



**REGENERON**  
*SCIENCE TO MEDICINE®*

**CONTRACTUAL PROVISIONS  
GOVERNING SANOFI OWNERSHIP  
OF REGENERON COMMON STOCK**

DECEMBER 2019

# SANOFI STOCK OWNERSHIP OF REGENERON / KEY CONTRACTUAL PROVISIONS\*

## Current Holdings

- As of December 5, 2019, Sanofi owns 23,350,365 shares of Regeneron common stock (~21.6% of shares outstanding).\*\*

## Lock-up Provision

- Pursuant to the January 2014 Amended and Restated Investor Agreement, Sanofi may acquire up to 30% of Regeneron's outstanding common stock.
- All shares of Regeneron's common stock owned by Sanofi now or in the future are subject to a lock-up provision that prohibits any sales until December 20, 2020 (other than as described under "Limited Waiver" below); certain restrictions on the manner and volume of sales are imposed thereafter.

## Limited Waiver

- Pursuant to the January 2018 Letter Agreement, Regeneron agreed to grant a limited waiver of the "lock-up" in the Amended and Restated Investor Agreement so that Sanofi may sell up to an aggregate of 1.4 million shares of Regeneron common stock to fund certain funding obligations under the IO and Antibody Collaborations through the quarterly period ending September 30, 2020.
- To date, approximately 530K shares have been purchased by Regeneron from Sanofi; ~870K remaining shares may be sold by Sanofi and purchased by Regeneron (if it elects to do so) under this arrangement.

\* The description of the Amended and Restated Investor Agreement and the Letter Agreement contained in this presentation is only a summary, does not purport to be complete, and is qualified in its entirety by reference to, and should be read in conjunction with, the complete text of the Amended and Restated Investor Agreement and the Letter Agreement (as applicable), which have been publicly filed and can be accessed as [Exhibits 10.14](#) and [10.27](#), respectively, to the Company's Form 10-K for the year ended December 31, 2018.

\*\* Based on Amendment No. 14 to Schedule 13D filed by Sanofi with the U.S. Securities and Exchange Commission on December 9, 2019.

# SANOFI'S POST LOCK-UP TRANSACTION RIGHTS AND LIMITATIONS

Post expiration of the lock-up provision, Sanofi has registration rights for the Regeneron shares but also remains subject to certain sale limitations

## Registration Rights

- Sanofi has three demand requests to require Regeneron to register its “Registrable Securities” (as defined in the Amended and Restated Investor Agreement) with the SEC
  - Can be exercised in the 10-year period following lock-up expiration (from 12/20/20 to 12/20/30)
  - Limited to one demand request per any 12-month period
- No cap on maximum offering size, but subject to customary underwriter cutbacks for marketing considerations
- Underwriter must agree in writing to use all reasonable efforts to prevent accumulation of 5% or more by any person/affiliated group

## Unregistered Transaction Limitations

- Applicable to private or open-market sales outside of registration
- Sanofi can utilize for part or all of its position
- Contractual volume limitation – capped at 1MM shares every three months
- Cannot knowingly make dispositions that would result in a new owner/affiliated group holding 5% or more of outstanding shares

**Regeneron retains the ability to negotiate with Sanofi to repurchase all or part of Sanofi's holdings**