



June 22, 2017

Statement Regarding Royalty Agreement with Novartis for Canakinumab

As you may have seen earlier today in our press release, we would like to remind you of our royalty agreement with Novartis on Ilaris® (canakinumab). According to the terms of this agreement, Regeneron receives a royalty on worldwide net sales of Ilaris. The tiered royalty starts at 4 percent and reaches 15 percent when Ilaris annual sales exceed \$1.5B. We entered into this agreement in 2009 (it has been publicly filed and is available at this link:

<https://www.sec.gov/Archives/edgar/data/872589/000120677409001498/exhibit10-1.htm>). The agreement stays in effect for as long as Ilaris continues to be commercialized.

In addition to the details in the press release, we would like to point out that the 15 percent royalty rate, which is the highest tier in the agreement for net sales of over \$1.5 billion, gets paid on dollar one. For example, if annual net sales of Ilaris are \$1,500,000,001 in a calendar year, we would receive 15 percent on the entire net sales balance (i.e. \$225 million).

The royalty revenue from Ilaris is recognized within the "Other Revenue" line item of our Statements of Operations, with payments made on a quarterly basis.

Note Regarding Forward-Looking Statements and Use of Digital Media

This communication includes forward-looking statements that involve risks and uncertainties relating to future events and the future performance of Regeneron Pharmaceuticals, Inc. ("Regeneron" or the "Company"), and actual events or results may differ materially from these forward-looking statements. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," variations of such words, and similar expressions are intended to identify such forward-looking statements, although not all forward-looking statements contain these identifying words. These statements concern, and these risks and uncertainties include, among others, the impact (if any) of the royalty agreement with Novartis Pharma AG and Novartis Pharmaceutical Corporation (collectively, "Novartis") discussed above on Regeneron's business, operating results, and financial condition; the impact (if any) of the Canakinumab Anti-inflammatory Thrombosis Outcomes Study (CANTOS) on the development and commercialization of Ilaris® (canakinumab); and the potential for the Company's agreement with Novartis to be cancelled or terminated. A more complete description of these and other material risks can be found in Regeneron's filings with the United States Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2016 and its Form 10-Q for the quarterly period ended March 31, 2017. Any forward-looking statements are made based on management's current beliefs and judgment, and the reader is cautioned not to rely on any forward-looking statements made by Regeneron. Regeneron does not undertake any obligation to update publicly any forward-looking statement, including without limitation any financial projection or guidance, whether as a result of new information, future events, or otherwise.

Regeneron uses its media and investor relations website and social media outlets to publish important information about the Company, including information that may be deemed material to investors. Financial and other information about Regeneron is routinely posted and is accessible on Regeneron's media and investor relations website (<http://newsroom.regeneron.com>) and its Twitter feed (<http://twitter.com/regeneron>).

Media Relations

Alex Bowie

Tel: (914) 847-3407

Mobile: (202) 213-1643

alexandra.bowie@regeneron.com

Investor Relations

Manisha Narasimhan, Ph.D.

Tel: (914) 847-5126

Manisha.narasimhan@regeneron.com