

Valneva presents its H1 2020 financial results

Analyst Presentation
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H1 2020 Results Marked by Major Corporate Achievements and Strong Cash Position

- **Unprecedented partnering deal signed with Pfizer for Lyme disease vaccine**
 - Positive initial results for Phase 2 study of Lyme disease vaccine candidate
- **Positive End-of-Phase 2 chikungunya meeting with the U.S. FDA**
 - Phase 3 initiation planned for Q4/2020
- **Agreement in principle with UK government to supply up to 100 million doses of SARS-CoV-2 vaccine**
 - Binding agreement for initial funding for manufacturing expansion
- **Marketing and distribution partnership with Bavarian Nordic**
- **Cash position of ~ €200 million at the end of June 2020**
 - \$130 million upfront payment from Lyme vaccine collaboration with Pfizer
 - \$ 60 million loan
 - \$85 million financing arrangement with leading US healthcare funds
- **Total revenues of €47.9 million - Product sales revenue of €40.9 million in H1/2020**
 - ~ -30% compared to H1/2019 – impact from COVID-19 pandemic on global travel industry)

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As a Specialty Vaccine Company, Valneva Currently Focuses its Development Activities on Three Unique Vaccine Candidates



Lyme disease



Chikungunya



COVID-19

Lyme Disease Vaccine Candidate VLA15: Exclusive, Worldwide Partnering Deal with Pfizer and Initial Positive Phase 2 Results



Exclusive, worldwide partnering deal with Pfizer for late stage development and future commercialization¹.

- Valneva and Pfizer will work closely together throughout the development of VLA15
- Pfizer will fund 70% of all development costs through completion of the development program
- Valneva is eligible to receive a total of \$308 million upfront and milestone payments
- Pfizer will pay Valneva tiered royalties starting at 19%



Positive initial results for first Phase 2 study (VLA15-201)².

- Phase 2 study VLA15-201 met its endpoints
- Compared to Phase 1, the higher doses used in this trial elicited higher antibody responses across all serotypes
- Encouraging immunogenicity profile confirmed, including older adults (50-65 years)
- VLA15 generally safe across all dose and age groups tested

Initial results for second Phase 2 study, VLA15-202, are expected within a few months

¹ Valneva PR [Valneva and Pfizer Announce Collaboration to Co-Develop and Commercialize Lyme Disease Vaccine, VLA15](#), ² Valneva PR [Valneva Announces Positive Initial Results for Phase 2 Study of Lyme Disease Vaccine Candidate](#)



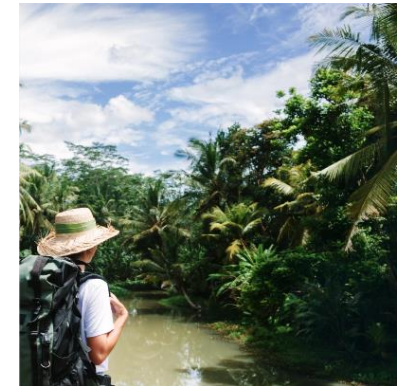
Chikungunya Vaccine Candidate VLA1553: Phase 3 Expected to Commence in the Fourth Quarter 2020

Positive End of Phase 2 meeting with the U.S. FDA held

- Enabling progression into Phase 3

Making VLA1553 accessible to Low- and Middle-Income Countries

- Valneva and the Butantan Institute in Brazil signed a binding term sheet for the development, manufacturing and marketing of VLA1553¹



VLA1553's complete Phase 1 data were published in the peer-reviewed medical journal *The Lancet Infectious Diseases*².

Valneva intends to initiate the pivotal Phase 3 study in the fourth quarter 2020

¹ Valneva PR Valneva to Partner with Instituto Butantan on Single-Shot Chikungunya Vaccine for Low- and Middle-Income Countries, ² Valneva Announces Publication in The Lancet of Complete Phase 1 Data for its Single-Shot Chikungunya Vaccine Candidate



SARS-CoV-2 Vaccine Candidate VLA2001: Agreement to Provide 60k-100k Doses to the UK

Valneva has agreed, in principle, to supply the UK government with up to 100 million doses of its SARS-CoV-2 vaccine candidate

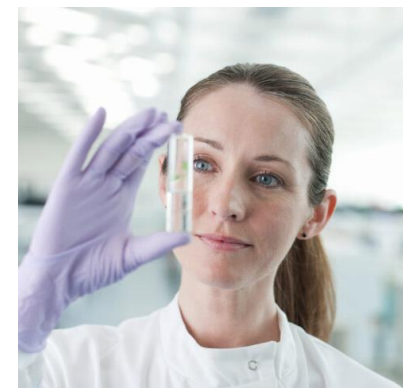
- To be manufactured at Valneva's facilities in Livingston, Scotland¹

Binding preliminary agreement with UK government to provide initial funding of over £10m to support expansion of Valneva's UK based manufacturing facilities

This agreement is a recognition of the strong track record and capabilities that the Company has built over the past fifteen years, both in the UK and beyond

- Valneva plans further investments in both its Scottish and Swedish facilities related to its COVID-19 vaccine program

VLA2001 is expected to enter clinical trials before the end of 2020



¹ Valneva PR: [Valneva Confirms Participation in UK Government COVID-19 Vaccine Response Program](#)

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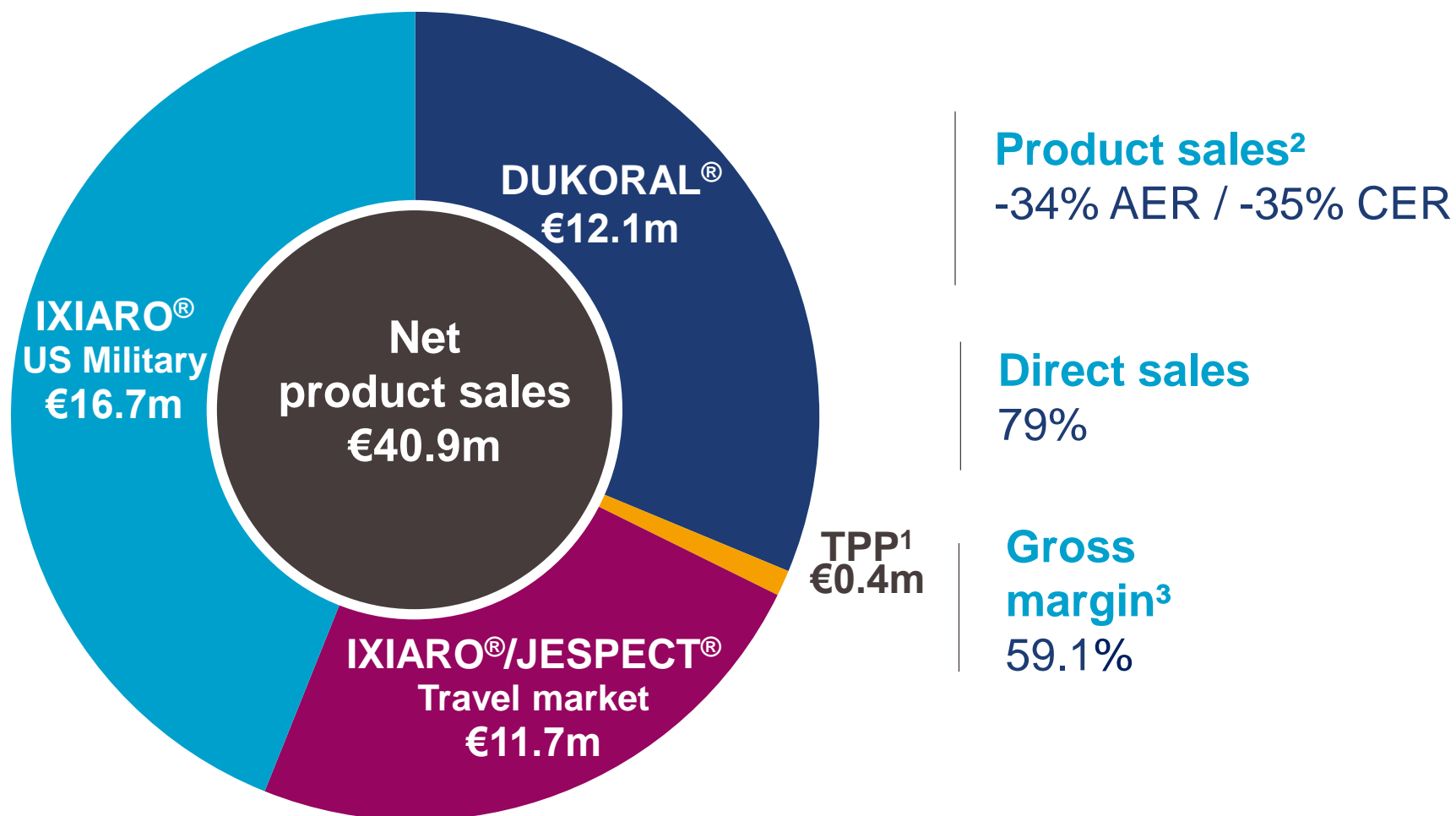
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H1 2020 Product Sales Adversely Affected by the COVID-19 Pandemic

H1 2020 product sales at AER



AER: Actual exchange rates, CER: Constant exchange rates; 1 Third party products sold by Valneva's commercial organization, 2 YoY comparison for same period, 3 Gross margin on product sales



H1 2020 Product Sales Analysis

H1 2020 to H1 2019 comparison

€m	H1 2020 (unaudited) (AER)	H1 2019 (AER)	H1 2019 (CER)	CER ¹ %
IXIARO®/JESPECT®	28.4	45.1	45.9	-38.0%
DUKORAL®	12.1	15.2	15.3	-20.8%
Third party products	0.4	1.4	1.3	-70.4%
Total	40.9	61.6	62.5	-34.5%

¹ CER at constant exchange rates as H1 average Act 2020



EBITDA Loss Reflecting Increasing R&D Expenses

H1 2020 Profit & Loss Report at AER

€m	H1 2020	H1 2019
Product sales	40.9	61.6
Revenues from collaboration, licensing and services	7.0	-7.1
Revenues	47.9	54.5
Cost of goods and services	(21.1)	(23.1)
Research and development expenses	(33.0)	(14.1)
Marketing and distribution expenses	(10.0)	(11.8)
General and administrative expenses	(10.6)	(8.8)
Other income / (expense), net	6.5	3.0
Amortization and impairment	(1.4)	(1.4)
Operating loss	(21.9)	(1.7)
Finance, investment in associates & income taxes	(3.7)	(0.7)
Profit/loss for the period	(25.6)	(2.4)
EBITDA¹	(17.2)	2.4

¹ H1 2020 EBITDA was calculated by excluding €4.7 million of depreciation and amortization from the €21.9 million operating loss as recorded in the consolidated income statement under IFRS.

H1 2020 Margins Adversely Affected by the COVID-19 Pandemic



Gross and Net Operating Margin at AER

Gross Margin	H1 2020	H1 2019
Total product sales revenues (€m)	40.9	61.6
Total Product Sales Gross Margin (IXIARO®, DUKORAL® and Third Party Products)	59.1%	66.1%

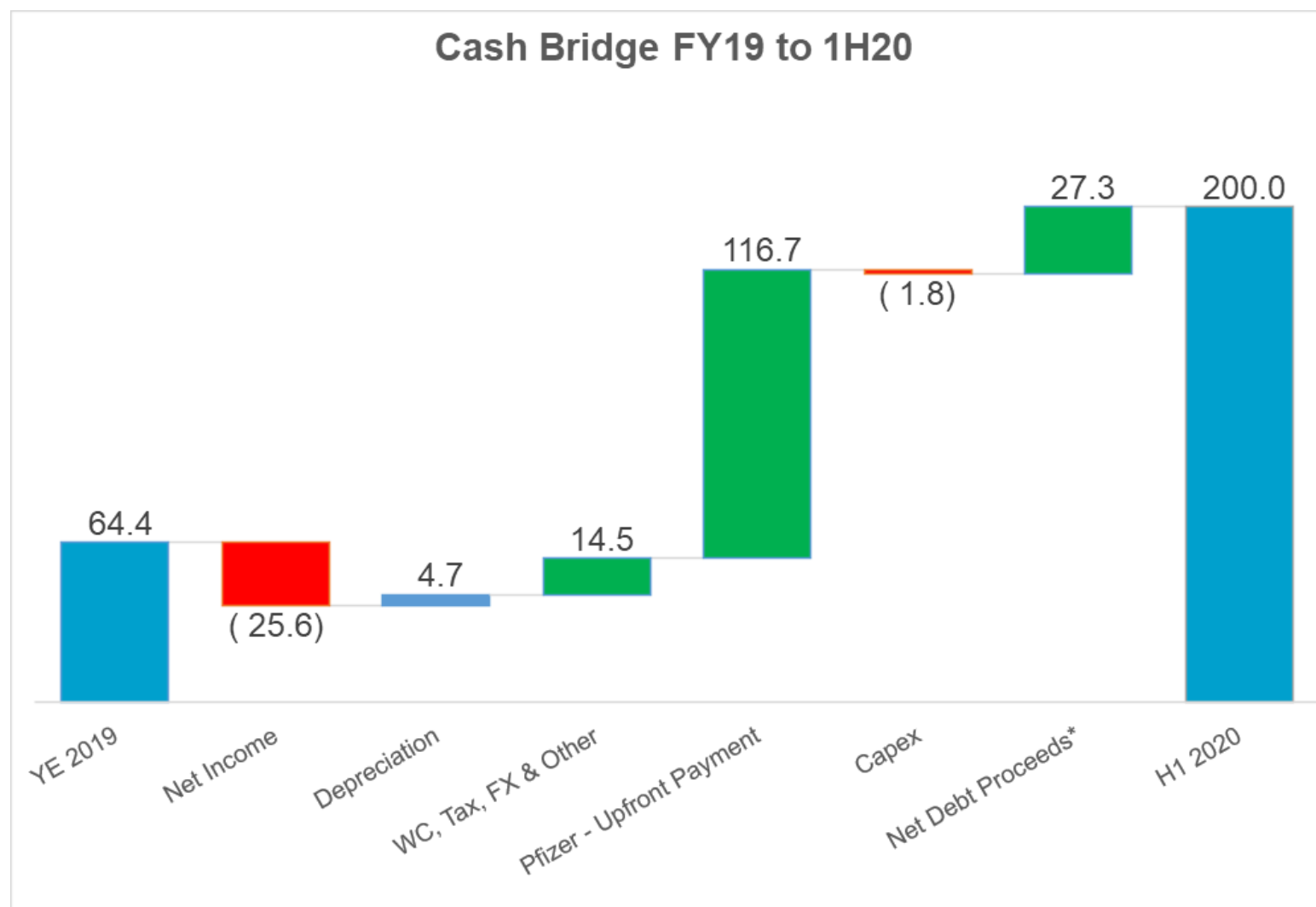
Net Operating Margin (€m)	H1 2020	H1 2019
Total product sales revenues	40.9	61.6
Cost of goods and services	(16.8)	(20.9)
Commercial costs ¹	(19.2)	(19.7)
Net operating margin	5.0	21.1
as % Revenues	12.1%	34.2%

¹ S&M, G&A, R&D, Other income/costs and amortization of intangibles



Cash Bridge FY19 to H120

Cash positively impacted by issuance of US loan facility & Pfizer deal



* Net debt proceeds refers to the issuance of a US loan facility (\$60m drawn), the repayment of the EIB facility (€20m), and related costs

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Valneva May Achieve Its Initial FY 2020 Revenue Guidance

Including Pfizer collaboration impact

	Initial Guidance (Pre-COVID-19)	H1 Guidance Update
Product sales revenues	€125m - €135m	€70m - €80m
Other revenues	€10m	€50m - €60m
Total revenues	€135m - €145m	€120m - €140m
R&D investments	Up to €85m	Up to €80m
Gross margin (on product sales revenue)	~65%	~60%
Net operating margin ¹	30% - 35%	~15%
EBITDA	Up to (€35m)	€0m - (€10m)

¹ Net operating margin is based on the P&L for the Commercial Products segment Corporate Overheads and Amortisation of Intangibles related to IXIARO® including an allocation (56%) of G&A costs from

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Key Upcoming Newsflow



New IXIARO[®] contract with the U.S. Department of Defense expected imminently

Lyme disease vaccine candidate VLA15

- **Further Phase 2 data expected in a few months**
- **Finalization of Phase 3 strategy**

Chikungunya vaccine candidate VLA1553

- **Phase 3 initiation in the fourth quarter (pending FDA confirmation)**

COVID-19 vaccine candidate expected to enter clinical trials before the end of 2020

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Thank you
Merci
Danke
Tack

