue to be leveraged internally or through commercial collaboration. On our EB66® cell line technology, our licensing partners, international veterinary and human vaccines manufacturers, have developed new vaccines. We are proud to see that three vaccines have already received a marketing authorization and we are confident that others will follow to provide Valneva with additional revenue streams.

Looking ahead, we expect to further improve our financial performance by focusing on selected R&D investments, targeting the profitability of each business line and complementing our value proposition by leveraging the potential of additional marketed vaccines.

But only the hard work, the expertise and the dedication of our people will make our goals achievable. Our employees are our most valuable asset and greatest strength. Valneva has grown very rapidly and today numbers nearly 400 employees operating across its seven different sites and operations.

There are exciting years ahead of us, and together we take pride in building up and being a part of Valneva!

In 2014, Valneva accelerated the pace of progress in becoming a leading pure play vaccine biotech company

MARCH
Pseudo aeruginosa vaccine candidate – VLA 43: based on promising interim results from the ongoing phase II/III study, Valneva and its partner Novartis decided to continue the ongoing development.

MARCH
First marketing authorization obtained for a human vaccine developed on the EB66® cell line.

MAY
Further marketing authorizations obtained for EB66®-produced veterinary vaccines in Europe and Latin America.

APRIL
Valneva and Adimmune partnered to commercialize a Japanese Encephalitis vaccine in Taiwan: an important step forward in the Company's expansion into endemic markets.

SEPTEMBER
Inauguration of the Texas A&M facility to manufacture bulk antigen for GSK's next generation Pandemic Influenza vaccines, based on the EB66® cell line.

OCTOBER

Publication of promising first phase II data of a Tuberculosis vaccine candidate formulated with IC31® adjuvant: good safety and immunogenicity profile.

DECEMBER

Start of phase II study of the Clostridium difficile vaccine candidate – VLA 84.

...which continued in *2015*

FEBRUARY

Valneva reinforced its travelers' vaccine franchise and acquired the DUKORAL® vaccine against Cholera and in some countries against Diarrhea caused by ETEC.

Valneva also acquired a vaccine distribution business in the Nordic countries, enabling the Company to accelerate distribution of its own products and gain further leverage with the distribution of complementary vaccines.

JANUARY

Spin-off of Valneva's antibody business to create BliNK Biomedical. Valneva maintains a stake in the newly created company, which is now dedicated to the research and development of therapeutic monoclonal antibodies.

MARCH

License agreement with Jianshun Biosciences Ltd: the EB66® cell line entered the fast growing Chinese vaccine market.

JAPANESE ENCEPHALITIS VACCINE

IXIARO®
JESPECT®
JEEV®

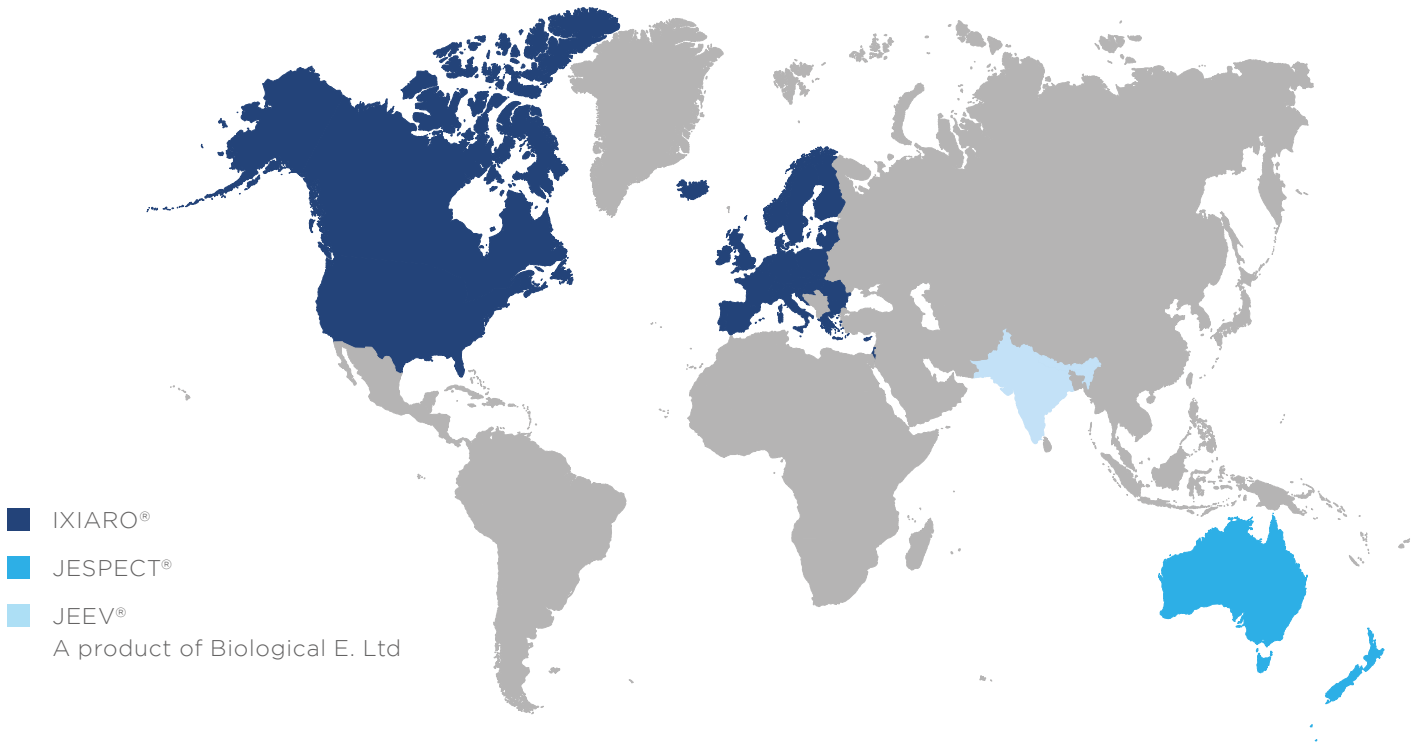
ANNUAL REVENUES 2014

€28.1 MILLION

Consolidated Valneva product sales

- Aimed to protect travelers, military and populations in endemic regions against Japanese Encephalitis.
- An inactivated, Alum-adjuvanted Vero-cell derived vaccine.
- Indicated for active immunization against Japanese Encephalitis in adults, adolescents, children and infants aged two months and older*.

LICENSED IN MORE THAN **35 COUNTRIES**

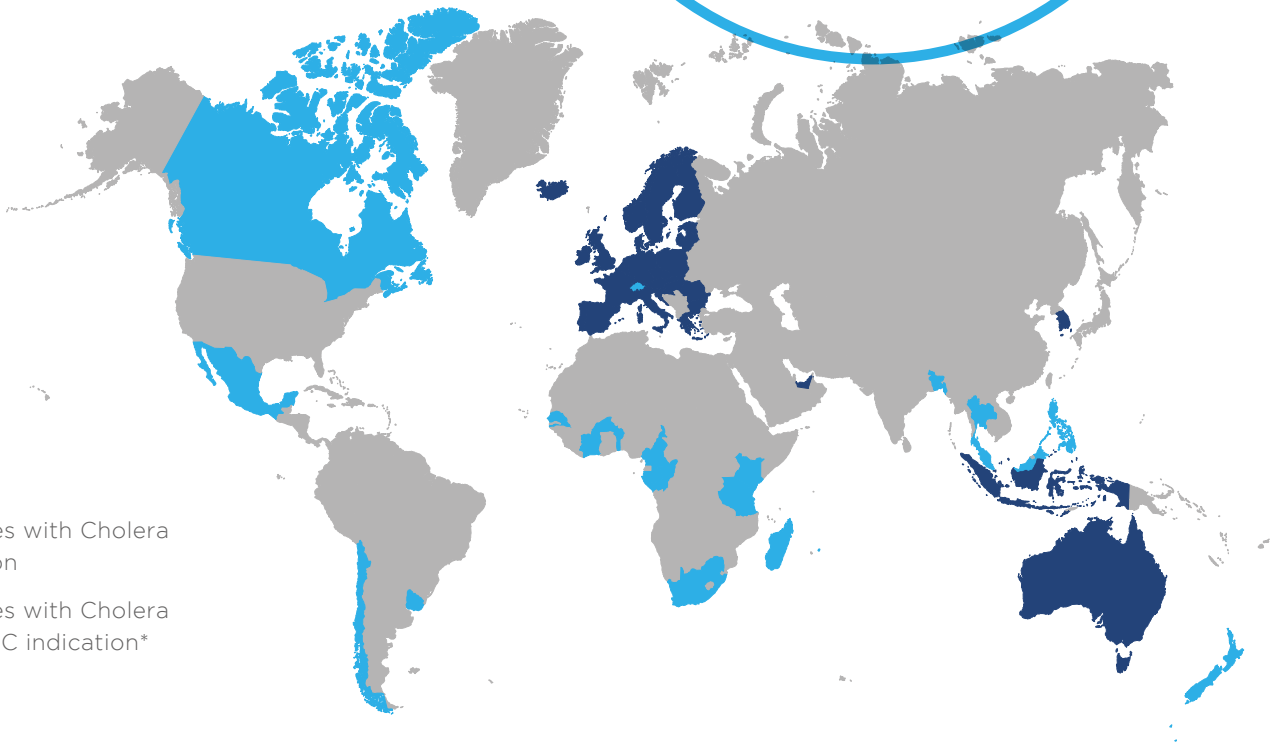


* Age indication differs by territories

CHOLERA (ETEC*) VACCINE DUKORAL®

ANNUAL REVENUES
2014
€25.6 MILLION
Under previous ownership of Crucell Holland BV or affiliates

The main markets Canada, Sweden and Australia accounted for about 75 % of total DUKORAL® revenues in 2014.



- Countries with Cholera indication
- Countries with Cholera and ETEC indication*

WITH **DUKORAL®**
VALNEVA EXPANDS ITS TRAVELERS' VACCINE PORTFOLIO

- An oral vaccine containing four different inactivated strains of the bacterium V. cholerae serotype O1 and a recombinant B subunit of the Cholera toxin.
- The vaccine is indicated against Cholera and, in some countries, also indicated against ETEC (Enterotoxigenic Escherichia coli) and/or Diarrhea caused by ETEC.

* Vaccine indication differs by territories

A VACCINE DISTRIBUTION NETWORK IN THE NORDICS

An existing trade business offers opportunities for growth

ANNUAL REVENUES
2014
€10.8
MILLION
Under previous ownership of Crucell Holland BV or affiliates

Through the acquisition of **DUKORAL®** in February 2015, Valneva also acquired **SBL Vaccin Distribution**, a vaccine distribution business with well-established commercial operations in the European Nordic countries. Valneva intends to further expand its presence in these strategic geographical markets by broadening its current portfolio with complementary customer products.

ABOUT **JAPANESE ENCEPHALITIS**

JAPANESE ENCEPHALITIS (JE) IS A POTENTIALLY DEADLY INFECTIOUS DISEASE AND IS THE MOST IMPORTANT CAUSE OF VIRAL ENCEPHALITIS IN MANY ASIAN COUNTRIES WITH NEARLY 68,000 CLINICAL CASES EVERY YEAR.

According to WHO, 24 countries in South-East Asia and Western Pacific regions have endemic JE transmission, exposing more than 3 billion people to risk of infection.

The disease is transmitted by a mosquito-borne flavivirus related to dengue, yellow fever and West Nile viruses. There is no cure for the disease, hence the importance of vaccination.

About 1:25 to 1:1000 persons who are infected with the virus will develop symptomatic disease, an inflammation of the brain. It is fatal in approximately 30 % of individuals who show symptoms, and results in permanent disability in half of the survivors.

The WHO recommends strong prevention activities, including JE immunization in all regions where the disease is a recognized public health problem[1].

ABOUT **CHOLERA**

CHOLERA IS AN ACUTE DIARRHEAL INFECTION CAUSED BY INGESTION OF FOOD OR WATER CONTAMINATED WITH THE BACTERIUM VIBRIO CHOLERAE. AN ESTIMATED 3–5 MILLION CHOLERA CASES AND 100,000–120,000[2] DEATHS DUE TO CHOLERA OCCUR EVERY YEAR.

The short incubation period of two hours to five days enhances the potentially explosive pattern of outbreaks.

WHO recommends immunization with currently available Cholera vaccines, in areas where Cholera is endemic and in areas at risk of outbreaks.

ABOUT **ETEC**

ENTEROTOXIGENIC ESCHERICHIA COLI (ETEC) IS THE MOST PREVALENT CAUSE OF DIARRHEA AMONG TRAVELERS TO DEVELOPING COUNTRIES. ETEC IS ESTIMATED TO AFFECT ABOUT 11 MILLION[3] TRAVELERS EVERY YEAR.

As for Cholera, an E. coli infection is usually transmitted through consumption of contaminated water or food and is the leading bacterial cause of diarrhea in developing countries. It is the most common cause of travelers' diarrhea and also afflicts military personnel deployed to endemic areas.

The ETEC bacteria colonize the small intestine and cause severe diarrhea, dysentery, abdominal cramps and fever.

Prevention through vaccination is part of the strategy to reduce the incidence and severity of diarrheal disease due to ETEC.

[1] WHO factsheet No 386 March 2014
[2] WHO Cholera factsheet February 2014
[3] Lundkvist J, Steffen R, Jonsson B. Cost-benefit of WC/rBS oral cholera vaccine for vaccination against ETEC-caused travelers' diarrhea J Travel Med 2009; 16(1):28-34

Our in-house pipeline of vaccine candidates

We target areas of unmet medical need with novel, innovative approaches. The two clinical late stage programs address hospital and healthcare-associated infections.

We also aim to develop a novel vaccine to prevent Lyme Borreliosis, for which no preventive treatment is available today.

THE DEVELOPMENT OF VALNEVA'S CURRENT VACCINE CANDIDATES IS PART OF THE STRATEGIC ALLIANCE AGREEMENT SIGNED BETWEEN VALNEVA AND NOVARTIS IN 2007, AND RECENTLY TRANSITIONED TO GSK.

Pseudomonas aeruginosa is the N° 1 cause of ventilator-associated pneumonia in intensive care patients

VALNEVA'S
MOST ADVANCED
VACCINE CANDIDATE

PSEUDOMONAS AERUGINOSA

VLA43 – PHASE II/III

- Currently, no vaccine against Pseudomonas aeruginosa is available.
- Pseudomonas aeruginosa is one of the most common pathogens isolated from hospitalized patients and it is a frequent cause of severe nosocomial infections[4/5]
- Pseudomonal infections are complicated and can be life-threatening due to the increasing antibiotic resistance of these bacteria.
- The bacterium is the N°1 cause of ventilator-associated pneumonia in intensive care patients and the second most frequent cause of hospital-acquired pneumonia[5]. Targeted groups include up to one million patients in Europe and the US[6].

- According to Valneva's assumptions, the total market potential may be as significant as USD 1 billion annually.

THE RESULTS OF THE ONGOING PHASE II/III PIVOTAL EFFICACY STUDY ARE EXPECTED AT THE END OF 2015 OR EARLY 2016.

[4] Soo Hoo, MD, Wen, MD, Ngyuyen, MD, Goetz, MD. Impact of Clinical Guidelines in the Management of Severe Hospital-Acquired Pneumonia. Chest 2005; 128:2778-2787
[5] Selina SP Chen MD. Pseudomonas Infection http://emedicine.medscape.com/article/970904-overview#a0199
[6] McConville, M.D., John P. Kress, M.D. Weaning Patients from the Ventilator, N Engl J Med 2012; 367:2233-2239

CLOSTRIDIUM DIFFICILE

VLA84 – PHASE II

As the Clostridium difficile (C. difficile) bacteria overgrow, they release toxins that attack the lining of the intestines, causing diarrhea and more serious intestinal conditions such as colitis.

The bacteria C. difficile is an increasing threat to elderly patients and those with elective hospital admissions and long-term care facility residence.

In the US alone, there were approximately 29,000 deaths within 30 days after diagnosis of C. difficile infection, in 2011[7].

Antibiotic treatments have significant limitations and incidence is steadily increasing, resulting in a significant economic burden due to, among other factors, prolonged hospitalization[8].

[7] Lessa et al, Burden of Clostridium difficile Infection in the United States. N Engl J Med 2015;372:825-34
[8] Dubberke ER, Clinical Infectious Diseases 55, no. suppl 2 (2012): S88-S92

There is an urgent need to develop a vaccine against the leading cause of healthcare-associated diarrhea in Europe[9], and the most common pathogen of acute healthcare-associated infections in the US[10].

VALNEVA'S VACCINE CANDIDATE VLA84

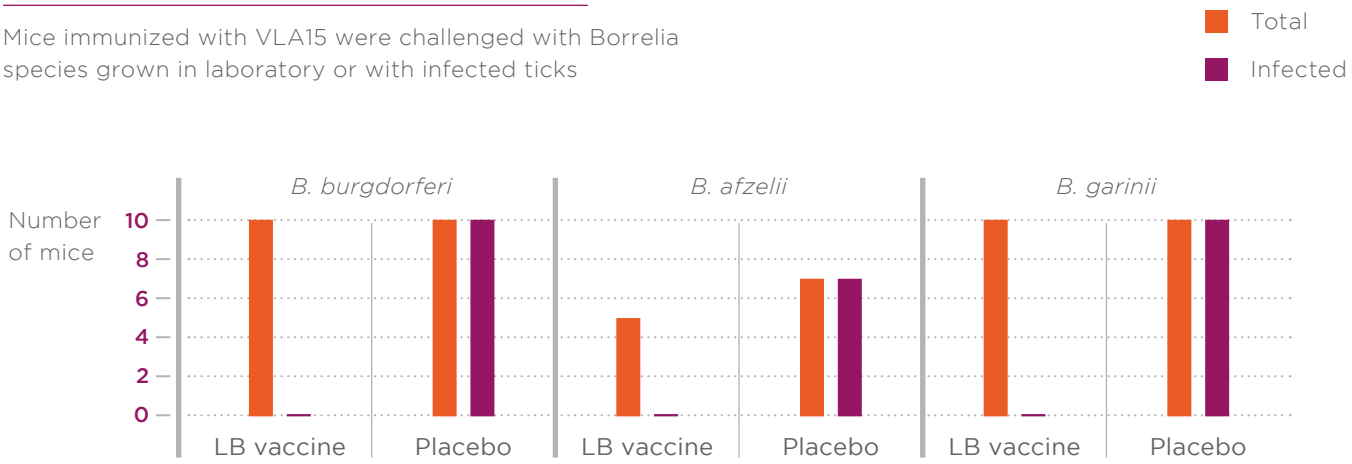
- Primary objectives of the phase I study have been achieved, showing a good safety and tolerability profile
- In December 2014, Valneva initiated the phase II study and enrolled 500 healthy subjects aged 50 years and older. The randomized, placebo-controlled and observer-blinded phase II study aims to confirm the optimal dose and formulation of the vaccine.
- Phase II results are expected at the end of 2015.

According to Valneva's assumptions, the total market potential for prophylactic C. difficile vaccines may significantly exceed USD 1 billion annually.

[9] Clostridium difficile infection in Europe. A CDI Europe Report – April 2013
[10] Magill S, Edwards J R, Bamberg W et al. Multistate Point-Prevalence Survey of Health Care–Associated Infections. New England Journal of Medicine 2014;370:1198-208

VLA15 PROTECTS AGAINST BORRELIA INFECTION

Mice immunized with VLA15 were challenged with Borrelia species grown in laboratory or with infected ticks



Source: Valneva pre-clinical study results published in November 2014 (Comstedt et al.2014. PLoS ONE 9:e113294.)

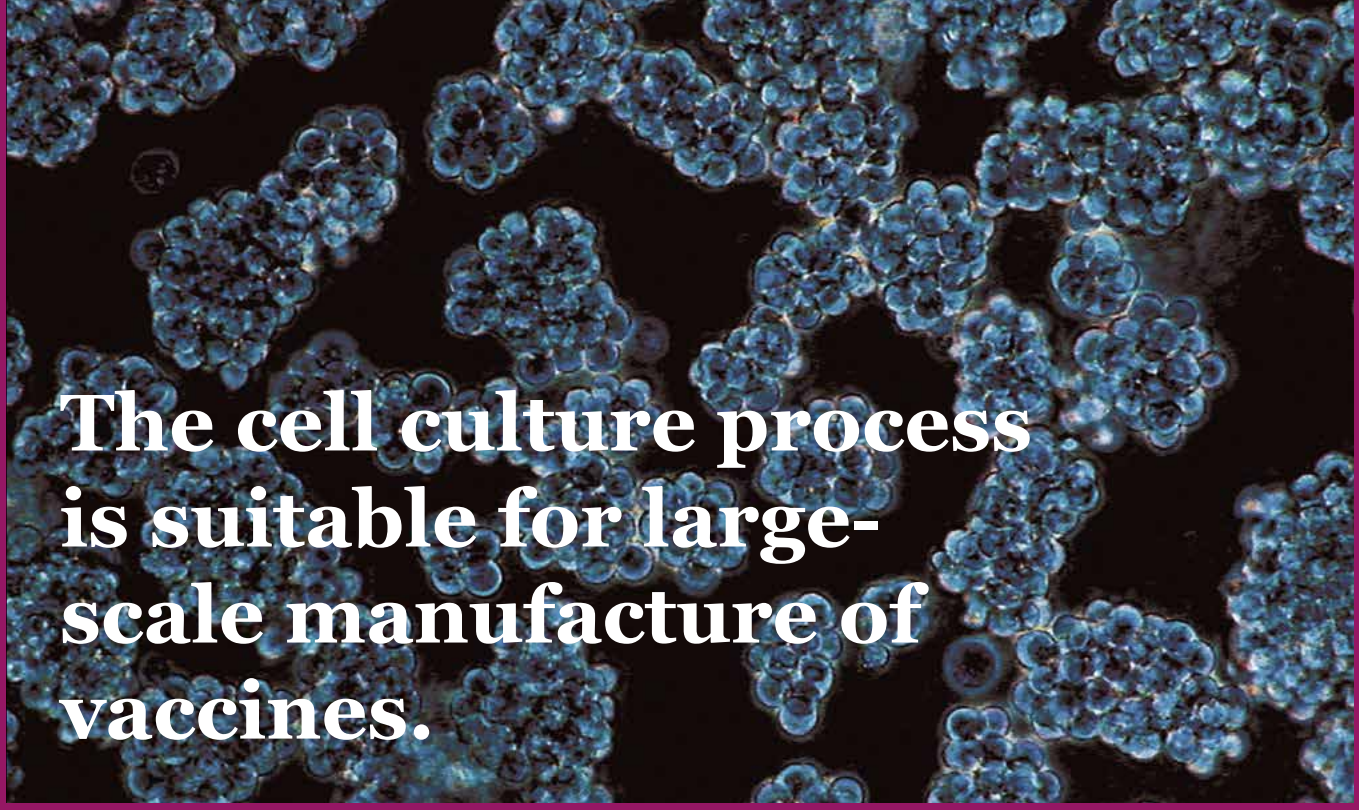
ready FOR CLINICAL ENTRY

LYME BORRELIOSIS VACCINE

VLA15

- Each year, 300,000 Americans[11] and 85,000 Europeans[12] are diagnosed with Lyme Borreliosis (LB).
- LB is caused by Borrelia bacteria, which are transmitted by infected ticks. Delayed or inadequate treatment of a Borrelia infection can lead to very serious symptoms, involving the joints, heart, and central nervous system, and can be disabling. Currently no LB vaccine is available for humans, although it has been shown that the disease can be prevented by immunization with an Outer surface protein A (OspA)-based vaccine.
- We have developed a multivalent vaccine (VLA15) that could provide protection against the majority of Borrelia species that cause LB[13]. VLA15 addresses OspA, one of the most dominant proteins expressed by the bacteria when present in a tick. The Borrelia species that cause LB in Europe express different OspA serotypes on their surface: B. burgdorferi (serotype 1), B. afzelii (serotype 2), B. garinii (serotypes, 3, 5 and 6) and B. bavariensis (serotype 4), while only B. burgdorferi is present in the US.
- Pre-clinical results indicated that VLA15 can provide protection against these six major Borrelia species.
- **Valneva expects to initiate a phase I study in 2016.**

[11] Mead 2015. Infect Dis Clin N Am 29:187–210
[12] Estimation from available national data. However, this number is largely underestimated as case reporting is highly inconsistent in Europe and many LB infections go undiagnosed, based on WHO Europe Lyme Report; ECDC tick-borne-diseases-meeting-report
[13] Comstedt et al.2014. PLoS ONE 9:e113294



The cell culture process is suitable for large-scale manufacture of vaccines.

Photo Valneva: EB66® cells through microscope

The process parameters can be ramped up and run routinely and cost effectively.

CELL LINES HAVE **HIGHER INITIAL PURITY** THAN EGGS.

They eliminate the need for embryonated chicken eggs from managed, biosecure flocks.

They eliminate the four to six months' lead time for the organization of egg supplies.

They have faster, high-volume start-up times for production.

They reduce the potential for contamination by viable and non-viable particulates.

They are much easier to handle and industrialize.

EB66®

VALNEVA'S EB66® CELL LINE

A NEW, VALIDATED CELL LINE FOR A MORE EFFICIENT VACCINE MANUFACTURING PROCESS

- The EB66® cell line can be used for the manufacture of different types of human and veterinary vaccines.
- Easy to handle, able to grow in suspension without serum, EB66® cell line is an ideal "substrate" for industrialization.
- Perfectly adapted to respond to quick production of massive vaccine quantities in case of Flu outbreaks. Influenza is today the principal segment of the vaccine market: each year the manufacture of more than 400 million doses is required and manufacturers have approximately six months to produce the vaccines, a time period that is impossible to shorten and which constitutes a problem for the production of Influenza vaccines using eggs.

"At Farvet, we are extremely pleased with the performance and use of EB66® cells. The IBH vaccine produced in EB66® cells has proven to be very effective and offers excellent protection. We anticipate that we will continue to develop additional vaccines in EB66® cells as they represent an excellent replacement for egg-based vaccine production. We appreciate the support provided by Valneva during this program."

— Dr. Manolo Fernandez Diaz, Chief Executive Officer FARVET

"Valneva's EB66® cell line is one of the most extensively studied and characterized cell lines available for human vaccine development; hence, this cell line will be used by Emergent within the framework of a collaboration with Transgene for cell line process and potential manufacture of a novel Tuberculosis therapeutic vaccine candidate developed by Transgene."

— Nina V. Malkevich, Senior Manager Emergent BioSolutions

A NOVEL ADJUVANT

IC31®

Adjuvants in vaccination enhance and shape the immune response to specific antigenic components of vaccines through targeted activation of the immune system.

In the field of Tuberculosis, three clinical vaccine candidates formulated with Valneva's IC31® adjuvant are currently in phase I and II clinical trials.

The Statens Serum Institut's novel Tuberculosis vaccine candidate H1/IC31® formulated with the adjuvant IC31® showed good safety and immunogenicity in a phase II clinical trial in HIV-infected adults[14].

"We have been working on IC31® in the field of Tuberculosis vaccines since 2004 with Valneva and its predecessor company. Since then, we have progressed several vaccine candidates with IC31®, both internally and with partners such as AERAS, or Sanofi Pasteur. The phase II data seen recently are very encouraging and we look forward to developing much-needed novel efficient TB vaccines."

— Ingrid Kromann,
Director Vaccine Development/Division of Vaccine, Statens Serum Institut (DK)

[14] Reither et al. 2014. PLoS One 9:e114602

VALNEVA'S IC31®

- IC31® is a totally synthetic vaccine adjuvant that can be added to target antigens to improve the immune response.
- IC31® has demonstrated activity in clinical trials supported by a very good safety and tolerability profile.
- The technology has been partnered with various vaccine companies, including GSK, Statens Serum Institut, Aeras, Sanofi Pasteur or Vaxin Inc, to evaluate IC31® in new vaccine formulations against infectious diseases.

"It is with great pleasure that we entered into partnership with Valneva in January 2015, with the signing of a worldwide commercial license agreement on the Company's IC31® adjuvant. We are excited to team up with Valneva to advance the clinical development of Hepatitis B vaccine candidates in combination with Valneva's IC31® adjuvant."

— Bill Enright,
CEO of Vaxin Inc.

VALNEVA ADOPTS A STRATEGIC SUSTAINABILITY PROGRAM THAT DEFINES ITS COMMITMENT TO PEOPLE, THE ENVIRONMENT AND SOCIETY.

COMMITMENT TO PROTECTING LIVES

Valneva is engaged in the research, development and distribution of vaccines, with the aim of protecting populations from severe infectious diseases and reducing morbidity and mortality.

- Valneva supports the goal of governments and health systems to reduce the incidence and severity of various diseases as part of a global strategy to protect people.
- Valneva's key vaccine IXIARO® addresses a severe and life-threatening disease, Japanese Encephalitis, of which about 70,000 new cases are recorded yearly.
- Control of healthcare costs is a global concern of most governments. Vaccination has a positive effect on the incidence of various diseases, and is thus an important tool in the control of global healthcare costs. As a vaccine player, Valneva helps to maintain the global healthcare system.
- Valneva distributes vaccines against diseases that are prevalent in emerging countries: through Valneva's partner Biological E. Ltd, a Japanese Encephalitis vaccine based on Valneva's technology is marketed under the brand name JEEV® in India, where Japanese Encephalitis is endemic.

COMMITMENT TO OUR PEOPLE

Our objective is to create a working environment at Valneva that is able to attract and retain the most talented employees.

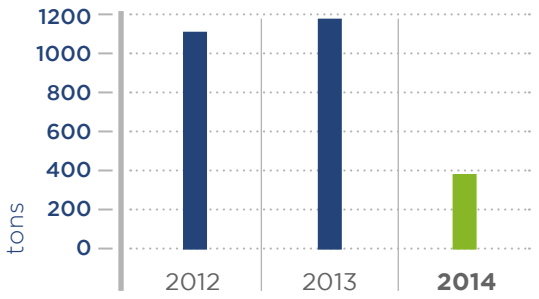
Valneva has implemented a performance management policy based on key performance indicators used across the Company. Progress on individual and collective objectives is assessed in order to perform a management review and establish a personal development plan. Employee meetings are held to support internal communications, individual performance and experience sharing.

COMMITMENT TO THE ENVIRONMENT

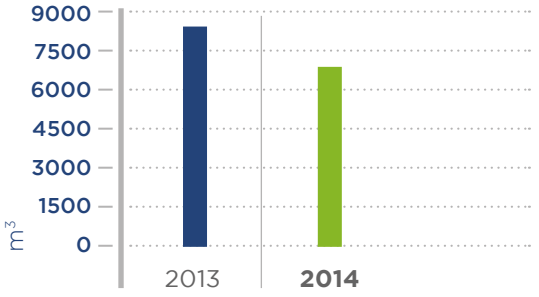
Environmental sustainability is a guiding principle at Valneva.

- We aim to use natural resources efficiently and minimize the environmental impact of our activities and products during their lifecycles. Valneva envisions a sustainable operations & supply chain, innovative products & packaging, and environmental sustainability fully integrated into business decision-making.
- CO_2 emissions are monitored on the basis of energy consumption and all sites are considering options to reduce them: in Livingston, Scotland, CO_2 emissions were reduced by nearly two thirds through improved functioning of a gas boiler. In Vienna, Austria, electricity consumption was reduced by 3 % and water consumption by 13 % in 2014.
- Our site in Nantes, France, has implemented energy saving measures, including a central control system. All sites are also active in reducing and sorting waste. A safety and environment specialist has been nominated at each Valneva site, who, among other objectives, is in charge of monitoring our environmental impact and the coordination and implementation of actions.

In Livingston, Scotland, CO_2 emissions were reduced by nearly two thirds in 2014.

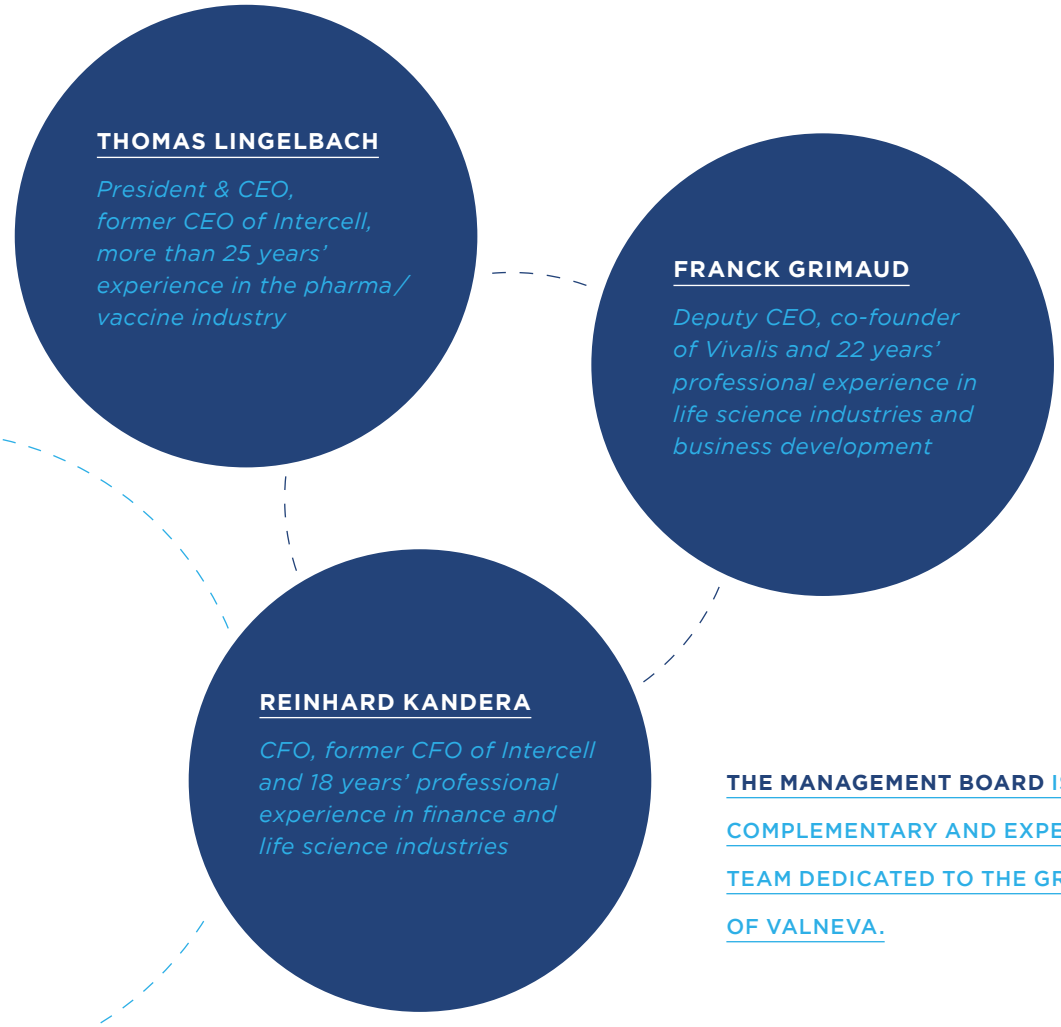


In Vienna, Austria, water consumption was reduced by 13 % in 2014.



With the conviction that corporate governance is the basis for the trust that our investors, employees and institutions have in us, we maintain our efforts to build confidence as we continue to grow.

AS PART OF VALNEVA'S TWO-TIER CORPORATE GOVERNANCE SYSTEM, **THE SUPERVISORY BOARD**, ACTING IN THE INTERESTS OF THE SHAREHOLDERS, PARTICIPATES ACTIVELY IN REVIEWING AND DIRECTING THE COMPANY'S STRATEGIC OPTIONS TOGETHER WITH THE MANAGEMENT BOARD. THE SUPERVISORY BOARD BRINGS IN THEIR BUSINESS EXPERIENCE WITHIN THE HEALTHCARE INDUSTRY COMBINED WITH EXPERTISE IN VACCINE TECHNOLOGIES.



THE MANAGEMENT BOARD IS A COMPLEMENTARY AND EXPERIENCED TEAM DEDICATED TO THE GROWTH OF VALNEVA.

VALNEVA'S MANAGEMENT BOARD IS SUPPORTED BY A GROUP OF HIGHLY SKILLED SENIOR PROFESSIONALS — TOGETHER THEY FORM THE COMPANY'S **EXECUTIVE COMMITTEE.** THE EC OPERATES CROSS-FUNCTIONALLY AND OVERSEES THE EXECUTION OF VALNEVA'S STRATEGY.

FRÉDÉRIC JACOTOT
General Counsel, VP, 27 years as a legal expert within the pharma industry

ANDREAS MEINKE
PhD, VP Pre-clinical & Translational Research, expert in micro & molecular biology and infectious diseases, more than 16 years of experience in vaccine R&D

FRÉDÉRIC LEGROS
PhD, VP Business Development, 11 years' experience in Business Development, licensing in & out

JASON GOLAN
VP Sales & Marketing, 14 years' experience in the healthcare industry, including global vaccine commercialization

KERSTIN WESTRITSCHNIG
MD, VP Clinical Development, 15 years' experience in immunology/vaccine R&D

KLAUS SCHWAMBORN
PHD, VP Discovery Research & Innovation, 20 years' experience in research and drug discovery

NICK MAISHMAN
VP, 30 years of experience in process development and manufacturing for biotech and vaccine products

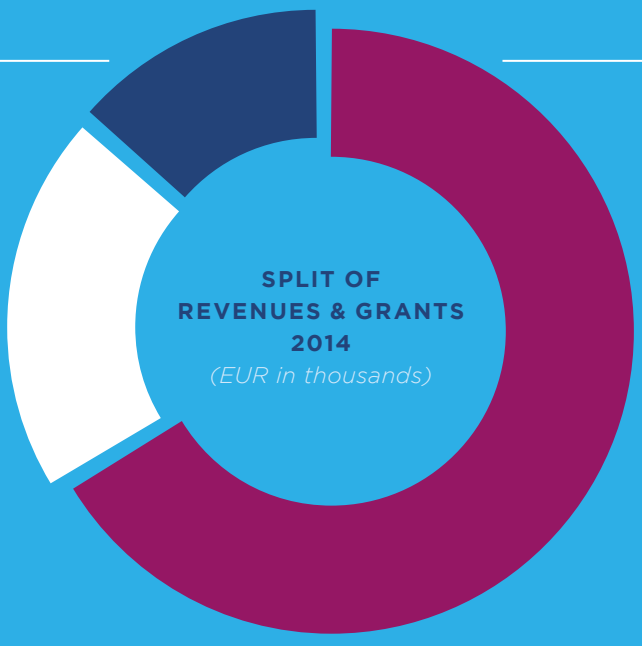
OLIVIER JANKOWITSCH
VP Corporate Development, 15 years' experience in pharma operations and management roles

"Valneva made substantial progress in 2014 in building a financially sustainable company. Going forward, Valneva's strategy is to reduce risk by investing in growing revenue streams to secure our Company's long-term prospects and create shareholder value."

— Reinhard Kandera, CFO

GRANT INCOME
5,506

REVENUES FROM COLLABORATIONS, LICENSING & SERVICES
8,799



PRODUCT SALES
28,124

EUR in thousands *(except per share amounts)*	**Year ended December 31,**		
	2014	2013	*pro forma 2013**
Product sales	28,124	23,239	*27,212*
Revenues from collaborations, licensing and services	8,799	7,206	*10,814*
Revenues	**36,922**	**30,445**	***38,026***
Grant income	5,506	5,546	*5,658*
Revenues and grants	**42,429**	**35,991**	***43,684***
Cost of goods and services	(17,144)	(16,508)	*(20,003)*
Research and development expenses	(22,242)	(21,423)	*(30,786)*
General, selling and administrative expenses	(14,142)	(14,720)	*(20,790)*
Other income and expenses, net	(395)	1,157	*1,820*
Amortization and impairment	(12,323)	(5,353)	*(6,469)*
Operating loss	**(23,817)**	**(20,856)**	***(32,543)***
Finance income	2,273	200	*288*
Finance expenses	(4,394)	(2,969)	*(6,159)*
Loss before income tax	**(25,938)**	**(23,625)**	***(38,414)***
Income tax	(334)	(348)	*(351)*
Loss from continuing operations	**(26,272)**	**(23,973)**	***(38,765)***
Loss from discontinued operations	–	(137)	*(137)*
LOSS FOR THE PERIOD	**(26,272)**	**(24,110)**	***(38,902)***
Loss per share *for loss from continuing operations attributable to the equity holders of the Company, expressed in EUR per share (basic and diluted)*	(0.47)	(0.61)	*(0.99)***
EBITDA (unaudited)***	(7,364)	(11,709)	*(20,402)*

* for detailed explanation of pro forma assumptions and reconciliation to IFRS results, please see note 32 of the Consolidated Financial Statements 2014
** unaudited
*** EBITDA was calculated by excluding depreciation, amortization and impairment from the operating loss

— CONSOLIDATED BALANCE SHEET (AUDITED)

EUR in thousands	at December 31,	
	2014	2013
ASSETS		
Non-current assets	**166,567**	**191,045**
Intangible assets and goodwill	105,204	125,403
Property, plant and equipment	41,611	45,067
Other non-current assets	19,753	20,575
Current assets	**52,967**	**63,346**
Inventories	7,282	4,819
Trade receivables	6,850	7,570
Other current assets	9,366	10,791
Current financial assets	19	3,658
Cash and cash equivalents and short-term deposits	29,449	36,509
Assets held for sale	**7,982**	**–**
TOTAL ASSETS	**227,517**	**254,391**
EQUITY		
Capital and reserves attributable to the Company's equity holders	**124,444**	**144,111**
Share capital	8,453	8,206
Share premium and other regulated reserves	206,707	198,322
Retained earnings and other reserves	(64,444)	(38,308)
Net result for the period	(26,272)	(24,110)
LIABILITIES		
Non-current liabilities	**75,704**	**82,181**
Borrowings	66,036	64,902
Other non-current liabilities and provisions	9,668	17,279
Current liabilities	**26,387**	**28,100**
Borrowings	7,117	6,381
Trade payables and accruals	11,009	11,388
Tax and employee-related liabilities	5,398	5,096
Other current liabilities and provisions	2,862	5,235
Liabilities held for sale	**982**	**–**
TOTAL LIABILITIES	**103,073**	**110,280**
TOTAL EQUITY AND LIABILITIES	**227,517**	**254,391**

EUR in thousands	Year ended December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(26,272)	(24,110)
Depreciation and amortization	12,359	9,056
Impairment	4,095	92
Share-based payments	530	179
Income tax	334	348
Other adjustments for reconciliation to cash used in operations	(2,439)	(1,739)
Changes in working capital	(938)	(3,311)
Cash used in operations	**(12,332)**	**(19,485)**
Interest paid	(2,227)	(1,121)
Income tax paid	(385)	(296)
Net cash used in operating activities	**(14,944)**	**(20,903)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other businesses, net cash acquired	–	11,615
Purchases of property, plant and equipment	(946)	(1,375)
Proceeds from sale of property, plant and equipment	1,712	3,144
Purchases of intangible assets	(2,792)	(1,899)
Purchases of financial assets	(13,616)	–
Proceeds from sale of financial assets	17,130	10,037
Interest received	505	332
Net cash generated from investing activities	**1,993**	**21,855**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock, net of costs of equity transactions	8,632	37,621
Disposal/(Purchase) of treasury shares	69	(684)
Proceeds from borrowings	1,656	27,646
Repayment of borrowings	(5,083)	(29,893)
Net cash generated from financing activities	**5,274**	**34,689**
Net change in cash and cash equivalents	**(7,677)**	**35,641**
Cash at beginning of the year	36,509	832
Exchange gains/(losses) on cash	25	36
CASH AT END OF THE YEAR	**28,857**	**36,509**
CASH, CASH EQUIVALENTS, AND FINANCIAL ASSETS AT END OF THE YEAR	**29,468**	**40,167**

In 2014 Valneva's aggregate revenues and grants amounted to EUR 42.4 million compared to EUR 43.7 million in 2013 on a pro forma basis*. Revenues from collaborations, licensing and services contributed EUR 8.8 million in 2014, compared to EUR 10.8 million in 2013 on a pro forma basis. Sales from IXIARO®/JESPECT® – our commercialized vaccine – were EUR 28.1 million in 2014, which represented an increase of 3.4 % compared to 2013 product sales on a pro forma basis. Grant income amounted to EUR 5.5 million and was almost flat compared to 2013 pro forma.

Valneva's strategy includes expected losses until the return obtained from commercialized products and technologies will exceed our investments in the R&D pipeline. On our path towards such balanced financial results, Valneva's operating profitability substantially improved in 2014 on a pro forma basis: the operating loss reduced to EUR 23.8 million from EUR 32.5 million in 2013 and the EBITDA loss declined to EUR 7.4 million compared to EUR 20.4 million in the previous year on a pro forma basis.

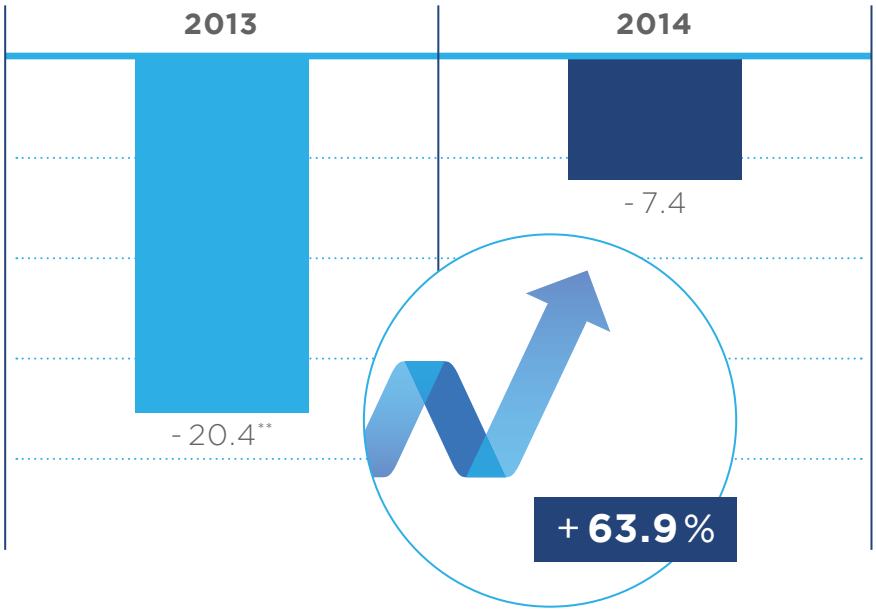
The improvement of 63.9 % is mainly attributed to the cost synergies following the merger of Intercell with Vivalis in 2013 and a prioritization of projects within the R&D activities. As a result, Valneva's net loss decreased by 32.5 % to EUR 26.3 million in 2014 from EUR 38.9 million in 2013 on a pro forma basis.

Net cash used in operating activities decreased from EUR 20.9 million in 2013 to EUR 14.9 million in 2014, reflecting financial progress in managing cash flow-related operating expenses.

The Company's cash position at December 31, 2014 stood at EUR 29.5 million compared to EUR 40.2 million at the end of December 2013.

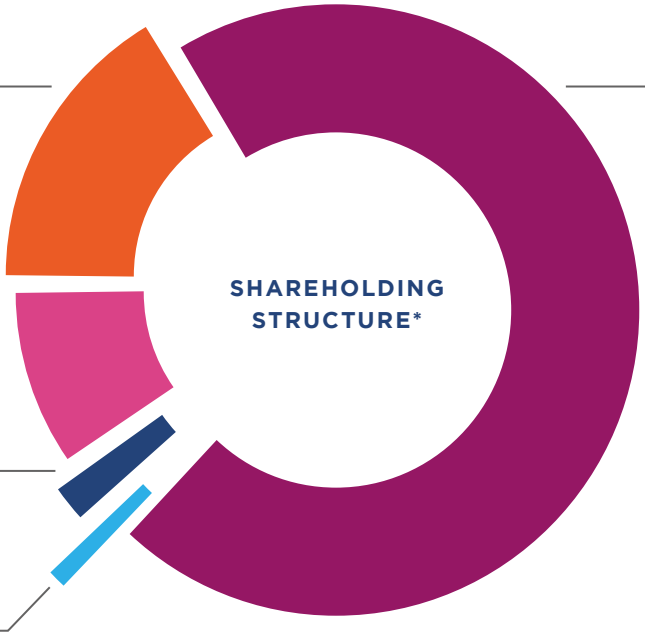
EBITDA SUBSTANTIALLY IMPROVED IN 2014

EBITDA in EUR million



* combining Intercell's revenues and grants in the first five months of 2013 with Valneva's revenues and grants for the full year 2013
** on a pro forma basis

400 EMPLOYEES*



GROUPE GRIMAUD
16.2%

FREE FLOAT**
70.8%

BPIFRANCE PARTICIPATIONS
10.0%

OTHER REGISTERED SHAREHOLDERS
2.0%

MANAGEMENT & EMPLOYEES
1.0%

€ 42.4 M
REVENUES & GRANTS 2014

€ 22.2 M
R&D EXPENSE 2014

* as of February 2015
** other shareholders with up to 5%

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