SANOFI

Q4 and Full Year 2018 Results

February 7, 2019

Forward looking statements

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans” and similar expressions. Although Sanofi’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the absence of guarantee that the product candidates if approved will be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi’s ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic conditions, the impact of cost containment initiatives and subsequent changes thereto, the average number of shares outstanding as well as those discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in Sanofi’s annual report on Form 20-F for the year ended December 31, 2017. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

Agenda

Key Highlights	Olivier Brandicourt	Chief Executive Officer
Financial Results	Jean-Baptiste de Chatillon	Executive Vice President, Chief Financial Officer
R&D Update	John Reed	Executive Vice President, Global Head of R&D
Q&A Session	Olivier Charmeil	Executive Vice President, China & Emerging Markets
	Karen Linehan	Executive Vice President, Legal Affairs and General Counsel
	David Loew	Executive Vice President, Sanofi Pasteur
	Alan Main	Executive Vice President, Consumer Healthcare
	Bill Sibold	Executive Vice President, Sanofi Genzyme
	Dieter Weinand	Executive Vice President, Primary Care

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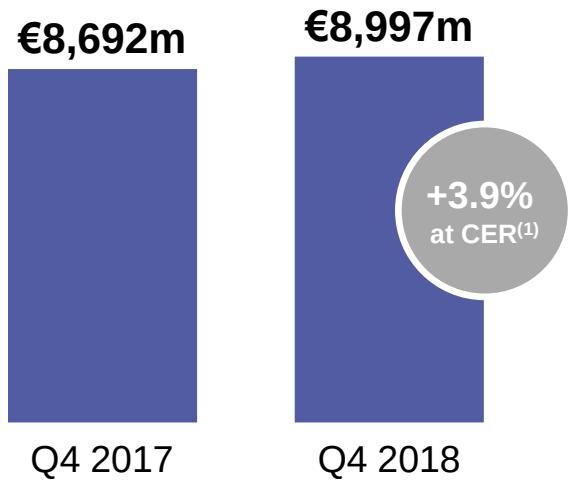
Key highlights

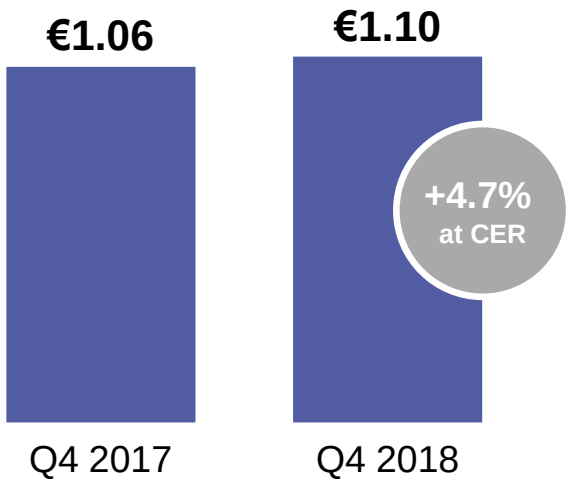
Olivier Brandicourt
Chief Executive Officer

Sanofi delivered Q4 2018 sales and EPS growth in the mid-single digits

Company sales



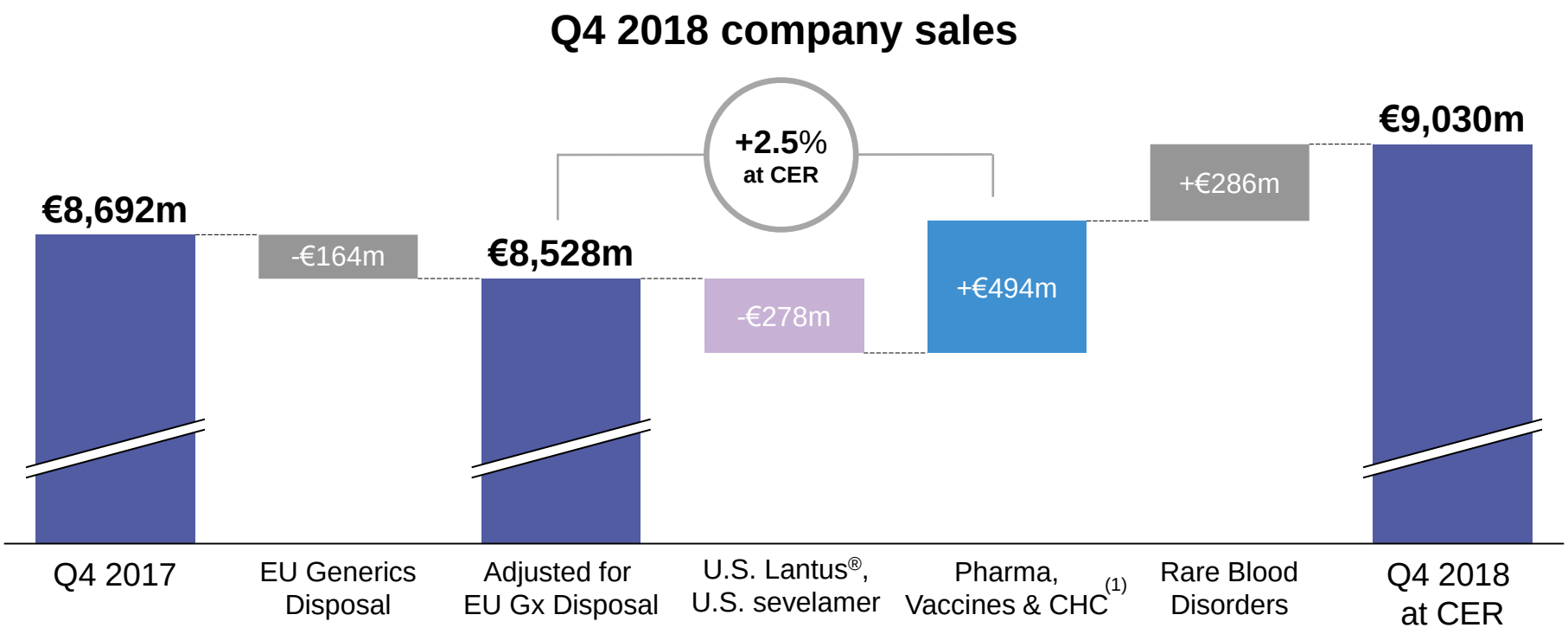
Business EPS



CER: Constant Exchange Rates

(1) Q4 2018 sales increased +2.6% at CER/CS; Constant Structure adjusting for Bioverativ acquisition and disposal of EU Generics business

Sales growth continued despite impact from disposal of EU Generics in Q4



CER: Constant Exchange Rates; Gx: Generic

(1) Excludes U.S. Lantus®, U.S. sevelamer and Rare Blood Disorders franchise

Accelerated growth rate for Sanofi Genzyme and Vaccines while DCV and GEM declined as expected in Q4

Q4 2018 sales by Global Business Unit

		Growth at CER/CS[1]
Company Sales	**€8,997m**	+2.6%
Sanofi Genzyme (Specialty Care)[2]	**€2,054m**	+16.1%[3]
Sanofi Pasteur (Vaccines)	**€1,527m**	+9.7%
Diabetes & Cardiovascular[4]	**€1,170m**	-11.3%
Consumer Healthcare[5]	**€1,194m**	+1.9%
General Medicines & Emerging Markets[6,7,8]	**€3,052m**	-1.8%[9]

(1) Growth at Constant Exchange Rates and Constant Structure adjusting for Bioverativ acquisition (consolidated from March 9, 2018) and disposal of EU Generics business
(2) Does not include Emerging Markets sales; Includes Bioverativ Products
(3) At CER growth was +37.4%, including €292m in sales from Rare Blood Disorders
(4) Does not include Emerging Markets sales
(5) Consumer Healthcare includes sales in Emerging Markets
(6) Includes Emerging Markets sales for Diabetes & Cardiovascular and Specialty Care
(7) Emerging Markets: World excluding U.S., Canada, Western & Eastern Europe (except Eurasia), Japan, South Korea, Australia, New Zealand and Puerto Rico
(8) Excluding global Consumer Healthcare sales and Vaccines
(9) At CER growth was -6.6%

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Strong performance of Specialty Care in all geographies; Vaccines driven by Influenza franchise in Mature Markets

Q4 2018 sales by franchise

			Mature markets		Emerging markets[4]	
	Sales	Growth at CER/CS[1]	Sales	Growth at CER/CS[1]	Sales	Growth at CER/CS[1]
Specialty Care	**€2,328m**	+16.9%[2]	**€2,054m**	+16.1%[2]	**€274m**	+22.4%[2]
Vaccines	**€1,527m**	+9.7%	**€1,054m**	+13.3%	**€473m**	+2.5%
Diabetes & Cardiovascular	**€1,552m**	-7.1%	**€1,170m**	-11.3%	**€382m**	+7.9%
Consumer Healthcare	**€1,194m**	+1.9%	**€789m**	-0.4%	**€405m**	+6.4%
Established Rx Products	**€2,126m**	-6.8%	**€1,242m**	-13.0%	**€884m**	+2.9%
Generics	**€270m**	+6.7%[3]	**€97m**	+12.9%[3]	**€173m**	+3.8%

EM: Emerging Markets

(1) Growth at Constant Exchange Rates and Constant Structure adjusting for Bioverativ acquisition (consolidated from March 9, 2018) and disposal of EU Generics business

(2) At CER, growth was +35.2% for Specialty Care Sales, +37.4% for Developed Markets and +22.4% for Emerging Markets

(3) At CER growth was -33.8% for Generics Sales and -61.4% for Developed Markets

(4) Pharmaceutical sales were up +6.9% at CER in Emerging Markets in Q4 2018

Refocus of GBU structure expected to support growth and unlock organizational efficiencies

FY 2018 sales of €34,463m up 2.5%(2) at CER by Global Business Unit(1)

Specialty Care (in Mature Markets)

€7,226m
+30.8%(3)

- Rare Diseases
- Multiple Sclerosis
- Immunology
- Oncology
- Rare Blood Disorders

Primary Care (in Mature Markets)

€10,406m
-14.4%(4)

- Diabetes
- Cardiovascular
- Established products

China & Emerging Markets

€7,053m
+9.3%

- Diabetes
- Cardiovascular
- Established products
- Specialty Care

Vaccines

€5,118m
+2.4%

- Flu vaccines
- Polio/Pertussis/Hib
- Meningitis/Pneumonia
- Adult boosters
- Travel vaccines & others
- Mature & EM

Consumer Healthcare

€4,660m
+3.0%

- 4 key categories (Allergy/Cough & Cold, Digestive, Pain, VMS)
- Mature & EM

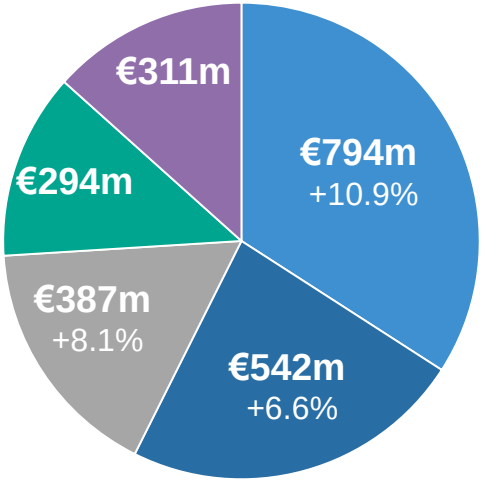
EM: Emerging Markets

(1) Growth at constant exchange rates (CER)
(2) At CER/CS, growth was +0.6%
(3) At CER/CS, growth was +14.2%
(4) At CER/CS, growth was -13.3%

Another quarter of double-digit growth in Specialty Care reflects sales momentum across all franchises

Q4 2018 Sales by franchise

(% growth at CER/CS)



Rare Diseases
Double digit growth in Pompe (+11%), Gaucher (+13%) and Fabry (+14%)

Multiple Sclerosis
Strong Aubagio® sales demonstrated in key geographies (+13%)(1)

Oncology
Oncology portfolio growth supported by mature and emerging markets (+8%)

Rare Blood Disorders
Franchise growth (+6%) assisted by Cablivi® EU launch

Immunology
Successful Dupixent® launch execution in all launched markets

Specialty Care franchise sales of €8,269m, up 14.8%(2) at CER/CS in 2018

CER: Constant Exchange Rates; EM: Emerging Markets

(1) U.S. Sales of €311m, up 14%, Europe sales of €108m, up 13% and EM sales of €10m ,up 20%
(2) At CER, growth was 29%

Three important launches in Specialty Care in Q4 2018

Significant progress in key therapeutic areas

Immunology	DUPIXENT® (dupilumab) (1)	• Strong initial U.S. prescription trends in asthma • Up to 900k patients with moderate-to-severe asthma suitable for biologics • Regulatory decisions on asthma in EU and Japan expected in H1 2019
Oncology	LIBTAYO® (cemiplimab-rwlc) Injection 350 mg (1)	• First and only FDA approved therapy for CSCC • Broad U.S.(2) access for appropriate patients • EMA decision expected in H1 2019
Rare Blood Disorders	Cablivi® caplacizumab	• First approved therapeutic in EU, U.S. for treatment of aTTP • Launched in Germany; launches in Nordic countries expected in H1 2019

NCCN: National Comprehensive Cancer Network; CSCC: Cutaneous Squamous Cell Carcinoma

(1) In collaboration with Regeneron

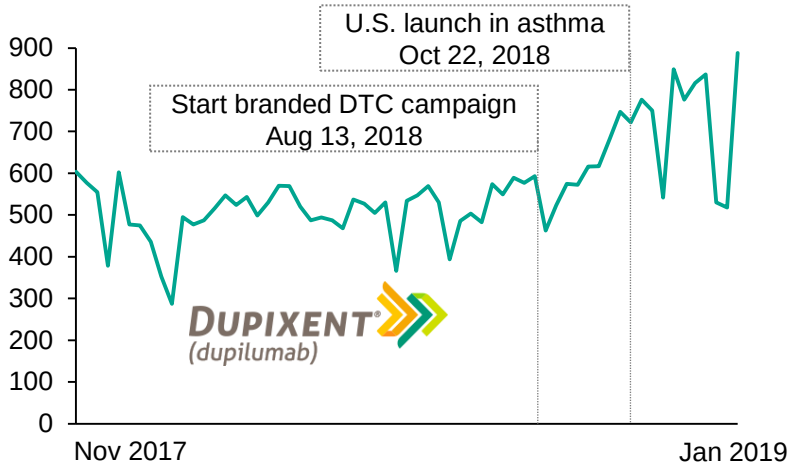
(2) Libtayo® received Category 2A evidence rating

Dupixent® uptake in Q4 accelerated by DTC campaign and asthma launch

- Strong Q4 U.S. performance metrics for Dupixent®
  - 25% sequential increase in TRx(1)
  - 39% sequential increase in NBRx
- Favorable U.S. payer coverage in AD for 2019
  - >90% of lives covered of which ~50% with single step-edit
- Successful U.S. DTC campaign supports overall awareness among AD patients
- Launched in 16 ex-US countries(2) by end of 2018
- Kevzara® launch progressing with sales of €31m

Expanding reach in AD and launching in Asthma

Weekly NBRx in U.S. market

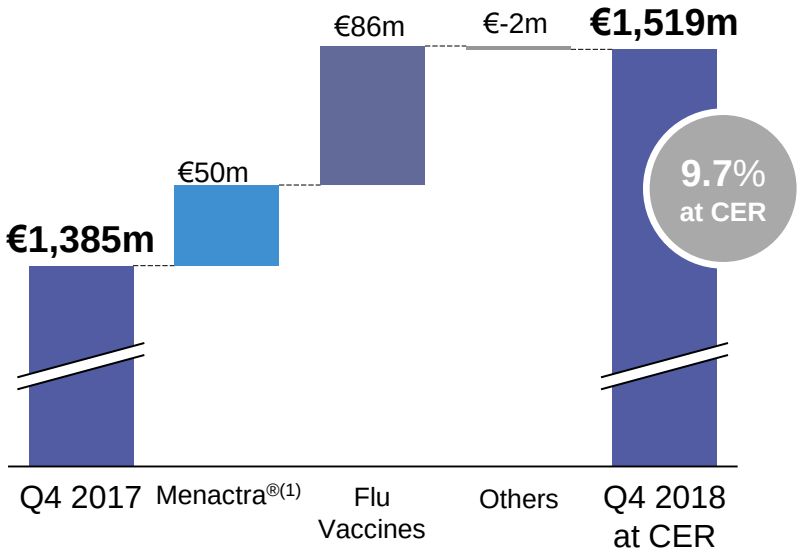


AD: Atopic Dermatitis; NBRx: New to Brand Prescriptions; TRx: Total Prescriptions
(1) IQVIA NPA (National Prescriber Audit) Patient Insights, through 1/11/19
(2) In Atopic Dermatitis

Sanofi Pasteur performance in Q4 driven by strong Influenza Vaccines and Menactra® sales

- Vaccines sales of €1,527m, up 9.7%
- Influenza vaccines sales grew 17% to €596m
  - U.S. sales: €411m, +24% due to differentiation strategy including successful launch of Flubok® and favorable phasing
  - Europe sales: €93m, +96% driven by Vaxigrip® QIV
- Menactra® sales of €130m up 63% reflecting CDC buying pattern and strong performance in Middle East
- Pentaxim® supply in China confirmed recovery

Q4 2018 Vaccines sales evolution



Vaccines sales of €5,118m, up 2.4% at CER in 2018

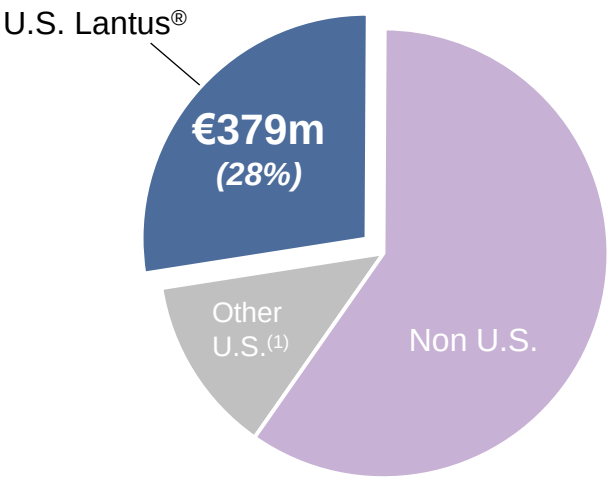
All growth at CER
(1) Meningitis Vaccines

Moderating Q4 DCV decline due to strong Praluent® growth and diminishing exposure to U.S. Lantus® LoE

- Global Diabetes sales €1,375m down 10.5%
  - Non-U.S. sales +3.9%, driven by Emerging Markets +7.7%
  - U.S. sales down 26% to €555m; glargine sales -36%
  - U.S. Admelog® sales of €54m
- Zynquista® FDA advisory committee vote in January
  - PDUFA date on March 22; EMA decision expected in H1
- Praluent®(2) sales up 51% to €82m
  - U.S. sales: €52m, +46% benefitting from ESI coverage exclusivity gain in Q3
  - Higher U.S. rebates expected to impact 2019 sales

Global Diabetes Sales Q4 2018

(% Global Diabetes Sales)



DCV sales of €6,083m, down 7.9% at CER in 2018

All growth at CER

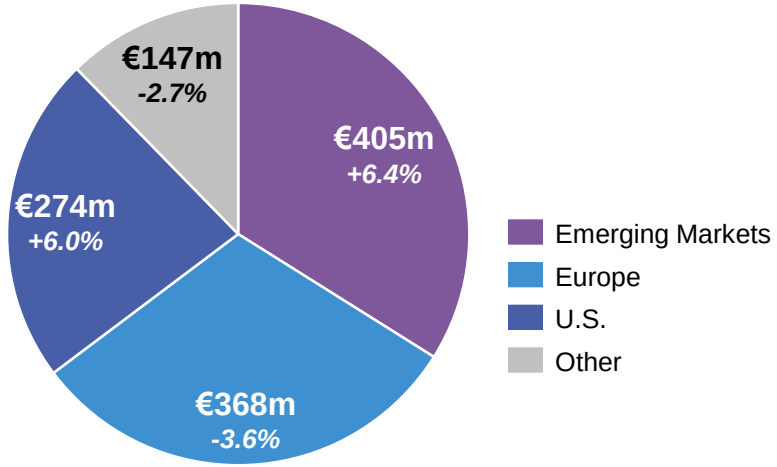
(1) Include Adlyxin®, Admelog®, Apidra®, Soliqua® and Toujeo®

(2) In collaboration with Regeneron

Consumer Healthcare performance supported by U.S. and Emerging Markets

- CHC sales increased 1.9% to €1,194m
- Strong U.S. sales driven by Digestive category and Gold Bond franchise
- Emerging Markets sales up 6.4% to €405m
- Early cough and cold season in Europe in Q4 2017 creating high base of comparison
  - Sales also impacted by divestments due to portfolio optimization

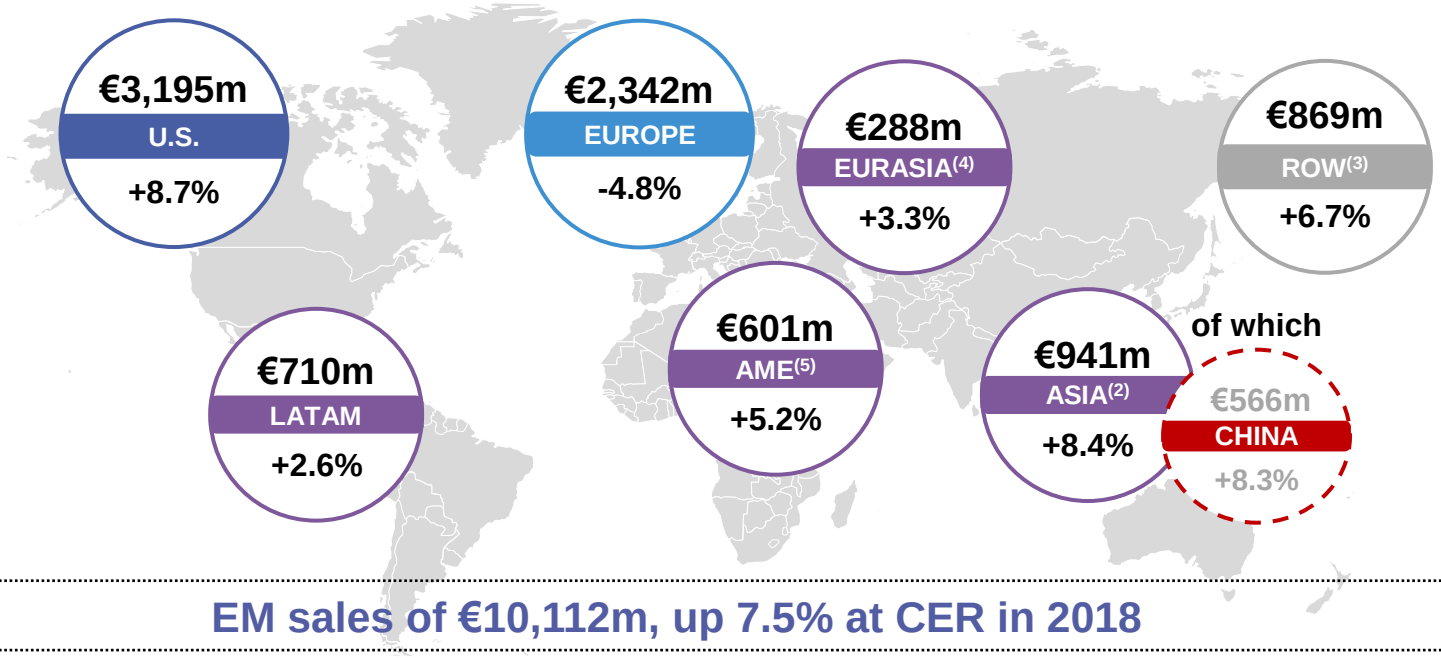
Q4 2018 CHC sales by geography



CHC sales of €4,660m, up 3.0% at CER in 2018

Emerging Markets(1) growth of +6.0% driven by Asia in Q4

Geographic breakdown of Q4 2018 sales



EM sales of €10,112m, up 7.5% at CER in 2018

All growth at CER unless specified otherwise
(1) World excluding U.S., Canada, Europe, Japan, South Korea, Australia, New Zealand, Puerto Rico
(2) Includes China
(3) RoW: Japan, South Korea, Canada, Australia, New Zealand and Puerto Rico
(4) Eurasia: Russia, Ukraine, Georgia, Belarus, Armenia and Turkey
(5) AME: Africa and Middle East

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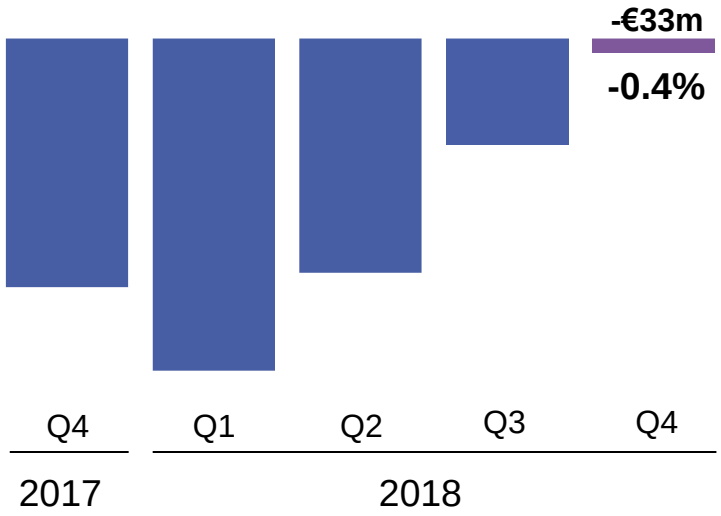
Financial results

Jean-Baptiste de Chatillon
Executive Vice President, Chief Financial Officer

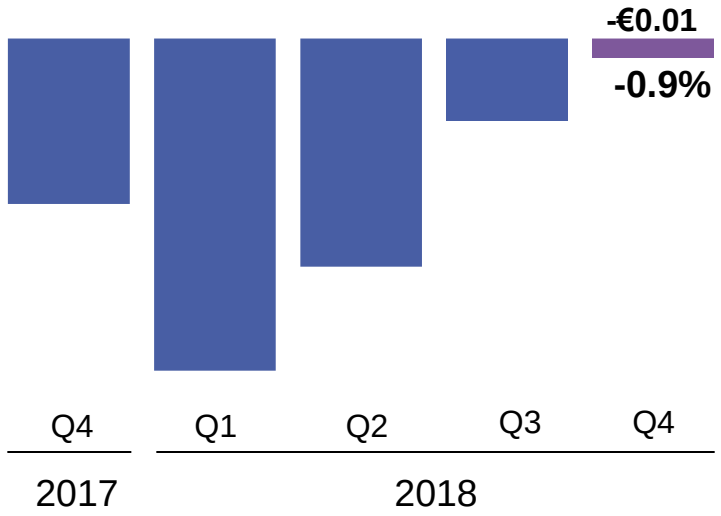
Currency impact on sales and EPS significantly diminished mainly due to the U.S. dollar evolution

Currency impact

Company sales(1)



Business EPS



(1) Main currency impact on Company Sales in Q4 2018: US Dollar (+€99m), Brazilian Real (-€33m), Russian Ruble (-€16m), Japanese Yen (+€13m), Argentine Peso (-€27m) and Turkish Lira (-€37m)

Business EPS in Q4 driven by increased sales and favorable comparison partly offset by higher tax rate

€m	Q4 2018	Q4 2017 (1)	% Change (reported €)	% Change (CER)
Net Sales	**8,997**	**8,692**	**+3.5%**	**+3.9%**
Gross Profit	6,188	5,883	+5.2%	+5.2%
Gross Profit margin %	*68.8%*	*67.7%*	-	-
Business Operating Income	1,740	1,685	+3.3%	+4.5%
Business operating margin %	*19.3%*	*19.4%*	-	-
Effective tax rate	*20.0%*	*18.7%*	-	-
Net Financial Income/(Expense)	(60)	(73)	-	-
Total Business Net Income	**1,364**	**1,325**	**+2.9%**	**+4.3%**
Average number of Shares	1,245.6	1,252.9	-	-
Business EPS	**€1.10**	**€1.06**	**+3.8%**	**+4.7%**

CER: Constant Exchange Rates
(1) Reflects the new IFRS15 revenue standard which became effective in 2018

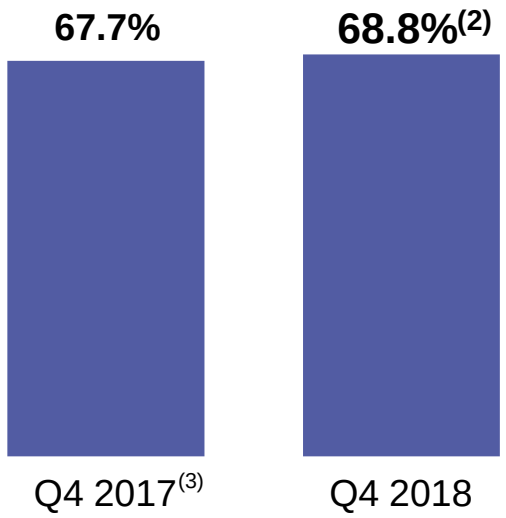
Improved BOI in Q4 despite higher R&D expenditure as a result of Bioverativ and Ablynx acquisitions

€m	Q4 2018	Q4 2017 (1)	% Change (CER)
Net Sales	**8,997**	**8,692**	**+3.9%**
Other revenues	329	290	+10.3%
Gross Profit	6,188	5,883	+5.2%
Gross margin %	*68.8%*	*67.7%*	
R&D	(1,678)	(1,464)	+13.5%
SG&A	(2,721)	(2,699)	+1.1%
Other current operating income & expenses	(148)	(114)	-
Share of profit/loss from associates	121	109	-
Minority interests	(22)	(30)	-
Business Operating Income	**1,740**	**1,685**	**+4.5%**
Business operating margin	*19.3%*	*19.4%*	

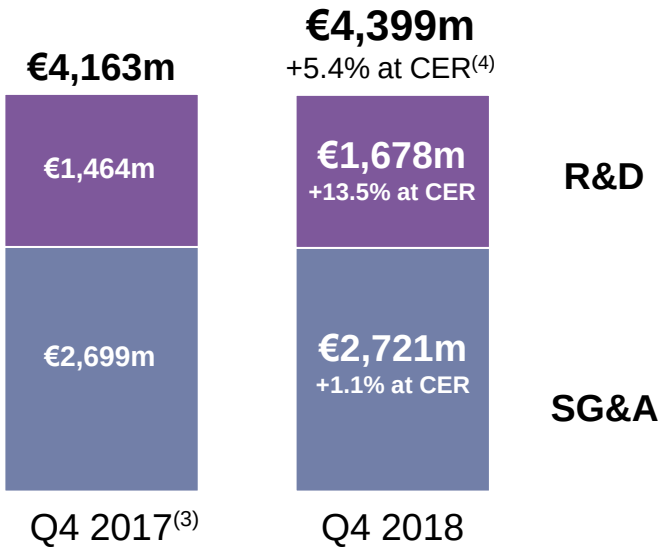
CER: Constant Exchange Rates; OOI: Other current operating income/expenses
(1) Reflects the new IFRS15 revenue standard which became effective in 2018

Higher Q4 gross margin due to improved product mix and low comparison base while R&D investments accelerated

Gross margin ratio(1)



Operating expenses



CER: Constant Exchange Rates

(1) Gross Margin is calculated as the ratio of Gross Profit to Company sales (excluding Other revenues)

(2) Gross Margin at CER was 68.6%

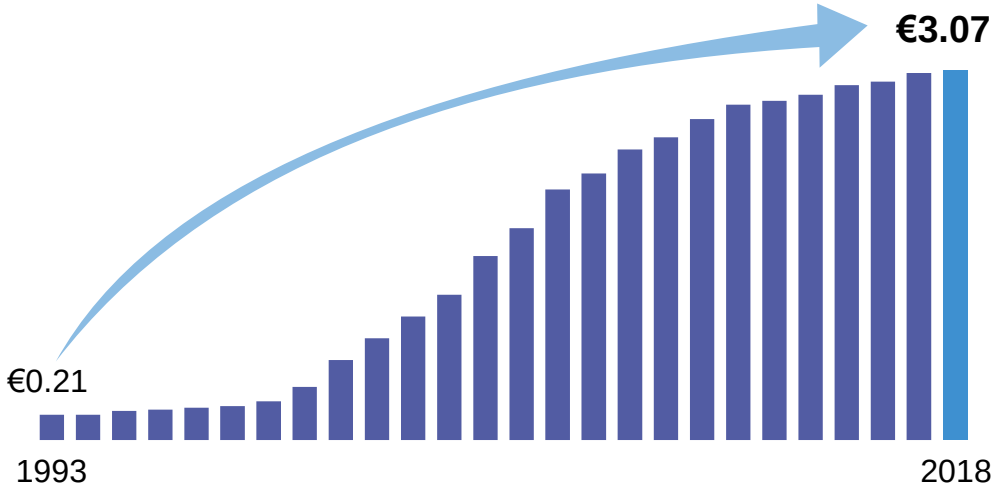
(3) Reflects the new IFRS15 revenue standard which became effective in 2018

(4) Operating Expense growth at CER ex-acquisitions was +1.7% (SG&A -1.0%; R&D +6.7%)

Proposal for 25th consecutive increase in annual dividend

- Proposed dividend of €3.07 represents a €0.04 per share increase over 2017
- Implies a dividend yield of 4.1%(2) and payout ratio of 56%(3)
- Returned €4.7bn to shareholders in 2018(4)

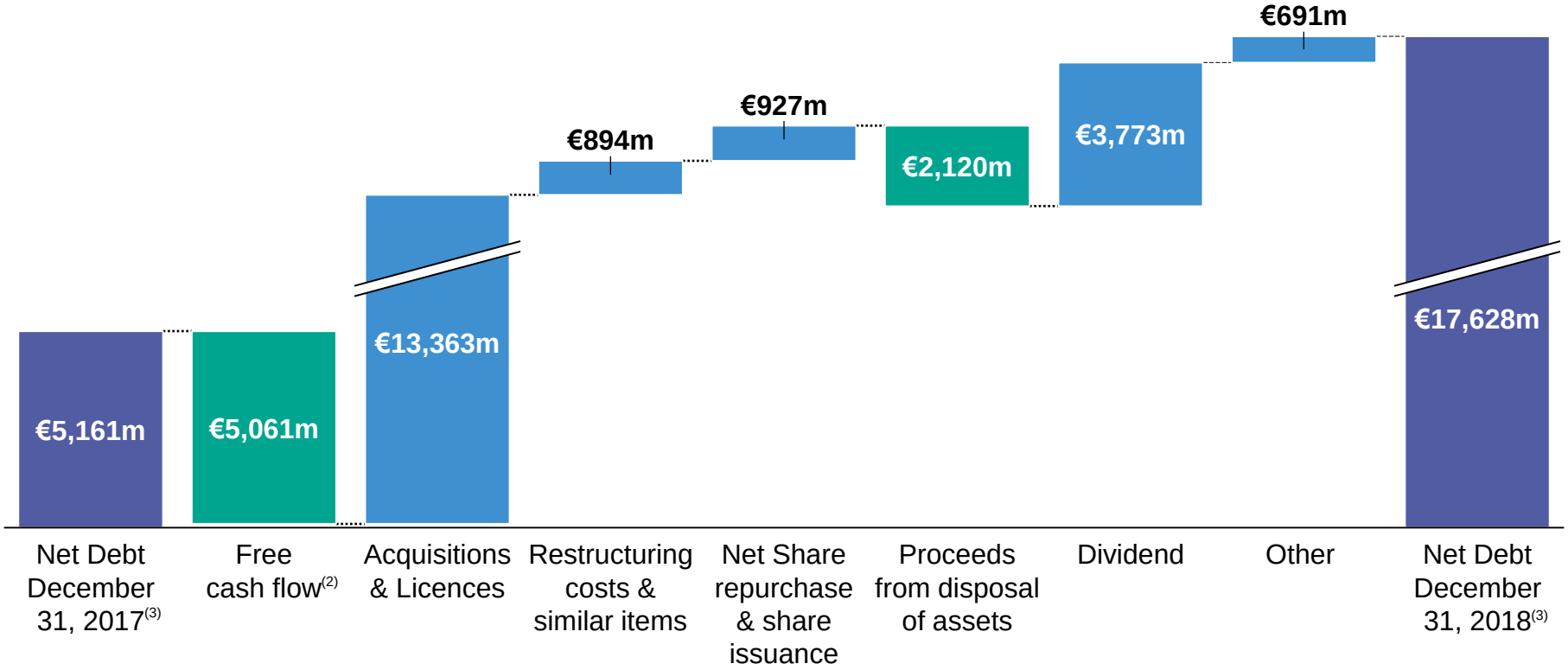
Evolution of dividend(1)



Progressive dividend growth remains a core part of our value proposition to shareholders

(1) 2018 dividend to be submitted for approval by shareholders at the Annual General Meeting on April 30, 2019
(2) Sanofi share volume weighted average price of €74.00 during January 2019
(3) With a proposed dividend of €3.07 and a €5.47 Business EPS in 2018
(4) Including 2017 dividend paid in 2018, share buy-back executed in 2018 net of share issuance

Net debt evolution in 2018(1)



(1) Credit ratings reaffirmed: Moody's A1/stable, S&P AA/stable, Scope AA/stable as of December 31, 2018
(2) Excluding restructuring costs & similar items
(3) Including derivatives related to the financial debt: +€125m at December 31 2017 and +€85m at December 31 2018

Sanofi Meets 2018 Financial Performance Objectives

	Latest Objectives	FY 2018 Results
Gross Margin	70-71% at CER	**70.7%** ✓
OpEx Growth Rate at CER	4%-5%	**+4.6%** ✓
Tax Rate	~22%	**21.6%** ✓
Business EPS Evolution at CER	4%-5%	**+5.1%** ✓
Dividend growth	Progressive	**4 cent increase** ✓

FY 2019 financial guidance confirms return to growth

FY 2019	SANOFI
Business EPS	**+3% to +5% at CER(1,2)**
FX impact on Business EPS	**Approximately +1% to +2%(3)** based on January 2019 average exchange rates

(1) Compared to FY2018 and barring major unforeseen adverse events
(2) FY 2018 Business EPS was €5.47
(3) Difference between variation on a reported basis and variation at CER

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R&D update

John Reed
Executive Vice President, Global Head of R&D

Next chapter in the evolution of Sanofi R&D

Vision

- An industry innovation leader bringing transformative solutions to patients

Strategy

- Allocate resources to priority therapeutic areas
- Leverage multiple therapeutic modalities
- Accelerate early development

Long-term objectives(1)

- 80% first or best in class
- 70% biologics
- 70% internally derived

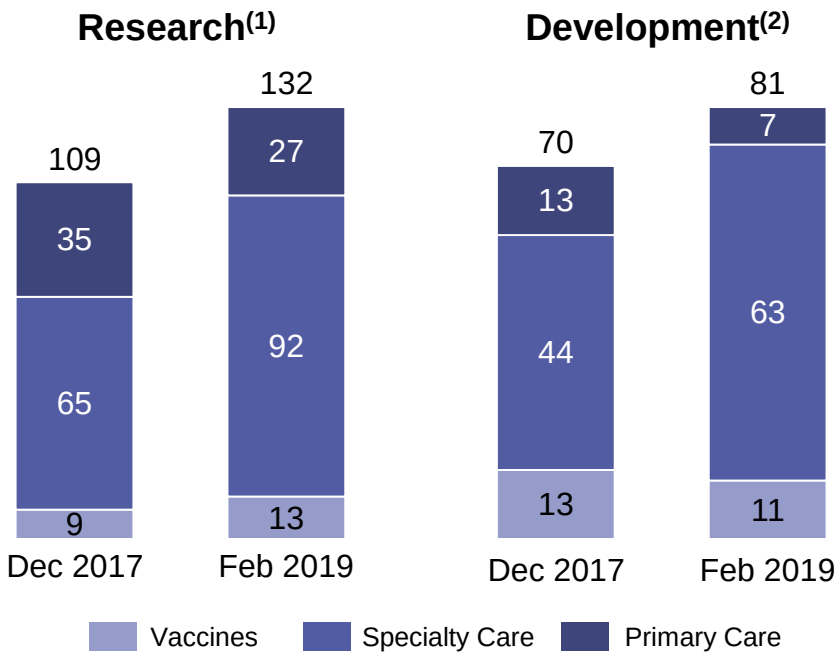
Continued financial discipline
R&D investment ~€6bn(2)

(1) Over 5-10 years
(2) Sanofi expects to maintain an annual R&D budget of ~€6bn through 2021

Prioritizing R&D investments to maintain competitiveness and drive sustainable future growth

- Shift in focus to Specialty Care and Vaccines
  - Significant potential to advance SoC
  - Higher confidence in biology
  - Favorable regulatory environment
- Leverage our capabilities
  - Next generation biologics
  - Multi-targeting
  - Diverse therapeutic platforms

Evolution of pipeline projects



SOC= Standard of Care
(1) Number of projects from M0 to M2
(2) Number of projects from Phase 1 to registration

Rigorous pipeline prioritization leading to discontinuations and more focus

Discontinued 13 projects in development in 2019

Therapy area	Project	Mechanism of Action	Indication	Phase
Neurology	SAR421869[2][3]	Myosin 7A gene therapy	Usher Syndrome	1
	SAR228810[3]	Anti-protofibrillar amyloid mAb	Alzheimer's Disease	1
Infectious disease	ferroquine combination [1]	Anti-malarial	Malaria	2
	ALX0171	Anti-RSV nanobody	Respiratory Syncytial Virus	2
Diabetes	SAR438335	GLP-1/GIP agonist	Type 2 Diabetes	1
	SAR425899	GLP-1/GCG agonist	Obesity in Type 2 Diabetes	2
Cardiovascular	SAR440181[3]	Myosin activator	Dilated Cardiomyopathy	1
	SAR247799	S1P1 agonist	CVD	1
	SAR407899	Rho kinase inhibitor	Microvascular Angina	2
	Mavacamten[3]	Myosin Inhibitor	oHCM	3
	Mavacamten[3]	Myosin Inhibitor	noHCM	2
Immunology	SAR439794[3]	TLR4 agonist	Peanut Allergy	1
	GZ389988	TRKA antagonist	Osteoarthritis	2

Discontinued 25 projects in research

oHCM= obstructive Hypertrophic Cardiomyopathy; noHCM= non obstructive Hypertrophic Cardiomyopathy

(1) Transferred to partner, Medicines for Malaria Venture

(2) Discontinuation contingent upon identification of out-licensing partner

(3) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

Accelerating investment behind prioritized projects

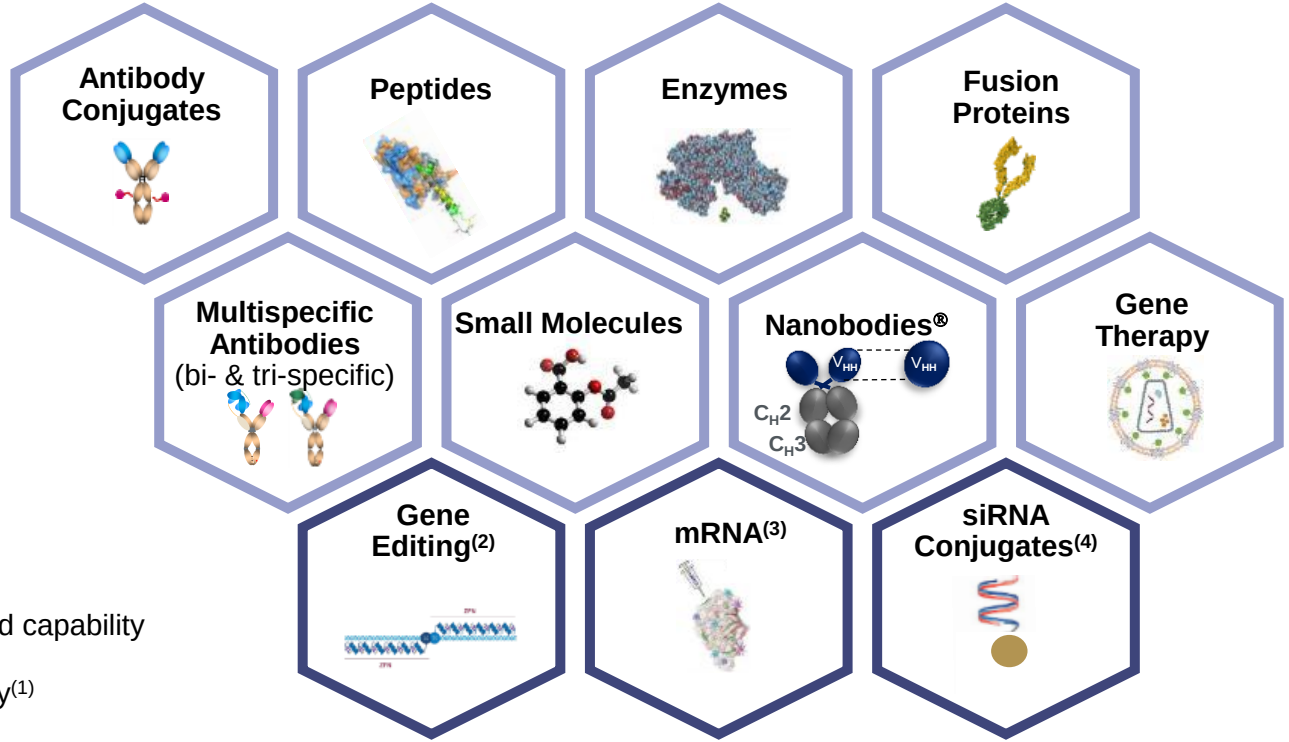
	Pre-Proof of Concept		Post-Proof of Concept	
Oncology	isatuximab	Solid Tumors and Lymphoma		
	anti-CD3-CD123	Leukemia	isatuximab	Relapse Refractory Multiple Myeloma
	SERD	Metastatic Breast Cancer	anti-CEACAM5-ADC	Lung Cancer
	anti-MUC16xCD3[1]	Ovarian Cancer		
	anti-BCMAxCD3[1]	Multiple Myeloma		
	anti-TGF-β mAb	Solid Tumors mono & combo		
Rare Disease	venglustat	ADPKD, GM2 Gangliosidosis	venglustat	Gaucher Disease Type 3
Neurology	BTK inhibitor[2]	Multiple Sclerosis		
	venglustat	Parkinson's Disease - GBA mutation		
Immunology	anti-IL33 mAb	Asthma, COPD, AD		
Rare Blood Disorder	sutimlimab	Immune Thrombocyopenic Purpura	rFVIIIFc-vWF-XTEN	Hemophilia A
			sutimlimab	Cold Agglutinin Disease
Vaccines	Next Gen PCV	Pneumococcal Conjugate Vaccine	RSV mAb[2]	Respiratory Syncytial Virus

AD= Atopic Dermatitis; ADPKD= Autosomal Dominant Polycystic Kidney Disease; COPD= Chronic Obstructive Pulmonary Disease; SERD= Selective Estrogen Receptor Degrader

(1) Regeneron asset for which Sanofi had opt-in rights

(2) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

Breadth of therapeutic platforms enables science driven approach for selecting the right tool for the right target

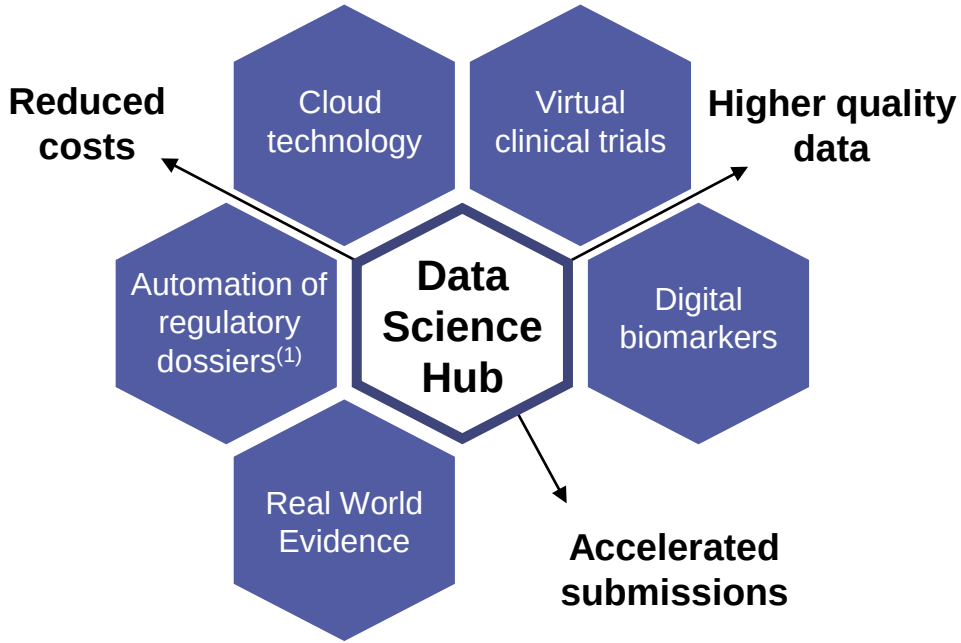


(1) Not established internally
(2) In collaboration with Sangamo
(3) In collaboration with BioNtech
(4) In collaboration with Alnylam

Leveraging digital across R&D to accelerate development and reduce costs

- Integrating wearables to measure additional clinical parameters (e.g. sleep, activity, etc.)
- Accelerated regulatory filings through automated reports
- Clinical trial protocols leveraging e-health records
- Patient recruitment through online channels to reduce time
- Potentially eliminate need for placebo in studies (Real World Evidence)

Sanofi: applying data science, machine learning and AI



AI= Artificial Intelligence
(1) Clinical Study Reports and other regulatory documents

Sanofi continues to advance its innovative oncology programs across multiple tumor types

	Commercial	R&D	
Dermatology	LIBTAYO (cemiplimab-rwlc)	TGF-β Cytokine mRNA mono and combo(2)	LIBTAYO (cemiplimab-rwlc)
Hematology	MOZOBIL (plerixafor injection) Clolar (clofarabine injection) Fludara (fludarabine phosphate) ELITEK (rasburicase)	Isatuximab BCMAxCD3(1) Multi-specific TCE(4) Next Gen Anti-CD38	CD123xCD3 CD38xTCE Isatuximab and cemiplimab combinations
Breast cancer	TAXOTERE (docetaxel)	SERD Targeted TCE	
Prostate cancer	JEVTANA cabazitaxel	Isatuximab and cemiplimab combinations	
Lung	TAXOTERE (docetaxel)	TGF-β CEACAM5-ADC SHP-2(3)	LIBTAYO (cemiplimab-rwlc)
Other cancers	ZALTRAP (ziv-aflibercept) Eloxatine OXALIPLATINE 5 mg/ml	MUC-16xCD3(1) Cytokine mRNA(2) Novel ADC-Immuno Multi-specific Ab/Nb(4)	Novel ADC-Cytotoxic Multi-specific TCE(4) NKCE(5) TGF-β mono & combo LIBTAYO (cemiplimab-rwlc)

Novel assets in immuno-oncology

- ✓ **T-cell engagers**
  “Off-the-shelf” IO agents
- ✓ **Ablynx nanobodies**
  New IO platform
- ✓ **Tri- and bi-specific**
  Internal and external assets
- ✓ **Novel combinations**
  TGF-β and CD38

Except for the U.S. FDA’s approval of Libtayo® for advanced CSCC, safety and efficacy of Libtayo® has not been fully evaluated by any regulatory authority and is not approved
Collaboration with REGN and sales consolidated by REGN. TCE= T Cell Engager; NKCE= NK Cell Engager; IO= immuno-oncology
(1) Regeneron asset for which Sanofi has opt-in rights
(2) Collaboration with BioNTech
(3) Collaboration with Revolution Medicine
(4) Ablynx nanobody platform
(5) Natural Killer Cell Engager- Collaboration with Innate Pharma

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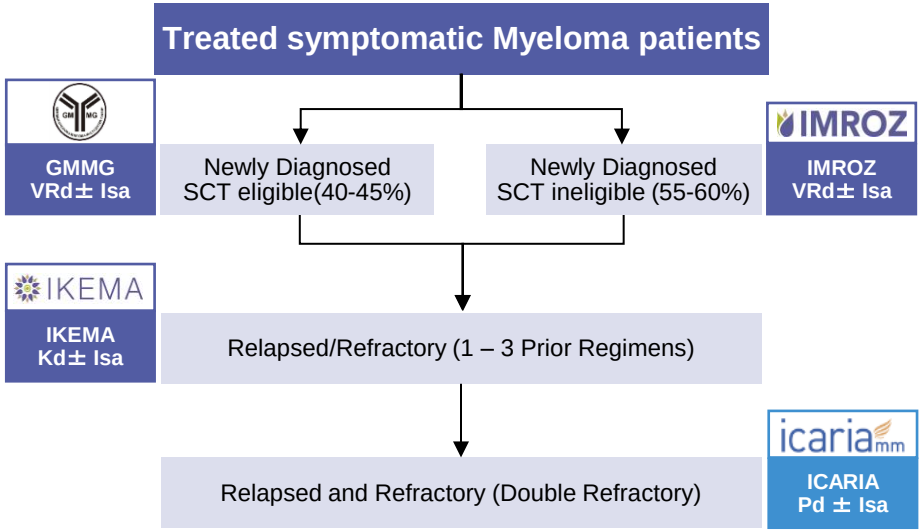
Isatuximab, a fully owned anti-CD38 mAb, met primary endpoint of prolonging PFS in Pivotal ICARIA study

- First Phase 3 trial to evaluate adding a mAb to pomalidomide/dexamethasone treatment regimen
- Phase 3 trials address MM treatment continuum(1)
  - Targeted indications in combination with current and future standard-of-care regimens across lines of therapy
  - Exploring differentiated MoA and optimized infusion time
- Investigating IO/IO combinations(2) in other hematological malignancies and solid tumors
- U.S. BLA(3) filing expected in Q2 2019

Competitive development program with 4 Phase 3 trials



The safety and efficacy of isatuximab in pateints with MM has not been evaluated by any regulatory authority.Patients numbers refer to the epidemiology of each stage of disease, DoT refers to the usual DoT for each stage of disease.
MM= Mulitple Myeloma; RRMM= Relapsed/Refractory Multiple Myeloma; PFS= Progression Free Survival
(1) Ongoing Phase 3 program in MM includes ICARIA, IKEMA, IMROZ and GMMG trials
(2) Isatuximab is being studied in combination with cemiplimab (anti-PD-1) or atezolizumab (anti-PD-L1) in 11 different malignancies
(3) Biologics License Application

Anti-CEACAM5 achieved positive PoC; broad development program expected to start by the end of 2019

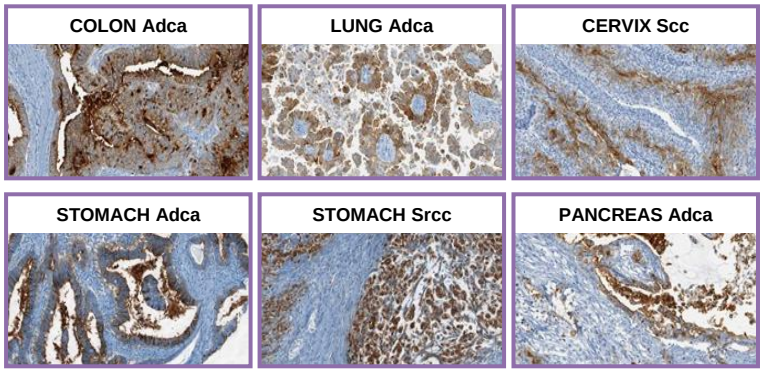
Lung cancer is the leading cause of cancer-related mortality

- High CEACAM5 expressers, represent ~20% of lung cancer

CEACAM5-positive tumor landscape

- Antibody drug conjugate comprised of cytotoxic agent, linker and humanized antibody
- Proof of concept achieved in a subgroup of lung cancer
  - Phase 1/2 study(1) in heavily pre-treated high CEACAM5 expressers
  - Demonstrated competitive ORR and DoR in 3L setting
  - Most common ADRs: ocular toxicity (reversible without treatment discontinuation), minimal hematological/nerve toxicity

High expression of CEACAM5 in several tumor types(2)



ADC= Antibody Drug Conjugate; ADR= Adverse Drug Reaction; ORR= Overall Response Rate; DoR= Duration of Response
(1) Study size: n=27
(2) Pre-Clinical data

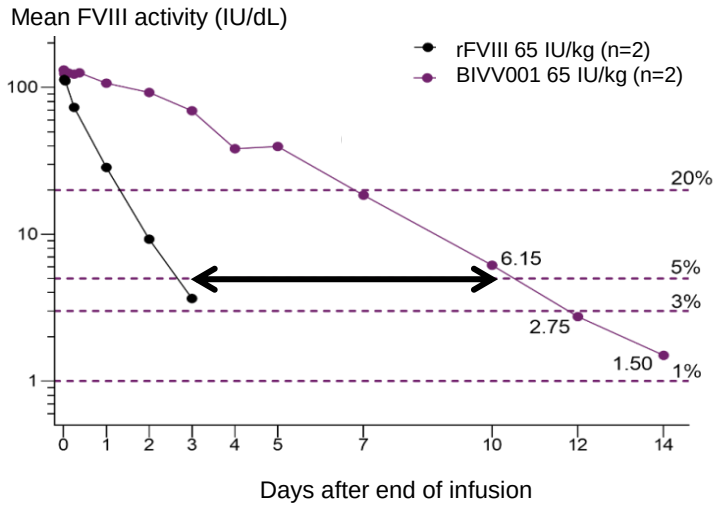
BIVV001 potential best in class rFVIII replacement therapy for Hemophilia A; proof of concept achieved

Factor replacement therapy is fundamental to hemophilia care

- Opportunity to reduce frequency of administration of factor replacement therapy while maintaining overall protection(1)

BIVV001: rFVIIIFc-vWF-XTEN

- vWF half-life independent recombinant Factor VIII
  - Replaces missing clotting factor with extended half-life version of B-domain deleted Factor VIII
  - MoA offers well-characterized safety profile
- Potential to provide more optimal, extended protection for people with severe hemophilia A
  - Mean half-life of 38-44 hours
  - Once weekly dosing for all patients
- Phase 3 expected to start in H2 2019



rFVIII= recombinant Factor VIII; vWF= von Willebrand Factor; MoA= Mechanism of Action
(1) Overall protection, includes protection during injury, emergencies, perioperative

Sutimlimab potential to address multiple diseases of the complement pathway

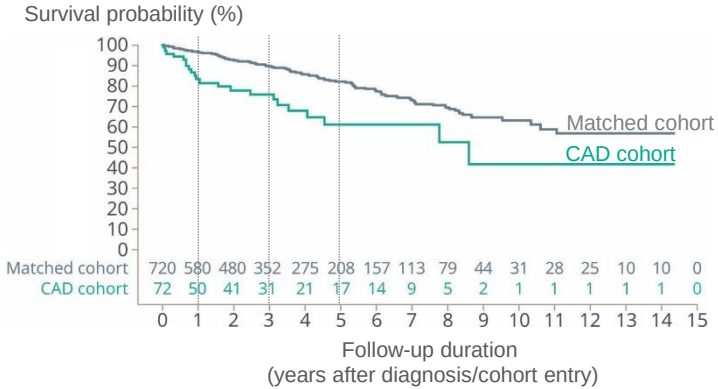
1st molecule designed to directly target classical complement pathway (C1s)

- Potential to address diverse diseases across hematology, dermatology and antibody-mediated rejection

Sutimlimab in hematology

- Cold agglutinin disease associated with high risk mortality
  - Mortality risk more than doubled in first 5 years from diagnosis
  - ~10,000 U.S. and EU patients
  - Sutimlimab results in rapid resolution of hemolysis(1)
  - Phase 3 results expected in H2 2019 (2)
- First program to assess complement inhibition in ITP
  - ~ 50% ITP patients may have complement activating autoimmune-antibodies
  - Proof of concept ongoing in refractory ITP patients

Patients with CAD and matched comparison cohort
1999-2013



CAD= Cold Agglutinin Disease; ITP= Immune Thrombocyopenic Purpura
(1) Jäger et al Blood 2018
(2) CARDINAL pivotal trial

Venglustat has potential to address multiple diseases

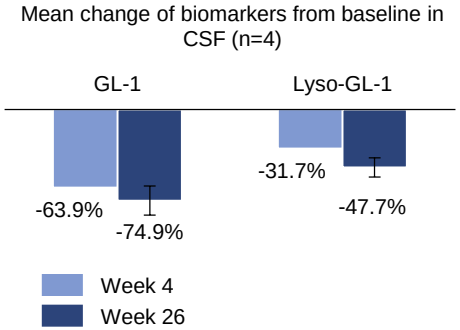
Oral substrate reduction therapy that penetrates blood brain barrier[4]

- By inhibiting GCS, venglustat has the potential for broad therapeutic applicability across multiple indications[1]

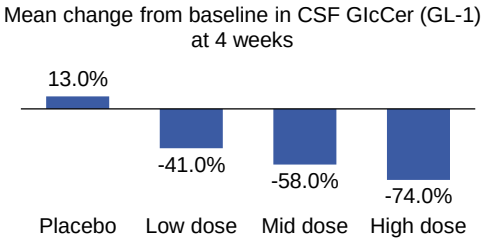
ADPKD: Phase 2/3 pivotal trial

- Associated with progression to ESRD
- Inhibition of GCS reduces kidney cyst growth and preserves kidney function[2]
- 110,000 U.S. patients, 170,000 EU patients
- FDA filing expected in 2021

Gaucher Disease type 3: PoC achieved[3]



PD with GBA mutation: Interim Phase 2 data



- 50,000 U.S. patients (~5% of PD)
- GBA mutations: largest genetic risk factor for developing PD

Safety and efficacy have not been established by any regulatory authority
GCS= Glucosylceramide Synthase; ADPKD= Autosomal Dominant Polycystic Disease; PD= Parkinson's Disease; ESRD= End Stage Renal Disease; LSD= Lysosomal Storage Disease

(1) Also in phase 2 for Fabry's Disease and pre-POC for GM2 gangliosidosis
(2) Genetic models of ADPKD
(3) In combination with ERT
(4) Non-human data

Anti-RSV mAb(1) opportunity to be the first preventative medicine for all infants against RSV

RSV is most common cause of infant lower respiratory tract infections

- ~30 million children globally affected per year
- No vaccine or prophylactic drug available for all infants

Anti-RSV mAb: SP0232(1) is highly potent

- Targets all infants entering first RSV season and high risk infants for first two seasons
  - One dose provides protection for entire season
- Positive phase 2b efficacy and safety
  - Reduced incidence of RSV-confirmed medically-attended LRTI and hospitalization in healthy preterm infants
- Received U.S. FDA break-through designation and PRIME in Europe

IC_{50} ng/ml

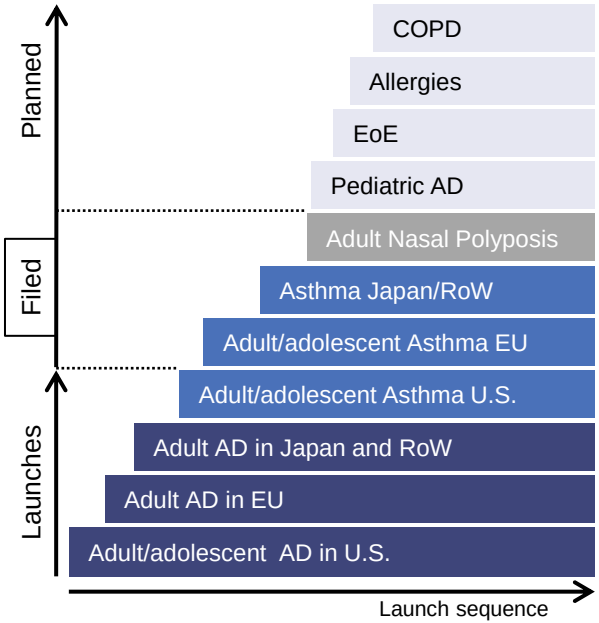
mAb	RSV A	RSV B
SP0232	2.2	1.8
D25(2)	10.8	7.1
motavizumab	45.4	39.2
palivizumab	416.8	309.3

~150-fold increase in potency(3)

RSV= Respiratory Syncytial Virus; LRTI= lower respiratory tract infection
(1) Collaboration with Medimmune, also known as as MEDI8897
(2) D25 is the parental antibody to SP0232
(3) In vitro

Potential to expand Dupixent® use in multiple type 2 co-morbid diseases due to its unique mechanism of action

Launches and planned growth opportunities



Approved in diseases with high unmet medical need

CRSwNP
- Current SoC is surgery
- sBLA submitted

Moderate-to-severe Asthma
- Biologic with most differentiated label in the U.S.
- EU and Japan decision expected in H1 2019

Moderate-to-severe Atopic Dermatitis
- First U.S. approved biologic
- FDA action date March 11th in adolescents

Commercial potential based on addressable population

- Affects ~2-4% of adults(1)
- ~250K sinus surgeries in U.S. and EU5

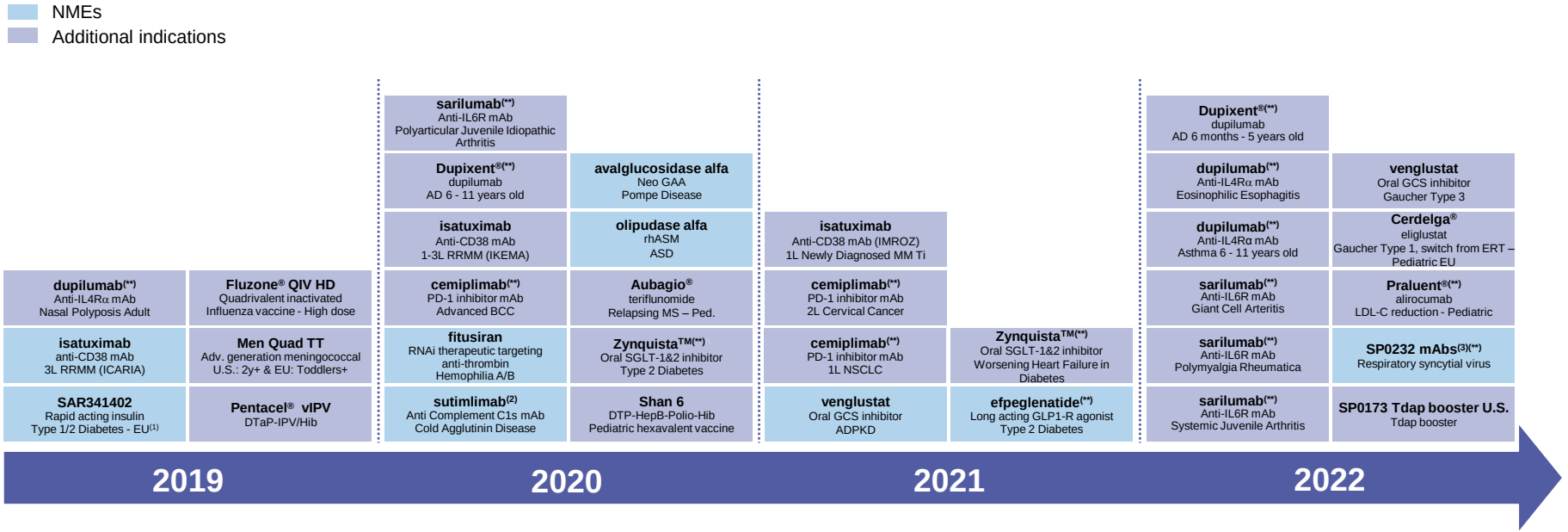
- 4.9m U.S. severe persistent population
- 900K eligible for a biologic
- Biologics market penetration ~10%

- ~300K U.S. adults most in need
- U.S. adolescents ~1/2 size of U.S. adult patient population

CRSwNP= Chronic Rhinosinusitis with Nasal Polyps; SoC= Standard of Care; COPD= Chronic Obstructive Pulminary Disease; EoE= Eosinophilic Esophagitis; RoW= Rest of World; AD= Atopic Dermatitis, Except with respect to U.S. approval for adult AD and asthma and approvals in EU and certain other countries for adult AD and in COPD, EoE, CRSwND and Allergies, the safety and efficacy for the uses described above have not been reviewed/approved by any regulatory authority, Dupixent® in collaboration with Regeneron

(1) Incidence across U.S., EU and Japan- Settipane 1977, Klossek 2005, Hedman 1999

9 NMEs and 25 additional indications potentially submitted between 2019-2022



Projects within a specified year are not arranged by submission timing
ASD= Acid Sphingomyelinase Deficiency; ADPKD= Autosomal Dominant Polycystic Kidney Disease
(1) Submission strategy for the U.S. under evaluation
(2) Also known as BIVV009
(3) Also known as MEDI8897
(**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

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Key Messages

Investment increasingly shifting towards Specialty Care and Vaccines

Portfolio prioritization leading to multiple project discontinuations and accelerated investment behind key assets

Continuing transformation of Sanofi R&D activities with wholly-owned projects rapidly advancing

Leveraging cutting-edge therapeutic platforms and digital enablers to accelerate innovation and improve efficiency

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Key highlights

Olivier Brandicourt
Chief Executive Officer

Strategic transformation started to deliver in 2018

- ✓ Continued business momentum in Q4 supported by launches
- ✓ All full-year financial objectives met
- ✓ Important steps on reshaping through transactions in 2018(1)
- ✓ Significant advances in R&D

(1) Transactions in 2018 include the acquisitions of Bioverativ in March and Ablynx in June as well as the divestiture of the EU Generics business in September

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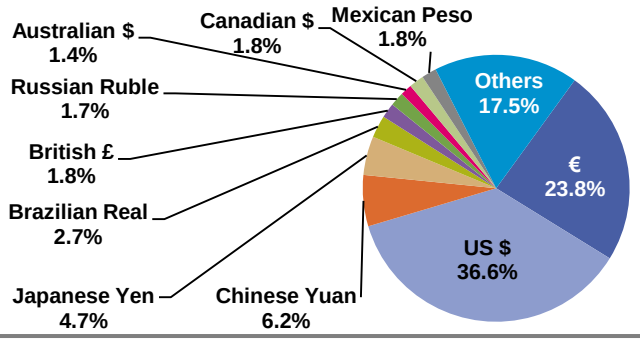
Finance appendices

2019 currency sensitivity and Q4 2018 currency exposure

2019 Business EPS Currency Sensitivity

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	+ 0.05 USD/EUR	- EUR 0.10
Japanese Yen	+ 5 JPY/EUR	- EUR 0.02
Chinese Yuan	+ 0.2 CNY/EUR	- EUR 0.02
Brazilian Real	+ 0.4 BRL/EUR	- EUR 0.01
Russian Ruble	+ 10 RUB/EUR	- EUR 0.03

Currency Exposure on Q4 2018 Sales



Currency Average Rates

	Q4 2017	Q4 2018	*% change*
EUR/USD	1.18	1.14	*-3.1%*
EUR/JPY	133.0	128.82	*-3.1%*
EUR/CNY	7.79	7.90	*+1.4%*
EUR/BRL	3.83	4.35	*+13.6%*
EUR/RUB	68.80	75.91	*+10.3%*

Business Net Income Statement – Q4 2018

Fourth Quarter 2018	Pharmaceuticals			Consumer Healthcare			Vaccines			Others [2]			Total Group		
€ million	Q4 2018	Q4 2017 [1]	Change	Q4 2018	Q4 2017 [1]	Change	Q4 2018	Q4 2017 [1]	Change	Q4 2018	Q4 2017 [1]	Change	Q4 2018	Q4 2017 [1]	Change
Net sales	**6,276**	**6,119**	***2.6%***	**1,194**	**1,188**	***0.5%***	**1,527**	**1,385**	***10.3%***	**-**	**-**	**-**	**8,997**	**8,692**	***3.5%***
Other revenues	67	66	*1.5%*	-	-	-	262	224	*17.0%*	-	-	-	329	290	*13.4%*
Cost of Sales	(1,820)	(1,760)	*3.4%*	(406)	(423)	*(4.0%)*	(866)	(841)	*3.0%*	(46)	(75)	*(38.7%)*	(3,138)	(3,099)	*1.3%*
As % of net sales	*(29.0%)*	*(28.8%)*		*(34.0%)*	*(35.6%)*		*(56.7%)*	*(60.7%)*		-			*(34.9%)*	*(35.7%)*	
Gross Profit	**4,523**	**4,425**	***2.2%***	**788**	**765**	***3.0%***	**923**	**768**	***20.2%***	**(46)**	**(75)**	***(38.7%)***	**6,188**	**5,883**	***5.2%***
As % of net sales	***72.1%***	***72.3%***		***66.0%***	***64.4%***		***60.4%***	***55.5%***					***68.8%***	***67.7%***	
Research and development expenses	(1,311)	(1,067)	*22.9%*	(48)	(41)	*17.1%*	(162)	(166)	*(2.4%)*	(157)	(190)	*(17.4%)*	(1,678)	(1,464)	*14.6%*
As % of net sales	*(20.9%)*	*(17.4%)*		*(4.0%)*	*(3.5%)*		*(10.6%)*	*(12.0%)*					*(18.7%)*	*(16.8%)*	
Selling and general expenses	(1,485)	(1,523)	*(2.5%)*	(409)	(406)	*0.7%*	(210)	(197)	*6.6%*	(617)	(573)	*7.7%*	(2,721)	(2,699)	*0.8%*
As % of net sales	*(23.7%)*	*(24.9%)*		*(34.3%)*	*(34.2%)*		*(13.8%)*	*(14.2%)*		-			*(30.2%)*	*(31.1%)*	
Other operating income/expenses	(123)	(19)		16	2		(1)	(100)		(40)	3	*(1433.3%)*	(148)	(114)	
Share of profit/loss of associates* and joint-ventures	120	109		-	1		1	(1)		-	-		121	109	
Net income attributable to non controlling interests	(21)	(26)		(1)	(3)		-	(1)		-	-		(22)	(30)	
Business operating income	**1,703**	**1,899**	***(10.3%)***	**346**	**318**	***8.8%***	**551**	**303**	***81.8%***	**(860)**	**(835)**	***3.0%***	**1,740**	**1,685**	***3.3%***
As % of net sales	***27.1%***	***31.0%***		***29.0%***	***26.8%***		***36.1%***	***21.9%***					***19.3%***	***19.4%***	
Financial income & expenses													(60)	(73)	
Income tax expenses													(316)	(287)	
*Tax rate***													*20.0%*	*18.7%*	
Business net income													**1,364**	**1,325**	***2.9%***
As % of net sales													***15.2%***	***15.2%***	
Business earnings / share (in €)* **													**1.10**	**1.06**	***3.8%***

* Net of tax.
** Determined on the basis of Business income before tax, associates, and non-controlling interests.
*** Based on an average number of shares outstanding of 1,245.6 million in the fourth quarter of 2018 and 1,252.9 million in the fourth quarter of 2017.
(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.
(2) Other includes the cost of global support functions (Medical Affairs, External Affairs, Finance, Human Resources, Information Solution & Technologies, Sanofi Business Services, etc…)

Business Net Income Statement – FY 2018

2018	Pharmaceuticals			Consumer Healthcare			Vaccines			Others [2]			Total Group		
€ million	**2018**	**2017 [1]**	*Change*	**2018**	**2017 [1]**	*Change*	**2018**	**2017 [1]**	*Change*	**2018**	**2017 [1]**	*Change*	**2018**	**2017 [1]**	*Change*
Net sales	**24,685**	**25,173**	***(1.9%)***	**4,660**	**4,798**	***(2.9%)***	**5,118**	**5,101**	***0.3%***	**-**	**-**	**-**	**34,463**	**35,072**	***(1.7%)***
Other revenues	252	287	*(12.2%)*	-	-	-	962	862	*11.6%*	-	-	-	1,214	1,149	*5.7%*
Cost of Sales	(6,738)	(6,766)	*(0.4%)*	(1,539)	(1,612)	*(4.5%)*	(2,854)	(2,798)	*2.0%*	(190)	(271)	*(29.9%)*	(11,321)	(11,447)	*(1.1%)*
As % of net sales	*(27.3%)*	*(26.9%)*		*(33.0%)*	*(33.6%)*		*(55.8%)*	*(54.9%)*					*(32.8%)*	*(32.6%)*	
Gross Profit	**18,199**	**18,694**	***(2.6%)***	**3,121**	**3,186**	***(2.0%)***	**3,226**	**3,165**	***1.9%***	**(190)**	**(271)**	***(29.9%)***	**24,356**	**24,774**	***(1.7%)***
As % of net sales	***73.7%***	***74.3%***		***67.0%***	***66.4%***		***63.0%***	***62.0%***					***70.7%***	***70.6%***	
Research and development expenses	(4,572)	(4,056)	*12.7%*	(143)	(123)	*16.3%*	(555)	(557)	*(0.4%)*	(624)	(736)	*(15.2%)*	(5,894)	(5,472)	*7.7%*
As % of net sales	*(18.5%)*	*(16.1%)*		*(3.1%)*	*(2.6%)*		*(10.8%)*	*(10.9%)*					*(17.1%)*	*(15.6%)*	
Selling and general expenses	(5,431)	(5,649)	*(3.9%)*	(1,534)	(1,645)	*(6.7%)*	(710)	(728)	*(2.5%)*	(2,156)	(2,050)	*5.2%*	(9,831)	(10,072)	*(2.4%)*
As % of net sales	*(22.0%)*	*(22.4%)*		*(32.9%)*	*(34.3%)*		*(13.9%)*	*(14.3%)*					*(28.5%)*	*(28.7%)*	
Other operating income/expenses	(37)	34		101	94		(4)	(107)		(124)	(17)	*629.4%*	(64)	4	
Share of profit/loss of associates* and joint-ventures	425	212		1	1		(3)	1		-	-		423	214	
Net income attributable to non controlling interests	(96)	(110)		(10)	(15)		-	-		-	-		(106)	(125)	
Business operating income	**8,488**	**9,125**	***(7.0%)***	**1,536**	**1,498**	***2.5%***	**1,954**	**1,774**	***10.1%***	**(3,094)**	**(3,074)**	***0.7%***	**8,884**	**9,323**	***(4.7%)***
As % of net sales	***34.4%***	***36.2%***		***33.0%***	***31.2%***		***38.2%***	***34.8%***					***25.8%***	***26.6%***	
Financial income & expenses													(271)	(273)	
Income tax expenses													(1,794)	(2,107)	
*Tax rate***													*21.6%*	*23.5%*	
Business net income													**6,819**	**6,943**	***(1.8%)***
As % of net sales													***19.8%***	***19.8%***	
Business earnings / share (in €)***													**5.47**	**5.52**	***(0.9%)***

* Net of tax.
** Determined on the basis of Business income before tax, associates, and non-controlling interests.
*** Based on an average number of shares outstanding of 1,247.1 million in 2018 and 1,256.9 million in 2017.
(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.
(2) Other includes the cost of global support functions (Medical Affairs, External Affairs, Finance, Human Resources, Information Solution & Technologies, Sanofi Business Services, etc…).

Consolidated Income Statements

€ million	Q4 2018	Q4 2017 (1)	2018	2017 (1)
Net sales	**8,997**	**8,692**	**34,463**	**35,072**
Other revenues	329	290	1,214	1,149
Cost of sales	(3,138)	(3,089)	(11,435)	(11,613)
Gross profit	**6,188**	**5,893**	**24,242**	**24,608**
Research and development expenses	(1,678)	(1,464)	(5,894)	(5,472)
Selling and general expenses	(2,730)	(2,699)	(9,859)	(10,072)
Other operating income	83	10	484	237
Other operating expenses	(231)	(124)	(548)	(233)
Amortization of intangible assets	(634)	(442)	(2,170)	(1,866)
Impairment of intangible assets	(426)	(262)	(718)	(293)
Fair value remeasurement of contingent consideration	-	15	117	(159)
Restructuring costs and similar items	(765)	(118)	(1,480)	(731)
Other gains and losses, and litigation	(7)	(61)	502	(215)
Operating income	**(200)**	**748**	**4,676**	**5,804**
Financial expenses	(103)	(99)	(435)	(420)
Financial income	43	26	164	147
Income before tax and associates and joint ventures	**(260)**	**675**	**4,405**	**5,531**
Income tax expense	243	(699)	(481)	(1,722)
Share of profit/(loss) of associates and joint ventures	301	21	499	85
Net income excluding the exchanged/held-for-exchange Animal Health business	**284**	**(3)**	**4,423**	**3,894**
Net income/(loss) of the exchanged/held-for-exchange Animal Health business (2)	(9)	159	(13)	4,643
Net income	**275**	**156**	**4,410**	**8,537**
Net income attributable to non-controlling interests	21	30	104	121
Net income attributable to equity holders of Sanofi	**254**	**126**	**4,306**	**8,416**
Average number of shares outstanding (million)	1,245.6	1,252.9	1,247.1	1,256.9
Earnings per share excluding the exchanged/held-for-exchange Animal Health business (in euros)	**0.21**	**(0.03)**	**3.46**	**3.00**
IFRS Earnings per share (in euros)	**0.20**	**0.10**	**3.45**	**6.70**

(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.
(2) In 2017, net gain resulting from the divestment of the Animal Health business presented separately in accordance with IFRS 5, Non current assets held-for-sale and discontinued operations

Reconciliation of Consolidated Net Income Attributable to Equity Holders of Sanofi to Business Net Income – Q4 2018

€ million	Q4 2018	Q4 2017 [1]	Change
Net income attributable to equity holders of Sanofi	**254**	**126**	***101.6%***
Amortization of intangible assets [2]	634	442	
Impairment of intangible assets	426	262	
Fair value remeasurement of contingent consideration	-	(15)	
Expenses arising from the impact of acquisitions on inventories	-	(10)	
Other expenses related to business combinations	9	-	
Restructuring costs and similar items	765	118	
Other gains and losses, and litigation	7	61	
Tax effect of items listed above[3]:	(503)	(219)	
Amortization and impairment of intangible assets	*(241)*	*(242)*	
Fair value remeasurement of contingent consideration	*3*	*37*	
Expenses arising from the impact of acquisitions on inventories	-	*4*	
Other expenses related to business combinations	*(2)*	-	
Restructuring costs and similar items	*(220)*	*82*	
Other tax effects	*(43)*	*(100)*	
Other tax items [4]	(56)	631	
Share of items listed above attributable to non-controlling interests	(1)	-	
Restructuring costs of associates and joint-ventures, and expenses arising from the impact of acquisitions on associates and joint-ventures	(180)	88	
Animal Health items [5]	9	(159)	
Business net income	**1,364**	**1,325**	***2.9%***
IFRS earnings per share [6] (in euros)	**0.20**	**0.10**	

(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.
(2) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €520m in the fourth quarter of 2018 and €407m in the fourth quarter of 2017.
(3) In 2017, this line includes the impact of changes in corporate income tax rates, mainly in France (25% standard rate effective as of January 1, 2022).
(4) In 2018, adjustments made to our preliminary analysis of the direct and indirect impacts of US tax reform. In 2017, includes +562m€ litigation gain on French 3% tax on dividends and temporary exceptional surcharge and US tax reform (-1,193)m€.
(5) In 2017, net gain resulting from divestment of the Animal Health business presented separately in accordance with IFRS 5, Non current assets held-for-sale and discontinued operations (including the closing in Mexico in Q4-2018).
(6) Based on an average number of shares outstanding of 1,245. million in the second quarter of 2018 and 1,252.9 million in the second quarter of 2017.

Reconciliation of Consolidated Net Income Attributable to Equity Holders of Sanofi to Business Net Income – FY 2018

€ million	2018	2017 [1]	Change
Net income attributable to equity holders of Sanofi	**4,306**	**8,416**	***(48.8%)***
Amortization of intangible assets [2]	2,170	1,866	
Impairment of intangible assets	718	293	
Fair value remeasurement of contingent consideration	(117)	159	
Expenses arising from the impact of acquisitions on inventories	114	166	
Other expenses related to business combinations	28	-	
Restructuring costs and similar items	1,480	731	
Other gains and losses, and litigation [3]	(502)	215	
Tax effect of items listed above[4]:	(1,125)	(1,127)	
Amortization and impairment of intangible assets	*(692)*	*(719)*	
Fair value remeasurement of contingent consideration	*38*	*4*	
Expenses arising from the impact of acquisitions on inventories	*(27)*	*(52)*	
Other expenses related to business combinations	*(6)*	-	
Restructuring costs and similar items	*(435)*	*(134)*	
Other tax effects	*(3)*	*(226)*	
Other tax items [5]	(188)	742	
Share of items listed above attributable to non-controlling interests	(2)	(4)	
Restructuring costs of associates and joint-ventures, and expenses arising from the impact of acquisitions on associates and joint-ventures	(76)	129	
Animal Health items [6]	13	(4,643)	
Business net income	**6,819**	**6,943**	***(1.8%)***
IFRS earnings per share [7] (in euros)	**3.45**	**6.70**	

(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.
(2) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combination: €1,957m in 2018 and €1,726m in 2017.
(3) In 2018, of which gain resulting from the European Generics business divestiture (+510 m€). In 2017, mainly adjustment to vendor's guarantee provision in connection with past divestment.
(4) In 2017, this line includes the impact of changes in corporate income tax rates, mainly in France (26% standard rate effective as of January 1, 2022).
(5) In 2018, adjustments made to our preliminary analysis of the direct and indirect impacts of US tax reform. In 2017, includes French 3% tax on dividends and temporary exceptional surcharge (+451m€) and US tax reform (-1,193m€).
(6) In 2017, net gain resulting from the divestment of the Animal Health business presented separately in accordance with IFRS 5, Non current assets held-for-sale and discontinued operations.
(7) Based on an average number of shares outstanding of 1,247.1 million in 2018 and 1,256.9 million in 2017.

Change in net debt

€ million	2018	2017[1]
Business net income	**6,819**	**6,943**
Depreciation, amortization and impairment of property, plant and equipment and software	1,208	1,349
Gains and losses on disposals of non-current assets, net of tax	(284)	(127)
Other non cash items	91	728
Operating cash flow before changes in working capital [2]	**7,834**	**8,893**
Changes in working capital [2]	(1,099)	(589)
Acquisitions of property, plant and equipment and software	(1,674)	(1,500)
Free cash flow [2]	**5,061**	**6,804**
Acquisitions of intangible assets excluding software	(312)	(398)
Acquisitions of investments in consolidated undertakings including assumed debt	(13,051)	(1,063)
Restructuring costs and similar items paid	(894)	(754)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets net of tax	2,120	408
Issuance of Sanofi shares	177	319
Dividends paid to shareholders of Sanofi	(3,773)	(3,710)
Acquisition of treasury shares	(1,104)	(2,158)
Transactions with non-controlling interests including dividends	(91)	(52)
Foreign exchange impact	(288)	434
Net cash-flow from the swap between BI - CHC and Sanofi Animal Health business	(6)	3,535
Other items	(306)	(292)
Change in net debt	**(12,467)**	**3,073**

(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.
(2) Excluding restructuring costs and similar items.

Simplified consolidated Balance Sheet – FY 2018

ASSETS € million	Dec 31, 2018	Dec 31, 2017[1]	LIABILITIES & EQUITY € million	Dec 31, 2018	Dec 31, 2017[1]
			Equity attributable to equity holders of Sanofi	58,876	58,070
			Equity attributable to non-controlling interests	159	169
			Total equity	**59,035**	**58,239**
			Long-term debt	22,007	14,326
Property, plant and equipment	9,651	9,579	Non-current liabilities related to business combinations and to non-controlling interests	963	1,026
Intangible assets (including goodwill)	66,124	53,344	Provisions and other non-current liabilities	8,613	9,154
Non-current financial assets & investments in associates and deferred tax assets	10,986	10,502	Deferred tax liabilities	3,414	1,605
Non-current assets	**86,761**	**73,425**	**Non-current liabilities**	**34,997**	**26,111**
			Accounts payable & Other current liabilities	14,402	13,845
Inventories, accounts receivable and other current assets	17,654	16,039	Current liabilities related to business combinations and to non-controlling interests	341	343
Cash and cash equivalents	6,925	10,315	Short-term debt and current portion of long-term debt	2,633	1,275
Current assets	**24,579**	**26,354**	**Current liabilities**	**17,376**	**15,463**
Assets held for sale or exchange	68	34	**Liabilities related to assets held for sale or exchange**	-	-
TOTAL ASSETS	**111,408**	**99,813**	**TOTAL LIABILITIES & EQUITY**	**111,408**	**99,813**

(1) Includes the effects of first-time application of IFRS 15 on revenue recognition.

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Research & Development appendices

R&D Pipeline – New Molecular Entities(*)

Phase 1
(Total:17)

SAR441344
Anti-CD40L mAb
Multiple Sclerosis

O **REGN5458**(1)
Anti BCMA-CD3 bispecific mAb
RRMM

O **REGN4018**(1)
Anti MUC16-CD3 bispecific mAb
Ovarian Cancer

SAR408701
Maytansin-loaded anti-CEACAM5 mAb
Solid Tumors

SAR439459
anti-TGFβ mAb
Advanced Solid Tumors

SAR439859
SERD
Metastatic Breast Cancer

SAR442720(2)
SHP2 inhibitor
Solid Tumors

SAR440234
T cell engaging multi spe mAb
Leukemia

SAR441000(3)
Cytokine mRNA
Melanoma

BIVV001(4)
rFVIIIFc – vWF – XTEN(5)
Hemophilia A

ST400(6)
ZFN Gene Editing Technology
Beta thalassemia

BIVV003(6)
ZFN Gene Editing Technology
Sickle Cell Disease

SAR443060(7)
RIPK1 inh(8)
Amyotrophic Lateral Sclerosis

SAR442168(9)(**)
BTK inhibitor
Multiple Sclerosis

Herpes Simplex Virus Type 2
HSV-2 vaccine

Respiratory syncytial virus
Infants
Vaccines

Next Gen PCV
Pneumococcal Conjugate
Vaccines

Phase 2
(Total:7)

SAR440340(**)
Anti-IL33 mAb
Atopic Dermatitis

SAR156597
IL4/IL13 bi-specific mAb
Systemic Scleroderma

R **olipudase alfa**
rhASM
Acid Sphingomyelinase Deficiency(10)

SAR339375(11)
miRNA-21
Alport Syndrome

SAR422459(**)(12)
ABCA4 gene therapy
Stargardt Disease

HIV
Viral vector prime & rgp120 boost vaccine

SP0232(13)(**)
Respiratory syncytial virus
Monoclonal Antibody

Phase 3
(Total:7)

isatuximab
Anti-CD38 mAb
3L Relapsing Refractory MM (ICARIA)

avalglucosidase alfa
Neo GAA
Pompe Disease

venglustat
Oral GCS inhibitor
ADPKD(14)

fitusiran
RNAi therapeutic targeting anti-thrombin
Hemophilia A and B

sutimlimab(15)
Anti Complement C1s mAb
Cold Agglutinin Disease

SAR341402
Rapid acting insulin
Type 1/2 Diabetes

efpeglenatide(**)
Long-acting GLP-1 agonist
Type 2 Diabetes

Registration
(Total:2)

cemiplimab(**)
PD-1 inhibitor mAb
Advanced CSCC (EU)

ZynquistaTM(**)
Oral SGLT-1&2 inhibitor
Type 1 Diabetes (U.S./EU)

R Registrational Study (other than Phase 3)
O Opt-in rights products for which rights have not been exercised yet

- Immuno-inflammation
- Oncology
- Rare Diseases
- Rare Blood Disorders
- MS & Neuro
- Diabetes
- Cardiovascular & metabolism
- Vaccines

(1) Regeneron product for which Sanofi has opt-in rights
(2) Developed in collaboration with REVOLUTION Medicines; also known as RMC-4630
(3) Developed in collaboration with BioNtech
(4) Sanofi Product for which Sobi has opt-in rights
(5) Recombinant Coagulation Factor VIII Fc – von Willebrand Factor – XTEN Fusion protein
(6) Developed in collaboration with Sangamo
(7) Also known as DNL747
(8) Receptor-interacting serine/threonine-protein kinase 1
(9) Also known as PRN2246
(10) Also known as Niemann Pick type B
(11) Regulus product for which Sanofi has decided to opt-in
(12) Identification of out-licensing partner ongoing
(13) Also known as MEDI8897
(14) Autosomal Dominant Polycystic Kidney Disease
(15) Also Known as BIVV009
(*) Phase of projects determined by clinicaltrials.gov disclosure timing
(**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

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Additional Indications(*)

Phase 1 (Total:5)

- [O] **cemiplimab(**) + REGN4018(1)** — PD-1 inhibitor mAb + Anti-MUC16-CD3 bispecific mAb - Ovarian Cancer
- **SAR439859** — SERD + Palbociclib — Metastatic Breast Cancer
- **SAR439459 + cemiplimab(**)** — Anti-TGFβ mAb + PD-1 inhibitor mAb — Advanced Solid Tumors
- **sutimlimab(2)** — Anti Complement C1s mAb — Idiopathic Thrombocytopenic Purpura
- **SAR443060(3)** — RIPK1 inh(4) — Alzheimer's Disease

Phase 2 (Total:17)

- **dupilumab(**)** — Anti-IL4Rα mAb — Grass Immunotherapy
- [R] **sarilumab(**)** — Anti-IL6R mAb — Polyarticular Juvenile Idiopathic Arthritis
- **sarilumab(**)** — Anti-IL6R mAb — Systemic Juvenile Arthritis
- **SAR440340(**)** — Anti-IL33 mAb — COPD
- **SAR440340(**)** — Anti-IL33 mAb — Asthma
- **dupilumab (**)+ AR101** — Anti-IL4Rα mAb — Peanut Allergy - Pediatric
- [R] **cemiplimab(**)** — PD-1 inhibitor mAb — Advanced Basal Cell Carcinoma
- **isatuximab + cemiplimab(**)** — Anti-CD38 mAb + PD-1 inhibitor mAb — Relapsing Refractory MM
- **isatuximab + cemiplimab(**)** — Anti-CD38 mAb + PD-1 inhibitor mAb — Advanced Malignancies
- **isatuximab + cemiplimab(**)** — Anti-CD38 mAb + PD-1 inhibitor mAb — Lymphoma
- **isatuximab + atezolizumab(**)** — Anti-CD38 mAb + PD-L1 inhibitor mAb — Advanced Malignancies
- **isatuximab + atezolizumab(**)** — Anti-CD38 mAb + PD-L1 inhibitor mAb — Solid Tumors
- **venglustat** — Oral GCS inhibitor — Fabry Disease
- **venglustat** — Oral GCS inhibitor — Gaucher Type 3
- **venglustat** — Oral GCS inhibitor — Gaucher related Parkinson's Disease
- **Rabies VRVg** — Purified vero rabies vaccine
- **SP0173 Tdap booster US** — Tdap booster

Phase 3 (Total:23)

- **dupilumab(**)** — Anti-IL4Rα mAb — Asthma 6 - 11 years old
- **dupilumab(**)** — Anti-IL4Rα mAb — Nasal Polyposis
- **Dupixent®(**)** — dupilumab — Atopic Dermatitis 6 – 11 years old
- **Dupixent®(**)** — dupilumab — Atopic Dermatitis 6 months - 5 years old
- **dupilumab(**)** — Anti-IL4Rα mAb — Eosinophilic Esophagitis
- **sarilumab(**)** — Anti-IL6R mAb — Giant Cell Arteritis
- **sarilumab(**)** — Anti-IL6R mAb — Polymyalgia Rheumatica
- **cemiplimab(**)** — PD-1 inhibitor mAb — 1L NSCLC
- **cemiplimab(**) + chemotherapy** — PD-1 inhibitor mAb — 1L NSCLC
- **cemiplimab(**)** — PD-1 inhibitor mAb — 2L Cervical Cancer
- **isatuximab** — Anti-CD38 mAb — 1-3L Relapsing Refractory MM (IKEMA)
- **isatuximab** — Anti-CD38 mAb — Newly Diagnosed MM Te(5) (GMMG)
- **isatuximab** — Anti-CD38 mAb — 1L Newly Diagnosed MM Ti(6) (IMROZ)
- **Cerdelga®** — eliglustat — Gaucher Type 1, switch from ERT - Pediatric
- **Aubagio®** — teriflunomide — Relapsing Multiple Sclerosis - Pediatric
- **Lemtrada®** — alemtuzumab — Relapsing Remitting Multiple Sclerosis - Pediatric
- **Zynquista™(**)** — Oral SGLT-1&2 inhibitor — Type 2 Diabetes
- **Zynquista™(**)** — Oral SGLT-1&2 inhibitor — Worsening Heart Failure in Diabetes
- **Praluent®(**)** — alirocumab — LDL-C reduction - Pediatric
- **Fluzone® QIV HD** — Quadrivalent inactivated Influenza vaccine - High dose
- **Men Quad TT** — Advanced generation meningococcal ACYW conjugate vaccine
- **Pediatric pentavalent vaccine** — DTP-Polio-Hib — Japan
- **Shan 6** — DTP-HepB-Polio-Hib — Pediatric hexavalent vaccine

Registration (Total:3)

- **dupilumab(**)** — Anti-IL4Rα mAb — Asthma 12y+ (EU)
- **Dupixent®(**)** — dupilumab — Atopic Dermatitis 12 – 17 years old (U.S./EU)
- **Praluent®(**)** — alirocumab — CV events reduction (U.S./EU)

[R] Registrational study (other than Phase 3)

[O] Opt-in rights products for which rights have not been exercised yet

- Immuno-inflammation
- Oncology
- Rare Diseases
- Rare Blood Disorders
- MS & Neuro
- Diabetes
- Cardiovascular & metabolism
- Vaccines

(1) Regeneron product for which Sanofi has opt-in rights
(2) Also known as BIVV009
(3) Also known as DNL747
(4) Receptor-interacting serine/threonine-protein kinase 1
(5) Transplant eligible
(6) Transplant ineligible
(*) Phase of projects determined by clinicaltrials.gov disclosure timing
(**) Partnered and/or in collaboration - Sanofi may have limited or shared rights on some of these products

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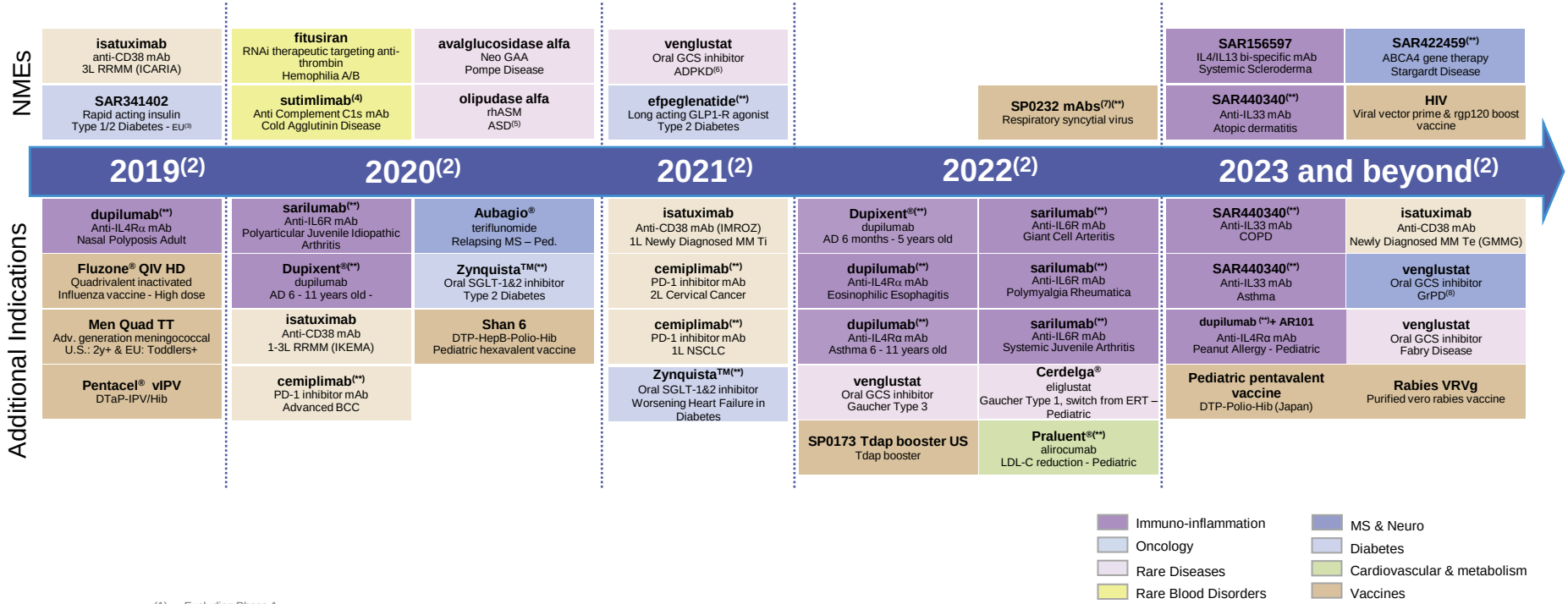
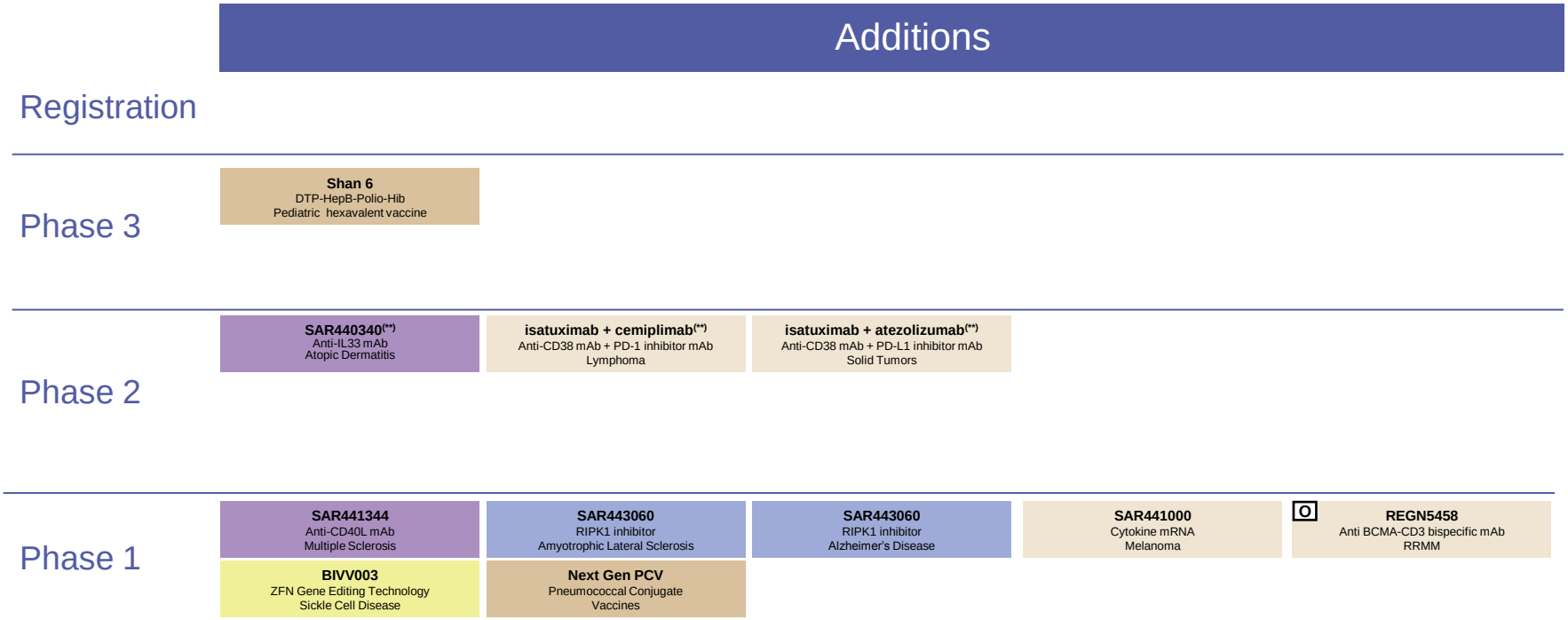
Expected Submission Timeline(1)



(1) Excluding Phase 1
(2) Projects within a specified year are not arranged by submission timing
(3) Submission strategy for the U.S. under evaluation
(4) Also known as BIVV009
(5) Acid Sphingomyelinase Deficiency
(6) Autosomal Dominant Polycystic Kidney Disease
(7) Also known as MEDI8897
(8) Gaucher Related Parkinson's Disease
(**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

Pipeline Movements Since Q3 2018



(**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

Pipeline Movements Since Q3 2018

Removals

Registration

Phase 3

cemiplimab(**) + ipilimumab
PD-1 inhibitor mAb + CTLA4 mAb
1L NSCLC ≥ 50% PDL1+

mavacamten(**)
Myosin inhibitor
Obstructive Hypertrophic Cardiomyopathy

Phase 2

GZ389988
TRKA antagonist
Osteoarthritis

Combination
ferroquine / OZ439(**)
Antimalarial

ALX0171
Anti RSV Nanobody
Respiratory Syncitial Virus

SAR425899
GLP-1/GCG dual agonist
Obesity/Overweight in T2D

mavacamten(**)
Myosin inhibitor
Non-Obstructive Hypertrophic Cardiomyopathy

SAR407899
rho kinase
Microvascular Angina

Phase 1

SAR439794(**)
TLR4 agonist
Peanut Allergy

SAR438335
GLP-1/GIP dual agonist
Type 2 Diabetes

O **REGN3767**
Anti LAG-3 mAb
Advanced Cancers

O **REGN4659**
Anti-CTLA-4 mAb
Cancer

SAR228810(**)
Anti-protofibrillar AB mAb
Alzheimer's Disease

SAR440181(**)
Myosin activation
Dilated Cardiomyopathy

SAR247799
S1P1 agonist
Cardiovascular indication

O **cemiplimab(**) + REGN4659**
PD-1 inhibitor mAb + Anti-CTLA-4 mAb
NSCLC

O **cemiplimab(**) + REGN3767**
PD-1 inhibitor mAb + anti LAG-3 mAb
Advanced Cancers

UshStat®(**)(1)
Myosin 7A gene therapy
Usher Syndrome 1B

(**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products
(1) Discontinuation contingent upon identification of out-licensing partner

R&D Pipeline Summary – Total Projects[(1)]

	Phase 1	Phase 2	Phase 3	Registration	TOTAL
Immuno-inflammation	1	8	7	2	18
Oncology	11	6	7	1	25
Rare Diseases	0	4	3	0	7
Rare Blood Disorders	4	0	2	0	6
Multiple Sclerosis and Neurology	3	2	2	0	7
Diabetes	0	0	4	1	5
Cardiovascular Disease	0	0	1	1	2
Vaccines	3	4	4	0	11
TOTAL	**22**	**24**	**30**	**5**	

46 **35**

81 **Total Projects**

(1) Includes 3 Phase 1 products for which Sanofi has Opt-in rights but has not yet exercised these rights

Expected R&D Milestones

Products	Expected milestones	Timing
Dupixent®	U.S. regulatory decision in Atopic Dermatitis in Adolescent patients	**Q1 2019**
Zynquista™ (sotagliflozin)	U.S. regulatory decision expected in Type 1 Diabetes	**Q1 2019**
dupilumab	U.S. sBLA filing in Nasal Polyposis	**Q1 2019**
Dupixent®	EU regulatory decision in Asthma in Adult/Adolescent patients	**Q2 2019**
Zynquista™ (sotagliflozin)	EU regulatory decision expected in Type 1 Diabetes	**Q2 2019**
Praluent®	EU regulatory decision in CV events reduction ODYSSEY OUTCOMES	**Q2 2019**
Praluent®	U.S. regulatory decision in CV events reduction ODYSSEY OUTCOMES	**Q2 2019**
cemiplimab	EU regulatory decision expected in Advanced Cutaneous Squamous Cell Carcinoma	**Q2 2019**
dupilumab	Start of Phase 2b/3 trial in Chronic Obstructive Pulmonary Disease	**H1 2019**
Dupixent®	EU regulatory decision in Atopic Dermatitis in Adolescent patients	**Q3 2019**
sutimlimab	Expected pivotal trial read-out in Cold Agglutinin Disease	**Q4 2019**
Zynquista™ (sotagliflozin)	Expected pivotal trial read-out in Type 2 Diabetes	**Q4 2019**
Dupixent®	Expected pivotal trial read-out in Atopic Dermatitis in 6-11 years	**Q4 2019**
olipudase	Expected pivotal trial read-out in Niemann Pick Type B	**Q4 2019**
isatuximab	Expected pivotal trial read-out in 1-3L RRMM (IKEMA)	**Q1 2020**