VALNEVA

Société Européenne

6 Rue Alain Bombard
44800 Saint-Herblain

Special Auditors' Report

on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2021

PricewaterhouseCoopers Audit
63 rue de Villiers
92 200 Neuilly-sur-Seine
S.A.S. au capital de € 2.510.460
672 006 483 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense cedex
S.A.S. au capital de 2 188 160 €
572 028 041 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
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This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting.

To the Shareholders,

In our capacity as Statutory Auditors of Valneva (or the "Company"), we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, as well as the reasons provided for, the agreements that have been disclosed to us or that we may have identified as part of our engagement,

without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-58 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-58 of the French Commercial Code (*Code de commerce*) in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements to be submitted for the approval of the annual general meeting

Agreements authorized and concluded during the year

In accordance with article L. 225-88 of the French commercial code (*Code de commerce*), we have been informed of the following agreements previously authorized by the Supervisory Board.

Directors and officers indemnification agreements

- Contracting Company : Valneva

- Persons concerned:
  - Mr. Thomas Lingelbach, Chairman of the Company's Management Board (Agreement signed on June 29, 2021),
  - Mr. Franck Grimaud, Member of the Management Board and *Directeur Général* & CBO of the Company (Agreement signed on July 13, 2021),
  - Mr. Frédéric Jacotot, Member of the Management Board and General Counsel & Corporate Secretary of the Company (Agreement signed on June 24, 2021),
  - Mr. Juan Carlos Jaramillo, Member of the Management Board and CMO (Agreement signed on July 6, 2021),
  - Mr. Frédéric Grimaud, President & Chief Executive Officer of Groupe Grimaud La Corbière SAS, shareholder holding more than 10% of the voting rights of the Company, and Chairman of the Supervisory Board of the Company (Agreement signed on June 29, 2021),
  - Mr. James SULAT, Vice-Chairman of the Supervisory Board of the Company (Agreement signed on June 25, 2021),
  - Ms. Anne-Marie Graffin, Member of the Supervisory Board of the Company (Agreement signed on July 5, 2021),
  - Ms. Sharon Tetlow, Member of the Supervisory Board of the Company (Agreement signed on July 16, 2021),
  - Ms. Johanna Pattenier, Member of the Supervisory Board of the Company (Agreement signed on June 29, 2021).

- Nature and purpose: the agreements, authorized by the supervisory board on May 5, 2021, undertake the Company - to the fullest extent permitted by applicable laws and regulations, and subject to additional limitations as detailed in these agreements, to indemnify each of these corporate officers, in the event that their personal legal liability is called into question in the performance of their duties, by covering certain procedural expenses (where applicable, via advance payments) as well as damages to be paid that would not be covered by the D&O Insurance (including, in particular, deductibles or any amount exceeding the cover limits).

- Terms and conditions: The expense recognized by your Company in 2021 in relation to these agreements amounts to €0 and the amount paid to €0.

- Reason justifying that the agreement is in the Company's interest: These agreements were entered into in the interest of the Company because of the following:
    - Following the Company's IPO on the Nasdaq, corporate officers are exposed to significantly increased risks of personal legal liability (in comparison with the level of risk arising from the application of French law). As a result of these additional risks, directors and officers of other companies listed in the United States are typically indemnified and/or insured.
    - The Company considers that being listed on the Nasdaq is a key factor in the success of its future development, as this market generally has the highest valuations of biotechnology companies, as well as the highest stock liquidity, thus giving better prospects to the Company's shareholders.
    - In this context, the engagement of current and future corporate officers is necessary for the achievement of the Company's objectives, and the absence of any protection that the Company could offer in the form of insurance and indemnification might prohibit such corporate officers from continuing in or accepting their duties within the Company.
      In seeking insurance coverage for its corporate officers, the Company learned that such insurance is currently extremely expensive and difficult to secure. The D&O Insurance that the Company finally obtained includes a very high deductible and is limited in scope and degree of protection provided despite its cost. The Company therefore concluded that being able to provide the indemnities and advances of expenses provided for by the agreements was important, since this offers corporate officers more complete protection than that resulting from the D&O Insurance alone, and that the required protection could not be achieved by any means other than by entering into these agreements.

Amendments 3, 4 and 5 to the Collaboration and Research Licence Agreement and Amendment 3 to the Premises and Equipment Provision Agreement, concluded with Vital Meat SAS

Initial agreements entered into with the company Groupe Grimaud La Corbière SA (now Groupe Grimaud La Corbière SAS), then transferred to Vital Meat SAS (see hereinafter "Regulated agreements which remained in force during the fiscal year 2020")

- Contracting Company: Valneva

- Person concerned:
- Frédéric GRIMAUD, Chairman of the Supervisory Board and President & Chief Executive Officer of Groupe Grimaud La Corbière SAS, shareholder holding more than 10% of the Company's voting rights,

- Groupe Grimaud La Corbière, legal entity represented by its President & Chief Executive Officer Mr. Frédéric Grimaud, is the President of its subsidiary Vital Meat SAS.

- Nature and purpose: The amendments 3, 4 and 5, authorized by the Supervisory Board on March 23, 2021 (amendments 3 and 4) and December 22, 2021 (amendment 5), were executed for the purpose of extending the term of the Collaboration and Research License Agreement (CCLR at first, until June 30, 2021, then until December 31, 2021, and finally until March 31, 2022).
  The amendment 3, executed on March 24, 2021 and authorized by the Supervisory Board on February 25, 2020, has been executed for the purpose of extending the surface area of the premises leased by the Company to Vital Meat SAS under the Premises and Equipment Provision Agreement (CMAD).

- Terms and conditions: The revenue recorded for the 2021 financial year by your company, under the amendments 3, 4 and 5 to the agreement for the Collaboration and Research License Agreement (CCLR), amounted to €106 023,33 and the amount received to €94 296,33.
  The revenue recorded for the year 2021 by your company, under the amendment 3 to the agreement for the Contract for the Provision of Premises and Equipment (CMAD), amounted to €64 082,39 and the amount received to €57 864,38.

- Reasons justifying the Company's interest: These amendments are in the best interest of the Company because they enhance the benefits described for the Company under the initial agreements.
  In addition, the extension of the Collaboration and Research License Agreement until March 31, 2022 allows Valneva to have more time to study the best options for the grant of one or more commercial licenses for use of its EBx technology in the food sector.

Amendment 1 to the 2019-2022 Management Agreement executed between Mr. Franck GRIMAUD and Valneva on March 4, 2021

- Contracting Company: Valneva

- Person concerned: M. Franck Grimaud, member of the Management Board and *Directeur Général* & CBO of the Company

- Nature and purpose : Amendment 1 to the 2019-2022 Management Agreement, authorized by the Supervisory Board on January 15, 2021, provides in particular for additional remuneration for the corporate officer in the event of a change of control of the Company before the final grant of long-term incentive financial instruments, as well as changes to the rules governing remuneration in the event of termination of the Management Agreement or non-renewal of the corporate officer’s term of office at expiry (severance package indemnities set at one year’s fixed remuneration, including the notice period).

- Terms and conditions: the expense recognized by your Company in 2021 in relation to this agreement amounts to €0 and the amount paid to €0.

- Reasons justifying the Company's interest: The amendment was entered into in the best interest of the Company since (a) it minimizes the Company's financial exposure if a member of the Management Board is dismissed in the course of his term of office, and (b) it ensures that any indemnity linked to a change in control of the Company is no longer conditioned on the dismissal of the corporate officer, thus potentially allowing a smooth transition in the event of a change of control.

Amendment 1 to the 2019-2022 Management Agreement executed between Mr. Frédéric Jacotot and Valneva on March 4, 2021

- Contracting Company : Valneva

- Person concerned: M. Frédéric Jacotot, member of the Management Board and General Counsel of the Company

- Nature and purpose : Amendment 1 to the 2019-2022 Management Agreement, authorized by the Supervisory Board on January 15, 2021, provides in particular for additional remuneration for the corporate officer in the event of a change of control of the Company before the final grant of long-term incentive financial instruments, as well as changes to the rules governing remuneration in the event of termination of the Management Agreement or non-renewal of the corporate officer’s term of office at expiry (severance package indemnities set at one year’s fixed remuneration, including the notice period).

- Terms and conditions: The expense recognized by your Company in 2021 in relation to this agreement, amounts to €0 and the amount paid to €0.

- Reasons justifying the Company's interest: The amendment was entered into in the best interest of the Company since (a) it minimizes the Company's financial exposure if a member of the Management Board is dismissed in the course of his term of office, and (b) it ensures that any indemnity linked to a change in control of the Company is no longer conditioned on the dismissal of the corporate officer, thus potentially allowing a smooth transition in the event of a change of control.

Agreements already approved by the annual general meeting

Agreements approved in prior years

Pursuant to Art. R.225-57 of the French Commercial Code (*Code de commerce*), we have been informed that the following agreements, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

Collaboration and Research License Agreement & Premises and Equipment Provision Agreement and related Amendments 1 et 2 to the Collaboration and Research License Agreement and Amendment 2 to the Premises and Equipment Provision Agreement, concluded with Vital Meat SAS

- Contracting Company: Valneva

- Person concerned:
  - Frédéric GRIMAUD, Chairman of the Supervisory Board and President & Chief Executive Officer of Groupe Grimaud La Corbière SAS, shareholder holding more than 10% of the Company's voting rights.
  - Groupe Grimaud La Corbière, legal entity represented by its President & Chief Executive Officer Mr. Frédéric Grimaud, is the President of its subsidiary Vital Meat SAS.

- Nature and purpose: Your Company entered into a Research Collaboration and License Agreement with Vital Meat SAS, previously authorized by your Supervisory Board on September 20, 2018 (the purpose of the agreement is to assess the possibility of using the avian cell lines of the Company to produce nutritional substances similar to meat, but of non-animal origin), as well as a contract for the provision of premises and equipment. In accordance with the terms of the Research Collaboration and License Agreement and the Provision of Premises and Equipment Agreement, the Company
  - (i) granted to Vital Meat SAS a two-year non-exclusive research license to use Valneva's EBx platform (excluding EB66®) and conduct the above-mentioned assessment,
  - (ii) provides Vital Meat SAS with limited assistance for this purpose, and
  - (iii) puts few offices in its premises and certain equipment at Vital Meat SAS's disposal.

  The amendments 1 and 2, authorized by the Supervisory Board on September 22, 2020 and December 9, 2020, were executed for the purpose of extending the term of the Collaboration and Research License Agreement, at first, until December 31, 2020 and then until March 31, 2021. The amendment 2, authorized by the Supervisory Board on February 25, 2020, has been executed for the purpose of extending the surface area of the premises leased by The Company to Vital Meat SAS under the Premises and Equipment Provision Agreement.

- Terms and conditions: The revenue recorded for the 2021 financial year by your company, under this amendment 1 and 2 to the agreement for the Collaboration and Research License Agreement, amounted to €37 220 and the amount received to €44 180.

The revenue recorded for the year 2021 by your company, under this amendment 2 to the agreement for the Contract for the Provision of Premises and Equipment (CMAD), amounted to €23 993,65 and the amount received to €36 914,64.

- Reasons justifying the Company's interest: The general benefits of the CCLR and CMAD for the Company are the following:
    - an opportunity to potentially improve EB cell lines-related revenues by allowing the exploration of a new field without financial investment;
    - rationalizing the use of the Nantes premises following R&D reorganization;
    - a re-employment opportunity for an employee whose job was cut upon R&D reorganization.

  The Amendments 1 et 2 to the Collaboration and Research License Agreement and Amendment 2 to the Premises and Equipment Provision Agreement, concluded with Vital Meat SAS are in the best interest of the Company because they enhance the benefits described for The Company under the initials agreements which remained in force during the fiscal year 2021.

Management Agreement with Mr. Franck Grimaud and Valneva executed on July 9, 2018

- Contracting Company: Valneva

- Person concerned: M. Franck GRIMAUD, member of the management Board and Managing Director of the Company

- Nature and purpose: The Management Agreement 2019-2022 authorized by the Supervisory Board on June 28, 2018, amended on March 23, 2021, specifies the compensation and benefits to be received by Mr. Franck Grimaud in his capacity as a Management Board member and Managing Director as from the end of the Combined General Meeting called on June 27, 2019 to approve the financial statements for the fiscal year ended December 31, 2018. It also includes certain commitments undertaken by the Company for the payment of indemnities or the provision of benefits in the event of termination or change in the functions of the Corporate Officer.

- Terms and conditions: The expense recognized by your Company in 2021 in relation to this agreement, amounts to €593 244,44 and the amount paid to €588 710,81.

- Reasons justifying the Company's interest: The Management Agreement is in the best interest of the Company because it contributes to management stability in the long term and enable the Company to be managed by recognized international leaders with diverse education, experience and skills, able to support the Company's growth, in accordance with its strategy. The Company's commitments under the agreement, which result in the payment of indemnities or the provision of benefits in the event of termination or change in the functions of the corporate officers, contribute to management stability in the long term, reflect the Company's aim to provide for equitable solutions in the event of termination or change in the functions of the corporate officers (including in the interest of ensuring equal treatment), while making it possible to: limit the costs arising from terminating the Management Agreement; improve the predictability of these costs; and reduce the risks of litigation.

Management Agreement with Mr. Frédéric JACOTOT and Valneva executed on July 9, 2018

- Contracting entity: Valneva

- Person concerned: M. Frédéric JACOTOT, member of the Management Board and General Counsel of the Company

- Nature and purpose: The Management Agreement 2019-2022, authorized by the Supervisory Board on June 28, 2018, amended on March 23, 2021, specifies the compensation and benefits to be received by Mr. Frédéric Jacotot in his capacity as a Management Board member and General Counsel as from the end of the Combined General Meeting called on June 27, 2019 to approve the financial statements for the fiscal year ended December 31, 2018. It also includes certain commitments undertaken by the Company for the payment of indemnities or the provision of benefits in the event of termination or change in the functions of the corporate officer.

- Terms and conditions: The expense recognized by your Company in 2021 in relation to this agreement, amounts to €452 978,36 and the amount paid to €449 448,61.

- Reasons justifying the Company's interest: The Management Agreement is in the best interest of the Company because it contributes to management stability in the long term and enable the Company to be managed by recognized international leaders with diverse education, experience and skills, able to support the Company's growth, in accordance with its strategy. The Company's commitments under this agreement, which result in the payment of indemnities or the provision of benefits in the event of termination or change in the functions of the corporate officers, contribute to management stability in the long term, reflect the Company's aim to provide for equitable solutions in the event of termination or change in the functions of the corporate officers (including in the interest of ensuring equal treatment), while making it possible to: limit the costs arising from terminating the Management Agreement; improve the predictability of these costs; and reduce the risks of litigation.

Neuilly-sur-Seine and Bordeaux, March 23, 2022

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit Deloitte & Associés

Cédric MAZILLE Stéphane LEMANISSIER