

# 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	F
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	G
Reimbursement of REGN SG&A			25	F
<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	F
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