

9M 2019

**NINE-MONTH
FINANCIAL REPORT
VALNEVA SE**

October 31, 2019

VALNEVA SE
6 rue Alain Bombard
44800 Saint-Herblain, France
www.valneva.com

 **valneva**

VALNEVA SE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT AS OF SEPTEMBER 30, 2019 (UNAUDITED)

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**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**

€ in thousand (except per share amounts)	Nine months ended September 30,	
	2019	2018
Product sales	86,409	71,101
Revenues from collaboration, licensing and services	(5,015)	7,227
Revenues	81,394	78,328
Cost of goods and services	(33,407)	(32,257)
Research and development expenses	(23,190)	(18,227)
Marketing and distribution expenses	(17,064)	(15,011)
General and administrative expenses	(12,988)	(12,587)
Other income and expenses, net	4,165	3,069
Amortization and impairment of fixed assets/intangibles	(2,157)	(2,399)
OPERATING PROFIT/(LOSS)	(3,247)	918
Finance income	1,900	100
Finance expenses	(2,272)	(3,164)
Result from investments in associates	1,695	-
PROFIT/(LOSS) BEFORE INCOME TAX	(1,924)	(2,147)
Income tax	(510)	(1,106)
PROFIT/(LOSS) FOR THE PERIOD	(2,434)	(3,253)
Losses per share for profit/loss for the period attributable to the equity holders of the Company, expressed in € per share (basic and diluted)	(0.03)	(0.04)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

€ in thousand	Nine months ended September 30,	
	2019	2018
Loss for the period	(2,434)	(3,253)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Currency translation differences	(855)	(1,161)
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial losses	-	-
Other comprehensive income/(loss) for the period, net of tax	(855)	(1,161)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	(3,289)	(4,414)

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET**

€ in thousand	September 30, 2019	December 31, 2018
ASSETS		
Non-current assets	131,717	103,934
Intangible assets	42,435	44,891
Right of use assets	48,663	-
Property, plant and equipment	17,854	37,997
Equity-accounted investees	2,384	1,122
Other non-current assets	16,579	17,236
Deferred tax assets	3,803	2,689
Current assets	118,932	125,972
Inventories	26,986	22,727
Trade receivables	9,898	11,259
Other current assets	14,662	10,261
Cash and cash equivalents	67,387	81,725
TOTAL ASSETS	250,649	229,907
EQUITY		
Capital and reserves attributable to the Company's equity holders	131,628	143,186
Share capital	13,641	13,638
Share premium and other regulated reserves	297,725	297,720
Retained earnings and other reserves	(177,304)	(171,435)
Net result for the period	(2,434)	3,264
LIABILITIES		
Non-current liabilities	87,473	43,777
Borrowings	23,834	14,273
Non-current lease liabilities	56,235	25,798
Non-current refund liabilities	6,031	-
Non-current contract liabilities, other liabilities and provisions	1,373	3,707
Current liabilities	31,547	42,944
Borrowings	2,029	16,665
Trade payables and accruals	13,246	13,325
Current tax liability	2,058	1,406
Tax and employee-related liabilities	9,101	8,643
Current lease liabilities	1,723	865
Current refund liabilities	-	-
Current contract liabilities, other liabilities and provisions	3,390	2,041
TOTAL LIABILITIES	119,021	86,721
TOTAL EQUITY AND LIABILITIES	250,649	229,907

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**

€ in thousand	Nine months ended September 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss for the period	(2,434)	(3,253)
Depreciation and amortization	6,201	5,152
Share-based payments	1,240	1,447
Income tax	510	1,106
Other adjustments for reconciliation to cash used in operations	3,122	2,768
Changes in working capital	(2,631)	5,354
Cash generated from/(used in) operations	6,008	12,573
Income tax paid	(965)	(891)
Net cash generated from/(used in) operating activities	5,043	11,682
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(7,982)	(1,417)
Proceed from sale of property, plant and equipment	-	76
Purchases of intangible assets	(173)	(234)
Interest received	168	100
Net cash generated from/(used in) investing activities	(7,986)	(1,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock, net of costs of equity transactions	(2,500)	-
Disposal/(Purchase) of treasury shares	(21)	55
Proceeds from borrowings, net of transaction costs	11,382	1,418
Repayment of borrowings	(11,654)	(12,292)
Payment of lease liabilities	(2,740)	-
Interest paid	(1,309)	(1,959)
Net cash generated from/(used in) financing activities	(6,841)	(12,777)
Net change in cash and cash equivalents	(9,784)	(2,571)
Cash at beginning of the period	77,084	33,545
Exchange gains/(losses) on cash	87	(918)
Cash at end of the period	67,387	30,056
Cash and cash equivalents at end of the period	67,387	33,040

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

€ in thousand	Share capital	Share premium and other regulated reserves	Retained earnings and other reserves	Net result	Total equity
Balance as of January 1, 2018	11,638	252,934	(160,421)	(11,482)	92,669
Total comprehensive loss	-	-	(1,161)	(3,253)	(4,414)
Income appropriation	-	-	(11,482)	11,482	-
Employee share option plan					
- value of employee services	-	-	1,417	-	1,417
- exercise of share options	-	-	-	-	-
Treasury shares	-	-	55	-	55
Cost of equity transactions, net of tax	-	-	-	-	-
	-	-	(11,170)	8,228	(2,942)
Balance as of September 30, 2018	11,638	252,934	(171,592)	(3,253)	89,727
Balance as of January 1, 2019	13,638	297,720	(171,435)	3,264	143,186
Changes in Accounting Policy – Initial Application of IFRS 16	-	-	(9,474)	-	(9,474)
Restated balance as of January 1, 2019	13,638	297,720	(180,909)	3,264	133,712
Total comprehensive loss	-	-	(855)	(2,434)	(3,289)
Income appropriation	-	-	(3,264)	3,264	0
Employee share option plan					
- value of employee services	-	-	1,218	-	1,218
- exercise of share options	3	5	-	-	8
Treasury shares	-	-	(21)	-	(21)
Cost of equity transactions, net of tax	-	-	-	-	-
	3	5	(2,922)	830	(2,084)
Balance as of September 30, 2019	13,641	297,725	(177,304)	(2,434)	131,628