REGENERON

August 7, 2018

Statement Regarding New CMS Guidance for Part B Drugs

Regeneron is still reviewing the new U.S. Centers for Medicare & Medicaid Services (CMS) guidance regarding Part B drugs.

The new policy, which allows for step therapy for Part B drugs in conjunction with a patient-centered care coordination program, has the potential to beneficially impact patient care and the cost of medicines. This is especially true in areas where there are options, such as biosimilars, which may provide a similar therapeutic effect to a branded medicine at a lower cost.

However, when it comes to potentially blinding eye diseases, where step therapy may require "off-label" use of a repackaged drug and/or necessitate more frequent injections into the eye, we agree with the American Academy of Ophthalmology that treatment choice is best made by individual patients and their physicians.

In terms of this new policy's potential impact on EYLEA use, it is our understanding that it would apply only to patients in Medicare Advantage plans who would be new to EYLEA. We estimate that approximately 3.4% of our 2019 EYLEA revenue is at the greatest risk of being impacted by step therapy under this new Medicare Advantage policy. There is also an opportunity for Regeneron to gain market share by competing for formulary position in the Medicare Advantage plans.

Our estimate is based on the following:

- Approximately 17% of our EYLEA business[1] is currently through Medicare Advantage.
- Since approximately 20% of annual EYLEA revenue comes from naïve patients[2] who have not previously been on an anti-VEGF therapy, overall only about 3.4% of EYLEA revenue is at greatest risk in 2019 (i.e., 20% of 17% = 3.4%).

We will continue to study the implications of this policy and will discuss solutions with payers as well as with the administration and policymakers.

Regeneron is committed to working with all members of the healthcare community on solutions that bring data-driven medicine, responsible drug pricing and affordable access to patients in need.

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1. Based on the most recent data (2016).
2. Internal Regeneron survey data.

Forward-Looking Statements and Use of Digital Media

This statement 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 availability and extent of reimbursement of the Company's products (such as EYLEA® (aflibercept) Injection) from third-party payers, including private payer healthcare and insurance programs, health maintenance organizations, pharmacy benefit management companies, and government programs such as Medicare and Medicaid; coverage and reimbursement determinations by such payers and new policies and procedures adopted by such payers, including the new guidance relating to Medicare Part B drugs (such as EYLEA) discussed in this statement; the impact of any of the foregoing on the sales of the Company's marketed products (including EYLEA) and Regeneron's business, prospects, operating results, and financial condition. A more complete description of these and other material risks can be found in Regeneron's filings with the U.S. Securities and Exchange Commission, including its Form 10-Q for the quarterly period ended June 30, 2018. 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
Daren Kwok
Tel: (914) 847-1328
Mobile: (914) 598-7590
daren.kwok@regeneron.com

Investor Relations
Manisha Narasimhan, Ph.D.
Tel: (914) 847-5126
Manisha.narasimhan@regeneron.com