SPECIAL MEETING
JUNE 23, 2022

Summary on the Group situation during the past fiscal year

Including excerpts of the 2021 Universal Registration Document

The section references herein refer to the Sections of the Company's 2021 Universal Registration Document, available at the following address: https://valneva.com/investors/financial-reports/

VALNEVA

A European company (*Societas Europaea* or SE) with a Management and a Supervisory Board
Share capital: €16,170,314.40
Registered office: 6 rue Alain Bombard, 44800 Saint-Herblain (France)
Nantes Companies Register (RCS) No. 422 497 560

SUMMARY ON THE GROUP SITUATION DURING THE PAST FISCAL YEAR

1. SITUATION OF THE COMPANY AND THE GROUP AND ITS ACTIVITY DURING THE PAST FISCAL YEAR

1.1 Presentation of the Valneva Group

Valneva is a specialty vaccine company focused on the development and commercialization of prophylactic vaccines for infectious diseases with significant unmet medical need. The Company takes a highly specialized and targeted approach to vaccine development and then applies its deep understanding of vaccine science to develop prophylactic vaccines addressing these diseases. Valneva has leveraged its expertise and capabilities both to successfully commercialize two vaccines and to rapidly advance a broad range of vaccine candidates into and through the clinic, including candidates against Lyme disease, the chikungunya virus and COVID-19.

1.2 2021 Annual operating highlights

See Excerpt of the Company's 2021 Universal Registration Document, on next pages.

1.1.2. Annual operating highlights

In 2021, Valneva achieved numerous major milestones:

Research & Development

(a) Valneva and Pfizer Reported Further Positive Phase 2 Results, Including Booster Response, for Lyme Disease Vaccine Candidate

On September 28, 2021, Valneva and Pfizer announced further positive Phase 2 results, including booster response, for their Lyme disease vaccine candidate VLA15.

The Phase 2 study, VLA15-202, is evaluating the immunogenicity and safety of VLA15 in a Month 0-2-6 vaccination schedule. The study enrolled 246 healthy adults 18 to 65 years of age in the United States. As announced in October 2020, the study met its primary endpoint of demonstrating that VLA15 was immunogenic across all dose groups tested and elicited high antibody responses across all serotypes (ST1 – ST6) at one month after completion of the primary vaccination series. Continued evaluation at Month 18 showed that antibody titers declined thereafter across all groups, remaining above baseline but confirming the need for a booster strategy.

VLA15 was safe and well tolerated across all doses and age groups tested. No related Serious Adverse Events (SAEs) were observed in any treatment group.

Participants who received a complete primary vaccination series with 180 µg doses of VLA15 were invited to continue the study in a booster extension phase and were randomized to receive an additional 180 µg dose of VLA15 (N=39) or placebo (N=19) at Month 18.

VLA15's acceptable safety profile was confirmed through one-month post-booster. Administration of a booster dose elicited a strong anamnestic response yielding a 2.9-fold (ST3) to 4.2-fold (ST1, ST4) increase (Geometric Mean Fold Rise) in anti-OspA IgG antibody titers compared with titers observed after primary immunization.

All participants seroconverted to anti-OspA IgG after the booster dose, meaning Seroconversion Rates (SCRs) were 100% for all OspA serotypes. SCR was defined as the rate of subjects that changed from seronegative at baseline to seropositive. Additionally, subjects who were seropositive at baseline needed to show at least a 4-fold increase in anti-OspA IgG compared to baseline titer. Functionality of elicited antibodies was demonstrated by Serum Bactericidal activity Assays, leading to SCRs ranging from 86.8% (ST2) to 100% (ST3) after the booster.

The study is continuing to monitor persistence of antibody responses.

(b) Valneva and Pfizer Completed Recruitment for Phase 2 Trial of Lyme Disease Vaccine Candidate

On July 19, 2021, Valneva and Pfizer Inc. announced that they completed recruitment for the Phase 2 trial, VLA15-221, of Valneva's Lyme disease vaccine candidate, VLA15. The trial builds on previous positive Phase 2 trials and includes both adult and pediatric participants with the aim to support acceleration of the vaccine candidate's pediatric program.

On March 8, 2021, Valneva and Pfizer had announced initiation of study VLA15-221. Under the terms of the agreement signed with Pfizer, the first subject, first dose in this study triggered a milestone payment of $10 million from Pfizer to Valneva.

A total of 625 participants, 5 to 65 years of age, were randomized in the Phase 2 trial to receive VLA15 at Month 0-2-6 or Month 0-6 (200 volunteers each) or placebo at Month 0-2-6 (200 volunteers). The main safety and immunogenicity readout was performed approximately one month after completion of the primary vaccination schedule (i.e., at Month 7). The objective of the trial is to show safety and immunogenicity down to 5 years of age and to evaluate the optimal vaccination schedule for use in Phase 3. It is the first VLA15 trial to include a pediatric population (aged 5-17 years).

Valneva and Pfizer had announced the initation of the VLA15-221 trial on March 8, 2021. According to the terms of the collaboration agreement signed by Valneva and Pfizer, first subject, first dose in this study triggered a milestone payment of $10 million from Pfizer to Valneva.

(c) Valneva Announced Positive Lot-to-Lot Consistency Trial Results for its Single-Shot Chikungunya Vaccine Candidate

On December 21, 2021, Valneva announced positive topline results from the lot-to-lot Phase 3 trial of its single-shot chikungunya vaccine candidate, VLA1553. The VLA1553-302 trial met its primary endpoint, demonstrating that three consecutively manufactured vaccine lots elicited equivalent immune responses measured by neutralizing antibody titer GMT ratios on Day 29 after vaccination.

Lot-to-lot trials demonstrate manufacturing consistency, one of the standard requirements for vaccine licensure. The trial, which included 408 participants aged 18 to 45 years, confirmed the excellent immunogenicity profile demonstrated in the pivotal Phase 3 trial, VLA1553-301. All three lots were equally well tolerated and the safety profile was consistent with results in the pivotal Phase 3 trial. Study VLA1553-302 therefore confirmed clinical equivalence as well as manufacturing consistency of the three lots.

Valneva had announced the initiation of this study on February 22, 2021 and recruitment completion on June 10, 2021.

(d) Valneva Announced Positive Phase 3 Pivotal Results for its Single-Shot Chikungunya Vaccine Candidate

On August 5, 2021, Valneva announced positive topline results from the Phase 3 pivotal trial of its single-shot chikungunya vaccine candidate, VLA1553.

The trial, involving 4,115 adults aged 18 years and above, across 44 sites in the United States, met its primary endpoint inducing protective chikungunya virus (CHIKV) neutralizing antibody titers in 98.5% of participants 28 days after receiving a single shot (264 of 268 subjects from the per-protocol subgroup tested for immunogenicity, 95% CI: 96.2-99.6). The seroprotection rate result of 98.5% exceeded the 70% threshold (for non-acceptance) agreed with the U.S. Food and Drug Administration (FDA). The seroprotective titer was agreed with the FDA to serve as a surrogate of protection that can be utilized in a potential FDA submission of VLA1553 under the accelerated approval pathway.

The vaccine candidate was highly immunogenic with a GMT of approximately 3,270, confirming the immunogenicity profile seen in the Phase 1 trial.

Additionally, VLA1553 was also highly immunogenic in elderly study participants, who achieved equally high seroprotection rates and neutralizing antibody titers as younger adults, as well as an equally good safety profile.

VLA1553 was generally well tolerated among the 3,082 subjects evaluated for safety. An independent Data Safety Monitoring Board continuously monitored the study and identified no safety concerns. The safety profile is consistent with results from the Phase 1 clinical trial. The majority of solicited adverse events were mild or moderate and resolved within 3 days. 1.6% of study participants reported severe solicited adverse events, most commonly fever. Approximately 50% of study participants experienced solicited systemic adverse events, most commonly headache, fatigue and myalgia (seen in more than 20% of subjects). The local tolerability profile showed that approximately 15% of participants experienced solicited local adverse events.

Valneva announced that it had completed recruitment for this trial on April 12, 2021.

(e) Valneva Awarded FDA Breakthrough Designation for its Single-Shot Chikungunya Vaccine Candidate

On July 7, 2021, Valneva announced that it had been awarded Breakthrough Therapy Designation for its single-shot chikungunya vaccine candidate, VLA1553, by the FDA. Breakthrough Therapy Designation intends to facilitate and expedite development and review of new drugs for serious or life-threatening conditions where preliminary clinical data demonstrates that the drug may have substantial improvement for at least one endpoint over available therapies.

This U.S. milestone came in addition to the FDA Fast Track designation and PRIME designation by the European Medicines Agency (EMA) that the Company received in December 2018 and in October 2020, respectively.

(f) Valneva and Instituto Butantan Signed Final Agreement on Single-Shot Chikungunya Vaccine for Low and Middle Income Countries

On January 25, 2021, Valneva announced the signing of definitive agreements for the development, manufacturing and marketing of Valneva's single-shot chikungunya vaccine, VLA1553, in Low and Middle Income Countries (LMICs). This finalization followed the signing of a binding term sheet in May 2020. The collaboration falls within the framework of the $23.4 million funding agreement Valneva signed with the Coalition for Epidemic Preparedness Innovations (CEPI) in July 2019.

Under the collaboration, Valneva is transferring its chikungunya vaccine technology to Instituto Butantan, who will develop, manufacture and commercialize the vaccine in LMICs. In addition, Instituto Butantan will provide certain clinical and Phase 4 observational studies that Valneva will use to meet regulatory requirements. The agreement includes small upfront and technology transfer milestones.

(g) Valneva Announced Positive Homologous Booster Data for Inactivated, Adjuvanted COVID-19 Vaccine Candidate VLA2001

On December 16, 2021, Valneva announced positive homologous booster data from the Phase 1/2 study, of its inactivated, adjuvanted COVID-19 vaccine candidate, VLA2001. Initial results confirm that VLA2001 significantly boosted immunity in participants who received VLA2001 as a primary vaccination.

77 of the 153 original Phase 1/2 study participants, aged 18-55, received a booster dose seven to eight months after completion of their primary immunization with either a low, medium or high dose of VLA2001. All participants received a single booster vaccination with VLA2001 at the same (high) dose level used in the pivotal Phase 3 "Cov-Compare" trial. IgG antibody titers (spike protein-based) were measured at the time of the booster as well as two weeks after the booster dose. 45 of the 77 boosted participants were included in the final analysis.

A third dose of VLA2001 elicited an excellent anamnestic response, with similar antibody levels observed whether participants were initially vaccinated with a low, medium or high dose (GMT 9699.3 (95% CI: 8497.76, 11070.71)). This represents a strong boosting effect, increasing levels of antibodies against the Wuhan virus 42- to 106-fold, depending on the pre-boosting levels of antibodies.

Antibody levels measured two weeks after the booster dose were approximately four-fold higher compared to those observed two weeks after primary immunization.

(h) Valneva Confirmed Initiation of Rolling Review with EMA and Provided Updates on its COVID-19 Vaccine Program VLA2001

On December 2, 2021, Valneva confirmed that the European Medicines Agency (EMA) started a rolling review of VLA2001, its whole-virus inactivated, adjuvanted COVID-19 vaccine candidate.

Valneva remains focused on achieving regulatory approvals of VLA2001 following its positive Phase 3 trial results. The Company continues to make progress with the rolling submission in the UK (MHRA), including verification of the Phase 3 clinical data integrity (required for finalization of the submission), as previously disclosed.

Valneva also provided an update on VLA2001 in the context of the emergence of the Omicron variant. Valneva believes that VLA2001 can make an important contribution to the global fight against the COVID-19 pandemic and potentially play a role in protecting against the new Omicron variant.

In contrast to other vaccines that target only the spike protein of the SARS-CoV-2 virus, VLA2001 is developed using the entire SARS-CoV-2 virus envelope. Preserving the whole virus envelope is expected to elicit a broad immune response and together with the CpG 1018 adjuvant may provide an improved immunological profile by boosting T-cell responses against additional SARS-CoV-2 proteins. Valneva has been testing for cross-neutralization of VLA2001 against the Omicron variant.

Valneva also confirmed that its technology platform is adaptable for new variants, if required. The Company has undertaken laboratory development and testing of variants at its sites in France and Austria, including the production of viral seedstock for three earlier variants of concern, including Delta. Valneva produced a full scale pilot lot derived from the Alpha variant, validating the suitability of its well-established manufacturing process for variant-based vaccines.

Valneva has commenced manufacturing for the European Commission supply contract and has some inventory ready for labelling and deployment upon regulatory approval. Valneva expects to have capacity to produce over a hundred million doses of vaccine per annum through a combination of in house production and CMO capacity.

(i) Valneva and IDT Biologika Announced Collaboration for Production of Inactivated COVID-19 Vaccine VLA2001

On November 29, 2021, Valneva and IDT Biologika announced their collaboration for the production of Valneva's inactivated COVID-19 vaccine candidate VLA2001. This follows the prior announcement that Valneva signed an Advance Purchase Agreement with the European Commission to supply up to 60 million doses of VLA2001, over two years.

Under the collaboration, IDT Biologika will produce VLA2001's drug substance at its Biosafety Level 3 facilities in Dessau-Roßlau, Germany, in addition to Valneva's manufacturing site in Livingston, Scotland.

(j) Valneva Reported Positive Phase 3 Results for Inactivated, Adjuvanted COVID-19 Vaccine Candidate VLA2001

On October 18, 2021, Valneva announced positive topline results from the pivotal Phase 3 "Cov-Compare" trial of its inactivated, adjuvanted COVID-19 vaccine candidate, VLA2001.

The Cov-Compare trial recruited a total of 4,012 participants aged 18 years and older across 26 trial sites in the United Kingdom. The trial met its co-primary endpoints: VLA2001 demonstrated superiority against AZD1222 (ChAdOx1-S), in terms of geometric mean titer for neutralization antibodies (GMT ratio=1.39, p<0.0001), (VLA2001 GMT 803.5 (95% CI: 748.48, 862.59)), (AZD1222(ChAdOx1-S) GMT 576.6 (95% CI 543.6, 611.7)), as well as non-inferiority in terms of seroconversion rates (SCR above 95% in both treatment groups) at two weeks after the second vaccination (i.e. Day 43) in adults aged 30 years and older.

T-cell responses analyzed in a sub-set of participants showed that VLA2001 induced broad antigen-specific IFN-gamma producing T-cells reactive against the S- (74.3%), N- (45.9%) and M- (20.3%) protein.

VLA2001 was generally well tolerated. The tolerability profile of VLA2001 was significantly more favorable compared to the active comparator vaccine. Participants 30 years and older reported significantly fewer solicited adverse events up to seven days after vaccination, both with regards to injection site reactions (73.2% VLA2001 vs. 91.1% AZD1222 (ChAdOx1-S), p<0.0001) and systemic reactions (70.2% VLA2001 vs. 91.1% AZD1222 (ChAdOx1-S), p<0.0001). No unsolicited treatment-related serious adverse events (SAE) have been reported. Less than 1% reported an adverse event of special interest in both treatment groups. Participants in the younger age group vaccinated with VLA2001 showed an overall safety profile comparable to the older age group.

The occurrence of COVID-19 cases (exploratory endpoint) was similar between treatment groups. The complete absence of any severe COVID-19 cases may suggest that both vaccines used in the study prevented severe COVID-19 caused by the circulating variant(s) (predominantly Delta).

Valneva announced the initiation of the trial on April 21, 2021 and recruitment completion on June 3, 2021.

(k) Valneva Continued Expansion of Clinical Trials of its Inactivated COVID-19 Vaccine Candidate VLA2001

On September 23, 2021, Valneva announced that it had commenced recruitment of adolescents in its pivotal Phase 3 clinical trial (VLA2001-301, "Cov-Compare") for its inactivated COVID-19 vaccine candidate VLA2001 in the United Kingdom. Topline results from the pivotal Cov-Compare trial are intended to form the basis for potential regulatory approval in adults. The Company has also started to provide boosters to volunteers in its Phase 1/2 VLA2001-201 trial. This expansion of VLA2001 clinical trials will support future approval in further age groups, in addition to adults.

Recruitment of adolescents, aged 12 to 17 years, commenced in the United Kingdom as part of Valneva's pivotal Cov-Compare Phase 3 trial (VLA2001-301). An initial cohort of adolescents was enrolled in an open label, non-randomized format. Subject to safety review, remaining participants were randomized to receive two doses of either VLA2001 or a placebo 28 days apart, followed by a booster dose seven months after enrolling into the study. Approximately 660 participants are to be recruited for this trial. Participants randomized to the placebo arm will have the opportunity to receive a course of VLA2001 following the initial safety assessment. A further expansion of the study to include volunteers younger than 12 years old is also envisaged, subject to data from the adolescent group.

(l) Valneva Completed Recruitment of Elderly Participants in Phase 3 Trial of its Inactivated COVID-19 Vaccine

On September 14, 2021, Valneva announced that it had completed recruitment of the initial cohort of elderly participants in Valneva's Phase 3 trial, VLA2001-304, of its inactivated COVID-19 vaccine candidate, VLA2001.

300 volunteers aged 56 years and older were recruited in New Zealand into the VLA2001-304 trial with the objective to generate further safety and immunogenicity data for this age group. The cohort size was increased to 300, from 150, in consultation with the EMA.

(m) Valneva Commenced Rolling Submission to MHRA for its Inactivated, Adjuvanted COVID-19 Vaccine

On August 23, 2021, Valneva announced that it had commenced rolling submission for initial approval of its COVID-19 vaccine candidate, VLA2001, with the MHRA in the United Kingdom.

(n) Valneva Initiated Further Phase 3 Clinical Trial for its COVID-19 Vaccine Candidate

On August 11, 2021, Valneva announced the initiation of a further Phase 3 trial (VLA2001-304) for its inactivated, adjuvanted COVID-19 vaccine candidate, VLA2001.

VLA2001-304 aims to generate data in the elderly and is also designed to potentially enable variant-bridging through immune-comparability. Data from this study are expected to complement ongoing clinical trials and support additional regulatory submissions.

(o) Valneva Participated in the World's First COVID-19 Vaccine Booster Trial in the UK

On May 19, 2021, Valneva announced that VLA2001 would be evaluated in a small, policy-led trial called Cov-Boost sponsored by University Hospital Southampton NHS Foundation Trust. This trial is not part of Valneva's regulatory package for the VLA2001 vaccine candidate.

(p) Valneva Reported Positive Phase 1/2 Data for its Inactivated, Adjuvanted COVID-19 Vaccine Candidate, VLA2001

On April 6, 2021, Valneva announced positive data for Part A of the Phase 1/2 clinical trial of VLA2001.

In study VLA2001-201, three dose levels of VLA2001 (low, medium, high), based on a schedule of two doses with vaccinations three weeks apart, were evaluated in 153 healthy adults aged 18 to 55 years. VLA2001 was generally well tolerated across all dose groups tested, with no safety concerns identified by an independent Data Safety Monitoring Board.

VLA2001 was highly immunogenic with more than 90% of all study participants developing significant levels of antibodies to the SARS-CoV-2 virus spike protein across all dose groups tested. Seroconversion Rates (SCR) for S-protein binding IgG antibodies were 89.8% in the medium dose and 100% in the high dose group.

Based on the data assessed, the Company had decided to advance the high dose into a pivotal, comparative immunogenicity Phase 3 clinical trial by the end of April 2021, subject to regulatory approval. Other trials, including booster trials, involving antigen sparing doses will also be evaluated. In parallel, Valneva had initiated the development of new variant based viral seed banks.

(q) Valneva Commenced Manufacturing of its Inactivated, Adjuvanted COVID-19 Vaccine and Completed Phase 1/2 Study Recruitment

On January 28, 2021, Valneva announced it had commenced production of its inactivated, adjuvanted COVID-19 vaccine candidate in parallel to the ongoing clinical studies, in order to optimize the timeline for potential deliveries of the vaccine.

VLA2001 is currently the only inactivated vaccine candidate in clinical trials against COVID-19 in Europe.

Commercial Activities

(r) Valneva and Scottish Enterprise in Advanced Discussions for Major Grant to Complete Livingston Site

On December 23, 2021, Valneva announced that it was in advanced discussions, with Scottish Enterprise, for a multi-million pound grant that will enable it to fully complete its strategic manufacturing site in Livingston, Scotland.

Following the termination of the supply agreement with the UK Government (HMG) for Valneva's inactivated COVID-19 vaccine candidate, VLA2001, Valneva paused its site plans. Valneva and Scottish Enterprise have since engaged in a highly constructive dialogue, and under the proposed grant, the Livingston site will be fully developed as a key vaccine production site for the long term.

Both Valneva and Scottish Enterprise would invest in the plant. Scottish Enterprise's contribution is expected to be through a series of grants totalling £10-20 million to enable Valneva to commence production at the plant. Discussions between the Company and the Scottish Government also include potential supply of VLA2001 for Scotland in the future, subject to regulatory approval. Valneva has also offered to make up to 25,000 doses of VLA2001 available for primary immunisation, free of charge, to National Health Service and frontline workers in Scotland, subject to regulatory approval. The grant is subject to contract and final due diligence and is expected to include commitments to jobs for the future in Livingston.

(s) Valneva Signed Advance Purchase Agreement with Bahrain for Inactivated COVID-19 Vaccine VLA2001

On December 8, 2021, Valneva announced the signing of an advance purchase agreement with the Kingdom of Bahrain for the supply of one million doses of the Company's inactivated COVID-19 vaccine candidate VLA2001. This is the second purchase agreement Valneva has secured for VLA2001 since reporting positive data for its Phase 3 clinical trial Cov-Compare.

Valneva has initiated a rolling submission process with the Bahraini National Health Regulatory Authority (NHRA).

(t) Valneva Signed Purchase Agreement with European Commission for its Inactivated COVID-19 Vaccine VLA2001

On November 23, 2021, Valneva announced that it had signed an Advance Purchase Agreement (APA) with the European Commission (EC) to supply up to 60 million doses of its inactivated COVID-19 vaccine candidate, VLA2001, over two years. The agreement follows the announcement made on November 10, 2021 that the EC had approved the APA.

Under the terms of the agreement following final review of the volumes by each of the European Union (EU) Member States, Valneva expects to deliver 24.3 million doses during the second and third quarters of 2022, subject to approval of VLA2001 by the European Medicines Agency (EMA). The EC has the option to increase this initial firm purchase order up to a total of 60 million doses, the remainder of which would be delivered in 2023.

(u) Valneva Received Notice of Termination of COVID-19 Vaccine Supply Agreement by UK Government

On September 13, 2021, Valneva announced that it had received a termination notice from the UK Government (HMG) in relation to the Supply Agreement for its COVID-19 vaccine candidate, VLA2001. The contract provides HMG with the right to terminate. HMG has alleged that the Company is in breach of its obligations under the Supply Agreement, but the Company strenuously denies this.

Valneva had worked tirelessly, and to its best efforts, on the collaboration with HMG including investing significant resources and effort to respond to HMG's requests for variant-derived vaccines. Valneva continues to be committed to the development of VLA2001 and will increase its efforts with other potential customers to ensure that its inactivated vaccine can be used in the fight against the pandemic.

(v) Valneva: U.S. DoD Exercised First Year Option on IXIARO® Supply Contract

On September 3, 2021, Valneva announced that the U.S. Department of Defense (DoD) has exercised the first option of the contract signed in September 2020 to purchase further supply of its Japanese encephalitis vaccine IXIARO®.

Due to the ongoing impact of the COVID-19 pandemic on DoD operations, the option terms had been amended such that the minimum number of doses for the first option year is now 200,000 with an approximate value of $28.8 million. This brought the total minimum value of the contract to approximately $118 million, assuming the exercise of the second year option that remains unchanged, compared to a minimum value of $135 million in the initial contract.

In order to support its customer through this pandemic period, Valneva will also provide additional inventory to DoD after September 2023 to mitigate the potential impact of unused stock that may expire. This replacement inventory will be provided without cost to DLA and resulted in a contract liability amounting to $5.4 million recognized as of December 31, 2021.

(w) Valneva Announced UK Government Exercise of Option for 40 Million Doses of its Inactivated, Adjuvanted COVID-19 Vaccine

On February 1, 2021, Valneva reported that the UK Government exercised its option to order 40 million doses of its inactivated, adjuvanted COVID-19 vaccine candidate for supply in 2022. This brought the total volume of the Valneva vaccine ordered by UK Government to 100 million doses and the UK Government had, at the time, retained options over a further 90 million doses for supply between 2023 and 2025. The total value of the 190 million doses, if all options had been exercised, was up to €1.4 billion.

Financing

(x) Valneva Announced Closing of Approximately $102 Million Global Offering

On November 3, 2021, Valneva announced the closing of its previously announced global offering to specified categories of investors of an aggregate 5,175,000 new ordinary shares, after full exercise of the overallotment option granted to the underwriters (the *Option*), consisting of a public offering of 354,060 American Depositary Shares (*ADSs*), each representing two ordinary shares, in the United States at an offering price of $39.42 per ADS (the *U.S. Offering*), and a concurrent private placement of 4,466,880 ordinary shares in Europe (including France) and other countries outside of the United States at the corresponding offering price of €17.00 per ordinary share (the *European Private Placement*, and, together with the U.S. Offering, the *Global Offering*). Aggregate gross proceeds of the Global Offering, after full exercise of the Option and before deducting underwriting commissions and estimated expenses payable by the Company, were approximately $102 million (€88 million).

(y) Valneva Announced Closing of $107.6 Million Global Offering

On May 11, 2021, Valneva announced the closing of its previously announced global offering to specified categories of investors of an aggregate of 8,145,176 new ordinary shares, after full exercise of the overallotment option granted to the underwriters (the *Option*), consisting of a public offering of 2,850,088 American Depositary Shares (*ADSs*), each representing two ordinary shares, in the United States at an offering price of $26.41 per ADS (the *U.S. Offering*), and a concurrent private placement of 2,445,000 ordinary shares in Europe (including in France) and other countries outside of the United States at the corresponding offering price of €11.00 per ordinary share (the *European Private Placement*, and, together with the U.S. Offering, the *Global Offering*).

Aggregate gross proceeds of the Global Offering, after full exercise of the Option, before deducting underwriting commissions and estimated expenses payable by the Company, were approximately $107.6 million (€89.6 million).

Valneva's ordinary shares are listed on Euronext Paris under the symbol "VLA" and its ADSs are listed on the Nasdaq Global Select Market under the symbol "VALN". The ADSs began trading on the Nasdaq Global Select Market on May 6, 2021.

(z) Valneva Announced Amendment to Deerfield and OrbiMed Debt Facility Terms

On January 15, 2021, Valneva announced an amendment to the terms of its existing debt facility with US-based healthcare investment firms Deerfield Management Company and OrbiMed.

Noting the COVID-19 pandemic's impact on the travel industry, and following a temporary waiver of the revenue covenant for the second half of 2020, Valneva, Deerfield and OrbiMed agreed to modify this covenant for 2021 and 2022, replacing the twelve-month rolling €115 million with quarterly minimum revenues representing an annual total of €64 million in 2021 and an annual total of €103.75 million in 2022. The parties also agreed to modify the minimum cash requirement to €50 million for 2021 and 2022 and to €35 million for the following years.

Appointments

(aa) Valneva Appointed Peter Bühler as Chief Financial Officer

On July 29, 2021, Valneva announced the appointment of Peter Bühler as Chief Financial Officer and Management Board member, with an expected arrival at Valneva within six months.

To ensure business continuity and transition, David Lawrence, Acting CFO of Valneva, agreed to continue supporting Valneva until late 2021.

(bb) Valneva Strengthened Management Team; Appointed Vincent Dequenne as SVP Operations and Joshua Drumm as VP Investor Relations

On July 6, 2021, Valneva announced it had appointed Vincent Dequenne as Senior Vice President Operations and Joshua Drumm as Vice President Investor Relations.

Vincent has taken responsibility for Valneva's industrial operations and worked closely with Valneva's interim Chief Operating Officer Perry Celentano.

Joshua is notably focused on developing the Company's investor relations in the U.S., following the Company's Initial Public Offering on Nasdaq. He works closely with Laetitia Bachelot-Fontaine, who continues to lead European investor relations and global communications.

(cc) Valneva Strengthened its Management Team; Appointed Perry Celentano as Interim COO and David Lawrence as Acting CFO

On January 11, 2021, Valneva announced it had appointed Perry Celentano as Chief Operating Officer (COO) on an interim basis to support the expansion of the manufacturing sites in Livingston and Solna.

Perry Celentano has an extensive track record in the pharma and vaccines industry including roles with Merck, Novartis and Dynavax.

Further to its September 2020 announcement that David Lawrence, CFO, would retire at the end of 2020, the Company re-appointed Mr. Lawrence as Acting Chief Financial Officer (CFO).

As Acting CFO, Mr. Lawrence supported ongoing strategic planning, including investor relations and key collaborations, including the COVID vaccine collaboration with the UK Government. The Company had previously announced that Mr. Lawrence would support the CEO in an advisory capacity following his retirement.

Others

(dd) Valneva Announced the Cancellation of Ordinary Shares Held by the Company following Termination of its Liquidity Agreement with Oddo BHF

On October 4, 2021, Valneva announced that the Management Board had decided to cancel all ordinary shares held by the Company following the termination of its liquidity agreement with Oddo BHF on June 11, 2021 (i.e., 4,025 ordinary shares in total, representing 0.004% of the share capital).

The Company's share capital was then set at 14,986,674.45 Euros, divided into 99,890,649 ordinary shares and 20,514 preferred shares convertible into ordinary shares, with a par value of 0.15 Euro each (i.e., 99,911,163 shares in total).

1.3 Recent events

Information on the Company's affairs since the beginning of the current fiscal year is presented in Section 1.1.3 of the Company's 2021 Universal Registration Document *(see next pages)*.

Since the filing of the Company's 2021 Universal Registration Document, the following major events have occurred:

- Conditional Marketing Authorisation granted by the Medicines and Healthcare products Regulatory Agency (MHRA) of the United Kingdom for Valneva's inactivated whole-virus COVID-19 vaccine candidate, VLA2001;
- Regulatory update on Valneva's inactivated whole-virus COVID-19 vaccine candidate;
- Upsized Financing Arrangement with Leading US Healthcare Funds Deerfield and OrbiMed;
- Report by Valneva and Pfizer of positive Phase 2 pediatric data for Lyme Disease Vaccine Candidate;
- Initiation of Heterologous Booster Trial of Valneva's inactivated whole-virus COVID-19 vaccine candidate;
- Publication of Q1 2022 financial results;
- Emergency use authorization for Valneva's inactivated, adjuvanted COVID-19 vaccine, VLA2001, granted by the United Arab Emirates;
- Valneva receives notice of European Commission's intent to terminate COVID-19 Vaccine Purchase Agreement;
- EMA accepts filing of marketing authorization application for Valneva's inactivated COVID-19 vaccine candidate;
- Valneva successfully completes lot-to-lot consistency Trial for its single-shot chikungunya vaccine candidate.

Please refer to the Company's website www.valneva.com ("Media" / "Press Releases" section) for a detailed description of these latest events.

1.1.3. Recent events

Since the beginning of 2022, Valneva has made the following announcements:

(a) Valneva and Pfizer Reported Further Positive Phase 2 Data for Lyme Disease Vaccine Candidate

On February 4, 2022, Valneva and Pfizer reported further positive Phase 2 data for their Lyme disease vaccine candidate, VLA15. Based on these new results, Valneva and Pfizer plan to proceed with a three-dose primary series vaccination schedule in a planned Phase 3 clinical trial. The trial will evaluate VLA15 in adults and pediatric subjects 5 years of age and above and is expected to be initiated in 2022, subject to regulatory approval.

The Phase 2 trial, VLA15-221, compared the immunogenicity of VLA15 after administration of two (at months 0 and 6) or three (at months 0, 2 and 6) primary series doses in groups aged 5-11, 12-17 and 18-65 years. In the sub-analysis of adult participants (18-65 years old) who received VLA15 in either the two-dose schedule (N=90) or the three-dose schedule (N=97), performed one month after the last vaccination dose, VLA15 was found to be immunogenic with both vaccination schedules tested. These data are consistent with the strong immunogenicity profile observed for this age group in previous Phase 2 studies. However, the induction of anti-OspA IgG (anti-outer surface protein A immunoglobulin G) antibody titers was higher in participants who received the three-dose primary series compared to those who received the two-dose primary series, supporting the use of a three-dose primary series schedule in the planned Phase 3 clinical trial. The VLA15-221 trial is ongoing to assess the safety and immunogenicity of VLA15 in 5-17 year olds. Initial pediatric data are expected in the first half of 2022.

The analysis was also consistent with the acceptable safety and tolerability profile observed in previous studies of VLA15. No vaccine-related serious adverse events (SAEs) were observed.

(b) Valneva Successfully Completes Pivotal Phase 3 Trial of Single-Shot Chikungunya Vaccine Candidate

On March 8, 2022, Valneva announced the successful completion of the Phase 3 pivotal trial of its single-shot chikungunya vaccine candidate, VLA1553. The positive final analysis included six-month follow-up data and confirmed the topline results reported in August 2021. Valneva now expects to commence the pre-submission process with the U.S. Food and Drug Administration (FDA) in the second quarter of 2022.

The VLA1553-301 trial, which enrolled 4,115 adults aged 18 years and above across 44 sites in the U.S., met all primary and secondary endpoints. The final analysis confirmed the very high level of seroprotection, with 98.9% of participants achieving protective levels of chikungunya virus (CHIKV) neutralizing antibodies one month after receiving a single vaccination (263 of 266 subjects from the per-protocol subgroup tested for immunogenicity, 95% CI: 96.7-99.8). The excellent immunogenicity profile was maintained over time, with 96.3% of participants showing protective CHIKV neutralizing antibody titers six months after receiving a single vaccination (233 of 242 subjects from the per-protocol subgroup tested for immunogenicity, 95% CI: 93.1-98.3). The reported levels of seroprotection far exceeded the 70% threshold (for non-acceptance) based on a surrogate of protection agreed with the FDA under the accelerated approval pathway.

VLA1553 was also confirmed to be highly immunogenic in elderly study participants (65 years of age or older), who achieved equally high seroprotection rates and neutralizing antibody titers over time as younger adults. A dedicated antibody persistence trial (VLA1553-303) will monitor a subset of participants from study VLA1553-301 for a period of at least five years to confirm the anticipated long-term protection after a single vaccination.

The six-month safety profile was also consistent with previous results across all age groups. VLA1553 was generally well tolerated among the 3,082 subjects evaluated for safety. An independent Data Safety Monitoring Board continuously monitored the study and identified no safety concerns. The majority of solicited adverse events were mild or moderate and resolved within three days. 2% of study participants reported severe solicited adverse events, most commonly fever. Approximately 50% of study participants experienced solicited systemic adverse events, most commonly headache, fatigue and myalgia.

(c) Valneva Announced Initiation of Adolescent Phase 3 Trial for its Single-Shot Chikungunya Vaccine Candidate

On January 31, 2022, Valneva announced the initiation of a Phase 3 trial in adolescents for its single-shot chikungunya vaccine candidate, VLA1553.

Funded by the Coalition for Epidemic Preparedness Innovations (CEPI), the trial is intended to support the label extension in this age group following a potential initial regulatory approval in adults from the U.S. Food and Drugs Administration (FDA). It is also expected to support licensure of the vaccine in Brazil, which would be the first potential approval for use in endemic populations.

Conducted in Brazil by Instituto Butantan, VLA1553-321 is a double-blinded, multi-center, randomized and placebo-controlled Phase 3 trial. 750 adolescents aged 12 to 17 years will be randomized at a 2:1 ratio to receive either VLA1553 or placebo. The primary objective of the trial is to evaluate safety and immunogenicity following a single vaccination with VLA1553. Participants will be evaluated after 28 days and followed up to twelve months. The study will also provide safety and immunogenicity data in participants previously exposed to chikungunya.

(d) Valneva Received Emergency Use Authorization from Bahrain for its Inactivated COVID-19 Vaccine VLA2001

On March 1, 2022, Valneva announced that the National Health Regulatory Authority (NHRA) of the Kingdom of Bahrain has granted emergency use authorization for Valneva's inactivated, adjuvanted COVID-19 vaccine, VLA2001. This authorization follows a rolling review process with the Bahraini NHRA and reflects the NHRA's initiative to support the authorization of COVID-19 vaccines.

(e) Valneva Received Initial CHMP Assessment of its Inactivated, Adjuvanted COVID-19 Vaccine Candidate VLA2001

On February 25, 2022, Valneva announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) had provided an initial assessment of Valneva's inactivated, adjuvanted COVID-19 vaccine candidate, VLA2001. Valneva had received a list of questions from the CHMP and stated that it was confident that it would be able to respond to these in the coming days. Following the Company's response, the EMA will provide a timetable towards anticipated conditional approval.

Subject to the CHMP's acceptance of Valneva's responses and the EMA's timetable, Valneva anticipates receiving a positive CHMP recommendation for conditional approval of VLA2001 for primary immunization in adults 18 to 55 years of age at the end of the first quarter of 2022. Following such conditional approval, the Company would expect to deliver the first shipments of VLA2001 to European countries early in the second quarter of 2022.

(f) Valneva Awarded Up to £20 Million by Scottish Enterprise to Advance Vaccine Development

On February 21, 2022, Valneva announced that its subsidiary Valneva Scotland has been awarded research and development funding of up to £20 million by Scottish Enterprise.

The investment from Scotland's national economic development agency follows advanced discussions reported on December 23, 2021, and will be comprised of two grants, which build on the agency's longstanding engagement with Valneva and will benefit the Company's manufacturing site in Livingston. The grants are expected to be received over the next three years, commencing March 2022.

The first grant of up to £12,500,000 will support research and development related to the manufacture of VLA2001, Valneva's inactivated, whole virus COVID-19 vaccine candidate. The second grant of up to £7,500,000 will support research and development connected to Valneva's manufacturing processes for other vaccines.

Valneva's research and development portfolio includes VLA1553, the Company's single-shot vaccine candidate against the mosquito-borne viral infection chikungunya, which it also intends to manufacture in Livingston. Valneva reported positive topline Phase 3 results in 2021 for both VLA2001 and VLA1553.

(g) Valneva Advanced Booster Phase of Cov-Compare Trial of Its Inactivated COVID-19 Vaccine Candidate

On January 25, 2022, Valneva announced the start of booster vaccinations in adult participants from its Phase 3 pivotal trial, Cov-Compare. This booster extension is intended to provide both homologous and first heterologous booster data to complement previous positive Phase 1/2 booster results. The data are not intended for the initial regulatory approval process, which the Company expects to finalize in the coming weeks.

The trial extension will evaluate a booster dose of VLA2001 in adults, aged 18 and above, who received primary vaccination with two doses of VLA2001, as well as participants, aged 30 and above, who received two doses of AstraZeneca's (AZD1222). The VLA2001 booster vaccination will be given at least seven months after completion of the primary vaccination series. The trial is currently ongoing in the UK and is supported by the National Institute for Health Research (NIHR). It is expected to provide topline data during the second quarter of 2022.

(h) Valneva's Inactivated COVID-19 Vaccine Candidate Shown to Neutralize Omicron Variant

On January 19, 2022, Valneva announced results from an initial laboratory study demonstrating that serum antibodies induced by three doses of Valneva's inactivated COVID-19 vaccine candidate, VLA2001, neutralize the Omicron variant.

Sera from 30 participants in the Phase 1/2 trial VLA2001-201 were used in a pseudovirus assay to analyze neutralization of the ancestral SARS-CoV-2 virus as well as the Delta and Omicron variants.

All 30 samples (100%) presented neutralizing antibodies against the ancestral virus and Delta variant, and 26 samples (87%) presented neutralizing antibodies against the Omicron variant. The mean fold reduction of neutralization relative to the ancestral virus was 2.7-fold for Delta and 16.7-fold for Omicron.

2. BUSINESS DEVELOPMENT, RESULTS AND FINANCIAL POSITION

See Excerpt of the Company's 2021 Universal Registration Document, on next pages.

We also refer you to the Q1 2022 financial results, published on the Company's website www.valneva.com ("Investors" / "Financial & Filings" / "Financial Reports" section), as well as to the press release relating thereto dated May 5, 2022 ("Media" / "Press Releases" section of the Company's website www.valneva.com).

1.4. Analysis and comments on the activities conducted in 2021

1.4.1. Business development, results and financial position of the Company and Group

(a) Valneva Group (IFRS)

Key financial information

	12 months ended December 31,	
In € thousand	2021	2020
Product Sales	62,984	65,938
Total Revenues	348,086	110,321
Net profit/(loss)	(73,425)	(64,393)
EBITDA	(47,108)	(45,181)
Cash	346,686	204,435

Full Year 2021 Financial review

Revenues

Valneva's total revenues were €348.1 million in 2021 compared to €110.3 million in 2020, an increase of 216%.

Product sales decreased by 4.5% to €63 million in 2021 compared to €65.9 million in 2020 as the travel industry continued to be impacted by the COVID-19 pandemic. On a constant exchange rate (CER) basis, product sales also decreased by 4.5% in 2021 as compared to 2020.

IXIARO®/JESPECT® product sales decreased by 6.9% (5.7% at CER) to €45.1 million in 2021 compared to €48.5 million in 2020. The impact of the COVID-19 pandemic was mitigated by sales to the U.S. Government's Department of Defense (DoD) during the period. DUKORAL® product sales declined by 81.7% (82.4% at CER) to €2.4 million in 2021 compared to €13.3 million in 2020. Third Party product sales grew by 271% to €15.4 million in 2021 from €4.2 million in 2020. The increase in Third Party product sales was driven by incremental sales related to Valneva's distribution agreement with Bavarian Nordic for the sales of Rabipur®/RabAvert® and Encepur®, which commenced in certain territories in 2021.

Other Revenues amounted to €285.1 million in 2021 compared to €44.4 million in 2020. This increase was attributable to revenues recognized in relation to the terminated UK COVID-19 vaccine supply agreement for non-refundable payments received up to December 31, 2021.

Operating result and EBITDA

Costs of goods and services sold (COGS) were €187.9 million in 2021. Gross margin on product sales was 36.5% compared to 36.6% in 2020. €22.6 million of COGS were related to IXIARO®/JESPECT® product sales, yielding a product gross margin of 50%. €7.6 million of COGS were related to DUKORAL® product sales, causing a negative product gross margin. Of the remaining 2021 COGS, €9.9 million were related to the Third-Party product distribution business, €122.8 million to the COVID-19 business and €25.1 million to cost of services. COGS for the COVID-19 business in 2021 included write-offs of materials and onerous purchase agreements resulting from the termination of the UK VLA2001 supply agreement. In 2020, overall COGS were €54.3 million, of which €41.8 million related to cost of goods and €12.5 million related to cost of services.

Research and development investments continued to increase in 2021, growing to €173.3 million compared to €84.5 million in 2020. This was mainly driven by investments in Valneva's COVID-19 vaccine candidate, VLA2001, as well as Phase 3 clinical study costs for Valneva's chikungunya vaccine program, VLA1553. Excluding COVID-19, research and development investments amounted to €59.4 million in 2021 compared to €65.5 million in 2020. Marketing and distribution expenses in 2021 amounted to €23.6 million compared to €18.3 million in 2020. Marketing and distribution expenses in 2021 notably included €3.8 million of expenses (compared to €0.6 million in 2020) related to the launch preparation costs of the chikungunya vaccine candidate, VLA1553, and also included higher expenses related to the Company's employee share-based compensation programs, which offset cost containment measures taken as a result of the pandemic's impact on the travel vaccine business. In 2021, general and administrative expenses increased to €47.6 million from €27.5 million in 2020, mainly driven by increased costs to support corporate transactions such as the Company's initial public offering on Nasdaq, increased resources in support of incremental COVID-19 activities, and higher costs related to the Company's employee share-based compensation programs.

Other income, net of other expenses, increased to €23 million in 2021 from €19.1 million in 2020. This increase was mainly driven by increased R&D tax credits directly resulting from increased R&D spending.

Valneva recorded an operating loss of €61.4 million in 2021 compared to an operating loss of €55.1 million in 2020. EBITDA loss in 2021 was €47.1 million compared to an EBITDA loss of €45.2 million in 2020.

Net result

In 2021, Valneva generated a net loss of €73.4 million compared to a net loss of €64.4 million in 2020.

Finance expense and currency effects in 2021 resulted in a net finance expense of €8.6 million, compared to a net finance expense of €10 million in 2020. This was mainly a result of foreign exchange gains amounting to €8.1 million in 2021 primarily driven by revaluation gains of non-Euro denominated balance sheet positions compared to a net foreign exchange gain (including gains on derivative financial instruments) of €0.6 million in 2020. Interest charges increased to €17 million in 2021 compared to €10.7 million in 2020. This growth was mainly driven by increased interest charges related to refund liabilities.

Cash flow and liquidity

Net cash generated by operating activities amounted to €76.9 million in 2021 compared to €137.7 million in 2020, mainly driven by pre-payments related to the vaccine supply agreement signed with the European Commission. Net cash generated by operating activities in 2020 mainly derived from the $130 million upfront payment received from Pfizer related to the Lyme R&D collaboration agreement, as well as payments received from the UK government in relation to the UK VLA2001 supply agreement.

Cash outflows from investing activities amounted to €93.1 million in 2021 compared to €19.3 million in 2020 mainly as a result of COVID manufacturing related construction activities across production sites in Scotland and Sweden, as well as equipment purchases.

Net cash generated from financing activities amounted to €154.5 million in 2021, which was mainly a result of proceeds from the issuance of new shares in the U.S. initial public offering and European private placement (Global Offering). Cash inflows in 2020 amounted to €21.7 million and mainly consisted of net proceeds from the financing arrangement with U.S. healthcare funds Deerfield and OrbiMed, offset by €20 million of repayments of borrowings to the European Investment Bank.

Liquid funds increased to €346.7 million as of December 31, 2021, compared to €204.4 million as of December 31, 2020. The cash increase resulted from significant cash in-flows most notably COVID related payments received from UK Government and EC member states as well as net proceeds from the Global Offering in May and October 2021.

Non-IFRS Financial Measures

Management uses and presents IFRS results as well as the non-IFRS measure of EBITDA to evaluate and communicate its performance. While non-IFRS measures should not be construed as alternatives to IFRS measures, management believes non-IFRS measures are useful as an aid to further understand Valneva's current performance, performance trends, and financial condition. EBITDA is a common supplemental measure of performance used by investors and financial analysts. Management believes this measure provide additional analytical tools. EBITDA is defined as earnings (loss) from continuing operations before interest expense, income taxes, depreciation and amortization. A reconciliation of EBITDA to operating loss, the most directly comparable IFRS measure, is set forth below:

	12 months ending December 31	
€ in million (Unaudited)	2021	2020
Operating Loss	**(61.4)**	**(55.1)**
Add:		
Amortization	6.6	6.0
Depreciation	7.7	3.8
Impairment of Tangible Assets	-	0.1
EBITDA	**(47.1)**	**(45.2)**

(b) Valneva SE (French GAAP accounts)

The Company's financial statements for the fiscal year 2021 were prepared in accordance with French generally accepted accounting principles as defined by the French accounting standards Committee (*Comité de la réglementation comptable*).

Operating income

Operating income amounted to €6.2 million at December 31, 2021, up from €7.3 million for the fiscal year 2020.

Revenues amounted to €3.60 million in 2021, compared to €3.38 million in 2020. Operating grants amounted to €0 million in 2021, compared to €0.003 million in 2020.

Other operating income (mainly licensing income) amounted to €2.4 million in 2021, compared to €3.7 million in 2020.

Operating expenses

Operating expenses amounted to €36.9 million at December 31, 2021, compared to €22.4 million for the prior fiscal year.

Purchases of raw materials and external expenses amounted to €26.4 million in 2021, compared to €14.6 million in 2020, mainly due to fees and insurance related to the IPO on the Nasdaq stock market.

Employee benefits expense amounted to €7.4 million in 2021, compared to €4.8 million in 2020. This increase is due to the recognition of employee benefit expenses following the definitive allocation of convertible preferred shares.

Amortization charges amounted to €2.3 million in 2021, compared to €2.5 million in 2020.

Operating loss from ordinary activities

The operating loss from ordinary activities for the fiscal year 2021 was €-30.8 million, compared to €-15.1 million for the fiscal year 2020.

Net financial result

Net financial income/(loss) amounted to €+1 million for the fiscal year 2021, compared to €-0.8 million for the fiscal year 2020.

Net exceptional result

Net exceptional result amounted to €-0,3 million for the fiscal year 2021, compared to €+0,2 million for the fiscal year 2020.

Corporate income tax

The negative 2021 income tax corresponds to a Research Tax Credit (Crédit d'Impôt Recherche) charge of €1.8 million. The negative 2020 income tax corresponded to a Research Tax Credit charge of €1.1 million.

Net loss

Net loss for the fiscal year 2021 was €28.2 million, compared to €14.6 million in the prior fiscal year.

Fixed assets

Fixed assets increased from €165.4 million in 2020 to €164.6 million in 2021 (net value).

Current assets

Current assets amounted to €191.7 million in 2021, compared with €37.8 million in 2020.

This increase is mainly due to the increase in cash position for €125 million and the increase in other receivables for €26 million, mainly related to the amounts recorded in current accounts with the various Group subsidiaries.

Shareholders' equity

Shareholders' equity decreased from €169.1 million at December 31, 2020 to €307.2 million at December 31, 2021. A detailed description is provided in the Notes to the parent-entity financial statements for the fiscal year 2021.

Liabilities

Total debt decreased by €13.8 million, from €28.4 million at December 31, 2020 to €42.3 million at December 31, 2021.

Operating payables increased by €3.8 million, from €4.1 million for the fiscal years 2020 to €7.9 million in 2021. The increase is mainly due to trade payables, insurance invoices not due at December 31, 2021, and social security liabilities, employer contributions on definitive allocations of convertible preferred shares.

Other debts increased by €10.6 million, from €20 million at December 31, 2020 to €30.6 million at December 31, 2021, corresponding to the increase in amounts recognized in current accounts with the various Group subsidiaries.

Cash

Total cash amounted to €140.6 million at December 31, 2021, compared to €15.8 million on the previous fiscal year.

Net cash provided by operating activities represented an outflow of €-40.6 million at December 31, 2021, compared to an outflow of €-0.1 million at December 31, 2020, reflecting:

- a €-25.9 million outflow in cash flows for the fiscal year 2021;
- the increase in other receivables and other payables for €-15.8 million.

Net cash generated by investment flows is negligible in 2021 as in 2020.

The net cash generated from financing activities amounted to €165.2 million in 2021, compared to €-20.4 million in 2020. It mainly stems from the two capital increases in May and November 2021, which were described in detail in the notes to the parent-entity financial statements prepared for the fiscal year 2021.

Results (and other key aggregates) of the Company for the last five years

	Year ended December 31				
Nature of items	2017	2018	2019	2020	2021
I- CAPITAL AT THE END OF THE YEAR					
Share capital *(in euros)*	11,816,042.64	13,816,042.74	13,819,938.99	13,645,584.30	15,785,862.75
Number of ordinary shares[1]	77,583,714	90,917,048	90,923,298	90,950,048	105,190,223
Maximum number of shares to be created by conversion of bonds	0	0	0	0	0
II- OPERATIONS AND INCOME FOR THE YEAR *(in euros)*					
Revenue excluding tax and financial income	3,223,001.34	3,876,876	4,641,374	4,075,352	5,669,070
Income before tax employee profit-sharing and depreciation allowance and provisions	(16,241,804.98)	(18,567,302.98)	(28,166,330.72)	(13,764,375.19)	(27,668,325.07)
Tax on profit (income if negative)	(1,781,781)	(1,727,572)	(1,866,427)	(1,073,156)	(1,773,649)
Employee profit-sharing due for the year	0	0	0	0	
Income after tax employee profit-sharing and depreciation allowance and provisions	(15,276,741.54)	(16,847,324)	(27,991,662)	(14,564,023)	(28,222,330
Distributed income	0	0	0	0	0
III- EARNINGS PER SHARE *(in euros)*					
Income after tax and employee profit-sharing, but before depreciation allowances and provisions	(0.19)	(0.19)	(0.29)	(0.14)	(0.25)
Income after tax employee profit-sharing and depreciation allowance and provisions	(0.20)	(0.19)	(0.31)	(0.16)	(0.27)
Dividend per share (indicate if gross or net)	0	0	0	0	0
IV- PERSONNEL					
Average headcount for the period	46	49	48	42	46
Annual payroll *(in euros)*	3,616,368.82	3,946,840.33	3,682,931.40	3,396,356.44	3,716,165.23
Total of amounts paid for social benefits for the year (social security, social welfare programs, etc.) *(in euros)*	1,496,564.75	1,593,324.98	1,586,429.08	1,416,443.11	3,639,222.00

(1) The figures do not include the convertible preferred shares of the Company, for the total amount of 789 for the fiscal years 2017 and 2018, then increased to 20,514 for the fiscal years 2019 and 2020, and increased again to 48,862 for the fiscal year 2021).