

VALNEVA

European Company

70, rue Saint-Jean de Dieu
69007 LYON

**Statutory auditors' report on the issue of shares and
marketable securities with retention and/or
cancellation of preferential subscription rights**

Combined Shareholders' Meeting of 26 June 2014
13th, 14th, 16th, 17th, 18th and 19th resolutions

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To the Shareholders,

In our capacity as statutory auditors of Valneva and pursuant to the procedures set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegations of authority to the Management Board to carry out various issues of shares and/or marketable securities, transactions on which you are being asked to vote.

Based on its report, your Management Board proposes:

- that shareholders delegate to it for a period of 26 months, the authority to decide on the following transactions and to set the final terms and conditions of these issues and proposes, when necessary, that you waive your preferential subscription rights:
 - issue ordinary shares or any marketable securities conferring entitlement, immediately and/or in the future, to the Company's share capital, with retention of preferential subscription rights (13th resolution);
 - issue ordinary shares or any marketable securities conferring entitlement, immediately and/or in the future, to the Company's share capital, with cancellation of preferential subscription rights by means of a public offering but with an optional priority period (14th resolution);
 - issue ordinary shares and/or any marketable securities conferring entitlement, immediately and/or in the future, to the Company's share capital, with cancellation of preferential subscription rights by means of an offering referred to in section II of Article 411-2 of the French Monetary and Financial Code up to a maximum of 20% of the share capital per year (16th resolution);

- to authorize it, pursuant to the 17th resolution and as part of the implementation of the delegations referred to in the 14th and 16th resolutions, to set the issue price up to the legal maximum of 10% of the share capital;
- to delegate to it, for a period of 26 months, the power to set the terms and conditions of an issue of ordinary shares and/or marketable securities conferring entitlement to the share capital, in consideration for in-kind contributions granted to the Company and comprised of equity securities or marketable securities conferring entitlement to the share capital (18th resolution) for up to a maximum of 10% of the share capital.

The total nominal amount of capital increases likely to be carried out, immediately or in the future, may not exceed €3,000,000 in accordance with the 13th, 14th, 15th, 16th, 17th and 18th resolutions. The total nominal amount of debt securities likely to be issued may not exceed €70,000,000 in accordance with the 13th, 14th and 16th resolutions.

It is the responsibility of the Management Board to prepare a report in accordance with Articles R. 225-113 *et seq.*, of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning these transactions, contained in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidelines of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying the content of the Management Board's report in respect of these transactions and the terms and conditions governing the determination of the issue price of equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the proposed issues, we have no comments on the terms and conditions governing the determination of the issue price of equity securities to be issued presented in the Management Board's report in connection with the 14th, 16th and 17th resolutions.

Furthermore, as the report does not include information on the terms and conditions governing the determination of the issue price of equity securities to be issued pursuant to the 13th and 18th resolutions, we cannot express an opinion on the issue price calculation inputs.

As the final terms and conditions under which the issues will be performed have not yet been decided, we do not express an opinion on the final terms and conditions under which the issues will be performed and, as such, on the proposed cancellation of preferential subscription rights submitted for your approval in the 14th, 16th, 17th and 18th resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we shall issue an additional report, if necessary, on the performance by your Management Board of any issues of marketable securities conferring entitlement to the share capital and/or conferring entitlement to the allocation of debt securities and issues with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Marseille, 4 June 2014

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT

Deloitte & Associés

Thierry CHARRON

Vincent GROS

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and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law
and professional auditing standards applicable in France.*