

**2019
Consolidated
Financial
Statements
(IFRS)**

Unaudited

 **valneva**

Way LEADING THE



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1. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement

| € in thousand (except per share amounts) | Year ended December 31, | |
|--|-------------------------|----------------|
| | 2019 | 2018 |
| Product sales | 129,511 | 103,476 |
| Revenues from collaboration, licensing and services | (3,315) | 9,559 |
| Revenues | 126,196 | 113,035 |
| Cost of goods and services | (49,968) | (44,448) |
| Research and development expenses | (37,883) | (25,291) |
| Marketing and distribution expenses | (24,145) | (20,930) |
| General and administrative expenses | (18,398) | (16,932) |
| Other income and expenses, net | 6,338 | 4,004 |
| Amortization and impairment of intangibles | (2,952) | (3,177) |
| OPERATING PROFIT/(LOSS) | (811) | 6,261 |
| Finance income | 1,449 | 178 |
| Finance expenses | (3,082) | (4,209) |
| Result from investments in associates | 1,574 | 1,122 |
| PROFIT/(LOSS) BEFORE INCOME TAX | (870) | 3,351 |
| Income tax | (874) | (88) |
| PROFIT/(LOSS) FOR THE PERIOD | (1,744) | 3,264 |
| Earnings/(Losses) per share | | |
| for profit/(loss) for the period attributable to the equity holders of the Company, expressed in € per share | | |
| - basic | (0.02) | 0.04 |
| - diluted | (0.02) | 0.04 |

Consolidated Statement of Comprehensive Income

| € in thousand | Year ended December 31, | |
|---|-------------------------|----------------|
| | 2019 | 2018 |
| Profit/(Loss) for the period | (1,744) | 3,264 |
| Other comprehensive income/(loss) | | |
| <i>Items that may be reclassified to profit or loss</i> | | |
| Currency translation differences | 656 | (1,385) |
| <i>Items that will not be reclassified to profit or loss</i> | | |
| Defined benefit plan actuarial gains/(losses) | (13) | 13 |
| Other comprehensive income/(loss) for the year, net of tax | 644 | (1,372) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY | (1,100) | 1,892 |



2. CONSOLIDATED BALANCE SHEET

| € in thousand | At December 31, | |
|--|-----------------|----------------|
| | 2019 | 2018 |
| ASSETS | | |
| Non-current assets | 135,561 | 103,934 |
| Intangible assets | 41,813 | 44,891 |
| Right of use assets | 49,334 | - |
| Property, plant and equipment | 20,003 | 37,997 |
| Equity-accounted investees | 2,263 | 1,122 |
| Other non-current assets | 17,161 | 17,236 |
| Deferred tax assets | 4,988 | 2,689 |
| Current assets | 129,162 | 125,972 |
| Inventories | 25,772 | 22,727 |
| Trade receivables | 24,030 | 11,259 |
| Other current assets | 14,921 | 10,261 |
| Cash and cash equivalents | 64,439 | 81,725 |
| TOTAL ASSETS | 264,723 | 229,907 |
| EQUITY | | |
| Capital and reserves attributable to the Company's equity holders | 135,153 | 143,186 |
| Share capital | 13,642 | 13,638 |
| Share premium and other regulated reserves | 297,732 | 297,720 |
| Retained earnings and other reserves | (174,476) | (171,435) |
| Net result for the period | (1,744) | 3,264 |
| LIABILITIES | | |
| Non-current liabilities | 88,269 | 43,777 |
| Borrowings | 24,317 | 14,272 |
| Lease liabilities | 56,592 | 25,798 |
| Contract liabilities and refund liabilities | 6,837 | 3,053 |
| Provisions | 426 | 357 |
| Other liabilities | 97 | 297 |
| Current liabilities | 41,300 | 42,944 |
| Borrowings | 1,999 | 16,665 |
| Trade payables and accruals | 16,567 | 13,325 |
| Income tax liability | 2,458 | 1,406 |
| Tax and Employee-related liabilities | 10,624 | 8,643 |
| Lease liabilities | 2,308 | 864 |
| Contract liabilities and refund liabilities | 1,142 | 1,682 |
| Provisions | 2,315 | 264 |
| Other liabilities | 3,886 | 94 |
| TOTAL LIABILITIES | 129,569 | 86,721 |
| TOTAL EQUITY AND LIABILITIES | 264,723 | 229,907 |



3. CONSOLIDATED CASH FLOW STATEMENT

| € in thousand | Year ended December 31, | |
|---|-------------------------|----------------|
| | 2019 | 2018 |
| Cash flows from operating activities | | |
| Profit/(Loss) for the year | (1,744) | 3,264 |
| Depreciation and amortization | 8,532 | 6,828 |
| Impairment | 75 | - |
| Share-based payments | 2,552 | 1,887 |
| Income tax | 874 | 88 |
| Other adjustments for reconciliation to cash used in operations | 4,268 | 1,559 |
| Changes in working capital | (6,682) | 3,955 |
| Cash generated from operations | 7,875 | 17,580 |
| Income tax paid | (2,346) | (1,273) |
| Net cash generated from operating activities | 5,529 | 16,306 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (10,502) | (2,874) |
| Proceeds from sale of property, plant and equipment | - | 76 |
| Purchases of intangible assets | (382) | (297) |
| Interest received | 199 | 178 |
| Net cash used in investing activities | (10,685) | (2,917) |
| Cash flows from financing activities | | |
| Proceeds from issuance of common stock, net of costs of equity transactions | (2,484) | 49,286 |
| Disposal/(Purchase) of treasury shares | 21 | (23) |
| Proceeds from borrowings, net of transaction costs | 11,781 | 1,418 |
| Repayment of borrowings | (11,684) | (15,571) |
| Payment of lease liabilities | (2,709) | - |
| Interest paid | (2,621) | (4,165) |
| Net cash generated from/(used in) financing activities | (7,696) | 30,945 |
| Net change in cash and cash equivalents | (12,852) | 44,334 |
| Cash at beginning of the year | 77,084 | 33,545 |
| Exchange gains/(losses) on cash | 207 | (795) |
| Cash at end of the year | 64,439 | 77,084 |
| Cash and cash equivalents at end of the year | 64,439 | 81,725 |



4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| € in thousand | Share capital | Share premium and other regulated reserves | Retained earnings and other reserves | Net result | Total equity |
|---|---------------|--|--------------------------------------|-----------------|----------------|
| Balance as of January 1, 2018 | 11,638 | 252,934 | (160,421) | (11,482) | 92,669 |
| Total comprehensive income | - | - | (1,372) | 3,264 | 1,892 |
| Income appropriation | - | - | (11,482) | 11,482 | - |
| Share based payments: | | | | | |
| - value of services | - | - | 1,863 | - | 1,863 |
| - exercises | - | - | - | - | - |
| Treasury shares | - | - | (23) | - | (23) |
| Issuance of common stock | 2,000 | 48,000 | - | - | 50,000 |
| Cost of equity transactions, net of tax | - | (3,214) | - | - | (3,214) |
| | 2,000 | 44,786 | (11,014) | 14,745 | 50,517 |
| Balance as of December 31, 2018 | 13,638 | 297,720 | (171,435) | 3,264 | 143,186 |
| Balance as of January 1, 2019 | 13,638 | 297,720 | (171,435) | 3,264 | 143,186 |
| Changes in Accounting Policy – Initial Application of IFRS 16 | - | - | (9,474) | - | (9,474) |
| Restated balance as of January 1, 2019 | 13,638 | 297,720 | (180,909) | 3,264 | 133,712 |
| Total comprehensive loss | - | - | 644 | (1,744) | (1,100) |
| Income appropriation | - | - | 3,264 | (3,264) | - |
| Share based payments: | | | | | |
| - value of services | - | - | 2,504 | - | 2,504 |
| - exercises | 4 | 12 | - | - | 16 |
| Treasury shares | - | - | 21 | - | 21 |
| | 4 | 12 | 6,433 | (5,008) | 1,441 |
| Balance as of December 31, 2019 | 13,642 | 297,732 | (174,476) | (1,744) | 135,153 |

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