

VALNEVA SE

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Valneva SE announces the sale of its Clinical Manufacturing Operations (CMO) in France to Biological E

Next step in broadening an excellent strategic partnership

Lyon (France), Hyderabad (India) 7th June, 2013 – Valneva SE (Valneva), a European biotech company, today announced the signing of a binding term sheet to sell its Clinical Manufacturing Operations (CMO) in Nantes to Biological E, a leading Indian biopharmaceutical company.

The sale of this unit, which is dedicated to the manufacturing of clinical trial materials, is part of Valneva's strategy to realize cost synergies of EUR 5 to 6 million annually following the merger of Intercell AG and Vivalis SA to create Valneva.

The divestment of the CMO facility is expected to contribute up to EUR 3 million cost savings to the annual merger-synergies. In addition, Valneva will receive an undisclosed purchase price, exceeding the current book value of the facility.

Valneva and Biological E established a first partnership in 2005 for the development and commercialization of a novel Japanese Encephalitis vaccine for endemic regions, based on Valneva's JEV technology. The vaccine, which was successfully developed under this partnership, is being commercialized in India under the trade-name JEEV® and further territory expansions in the JE-endemic markets are planned. The CMO facility in Nantes will not be related to the JEV vaccine program.

Valneva and Biological E are also in discussions to potentially extend their strategic partnership into new vaccine development programs based on Valneva's EB66® manufacturing platform. The EB66® cell line is an advanced system for the production of a wide variety of human and veterinary viral and therapeutic vaccines. Valneva remains the owner of the EB66® cell line and will continue to license it for human and veterinary product development to pharmaceutical and biotech companies and to propose EB66® process development services.

Thomas Lingelbach, President and Chief Executive Officer and Franck Grimaud, President and Chief Business Officer of Valneva, commented: "This agreement demonstrates that Valneva's merger strategy to become a leading sustainable biotech company in antibodies and vaccines, is on track. We are pleased to broaden our excellent strategic partnership with Biological E with this transaction and believe that it will create additional opportunities for our two companies going forward."

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Listing information:**NYSE Euronext Paris – Compartment B**

Ticker: VLA.PA

Included in NYSE Euronext's SBF 250, CAC Small 90 and Next Biotech indexes

**Vienna Stock Exchange**

Ticker: VLA
ISIN code: FR0004056851

About Valneva SE

Valneva is a new fully integrated European biotech company in the field of vaccines and antibodies for the treatment and prevention of infectious diseases. It was created in 2013 through the merger between Intercell AG and Vivalis SA, combining the two companies core strengths: antibody discovery and vaccine development and commercialization.

Valneva's mission is to continue to excel in these fields through in-house programs and in collaboration with industrial partners using the innovative technologies developed by the company. Revenues are generated through its marketed product, IXIARO®, a vaccine for the prevention of Japanese encephalitis, milestone payments from commercial partnerships that includes a portfolio of early to late stage product candidates, and licensing fees from technology platforms developed by Valneva which are becoming widely adopted by the biopharmaceutical industry, world-wide. Headquartered in Lyon, France, the company employs approximately 350 people in France, Austria, Scotland, the United States, and Japan.

www.valneva.com

Biological E is a privately held company established in 1953. Biological E. Limited (Biological E) is a globally focused biopharmaceutical company that develops, manufactures and markets innovative vaccines and biologics that respond to health care needs worldwide. The company's product development efforts are driven by an internationally experienced management team and the company has several strategic partnerships with leading biotechnology and pharmaceutical companies and research institutes around the world.

Forward-Looking Statements

This Press Release contains certain forward-looking statements relating to the business of Valneva, including with respect to the progress, timing and completion of research, development and clinical trials for product candidates, the ability to manufacture, market, commercialize and achieve market acceptance for product candidates, the ability to protect intellectual property and operate the business without infringing on the intellectual property rights of others, estimates for future performance and

estimates regarding anticipated operating losses, future revenues, capital requirements and needs for additional financing. In addition, even if the actual results or development of Valneva are consistent with the forward-looking statements contained in this Press Release, those results or developments of Valneva may not be indicative of their in the future. In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. These forward-looking statements are based largely on the current expectations of Valneva as of the date of this Press Release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of Valneva could be affected by, among other things, uncertainties involved in the development and manufacture of vaccines, unexpected clinical trial results, unexpected regulatory actions or delays, competition in general, currency fluctuations, the impact of the global and European credit crisis, and the ability to obtain or maintain patent or other proprietary intellectual property protection. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made during this presentation will in fact be realized. Valneva is providing the information in these materials as of this Press Release, and disclaim any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.