

**VALNEVA**

**STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL  
STATEMENTS**

**For the year ended 31 December 2022**

**PricewaterhouseCoopers Audit**

63 rue de Villiers  
92 200 Neuilly-sur-Seine  
S.A.S. au capital de €2.510.460

**Deloitte & Associés**

6, place de la Pyramide  
92908 Paris-La Défense cedex  
S.A.S. au capital de 2 188 160 €

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS****For the year ended 31 December 2022**

To the general assembly

**VALNEVA**

Société Européenne  
6 rue Alain Bombard  
44800 Saint Herblain

**Opinion**

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of VALNEVA ("the Group") for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Governance Committee.

**Basis for Opinion*****Audit Framework***

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

## ***Independence***

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

## **Justification of Assessments - Key Audit Matters**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code ("code de commerce") relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

<b>Risk description</b>	<b>Risk response</b>
<b>Revenue from contracts with customers - Other revenues - Modifications and terminations of significant contracts</b>	

<p>The Company recognized in other revenues the impact of changes or terminations in 2022 for:</p> <ul style="list-style-type: none"> <li>- the amendment to the Advance Purchase Agreement of doses for its vaccine against SARS CoV- 2 with the European Commission,</li> <li>- the settlement of the Covid-19 Vaccine Supply Agreement with the UK Authority, and</li> <li>- amendments to the Lyme - Pfizer Collaboration and License Agreement</li> </ul> <p>During the twelve months period ended December 31, 2022, other revenues recognized for these modifications to agreements were € 234.1 million, including €169.2 million and €110.8 million related to the Covid-19 Vaccine Supply Agreement with the UK and Covid-19 Advance Purchase Agreement with the EC, respectively, and a reversal of €45.9 million related to the Lyme - Pfizer Collaboration and License Agreement.</p> <p>The Company previously received advance or milestone payments, which were recognized as contract liabilities or refund liabilities in the prior year's financial statements. Other revenue is only recognized when it is highly probable that it will not reverse in the future.</p> <p>The accounting for these modifications involves a higher level of judgment, particularly as it relates to the interpretation of contractual clauses and remaining performance obligations.</p> <p>As at December 31, 2022, management assessed that :</p> <ul style="list-style-type: none"> <li>- Valneva's risk of repayment due to residual obligations to the UK was remote;</li> <li>- Valneva's risk of reimbursement of the down payments received from the EC was remote.</li> </ul> <p>In addition, as a result of the Lyme-Pfizer Collaboration and License Agreement amendments which occurred in 2022, Management updated the estimated transaction price and assessed it was no longer highly probable that a significant reversal in the amount of revenue recognized would not occur. Therefore, the Company recorded a reversal of the cumulated other revenues previously recognized accordingly.</p> <p>We identified other revenues on significant agreements modifications as a key audit matter because of the significant judgments management made to evaluate remaining performance obligations and contractual clauses</p>	<p>We have evaluated, evaluating, with professionals with specialized skill and knowledge, the Company's analysis of the agreements, amendments and termination agreements entered between Valneva and Pfizer, the UK and the EC, including their interpretation of the terms and conditions and their assessment of the accounting treatments for these modifications of agreements.</p> <p>We assessed the reasonableness of the main assumptions used by management by :</p> <ul style="list-style-type: none"> <li>- Making inquiries of management, and of the Company's internal legal counsel, to understand the implications of the settlement agreement signed with the UK Government, in relation to the risk of Valneva's potential repayment obligation;</li> <li>- Making inquiries of management and review of Steering Committee minutes, to understand the implications of the Lyme-Pfizer Agreement amendments on the estimate of the transaction price;</li> <li>- Involving our legal professionals, who possess the specialized skills and knowledge, to assist in evaluating the Company's assessment of the legal implications of the use of the down payment made by the Company in connection with the Advance Purchase Agreement between the EC and Valneva and of the termination agreement of the Covid-19 Vaccine Supply Agreement with the UK;</li> <li>- Obtaining and analyzing correspondence between the Company and EC and UK, to evaluate management's assessment in relation to the risk of Valneva's potential repayment obligation.</li> </ul> <p>In addition, we tested the mathematical accuracy of the calculation of the change in transaction price of the Lyme - Pfizer Collaboration and License Agreement.</p> <p>We have also verified that the notes to consolidated financial statements "3.1 Critical judgements in applying the Group's accounting policies", "3.2 Key sources of estimation uncertainty", "5.2 <del>2</del>-Other revenues", "28 Contract liabilities" and "29 Refund liabilities" provide appropriate information.</p>
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used to recognize other revenue for modified or terminated agreements.	
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### **Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Management Board.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group's information given in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

### **Report on Other Legal and Regulatory Requirements**

#### ***Format of presentation of the consolidated financial statements included in the annual financial report***

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Management Board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

#### ***Appointment of the Statutory Auditors***

We were appointed as statutory auditors of Valneva by the annual general meeting held on 29 June 2012 for PricewaterhouseCoopers Audit and on 22 February 2007 for Deloitte & Associés

As at 31 December 2022, PricewaterhouseCoopers Audit was in the 11<sup>th</sup> year of total uninterrupted engagement and Deloitte & Associés was in the 16<sup>th</sup> year, in the which are the 10 years for both firms since securities of the Company were admitted to trading on a regulated market.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Governance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

## **Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

### *Objectives and audit approach*

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material

uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

#### *Report to the Audit and Governance Committee*

We submit a report to the Audit and Governance Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Governance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit & Governance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with Audit and Governance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Bordeaux, 30 March 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Deloitte & Associés

French original signed by  
Cédric Mazille

French original signed by  
Stéphane Lemanissier