

# CEMIPLIMAB COMMERCIALIZATION-RELATED ACCOUNTING: ILLUSTRATIVE EXAMPLE

Cemiplimab Alliance Product P&L	U.S.		Ex-U.S.
Net Sales	500	A	250
<u>Cost of Goods Sold</u>	<u>100</u>	B	<u>75</u>
Gross Profit	400	C	175
SG&A			
REGN Expenses	200	D	25
Sanofi Expenses	<u>50</u>	E	<u>100</u>
Total SG&A	250		125
Net Profit / (Loss)	<u>150</u>		<u>50</u>
REGN Share of Net Profit / (Loss)	<b>75</b>		<b>25</b> G

Regeneron does not intend to provide cemiplimab product P/L in its reported financials

Regeneron Income Statement	U.S.		Ex-U.S.
<b>Net Product Sales</b>	<u>500</u>	A	
<b>Collaboration Revenue</b>			
Profit Split			25
Reimbursement of REGN SG&A			25
<b>Total Collaboration Revenue</b>			50
<b>Cost of Goods Sold (COGS)</b>			
Regeneron Product Supply Costs	100	B	
Sanofi Share of U.S. Gross Profit	200	50% * C	
<b>Total COGS</b>	<u>300</u>		
<b>SG&amp;A</b>			
REGN Incurred SG&A	200	D	25
REGN Reimbursement of Sanofi SG&A	25	50% * E	
Sanofi Reimbursement of REGN SG&A	-100	50% * D	
<b>Total SG&amp;A</b>	<u>125</u>		
<b>REGN Share of Net Profit / (Loss)</b>	<u>75</u>		25

PLEASE NOTE ALL NUMBERS ARE ILLUSTRATIVE AND ARE NOT TO BE USED AS GUIDANCE