

**ADJUSTED  
PRO FORMA INCOME STATEMENT  
(NON-GAAP)**

EUR in thousands

	Half year ended June 30,	
	2013	2012
Product sales.....	9,305	14,654
Revenues from collaborations and licensing.....	6,018	7,661
<b>Revenues</b> .....	<b>15,322</b>	<b>22,315</b>
Grant income.....	2,042	2,237
<b>Revenues and Grants</b> .....	<b>17,365</b>	<b>24,552</b>
Cost of goods sold.....	(7,051)	(9,580)
Research and development expenses.....	(16,745)	(15,838)
General, selling and administrative expenses.....	(10,841)	(10,060)
Other income and expenses, net.....	335	991
Amortization of intangible assets.....	(2,467)	(1,738)
<b>OPERATING PROFIT/(LOSS)</b> .....	<b>(19,404)</b>	<b>(11,674)</b>
Finance income.....	184	617
Finance expenses.....	(3,658)	(2,870)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b> .....	<b>(22,878)</b>	<b>(13,928)</b>
Income tax.....	(33)	17
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b> .....	<b>(22,911)</b>	<b>(13,910)</b>
Loss from assets held for sale or discontinued operations.....	-	(657)
<b>PROFIT/(LOSS) FOR THE PERIOD</b> .....	<b>(22,911)</b>	<b>(14,567)</b>

**IMPORTANT:** The financial measures presented in the above non-GAAP adjusted pro forma income statement should be read in connection with the following important information, including definition of non-GAAP financial measures and reconciliation to the Company's consolidated financial statements under IFRS.

## **IMPORTANT INFORMATION IN CONNECTION WITH PRESENTED NON-GAAP PRO FORMA FINANCIAL INFORMATION**

On May 28, 2013, the Company completed its merger with Intercell AG. As a result of the merger, Intercell's business has been included in the Group's half year consolidated financial statements under IFRS from the merger closing date. Therefore, 2012 and 2013 half year results under IFRS are not fully comparable. While the results of Vivalis SA (now Valneva SE) were fully included in the income statement for the first half of 2013 and the comparator period in 2012, the results from the ex-Intercell operations were only included starting from June 2013 and are not part of the results for the comparator period of the previous year.

Management believes that the non-GAAP financial measures included herein provide meaningful supplemental information regarding our operating result to assist management, investors, analysts, and others in understanding our financial results and to better evaluate operating performance for all the periods presented, and provide a tool for analyzing our ongoing operations. These figures, however, are not a measure of financial performance under IFRS or any other GAAP and should not be considered a substitute for measures determined in accordance with GAAP. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are encouraged to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures is included below. Amounts included in the adjusted pro forma income statement are in thousand Euro, unless indicated otherwise.

### **Definitions of non-GAAP financial indicators**

For preparing the non-GAAP financial information presented herein, the following changes to the most directly comparable GAAP financial measures under IFRS have been applied.

- Adjusted pro forma income from continuing operations is defined as reported income from continuing operations, adjusted to include pro forma adjustments and to exclude certain non-recurring items in connection with the merger.
- Adjusted pro forma income includes in addition to the Valneva SE results the ex-Intercell operations for the first five months of 2013 and for the comparator period in 2012. For that purpose, Intercell AG financial statements have been restated to the form of presentation used by Valneva SE in its financial statements under IFRS.
- For the first half of 2013, non-recurring merger transaction costs and costs related to the repayment of debt in connection with the merger in the aggregate amount of EUR 14,615 thousands have been excluded from adjusted pro forma income. These items represent significant charges that impact current results, but have been considered unrelated to the Company's ongoing operations and performance.

## Reconciliation to the Company's consolidated financial statements under IFRS

EUR in thousands  (unaudited)	6 months ended June 30, 2012		
	Reported interim income statement (IFRS)	Pro forma adjustments Inclusion of ex-Intercell income	Adjusted pro forma income statement (non-GAAP)
Product sales.....	-	14,654	14,654
Revenues from collaborations and licensing.....	1,504	6,157	7,661
Revenues.....	1,504		22,315
Grant income.....	1,242	995	2,237
Revenues and Grants.....	2,746		24,552
Cost of goods sold.....	-	(9,580)	(9,580)
Research and development expenses.....	(6,226)	(9,612)	(15,838)
General, selling and administrative expenses.....	(2,659)	(7,401)	(10,060)
Other income and expenses, net.....	(168)	1,159	991
Amortization of intangible assets.....	(541)	(1,197)	(1,738)
OPERATING PROFIT/(LOSS).....	(6,848)		(11,674)
Finance income.....	287	330	617
Finance expenses.....	(266)	(2,604)	(2,870)
PROFIT/(LOSS) BEFORE INCOME TAX.....	(6,827)		(13,928)
Income tax.....	(19)	36	17
PROFIT/(LOSS) FROM CONTINUING OPERATIONS.....	(6,846)		(13,910)
Loss from assets held for sale or discontinued operations.....	(657)		(657)
<b>PROFIT/(LOSS) FOR THE PERIOD.....</b>	<b>(7,503)</b>		<b>(14,567)</b>

EUR in thousands  (unaudited)	6 months ended June 30, 2013		
	Reported interim income statement (IFRS)	Pro forma adjustments Inclusion of ex-Intercell income	Adjusted pro forma income statement (non-GAAP)
Product sales.....	5,332	3,973	9,305
Revenues from collaborations and licensing.....	2,409	3,608	6,018
Revenues.....	7,741		15,322
Grant income.....	1,930	112	2,042
Revenues and Grants.....	9,671		17,365
Cost of goods sold.....	(3,556)	(3,494)	(7,051)
Research and development expenses.....	(7,026)	(9,719)	(16,745)
General, selling and administrative expenses.....	(5,122)	(11,397)	5,678
Other income and expenses, net.....	(328)	663	335
Amortization of intangible assets.....	(1,350)	(1,117)	(2,467)
OPERATING PROFIT/(LOSS).....	(7,711)		(19,404)
Finance income.....	95	89	184
Finance expenses.....	(467)	(12,128)	8,937
PROFIT/(LOSS) BEFORE INCOME TAX.....	(8,083)		(3,658)
Income tax.....	(31)	(3)	(33)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS.....	(8,114)		(22,911)
Loss from assets held for sale or discontinued operations.....	-		-
<b>PROFIT/(LOSS) FOR THE PERIOD.....</b>	<b>(8,114)</b>		<b>(22,911)</b>