

FY 2018

**2018 CONSOLIDATED
FINANCIAL STATEMENTS
(UNAUDITED)**

AS OF DECEMBER 31, 2018

February 21, 2019

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 **valneva**



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1. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Consolidated income statement

€ in thousand (except per share amounts)	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
Product sales	32,375	24,736	103,476	92,619
Revenues from collaboration, licensing and services	2,331	4,213	9,559	12,672
Revenues	34,707	28,949¹	113,035	105,291¹
Cost of goods and services	(12,191)	(13,837)	(44,448)	(45,979)
Research and development expenses	(7,064)	(8,235)	(25,291)	(23,356)
Marketing and distribution expenses	(5,919)	(5,878)	(20,930)	(17,875)
General and administrative expenses	(4,345)	(4,403)	(16,932)	(15,545)
Other income and expenses, net	934	1,039 ¹	4,004	4,240 ¹
Amortization and impairment of fixed assets/intangibles	(778)	(1,781)	(3,177)	(10,731)
OPERATING PROFIT/(LOSS)	5,344	(4,146)	6,261	(3,954)
Finance income	104	11	178	72
Finance expenses	(1,071)	(1,653)	(4,209)	(8,678)
Result from investments in associates	1,122	-	1,122	-
PROFIT/(LOSS) BEFORE INCOME TAX	5,498	(5,788)	3,351	(12,560)
Income tax	1,019	2,110	(88)	1,078
PROFIT/(LOSS) FOR THE PERIOD	6,517	(3,678)	3,264	(11,482)
Earnings/(Losses) per share for profit/loss for the period attributable to the equity holders of the Company, expressed in € per share				
- basic	0.07	(0.05)	0.04	(0.15)
- diluted	0.07	(0.05)	0.04	(0.15)

¹ "Grant income" was reclassified from the position "Revenue and Grants" and included in "Other income/expense" for periods starting Jan 1, 2018. The comparable period was adjusted accordingly to maintain the comparability.

**Consolidated statement of comprehensive income**

€ in thousand	Three months ended		Year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Profit/(Loss) for the period	6,517	(3,678)	3,264	(11,482)
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss				
Currency translation differences	(224)	(258)	(1,385)	3,337
Items that will not be reclassified to profit or loss				
Defined benefit plan actuarial losses	13	35	13	35
Other comprehensive income/(loss) for the period, net of tax	(211)	(222)	(1,372)	3,372
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	6,306	(3,900)	1,892	(8,109)



2. CONSOLIDATED BALANCE SHEET (UNAUDITED)

€ in thousand	At December 31,	
	2018	2017
ASSETS		
Non-current assets	103,934	105,895
Intangible assets	44,891	48,468
Property, plant and equipment	37,997	38,374
Equity-accounted investees	1,122	-
Other non-current assets	17,236	17,368
Deferred tax assets	2,689	1,686
Current assets	125,972	83,448
Inventories	22,727	19,931
Trade receivables	11,259	17,622
Other current assets	10,084	7,840
Current financial assets	177	-
Cash and cash equivalents	81,725	38,055
TOTAL ASSETS	229,907	189,343
EQUITY		
Capital and reserves attributable to the Company's equity holders	143,186	92,669
Share capital	13,638	11,638
Share premium and other regulated reserves	297,720	252,934
Retained earnings and other reserves	(171,435)	(160,421)
Net result for the period	3,264	(11,482)
LIABILITIES		
Non-current liabilities	43,777	59,000
Borrowings	40,070	54,097
Deferred tax liability	12	65
Non-current contract liabilities, other liabilities and provisions	3,695	4,838
Current liabilities	42,944	37,674
Borrowings	17,529	17,399
Trade payables and accruals	13,325	9,527
Current tax liability	1,406	322
Tax and employee-related liabilities	8,643	7,531
Current contract liabilities, other liabilities and provisions	2,041	2,896
TOTAL LIABILITIES	86,721	96,674



TOTAL EQUITY AND LIABILITIES	229,907	189,343
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3. CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

€ in thousand	Year ended December 31,	
	2018	2017
Cash flows from operating activities		
Profit/(loss) for the year	3,264	(11,482)
Depreciation and amortization	6,828	11,141
Impairment	-	3,568
Share-based payments	1,887	811
Income tax	88	(1,078)
Other adjustments for reconciliation to cash generated from operations	1,559	6,330
Changes in working capital	3,955	4,199
Cash generated from operations	17,580	13,489
Income tax paid	(1,273)	(660)
Net cash generated from operating activities	16,306	12,829
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,874)	(2,890)
Proceeds from sale of property, plant and equipment	76	-
Purchases of intangible assets	(297)	(1,148)
Purchases of financial instruments	-	(94)
Interest received	178	72
Net cash used in investing activities	(2,917)	(4,060)
Cash flows from financing activities		
Proceeds from issuance of common stock, net of costs of equity transactions	49,286	(43)
Disposal/(Purchase) of treasury shares	(23)	(104)
Proceeds from borrowings, net of transaction costs	1,418	11,104
Repayment of borrowings	(15,571)	(16,415)
Interest paid	(4,165)	(4,980)
Net cash generated from/(used in) financing activities	30,945	(10,438)
Net change in cash and cash equivalents	44,334	(1,670)
Cash at beginning of the year	33,545	35,267
Exchange gains/(losses) on cash	(795)	(53)
Cash at end of the year	77,084	33,545
Cash and cash equivalents at end of the year	81,725	38,055

**4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

€ in thousand	Share capital	Share premium and other regulated reserves	Retained earnings and other reserves	Net result	Total equity
Balance as of January 1, 2017	11,638	252,937	(115,339)	(49,184)	100,051
Total comprehensive loss	-	-	3,372	(11,482)	(8,109)
Income appropriation	-	-	(49,184)	49,184	-
Employee stock options plans:					
+ value of employee services	-	-	833	-	833
Treasury shares	-	-	(104)	-	(104)
Cost of equity transactions, net of tax	-	(3)	-	-	(3)
	-	(3)	(45,082)	37,702	(7,382)
Balance as of December 31, 2017	11,638	252,934	(160,421)	(11,482)	92,669
Balance as of January 1, 2018	11,638	252,934	(160,421)	(11,482)	92,669
Total comprehensive loss	-	-	(1,372)	3,264	1,892
Income appropriation	-	-	(11,482)	11,482	-
Employee stock options plans:					
+ value of employee services	-	-	1,863	-	1,863
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

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