

**Paris, June 2022.** Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q2 2022 results.

### *Changes to GenMed sales presentation format*

Sanofi has changed the presentation of its **General Medicines** GBU sales in the first quarter of 2022. Since then, General Medicines sales are split between **core assets** and **non-core assets**. The sales presentation of Appendix 1 of the quarterly earnings press release reflects these changes.

A table reflecting the above changes for 2021 quarterly sales can be found here:

<https://www.sanofi.com/en/investors/company-overview/key-financial-data>

### *Management guidance and previous commentary*

As a reminder, Sanofi's Q1 2022 communications can be found at:

<https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q1-results-2022>

Sanofi expects a positive currency impact in Q2 2022. See the table below for the impact from foreign currency.

At Q1 2022 results, Sanofi communicated on the expected business dynamics for 2022:

- **Specialty Care:** Growth driven by Dupixent®; Neurology & Immunology slightly down; all other franchises growing.
- **GenMed:** Core assets expected to continue to grow; overall GBU sales stable.
  - **EUROAPI:** Deconsolidation of sales from May
- **Consumer Healthcare:** Growth of priority brands above market in key geographies.
- **Vaccines:** record flu season sales.

### *Business Items*

Please note the following product performances:

#### **Specialty Care**

- **Kevzara®:** Q1 2022 sales growth was driven by the continued global demand for IL-6 receptor blockers and a temporary shortage of a competitor product.
- **Jevtana®:** Generic competition started in some European countries at the end of March 2021.
- **Libtayo®:** Following the amended IO collaboration announced in June, from April 1 onwards, Regeneron will get 100% of Libtayo® profit worldwide while Sanofi will receive 11% royalties on Libtayo® sales. Regeneron will also accelerate reimbursement of the development balance associated with Regeneron and Sanofi's separate Antibody Collaboration and will increase from 10% to 20% the share of its profits that are paid to Sanofi to reimburse Sanofi-funded development expenses. The development balance was €2,9 billion at the end of 2021. The transaction is subject to clearance under competition law. As a reminder, the amended and restated license and collaboration agreement can be found at:  
<https://www.sanofi.com/en/media-room/press-releases/2022/2022-06-02-11-30-00-2455080>

The expected upfront/milestones/royalties are planned to be recorded as follows:

- **The upfront payment of \$900 million** will be one time income recorded in the IFRS P&L and excluded from business P&L.

*Growth is at CER: constant exchange rates*

- **The \$100 million regulatory milestone payment** will not be recognized until the first approval by either the FDA or European Commission of Libtayo® in combination with chemotherapy for first-line treatment of certain patients with NSCLC. The accounting will be same as the upfront.
- **Sales-related milestone payments** of up to \$100 million in total over the next two years and royalties will be recorded in the period earned on the line Other Operating income within business P&L.

## General Medicines

- **Q2 2021 General medicines sales** (up 4.2%) represent a high comparison in the quarter, driven by core assets (up 11.8%) and non-core assets were down 0.5%.
- **Lovenox®** sales decreased in Q1 2022, impacted by a slowdown of Covid-related demand (especially in the Rest of the World region) and compared with a high base of comparison in 2021. Biosimilar competition and supply limitations also impacted the performance in Q1 2022.
- The **transplant franchise** is expected to continue its growth path in 2022 benefitting also from the launch of **Rezurock®\***.
- Glargine insulin (**Toujeo®/Lantus®**) in China: The Volume Based Procurement for insulins was implemented in May 2022. As announced at full-year results, Sanofi expects its total glargine sales to decrease by around 30% in China in 2022.
- **Eloxatin®** and **Taxotere®** (non-core assets) in China: The VBP Wave 5 (implemented in Q4 2021) is expected to have a negative impact on sales of Eloxatin® and Taxotere® in 2022\*.
- The impact from **divestments** on General Medicines sales in Q2 2022 is expected to be around €35 million.
- **EUROAPI spin off:** EUROAPI third-party sales were €126 million in Q2 2021. Sanofi deconsolidated EUROAPI from May 10, 2022. As a reminder, the accounting impact from EUROAPI spin-off transaction can be found at:

<https://www.sanofi.com/dam/jcr:c3a70030-5e87-4365-8384-d18ca18e3c21/Presentation.pdf>

## CHC

- **CHC market:** As announced at Q1 earnings call, after a very robust performance in Q1 2022, Sanofi expects the CHC market to return to a normalized growth trend resulting in high base of comparison for Sanofi CHC in the remaining quarters of 2022.
- The **impact from divestments** on Q2 2022 CHC sales is expected to be around €15 million.

## Vaccines

- **Q2 2021 Vaccines sales** are a high base of comparison with sales up 16.2%.
- **Travel vaccines:** In Q1 2022, Travel and endemic vaccines sales increased significantly, reflecting a partial recovery of Travel vaccines in Europe and the U.S. as well as higher endemic vaccines sales in the Rest of the World region.
- **Influenza vaccines** sales decreased in Q1 2022 due to an exceptional high demand in Q1 2021.

## Financials

### Gross margin ratio

Gross margin improvement is expected in 2022 due to product mix and efficiencies weighted toward the first half of 2022\*.

*\*As previously announced*

As highlighted at the accounting call in May, EUROAPI deconsolidation is expected to have a positive impact of 0.3 ppt on Sanofi 2022 gross margin.

## R&D

To further strengthen the pipeline, an increase in R&D spend is expected in 2022\*. R&D expenses will also reflect the recent acquisitions, especially Translate Bio in Vaccines.

## Tax rate

The 2022 effective tax rate is expected to be around 19% versus 20.9% in 2021\*.

## Capital gains

In 2022, capital gains from product disposals are expected to reach approximately €600 million\* (versus €318 million in 2021), the majority in H2 2022.

## BOI margin

As highlighted at the accounting call in May:

- EUROAPI deconsolidation is expected to have a slightly accretive impact on Sanofi 2022 BOI margin.
- Equity accounting of EUROAPI share of profit/loss are excluded from BOI (Business Operating Income) and BNI (Business Net Income) (non-GAAP financial measure).

Sanofi expects BOI margin to reach 30% in 2022\*.

## Share Buyback

In H1 2022 (until June 17), Sanofi repurchased 3.98 million shares for an amount of €359 million (no Buyback in Q2 2022).

## Number of Shares

The estimated average number of shares for the calculation of EPS is expected to be around 1,250.8 million in Q2 2022 versus 1,251.3 million in Q2 2021 and 1,250.0 million in H1 2022 versus 1,250.3 million in H1 2021.

## Impact from foreign currency

The main currency variations were:

EUR/...	Q2 2021	Q2 2022 Until June 17	Variation
<b>Developed Markets</b>			
U.S. Dollar	1.21	1.07	-11.6%
Japanese Yen	131.91	137.89	4.5%
Canadian Dollar	1.48	1.36	-8.3%
Australian Dollar	1.57	1.49	-5.0%
British Pound	0.86	0.85	-1.7%
Swiss Franc	1.10	1.03	-6.1%
<b>Emerging Markets</b>			
Chinese Yuan	7.79	7.06	-9.3%
Brazilian Real	6.39	5.21	-18.4%
Mexican Peso	24.12	21.35	-11.5%
Argentine Peso	113.45	125.35	10.5%
Russian Ruble	89.49	72.32	-19.2%
Turkish Lira	10.12	16.83	66.4%
South African Rand	17.03	16.56	-2.8%
Indian Rupee	88.98	82.17	-7.7%
Egyptian pound	18.91	19.74	4.4%

\*As previously announced

Based on this evolution of foreign currencies, Sanofi preliminary estimate of currency impact on Q2 2022 sales is approximately between +7% and +8%.and on Q2 business EPS is approximately between +5.5% and +6.5%.

The full-year 2022 business EPS sensitivities to the U.S. Dollar, Japanese Yen, Chinese Yuan, Brazilian Real and Russian Ruble are the following:

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	+0.05 USD/EUR	-EUR 0.14
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 0.02

#### Investor News Flow:

All press releases issued during Q2 2022 are available on our website:  
<https://mediaroom.sanofi.com/en/press-releases/>

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### Forward-Looking Statements

*This memorandum 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 fact that product candidates if approved may not 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 and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties 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, 2021. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.*