VALNEVA

A European company (*Societas Europaea* or SE) with a Management and a Supervisory Board
With a share capital of € 11,383,243.14
Registered office: 70, rue Saint Jean de Dieu, 69007 Lyon
R.C.S. Lyon 422 497 560

SPECIAL REPORT OF THE MANAGEMENT BOARD TO THE ANNUAL ORDINARY GENERAL MEETING TO BE HELD ON JUNE 30, 2016 ON TRANSACTIONS UNDERTAKEN IN THE FISCAL YEAR ENDED DECEMBER 31, 2015 (ARTICLES L. 225-177 TO L. 225-186 OF THE FRENCH COMMERCIAL CODE)

To the shareholders,

In compliance with the provisions of article L. 225-184 of the French Commercial code, we hereby report to you on transactions undertaken by virtue of the provisions of articles L. 225-177 à L. 225-186 of said code relating to the options to purchase or subscribe for shares in the fiscal year ended December 31, 2015.

Preliminary remarks:

+ Valneva SE is referred to hereafter as ***"the Company"***.
+ ***"Valneva Group"*** refers to Valneva SE and its subsidiaries.

1. Information concerning corporate officers

1.1 Presentation of the corporate officers

Name – Office	Term of office
Thomas Lingelbach ***Chairman of the Management Board – President & CEO of Valneva SE*** 	Appointed on 10 May 2013. End of term of office at the General Meeting called to rule on the accounts for the fiscal year ending December 31, 2018.
Franck Grimaud ***Management Board member & Deputy CEO of Valneva SE*** 	Appointed on 10 May 2013. End of term of office at the General Meeting called to rule on the accounts for the fiscal year ending December 31, 2018.
Reinhard Kandera ***Management Board member & CFO of Valneva SE*** 	Appointed on 10 May 2013. End of term of office at the General Meeting called to rule on the accounts for the fiscal year ending December 31, 2018.

1.2 Options to subscribe for or purchase shares granted to corporate officers; summary of options to subscribe for or purchase shares exercised by said corporate officers

1.2.1 Options to subscribe for or purchase shares granted to Management Board members by the Company in 2015

We inform you below of the number, the maturity dates and the strike price of stock-option that, during the previous fiscal year, and by virtue of the appointments and functions exercised in the Company, were granted to each of the Management Board members by the Company, in accordance with the provisions of article L. 225-180 of the French Commercial code:

	Reference and date of the plan	Type of option (to subscribe for or purchase shares)	Number of stock option granted during the fiscal year	Strike price (in euros)	Exercise window
Thomas Lingelbach	Plan No. 8 – Tranche 1 Dated July 28, 2015	Options to subscribe for shares	100,000	3.92	Until July 28, 2015. 50% of the stock option can be exercised from July 28, 2017, and the remaining 50% from July 28, 2019
Franck Grimaud	No option to subscribe for or purchase shares was granted to Mr. Grimaud in 2015.				
Reinhard Kandera	No option to subscribe for or purchase shares was granted to Mr. Kandera in 2015.				

1.2.2 Options to subscribe for or purchase shares exercised by each Management Board members in 2015

	Reference and date of the plan	Date of exercise of the options	Number of options exercised in the fiscal year	Strike price (in euros)
Thomas Lingelbach	No option to subscribe for or purchase shares was exercised by Mr. Lingelbach in 2015.			
Franck Grimaud	Plan No. 4 – Tranche 1 dated April, 5, 2005	February 2, 2015	700 stock option to subscribe for shares exercised, giving right to 79,800 Valneva's ordinary shares [1]	1.80
Reinhard Kandera	No option to subscribe for or purchase shares was exercised by Mr. Kandera in 2015.			

[1] Each option confers a right to 100 ordinary shares since the Company's share was admitted for trading on Eurolist Euronext Paris and the General Meeting's decision of March 31, 2007 to proceed with a 100-for-1 stock split resulting in a decrease in the nominal from €15 to €0.15 and the corresponding multiplication of the number of shares by 100.

In accordance with article L. 228-99 of the French Commercial code, any company granting capital securities or transferable securities giving access to the capital must take the necessary steps to protect the interests of the holders of the rights created if they decide to proceed, regardless of their form, with the issue of new capital securities with a preferential subscription rights reserved for its shareholders.

On July 28, 2010, the Management Board recorded for the record the completion of a capital increase. On August 27, 2010, the Management Board decided, in accordance with articles L. 228-99, R. 228-91, 1, a) and R. 225-140 of the French Commercial code, to adjust the number of shares available to be taken up by exercising options so that the exercise price of the options remains unchanged after the rights issue maintaining the preferential subscription rights of shareholders. Consequently, a stock option to subscribe for shares, giving a right before this rights issue to subscribe for 100 ordinary shares, gave a right to subscribe for 108 ordinary shares at €1.80 per share.

Further to a new capital increase on July 5, 2013, the Management Board of the Company decided on July 24, 2013, in accordance with articles L. 228-99, R. 228-91, 1, a) and R. 225-140 of the French Commercial code, to adjust the number of shares available to be taken up by exercising options so that the exercise price of the options remains unchanged after the rights issue maintaining the preferential subscription rights of shareholders. Consequently, a stock option to subscribe for shares, giving a right before this rights issue to subscribe for 108 ordinary shares, gives now a right to subscribe for 114 ordinary shares at €1.80 per share.

2. Information concerning non-officer employees

2.1 Options to subscribe for or purchase shares granted in 2015 to non-officer employees of the Valneva Group

We inform you below of the options to subscribe for shares granted to non-officer employees during the previous fiscal year, by the Company:

Stock option plan 2015 ("ESOP 2015")

General Meeting date	June 26, 2014
Date of the Management Board	July 28, 2015
Number of stock option granted	612,000
Strike price (in euros)	3.92
Beneficiaries	The options have been proposed to all employees of the Valneva Group that are not corporate officers.
Exercise window	Until July 28, 2015. 50% of the stock option can be exercised from July 28, 2017, and the remaining 50% from July 28, 2019

2.2 Options to subscribe for or purchase shares exercised by non-officer employees of Valneva Group in 2015

None of the non-officer employees of the Valneva Group exercised stock option to subscribe for or purchase shares in 2015.

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We remain at your disposal to provide you with any further explanations and additional information.

Vienna, March 17, 2016

THE MANAGEMENT BOARD