Dear shareholders,

In 2019 Sanofi experienced increasing momentum across the organization with sales growth of 4.8% on a reported data basis. These results give us confidence we will achieve the long-term growth aspirations set out at our Capital Markets Day of December 2019.

On December 10, 2019, one hundred days after taking office, the new CEO, Paul Hudson, presented his “Play to Win” vision for Sanofi for the next six years. By taking significant decisions and concrete actions, it should support growth and restore the competitive margins the company needs in order to continue to fulfill its mission.

This strategy is based on four priorities: focus on growth, lead with innovation, accelerate efficiency and finally, reinvent how we work.

The upcoming period of transformation will be driven by Sanofi’s three main growth drivers: Dupixent® in type 2 inflammatory diseases, the Vaccines business and the research and development (R&D) portfolio. This new phase should drive Sanofi to continue to launch differentiating drugs, to be more agile in the deployment of its resources and to have leading productivity in R&D.

Driven by its 100,000 employees worldwide, Sanofi can confidently look ahead and respond even more to the needs of patients.

Moreover, in line with our commitment to progressive dividend growth, the Board of Directors has proposed a dividend of €3.15 per share, the 26th consecutive year of growth, subject to approval by the General Meeting on April 28th.

I thank you for your trust and continuing loyalty.

“Sanofi experienced increasing momentum across the organization”
What is your assessment of Q4 2019?

I am encouraged by the fourth quarter 2019 results which position Sanofi to deliver on our new strategic priorities. The acceleration in sales performance was mainly driven by the impressive growth of Dupixent® and by our differentiated Vaccines portfolio. At the same time, our sharpened focus on operating and financial efficiencies helped us to deliver margin expansion and significant cash flow improvement. We are making progress in our ambition to transform Sanofi R&D and I am particularly excited by the positive proof of concept data for our BTK inhibitor, a potentially practice-changing therapy for multiple sclerosis.

You have recently announced a reduction of size of the Executive Committee (ExCom). What is new?

The leaner configuration draws directly from the strategy and prioritization exercise we went through at the end 2019 as an ExCom. One of the questions we asked ourselves was: How can we increase speed in decision-making and accountability? Integrating more of our expertise directly into our GBUs was identified as a key success factor. This led us to refine the configuration of the ExCom and move from 15 to 10 positions. The significant new change is the creation of a single Chief Digital Officer position, which was previously a hybrid role with Medical. I decided to single it out with the ambition to accelerate on our internal and external digital agenda.

You presented Sanofi’s new strategic priorities on December 10, 2019. What are the next steps?

We need to focus on the execution of our four priorities: pursuing Dupixent®’s and Vaccines’ growth, advance the “hidden gems” of our pipeline, manage and redeploy our resources effectively to deliver on our Business Operating Income (BOI) objective, and ensure our organization and ways of working are fit for purpose. Flawless execution will give confidence to those in and around our business. Next up is our R&D day on June 23, where we will provide a detailed overview of our science and our pipeline. Strategy is just a way to get to our goal: bringing breakthroughs to patients. Stay tuned!

“Flawless execution of our strategic priorities will give confidence to those in and around our business”
SANOFI UNVEILS NEW STRATEGY TO DRIVE INNOVATION AND GROWTH

Sanofi organized a Capital Markets Day with the financial community on December 10, 2019. Sanofi Chief Executive Officer (CEO) Paul Hudson and Executive Committee members provided a detailed overview of the company’s “Play to Win” strategy based on four priorities:

FOCUSING ON GROWTH

The Executive Committee (ExCom) identified three key growth drivers while working on the outline of its strategic priorities:

- **Dupixent® (dupilumab)** – Sanofi expects to deliver strong growth for Dupixent® with the ambition of achieving more than €10 billion in peak sales driven by its unique mechanism of action targeting the type 2 inflammation pathway.
- **Vaccines** – Vaccines are expected to deliver a mid-to-high single-digit net sales CAGR from 2018 to 2025, through differentiated products, market expansion and new launches.
- **Pipeline** – The company has identified and prioritized six potentially transformative therapies. Additional core drivers include treatments for oncology, hematology, rare diseases, neurology, and Sanofi’s strong presence in China.

LEADING WITH SCIENCE

Sanofi has highlighted six potentially practice changing therapies in areas of high unmet patient need:

- **Fitusiran** is an RNAi therapeutic in development for the treatment of hemophilia A and B with or without inhibitors with the potential to provide once-monthly dosing convenience.
- **BIVV001** is a factor VIII therapy designed to extend protection from bleeds with prophylaxis dosing of once weekly for people with hemophilia A that seek to enjoy a normalized lifestyle.

“Our new strategy positions Sanofi to achieve breakthroughs with our most promising medicines, addressing significant patient needs. We will anchor our efforts in leading-edge science with clearer priorities and a focus on delivering results,” said Hudson. “Sanofi gained leadership and changed the practice of medicine in diabetes and cardiovascular diseases. We are now preparing for our next cycle, with a new round of innovative solutions for patients. I’m confident we will achieve long-term growth and value for shareholders while turning innovation into transformative medicines for patients.”

Paul Hudson, CEO

1- Partnered with Regeneron. 2- Partnered with SOBI
**Venglustat** is an oral therapy in development for several rare diseases in the category of lysosomal storage disorders (Gaucher type 3, Fabry, Tay-Sachs disease) and also showing promise for rare but more common disorders including autosomal dominant polycystic kidney disease and some sub-types of Parkinson’s disease.

**SERD ('859)** is a selective estrogen receptor degrader which aims to be the new standard of care in hormone-receptor-positive breast cancer.

**Nirsevimab** is a candidate monoclonal antibody against respiratory syncytial virus, with an initial focus on protecting all infants.

**BTKi ('168)** is an oral medicine for multiple sclerosis with potential to be the first disease-modifying therapy to also be brain-penetrant.

**ACCELERATE EFFICIENCY**

Sanofi expects to expand its business operating income (BOI) margin to 30% by 2022, with an ambition for its BOI margin to exceed 32% by 2025. The company is also announcing efficiency initiatives that are expected to generate €2 billion savings by 2022. These savings will fund investment in its key growth drivers and accelerate priority pipeline projects as well as support the expansion of the BOI margin.

The efficiency savings are expected to result primarily from limiting spend on de-prioritized businesses, from smart spending (procurement) initiatives and from operational excellence in manufacturing and organizational productivity. Regarding de-prioritized businesses, Sanofi is announcing a discontinuation of research in diabetes and cardiovascular (DCV) and will not pursue plans to launch efpeglenatide.

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**REINVENTING HOW THE COMPANY WORKS**

Sanofi will be structured with three core global business units to support the company’s strategy — Specialty Care (immunology, rare diseases, rare blood disorders, neurology and oncology), Vaccines, and General Medicines (diabetes, cardiovascular, and established products). Consumer Healthcare will be a standalone business unit with integrated R&D and manufacturing functions.

**SANOFI ACQUIRES SYNTHORX AND BOLSTERS ITS IMMUNO-ONCOLOGY PIPELINE**

On December 9, 2019, Sanofi and Synthorx, Inc., a clinical-stage biotechnology company focused on prolonging and improving the lives of people suffering from cancer and autoimmune disorders, announced they entered into a definitive agreement under which Sanofi will acquire all of the outstanding shares of Synthorx for $68 per share in cash, which represents an aggregate equity value of approximately $2.5 billion (on a fully diluted basis). The transaction was completed on January 23, 2020.

“The acquisition of Synthorx perfectly aligns with our R&D strategy, enhancing our position as an emerging leader in the area of oncology and immunology,” says Paul Hudson, Chief Executive Officer, Sanofi.
NEWS

SARCLISA® APPROVED IN THE U.S.

The U.S. Food and Drug Administration (FDA) approved on March 2, 2020 Sarclisa® (isatuximab-irfc) in combination with pomalidomide and dexamethasone (pom-dex) for the treatment of adults with relapsed refractory multiple myeloma (RRMM) who have received at least two prior therapies including lenalidomide and a proteasome inhibitor.

Multiple myeloma is the second most common blood cancer, affecting more than 130,000 patients in the U.S.; approximately 32,000 Americans are diagnosed with multiple myeloma each year.

MULTIPLE SCLEROSIS

Sanofi announced on February 6, 2020 that its oral brain-penetrant BTK inhibitor (SAR’168) met its primary endpoint in a Phase 2 trial in relapsing multiple sclerosis (MS). Sanofi will initiate four Phase 3 clinical trials in relapsing and progressive forms of MS. Sanofi’s BTK inhibitor will potentially be first disease-modifying therapy to address sources of MS damage in the brain.

DUPIXENT® IN ATOPIC DERMATITIS

On January 28, 2020, the U.S. Food and Drug Administration (FDA) accepted for Priority Review the supplemental Biologics License Application (sBLA) for Dupixent® as an add-on maintenance treatment for children aged 6 to 11 years with moderate-to-severe atopic dermatitis whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable. The target action date for the FDA decision is May 26, 2020.

INDUSTRIAL AFFAIRS

Sanofi announced on February 24, 2020 it plans to create a major leading European company dedicated to the production and marketing to third parties of active pharmaceutical ingredients (API), which are the essential molecules responsible for the beneficial effects used in the composition of any drug. The project consists of creating a standalone company which would combine Sanofi’s API commercial and development activities with six of its European API production sites.

With increasing medicine shortages that critically impact patient care, the new entity would contribute to supporting and securing API manufacturing as well as supply capacities for Europe and beyond. In Europe, the new API industry champion is expected to help in balancing the industry’s heavy reliance on API sourced from the Asian region.

The new company would rank as the world’s second largest API company with approximately €1 billion in expected sales by 2022. It is expected to include 3,100 skilled employees and to be headquartered in France. A planned IPO on Euronext Paris would be evaluated with a decision expected by 2022, subject to market conditions.

1- CPA Industry Report 2019: 60% of the API worldwide production in volume is located in China and India.

CORONAVIRUS

Sanofi announced on February 18, 2020 to join forces with U.S. Department of Health and Human Services to advance a novel coronavirus vaccine.

Sanofi Pasteur, the vaccines global business unit of Sanofi, will leverage previous development work for a SARS vaccine which may unlock a fast path forward for developing a COVID-19 vaccine. Sanofi will collaborate with the Biomedical Advanced Research and Development Authority (BARDA), part of the Office of the Assistant Secretary for Preparedness and Response, expanding the company’s long-standing partnership with BARDA.
EVENT

ANNUAL GENERAL MEETING 2020

TOPICS TO REMEMBER

The Sanofi General Meeting will be held on April 28, 2020, without the physical presence of shareholders. Shareholders are invited to exercise their right to vote prior to the General Meeting. The main items on the agenda of this year’s AGM will be:

• the approval of the 2019 financial statements and the payment of a dividend of €3.15 per share;

• the composition of the Board of Directors: ratification of the co-optation of Paul Hudson, reappointment of Laurent Altal, Carole Piwnica, Diane Souza and Thomas Südhof and the appointment of two new independent Directors;

• the vote on the remuneration policy 2019 applicable to the Directors, the Chairman of the Board and the Chief Executive Officer;

• the renewal of financial authorizations and authorizations to increase or reduce the share capital.

All information and documentation relating to the General Meeting will be available on our website: www.sanofi.com/AGM2020

NEW BOARD MEMBERS

Replacing Claudie Haigneré whose mandate will not be renewed and Suet-Fern Lee who has declared her intention to retire and as a consequence to resign from her directorship, the Board of Directors of Sanofi decided to propose the appointment of two new independent directors:

Rachel Duan is currently Senior Vice President of General Electric and President & CEO of GE Global Markets, where she is responsible for driving GE’s growth in China, Asia Pacific, India, the Middle East, Africa, and Latin America.

Lise Kingo is currently CEO & Executive Director of the United Nations Global Compact, a position she has held since 2015. The UN Global Compact is the world’s largest corporate sustainability initiative uniting business to create a better world through universal principles and the UN Sustainable Development Goals.

1- See press release from March 4, 2020 for more details.

26TH CONSECUTIVE INCREASE IN ANNUAL DIVIDEND

The Board of Directors convened on February 5, 2020 and proposed a dividend of €3.15 per share. If approved by the Shareholder’s General Meeting, this would mark the 26th consecutive annual increase.

Key dates for ordinary shares
• April 28, 2020: Annual General Meeting
• May 4, 2020: Ex-dividend date: The opening share price will be reduced by the amount of the dividend
• May 5, 2020: Record date
• May 6, 2020: Payment of the dividend

Key dates for ADRs
• May 26, 2020: ADR payment date

1993 2019

€3.15
Share performance in Paris

SANOFI SHARE PRICE TREND

Euronext Paris, from January 1, 2019 to March 18, 2020

SANOFI €76.10, +0.6%

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

On March 18, 2020, Sanofi had a market capitalization of around €95bn.

2019 Annual Report on Form 20-F

Sanofi filed its Annual Report on Form 20-F to the U.S. Securities and Exchange Commission (SEC) and its Document d’enregistrement universel to the Autorité des Marchés Financiers (AMF) on March 5, 2020. The Annual Report on Form 20-F, which includes the Annual Financial Report, is made freely available to the public under the conditions provided by the regulations in force and can be consulted in the “Reports & Publications” section of the website: https://www.sanofi.com/en/investors/reports-and-publications and on the SEC and AMF websites.

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 in each of the markets in which the products are approved. For specific information, please refer to the full labelling approved in each market.

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