

LETTER TO SHAREHOLDERS

DECEMBER 2019

P.2 — RESULTS

P.4 — NEWS & EVENT

P.6 — DIGITAL FACTORY

P.8 — SHAREHOLDER INFORMATION



SANOFI

MESSAGE FROM THE CHAIRMAN



Serge Weinberg, Chairman of the Board of Directors

Dear shareholders,

As we approach the end of the year, I would like to come back to the changes that Sanofi has experienced in recent months.

The company returned to growth Q3 2018. A lot has been done in the last few years to bring us to this point, with many improvements for example in Research and Development and Industrial Affairs thanks to the efforts of all Sanofi employees.

That said, we are now entering a new phase where the entire pharmaceutical industry is facing new challenges. These challenges are diverse: drug pricing pressure, accelerating scientific innovation and the digital revolution and its impact on our business.

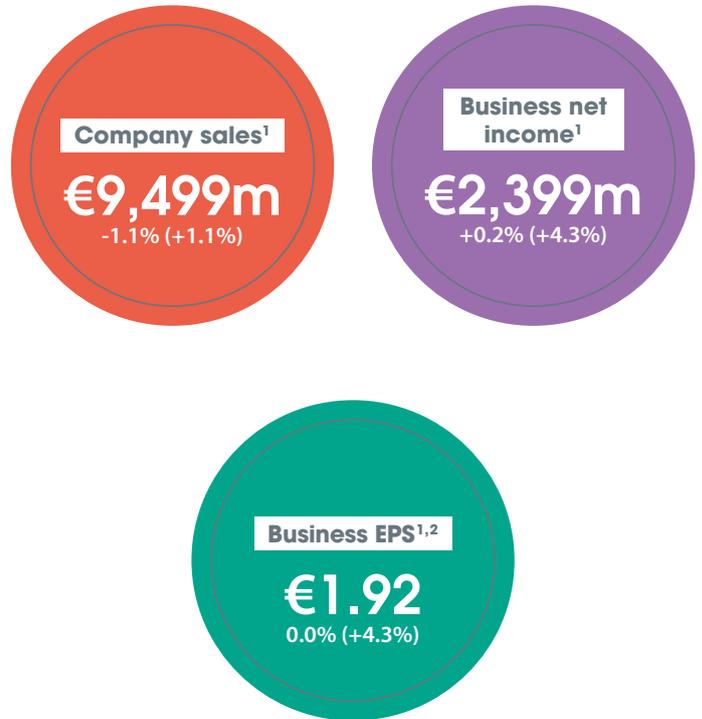
These challenges are big but we have a solid foundation. We are one of the leaders in the pharmaceutical industry, with a global geographic footprint and the talents and necessary skills to go further.

Finally, the arrival of Paul Hudson as Sanofi's new Chief Executive Officer will create the optimal environment to stimulate talent and release the energy required to answer the challenges that we are facing and enable us to approach the future with ambition.

I thank you for your trust and continuing loyalty.

“These challenges are big but we have a solid foundation.”

THIRD QUARTER 2019 RESULTS



INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER



Paul Hudson, Chief Executive Officer

Third-quarter 2019 sales performance¹ led by Sanofi Genzyme and Emerging Markets

Net sales were €9,499 million, up 1.1% on a reported basis, down 1.1%¹ at CER and up 0.5% at CER/CS³.

Sanofi Genzyme sales increased 19.5% driven by continued strong uptake of Dupixent[®].

Vaccines sales decreased 9.8% reflecting anticipated weighting of U.S. flu vaccines supply towards fourth quarter.

Consumer Healthcare sales up 0.4%, impacted by Zantac[®] voluntary recall, non-core divestments and increased regulatory requirements.

Primary Care sales declined 12.7% at CER/CS due to lower sales in Diabetes and Established Products.

Emerging Markets⁴ sales grew 9.7% due to strong performance in most regions.

Full-year business EPS guidance

Q3 2019 business net income increased 4.3% to €2,399 million and 0.2% at CER.

Sanofi expects 2019 business EPS¹ to grow approximately 5% at CER⁶ barring unforeseen major adverse events.

Net sales by franchise	Q3 2019	Change at CER
Specialty Care	€2,654 m	+19.8%
Primary Care	€3,780 m	-8.3% ⁵
Consumer Healthcare	€1,136 m	+0.4%
Vaccines	€1,929 m	-9.8%



Third-quarter Vaccines sales decreased 9.8% to €1,929 million

This anticipated decrease was impacted by the timing of flu vaccine delivery in the U.S. which will be significantly weighted towards the fourth quarter due to the roughly one-month delay in strain selection by the WHO at the beginning of the year. First nine months Vaccines sales were up 3.9% to €3,823 million.

1 - Growth rates are expressed at constant exchange rates (CER). Growth rates in parentheses are expressed on a reported basis. For definitions of financial indicators, please consult the press release issued on July 29, 2019. 2 - Earnings per share. 3 - Constant Structure: Adjusted for divestment of European Generics business and sales of Bioverativ products to SOBI. 4 - World excluding U.S., Canada, Western & Eastern Europe (except Eurasia), Japan, South Korea, Australia, New Zealand and Puerto Rico. 5 - -5.0% at CS. 6 - 2018 business EPS was €5.47

Since joining Sanofi as CEO three months ago, what are your first impressions?

The first thing to say is that I have been inspired and humbled by the depth of talent in this organization and its single-minded dedication to improving the lives of people. We are, in my view, a uniquely diverse company in our industry. I have had the opportunity to learn from and exchange ideas with hundreds of our colleagues in the U.S., France, Germany, Spain Italy, the U.K. and China. In our ever more interconnected world, this diversity is a real competitive advantage.

What is your goal for Sanofi?

Ultimately my goal is for Sanofi to be an innovation leader, a commercial leader, a cultural leader and one of the most attractive investment opportunities in the biopharma industry. It's a big task but I am completely energized to deliver on this. The Executive Committee and the Board are currently working together on our strategic priorities, which will be unveiled at our Capital Markets Day on December 10th.

And finally, a few words on the third quarter 2019 results?

Sanofi delivered stable performance in Q3. This was in-line with our expectations and positions us well to meet our full-year guidance. Key highlights in the quarter included the continued strong uptake of Dupixent[®] while on the downside, we continued to face pricing pressures in Primary Care as well as challenges created by flu phasing. These sales impacts, however, were offset by a better management of costs. And finally, we achieved important regulatory milestones: notably, Dupixent[®] in the EU was approved for nasal polyps as well as for adolescents with atopic dermatitis.

“I have been inspired and humbled by the depth of talent in this organization and its single-minded dedication to improving the lives of people.”

DUPIXENT® APPROVED IN THE EUROPEAN UNION FOR THE TREATMENT OF SEVERE NASAL POLYPOSIS

On October 29, 2019, the European Commission (EC) approved a new indication for Dupixent® (dupilumab) in chronic rhinosinusitis with nasal polyposis (CRSwNP). Dupixent® is indicated as an add-on therapy with intranasal corticosteroids for the treatment of adults with severe CRSwNP for whom therapy with systemic corticosteroids and/or surgery do not provide adequate disease control.

CRSwNP is a chronic disease of the upper airway that obstructs the sinuses and nasal passages. It can lead to persistent breathing difficulties, nasal congestion and discharge, reduced or loss of sense of smell and taste, and facial pressure or pain.

SANOFI AND ABBOTT PARTNER TO HELP CHANGE THE WAY DIABETES IS MANAGED



Sanofi and the American pharmaceutical company Abbott announced on September 16, 2019 a partnership to integrate glucose sensing and insulin delivery technologies that would help to further simplify how people with diabetes manage their condition. The two companies will take an innovative approach to connected care by developing tools that combine the revolutionary FreeStyle Libre technology with insulin dosing information for future smart pens, insulin titration apps and cloud software.

SANOFI RANKED AS ONE OF THE MOST SUSTAINABLE PHARMA COMPANIES

In September 2019, Sanofi’s corporate social responsibility (CSR) approach was recognized by the Dow Jones Sustainability Index (DJSI) for the 13th consecutive year. In 2019, Sanofi ranked as the third most sustainable pharmaceutical company with a score of 82 out of 100, up from 76 last year. The DJSI selects the best companies in each sector based on economic, social and environmental performance.

PAUL HUDSON’S FIRST 100 DAYS

Three months have passed since Paul Hudson has taken office as Sanofi’s Chief Executive Officer.



Serge Weinberg, Chairman of Sanofi’s Board of Directors, welcomes Sanofi’s CEO Paul Hudson at Sanofi’s global headquarters in Paris on Sept. 2, 2019.

Since joining Sanofi at the beginning of September, the new CEO has met many of Sanofi’s employees at a dozen sites around the world.

In early October, Paul Hudson traveled to Reading, U.K., where he opened Sanofi’s new offices accompanied by Matthew Hancock, the UK Secretary of State for Health and Social Care. The next week, he opened Sanofi’s first digitally-enabled manufacturing facility using intensified, continuous biologics production technology in Framingham, Massachusetts (see article pages 6-7).

In November, the new CEO attended the China International Import Expo in Shanghai with Serge Weinberg, Chairman of the Board, and met with several Chinese government officials, as well as stakeholders from the health and tech ecosystem.



Paul Hudson opens the new Sanofi’s UK offices in Reading alongside Matthew Hancock, UK Secretary of State for Health and Social Care.

Paul Hudson also indicated he will unveil his strategic priorities for Sanofi at the Capital Markets Day on December 10, 2019.

THE INDIVIDUAL SHAREHOLDERS COMMITTEE MEETS WITH THE SANOFI ESPOIR FOUNDATION

On September 20, 2019, members of the Individual Shareholders Committee (ISC) met with Valérie Faillat, head of the Sanofi Espoir Foundation and Laurence Bollack, responsible for the communication at the Foundation.



This meeting was an opportunity for the shareholders of the ISC to discover the missions of the Sanofi Espoir Foundation. Created in October 2010 by Sanofi, this corporate foundation capitalizes on more than twenty years of national and international solidarity commitment.

With the vision of building a world where everyone has a chance to be born and live in good health, the Foundation aims to reduce health inequalities by identifying them throughout the lifetime of those who are most at risk. And especially during the high-impact events that mark people for the rest of their lives as the prenatal stage, then in childhood and later during periods of extreme social vulnerability due to conflicts, migration, isolation, and more. The Foundation has thus defined three priority groups – children, women and families.

4 action tracks

ACTING: delivering immediate health solutions and direct access to care

REINFORCING: training, information and raising awareness

INNOVATING: accelerating innovation

CATALYZING: engaging with and uniting actors

MY CHILD MATTERS

An initiative of the Sanofi Espoir Foundation, the My Child Matters program aims to give all children access to diagnosis and treatment. It acts as a catalyst in the care of children with cancer in developing countries, in particular by providing financial support and expertise in respect of the specificities of each country.

For 14 years, My Child Matters has delivered 58 projects in 42 countries, cared for about 85,000 children and trained 25,000 health professionals.

My Child Matters: 2021 targets

100,000

children with cancer
will have been taken care of

30,000

health professionals
will have been trained

A NEW ROADMAP

The Sanofi Espoir Foundation has adopted a new three-year roadmap for the 2019-2021 period, with new ambitions around three main axes.

In France, the Sanofi Espoir Foundation aspires to become the leading catalyst in the fight against vulnerabilities, by bringing together a hundred or so actors with a global approach.

Internationally, in the fight against childhood cancers in low- and middle-income countries: the Foundation's goal is to increase the number of children receiving treatment in the My Child Matters program. The Foundation has also announced support for 24 new pediatric cancer projects.

For maternal and neonatal health: the Foundation will give precedence to a new approach based on field work, and refocus its action on the two countries, Senegal and Benin.

Triennial budget 2019-2021

+40%

increase over 2015-2018, to reach

€21

million

For more information about the Sanofi Espoir Foundation's activities:

<http://fondation-sanofi-espoir.com/>



SANOFI OPENS ITS FIRST DIGITAL FACTORY

Sanofi opens its first digitally-enabled, continuous manufacturing facility; ushers in next generation of biotech manufacturing.



Sanofi celebrated on October 15, 2019 the opening of its new digital manufacturing facility in Framingham, Massachusetts, marking one of the world’s first digital facilities using intensified, continuous biologics production technology.

The new facility features leading-edge technology that connects the production process with research and development, paving the way for improved commercialization of important new medicines for patients. It will produce biologic medicines from the Sanofi Genzyme portfolio (Specialty Care). The new facility is 80 times more productive and has the potential to make medicines for two times the amount of patients per year than a traditional factory.

This facility accelerates the recent transformation of Sanofi’s Industrial Affairs organization to focus on biologics-based therapies, in line with the transformation of the company’s R&D pipeline.

A REDUCED ENVIRONMENTAL FOOTPRINT

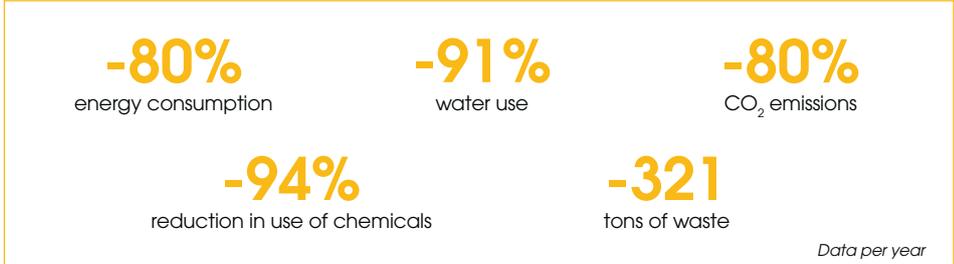
The factory’s environmental footprint is also significantly reduced. The transition to single-use technologies that replace the large scale fixed stainless steel equipment reduces the need to clean equipment with water, chemicals, and solvents.

A FACILITY DEDICATED TO BIOLOGICS

Biologics –such as antibodies, proteins or enzymes– are large molecules, often 200 to

1,000 times the size of “classical” small molecules used in chemical drugs. They are engineered by nature or by scientists and can only be made using living cells. Widely used in vaccines, these molecules have given hope to people with rare genetic diseases, with the enzyme replacement therapy pioneered by Sanofi Genzyme at the beginning of the 1980s.

Currently, more than a half of its Research and Development pipeline is composed of biologics and Sanofi’s ambition is to reach 70% over the next five to 10 years.



ABOUT FRAMINGHAM

The Framingham digital bio-manufacturing facility is part of Sanofi's integrated, cross-functional biologics hub in Framingham, Massachusetts. A critical global hub for more than 30 years, the campus offers co-location of all the infrastructure and activities required to speed the delivery of innovative new therapies to patients, from early stage research and process development through clinical and commercial manufacturing, including the key enabling functions of quality control and compliance, regulatory, engineering, supply chain, and learning and development.

The co-location of these critical functions allows for seamless, end-to-end product and process design and manufacturing and provides leading-edge development opportunities for our employees.



INTERVIEW

3 QUESTIONS TO PHILIPPE LUSCAN, EXECUTIVE-VICE-PRESIDENT, GLOBAL INDUSTRIAL AFFAIRS



YOU HAVE JUST OPENED A NEW FACTORY IN FRAMINGHAM. WHAT MAKES THIS FACILITY SO SPECIAL?

Our brand new Framingham facility is one of the world's first digitally enabled manufacturing facilities to use continuous biologics production technology. It puts us at the leading edge of bio-manufacturing. The whole industrial process is digitalized, paperless, and allows us to produce more medicines in a smaller environmental footprint versus traditional manufacturing facilities.

We are proud to celebrate the Framingham facility as a concrete illustration of our ambition to make the factory of the future a reality. This also takes us a step further in our quest to become a world leader in biologics production.

CAN YOU TELL US MORE ABOUT THESE DIGITAL TECHNOLOGIES IMPLEMENTED IN THIS FACILITY?

The facility is fully digitally powered from end to end and uses millions of data captured by sensors throughout the facility to continually optimize our manufacturing excellence.

As a result of automated data capture, we have real time access to production data from anywhere in the world, while a "digital twin" allows site managers to make adjustments on the go and simulate manufacturing process changes. We also use the digital twin as a training tool where operators, managers, and supervisors can interact with the process, the equipment, and the software in this virtual environment before they do so in the live environment.

The technology in this site allows us to get an even more accurate picture of what's going on in the manufacturing process. The "Smart Quality" technology allows us to monitor the whole process and conduct completely digital batch record reviews to ensure the highest quality for our products, and the real time data-driven supply chain tool enables us to digitize forecast, allowing us to adapt our production and optimize stocks and logistics.

WILL THESE TECHNICAL ADVANCES BE DEPLOYED TO THE ENTIRE SANOFI INDUSTRIAL NETWORK?

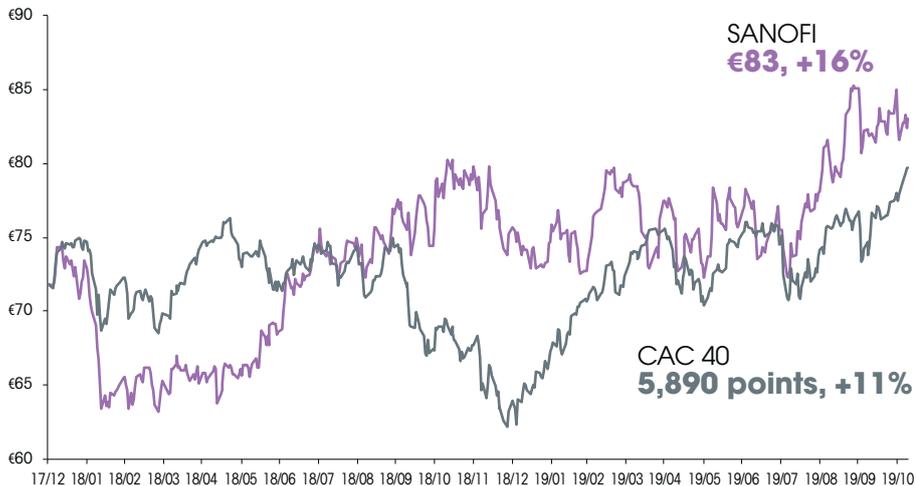
Technically speaking, it is the most advanced of the six pilot sites that we selected to test digital technologies. What we achieved here paves the way for the transformation of our global industrial network in which we have invested €1 billion every year over the last five years. Our objective is to roll the digital transformation out globally within the next three to five years.

SHAREHOLDER INFORMATION

Share performance in Paris

SANOFI SHARE PRICE TREND

Euronext Paris, from January 1, 2018 to November 8, 2019



CAC 40 rebased on the Sanofi share price – Source: vwdgroup

On November 8, 2019, Sanofi had a market capitalization of around €104bn.

General Meeting 2020: opt for the e-notice

EXERCISING YOUR VOTING RIGHTS ELECTRONICALLY

As a shareholder, you can exercise the voting rights attached to your shares and thus participate in important decisions about your Company.

Sanofi offers to its registered shareholders the possibility to receive electronically the notice of meeting and to vote online the resolutions submitted to the Annual General Meeting. Opting for the e-notice of AGM is a simple, easy and free process. You will also do your part for the environment.



HOW CAN I VOTE?

Visit as of now the Sanofi website and follow the instructions:

<https://www.sanofi.com/en/investors/individual-shareholders/shareholder-events/participate-in-agm>

CALENDAR

February 6

Fourth quarter and Full-Year 2019 results

April 24

First quarter 2020 results

April 28

Annual General Meeting

SANOFI STOCK

Euronext Paris, compartment A

Member code: SAN

ISIN code: FR 0000120578

New York Stock Exchange

Symbol: SNY

CUSIP number: 80105N105000

SNY
Nasdaq Listed

SHAREHOLDER RELATIONS



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Forward-looking statement:

This letter contains projections and other forward-looking statements that are not historical facts. Although the management of Sanofi believes that these projections and forward-looking statements, and their underlying assumptions, are reasonable as of the date of this letter, investors are cautioned that such projections, assumptions, intentions and forward-looking 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 or implied. These risks and uncertainties include those discussed elsewhere in this letter, as well as in the filings of Sanofi with the U.S. Securities and Exchange Commission (SEC) and the French Autorité des marchés financiers (AMF), notably under the caption "Risk Factors" in the company's annual report on Form 20-F. Other than as required by applicable law, Sanofi does not undertake any obligation to update any statement that is not a historical fact.

Please note that not all products indications described in this document are necessarily available in each of the markets in which the products are approved. For specific information, please refer to the full labeling approved in each market.

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