Half-year financial report *2023*

sanofi

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Exhibit 99.1

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1. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS – ASSETS

(€ million)	Note	June 30, 2023	December 31, 2022
Property, plant and equipment owned	B.2.	9,804	9,869
Right-of-use assets		1,723	1,815
Goodwill	B.3.	49,243	49,892
Other intangible assets	B.3.	24,590	21,640
Investments accounted for using the equity method	B.5.	538	677
Other non-current assets	B.6.	2,992	3,095
Non-current income tax assets		240	242
Deferred tax assets		5,980	5,381
Non-current assets		**95,110**	**92,611**
Inventories		9,970	8,960
Accounts receivable	B.7.	8,289	8,424
Other current assets		3,371	3,532
Current income tax assets		353	374
Cash and cash equivalents	B.9.	7,993	12,736
Current assets		**29,976**	**34,026**
Assets held for sale or exchange		267	85
TOTAL ASSETS		**125,353**	**126,722**

The accompanying notes on pages 10 to 38 are an integral part of the condensed half-year consolidated financial statements.

CONSOLIDATED BALANCE SHEETS – EQUITY AND LIABILITIES

(€ million)	Note	June 30, 2023	December 31, 2022
Equity attributable to equity holders of Sanofi		72,629	74,784
Equity attributable to non-controlling interests		318	368
Total equity	B.8.	**72,947**	**75,152**
Long-term debt	B.9.	14,241	14,857
Non-current lease liabilities		1,839	1,904
Non-current liabilities related to business combinations and to non-controlling interests	B.11.	563	674
Non-current provisions and other non-current liabilities	B.12.	7,088	6,341
Non-current income tax liabilities		1,928	1,979
Deferred tax liabilities		1,950	1,841
Non-current liabilities		**27,609**	**27,596**
Accounts payable		7,365	6,813
Current liabilities related to business combinations and to non-controlling interests	B.11.	154	105
Current provisions and other current liabilities		11,917	12,021
Current income tax liabilities		377	574
Current lease liabilities		253	277
Short-term debt and current portion of long-term debt	B.9.	4,694	4,174
Current liabilities		**24,760**	**23,964**
Liabilities related to assets held for sale or exchange		37	10
TOTAL EQUITY AND LIABILITIES		**125,353**	**126,722**

The accompanying notes on pages 10 to 38 are an integral part of the condensed half-year consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS

(€ million)	Note	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Net sales	B.20.	**20,187**	**19,790**	**42,997**
Other revenues		1,358	1,005	2,392
Cost of sales		(6,347)	(6,130)	(13,695)
Gross profit		**15,198**	**14,665**	**31,694**
Research and development expenses		(3,193)	(3,147)	(6,706)
Selling and general expenses		(5,182)	(4,953)	(10,492)
Other operating income	B.15.	617	416	1,969
Other operating expenses	B.15.	(1,422)	(1,204)	(2,531)
Amortization of intangible assets	B.3.	(1,035)	(910)	(2,053)
Impairment of intangible assets	B.4.	(15)	(87)	454
Fair value remeasurement of contingent consideration	B.6. B.11.	(26)	(17)	27
Restructuring costs and similar items	B.16.	(547)	(792)	(1,336)
Other gains and losses, and litigation	B.17.	(73)	(142)	(370)
Operating income		**4,322**	**3,829**	**10,656**
Financial expenses	B.18.	(370)	(189)	(440)
Financial income	B.18.	286	34	206
Income before tax and investments accounted for using the equity method		**4,238**	**3,674**	**10,422**
Income tax expense	B.19.	(730)	(495)	(2,006)
Share of profit/(loss) from investments accounted for using the equity method		(52)	58	68
Net income		**3,456**	**3,237**	**8,484**
Net income attributable to non-controlling interests		26	53	113
Net income attributable to equity holders of Sanofi		**3,430**	**3,184**	**8,371**
Average number of shares outstanding (million)	B.8.7.	1,249.9	1,250.0	1,251.9
Average number of shares after dilution (million)	B.8.7.	1,254.5	1,255.3	1,256.9
– Basic earnings per share (in euros)		2.74	2.55	6.69
– Diluted earnings per share (in euros)		2.73	2.54	6.66

The accompanying notes on pages 10 to 38 are an integral part of the condensed half-year consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(€ million)	Note	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Net income		**3,456**	**3,237**	**8,484**
Attributable to equity holders of Sanofi		*3,430*	*3,184*	*8,371*
Attributable to non-controlling interests		*26*	*53*	*113*
Other comprehensive income:				
▪ Actuarial gains/(losses)	B.8.8.	141	1,110	654
▪ Change in fair value of equity instruments included in financial assets and financial liabilities	B.8.8.	3	13	13
▪ Tax effects	B.8.8.	(59)	(336)	(216)
Subtotal: items not subsequently reclassifiable to profit or loss (A)		**85**	**787**	**451**
▪ Change in fair value of debt instruments included in financial assets	B.8.8.	6	(52)	(77)
▪ Change in fair value of cash flow hedges	B.8.8.	1	(17)	7
▪ Change in currency translation differences	B.8.8.	(1,057)	3,435	2,278
▪ Tax effects	B.8.8.	(8)	97	105
Subtotal: items subsequently reclassifiable to profit or loss (B)		**(1,058)**	**3,463**	**2,313**
Other comprehensive income for the period, net of taxes (A+B)		**(973)**	**4,250**	**2,764**
Comprehensive income		**2,483**	**7,487**	**11,248**
Attributable to equity holders of Sanofi		*2,465*	*7,415*	*11,130*
Attributable to non-controlling interests		*18*	*72*	*118*

The accompanying notes on pages 10 to 38 are an integral part of the condensed half-year consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(€ million)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Stock options and other share-based payments	Other comprehensive income	Attributable to equity holders of Sanofi	Attributable to non-controlling interests	Total equity
Balance at January 1, 2022	**2,527**	**532**	**(939)**	**63,013**	**4,405**	**(857)**	**68,681**	**350**	**69,031**
Other comprehensive income for the period	—	—	—	787	—	3,444	4,231	19	4,250
Net income for the period	—	—	—	3,184	—	—	3,184	53	3,237
Comprehensive income for the period	**—**	**—**	**—**	**3,971**	**—**	**3,444**	**7,415**	**72**	**7,487**
Dividend paid out of 2021 earnings (€3.33 per share)	—	—	—	(4,168)	—	—	(4,168)	—	(4,168)
Effect of the distribution of an exceptional supplementary dividend of 58% of the shares of EUROAPI to the equity holders of Sanofi [(c)]	—	—	—	(793)	—	—	(793)	—	(793)
Payment of dividends to non-controlling interests	—	—	—	—	—	—	—	(69)	(69)
Share repurchase program [(a)]	—	—	(360)	—	—	—	(360)	—	(360)
Share-based payment plans:									
▪ Exercise of stock options	1	26	—	—	—	—	27	—	27
▪ Issuance of restricted shares and vesting of existing restricted shares	3	(3)	130	(130)	—	—	—	—	—
▪ Value of services obtained from employees	—	—	—	—	144	—	144	—	144
▪ Tax effects of the exercise of stock options	—	—	—	—	15	—	15	—	15
Other movements	—	—	—	(10)	—	—	(10)	—	(10)
Balance at June 30, 2022	**2,531**	**555**	**(1,169)**	**61,883**	**4,564**	**2,587**	**70,951**	**353**	**71,304**
Other comprehensive income for the period	—	—	—	(336)	—	(1,136)	(1,472)	(14)	(1,486)
Net income for the period	—	—	—	5,187	—	—	5,187	60	5,247
Comprehensive income for the period	**—**	**—**	**—**	**4,851**	**—**	**(1,136)**	**3,715**	**46**	**3,761**
Payment of dividends to non-controlling interests	—	—	—	—	—	—	—	(31)	(31)
Share repurchase program [(a)]	—	—	(137)	—	—	—	(137)	—	(137)
Reductions in share capital	(13)	(587)	600	—	—	—	—	—	—
Share-based payment plans:									
▪ Exercise of stock options	—	8	—	—	—	—	8	—	8
▪ Employee share ownership plan	4	149	—	—	—	—	153	—	153
▪ Value of services obtained from employees	—	—	—	—	101	—	101	—	101
▪ Tax effects of the exercise of stock options	—	—	—	—	(7)	—	(7)	—	(7)
Balance at December 31, 2022	**2,522**	**125**	**(706)**	**66,734**	**4,658**	**1,451**	**74,784**	**368**	**75,152**

(€ million)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Stock options and other share-based payments	Other comprehensive income	Attributable to equity holders of Sanofi	Attributable to non-controlling interests	Total equity
Balance at January 1, 2023	**2,522**	**125**	**(706)**	**66,734**	**4,658**	**1,451**	**74,784**	**368**	**75,152**
Other comprehensive income for the period	—	—	—	85	—	(1,050)	(965)	(8)	(973)
Net income for the period	—	—	—	3,430	—	—	3,430	26	3,456
Comprehensive income for the period	**—**	**—**	**—**	**3,515**	**—**	**(1,050)**	**2,465**	**18**	**2,483**
Dividend paid out of 2022 earnings (€3.56 per share)	—	—	—	(4,454)	—	—	(4,454)	—	(4,454)
Payment of dividends to non-controlling interests	—	—	—	—	—	—	—	(49)	(49)
Share repurchase program [(a)]	—	—	(363)	—	—	—	(363)	—	(363)
Share-based payment plans:									
• Exercise of stock options	—	18	—	—	—	—	18	—	18
• Issuance of restricted shares and vesting of existing restricted shares [(a)]	3	(3)	112	(112)	—	—	—	—	—
• Value of services obtained from employees	—	—	—	—	160	—	160	—	160
• Tax effects of the exercise of stock options	—	—	—	—	8	—	8	—	8
Other changes arising from issuance of restricted shares [(d)]	—	—	—	2	—	—	2	—	2
Other movements [(b)]	—	—	—	9	—	—	9	(19)	(10)
Balance at June 30, 2023	**2,525**	**140**	**(957)**	**65,694**	**4,826**	**401**	**72,629**	**318**	**72,947**

(a) See Note B.8.2. (for amounts relating to 2022, see Note D.1.5.4. to the consolidated financial statements for the year ended December 31, 2022).
(b) This line mainly comprises the impact on non-controlling interests arising from divestments and acquisitions.
(c) See Note D.1. to the consolidated financial statements for the year ended December 31, 2022
(d) This line comprises the impact of issuance of restricted shares to former employees of EUROAPI subsequent to the date on which Sanofi ceased to have control over EUROAPI.

The accompanying notes on pages 10 to 38 are an integral part of the condensed half-year consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(€ million)	Note	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Net income attributable to equity holders of Sanofi		**3,430**	**3,184**	**8,371**
Non-controlling interests		26	53	113
Share of undistributed earnings from investments accounted for using the equity method		196	(53)	(48)
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets and intangible assets		1,838	1,820	3,420
Gains and losses on disposals of non-current assets, net of tax [(a)]		(307)	(368)	(711)
Net change in deferred taxes		(446)	(404)	(578)
Net change in non-current provisions and other non-current liabilities [(b)]		(716)	436	280
Cost of employee benefits (stock options and other share-based payments)		160	144	245
Impact of the workdown of acquired inventories remeasured at fair value		5	3	3
Other profit or loss items with no cash effect on cash flows generated by operating activities [(d)]		196	52	138
Operating cash flow before changes in working capital		**4,382**	**4,867**	**11,233**
(Increase)/decrease in inventories		(1,174)	(1,122)	(927)
(Increase)/decrease in accounts receivable		(215)	18	(777)
Increase/(decrease) in accounts payable		497	111	452
Net change in other current assets and other current liabilities		73	(49)	545
Net cash provided by/(used in) operating activities [(c)]		**3,563**	**3,825**	**10,526**
Acquisitions of property, plant and equipment and intangible assets	B.2. - B.3.	(930)	(974)	(2,201)
Acquisitions of consolidated undertakings and investments accounted for using the equity method [(e)]	B.1.	(2,465)	(977)	(992)
Acquisitions of other equity investments		(56)	(110)	(488)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets, net of tax [(f)]		578	544	1,488
Disposals of consolidated undertakings and investments accounted for using the equity method [(g)]		15	101	134
Net change in other non-current assets		(215)	(43)	(16)
Net cash provided by/(used in) investing activities		**(3,073)**	**(1,459)**	**(2,075)**
Issuance of Sanofi shares	B.8.1.	31	40	188
Dividends paid:				
▪ to equity holders of Sanofi		(4,454)	(4,168)	(4,168)
▪ to non-controlling interests		(49)	(69)	(99)
Payments received/(made) on changes of ownership interest in a subsidiary without loss of control		(3)	—	—
Additional long-term debt contracted	B.9.1.	—	1,497	1,549
Repayments of long-term debt	B.9.1.	(2,680)	(2,694)	(2,718)
Repayment of lease liabilities		(127)	(137)	(291)
Net change in short-term debt and other financial instruments [(h)]		2,431	286	215
Acquisitions of treasury shares	B.8.2	(363)	(360)	(497)
Net cash provided by/(used in) financing activities		**(5,214)**	**(5,605)**	**(5,821)**
Impact of exchange rates on cash and cash equivalents		**(19)**	**40**	**8**
Net change in cash and cash equivalents		**(4,743)**	**(3,199)**	**2,638**
Cash and cash equivalents, beginning of period		**12,736**	**10,098**	**10,098**
Cash and cash equivalents, end of period	B.9.	**7,993**	**6,899**	**12,736**

(a) Includes non-current financial assets.
(b) This line item includes contributions paid to pension funds (see Note B.12.).
(c) Of which:

	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
▪ Income tax paid	(1,431)	(927)	(2,452)
▪ Interest paid	(234)	(162)	(380)
▪ Interest received	262	23	173
▪ Dividends received from non-consolidated entities	8	—	1

(d) This line item mainly comprises unrealized foreign exchange gains and losses arising on the remeasurement of monetary items in non-functional currencies and on instruments used to hedge such items.

(e) For the six months ended June 30, 2023, this line item includes the net cash outflow arising from the acquisition of Provention Bio Inc. (see Note B.1.1.). For the six months ended June 30, 2022 and the year ended December 31, 2022, it includes the net cash outflow arising from the acquisition of Amunix.

(f) This line item mainly comprises proceeds from disposals of (i) assets and businesses due to portfolio rationalization, and (ii) equity and debt instruments.

(g) This line item includes the net cash inflow from the disposal of EUROAPI for the periods of 2022 presented.

(h) For the six months ended June 30, 2023, this line item includes €2,630 million related to the US commercial paper program. It also includes realized foreign exchange differences on (i) cash and cash equivalents in non-functional currencies (primarily the US dollar) and (ii) derivative instruments used to manage such cash and cash equivalents.

NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2023

INTRODUCTION

Sanofi, together with its subsidiaries (collectively "Sanofi", "the Group" or "the Company"), is a global healthcare leader engaged in the research, development and marketing of therapeutic solutions focused on patient needs.

Sanofi is listed in Paris (Euronext: SAN) and New York (Nasdaq: SNY).

The condensed consolidated financial statements for the six months ended June 30, 2023 were reviewed by the Sanofi Board of Directors at the Board meeting on July 27, 2023.

A/ BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

A.1. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The half-year consolidated financial statements have been prepared and presented in condensed format in accordance with IAS 34 (Interim Financial Reporting). The accompanying notes therefore relate to significant events and transactions of the period, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

The accounting policies used in the preparation of the consolidated financial statements as of June 30, 2023 comply with international financial reporting standards (IFRS) as endorsed by the European Union and as issued by the International Accounting Standards Board (IASB). IFRS as endorsed by the European Union as of June 30, 2023 are available via the following web link:

https://www.efrag.org/Endorsement

The accounting policies applied effective January 1, 2023 are identical to those presented in the consolidated financial statements for the year ended December 31, 2022.

The following amendments are applicable from January 1, 2023, and had no material impact: "Disclosure of Accounting Policies" (amendment to IAS 1); "Definition of Accounting Estimates" (amendment to IAS 8); and "Deferred Tax Assets and Liabilities Arising from a Single Transaction" (amendment to IAS 12).

On May 23, 2023, the IASB issued "International Tax Reform—Pillar Two Model Rules", an immediately applicable amendment to IAS 12 that will come into force following endorsement by the European Union, which is expected by the end of 2023. In December 2022, the EU Member States unanimously agreed to adopt a directive introducing a global minimum corporate income tax rate of 15% that will come into force in 2024, in accordance with the model framework of OECD Pillar Two. Work is ongoing to assess the potential impact of the imminent transposition into domestic legislation in relevant countries prior to December 31, 2023. For the first half of 2023, the expected impacts of the Pillar Two measures cannot be accurately quantified, and hence cannot be reasonably estimated. In addition, given the lack of clarity in the current provisions of IAS 12 on the recognition of deferred taxes with reference to Pillar Two, Sanofi has not recognized any deferred taxes in the 2023 first-half financial statements in respect of subsidiaries located in countries which have transposed or substantively transposed Pillar Two rules.

IFRS 17 (Insurance Contracts), issued on May 18, 2017, became applicable with effect from January 1, 2023. However, IFRS 17 does not apply to the Sanofi consolidated financial statements because the insurance activities carried on by its captive insurance companies are internal to the Group, given that the sole beneficiaries of the policies are Sanofi subsidiaries. Consequently, those activities are eliminated on consolidation.

A.2. USE OF ESTIMATES

The preparation of financial statements requires management to make reasonable estimates and assumptions based on information available at the date the financial statements are finalized. Those estimates and assumptions may affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements, and disclosures of contingent assets and contingent liabilities as of the date of the review of the financial statements. Examples of estimates and assumptions include:

- amounts deducted from sales for projected sales returns, chargeback incentives, rebates and price reductions;
- impairment of property, plant and equipment and intangible assets;
- the valuation of goodwill and the valuation and useful life of acquired intangible assets;
- the measurement of contingent consideration receivable in connection with asset divestments and of contingent consideration payable;
- the measurement of financial assets and financial liabilities at amortized cost;
- the amount of post-employment benefit obligations;

- the amount of liabilities or provisions for restructuring, litigation, tax risks relating to corporate income taxes, and environmental risks; and
- the amount of deferred tax assets resulting from tax losses available for carry-forward and deductible temporary differences.

Actual results could differ from these estimates.

For half-year financial reporting purposes, and as allowed under IAS 34, Sanofi has determined income tax expense on the basis of an estimate of the effective tax rate for the full financial year. That rate is applied to business operating income plus financial income and minus financial expenses, and before (i) the share of profit/loss of investments accounted for using the equity method and (ii) net income attributable to non-controlling interests. The estimated full-year effective tax rate is based on the tax rates that will be applicable to projected pre-tax profits or losses arising in the various tax jurisdictions in which Sanofi operates.

A.3. SEASONAL TRENDS

Sanofi's activities are not subject to significant seasonal fluctuations.

A.4. CONSOLIDATION AND FOREIGN CURRENCY TRANSLATION OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES IN HYPERINFLATIONARY ECONOMIES

In 2023, Sanofi continues to account for subsidiaries based in Venezuela using the full consolidation method, on the basis that the criteria for control as specified in IFRS 10 (Consolidated Financial Statements) are still met.The contribution of the Venezuelan subsidiaries to the consolidated financial statements is immaterial.

In Argentina, the cumulative rate of inflation over the last three years is in excess of 100%, based on a combination of indices used to measure inflation in that country. Consequently, Sanofi has since July 1, 2018 treated Argentina as a hyperinflationary economy and has applied IAS 29. The impact of the resulting restatements is immaterial at Sanofi group level.

In Turkey, the cumulative rate of inflation over the last three years is in excess of 100%, based on a combination of indices used to measure inflation in that country. Consequently, Sanofi has since January 1, 2022 treated Turkey as a hyperinflationary economy and has applied IAS 29. The impact of the resulting restatements is immaterial at Sanofi group level.

A.5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Under IFRS 13 (Fair Value Measurement) and IFRS 7 (Financial Instruments: Disclosures), fair value measurements must be classified using a hierarchy based on the inputs used to measure the fair value of the instrument. This hierarchy has three levels:

- Level 1: quoted prices in active markets for identical assets or liabilities (without modification or repackaging);
- Level 2: quoted prices in active markets for similar assets or liabilities, or valuation techniques in which all important inputs are derived from observable market data;
- Level 3: valuation techniques in which not all important inputs are derived from observable market data.

The table below shows the disclosures required under IFRS 7 relating to the measurement principles applied to financial instruments.

Note	Type of financial instrument	Measurement principle	Level in fair value hierarchy	Valuation technique	Method used to determine fair value			
						Market data		
					Valuation model	Exchange rate	Interest rate	Volatilities
B.6.	Financial assets measured at fair value (quoted equity instruments)	Fair value	1	Market value	Quoted market price	N/A		
B.6.	Financial assets measured at fair value (quoted debt instruments)	Fair value	1	Market value	Quoted market price	N/A		
B.6.	Financial assets measured at fair value (unquoted equity instruments)	Fair value	3	Amortized cost/ Peer comparison (primarily)	If cost ceases to be a representative measure of fair value, an internal valuation based primarily on peer comparison is used.			
B.6.	Financial assets at fair value (contingent consideration receivable)	Fair value	3	Revenue-based approach	The fair value of contingent consideration receivable is determined by adjusting the contingent consideration at the end of the reporting period using the method described in Note D.7.3. to the consolidated financial statements for the year ended December 31, 2021.			
B.6.	Long-term loans and advances and other non-current receivables	Amortized cost	N/A	N/A	The amortized cost of long-term loans and advances and other non-current receivables at the end of the reporting period is not materially different from their fair value.			
B.6.	Financial assets measured at fair value held to meet obligations under post-employment benefit plans	Fair value	1	Market value	Quoted market price	N/A		
B.6.	Financial assets designated at fair value held to meet obligations under deferred compensation plans	Fair value	1	Market value	Quoted market price	N/A		
B.9.	Investments in mutual funds	Fair value	1	Market value	Net asset value	N/A		
B.9.	Negotiable debt instruments, commercial paper, instant access deposits and term deposits	Amortized cost	N/A	N/A	Because these instruments have a maturity of less than 3 months, amortized cost is regarded as an acceptable approximation of fair value as disclosed in the notes to the consolidated financial statements.			
B.9. B.12.	Debt	Amortized cost (a)	N/A	N/A	In the case of debt with a maturity of less than 3 months, amortized cost is regarded as an acceptable approximation of fair value as reported in the notes to the consolidated financial statements. For debt with a maturity of more than 3 months, fair value as reported in the notes to the consolidated financial statements is determined either by reference to quoted market prices at the end of the reporting period (quoted instruments) or by discounting the future cash flows based on observable market data at the end of the reporting period (unquoted instruments). For financial liabilities based on variable payments such as royalties, fair value is determined on the basis of discounted cash flow projections.			
B.9.	Lease liabilities	Amortized cost	N/A	N/A	Future lease payments are discounted using the incremental borrowing rate.			
B.10.	Forward currency contracts	Fair value	2	Revenue-based approach	Present value of future cash flows	Mid Market Spot	< 1 year: Mid Money Market > 1 year: Mid Zero Coupon	N/A
B.10.	Interest rate swaps	Fair value	2		Present value of future cash flows	Mid Market Spot	< 1 year: Mid Money Market and Euronext interest rate futures > 1 year: Mid Zero Coupon	N/A
B.10.	Cross-currency swaps	Fair value	2		Present value of future cash flows	Mid Market Spot	< 1 year: Mid Money Market and Euronext interest rate futures > 1 year: Mid Zero Coupon	N/A
B.11.	Liabilities related to business combinations and to non-controlling interests	Fair value	3	Revenue-based approach	Under IAS 32, contingent consideration payable in a business combination is a financial liability. The fair value of such liabilities is determined by adjusting the contingent consideration at the end of the reporting period using the method described in Note B.11.			

(a) In the case of debt designated as a hedged item in a fair value hedging relationship, the carrying amount in the consolidated balance sheet includes changes in fair value attributable to the hedged risk(s).

A.6. NEW PRONOUNCEMENTS ISSUED BY THE IASB AND APPLICABLE FROM 2024

On September 22, 2022, the IASB issued an amendment to IFRS 16 (Leases), relating to lease liabilities in a sale-and-leaseback arrangement, which is applicable at the earliest from January 1, 2024 (subject to endorsement by the European Union); it will not have a material impact on the Sanofi financial statements, and Sanofi will not early adopt it.

On January 23, 2020, the IASB issued "Classification of Liabilities as Current or Non-current", an amendment to IAS 1, and then on October 31, 2022 issued "Non-current Liabilities with Covenants", a further amendment to IAS 1. The amendments are applicable at the earliest from January 1, 2024 (subject to endorsement by the European Union); they will not have a material impact on the Sanofi financial statements, and Sanofi will not early adopt them.

On May 25, 2023, the IASB issued "Supplier Finance Arrangements", an amendment to IAS 7 and IFRS 7 which is applicable at the earliest from January 1, 2024 (subject to endorsement by the European Union) and relates to disclosure requirements around such arrangements. An impact assessment is ongoing, and Sanofi will not early adopt the amendment.

A.7. AGREEMENTS RELATING TO THE RECOMBINANT COVID-19 VACCINE CANDIDATE DEVELOPED BY SANOFI IN COLLABORATION WITH GSK

On November 10, 2022, in line with the positive opinion issued by the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency, the European Commission approved VidPrevtyn® Beta vaccine as booster for the prevention of COVID-19 in adults aged 18 years and older.

On December 21, 2022, following European Commission approval, the Medicines and Healthcare Products Regulatory Agency (MHRA) approved VidPrevtyn® Beta vaccine for the prevention of COVID-19 in adults aged 18 and over within the UK.

The pre-order contracts relating to Canada, the United Kingdom and the European Union have expired. The related customer contract liabilities, which amounted to €264 million as of December 31, 2022, were reversed out in full through profit or loss in the first half of 2023, including €94 million classified within the line item ***Other revenues*** corresponding to doses for which there was no longer any delivery obligation as of June 30, 2023.

The commitments entered into by the United States in 2020 remained in place as of June 30, 2023.

Sanofi has recognized US government funding received as a deduction from the development expenses incurred, or from the acquisition cost of the property, plant and equipment acquired, in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance).

The amount of government aid received from the US federal government and BARDA that was recognized as a deduction from development expenses was €30 million in the six months ended June 30, 2023, and €265 million in the year ended December 31, 2022.

B/ SIGNIFICANT INFORMATION FOR THE FIRST HALF OF 2023

B.1. PRINCIPAL CHANGES IN SCOPE OF CONSOLIDATION IN THE PERIOD AND AMENDMENTS TO PRINCIPAL AGREEMENTS

B.1.1. Principal changes in scope of consolidation

Acquisition of Provention Bio, Inc.

On March 13, 2023, Sanofi entered into a merger agreement with Provention Bio, Inc. ("Provention"), a US-based publicly traded biopharmaceutical company developing therapies to prevent and intercept immune-mediated diseases including type 1 diabetes. Under the terms of the agreement, Sanofi acquired the outstanding shares of Provention common stock for $25.00 per share in an all-cash transaction valued at approximately $2.8 billion.

The acquisition of Provention was completed on April 27, 2023, with Sanofi holding all of the shares of Provention on expiration of the tender offer.

Sanofi elected to apply the optional test to identify concentration of fair value under paragraph B7A of IFRS 3. The transaction was accounted for as an acquisition of a group of assets, given that the principal asset (teplizumab-mzwv, commercialized in the United States under the name TZIELD®) concentrates substantially all of the fair value of the acquired set of activities and assets.

Under the terms of a share purchase agreement entered into by Sanofi and Provention in February 2023, Sanofi already held an equity interest in Provention Bio, Inc., representing approximately 3% of Provention's share capital. On the date Sanofi obtained control of Provention Bio, Inc., that equity interest was remeasured at a price of $25.00 per share, representing a total amount of $68 million. The impact of the remeasurement was recognized in ***Other comprehensive income***.

The acquisition price for the shares not already held was $2,806 million. Out of the total price (including the fair value of the shares already held), $2,839 million was allocated to TZIELD® and recognized within ***Other intangible assets*** in accordance with IAS 38. The difference between that amount and the acquisition price corresponds to the other assets acquired and liabilities assumed as part of the transaction. The transaction also ended the obligation for Provention to pay future royalties to Sanofi, which was valued at $210 million.

The impact of this acquisition as reflected within the line item ***Acquisitions of consolidated undertakings and investments accounted for using the equity method*** in the consolidated statement of cash flows is a net cash outflow of $2,722 million.

B.1.2. Amendments to principal agreements

Agreements on the commercialization of Beyfortus™ (nirsevimab, previously MEDI8897) in the US

On March 1, 2017, Sanofi and AstraZeneca entered into an agreement to develop and commercialize a monoclonal antibody (MEDI8897, nirsevimab) for the prevention of Respiratory Syncytial Virus (RSV) associated illness in newborns and infants.

Under the terms of the agreement, Sanofi has made an upfront payment of €120 million in March 2017, a development milestone payment of €30 million in the third quarter of 2019, and a regulatory milestone payment of €25 million associated with the approval of Beyfortus™ (nirsevimab) by the EMA in Europe in November 2022. Sanofi may pay up to €440 million contingent on attainment of specified regulatory and sales objectives.

The agreement also specifies that AstraZeneca is responsible for development and manufacturing, and Sanofi for commercialization. Sanofi consolidates the sales and cost of sales (purchases of finished products from AstraZeneca), and shares the Alliance's commercial profits (i) 50/50 in major territories and (ii) based on 25% of net sales in other territories. The share of commercial profits and losses due to or from AstraZeneca is recognized as a component of operating income, within the line items ***Other operating income*** or ***Other operating expenses***. In addition, Sanofi and AstraZeneca share development costs 50/50, with Sanofi's portion recognized within the income statement line item ***Research and development expenses***.

On April 9, 2023, Sanofi and AstraZeneca simplified their contractual agreements for the development and commercialization of Beyfortus™ (nirsevimab) in the US. Sanofi thereby obtained control of all commercial rights to Beyfortus™ (nirsevimab) in the US, and ended the sharing of commercial profits between the two partners in that territory. In accordance with IAS 38, Sanofi has recognized an intangible asset of €1,632 million for the fair value of the additional US rights. On the same date, AstraZeneca and Sobi ended their participation agreement, signed in 2018, which transferred the economic rights for US territory to Sobi.

Sanofi simultaneously entered into an agreement with Sobi relating to direct royalties on US net sales of Beyfortus™ (nirsevimab). As regards that agreement, on April 9, 2023 Sanofi recognized a financial liability, presented within the line items ***Other non-current liabilities*** (in an amount of €1,609 million) and ***Other current liabilities*** (in an amount of €23 million). That liability is classified as a financial liability at amortized cost under IFRS 9. Other than royalty payments, subsequent movements in the liability comprise (i) the unwinding of discount and (ii) changes in estimates of future cash outflows for royalty payments. Those

movements will be recognized in the income statement within net financial income/(expenses) in accordance with paragraph B5.4.6 of IFRS 9.

For territories other than the US (except for China, which is now considered a "major market", with profits/losses shared 50/50 with AstraZeneca), the existing agreement between AstraZeneca and Sanofi continues to govern the principal terms of the collaboration: Sanofi consolidates the sales and cost of sales, and shares the Alliance's commercial profits with AstraZeneca.

In May 2023, data from the HARMONIE Phase IIIb study confirmed that nirsevimab prevents infant hospitalizations due to RSV with consistent and high efficacy.

Beyfortus™ (nirsevimab) was approved in Europe in November 2022, and in the United States on July 17, 2023.

The approval of Beyfortus™ (nirsevimab) in the United States will result in a €50 million remeasurement of the financial liability. That event is subsequent to June 30, 2023, and will not require any adjustment to the consolidated financial statements as of that date. It also triggers a regulatory milestone payment from Sanofi to AstraZeneca of €65 million (included in the total amount of €440 million as mentioned above), which will be recognized within ***Other intangible assets***.

B.2. PROPERTY, PLANT AND EQUIPMENT

The table below sets forth acquisitions and capitalized interest by operating segment for the first half of 2023:

(€ million)	June 30, 2023	December 31, 2022 [a]
Acquisitions	**612**	**1,748**
Biopharma	593	1,678
Of which Manufacturing & Supply	*429*	*1,129*
Consumer Healthcare	19	70
Of which Manufacturing & Supply	*16*	*63*
Of which capitalized interest	***12***	***17***

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023 (see note B.20.).

Firm orders for property, plant and equipment stood at €795 million as of June 30, 2023.

B.3. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill amounted to €49,243 million as of June 30, 2023, versus €49,892 million as of December 31, 2022. The movement during the period was mainly due to the impact of changes in exchange rates.

Movements in other intangible assets during the first half of 2023 were as follows:

(€ million)	Acquired R&D	Products, trademarks and other rights	Software	Total other intangible assets
Gross value at January 1, 2023	**10,354**	**69,579**	**1,783**	**81,716**
Changes in scope of consolidation [a]	115	2,571	1	2,687
Acquisitions and other increases	115	1,642	32	1,789
Disposals and other decreases	(18)	(113)	(9)	(140)
Currency translation differences	(150)	(1,087)	(7)	(1,244)
Transfers [b]	(1,122)	601	—	(521)
Gross value at June 30, 2023	**9,294**	**73,193**	**1,800**	**84,287**
Accumulated amortization and impairment at January 1, 2023 [a]	**(4,128)**	**(54,652)**	**(1,296)**	**(60,076)**
Amortization expense	—	(1,068)	(54)	(1,122)
Impairment losses, net of reversals [c]	(15)	—	—	(15)
Disposals and other decreases	18	88	9	115
Currency translation differences	62	849	7	918
Transfers [b]	—	483	—	483
Accumulated amortization and impairment at June 30, 2023	**(4,063)**	**(54,300)**	**(1,334)**	**(59,697)**
Carrying amount at January 1, 2023	**6,226**	**14,927**	**487**	**21,640**
Carrying amount at June 30, 2023	**5,231**	**18,893**	**466**	**24,590**

(a) Impact of the acquisition of Provention (see Note B.1.).

*(b) The "Transfers" line mainly comprises acquired R&D brought into service during the period. The main intangible asset brought into service in the first half of 2023 relates to ALTUVIIIO™ (efanesoctocog alfa), which extends protection from bleeds and treats acute hemorrhages in people with hemophilia A. The asset came into service on the date of marketing approval (February 23, 2023), at an amount of €1,110 million. This line also includes reclassifications of assets to **Assets held for sale or exchange**.*

(c) See Note B.4.

Acquisitions of other intangible assets (excluding software) in the first half of 2023 totaled €1,757 million, including €1,632 million related to the updated agreement on Beyfortus™ (nirsevimab) entered into by Sanofi and AstraZeneca in April 2023 (see Note B.1.).

"Products, trademarks and other products" mainly comprise:

- marketed products, with a carrying amount of €16.8 billion as of June 30, 2023 (versus €12.7 billion as of December 31, 2022) and a weighted average amortization period of approximately 10 years; and
- technological platforms brought into service, with a carrying amount of €2.1 billion as of June 30, 2023 (versus €2.2 billion as of December 31, 2022) and a weighted average amortization period of approximately 18 years.

B.4. IMPAIRMENT OF INTANGIBLE ASSETS

The monitoring of impairment indicators for other intangible assets led to the recognition of a net impairment loss of €15 million in the first half of 2023 linked to research and development projects.

B.5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method consist of associates and joint ventures (see Note B.1. to the consolidated financial statements for the year ended December 31, 2022), and comprise:

(€ million)	% interest	June 30, 2023	December 31, 2022
EUROAPI [(a)]	29.8	297	392
Infraserv GmbH & Co. Höchst KG [(b)]	31.2	88	97
MSP Vaccine Company [(c)]	50.0	95	104
Other investments	—	58	84
Total		**538**	**677**

(a) As of June 30, 2023, an impairment loss of €91 million euros was recognized on the equity-accounted investment in EUROAPI, given the decrease in the stock market price since March 2023. The amount of the loss was determined based on the stock market price as of June 30, 2023 (€10.50).
(b) Joint venture.
(c) Joint venture MSP Vaccine Company owns 100% of MCM Vaccine BV.

The financial statements include commercial transactions between Sanofi and some equity-accounted investments that are classified as related parties. The principal transactions and balances with related parties are summarized below:

(€ million)	June 30, 2023	June 30, 2022	December 31, 2022
Sales	64	26	131
Royalties and other income	32	33	81
Accounts receivable and other receivables	68	110	174
Purchases and other expenses (including research expenses)	302	167	477
Accounts payable and other payables	97	89	132

B.6. OTHER NON-CURRENT ASSETS

Other non-current assets comprise:

(€ million)	June 30, 2023	December 31, 2022
Equity instruments at fair value through other comprehensive income	920	936
Debt instruments at fair value through other comprehensive income	332	329
Other financial assets at fair value through profit or loss	760	823
Pre-funded pension obligations	269	269
Long-term prepaid expenses	264	286
Long-term loans and advances and other non-current receivables	447	452
Total	**2,992**	**3,095**

B.7. ACCOUNTS RECEIVABLE

Accounts receivable break down as follows:

(€ million)	June 30, 2023	December 31, 2022
Gross value	8,381	8,537
Allowances	(92)	(113)
Carrying amount	**8,289**	**8,424**

The impact of allowances against accounts receivable in the first half of 2023 was a net expense of €2 million (versus a net expense of €1 million for the first half of 2022).

The table below shows the ageing profile of overdue accounts receivable, based on gross value:

(€ million)	Overdue accounts gross value	Overdue by <1 month	Overdue by 1-3 months	Overdue by 3-6 months	Overdue by 6-12 months	Overdue by > 12 months
June 30, 2023	521	110	164	125	52	70
December 31, 2022	452	118	161	87	35	51

Some Sanofi subsidiaries have assigned receivables to factoring companies or banks without recourse. The amount of receivables that met the conditions described in Note B.8.6. to the consolidated financial statements for the year ended December 31, 2022 and hence were derecognized was €502 million as of June 30, 2023 (versus €131 million as of December 31, 2022). The residual guarantees relating to those transfers were immaterial as of June 30, 2023.

B.8. CONSOLIDATED SHAREHOLDERS' EQUITY

B.8.1. SHARE CAPITAL

As of June 30, 2023, the share capital was €2,524,776,362 and consisted of 1,262,388,181 shares (the total number of shares outstanding) with a par value of €2.

Treasury shares held by Sanofi are as follows:

	Number of shares (million)	% of share capital for the period
June 30, 2023	10.90	0.864%
December 31, 2022	8.20	0.650%
June 30, 2022	13.43	1.061%
January 1, 2022	11.02	0.872%

A total of 245,668 shares were issued in the first half of 2023 as a result of the exercise of Sanofi stock subscription options.

In addition, 2,600,012 shares vested under Sanofi restricted share plans during the first half of 2023, of which 1,306,781 were fulfilled by issuance of new shares and 1,293,231 by allotment of existing shares free of charge.

B.8.2. REPURCHASE OF SANOFI SHARES

On May 3, 2022, the Annual General Meeting of Sanofi shareholders authorized a share repurchase program for a period of 12 months Under that program, Sanofi repurchased 4,000,204 of its own shares during the first half of 2023 for a total amount of €363 million.

On May 25, 2023, the Annual General Meeting of Sanofi shareholders authorized a share repurchase program for a period of 12 months. Sanofi did not use that authorization during the first half of 2023.

B.8.3. REDUCTIONS IN SHARE CAPITAL

No decision to cancel treasury shares was made by the Sanofi Board of Directors during the first half of 2023.

B.8.4. RESTRICTED SHARE PLANS

Restricted share plans are accounted for in accordance with the policies described in Note B.24.3. to the consolidated financial statements for the year ended December 31, 2022. The principal features of the plans awarded in 2023 are set forth below:

	2023
Type of plan	Performance share plan
Date of Board meeting approving the plan	May 25, 2023
Total number of shares subject to a 3-year service period	3,838,434
Of which with no market condition	2,425,047
Fair value per share awarded [(a)]	€87.69
Of which with market conditions	1,413,387
Fair value per share awarded other than to the Chief Executive Officer (1,209,790 shares in total) [(b)]	€83.74
Fair value per share awarded other than to the Chief Executive Officer (121,097 additional shares) [(c)]	€43.60
Fair value per share awarded to the Chief Executive Officer (82,500 shares) [(b)]	€82.17
Fair value of plan at the date of grant (€ million)	**326**

(a) Quoted market price per share at the date of grant, adjusted for dividends expected during the vesting period.
(b) Weighting between (i) fair value determined using the Monte Carlo model and (ii) market price of Sanofi shares at the date of grant, adjusted for dividends expected during the vesting period.
(c) Additional tranche subject to a higher level of market conditions.

The total expense recognized for all restricted share plans, and the number of restricted shares not yet fully vested, are shown in the table below:

	June 30, 2023	June 30, 2022
Total expense for restricted share plans (€ million)	108	105
Number of shares not yet fully vested	10,127,545	9,559,052
Under 2023 plans	*3,837,974*	*—*
Under 2022 plans	*3,226,321*	*3,341,379*
Under 2021 plans	*2,996,101*	*3,281,880*
Under 2020 plans	*67,149*	*2,935,793*

B.8.5. CAPITAL INCREASES

On February 2, 2023, the Sanofi Board of Directors approved a capital increase reserved for employees, offering the opportunity for them to subscribe for new Sanofi shares at a price of €79.58 per share. The subscription period was open from June 5 through June 23, 2023. Sanofi employees subscribed for a total of 2,009,306 shares, and this capital increase was supplemented by the immediate issuance of a further 119,417 shares for the employer's contribution. The total expense recognized for this capital increase in the first half of 2023 was €52 million, determined in accordance with IFRS 2 (Share-Based Payment) on the basis of the discount granted to the employees.

On February 3, 2022, the Sanofi Board of Directors approved a capital increase reserved for employees, offering the opportunity for them to subscribe for new Sanofi shares at a price of €80.21 per share. The subscription period was open from June 9 through June 29, 2022. Sanofi employees subscribed for a total of 1,909,008 shares, and this capital increase was supplemented by the immediate issuance of a further 118,049 shares for the employer's contribution. The total expense recognized for this capital increase in the first half of 2022 was €39 million, determined in accordance with IFRS 2 (Share-Based Payment) on the basis of the discount granted to the employees.

B.8.6. STOCK SUBSCRIPTION OPTION PLANS

No stock subscription option plans were awarded in the first half of 2023 or in 2022.

No more expenses have been recognized through equity for stock option plans in either 2023 or 2022.

The table below provides summary information about options outstanding and exercisable as of June 30, 2023:

	Outstanding			Exercisable	
Range of exercise prices per share	Number of options	Weighted average residual life (years)	Weighted average exercise price per share (€)	Number of options	Weighted average exercise price per share (€)
From €60.00 to €70.00 per share	168,784	4.84	65.84	168,784	65.84
From €70.00 to €80.00 per share	818,708	2.73	75.10	818,708	75.10
From €80.00 to €90.00 per share	604,809	2.82	89.20	604,809	89.20
Total	**1,592,301**			**1,592,301**	

B.8.7. NUMBER OF SHARES USED TO COMPUTE DILUTED EARNINGS PER SHARE

Diluted earnings per share is computed using the number of shares outstanding plus stock options with dilutive effect and restricted shares.

(million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Average number of shares outstanding	1,249.9	1,250.0	1,251.9
Adjustment for stock options with dilutive effect	0.3	0.4	0.3
Adjustment for restricted shares	4.3	4.9	4.7
Average number of shares used to compute diluted earnings per share	**1,254.5**	**1,255.3**	**1,256.9**

As of June 30, 2023, December 31, 2022 and June 30, 2022 all stock options were taken into account in computing diluted earnings per share because they all had a dilutive effect.

B.8.8. OTHER COMPREHENSIVE INCOME

Movements within other comprehensive income are shown below:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Actuarial gains/(losses):			
▪ Actuarial gains/(losses) excluding investments accounted for using the equity method	133	1,110	650
▪ Actuarial gains/(losses) of investments accounted for using the equity method, net of taxes	8	—	4
▪ Tax effects	(60)	(333)	(212)
Equity instruments included in financial assets and financial liabilities:			
▪ Change in fair value (excluding investments accounted for using the equity method)	3	(3)	(4)
▪ Change in fair value (investments accounted for using the equity method, net of taxes)	—	—	—
▪ Equity risk hedging instruments designated as fair value hedges	—	16	17
▪ Tax effects	1	(3)	(4)
Items not subsequently reclassifiable to profit or loss	**85**	**787**	**451**
Debt instruments included in financial assets:			
▪ Change in fair value (excluding investments accounted for using the equity method) [(a)]	6	(52)	(77)
▪ Change in fair value (investments accounted for using the equity method, net of taxes)	—	—	—
▪ Tax effects	(1)	8	15
Cash flow hedges and fair value hedges:			
▪ Change in fair value (excluding investments accounted for using the equity method) [(b)]	1	(17)	5
▪ Change in fair value (investments accounted for using the equity method, net of taxes)	—	—	2
▪ Tax effects	—	4	(1)
Change in currency translation differences:			
▪ Currency translation differences on foreign subsidiaries (excluding investments accounted for using the equity method) [(c)]	(1,089)	3,775	2,643
▪ Currency translation differences (investments accounted for using the equity method)	6	(11)	(11)
▪ Hedges of net investments in foreign operations	26	(329)	(354)
▪ Tax effects	(7)	85	91
Items subsequently reclassifiable to profit or loss	**(1,058)**	**3,463**	**2,313**

(a) Includes reclassifications to profit or loss: immaterial in the first half of 2023 and full-year 2022; €2 million in the first half of 2022.

(b) Includes reclassifications to profit or loss: €0 million in the first half of 2023, and €5 million in 2022 (including €17 million in the first half of 2022).

(c) Currency translation differences on foreign subsidiaries are mainly due to the appreciation of the US dollar.
Includes a reclassification to profit or loss of €(14) million in the first half of 2023 versus €(35) million in the first half of 2022 relating to the deconsolidation of EUROAPI , and €(40) million in 2022 (including €(35) million relating to the deconsolidation of EUROAPI).

B.9. DEBT, CASH AND CASH EQUIVALENTS

Changes in financial position during the period were as follows:

(€ million)	June 30, 2023	December 31, 2022
Long-term debt	14,241	14,857
Short-term debt and current portion of long-term debt	4,694	4,174
Interest rate and currency derivatives used to manage debt	205	187
Total debt	**19,140**	**19,218**
Cash and cash equivalents	(7,993)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	36	(45)
Net debt (a)	**11,183**	**6,437**

(a) Net debt does not include lease liabilities, which amounted to €2,092 million as of June 30, 2023 and €2,181 million as of December 31, 2022.

"Net debt" is a financial indicator used by management and investors to measure Sanofi's overall net indebtedness.

B.9.1. NET DEBT AT VALUE ON REDEMPTION

A reconciliation of the carrying amount of net debt in the balance sheet to value on redemption as of June 30, 2023 is shown below:

				Value on redemption	
(€ million)	Carrying amount at June 30, 2023	Amortized cost	Adjustment to debt measured at fair value	June 30, 2023	December 31, 2022
Long-term debt	14,241	45	228	14,514	15,143
Short-term debt and current portion of long-term debt	4,694			4,694	4,178
Interest rate and currency derivatives used to manage debt	205		(239)	(34)	(48)
Total debt	**19,140**	**45**	**(11)**	**19,174**	**19,273**
Cash and cash equivalents	(7,993)			(7,993)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	36			36	(45)
Net debt (a)	**11,183**	**45**	**(11)**	**11,217**	**6,492**

(a) Net debt does not include lease liabilities, which amounted to €2,092 million as of June 30, 2023 and €2,181 million as of December 31, 2022.

The table below shows an analysis of net debt by type, at value on redemption:

	June 30, 2023			December 31, 2022		
(€ million)	non-current	current	Total	non-current	current	Total
Bond issues	14,426	1,686	16,112	15,044	3,817	18,861
Other bank borrowings	88	2,838 [(a)]	2,926	99	187	286
Other borrowings		3	3	—	6	6
Bank credit balances		167	167	—	168	168
Interest rate and currency derivatives used to manage debt		(34)	(34)	—	(48)	(48)
Total debt	**14,514**	**4,660**	**19,174**	**15,143**	**4,130**	**19,273**
Cash and cash equivalents		(7,993)	(7,993)	—	(12,736)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents		36	36	—	(45)	(45)
Net debt	**14,514**	**(3,297)**	**11,217**	**15,143**	**(8,651)**	**6,492**

(a) As of June 30, 2023, current other bank borrowings include €2,630 million related to the US commercial paper program and €90 million related to Negotiable European Commercial Paper program in France.

Principal financing and debt reduction transactions during the period

Sanofi did not carry out any bond issues in the first half of 2023.

Two bond issues were redeemed during the first half of 2023:

i. a March 2018 fixed-rate bond issue of €1.75 billion, which matured on March 21, 2023; and

ii. a June 2018 fixed-rate bond issue of $1 billion, which matured on June 19, 2023.

Sanofi had the following arrangements in place as of June 30, 2023 to manage its liquidity in connection with current operations:

i. a syndicated credit facility of €4 billion, drawable in euros and US dollars and expiring in December 2027, for which no further extension options are available; and

ii. a new syndicated credit facility of €4 billion expiring in March 2028, with two extension options of one year each. This new facility, effective from March 8, 2023, replaced an existing €4 billion facility that was canceled on the same day.

As of June 30, 2023, neither facility was drawn down.

Sanofi also has a €6 billion Negotiable European Commercial Paper program in France, and a $10 billion Commercial Paper program in the United States.

During the first half of 2023, the average drawdown under the US Commercial Paper program was $2.0 billion, and the average drawdown under the Negotiable European Commercial Paper program in France was €39.0 million.

The financing in place as of June 30, 2023 at the level of the holding company (which manages most of Sanofi's financing needs centrally) is not subject to any financial covenants, and contains no clauses linking credit spreads or fees to the credit rating.

B.9.2. MARKET VALUE OF NET DEBT

The market value of Sanofi's debt, net of cash and cash equivalents and derivatives and excluding accrued interest, is as follows:

(€ million)	June 30, 2023	December 31, 2022
Market value	10,105	5,227
Value on redemption	11,217	6,492

B.10. DERIVATIVE FINANCIAL INSTRUMENTS

B.10.1 CURRENCY DERIVATIVES USED TO MANAGE OPERATING RISK EXPOSURES

The table below shows operating currency hedging instruments in place as of June 30, 2023. The notional amount is translated into euros at the relevant closing exchange rate.

June 30, 2023			Of which derivatives designated as cash flow hedges			Of which derivatives not eligible for hedge accounting	
(€ million)	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity	Notional amount	Fair value
Forward currency sales	**4,836**	**32**	**—**	**—**	**—**	**4,836**	**32**
of which US dollar	*2,309*	*4*	*—*	*—*	*—*	*2,309*	*4*
of which Chinese yuan renminbi	*618*	*18*	*—*	*—*	*—*	*618*	*18*
of which Japanese yen	*199*	*9*	*—*	*—*	*—*	*199*	*9*
of which Mexican peso	*163*	*(2)*	*—*	*—*	*—*	*163*	*(2)*
of which Singapore dollar	*149*	*2*	*—*	*—*	*—*	*149*	*2*
Forward currency purchases	**3,046**	**(11)**	**—**	**—**	**—**	**3,046**	**(11)**
of which US dollar	*1,899*	*(2)*	*—*	*—*	*—*	*1,899*	*(2)*
of which Singapore dollar	*408*	*(5)*	*—*	*—*	*—*	*408*	*(5)*
of which Canadian dollar	*98*	*1*	*—*	*—*	*—*	*98*	*1*
of which Korean won	*94*	*—*	*—*	*—*	*—*	*94*	*—*
of which Chinese yuan renminbi	*81*	*(2)*	*—*	*—*	*—*	*81*	*(2)*
Total	**7,882**	**21**	**—**	**—**	**—**	**7,882**	**21**

The above positions mainly hedge material foreign currency cash flows arising after the end of the reporting period in relation to transactions carried out during the six months ended June 30, 2023 and recognized in the balance sheet at that date. Gains and losses on hedging instruments (forward contracts) are calculated and recognized in parallel with the recognition of gains and losses on the hedged items. Due to this hedging relationship, the commercial foreign exchange difference on those items (hedging instruments and hedged transactions) will be immaterial in the second half of 2023.

B.10.2. CURRENCY AND INTEREST RATE DERIVATIVES USED TO MANAGE FINANCIAL EXPOSURE

The cash pooling arrangements for foreign subsidiaries outside the eurozone, and some of Sanofi's financing activities, expose certain Sanofi entities to financial foreign exchange risk (i.e. the risk of changes in the value of loans and borrowings denominated in a currency other than the functional currency of the lender or borrower).

That foreign exchange exposure is hedged using derivative instruments (currency swaps or forward contracts) that alter the currency split of Sanofi's debt once those instruments are taken into account.

The table below shows financial currency hedging instruments in place as of June 30, 2023. The notional amount is translated into euros at the relevant closing exchange rate.

(€ million)	June 30, 2023 Notional amount		Fair value	Maximum expiry date
Forward currency sales	**8,935**		**17**	
of which US dollar	*6,147*	[a]	*4*	*2024*
of which Singapore dollar	*1,355*	[b]	*—*	*2023*
of which Pound sterling	*466*		*—*	*2023*
Forward currency purchases	**8,457**		**(18)**	
of which US dollar	*5,106*	[c] [d]	*(13)*	*2024*
of which Singapore dollar	*2,689*	[e]	*(7)*	*2023*
of which Japanese yen	*320*		*(2)*	*2023*
Total	**17,392**		**(1)**	

(a) Includes forward sales with a notional amount of $3,615 million expiring in 2023, designated as a hedge of Sanofi's net investment in Bioverativ. As of June 30, 2023, the fair value of these forward contracts represented an asset of €9 million; the opposite entry was recognized in "Other comprehensive income", with the impact on financial income and expense being immaterial.

(b) Includes forward sales with a notional amount of SGD2,000 million expiring in 2023, designated as a hedge of Sanofi's net investment in Sanofi-Aventis Singapore Pte Ltd. As of June 30, 2023, the fair value of these forward contracts represented an asset of €0 million; the opposite entry was recognized in "Other comprehensive income", with the impact on financial income and expense being immaterial.

(c) Includes forward purchases with a notional amount of $1,000 million expiring in 2023, designated as a fair value hedge of an equivalent amount of intragroup current accounts against fluctuations in the EUR/USD spot rate. As of June 30, 2023, the fair value of these contracts represented a liability of €10 million, with €2 million credited to "Other comprehensive income" to recognize the hedging cost.

(d) Includes forward purchases with a notional amount of $1,782 million expiring in 2023 and 2024, designated as a fair value hedge of $1,782 million of commercial paper. As of June 30, 2023, the fair value of these contracts represented an asset of €8 million, with €0 million credited to "Other comprehensive income" to recognize the hedging cost. .

(e) Includes forward purchases with a notional amount of SGD1,260 million expiring in 2023, designated as a fair value hedge of an equivalent portion of an intra-group current account against fluctuations in the EUR/SGD rate. As of June 30, 2023, the fair value of these contracts represented an asset of €11 million , with €3 million credited to "Other comprehensive income" to recognize the hedging cost.

To optimize the cost of debt or reduce the volatility of debt, Sanofi uses derivative instruments (interest rate swaps and cross currency swaps) to alter the fixed/floating rate split of its net debt.

The table below shows instruments of this type in place as of June 30, 2023:

(€ million)	2023	2024	2025	2026	2027 and beyond	Total	Fair value	Of which designated as fair value hedges: Notional amount	Of which designated as fair value hedges: Fair value	Of which designated as cash flow hedges: Notional amount	Of which designated as cash flow hedges: Fair value	Of which designated as cash flow hedges: Of which recognized in equity
Interest rate swaps												
pay capitalized SOFR USD / receive 1.03%	—	—	—	—	458	458	(60)	458	(60)	—	—	—
pay capitalized SOFR USD / receive 1.32%	—	—	—	—	458	458	(54)	458	(54)	—	—	—
pay capitalized Ester / receive 0.69%	—	—	850	—	—	850	(49)	850	(49)	—	—	—
pay capitalized Ester / receive 0.92%	—	—	—	—	650	650	(74)	650	(74)	—	—	—
pay capitalized Ester / receive 3.43%	995	*724*	—	—	—	1,720	(1)	1,720	(1)	—	—	—
Total	**995**	**724**	**850**	**—**	**1,566**	**4,136**	**(239)**	**4,136**	**(239)**	**—**	**—**	**—**

B.11. LIABILITIES RELATED TO BUSINESS COMBINATIONS AND TO NON-CONTROLLING INTERESTS

For a description of the nature of the liabilities reported in the line item ***Liabilities related to business combinations and to non-controlling interests***, refer to Note B.8.4. to the consolidated financial statements for the year ended December 31, 2022.

The liabilities related to business combinations and to non-controlling interests shown in the table below are level 3 instruments under the IFRS 7 fair value hierarchy (see Note A.5.).

Movements in liabilities related to business combinations and to non-controlling interests in the first half of 2023 are shown below:

(€ million)	Bayer contingent consideration arising from acquisition of Genzyme	MSD contingent consideration (European Vaccines business)	Shire contingent consideration arising from acquisition of Translate Bio	Contingent consideration arising from acquisition of Amunix	Other	Total [a]
Balance at January 1, 2023	**26**	**204**	**380**	**165**	**4**	**779**
Payments made	(11)	(77)	—	—	—	(88)
Fair value remeasurements through profit or loss: (gain)/loss (including unwinding of discount) [b]	(2)	6	15	17	—	36
Currency translation differences	—	—	(6)	(4)	—	(10)
Balance at June 30, 2023	**13**	**133**	**389**	**178**	**4**	**717**
Of which:						
• **Current portion**						**154**
• **Non-current portion**						**563**

(a) As of January 1, 2023, this comprised a non-current portion of €674 million and a current portion of €105 million.
(b) Amounts mainly reported within the income statement line item "Fair value remeasurement of contingent consideration".

As of June 30, 2023, ***Liabilities related to business combinations and to non-controlling interests*** mainly comprised:

- The Bayer contingent consideration liability arising from the acquisition of Genzyme in 2011. As of June 30, 2023, Bayer was still entitled to receive the following potential payments:

– a percentage of sales of alemtuzumab up to a maximum of $1,250 million or over a maximum period of 10 years, whichever is achieved first;

– milestone payments based on specified levels of worldwide sales of alemtuzumab beginning in 2021.

The fair value of this liability was measured at €13 million as of June 30, 2023, versus €26 million as of December 31, 2022. The fair value of the Bayer liability is determined by applying the above contractual terms to sales projections which have been weighted to reflect the probability of success, and discounted. If the discount rate were to fall by one percentage point, the fair value of the Bayer liability would increase by less than 1%.

- The MSD contingent consideration liability arising from the 2016 acquisition of the Sanofi Pasteur activities carried on within the former Sanofi Pasteur MSD joint venture, which amounted to €133 million as of June 30, 2023 versus €204 million as of December 31, 2022. The fair value of this contingent consideration is determined by applying the royalty percentage stipulated in the contract to discounted projections of sales by Sanofi through December 31, 2024 of products previously commercialized by the joint venture. If the discount rate were to fall by one percentage point, the fair value of the MSD contingent consideration would increase by approximately 1%.
- The contingent consideration liability towards Shire Human Genetic Therapies Inc. (Shire) arising from Sanofi's acquisition of Translate Bio in September 2021. The fair value of the Shire liability is determined by applying the contractual terms to development and sales projections that are weighted to reflect the probability of success, and discounted. The liability was measured at €389 million as of June 30, 2023, compared with €380 million as of December 31, 2022. If the discount rate were to fall by one percentage point, the fair value of the Shire liability would increase by approximately 13%.
- The contingent consideration liability arising from the 2022 acquisition of Amunix. The fair value of the liability is determined on the basis of the nominal value of payments due subject to the attainment of specified development milestones; these are weighted to reflect the probability of success, and discounted. The liability was measured at €178 million as of June 30, 2023, versus €165 million as of December 31, 2022. If the discount rate were to fall by one percentage point, the fair value of the Shire liability would increase by approximately 1%.

B.12. NON-CURRENT PROVISIONS AND OTHER NON-CURRENT LIABILITIES

The line item ***Non-current provisions and other non-current liabilities*** comprises the following:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Provisions	5,018	5,760	5,822
Other non-current liabilities [(a)]	2,070	422	519
Total	**7,088**	**6,182**	**6,341**

(a) Includes €1,613 million at June 30, 2023 relating to the liability for royalties payable to Sobi on net sales of Beyfortus™ (nirsevimab) in the United States (see Note B.1.). Given the method used to calculate royalties payable, an increase or decrease in sales forecasts would lead to a proportionate change in the amount of the liability.

The table below shows movements in provisions:

(€ million)	Provisions for pensions & other post-employment benefits	Provisions for other long-term benefits	Restructuring provisions	Other provisions	Total
Balance at January 1, 2023	**2,039**	**844**	**761**	**2,178**	**5,822**
Increases in provisions and other liabilities	68	90	203	162	523
Provisions utilized	(65)	(65)	(7)	(66)	(203)
Reversals of unutilized provisions	(23)	(182)	(146)	(259)	(610)
Transfers [(a)]	(4)	—	(222)	(171)	(397)
Net interest related to employee benefits, and unwinding of discount	38	3	5	9	55
Currency translation differences	(12)	(11)	(1)	(15)	(39)
Actuarial gains and losses on defined-benefit plans (B.12.1.)	(133)	—	—	—	(133)
Balance at June 30, 2023	**1,908**	**679**	**593**	**1,838**	**5,018**

(a) Mainly transfers to the line "Current provisions and other current liabilities".

B.12.1. PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

For an analysis of the sensitivity of obligations in respect of pensions and other employee benefits as of December 31, 2022, and of the assumptions used as of that date, see Note D.19.1. to the consolidated financial statements for the year ended December 31, 2022.

The principal assumptions used (in particular, changes in discount and inflation rates and in the market value of plan assets) for the eurozone, the United States and the United Kingdom were reviewed as of June 30, 2023 to take into account changes during the first half of the year.

Actuarial gains and losses arising on pensions and other post-employment benefits and recognized in equity are as follows (amounts reported before tax):

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Actuarial gains/(losses) on plan assets	34	(1,292)	(2,398)
Actuarial gains/(losses) on benefit obligations	99 [(a)]	2,402 [(b)]	3,048

(a) Includes the effects of (i) the change in discount rates (in a range between (-0.15%) and +0.40%) and (ii) the change in the inflation rate in the eurozone (-0.10%) in the first half of 2023.

(b) Includes the effects of (i) the change in discount rates (in a range between +1.70% and +2.30%) and (ii) the change in the inflation rate in the United Kingdom (-0.15%) and in the eurozone (+0.35%) in the first half of 2022.

The adoption in April 2023 of pension reforms in France (including the raising of the retirement age from 62 to 64 years) qualifies as a plan amendment within the meaning of IAS 19, and resulted in the recognition of an immaterial amount in the income statement and the balance sheet.

B.13. OFF BALANCE SHEET COMMITMENTS

Off balance sheet commitments to third parties as of December 31, 2022 are presented in Note D.21.1. to the consolidated financial statements for the year ended December 31, 2022.

The principal commitments entered into, amended or discontinued during the period are described below:

- On May 1, 2023, Sanofi entered into a license agreement with Maze Therapeutics relating to its Glycogen Synthase 1 (GYS1) program, including the MZE001 clinical candidate currently in development for the treatment of Pompe disease and other potential indications. Under the terms of the agreement, Maze Therapeutics will receive $150 million from Sanofi comprising an upfront payment and a private equity injection, and could pay up to $0.6 billion contingent on the attainment of certain objectives. Final completion of this transaction is contingent on clearance from the antitrust authorities, and is expected in the second half of 2023.
- On June 19, 2023, Sanofi expanded its collaboration with Scribe Therapeutics signed in September 2022 and entered into an exclusive license agreement on CasX-Editor(XE) genome editing technology associated with guide RNAs for multiple targets including sickle cell disease and other genomic diseases. Under the terms of the agreement, Scribe Therapeutics will receive an upfront payment of $40 million and may receive more than $1.2 billion based on the achievement of certain milestones.
- During the first half of 2023, Sanofi signed a 15-year lease which had not taken effect as of June 30, 2023 and for which Sanofi is committed for a minimum period of 12 years, corresponding to a minimum commitment of $0.2 billion. The lease includes two extension options of five years each.

B.14. LITIGATION AND ARBITRATION PROCEEDINGS

Sanofi and its affiliates are involved in litigation, arbitration and other legal proceedings. These proceedings typically are related to product liability claims, intellectual property rights (particularly claims against generic companies seeking to limit the patent protection of Sanofi products), competition law and trade practices, commercial claims, employment and wrongful discharge claims, tax assessment claims, waste disposal and pollution claims, and claims under warranties or indemnification arrangements relating to business divestitures.

The matters discussed below constitute the most significant developments since publication of the disclosures concerning legal proceedings in the Company's financial statements for the year ended December 31, 2022.

B.14.1. PRODUCTS

ZANTAC® LITIGATION IN CANADA

In the proceedings pending before the Supreme Court of British Columbia, in May 2023, the Court dismissed the action, ruling that there is no scientific support for plaintiffs' claims. Subsequent to this ruling, the Superior Court of Quebec stayed the corresponding Zantac® class proceedings in Quebec. The Quebec class action is now stayed until the result of the US Multi-District Litigation ("MDL") appeal is announced or October 15, 2024 (whichever comes first).

DEPAKINE® PRODUCT LITIGATION IN FRANCE

Criminal Investigation

In the criminal investigation, in June 2023, the French Supreme Court ("*Cour de cassation*") confirmed the Paris Court of Appeal's decision (*Chambre de l'Instruction*) dated March 2022 which had ruled that certain complaints for involuntary manslaughter and several others for aggravated deception and involuntary injuries were time-barred.

B.14.2. PATENTS

RAMIPRIL CANADA PATENT LITIGATION

In April 2023, the Canadian Supreme Court denied Apotex's application for leave to appeal in the Lilly case and based on the Supreme Court decision, Apotex's claim no longer has any basis and accordingly Sanofi has sought Apotex's consent to a dismissal with costs.

PRALUENT® (alirocumab)-RELATED AMGEN PATENT LITIGATION IN THE US

In May 2023, the Supreme Court issued a unanimous decision in favor of Sanofi and Regeneron regarding the patent infringement actions filed in 2014 by Amgen relating to Sanofi and Regeneron's Praluent® product.

PRALUENT® (alirocumab)-RELATED AMGEN PATENT LITIGATION IN EUROPE

On June 1, 2023, Amgen filed an action for infringement of EP 3 666 797 against Sanofi and Regeneron concerning Praluent® in the Munich Local Division of the Unified Patent Court. Amgen seeks a permanent injunction and unspecified damages and compensation from March 1, 2023. On June 1, 2023, Sanofi filed a revocation action attacking the validity of EP 3 666 797 in the Munich Central Division of the Unified Patent Court. These cases are underway.

JEVTANA® (cabazitaxel)-RELATED PATENT LITIGATION IN THE US

In June 2023, the US District Court for the District of Delaware issued a decision in favor of Sanofi in connection with the Jevtana® patent litigation against Sandoz. This decision can be appealed to the Court of Appeal for the Federal Circuit (CAFC).

PLAVIX® (clopidogrel) LITIGATION (COMMONWEALTH) IN AUSTRALIA

In June 2023, the Full Court of the Federal Court of Australia unanimously dismissed the Commonwealth's appeal following its application seeking payment of damages from Sanofi/BMS related to the preliminary injunction which it claims prevented commercial launch of the generic clopidogrel bisulfate product. On July 24, 2023, the Commonwealth filed an application for special leave to appeal to the High Court of Australia.

B.14.3. OTHER LITIGATION

PLAVIX® (clopidogrel) - ATTORNEY GENERAL ACTION IN HAWAII

In March 2023, the Hawaii Supreme Court ruled to vacate the $834 million (plus nearly $200 million in interest) judgment regarding a complaint filed by the Hawaii Attorney General (AG) that set forth allegations related to the sale and marketing of and variability of response to Plavix® and remanded the case for a new trial before a new judge. The new trial date has been set for September 25, 2023.

340B DRUG PRICING PROGRAM IN THE UNITED STATES

In January 2023, the US Court of Appeals for the Third Circuit (*Third Circuit*) held that Sanofi's restrictions on delivery to contract pharmacies do not violate Section 340B. As to Sanofi's challenge to the 340B Administrative Dispute Resolution ("ADR") rule, the Third Circuit held in favor of the Department of Health and Human Services (HHS); however, HHS is in the process of revising the ADR rule. The Third Circuit remanded the case back to the US District Court for the District of New Jersey (District Court) and on May 24, 2023, the District Court issued an injunction and declaratory judgment consistent with the Third Circuit's opinion. This ruling concluded the case as to Sanofi; however similar cases brought by other manufacturers remain pending.

Adventist Health System/West in the United States

In June 2023, Adventist Health System/West sued several drug manufacturing companies, including Sanofi-Aventis US LLC, Sanofi US Services Inc. and Genzyme Corporation, alleging that the companies violated state and federal False Claims Acts through overcharging for 340B Program drugs in violation of federal "penny pricing" policy.

B.14.4. CONTINGENCIES ARISING FROM CERTAIN MERGERS & ACQUISITIONS

BOEHRINGER INGELHEIM (BI) CONSUMER HEALTHCARE LIABILITIES

In an award rendered on June 19, 2023, the arbitral tribunal irrevocably dismissed Boehringer Ingelsheim (BI)'s indemnification claim against Sanofi and confirmed that Sanofi shall not be liable to indemnify BI for any potential losses in relation to the ongoing Zantac® litigation in the U.S.

B.15. OTHER OPERATING INCOME AND EXPENSES

Other operating income amounted to €617 million in the first half of 2023 (versus €416 million in the first half of 2022), and ***Other operating expenses*** to €1,422 million (versus € 1,204 million in the first half of 2022).
The main items included in ***Other operating income*** were: in the first half of 2023, (i) income from pharmaceutical partners of €160 million (versus €153 million in the first half of 2022), of which €102 million came from Regeneron (versus €133 million in the first half of 2022, see table below) and (ii) gains on disposals of assets and operations of €413 million, primarily on divestments of non strategic products (versus €288 million in the first half of 2022).

Other operating expenses for the first half of 2023 included €1,423 million of expenses related to Regeneron (versus €1,201 million in the first half of 2022), as shown in the table below.

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Income & expense related to profit/loss sharing under the Monoclonal Antibody Alliance	(1,449)	(979)	(2,325)
Additional share of profit paid by Regeneron towards development costs	291	97	434
Reimbursement to Regeneron of selling expenses incurred	(260)	(216)	(476)
Total: Monoclonal Antibody Alliance	**(1,418)**	**(1,098)**	**(2,367)**
Immuno-Oncology Alliance	**—**	**36**	**16**
Other (mainly Zaltrap® and Libtayo®)	**97**	**(6)**	**1,120**
Other operating income/(expenses), net related to Regeneron	**(1,321)**	**(1,068)**	**(1,231)**
of which amount presented in "Other operating income"	**102**	**133**	**1,147**

B.16. RESTRUCTURING COSTS AND SIMILAR ITEMS

Restructuring costs and similar items comprise the following:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Employee-related expenses	185	524	507
Charges, gains or losses on assets[(a)]	86	(2)	261
Compensation for early termination of contracts (other than contracts of employment)	—	—	1
Costs of transformation programs	265	266	547
Other restructuring costs	11	4	20
Total	**547**	**792**	**1,336**

(a) This line consists of impairment losses and accelerated depreciation charges related to site closures (including leased sites), and gains or losses on divestments of assets arising from reorganization decisions made by Sanofi.

Restructuring costs and similar items were €245 million lower in the first half of 2023 than in the first half of 2022. For the first half of 2023 they include the impact of French pension reforms on future annuities under the rules of each severance plan, while for the first half of 2022 they mainly comprised severance costs recognized further to the announcements made during that period. Also included in restructuring costs are the impacts of ongoing transformational projects, primarily those associated with the creation of the standalone Consumer Healthcare entity and the implementation of Sanofi's new digital strategy.

B.17. OTHER GAINS AND LOSSES, AND LITIGATION

For the first half of 2023, ***Other gains and losses, and litigation*** is a charge of €73 million, and comprised costs related to the settlement of a dispute with shareholders of Bioverativ. That compares with a charge of €142 million in the first half of 2022, which includes a charge to provisions for risks related to a litigation partly offset by the pre-tax gain on the deconsolidation of EUROAPI.

B.18. FINANCIAL EXPENSES AND INCOME

An analysis of financial expenses and income is set forth below:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Cost of debt [a]	(232)	(151)	(365)
Interest income [b]	257	59	241
Cost of net debt	**25**	**(92)**	**(124)**
Non-operating foreign exchange gains/(losses)	(3)	(1)	(4)
Unwinding of discounting of provisions [c]	(22)	(8)	(20)
Net interest cost related to employee benefits	(41)	(26)	(47)
Gains/(losses) on disposals of financial assets	—	—	1
Net interest expense on lease liabilities	(21)	(20)	(40)
Other [d]	(22)	(8)	—
Net financial income/(expenses)	**(84)**	**(155)**	**(234)**
comprising: Financial expenses	**(370)**	**(189)**	**(440)**
Financial income	**286**	**34**	**206**

(a) Includes net gain/(loss) on interest rate and currency derivatives used to manage debt: €(25) million in the first half of 2023, €5 million in the first half of 2022, and €(11) million over the whole of 2022.

(b) Includes net gain/(loss) on interest rate and currency derivatives used to manage cash and cash equivalents: €(4) million in the first half of 2023, €36 million in the first half of 2022, and €68 million over the whole of 2022.

(c) Primarily on provisions for environmental risks, restructuring provisions, and provisions for product-related risks (see Note B.12.).

(d) Includes the effect of the unwinding of discount, and the impact of revisions of expected cash flows on financial income/(expenses) related to liabilities carried at amortized cost other than those included within "Net debt": €(35) million in the first half of 2023, and zero in the first half of 2022 and full-year 2022.

The impact of the ineffective portion of hedging relationships was not material in either 2023 or 2022.

B.19. INCOME TAX EXPENSE

Sanofi has elected for tax consolidations in a number of countries, principally France, Germany, the United Kingdom and the United States.

The table below shows the allocation of income tax expense between current and deferred taxes:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Current taxes	(1,171)	(1,087)	(2,774)
Deferred taxes	441	592	768
Total	**(730)**	**(495)**	**(2,006)**
Income before tax and investments accounted for using the equity method	**4,238**	**3,674**	**10,422**

The difference between the effective tax rate (on income before tax and investments accounted for using the equity method) and the standard corporate income tax rate applicable in France is explained as follows:

(as a percentage)	June 30, 2023 (6 months)[a]	June 30, 2022 (6 months)[a]	December 31, 2022 (12 months)
Standard tax rate applicable in France	25.8	25.8	25.8
Difference between the standard French tax rate and the rates applicable to Sanofi [b]	(8.2)	(10.8)	(6.5)
Revisions to tax exposures and settlements of tax disputes	0.5	(2.8)	(0.8)
Fair value remeasurement of contingent consideration liabilities	—	(0.4)	(0.2)
Other	(0.8)	1.7	0.9
Effective tax rate	**17.3**	**13.5**	**19.2**

(a) Rate calculated on the basis of the estimated effective tax rate for the full financial year (see Note A.2.).
(b) The difference between the French tax rate and tax rates applicable to foreign subsidiaries reflects the fact that Sanofi has operations in many countries, most of which have lower tax rates than France.

B.20. SEGMENT INFORMATION

In 2022, Sanofi reported three operating segments (Pharmaceuticals, Vaccines and Consumer Healthcare). The costs of the global support functions (Corporate Affairs, Finance, People & Culture, Legal Affairs, Ethics & Business Integrity, Information Solutions & Technology, Sanofi Business Services, etc.), which are mainly managed centrally at group-wide level, were presented within the "Other" category.

In 2023, Sanofi reviewed the presentation of its segment information following adjustments to its internal reporting systems in order to reflect (i) progress on the "Play to Win" strategy leading to the creation of the standalone Consumer Healthcare Global Business Unit (GBU) which, in addition to integrated research, development and production functions now also has its own dedicated global support functions (including Finance, People & Culture, Legal Affairs, Ethics & Business Integrity, Information Solutions & Technology, Global Business Services, etc.); and (ii) organizational changes to Sanofi's Manufacturing & Supply global function (previously known as Industrial Affairs).

Consequently, with effect from January 1, 2023, Sanofi reports two operating segments: Biopharma and Consumer Healthcare.

The Biopharma operating segment comprises commercial operations and research, development and production activities relating to the Speciality Care, General Medicines and Vaccines franchises, for all geographical territories. The segment's results include the costs of global support functions that are not within the managerial responsibility of the Consumer Healthcare GBU.

The Consumer Healthcare operating segment comprises commercial operations relating to Consumer Healthcare products, and research, development and production activities and global support functions (as listed above) dedicated to the segment, for all geographical territories. The Consumer Healthcare GBU segment's results reflect all incurred costs of global support functions attributable to its business.

The "Other" category comprises reconciling items, primarily but not limited to (i) gains and losses on centralized foreign exchange risk hedging transactions that cannot be allocated to the operating segments and (ii) gains and losses on retained commitments in respect of previously divested operations.

B.20.1. SEGMENT RESULTS

B.20.1.1. Analysis of net sales

The table below sets forth net sales for the six months ended June 30, 2023 and June 30, 2022:

(€ million)		Europe	United States	Other countries	June 30, 2023	Europe	United States	Other countries	June 30, 2022 [(a)]
Biopharma		**4,194**	**7,366**	**5,907**	**17,467**	**3,986**	**6,917**	**6,244**	**17,147**
Specialty Care		**1,621**	**5,622**	**1,448**	**8,691**	**1,535**	**4,829**	**1,278**	**7,642**
of which	Dupixent®	587	3,682	609	4,878	450	2,653	474	3,577
	Aubagio®	249	348	38	635	269	689	59	1,017
	Cerezyme®	120	94	163	377	126	94	147	367
	Myozyme/Lumizyme®	181	135	120	436	206	163	118	487
	Fabrazyme®	122	251	123	496	116	221	121	458
	Jevtana®	8	128	40	176	19	142	42	203
	Alprolix®	—	215	45	260	—	198	39	237
	Eloctate®	—	183	65	248	—	232	59	291
General Medicines		**2,003**	**1,087**	**3,296**	**6,386**	**2,130**	**1,410**	**3,767**	**7,307**
Core Assets		**1,011**	**762**	**1,409**	**3,182**	**978**	**773**	**1,454**	**3,205**
of which	Lovenox®	329	5	273	607	353	7	354	714
	Toujeo®	221	118	241	580	211	128	202	541
	Plavix®	48	4	424	476	52	5	451	508
Non-Core Assets		**728**	**322**	**1,874**	**2,924**	**858**	**624**	**2,304**	**3,786**
of which	Lantus®	191	180	429	800	223	425	623	1,271
	Other non-core assets	497	139	1,274	1,910	593	196	1,481	2,270
Industrial sales		**264**	**3**	**13**	**280**	**294**	**13**	**9**	**316**
Vaccines		**570**	**657**	**1,163**	**2,390**	**321**	**678**	**1,199**	**2,198**
of which	Polio/Pertussis/ Hib Vaccines	148	200	806	1,154	161	224	817	1,202
	Influenza Vaccines	37	19	106	162	37	12	132	181
Consumer Healthcare		**840**	**622**	**1,258**	**2,720**	**781**	**645**	**1,217**	**2,643**
of which	Allergy	49	246	151	446	37	249	148	434
	Pain Care	254	89	216	559	261	103	218	582
	Digestive Wellness	285	69	460	814	252	62	412	726
Total net sales		**5,034**	**7,988**	**7,165**	**20,187**	**4,767**	**7,562**	**7,461**	**19,790**

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.

B.20.1.2. Business operating income

Sanofi reports segment results on the basis of "Business operating income", a non-IFRS financial measure used internally by the chief operating decision maker to measure the performance of each operating segment and to allocate resources.

"Business operating income" is derived from ***Operating income***, adjusted as follows:

- the amounts reported in the line items ***Restructuring costs and similar items, Fair value remeasurement of contingent consideration*** relating to business combinations (IFRS 3) or divestments and ***Other gains and losses, and litigation*** are eliminated;
- expenses arising from the remeasurement of inventories following a business combination (IFRS 3) are eliminated;
- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature) are eliminated;
- the share of profits/losses from investments accounted for using the equity method is added for joint ventures and associates with which Sanofi has entered into a strategic partnership agreement; and
- net income attributable to non-controlling interests is deducted.

Segment results are shown in the table below:

(€ million)	June 30, 2023 (6 months) Biopharma	Consumer Healthcare	Other [a]	Total
Net sales	**17,467**	**2,720**	**—**	**20,187**
Other revenues	1,331	27	—	1,358
Cost of sales	(5,388)	(949)	(5)	(6,342)
Research and development expenses	(3,082)	(111)	—	(3,193)
Selling and general expenses	(4,248)	(936)	2	(5,182)
Other operating income and expenses	(897)	100	(8)	(805)
Share of profit/(loss) from investments accounted for using the equity method	48	7	—	55
Net income attributable to non-controlling interests	(11)	(8)	—	(19)
Business operating income	**5,220**	**850**	**(11)**	**6,059**

(a) The "Other" column reconciles segmental results to the total per the consolidated financial statements.

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(€ million)	June 30, 2022 (6 months) [a] Biopharma	Consumer Healthcare	Other [b]	Total
Net sales	**17,147**	**2,643**	**—**	**19,790**
Other revenues	975	30	—	1,005
Cost of sales	(5,211)	(925)	9	(6,127)
Research and development expenses	(3,062)	(90)	5	(3,147)
Selling and general expenses	(4,081)	(881)	9	(4,953)
Other operating income and expenses	(884)	114	(18)	(788)
Share of profit/(loss) from investments accounted for using the equity method	47	8	—	55
Net income attributable to non-controlling interests	(8)	(9)	—	(17)
Business operating income	**4,923**	**890**	**5**	**5,818**

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.
(b) The "Other" column reconciles segmental results to the total per the consolidated financial statements.

(€ million)	December 31, 2022 (12 months) [a] Biopharma	Consumer Healthcare	Other [b]	Total
Net sales	**37,812**	**5,185**	**—**	**42,997**
Other revenues	2,330	62	—	2,392
Cost of sales	(11,793)	(1,903)	4	(13,692)
Research and development expenses	(6,503)	(205)	2	(6,706)
Selling and general expenses	(8,736)	(1,761)	5	(10,492)
Other operating income and expenses	(1,679)	148	17	(1,514)
Share of profit/(loss) from investments accounted for using the equity method	76	12	—	88
Net income attributable to non-controlling interests	(17)	(16)	—	(33)
Business operating income	**11,490**	**1,522**	**28**	**13,040**

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.
(b) The "Other" column reconciles segmental results to the total per the consolidated financial statements.

The table below, presented in compliance with IFRS 8, shows a reconciliation between "Business operating income" and ***Income before tax and investments accounted for using the equity method***:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Business operating income	**6,059**	**5,818**	**13,040**
Share of profit/(loss) from investments accounted for using the equity method	(55)	(55)	(88)
Net income attributable to non-controlling interests	19	17	33
Amortization and impairment of intangible assets [(a)]	(1,050)	(997)	(1,599)
Fair value remeasurement of contingent consideration	(26)	(17)	27
Expense arising from the impact of acquisitions on inventories [(b)]	(5)	(3)	(3)
Restructuring costs and similar items	(547)	(792)	(1,336)
Other gains and losses, and litigation	(73)	(142)	(370)
Income from out-licensing [(c)]	—	—	952
Operating income	**4,322**	**3,829**	**10,656**
Financial expenses	(370)	(189)	(440)
Financial income	286	34	206
Income before tax and investments accounted for using the equity method	**4,238**	**3,674**	**10,422**

(a) For the year ended December 31, 2022, this line includes a reversal of €2,154 million on Eloctate® franchise products following the FDA approval of ALTUVIIIO™ on February 22, 2023, partly offset by an impairment of €1,586 million relating to SAR444245 (non-alpha interleukin-2).

(b) This line records the impact of the workdown of acquired inventories remeasured at fair value at the acquisition date.

(c) For the year ended December 31, 2022, this line includes an upfront payment of $900 million and a regulatory milestone payment of $100 million related to the out-licensing of Libtayo® following the restructuring of the Immuno-Oncology Collaboration and License Agreement with Regeneron (see Note C.1. to the consolidated financial statements for the year ended December 31, 2022).

B.20.2. OTHER SEGMENT INFORMATION

The tables below show the split by operating segment of (i) the carrying amount of investments accounted for using the equity method for which Sanofi has entered into a strategic partnership agreement, (ii) acquisitions of property, plant and equipment, and (iii) acquisitions of intangible assets.

Investments accounted for using the equity method in the Biopharma segment mainly comprise MSP Vaccine Company and Infraserv GmbH & Co. Höchst KG (see Note B.5.).

Acquisitions of intangible assets and property, plant and equipment correspond to acquisitions paid for during the period.

	June 30, 2023 (6 months)		
(€ million)	Biopharma	Consumer Healthcare	Total
Investments accounted for using the equity method	231	10	241
Acquisitions of property, plant and equipment	751	31	782
Acquisitions of other intangible assets	132	16	148

	June 30, 2022 (6 months) [(a)]		
(€ million)	Biopharma	Consumer Healthcare	Total
Investments accounted for using the equity method	253	42	295
Acquisitions of property, plant and equipment	664	29	693
Acquisitions of other intangible assets	274	7	281

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.

(€ million)	December 31, 2022 (12 months) [a]		
	Biopharma	Consumer Healthcare	Total
Investments accounted for using the equity method	248	37	285
Acquisitions of property, plant and equipment	1,529	77	1,606
Acquisitions of other intangible assets	574	21	595

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.

B.20.3. INFORMATION BY GEOGRAPHICAL REGION

The geographical information on net sales provided below is based on the geographical location of the customer.

In accordance with IFRS 8, the non-current assets reported below exclude financial instruments, deferred tax assets, pre-funded pension obligations, and right-of-use assets as determined under IFRS 16.

(€ million)	June 30, 2023 (6 months)					
	Total	Europe	of which France	North America	of which United States	Other countries
Net sales	**20,187**	**5,034**	**1,174**	**8,264**	**7,988**	**6,889**
Non-current assets:						
• property, plant and equipment	9,804	5,462	2,921	3,268	2,364	1,074
• goodwill	49,243	—	—	—	—	—
• other intangible assets	24,590	5,961	—	17,598	—	1,031

(€ million)	June 30, 2022 (6 months)					
	Total	Europe	of which France	North America	of which United States	Other countries
Net sales	**19,790**	**4,767**	**1,105**	**7,875**	**7,562**	**7,148**
Non-current assets:						
• property, plant and equipment	9,767	5,391	2,935	3,246	2,414	1,130
• goodwill	50,555	—	—	—	—	—
• other intangible assets	21,978	6,467	—	14,505	—	1,006

(€ million)	December 31, 2022 (12 months)					
	Total	Europe	of which France	North America	of which United States	Other countries
Net sales	**42,997**	**9,999**	**2,296**	**18,984**	**18,275**	**14,014**
Non-current assets:						
• property, plant and equipment	9,869	5,365	2,875	3,284	2,457	1,220
• goodwill	49,892	—	—	—	—	—
• other intangible assets	21,640	6,257	—	14,178	—	1,205

As stated in Note D.5. to the consolidated financial statements for the year ended December 31, 2022, goodwill is not allocated by geographical region.

B.20.4. PRINCIPAL CUSTOMERS AND CREDIT RISK

Sales generated by Sanofi with its biggest customers, in particular certain wholesalers in the United States, represented 27% of net sales in the first half of 2023. Sanofi's three largest customers respectively accounted for approximately 11%, 9% and 7% of consolidated net sales in the first half of 2023, mostly in the Biopharma segment (versus approximately 12%, 8% and 7% in the first half of 2022).

C/ EVENTS SUBSEQUENT TO JUNE 30, 2023

On July 20, 2023, Sanofi entered into a collaboration agreement with Recludix Pharma to develop and commercialize novel STAT6 inhibitors for patients with immunological and inflammatory diseases. Under the terms of the agreement, Sanofi will make an upfront payment of $75 million and could pay up to ca. $1.2 billion contingent on the attainment of certain objectives. In addition, Recludix would also receive royalties on sales of commercialized products and has an option to participate equally with Sanofi in US profit/loss sharing.

On July 27, 2023, Sanofi entered into an agreement to acquire QRIB intermediate Holdings, LLC, a privately-owned company, which owns Qunol®, a U.S.-based, market-leading brand in health & wellness for a cash purchase price of ca. 1.4 billion dollars. This transaction will strengthen Sanofi Consumer Healthcare's Vitamin, Mineral and Supplements (VMS) category. The acquisition is expected to close in the third quarter of 2023 subject to customary closing conditions, including applicable regulatory approvals, following which Sanofi would have control over QRIB intermediate Holdings, LLC.

Exhibit 99.2

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2. HALF-YEAR MANAGEMENT REPORT

A/ SIGNIFICANT EVENTS OF THE FIRST HALF OF 2023

A.1. FIRST-HALF OVERVIEW

During the first half of 2023, Sanofi continued to implement its "Play to Win" strategy, initiating the second phase which aims to launch major innovations, redeploy resources and develop leading innovative R&D. Significant events connected with the implementation of that strategy are described below (for additional information on developments related to Research and Development see also section "A.2. Research and Development").

On January 11, 2023, Sanofi Ventures announced an additional multi-year commitment from Sanofi, which will increase the capital of the *evergreen* venture fund to more than $750 million. In addition to serving as a financial partner to top-tier early-to-mid-stage portfolio companies, the fund supports future efforts for business development and M&A opportunities within Sanofi. The additional capital, confirmed by our Executive Committee, will also fuel the expansion and investment capacity of the Sanofi Ventures investment team on a global scale.

On March 13, 2023, Sanofi and *Provention Bio, Inc.* ("Provention"), a US-based publicly-traded biopharmaceutical company developing therapies to prevent and intercept immune-mediated diseases including type 1 diabetes, entered into an agreement under which Sanofi acquired the outstanding shares of Provention common stock for $25.00 per share in an all-cash transaction valued at approximately $2.8 billion. On April 27, 2023, Sanofi announced the completion of its acquisition of Provention. The acquisition adds *TZIELD®* (teplizumab-mzwv) – an innovative, fully owned, first-in-class therapy in type 1 diabetes – to Sanofi's core General Medicines asset portfolio, and further drives our strategic shift toward products with a differentiated profile.

On April 9, 2023, Sanofi and AstraZeneca simplified their contractual agreements for the development and commercialization of *Beyfortus™ (nirsevimab)* in the US. Sanofi thereby obtained control of all commercial rights to Beyfortus™ (nirsevimab) in the US, and ended the sharing of commercial profits between the two partners in that territory. In accordance with IAS 38, Sanofi has recognized an intangible asset of €1,632 million for the fair value of the additional US rights. On the same date, AstraZeneca and Sobi ended their participation agreement, signed in 2018, which transferred the economic rights for US territory to Sobi.

That agreement is a financial transaction whereby Sanofi grants Sobi the right to receive future royalties. As regards that agreement, on April 9, 2023 Sanofi recognized a financial liability, presented within the line items ***Other non-current liabilities*** (in an amount of €1,609 million) and ***Other current liabilities*** (in an amount of €23 million). That liability is classified as a financial liability at amortized cost under IFRS 9. Other than royalty payments, subsequent movements in the liability comprise (i) the unwinding of discount and (ii) changes in estimates of future cash outflows for royalty payments. Those movements will be recognized in the income statement within ***Net financial income/(expenses) i***n accordance with IFRS 9.

With respect to territories outside the US, the existing Collaboration Agreement between AstraZeneca and Sanofi continues to govern that relationship (with the exception of China, which is now defined as a "major market", with a 50/50 profit/loss share with AstraZeneca).

On June 20, 2023, Sanofi announced that in a dispute referred to the International Chamber of Commerce arbitration panel, the panel had dismissed an indemnification claim against Sanofi from Boehringer Ingelheim and confirmed that Sanofi will not be liable for any potential losses in relation to the ongoing *Zantac®* litigation in the US. This decision is final and non-appealable.

On June 29, 2023, Sanofi hosted a Vaccines Investor Event dedicated to its *vaccines pipeline* with key members of its leadership team. The event highlighted how Sanofi's strategy is supported by Vaccines R&D, with the aim of developing first-in-class or best-in-class products. Since 2019, reinvesting in key growth drivers and a renewed pipeline has positioned Sanofi well as it moves at speed on the second phase of its Play to Win strategy. Sanofi also reiterated its ambition of generating annual net sales in excess of €10 billion from vaccines by 2030 as innovation efforts gather pace.

Net sales for the first half of 2023 amounted to €20,187 million, 2.0% higher than in the first half of 2022. At constant exchange rates (CER)[(1)], net sales rose by 4.4%, driven mainly by strong performances for Dupixent®. The year-on-year increase also reflects the launch of Nexviazyme® and growth in Vaccines, driven largely by sales of the COVID-19 vaccine.

Net income attributable to equity holders of Sanofi amounted to €3,430 million in the first half of 2023, versus €3,184 million in the first half of 2022. Earnings per share was €2.74, versus €2.55 for the first half of 2022. Business net income[(2)] was €4,876 million, up 6.1% on the first half of 2022, while business earnings per share (business EPS[2]) was €3.90, 6.0% higher than in the first half of 2022.

(1) Non-IFRS financial measure: see definition in D.3., "Net sales".
(2) Non-IFRS financial measure: see definition in D.2., "Business net income".

A.2. RESEARCH AND DEVELOPMENT

During the first half of 2023, Sanofi maintained its R&D efforts with the aim of improving quality of life for people around the globe by developing innovative vaccines and medicines.

The US Food and Drug Administration (FDA) approved *ALTUVIIIO™* (efanesoctocog alfa), a first-in-class, high-sustained factor VIII replacement therapy, indicated for routine prophylaxis and on-demand treatment to control bleeding episodes, as well as perioperative management (surgery) for adults and children with hemophilia A. *ALTUVIIIO™* is the first and only hemophilia A treatment that delivers normal to near-normal factor activity levels (over 40%) for most of the week with once weekly dosing, and significantly reduces bleeds compared to prior factor VIII prophylaxis.

The approval was based on data from the pivotal XTEND-1 Phase III study in adults and adolescents with hemophilia A recently published in the New England Journal of Medicine showing the efficacy, safety and pharmacokinetic profile of efanesoctocog alfa.

Dupixent® (dupilumab) was approved in the European Union and China to treat severe atopic dermatitis in children aged 6 months to 5 years old who are candidates for systemic therapy. With this approval, Dupixent® became the first and only targeted medicine indicated to treat these young children in Europe, China and the US.

Dupixent® was also approved in the European Union to treat eosinophilic esophagitis (EoE) in adults and adolescents 12 years and older weighing at least 40 kg who are inadequately controlled by, intolerant to, or not candidates for conventional medicinal therapy. With this approval, Dupixent® became the first and only targeted medicine specifically indicated to treat EoE in Europe and the US.

The FDA accepted for review the supplemental Biologics License Application (sBLA) for *Dupixent®* to treat adults and adolescents aged 12 years and older with chronic spontaneous urticaria (CSU), not adequately controlled with the current standard of care (H1 antihistamine treatment), with a decision date of October 22, 2023. An application was also submitted to the Pharmaceuticals and Medical Devices Agency (PDMA) in Japan.

Nirsevimab (which will be commercialized under the name Beyfortus™ (nirsevimab)) was approved in Europe, the United Kingdom and Canada (see also section “C/Events subsequent to June 30). It was also accepted for priority review in China, and filed for approval in Japan.

On June 8, 2023,the Antimicrobial Drugs Advisory Committee, (AMDAC) of the FDA voted unanimously that nirsevimab has a favorable benefit/risk profile for the prevention of lower respiratory tract disease (LRTD) due to respiratory syncytial virus (RSV) in newborns and infants born during or entering their first RSV season. The AMDAC also expressed a favorable opinion on the benefit/risk profile of nirsevimab for children up to 24 months of age who remain vulnerable to severe RSV disease through their second RSV season.

Dupixent® demonstrated a clinically meaningful and highly significant reduction (30%) in moderate or severe acute exacerbations (rapid and acute worsening of respiratory symptoms) of chronic obstructive pulmonary disease (COPD) in the pivotal BOREAS study, along with significant improvements in lung function, quality of life and COPD respiratory symptoms. Efficacy and safety results from this trial were presented at the American Thoracic Society (ATS) Conference, and published in the New England Journal of Medicine. A second Phase III trial of Dupixent® in COPD (NOTUS) is ongoing, with data expected in 2024.

Positive results from two Phase III *Dupixent®* trials in adults with uncontrolled prurigo nodularis have been published in Nature Medicine. These first published Phase III results in this disease show Dupixent® significantly reduced itch (the primary endpoint) and skin lesions compared to placebo. Dupixent® also significantly improved health-related quality of life while reducing measures of skin pain and symptoms of anxiety/depression. Results from the trials were the basis for the FDA approval of Dupixent® in September 2022, and the European Medicines Agency approval of Dupixent® in December 2022. Dupixent is the only approved biologic indicated for prurigo nodularis in the US and EU.

A Phase III study evaluating *Dupixent®* in Chronic Inducible Cold Urticaria (LIBERTY-CINDU) did not meet the required efficacy endpoints to continue this program.

Dupixent® programs in Allergic Fungal Rhinosinusitis (AFRS) and Chronic Rhinosinusitis without Nasal Polyps (CRsNP) will be discontinued due to portfolio prioritization.

Itepekimab, a fully human monoclonal antibody that binds to and inhibits interleukin 33 (IL-33) - which triggers and amplifies the inflammation that causes Chronic Obstructive Pulmonary Disease (COPD) - passed the futility assessment in a recent interim analysis of the studies in the AERIFY program. Because the assessment was conducted by an Independent Data Monitoring Committee (IDMC), Sanofi had no access to the data. Preclinical data evalating the blocking of IL-33 signaling, and its role in respiratory tract inflammation and lung remodeling, were resented to the congress of the American Thoracic Society (ATS).

New data for *tolebrutinib* from a collaborative research and development partnership with the National Institute of Neurological Disorders and Stroke (NINDS) showed a significant impact on neuroinflammatory biomarkers in the central nervous system associated with disease progression and addressing disability accumulation, which is a significant unmet need in multiple sclerosis. The data were presented at the Americas Committee for Treatment and Research in Multiple Sclerosis (ACTRIMS) Forum 2023.

Results from the ATLAS-INH and ATLAS A/B studies evaluating the efficacy and safety of *fitusiran* (an investigational siRNA therapy for the prophylactic treatment of adults and adolescents with hemophilia A or B), reinforcing the potential of this therapy to transform the current standard of care and address unmet needs for all types of hemophilia regardless of inhibitor status, were published respectively in The Lancet and The Lancet Haematology.

Long-term extension data from the Phase III COMET study showing sustained treatment effect of *Nexviazyme®* over nearly three years in late-onset Pompe disease patients (both treatment-naive patients who switched from alglucosidase alfa), were presented at WORLDSymposium™.

New data from the HARMONIE Phase IIIb clinical trial, showing an 83.21% reduction in hospitalizations due to RSV-related LRTD in infants under 12 months of age who received a single dose of nirsevimab compared to infants who received no RSV intervention, was presented to the 41st Annual Meeting of the European Society for the Prevention of Pediatric Infectious Diseases (ESPID).

The XTEND-Kids Phase III pivotal study evaluating the safety, efficacy and pharmacokinetics of *ALTUVIIIO™* as once-weekly prophylaxis in previously treated children younger than 12 years with severe hemophilia A met its primary endpoint of safety, with no FVIII inhibitors detected.

For an update on our research and development pipeline, refer to Section G/ of this half-year management report.

A.3. OTHER SIGNIFICANT EVENTS

A.3.1 CORPORATE GOVERNANCE

The Combined General Shareholders' Meeting of Sanofi was held on May 25, 2023 at the Palais des Congrès in Paris (75017), under the chairmanship of Serge Weinberg, whose term of office expired at the close of the meeting. All resolutions submitted to the vote were adopted by the shareholders. Decisions taken by the General Meeting included approving the individual company and consolidated financial statements for the year ended December 31, 2022; distributing an ordinary annual dividend of €3.56 per share; and approving the appointment of Frédéric Oudéa as an independent director. The Board of Directors, in its meeting held after the General Meeting, appointed Frédéric Oudéa as Chairman of the Board of Directors to succeed Serge Weinberg, whose term of office could not be renewed because he had reached the age limit stipulated in our Articles of Association. On a proposal from the Appointments, Governance and CSR Committee, Frédéric Oudéa was appointed as Chair of the Strategy Committee and as a member of the Appointments, Governance and CSR Committee and the Scientific Committee. The Board of Directors has 16 members, of whom six are women and two are directors representing employees. The Board of Directors retains a large majority of independent directors.

A.3.2. LEGAL AND ARBITRATION PROCEEDINGS

For a description of the most significant developments in legal and arbitration proceedings since publication of the financial statements for the year ended December 31, 2022, refer to Note B.14. to the condensed half-year consolidated financial statements.

The following events have occurred in respect of litigation, arbitration and other legal proceedings in which Sanofi and its affiliates are involved:

GOVERNMENT INVESTIGATIONS AND RELATED LITIGATION

The investigation by the State Attorney General Office in New York relating to Sanofi's trade and pricing practices for its insulin products and/or Lantus® has been closed.

INSULIN RELATED LITIGATION

Mylan vs Sanofi antitrust complaint

In May 2023, Mylan Pharmaceuticals Inc., Mylan Specialty L.P. and Mylan Inc. ("Mylan") filed suit against Sanofi-Aventis US LLC, Sanofi S.A., Aventis Pharma S.A. and Sanofi-Aventis Puerto Rico ("Sanofi") in the Western District of Pennsylvania for alleged antitrust violations related to Mylan's insulin product Semglee®.

A.3.3. OTHER EVENTS

On June 1, 2023. Sanofi launched Action 2023, a global employee share ownership plan open to 84,000 employees in 56 countries. The program, like those carried out since 2013, clearly demonstrates the ongoing commitment of Sanofi and its Board of Directors to involve all employees, across all its territories, in the future development and results of the company.

The shares were offered at a subscription price of €79.58, representing a 20% discount to the average of the 20 opening prices of Sanofi shares from May 3 to May 30, 2023. In addition, for every five shares subscribed, employees were entitled to receive one free share (up to a maximum of four free shares per employee). Each employee was able to purchase up to 1,500 Sanofi shares, subject to the maximum legal limit set at 25% of their gross annual salary minus any voluntary payments already made under employee savings schemes (Group Savings Plan and/or Group Retirement Savings Plan) during 2023.

B/ PROGRESS ON IMPLEMENTATION OF THE CORPORATE SOCIAL RESPONSIBILITY STRATEGY

B Corp Certification granted to CHC North America in recognition of environmental and social achievements

Sanofi Consumer Healthcare North America has earned B Corp Certification, becoming the first, large consumer healthcare company with B Corp certification. Sanofi CHC U.S. joins the select and growing B Corp community of businesses that meet high standards of social and environmental performance, accountability, and transparency. This certification recognizes Sanofi CHC's sustainability strategy, which is centered around better self-care for healthier people and a healthier planet.

Some of the sustainability highlights from Sanofi Consumer Healthcare North America include:

- Reduced operational (scopes 1 and 2) greenhouse gas emissions of Sanofi CHC North America manufacturing site by 77% in 2022 vs 2019 ;
- Powers its North American manufacturing and distribution site with 100% renewable electricity since 2020 as part of the goal to achieve 100% renewable electricity by 2025 for all manufacturing operations globally ;
- Reached 41% representation of women in senior leadership roles as part of goal to reach 50/50 gender parity in senior leadership positions by 2025 ;
- Provides access to organized sports opportunities for Canadian youth facing socio-economic barriers via a partnership with KidSport Canada as part of global goal to reach 5 million people by 2030 through on-the-ground programs.

Sanofi continues its progress to improve access to medicines

Sanofi partnering with the Ghana Ministry of Health to improve affordable access to diabetes care

In order to offer solutions adapted to local needs, Sanofi is piloting a new business model in selected low-and middle-income countries to increase access to insulin. Countries are chosen based on their governments committing to tackle non-communicable diseases (NCDs); the priority of diabetes on their healthcare agenda; and government interest in incorporating analog insulins, recently included in the WHO EML (WHO Model List of Essential Medicines).

These innovative partnerships with healthcare authorities will provide the blueprint to scale up the program within the pilot country, as well as to expand to other countries over the next three to five years. By rolling out this new business model, we are aiming to improve the lives of 190,000 people living with either Type 1 or Type 2 diabetes within the next 5 years.

The recently signed Ghana-Sanofi partnership delivered through Sanofi's General Medicines Business Unit and in close collaboration with the Ministry of Health of Ghana and other stakeholders and partners includes high-quality analogue insulins at affordable price (included in WHO EML now), patient disease awareness, HCP training, regional care centers, and digital solutions.

Sanofi capping its insulin to a $35 out-of-pocket costs in the U.S.

Sanofi has decided that it will cut the list price of Lantus® (insulin glargine injection), its most widely prescribed insulin in the U.S., by 78%. The company will also establish a $35 cap on out-of-pocket costs for Lantus® for all patients with commercial insurance, underscoring its longstanding commitment to offer affordable access to medicines. These steps will become effective January 1st, 2024.

Sanofi will continue to provide different programs to ensure access and affordability to diabetes patients depending on their coverage situations and will continue to monitor policy and market changes. Our suite of innovative programs includes:

- 100% of commercially insured people are eligible for Sanofi's copay assistance programs, regardless of income or insurance plan design, which, in 2022 limited out-of-pocket expenses for a majority of participating patients to $15 or less for their diabetes medicines for a 30-day supply.
- 100% of uninsured people are eligible for the Insulins Valyou Savings Program – regardless of income level – enabling them to buy one or multiple Sanofi insulins at $35 for a 30-day supply.
- We also provide free medications to qualified low- and middle-income patients through the Sanofi Patient Connection program. Some people facing an unexpected financial hardship may be eligible for a one-time, immediate month's supply of their Sanofi medicine as they wait for their application to be processed.

Learn more about Sanofi's transparent approach to pricing in the U.S. in the company 2023 U.S. Pricing Principles Report.

Launch of "A Million Conversations"

A Million Conversations is Sanofi's global initiative to rebuild trust in healthcare with the underrepresented, especially with Black and ethnic minority groups, women, people with disabilities, and LGBTQ+ communities. Sanofi aims to help build the next generation of diverse healthcare leaders.

In partnership with leading higher education institutions across the world, the Sanofi NextGen Scholarship will identify up to 100 new students from marginalized communities each year. Selected Scholars will be awarded funding to cover partial university fees and living costs. And they will receive development support, mentorship, internship opportunities, and potential employment once they graduate.

Inclusivity targets implemented across clinical trials with 45% of U.S. trials achieved at least 1 target

Sanofi strives to ensure trials are inclusive by design and represent the diversity of the patient populations who are living with the studied disease. Sanofi is partnering with historically underrepresented racial and ethnic minority communities as well as other marginalized groups to break down access barriers.

Before starting a trial, Sanofi develops a holistic overview of the patient experience and disease demographics it intends to treat. These insights cover topics including social determinants of health, reasons for mistrust and healthcare access barriers.

Building on these insights, Sanofi sets inclusivity targets in line with the demographics of the disease. It also seeks to be inclusive through representative eligibility criteria, endpoints that matter to patients and ways to reduce trial participation burden on patients.

As of June 2023, 22 trials in the U.S. with last patient in (LPI) expected this year have achieved:

- 5% of the clinical trials achieved all inclusivity targets ;
- 27% of the clinical trials already achieved at least 2 inclusivity targets ;
- 45% of the clinical trials have already achieved at least 1 inclusivity target.

Inclusivity targets in the U.S. are defined by aligning with the demographics of the disease for the following communities: Asian, Black, Hispanic.

Sanofi continues its progress to limit its impact on the environment

Net Zero emissions by 2045 and updated scope 3 targets validated by Science Based Targets Initiative (SBTi)

Sanofi announced in Q4 2022 it accelerates its efforts to address climate change and has built an ambitious path to achieve Net Zero emissions across all operations (scope 1 & 2) and the entire value chain (scope 3) by 2045. This target has been vetted by SBTi as well our updated scope 3 reduction target of achieving -30% GHG emissions by 2030 vs our 2019 baseline.

Net Zero emissions means achieving a scale of value chain emissions reductions consistent with the depth for abatement at the point of reaching global net-zero in 1.5°C pathways and neutralizing the impact of any residual emissions by permanently removing an equivalent volume of CO2e.

Sanofi inaugurated its first self-consumption photovoltaic park on its Montpellier site in France

Sanofi and EDF ENR inaugurated a new 3.3-hectare photovoltaic park at Sanofi's research and development site in Montpellier. The park is producing electricity that is fully self-consumed by the site since February 2023.

With an annual electricity production of 5,490 MWh, i.e. the equivalent of the consumption of a city of 4,000 people, this photovoltaic park, which will be supplemented by a ground-based power station in 2024 covers 17.5% of the annual electricity needs from the site. The rest of these needs are covered by a supply of 100% renewable electricity.

This project is part of our larger ambition to use 100% renewable electricity by 2030 worldwide. Beyond the Montpellier site, other large-scale solar power plant installations are planned for the Aramon site in July 2023, the Ambarès site in 2024 and the Sisteron site in the near future. Similar plants are already in operation at the sites of Virginia in Australia, Goa in India and Scoppito in Italy.

Pilot take-back programs for insulin pens launched in 2 European countries

As part of Sanofi's eco design commitment, the company is developing solutions to tackle the end-of-life of its products. In several countries, take-back programs have been launched to collect injection pens and recycle them.

In Germany, Sanofi started a collaboration with 35 pharmacies in Berlin since April 2023 and plans to expand the program to more pharmacies across the country. The objective is to reach a take-back rate of 30 percent of SoloStars® pens within one year.

In Denmark, Sanofi has partnered with Novo Nordisk, Eli Lilly and MSD to pioneer the world's first cross-industry solution for recycling injection pens. The collaboration has been launched in Denmark, because of the existing recycling infrastructure. The four companies distribute around 6 million injection pens in Denmark annually. The ambition for the first 12 months is to recycle 25% of all injection pens distributed by the four partners in Denmark. This target represents the equivalent of 25 tons of plastic waste.

CSR dashboard as of Q2 2023

Please refer to the Q2 2023 results press release ESG appendix for Sanofi CSR reporting.

C/ EVENTS SUBSEQUENT TO JUNE 30, 2023

On July 17, 2023, the US Food and Drug Administration (FDA) approved Sanofi and AstraZeneca's *Beyfortus™* (nirsevimab) for the prevention of respiratory syncytial virus (RSV) lower respiratory tract disease (LRTD) in newborns and infants born during or entering their first RSV season, and for children up to 24 months of age who remain vulnerable to severe RSV disease through their second RSV season. The companies plan to make Beyfortus™ (nirsevimab) available in the United States ahead of the upcoming 2023-2024 RSV season.

On July 20, 2023, Sanofi entered into a collaboration agreement with *Recludix Pharma* to develop and commercialize novel STAT6 inhibitors for patients with immunological and inflammatory diseases. Under the terms of the agreement, Sanofi will make an upfront payment of $75 million and could pay up to $1.2 billion contingent on the attainment of certain objectives. In addition, Recludix would also receive royalties on sales of commercialized products and has an option to participate equally with Sanofi in US profit/loss sharing.

On July 27, 2023, Sanofi entered into an agreement to acquire *QRIB intermediate Holdings, LLC,* a privately-owned company, which owns Qunol®, a U.S.-based, market-leading brand in health & wellness for a cash purchase price of ca. 1.4 billion dollars. This transaction will strengthen Sanofi Consumer Healthcare's Vitamin, Mineral and Supplements (VMS) category. The acquisition is expected to close in the third quarter of 2023 subject to customary closing conditions, including applicable regulatory approvals, following which Sanofi would have control over QRIB intermediate Holdings, LLC.

D/ CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2023

Unless otherwise indicated, all financial data in this report are presented in accordance with international financial reporting standards (IFRS), including international accounting standards and interpretations (see Note A.1. to the condensed half-year consolidated financial statements).

Consolidated income statements for the six months ended June 30, 2022 and June 30, 2023

(€ million)	June 30, 2023 (6 months)	as % of net sales	June 30, 2022 (6 months)	as % of net sales
Net sales	**20,187**	**100.0%**	**19,790**	**100.0%**
Other revenues	1,358	6.7%	1,005	5.1%
Cost of sales	(6,347)	(31.4)%	(6,130)	(31.0)%
Gross profit	**15,198**	**75.3%**	**14,665**	**74.1%**
Research and development expenses	(3,193)	(15.8)%	(3,147)	(15.9)%
Selling and general expenses	(5,182)	(25.7)%	(4,953)	(25.0)%
Other operating income	617		416	
Other operating expenses	(1,422)		(1,204)	
Amortization of intangible assets	(1,035)		(910)	
Impairment of intangible assets	(15)		(87)	
Fair value remeasurement of contingent consideration	(26)		(17)	
Restructuring costs and similar items	(547)		(792)	
Other gains and losses, and litigation	(73)		(142)	
Operating income	**4,322**	**21.4%**	**3,829**	**19.3%**
Financial expenses	(370)		(189)	
Financial income	286		34	
Income before tax and investments accounted for using the equity method	**4,238**	**21.0%**	**3,674**	**18.6%**
Income tax expense	(730)		(495)	
Share of profit/(loss) from investments accounted for using the equity method	(52)		58	
Net income	**3,456**	**17.1%**	**3,237**	**16.4%**
Net income attributable to non-controlling interests	26		53	
Net income attributable to equity holders of Sanofi	**3,430**	**17.0%**	**3,184**	**16.1%**
Average number of shares outstanding (million)	1,249.9		1,250.0	
Average number of shares after dilution (million)	1,254.5		1,255.3	
▪ Basic earnings per share (in euros)	2.74		2.55	
▪ Diluted earnings per share (in euros)	2.73		2.54	

D.1. SEGMENT INFORMATION

D.1.1. OPERATING SEGMENTS

In accordance with IFRS 8 (Operating Segments), the segment information reported by Sanofi is prepared on the basis of internal management data provided to our Chief Executive Officer, who is the chief operating decision maker of Sanofi. The performance of those segments is monitored individually using internal reports and common indicators. The operating segment disclosures required under IFRS 8 are provided in Note B.20. to the condensed half-year consolidated financial statements.

In 2022, Sanofi reported three operating segments (Pharmaceuticals, Vaccines and Consumer Healthcare). The costs of the global support functions (Corporate Affairs, Finance, People & Culture, Legal Affairs, Ethics & Business Integrity, Information Solutions & Technology, Sanofi Business Services, etc.), which are mainly managed centrally at group-wide level, were presented within the "Other" category.

In 2023, Sanofi reviewed the presentation of its segment information following adjustments to its internal reporting systems in order to reflect (i) progress on the "Play to Win" strategy leading to the creation of the standalone Consumer Healthcare Global Business Unit (GBU) which, in addition to integrated research, development and production functions now also has its own dedicated global support functions (including Finance, People & Culture, Legal Affairs, Ethics & Business Integrity, Information Solutions & Technology, Global Business Services, etc.); and (ii) organizational changes to Sanofi's Manufacturing & Supply global function (previously known as Industrial Affairs).

Consequently, with effect from January 1, 2023, Sanofi reports two operating segments: Biopharma and Consumer Healthcare.

The Biopharma operating segment comprises commercial operations and research, development and production activities relating to the Speciality Care, General Medicines and Vaccines franchises, for all geographical territories. The segment's results include the costs of global support functions that are not within the managerial responsibility of the Consumer Healthcare GBU.

The Consumer Healthcare operating segment comprises commercial operations relating to Consumer Healthcare products, and research, development and production activities and global support functions (as listed above) dedicated to the segment, for all geographical territories. The Consumer Healthcare GBU segment's results reflect all incurred costs of global support functions attributable to its business.

The "Other" category comprises reconciling items, primarily but not limited to (i) gains and losses on centralized foreign exchange risk hedging transactions that cannot be allocated to the operating segments and (ii) gains and losses on retained commitments in respect of previously divested operations.

D.1.2. BUSINESS OPERATING INCOME

We report segment results on the basis of "Business operating income". This indicator is used internally by Sanofi's chief operating decision maker to measure the performance of each operating segment and to allocate resources. For a definition of "Business operating income", and a reconciliation between that indicator and ***Income before tax and investments accounted for using the equity method***, refer to Note B.20.1.2. to our condensed half-year consolidated financial statements.

In the first half of 2023, "Business operating income" amounted to €6,059 million (versus €5,818 million for the first half of 2022), while "Business operating income margin" was 30.0% (versus 29.4% for the first half of 2022). "Business operating income margin" is a non-IFRS financial measure that we define as the ratio of "Business net income" to our consolidated net sales.

Because our "Business operating income" and "Business operating income margin" are not standardized measures, they may not be directly comparable with the non-IFRS financial measures of other companies using the same or similar non-IFRS financial measures. Despite the use of non-IFRS measures by management in setting goals and measuring performance, these are non-IFRS measures that have no standardized meaning prescribed by IFRS.

D.2. BUSINESS NET INCOME

We believe that understanding of our operational performance by our management and our investors is enhanced by reporting "Business net income". This non-IFRS financial measure represents "Business operating income", less net financial expenses and the relevant income tax effects.

"Business net income" for the first half of 2023 amounted to €4,876 million, 6.1% more than in the first half of 2022 (€4,594 million). That represents 24.2% of net sales, versus 23.2% for the first half of 2022.

We also report "Business earnings per share" (business EPS), a non-IFRS financial measure which we define as business net income divided by the weighted average number of shares outstanding.

Business EPS was €3.90 for the first half of 2023, 6.0% higher than the 2022 first-half figure of €3.68, based on an average number of shares outstanding of 1,249.9 million for the first half of 2023 and 1,250.0 million for the first half of 2022.

The table below reconciles our "Business operating income" to our "Business net income":

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Business operating income	**6,059**	**5,818**	**13,040**
Financial income and expenses	(49)	(155)	(234)
Income tax expense	(1,134)	(1,069)	(2,465)
Business net income	**4,876**	**4,594**	**10,341**

We define "Business net income" as ***Net income attributable to equity holders of Sanofi*** determined under IFRS, excluding the following items:

- amortization and impairment losses charged against intangible assets (other than software and other rights of an industrial or operational nature);
- fair value remeasurements of contingent consideration relating to business combinations (IFRS 3) or divestments;
- expenses arising from remeasurement of inventories following a business combination (IFRS 3);
- restructuring costs and similar items (presented within the income statement line item ***Restructuring costs and similar*** *items*);
- other gains and losses, including gains and losses on major disposals (presented within the income statement line item ***Other gains and losses, and litigation***);
- other costs or provisions relating to litigation (presented within the income statement line item ***Other gains and losses, and litigation***);
- upfront and regulatory milestone payments recognised in ***Other operating income*** and related to operations outside the scope of the ordinary activities of Sanofi;
- (income)/expenses arising on financial liabilities carried at amortized cost and not included within net debt;
- tax effects of the items listed above, plus the impact of major tax disputes;
- shares of profits and losses from investments accounted for using the equity method, except for joint ventures and associates with which Sanofi has entered into a strategic partnership agreement; and
- the portion of the items listed above attributable to non-controlling interests.

The table below reconciles our "Business net income" to ***Net income attributable to equity holders of Sanofi***:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Net income attributable to equity holders of Sanofi	**3,430**	**3,184**	**8,371**
Amortization of intangible assets [(a)]	1,035	910	2,053
Impairment of intangible assets	15	87	(454)
Fair value remeasurement of contingent consideration	33	52	53
Expenses arising from the impact of acquisitions on inventories	5	3	3
Income from out-licensing [(c)]	—	—	(952)
Restructuring costs and similar items	547	792	1,336
Other gains and losses, and litigation [(b)]	73	142	370
(Income)/expenses arising on financial liabilities carried at amortized cost and not included within net debt	35	—	—
Tax effects of the items listed above:	(404)	(573)	(459)
▪ *amortization and impairment of intangible assets*	*(226)*	*(218)*	*(268)*
▪ *fair value remeasurement of contingent consideration*	*(6)*	*(18)*	*(9)*
▪ *tax effects of restructuring costs and similar items*	*(157)*	*(199)*	*(231)*
▪ *other tax effects*	*(15)*	*(138)*	*49*
Other items [(d)]	107	(3)	20
Business net income	**4,876**	**4,594**	**10,341**
Average number of shares outstanding (million)	1,249.9	1,250.0	1,251.9
Basic earnings per share (in euros)	2.74	2.55	6.69
Reconciling items per share (in euros)	1.16	1.13	1.57
Business earnings per share (in euros)	3.90	3.68	8.26

(a) Includes amortization related to the impact of recognizing intangible assets at fair value at the acquisition date, representing a charge €993 million for the six months ended June 30, 2023; €858 million for the six months ended June 30, 2022; and €1,726 million for the year ended December 31, 2022..

(b) In the first half of 2022, this line includes the pre-tax gain on the deconsolidation of EUROAPI (see note B.1. to the condensed half-year consolidated financial statements) and a charge to a provision for risks relating to a litigation.

*(c) Upfront payment of $900 million (third quarter of 2022) and regulatory milestone payment of $100 million (fourth quarter of 2022) related to out-licensing of Libtayo®, recognized within the income statement line item **Other operating income**.*

(d) As of June 30, 2023, an impairment loss of €91 million euros was recognized on the equity-accounted investment in EUROAPI, given the decrease in the stock market price since March 2023. The amount of the loss was determined based on the stock market price as of June 30, 2023 (€10.50).

The most significant reconciling items between "Business net income" and ***Net income attributable to equity holders of Sanofi*** relate to (i) the purchase accounting effects of our acquisitions and business combinations, particularly the amortization and impairment of intangible assets (other than software and other rights of an industrial or operational nature) and (ii) the impacts of restructurings or transactions regarded as non-recurring, where the amounts involved are particularly significant. We believe that excluding those impacts enhances an investor's understanding of our underlying economic performance, because it gives a better representation of our recurring operating performance.

We believe that eliminating charges related to the purchase accounting effect of our acquisitions and business combinations (particularly amortization and impairment of some intangible assets) enhances comparability of our ongoing operating performance relative to our peers. Those intangible assets (principally rights relating to research, development and commercialization of products) are accounted for in accordance with IFRS 3 (Business Combinations) and hence may be subject to remeasurement. Such remeasurements are not made other than in a business combination.

We also believe that eliminating the other effects of business combinations (such as the incremental cost of sales arising from the workdown of acquired inventories remeasured at fair value in business combinations) gives a better understanding of our recurring operating performance.

Eliminating restructuring costs and similar items enhances comparability with our peers because those costs are incurred in connection with reorganization and transformation processes intended to optimize our operations.

Finally, we believe that eliminating the effects of transactions that we regard as non-recurring and that involve particularly significant amounts (such as major gains and losses on disposals, and costs and provisions associated with major litigation and other major non-recurring items) improves comparability from one period to the next.

We remind investors, however, that "Business net income" should not be considered in isolation from, or as a substitute for, ***Net income attributable to equity holders of Sanofi*** reported in accordance with IFRS. In addition, we strongly encourage investors and potential investors not to rely on any single financial measure but to review our financial statements, including the notes thereto, carefully and in their entirety.

We compensate for the material limitations described above by using "Business net income" only to supplement our IFRS financial reporting and by ensuring that our disclosures provide sufficient information for a full understanding of all adjustments included in "Business net income".

Because our "Business net income" and "Business EPS" are not standardized measures, they may not be directly comparable with the non-IFRS financial measures of other companies using the same or similar non-IFRS financial measures.

D.3. NET SALES

Net sales for the first half of 2023 amounted to €20,187 million, 2.0% higher than in the first half of 2022. Exchange rate fluctuations had a negative effect of 2.4 percentage points overall, due mainly to adverse trends in the euro exchange rate against the Argentinean peso, Turkish lira and Chinese yuan. At constant exchange rates (CER, see definition below), net sales rose by 4.4%, driven mainly by strong performances for Dupixent®. The year-on-year increase also reflects the launch of Nexviazyme® and growth in Vaccines, driven largely by sales of the COVID-19 vaccine.

Reconciliation of net sales to net sales at constant exchange rates

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	Change
Net sales	**20,187**	**19,790**	**+2.0%**
Effect of exchange rates	468		
Net sales at constant exchange rates	**20,655**	**19,790**	**+4.4%**

When we refer to changes in our net sales at constant exchange rates (CER), that means we have excluded the effect of exchange rates by recalculating net sales for the relevant period using the exchange rates that were used for the previous period.

D.3.1. NET SALES BY SEGMENT

Our net sales comprise the net sales generated by our Biopharma and Consumer Healthcare segments.

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months) [(a)]	Change on a reported basis	Change at constant exchange rates
Biopharma segment	**17,467**	**17,147**	**+1.9%**	**+4.1%**
Consumer Healthcare segment	**2,720**	**2,643**	**+2.9%**	**+6.1%**
Total net sales	**20,187**	**19,790**	**+2.0%**	**+4.4%**

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.

D.3.2. NET SALES BY GEOGRAPHICAL REGION AND PRODUCT

Net sales by main product and geographical region break down as follows:

(€ million)	Net sales	Change (CER)	Change (reported)	United States	Change (CER)	Europe	Change (CER)	Rest of the World	Change (CER)
Dupixent®	**4,878**	**+36.7%**	**+36.4%**	**3,682**	**+37.7%**	**587**	**+31.1%**	**609**	**+36.5%**
Aubagio®	635	-38.2%	-37.6%	348	-50.9%	249	-7.1%	38	-32.2%
Myozyme®/ Lumizyme®	436	-9.0%	-10.5%	135	-17.8%	181	-11.7%	120	+7.6%
Fabrazyme®	496	+10.7%	+8.3%	251	+12.7%	122	+6.0%	123	+11.6%
Cerezyme®	377	+11.7%	+2.7%	94	-1.1%	120	-4.0%	163	+33.3%
Eloctate®	248	-14.1%	-14.8%	183	-21.6%	—	—%	65	+15.3%
Alprolix®	260	+9.7%	+9.7%	215	+7.6%	—	—%	45	+20.5%
Nexviazyme®	184	+153.4%	+152.1%	123	+93.7%	42	+1300.0%	19	+200.0%
Jevtana®	176	-12.3%	-13.3%	128	-10.6%	8	-57.9%	40	+2.4%
Sarclisa®	181	+43.4%	+40.3%	76	+38.2%	56	+47.4%	49	+47.2%
Kevzara®	165	-2.9%	-4.1%	87	-3.3%	54	+3.8%	24	-13.8%
Cerdelga®	150	+8.6%	+7.9%	83	+9.3%	59	+7.3%	8	+11.1%
Aldurazyme®	150	+18.0%	+12.8%	34	+17.2%	42	-6.7%	74	+37.3%
Cablivi®	113	+17.5%	+16.5%	58	+18.8%	49	+4.3%	6	+300.0%
Fasturtec®	90	+4.7%	+4.7%	58	+7.4%	23	-4.2%	9	+12.5%
Enjaymo™	33	+750.0%	+725.0%	19	+375.0%	4	—%	10	—%
Xenpozyme™	38	+1800.0%	+1800.0%	21	—%	15	+650.0%	2	—%
ALTUVIIIO™	19	—%	—%	17	—%	—	—%	2	—%
Other	62	-60.6%	-63.5%	10	-47.4%	10	-87.8%	42	-31.9%
Specialty Care	**8,691**	**+14.8%**	**+13.7%**	**5,622**	**+15.4%**	**1,621**	**+6.1%**	**1,448**	**+23.0%**
Lovenox®	607	-11.6%	-15.0%	5	-28.6%	329	-6.2%	273	-16.7%
Toujeo®	580	+9.8%	+7.2%	118	-9.4%	221	+5.7%	241	+26.2%
Plavix®	476	-0.2%	-6.3%	4	-20.0%	48	-5.8%	424	+0.7%
Thymoglobulin®	243	+18.6%	+15.7%	149	+22.3%	19	+17.6%	75	+12.5%
Praluent®	189	-2.5%	-4.1%	(1)	-101.8%	142	+32.4%	48	+47.1%
Multaq®	164	-8.4%	-7.9%	147	-9.4%	7	-22.2%	10	+22.2%
Rezurock®	141	+66.7%	+67.9%	140	+65.5%	2	—%	(1)	—%
Mozobil®	136	+10.5%	+9.7%	84	+16.9%	36	+16.1%	16	-18.2%
Soliqua® / Suliqua®	106	+0.9%	—%	45	-21.4%	17	+20.0%	44	+28.6%
Other Core Assets	540	+1.3%	-0.6%	71	-18.6%	190	+4.4%	279	+5.5%
Total Core Assets	**3,182**	**+2.0%**	**-0.7%**	**762**	**-2.6%**	**1,011**	**+4.2%**	**1,409**	**+3.0%**
Lantus®	800	-34.5%	-37.1%	180	-58.8%	191	-13.9%	429	-25.2%
Aprovel®/Avapro®	214	-10.6%	-12.7%	3	—%	40	-4.8%	171	-12.0%
Other Non-Core Assets	1,910	-11.0%	-15.9%	139	-31.1%	497	-15.3%	1,274	-6.5%
Total Non-Core Assets	**2,924**	**-18.8%**	**-22.8%**	**322**	**-49.8%**	**728**	**-14.5%**	**1,874**	**-12.1%**
Industrial Sales	**280**	**-12.3%**	**-11.4%**	**3**	**-76.9%**	**264**	**-10.9%**	**13**	**+33.3%**
General Medicines	**6,386**	**-9.4%**	**-12.6%**	**1,087**	**-24.2%**	**2,003**	**-5.4%**	**3,296**	**-6.1%**
Polio / Pertussis / Hib vaccines	1,154	+0.3%	-4.0%	200	-12.5%	148	-7.5%	806	+5.4%
Meningitis, Travel and Endemics vaccines	519	+3.5%	+2.2%	248	-4.6%	71	+47.9%	200	+3.5%
Booster vaccines (incl. Adacel®)	274	+5.4%	+5.0%	147	+1.4%	83	+12.2%	44	+7.0%
Influenza vaccines	162	-4.4%	-10.5%	19	+58.3%	37	—%	106	-11.4%
Total Vaccines	**2,390**	**+11.9%**	**+8.7%**	**657**	**-4.0%**	**570**	**+77.9%**	**1,163**	**+3.3%**
Biopharma	17,467	+4.1%	+1.9%	7,366	+5.4%	4,194	+5.7%	5,907	+1.6%
Digestive Wellness	814	+18.3%	+12.1%	69	+9.7%	285	+14.3%	460	+22.1%
Pain Care	559	-1.7%	-4.0%	89	-14.6%	254	-2.7%	216	+5.5%
Allergy	446	+4.1%	+2.8%	246	-3.2%	49	+32.4%	151	+9.5%
Physical and Mental Wellness	297	+1.3%	-0.7%	23	-4.2%	70	—%	204	+2.5%
Personal Care	276	-1.4%	-1.1%	205	-3.3%	1	—%	70	+4.3%
Cough & Cold	256	+20.1%	+16.9%	—	—%	157	+28.7%	99	+9.3%
Non-Core / Other	71	-25.0%	-31.7%	(10)	+400.0%	23	-35.1%	58	-7.2%
Total Consumer Healthcare	2,720	+6.1%	+2.9%	622	-5.1%	840	+8.2%	1,258	+10.6%
Total Sanofi	**20,187**	**+4.4%**	**+2.0%**	**7,988**	**+4.5%**	**5,034**	**+6.1%**	**7,165**	**+3.1%**

D.3.3. BIOPHARMA SEGMENT

Our Biopharma segment consists of our Specialty Care, General Medicines and Vaccines businesses.

In the first half of 2023, net sales for our Biopharma segment reached €17,467 million, up 1.9% on a reported basis and 4.1% at constant exchange rates.

The year-on-year rise of €705 million builds in negative exchange rate effects of €385 million, and the following effects at constant exchange rates:

- positive performances from Dupixent® (+€1,312 million) and Vaccines (+€262 million); and
- negative performances from Non-Core Assets within the General Medicines franchise (-€713 million), and from Aubagio® (-€389 million)

Comments on the performances of our major Biopharma segment products are provided below.

SPECIALTY CARE

Dupixent® (developed in collaboration with Regeneron) generated net sales of €4,878 million in the first half of 2023, up 36.4% on a reported basis and 36.7% at constant exchange rates. In the United States, sales of Dupixent® reached €3,682 million in the first half of 2023, driven by continuing strong demand in the product's approved indications: atopic dermatitis (AD), asthma, chronic rhinosinusitis with nasal polyposis (CRSwNP), eosinophilic esophagitis, and prurigo nodularis. In Europe, the product's net sales for the first half of 2023 totaled €587 million, up 31.1% CER, driven by continuing growth in AD, asthma and CRSwNP. In the Rest of the World region, Dupixent® posted net sales of €609 million (+36.5% CER), driven mainly by Japan and China.

Net sales of Aubagio® decreased to €635 million, down 38.2% CER; this reflects the arrival of generics in the United States from mid-March, which had been expected. In the Rest of the World region, sales were lower year-on-year due to competition from generics in Canada. In Europe, competition from generic teriflunomide is expected in the fourth quarter of 2023.

Net sales of Myozyme® / Lumizyme® and Nexviazyme® for the treatment of Pompe disease increased by 12.1% CER in the first half of 2023 to €620 million, due to Myozyme® / Lumizyme® being replaced by Nexviazyme® in eligible patients (advanced Pompe disease) and to an increase in the number of new patients. Growth was driven by sales of Nexviazyme® in the United States (€123 million), which more than offset lower sales of Myozyme® / Lumizyme® (-17.8% CER at €135 million), and by further sales growth for Myozyme® / Lumizyme® in the Rest of the World region (+7.6% CER at €120 million).

In the first half of 2023, net sales of the Fabry disease treatment Fabrazyme® amounted to €496 million, up 10.7% CER, reflecting new patients and growth across all three regions.

Net sales of Cerezyme® grew in the first half of 2023 (+11.7% CER at €377 million), helped by a good performance in the Rest of the World region (+33.3% CER at €163 million). Sales of Cerdelga® were up 8.6% CER at €150 million, driven by new patients. Overall, sales for the Gaucher disease franchise (Cerezyme® and Cerdelga®) rose by 10.9% CER to €527 million.

Eloctate®, indicated in the treatment of hemophilia A, generated net sales of €248 million in the first half of 2023, down 14.1% at constant exchange rates, reflecting the adoption of ALTUVIIIO™ and competitive pressures.

In the first half of 2023, sales of Alprolix®, indicated in the treatment of hemophilia B, amounted to €260 million, up 9.7% CER. Growth was driven by the United States (+7.6% CER at €215 million) and the Rest of the World region (+20.5% CER at €45 million).

Sarclisa® generated net sales of €181 million in the first half of 2023 (+43.4% CER), with growth in all three regions. Sales reached €76 million in the United States (+38.2% CER), €56 million in Europe (+47.4% CER), and €49 million in the Rest of the World region (+47.2% CER).

Jevtana® reported net sales of €176 million in the first half of 2023, down 12.3% CER, following the launch at end March 2021 of generics in Europe and lower sales in the United States due to increased competitive pressures. In the U.S., Jevtana® is currently covered by four Orange Book listed patents US 7,241,907, US 8,927,592, US 10,583,110 and US 10,716,777. Sanofi filed patent infringement suits under Hatch-Waxman against generic filers asserting the '110 patent, the '777 patent and the '592 patent in the US District Court for the District of Delaware. Sanofi has reached settlement agreements with most of the defendants and in the suit against the only remaining defendant Sandoz, the district court issued a decision in June 2023 in favor of Sanofi, finding that the '777 patent is infringed by Sandoz and not invalid.".

Cablivi® posted net sales of €113 million in the first half of 2023 (+17.5% CER), including €58 million (+18.8% CER) in the United States and €49 million (+4.3% CER) in Europe.

Net sales of Enjaymo™, the first-ever treatment for cold agglutinin disease, reached €33 million in the first half of 2022, and were generated mainly in the United States and Japan.

Net sales of Xenpozyme™, the first and only treatment for non central nervous system manifestations of acid sphingomyelinase deficiency, totaled €38 million in the first half of 2023, and were generated mainly in the United States.

ALTUVIIIO™, a once-weekly first-in-class high-sustained factor VIII therapy for hemophilia A that offers significant bleed protection, was launched at the end of March 2023 in the United States, and generated first-half net sales of €19 million.

GENERAL MEDICINES

In the first half of 2023, net sales of the General Medicines GBU reached €6,386 million, down 12.6% on a reported basis and 9.4% at constant exchange rates. Sales of Core Assets in the first half of 2023 were up 2.0% CER at €3,182 million, driven by a good performance from Rezurock®. Non-Core Assets posted sales of €2,924 million, down 18.8% CER, reflecting a streamlining of the portfolio and lower sales of Lantus®. First-half industrial sales, mainly comprising sales of active ingredients and semi-finished products to third parties, declined by 12.3% CER to €280 million.

CORE ASSETS[1]

In the first half of 2023, global Core Assets sales were €3,182 million, down 0.7% on a reported basis but up 2.0% at constant exchange rates, as higher sales of Rezurock®, Toujeo® and Thymoglobulin® offset by lower sales of Lovenox® and Multaq®. First-half sales of Core Assets rose in all geographies except the United States, where sales were down 2.6% CER at €762 million.

First-half net sales of Lovenox® were €607 million, down 11.6% CER, reflecting lower COVID-19 related demand than in the first half of 2022 and increased competition from biosimilars.

Toujeo® posted 2023 first-half net sales of €580 million (+9.8% CER), reflecting growth in the Rest of the World region and Europe. In the United States, net sales of Toujeo® were down year-on-year due to lower selling prices.

Net sales of Plavix® were stable at €476 million, as sales growth in the Rest of the World region (+0.7% CER) offset lower sales in the United States and Europe. Sales were sharply down in Japan following a mandatory price cut in early April 2022. In China, first-half net sales of Plavix® were up 4.0% CER at €243 million.

In the first half of 2023, net sales of Praluent® were down 2.5% CER at €189 million, reflecting a high comparative base due to the reversal of a provision for rebates in the United States in the first half of 2022. In the Rest of the World region, sales of the product were up 47.1% CER.

First-half net sales of Multaq® were down 8.4% CER at €164 million, mainly on lower sales in the United States (-9.4% CER) and in Europe (-22.2% CER).

Sales of Rezurock® reached €141 million in the first half of 2023, up 66.7% CER, boosted by new patients and improved persistency rates.

The acquisition of Provention Bio was completed on April 27, 2023, adding TZIELD® to the Core Assets portfolio. In the second quarter, sales of TZIELD® gradually ramped up, supported by the early patient identification program.

NON-CORE ASSETS

Net sales of Non-Core Assets for the first half of 2023 were €2,924 million, down 18.8% at constant exchange rates, due mainly to portfolio streamlining (-2.3ppt impact) and lower sales of Lantus®.

Net sales of Lantus® in the first half of 2023 were down 34.5% CER at €800 million. In the United States, sales of the product decreased by 58.8% CER, due to lower net selling prices and an adjustment to rebates reflecting a higher proportion of sales through government reimbursement channels. In the Rest of the World region, sales were down 25.2% CER, mainly as a result of price cuts linked to the Volume Based Procurement (VBP) program in China.

Net sales of Aprovel®/Avapro® for the first half of 2023 were €214 million (-10.6% CER), reflecting lower sales in the Rest of the World region.

VACCINES

In the first half of 2023, Vaccines net sales reached €2,390 million, up 8.7% on a reported basis and 11.9% CER, largely driven by contractual sales of the COVID-19 recombinant booster vaccine Vidprevtyn Beta® in Europe (€226 million, included within the "Other" category). In addition, Travel and Booster vaccines continued their recovery following a slowdown related to COVID-19, with both franchises reporting sales growth. Sales of the Japanese encephalitis vaccine (divested in the fourth quarter of 2022, sales of which were included in the Travel and Endemics Vaccines franchise) amounted to €37 million in the first half of 2022.

Net sales of Polio/Pertussis/Hib vaccines in the first half of 2023 were €1,154 million, up 0.3% CER. The Rest of the World region posted growth of 5.4% CER to €806 million on a strong performance for Pentaxim® in China. Sales were down year-on-year in the United States (-12.5% CER at €200 million), but Vaxelis® continued to gain US market share at the expense of pentavalent vaccines (including Pentacel®) in the first series of vaccinations for newborns. US sales of Vaxelis® are not consolidated by Sanofi, and the profits are shared equally between Sanofi and Merck & Co.

Sales of Meningitis, Travel and Endemics vaccines in the first half of 2023 rose by 3.5% CER to €519 million, driven by meningitis vaccines in the Rest of the World region and also reflecting a recovery in Travel Vaccines sales, which returned close to pre-COVID levels.

Net sales of Booster vaccines for the period were up 5.4% CER at €274 million, with sales growth recorded in the United States (+1.4% CER at €147 million), Europe (+12.2% CER at €83 million), and the Rest of the World region (+7.0% CER at €44 million).

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[1] *Sanofi has prioritized core assets in its General Medicines portfolio with differentiated and/or established profiles that have significant opportunity for growth in key markets.*

D.3.4. CONSUMER HEALTHCARE SEGMENT

Net sales for the Consumer Healthcare (CHC) segment for the first half of 2023 were up 2.9% on a reported basis and 6.1% at constant exchange rates, at €2,720 million. Growth was driven by Digestive Wellness (+18.3% CER at €814 million) and Cough & Cold (+20.1% CER at €256 million). The year-on-year change also builds in a favorable price effect of 8%. Divestments of non-core products had an impact of 1.4% in the first half, mainly in the "Other" category. Consequently, organic sales growth for the Consumer Healthcare segment was 7.5% in the first half of 2023.

In the United States, Consumer Healthcare first-half net sales were down 5.1% CER at €622 million, with a double-digit decrease for the Pain Care franchise (-14.6% CET at €89 million) as well as lower sales in the Allergy, Physical & Mental Wellness and Personal Care categories.

In Europe, Consumer Healthcare net sales were up 8.2% CER in the first half of 2023 at €840 million, mainly as a result of double-digit growth in the Allergy, Cough & Cold and Digestive Wellness categories.

In the Rest of the World region, first-half Consumer Healthcare net sales increased by 10.6% CER to €1,258 million, driven by double-digit growth in Digestive Wellness (+22.1% CER at €460 million) and growth in the Allergy and Cough & Cold categories, building in the impact of favorable timing effects relating to inventories held in distribution channels.

D.3.5. NET SALES BY GEOGRAPHICAL REGION

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	Change on a reported basis	Change at constant exchange rates
United States	7,988	7,562	+5.6%	+4.5%
Europe	5,034	4,767	+5.6%	+6.1%
Rest of the World	7,165	7,461	-4.0%	+3.1%
of which China	*1,540*	*1,699*	*-9.4%*	*-4.5%*
Total net sales	**20,187**	**19,790**	**+2.0%**	**+4.4%**

In the first half of 2023, net sales in the United States reached €7,988 million, up 5.6% on a reported basis and 4.5% at constant exchange rates, reflecting a strong performance from Specialty Care, propelled by Dupixent® (+37.7% CER at €3,682 million), which more than offset lower sales of Lantus® and Aubagio®.

In Europe, 2023 first-half net sales increased by 5.6% on a reported basis and 6.1% at constant exchange rates, to €5,034 million, driven mainly by Dupixent®, Nexviadyme®, Praluent® and deliveries of COVID-19 vaccine, as well as sales growth for the Consumer Healthcare GBU.

In the Rest of the World region, first-half net sales were down 4.0% on a reported basis but rose by 3.1% at constant exchange rates at €7,165 million, with lower sales in China due to the impact of Volume Based Procurement (VBP) on Lantus® partly offset by the performance of Dupixent®.

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D.4. OTHER INCOME STATEMENT ITEMS

D.4.1. OTHER REVENUES

Other revenues increased by 35.1% to €1,358 million in the first half of 2023 (versus €1,005 million in the first half of 2022). This line item mainly comprises VaxServe sales of non-Sanofi products (€835 million, versus €679 million for the first half of 2022, within the Vaccines segment). This line item also includes revenues arising from the distribution of Eloctate® and Alprolix® (mainly in Europe) under Sanofi's agreements with Swedish Orphan Biovitrum AB (Sobi), and revenues related to the COVID-19 vaccine (€94 million).

D.4.2. GROSS PROFIT

Gross profit for the first half of 2023 was €15,198 million, versus €14,668 million for the first half of 2022, a rise of 3.6%. Gross margin was also higher, at 75.3% for the first half of 2023 compared with 74.1% for the first half of 2022.
In the Biopharma segment, gross margin for the first half of 2023 was up 1.5 percentage points at 76.8%, driven by a favorable Specialty Care product mix (despite generic competition for Aubagio® in the United States and negative price effects on Lantus®) and by efficiency gains in Manufacturing & Supply.

In the Consumer Healthcare segment, gross margin for the first half of 2023 remained stable at 66.1%.

D.4.3. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses (R&D expenses) in the first half of 2023 totaled €3,193 million (versus €3,147 million in the first half of 2022). That represents 15.8% of net sales, compared with 15.9% in the first half of 2022. R&D expenses rose by 1.5%, reflecting increased expenditures in Vaccines, especially for the mRNA Center of Excellence.

D.4.4. SELLING AND GENERAL EXPENSES

Selling and general expenses amounted to €5,182 million in the first half of 2023 (25.7% of net sales), versus €4,953 million in the first half of 2022 (25.0% of net sales); this 4.6% year-on-year increase reflected increased commercial spend and launch costs in in Specialty Care and Vaccines, as well as further expenses related to investment in the CHC stand alone set-up.

D.4.5. OTHER OPERATING INCOME AND EXPENSES

In the first half of 2023, ***Other operating income*** amounted to €617 million (versus €416 million in the first half of 2022), and ***Other operating expenses*** to €1,422 million (versus €1,204 million in the first half of 2022).

Overall, ***other operating income and expenses*** represented a net expense of €805 million in the first half of 2023, compared with a net expense of €788 million in the first half of 2022.

(€ million)	June 30, 2023	June 30, 2022	Change
Other operating income	617	416	201
Other operating expenses	(1,422)	(1,204)	(218)
Other operating income/(expenses), net	**(805)**	**(788)**	**(17)**

For the first half of 2023, this item included €1,321 million of expenses related to Regeneron (versus €1,068 million in the first half of 2022), as shown in the table below.

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Income & expense related to (profit)/loss sharing under the Monoclonal Antibody Alliance	(1,449)	(979)	(2,325)
Additional share of profit paid by Regeneron towards development costs	291	97	434
Reimbursement to Regeneron of selling expenses incurred	(260)	(216)	(476)
Total: Monoclonal Antibody Alliance	**(1,418)**	**(1,098)**	**(2,367)**
Immuno-Oncology Alliance	**—**	**36**	**16**
Other (mainly Zaltrap® and Libtayo®)	**97**	**(6)**	**1,120**
Other operating income/(expenses), net related to Regeneron Alliance	**(1,321)**	**(1,068)**	**(1,231)**
of which amount presented in "Other operating income"	**102**	**133**	**1,147**

Other operating income and expenses (net) also includes gains on divestments of assets and operations amounting to €413 million, mainly related to portfolio rationalization (versus €288 million for the first half of 2022).

D.4.6. AMORTIZATION OF INTANGIBLE ASSETS

Amortization charged against intangible assets in the first half of 2023 amounted to €1,035 million, versus €910 million in the first half of 2022. This rise was mainly driven by Eloctate®.

D.4.7. IMPAIRMENT OF INTANGIBLE ASSETS

The results of impairment tests on other intangible assets led to the recognition of a net impairment loss of €15 million in the first half of 2023, linked to research and development projects; the comparative figure for the first half of 2022 was €87 million.

D.4.8. FAIR VALUE REMEASUREMENT OF CONTINGENT CONSIDERATION

Fair value remeasurements of contingent consideration assets and liabilities relating to business combinations (recognized in accordance with IFRS 3) represented a net expense of €26 million in the first half of 2023, versus a net expense of €17 million in the first half of 2022.

D.4.9. RESTRUCTURING COSTS AND SIMILAR ITEMS

Restructuring costs and similar items amounted to a charge of €547 million in the first half of 2023, compared with a charge of €792 million in the first half of 2022, down €245 million year-on-year.

Restructuring costs and similar items for the first half of 2023 include the impact of French pension reforms on future annuities under the rules of each severance plan, while for the first half of 2022 they mainly comprised severance costs recognized further to the announcements made during that period. Also included in restructuring costs are the impacts of ongoing transformational projects, primarily those associated with the creation of the standalone Consumer Healthcare entity and the implementation of Sanofi's new digital strategy.

D.4.10. OTHER GAINS AND LOSSES, AND LITIGATION

For the first half of 2023, ***Other gains and losses, and litigation*** line represents an expense of €73 million, including costs incurred on settlement of litigation with the shareholders of Bioverativ. The comparative figure of €142 million in the first half 2022 mainly comprised a provision for a litigation risk, partly offset by the pre-tax gain on deconsolidation of EUROAPI.

D.4.11. OPERATING INCOME

Operating income amounted to €4,322 million in the first half of 2023, versus €3,829 million in the first half of 2022. The increase was mainly due to growth in business operating income (see section D.5. below).

D.4.12. FINANCIAL INCOME AND EXPENSES

Net financial expenses were €84 million for the first half of 2023, €71 million lower than the 2022 first-half figure of €155 million, benefiting from higher short-term interest rates on cash and cash equivalents.

Our cost of net debt (see the definition in Section D.7., "Consolidated balance sheet" below) was -€25 million in the first half of 2023, versus €92 million in the first half of 2022.

D.4.13. INCOME BEFORE TAX AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Income before tax and investments accounted for using the equity method for the first half of 2023 was €4,238 million, versus €3,674 million for the first half of 2022.

D.4.14. INCOME TAX EXPENSE

Income tax expense totaled €730 million in the first half of 2023, versus €495 million in the first half of 2022, giving an effective tax rate (based on consolidated net income) of 17.3%, versus 13.5% in the first half of 2022. The year-on-year change in income tax expense and the effective tax rate was mainly due to the tax effects on the disposal of EUROAPI shares, which generated a net gain of €102 million in the first half of 2022. It also reflects the tax effects on amortization and impairment of intangible assets (€226 million in the first half of 2023, versus €218 million in the first half of 2022), on restructuring costs (€157 million in the first half of 2023, versus €199 million in the first half of 2022), and tax effects relating to contingencies arising from business divestitures.

The effective tax rate on our "Business net income"[1] is a non-IFRS financial measure. It is calculated on the basis of business operating income, minus net financial expenses and before (i) the share of profit/loss from investments accounted for using the equity method and (ii) net income attributable to non-controlling interests. We believe the presentation of this measure, used by our management, is also useful for investors as it provides a mean of analyzing the effective tax cost of our current business activities. It should not be seen as a substitute for the effective tax rate based on consolidated net income.

When calculated on business net income, our effective tax rate was 19.0% in the first half of 2023, stable relative to the first half of 2022 and compared with 19.33% for 2022 as a whole.

D.4.15. SHARE OF PROFIT/(LOSS) FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Share of profit/(loss) from investments accounted for using the equity method amounted to a net loss of €52 million in the first half of 2023, versus net income of €58 million in the comparable period of 2022. This line item includes the share of profits generated by Vaxelis®.

D.4.16. NET INCOME

Net income amounted to €3,456 million in the first half of 2023, versus €3,237 million in the first half of 2022.

D.4.17. NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net income attributable to non-controlling interests for the first half of 2023 was €26 million, against €53 million for the first half of 2022.

D.4.18. NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF SANOFI

Net income attributable to equity holders of Sanofi amounted to €3,430 million in the first half of 2023, compared with €3,184 million in the first half of 2022.
Basic earnings per share (EPS) was €2.74 euros, compared with €2.55 for the first half of 2022, based on an average number of shares outstanding of 1,249.9 million for the first half of 2023 and 1,250.0 million for the first half of 2022. Diluted earnings per share was €2.73, versus €2.54 for the first half of 2022, based on an average number of shares after dilution of 1,254.5 million for the first half of 2023 and 1,255.3 million for the first half of 2022.

[1] *See definition in section D.2., "Business net income".*

D.5. SEGMENT RESULTS

In the first half of 2023, our "Business operating income" (see Note B.20.1. to our condensed half-year consolidated financial statements for a definition and further details) was €6,059 million (versus €5,818 million for the first half of 2022), an increase of 4.1%, while "Business operating income margin" was 30.0% (versus 29.4% for the first half of 2022).

The table below shows our "Business operating income" by segment:

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months) [(a)]	Change
Biopharma segment	5,220	4,923	+6.0%
Consumer Healthcare segment	850	890	-4.5%
Other	(11)	5	
Business operating income	**6,059**	**5,818**	**+4.1%**

(a) 2022 figures have been adjusted to take account of the two new operating segments, Biopharma and Consumer Healthcare, effective from January 1, 2023.

D.6. CONSOLIDATED STATEMENTS OF CASH FLOWS

Summarized consolidated statements of cash flows

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)	December 31, 2022 (12 months)
Net cash provided by/(used in) operating activities	3,563	3,825	10,526
Net cash provided by/(used in) investing activities	(3,073)	(1,459)	(2,075)
Net cash provided by/(used in) financing activities	(5,214)	(5,605)	(5,821)
Impact of exchange rates on cash and cash equivalents	(19)	40	8
Net change in cash and cash equivalents	**(4,743)**	**(3,199)**	**2,638**

Net cash provided by/(used in) operating activities represented a net cash inflow of €3,563 million in the first half of 2023, against €3,825 million in the first half of 2022.
Operating cash flow before changes in working capital for the first half of 2023 was €4,382 million, versus €4,867 million in the first half of 2022.

Working capital requirements decreased by €819 million in the first half of 2023 (versus a decrease of €1,042 million in the first half of 2022), due largely to a €1,174 million increase in inventories (mainly Dupixent® and influenza vaccines).

Net cash provided by/(used in) investing activities represented a net cash outflow of €3,073 million in the first half of 2023, due mainly to the acquisition of Provention Bio, Inc. for €2,465 million (see Note B.1. to our condensed half-year consolidated financial statements). That compares with a net cash outflow of €1,459 million in the first half of 2022, resulting mainly from the acquisition of Amunix Pharmaceuticals, Inc. for €852 million.
Acquisitions of property, plant and equipment and intangible assets totaled €930 million, versus €974 million in the first half of 2022. There were €782 million of acquisitions of property, plant and equipment (versus €693 million in the first half of 2022), most of which (€751 million) were in the Biopharma segment, primarily in industrial facilities. Acquisitions of intangible assets (€148 million, versus €281 million in the first half of 2022) mainly comprised contractual payments for intangible rights, primarily under license and collaboration agreements.

After-tax proceeds from disposals (excluding disposals of consolidated entities and investments in joint ventures and associates) amounted to €578 million in the first half of 2023, and related mainly to divestments of assets and operations relating to portfolio streamlining and disposals of equity and debt instruments. In the first half of 2022, after-tax proceeds from disposals were €544 million, mainly on divestments of assets and operations relating to portfolio streamlining and the sale of Regeneron shares.

Net cash provided by/(used in) financing activities represented a net cash outflow of €5,214 million in the first half of 2023, compared with a net outflow of €5,605 million in the first half of 2022. The 2023 first-half figure includes the dividend payout to our shareholders of €4,454 million (versus €4,168 million in the first half of 2022); net external debt repayments of €376 million (versus €1,048 million in the first half of 2022); and movements in Sanofi's share capital (purchases and disposals of treasury shares, net of capital increases) that represented a net outflow of €332 million (versus a net outflow of €320 million in the first half of 2022).

The ***net change in cash and cash equivalents*** in the first half of 2023 was a decrease of €4,743 million, compared with a decrease of €3,199 million in the first half of 2022.

"Free cash flow" is a non-IFRS financial measure which is reviewed by our management, and which we believe provides useful information to measure the net cash generated from the Company's operations that is available for strategic investments[(1)] (net of divestments[(1)]), for debt repayment, and for payments to shareholders. "Free cash flow" is determined from business net income[(2)] after adding back (in the case of expenses and losses) or deducting (in the case of income and gains) the following items: depreciation, amortization and impairment, share of undistributed earnings from investments accounted for using the equity method, gains & losses on disposals of non-current assets, net change in provisions (including pensions and other post-employment benefits), deferred taxes, share-based payment expense and other non-cash items. It also includes net changes in working capital, capital expenditures and other asset acquisitions[(3)] net of disposal proceeds[(3)] and payments related to restructuring and similar items. "Free cash flow" is not defined by IFRS, and is not a substitute for ***Net cash provided by/(used in) operating activities*** as reported under IFRS. Management recognizes that the term "Free cash flow" may be interpreted differently by other companies and under different circumstances.

(1) Above a cap of €500 million per transaction.
(2) Non-IFRS financial measure, as defined in "Business net income" above.
(3) Not exceeding a cap of €500 million per transaction.

The table below sets forth a reconciliation between ***Net cash provided by/(used in) operating activities*** and "Free cash flow":

(€ million)	June 30, 2023 (6 months)	June 30, 2022 (6 months)
Net cash provided by/(used in) operating activities [(a)]	**3,563**	**3,825**
Acquisitions of property, plant and equipment and software	(796)	(696)
Acquisitions of intangible assets, equity interests and other non-current financial assets [(b)]	(484)	(419)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets, net of tax [(b)]	556	541
Repayment of lease liabilities	(127)	(137)
Other items	417	128
Free cash flow [(c)]	**3,129**	**3,242**

(a) Most directly comparable IFRS measure to free cash flow.
(b) Not exceeding a cap of €500 million per transaction.
(c) Non-IFRS financial measure (see definition in section D.2. above).

D.7. CONSOLIDATED BALANCE SHEET

Total assets were €125,353 million as of June 30, 2023, versus €126,722 million as of December 31, 2022, a decrease of €1,369 million.

Net debt was €11,183 million as of June 30, 2023, versus €6,437 million as of December 31, 2022. We believe the presentation of this non-IFRS financial measure, which is reviewed by our management, provides useful information to measure our overall liquidity and capital resources. We define "net debt" as (i) the sum total of short-term debt, long-term debt, and interest rate derivatives and currency derivatives used to manage debt, minus (ii) the sum total of cash and cash equivalents and interest rate derivatives and currency derivatives used to manage cash and cash equivalents.

(€ million)	June 30, 2023	December 31, 2022
Long-term debt	14,241	14,857
Short-term debt and current portion of long-term debt	4,694	4,174
Interest rate and currency derivatives used to manage debt	205	187
Total debt	**19,140**	**19,218**
Cash and cash equivalents	(7,993)	(12,736)
Interest rate and currency derivatives used to manage cash and cash equivalents	36	(45)
Net debt [(a)]	**11,183**	**6,437**
Total equity	72,947	75,152
Gearing ratio	**15.3 %**	**8.6 %**

(a) Net debt does not include lease liabilities, which amounted to €2,092 million as of June 30, 2023 and €2,181 million as of December 31, 2022.

To assess our financing risk, we use the "gearing ratio", another non-IFRS financial measure. This ratio (which we define as the ratio of net debt to total equity) rose from 8.6% as of December 31, 2022 to 15.3% as of June 30, 2023. Analyses of our debt as of June 30, 2023 and December 31, 2022 are provided in Note B.9. to the condensed half-year consolidated financial statements.

Because our "net debt" and "gearing ratio" are not standardized measures, they may not be directly comparable with the non-IFRS financial measures of other companies using the same or similar non-IFRS financial measures. Despite the use of non-GAAP measures by management in setting goals and measuring performance, these measures have no standardized meaning prescribed by IFRS.

We expect that the future cash flows generated by our operating activities will be sufficient to repay our debt. The financing arrangements in place as of June 30, 2023 at the Sanofi parent company level are not subject to covenants regarding financial ratios and do not contain any clauses linking credit spreads or fees to Sanofi's credit rating.

Other key movements in the balance sheet are described below.

Total equity was €72,947 million as of June 30, 2023, versus €75,152 million as of December 31, 2022. The net change reflects the following principal factors:

- an increase representing our net income for the first half of 2023 (€3,456 million);
- a decrease of €1,057 million due to currency translation differences arising on the financial statements of foreign subsidiaries, mainly due to movements in the US dollar; and
- a decrease representing the dividend payout to our shareholders of €4,454 million.

As of June 30, 2023 we held 10.90 million of our own shares, recorded as a deduction from equity and representing 0.864% of our share capital.

Goodwill and other intangible assets (€73,833 million in total) increased by €2,301 million, the main factors being our acquisition of Provention Bio, Inc. (impact: €2,686 million) and the agreement on Beyfortus™ (nirsevimab) entered into by Sanofi and AstraZeneca in April 2023 (impact: €1,632 million).
Investments accounted for using the equity method (€538 million) decreased by €139 million, mainly due to the recognition of a €91 million impairment loss on the investment in EUROAPI based on that entity's quoted market price as of June 30, 2023 (€10.50).
Other non-current assets (€2,992 million) decreased by €103 million.
Net deferred tax assets were €4,030 million as of June 30, 2023, compared with €3,540 million as of December 31, 2022, an increase of €490 million.
Non-current provisions and other non-current liabilities (€7,088 million) increased by €747 million relative to December 31, 2022. As of June 30, 2023, a liability of €1,613 million relating to royalties payable to Sobi on net sales of nirsevimab in the United States (see Note B.1. to the condensed half-year consolidated financial statements) was recognized within ***Other non-current liabilities***.
Liabilities related to business combinations and to non-controlling interests (€717 million) decreased by €62 million.

E/ RISK FACTORS AND RELATED PARTY TRANSACTIONS

E.1. RISK FACTORS

The main risk factors to which Sanofi is exposed are described in our Annual Report on Form 20-F for the year ended December 31, 2022, filed with the US Securities and Exchange Commission on February 24, 2023[1].

Any of those risks, and others that we may not yet have identified, could materialize during the second half of 2023 or during subsequent periods, and could cause actual results to differ materially from those described elsewhere in this report.

E.2. RELATED PARTY TRANSACTIONS

Our principal related parties are defined in Note D.33. to the consolidated financial statements included in our 2022 Annual Report on Form 20-F (page F-92) [1].

Note B.5. to the condensed half-year consolidated financial statements provides a description of the main transactions and balances for the six months ended June 30, 2023 with equity-accounted entities that qualify as related parties.

Sanofi did not enter into any transactions with key management personnel during the first half of 2023.

Financial relations with the Group's principal shareholders fall within the ordinary course of business and were immaterial in the first half of 2023.

[1] *Available on our corporate website: www.sanofi.com.*

F/ OUTLOOK

At constant exchange rates, we expect growth in 2023 full-year business earnings per share[1] (business EPS) to grow mid single digit, barring major unforeseen adverse events. The impact of exchange rates on 2023 business EPS is estimated to be approximately -6.5% to -7.5%, based on July 2023 average exchange rates applied over the rest of the year. This upgrade includes approximately €400 million of expected one-off COVID vaccine revenues in the second half of the year.

Full-year business net income[1] for 2022 was €10,341 million, giving business earnings per share of €8.26.

This guidance has been prepared using accounting methods consistent with those used in the preparation of our historical financial information, and with the accounting policies applied by Sanofi . It draws upon assumptions defined by Sanofi and its subsidiaries, in particular regarding the following factors:

- growth in the national markets in which we operate;
- healthcare reimbursement policies, pricing reforms, and other governmental measures affecting the pharmaceutical industry;
- developments in the competitive environment, in terms of innovative products and the introduction of generics;
- respect by others for our intellectual property rights;
- progress on our research and development programs;
- the impact of our operating cost control policy, and trends in our operating costs;
- trends in exchange rates and interest rates;
- the integration of contributions from our acquisitions; and
- the average number of shares outstanding.

Some of the information, assumptions and estimates concerned are derived from or based, in whole or in part, on judgments and decisions made by Sanofi management that may be liable to change or adjustment in future.

Sanofi still anticipates growth in its business operating margin[1], which is expected to exceed 32% in 2025.

[1] *Non-IFRS financial measure. For a definition, see Section D.2., "Business net income" above.*

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Words such as “believe”, “anticipate”, “can”, “contemplate”, “could”, “plan”, “expect”, “intend”, “is designed to”, “may”, “might”, “plan”, “potential”, “objective” “target”, “estimate”, “project”, “predict”, “forecast”, “ambition”, “guideline”, “should”, “will”, or the negative of these and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.Forward-looking statements are generally identified by the words “expects”, “anticipates”, “may”, “is considering”, “believes”, “intends”, “envisages”, “aims”, “plans”, “is designed to”, “could”, “forecasts”, “predicts”, “potential”, “objective”, “estimates”, “projects”, “is programming”, “is likely to” and “wants” or the negative thereof, and similar expressions. Although Sanofi management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any marketing application or filing in respect of any drug, device or biological product for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the fact that product candidates if approved may not be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi’s ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and interest rates, cost containment initiatives and subsequent changes thereto, the average number of shares outstanding, the impact that pandemics of any other global crisis may have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. The situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the Securities and Exchange Commission (SEC) and the *Autorité des marchés financiers* (AMF) made by Sanofi, including those listed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in Sanofi’s Annual Report on Form 20-F for the year ended December 31, 2022. For an update on litigation, refer to Note B.14. “Legal and arbitration proceedings” to our condensed half-year consolidated financial statements for the six months ended June 30, 2023, and to section “A.3.2. Legal and arbitration proceedings”, and section “E/ Risk factors and related party transactions”, of this half-year management report.

Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

G/ APPENDIX - RESEARCH AND DEVELOPMENT PIPELINE

Phase III

Name	Description	Indication
Dupixent®[A]	Anti-IL-4/IL-13 mAb	Bullous Pemphigoid
Dupixent®[A]	Anti-IL-4/IL-13 mAb	Chronic Obstructive Pulmonary Disease
Dupixent®[A]	Anti-IL-4/IL-13 mAb	Chronic Pruritus of Unknown Origin
itepekimab[A]	Anti-IL-33 mAb	Chronic Obstructive Pulmonary Disease
Sarclisa®	Anti-CD38 mAb + combinations	1L Newly Diag. MM Ti
Sarclisa®	Anti-CD38 mAb + combinations	1L Newly Diag. MM Te
Sarclisa®	Anti-CD38 mAb + combinations	Smoldering MM
Sarclisa®	Anti-CD38 mAb SubQ. + combinations	2/3L Relapsed, Refractory MM
tusamitamab ravtansine	Anti-CEACAM5 ADC	2/3L NSCLC
tolebrutinib	BTK inhibitor	Relapsing Multiple Sclerosis
tolebrutinib	BTK inhibitor	Primary Progressive MS
tolebrutinib	BTK inhibitor	Secondary Progressive MS
Nexviazyme®	Enzyme Replacement Therapy (GAA)	Pompe Disease - Infantile Onset
venglustat	Oral GCS inhibitor	GM2 Gangliosidosis
venglustat	Oral GCS inhibitor	Gaucher Disease Type 3
venglustat	Oral GCS inhibitor	Fabry Disease
fitusiran	RNAi targeting anti-thrombin	Hemophilia A and B
fitusiran	RNAi targeting anti-thrombin	Hemophilia A and B pediatric
rilzabrutinib	BTK inhibitor	Immune Thrombocytopenia
MenQuadfi®	Meningococcal (A,C,Y,W) conjugate vaccine	Meningitis 6w+ (U.S. / EU)
VRVg	Purified vero rabies Vaccine	Rabies

Registration

Name	Description	Indication
Dupixent®[A]	Anti-IL-4/IL-13 mAb	Chronic Spontaneous Urticaria
Beyfortus®[1,B]	Anti-RSV mAb	Respiratory Syncytial Virus

- Immuno-inflammation
- Oncology
- Neurology
- Rare Diseases
- Rare Blood Disorders
- Vaccines

Collaborations:
A: Regeneron
B: AstraZeneca

Other names:
1: nirsevimab; approved in EU and the UK

Abbreviations:
ADC: Antibody-Drug Conjugate
CD: Cluster of Differentiation
GAA: Acid Alpha-Glucosidase
GM2: Ganglioside Monosialic 2
mAb: Monoclonal Antibody
MS: Multiple Sclerosis
RNAi: RNA interference
Te: Transplant eligible
RSV: Respiratory Syncytial Virus
BTK: Bruton's Tyrosine Kinase
CEACAM5: Carcinoembryonic Antigen Cell Adhesion Molecule 5
GCS: Glucosylceramide Synthase
IL: Interleukin
MM: Multiple Myeloma
NSCLC: Non-Small Cell Lung Cancer
SubQ.: subcutaneous
Ti: Transplant ineligible

As of June 30, 2023

Phase II

	Name	Description	Indication
	Dupixent®[A]	Anti-IL-4/IL-13 mAb	Ulcerative Colitis
R	**Kevzara®[A]**	Anti-IL-6 mAb	Polyarticular Juvenile Idiopathic Arthritis
R	**Kevzara®[A]**	Anti-IL-6 mAb	Systemic Juvenile Arthritis
	amlitelimab[1]	Anti-OX40L mAb	Atopic Dermatitis
	amlitelimab[1]	Anti-OX40L mAb	Asthma
	rilzabrutinib	BTK inhibitor	IgG4-related disease
	rilzabrutinib	BTK inhibitor	Atopic Dermatitis
	rilzabrutinib	BTK inhibitor	Asthma
	rilzabrutinib	BTK inhibitor	Chronic Spontaneous Urticaria
	eclitasertib[B,2]	RIPK1 inhibitor	Cutaneous Lupus Erythematosus
	eclitasertib[B,2]	RIPK1 inhibitor	Ulcerative Colitis
	frexalimab[C,3]	Anti-CD40L mAb	Sjogren's Syndrome
	frexalimab[C,3]	Anti-CD40L mAb	Systemic Lupus Erythematosus
	SAR445088[4]	Complement C1s inhibitor	Antibody-Mediated Rejection
	Sarclisa®	Anti-CD38 mAb	1/2L AML / ALL pediatrics
	Sarclisa®	Anti-CD38 mAb + combinations	Relapsed, Refractory MM
	alomfilimab[5]	Anti-ICOS mAb	Solid tumors
	tusamitamab ravtansine	Anti-CEACAM5 ADC + ramucirumab	2/3L NSCLC
	tusamitamab ravtansine	Anti-CEACAM5 ADC	Exploratory Solid tumors
	tusamitamab ravtansine	Anti-CEACAM5 ADC + pembrolizumab	1L NSCLC
	tusamitamab ravtansine	Anti-CEACAM5 ADC + ramucirumab	Gastric cancer
	frexalimab[C,3]	Anti-CD40L mAb	Multiple Sclerosis
	SAR445088[4]	Complement C1s inhibitor	CIDP
	SAR443820[B,6]	RIPK1 inhibitor	Amyotrophic Lateral Sclerosis
	SAR443820[B,6]	RIPK1 inhibitor	Multiple Sclerosis
	rilzabrutinib	BTK inhibitor	Warm Autoimmune Hemolytic Anemia
	SAR445088[4]	Complement C1s inhibitor	Cold Agglutinin Disease
	Fluzone® HD[7]	Inactivated Influenza Vaccine	Pediatric Influenza
	SP0218	Vero cell Vaccine	Yellow fever
	SP0202[D]	Next Generation Conjugate Vaccine	Pneumococcal
	SP0125	Live Attenuated Virus Vaccine	RSV toddler
	SP0230	Multicomponent Vaccine	Meningitis B

Immuno-inflammation
Oncology
Neurology
Rare Blood Disorders
Vaccines
R Registrational Study (other than Phase 3)

Collaborations:
A: Regeneron
B: Denali
C: Immunext
D: SK

Other names:
1: SAR445229/KY1005
2: SAR443122/DNL758
3: SAR441344
4: BIVV020
5: KY1044/SAR445256
6: DNL788
7: SP0178

As of June 30, 2023

Abbreviations:
ADC: Antibody-Drug Conjugate
AML: Acute Myeloid Leukemia
CD: Cluster of Differentiation
CIDP: Chronic Inflammatory Demyelinating Polyneuropathy
IL: Interleukin
mAb: Monoclonal Antibody
NSCLC: Non-Small Cell Lung Cancer
RSV: Respiratory Syncytial Virus
ALL: Acute Lymphoblastic Leukemia
BTK: Bruton's Tyrosine Kinase
CEACAM5: Carcinoembryonic Antigen Cell Adhesion Molecule 5
ICOS: Inducible Costimulatory molecule
IgG4: Immunoglobulin G4
MM: Multiple Myeloma
RIPK1: Receptor-Interacting serine/threonine-Protein Kinase 1

Phase I

Name	Description	Indication
SAR441566	Oral TNF inhibitor	Psoriasis
SAR444656[E,1]	IRAK4 degrader	Atopic Dermatitis
SAR443765	Anti-IL-13/TSLP Nanobody® VHH	Asthma
SAR444336	Non-beta IL-2 Synthorin™	Inflammatory indication
SAR444559	Anti-CD38 mAb Next Generation	Inflammatory indication
SAR442970	Anti-TNFa/OX40L Nanobody® VHH	Hidradenitis Suppurativa
SAR442257	CD38/CD28/CD3 T-Cell engager	MM / N-H Lymphoma
SAR444881[F]	Anti-ILT2 mAb	Solid tumors
SAR445419[2]	NK-Cell-based immunotherapy	Acute Myeloid Leukemia
SAR443216	CD3/CD28/HER2 T-Cell engager	Gastric cancer
SAR445710[3]	Anti-PDL1/IL-15 fusion protein	Solid tumors
SAR445877[4]	Anti-PD1/IL-15 fusion protein	Solid tumors
SAR443579[G]	Trifunctional anti-CD123 NK-Cell engager	Acute Myeloid Leukemia
SAR445514[G]	Trifunctional anti-BCMA NK-Cell engager	Relapsed, Refractory MM
SAR446309[5]	HER2 T-Cell engager	Solid tumors
SAR444200	Anti-GPC3/TCR Nanobody® VHH	Solid tumors
pegenzileukin[6]	Non-alpha IL-2 Synthorin™	Solid tumors (dose optimization)
SAR446159[I,7]	Anti-Synuclein/IGF1R mAb	Parkinson's disease
SAR442501	Anti-FGFR3 Ab	Achondroplasia
SAR443809	Anti-Factor Bb mAb	Rare renal diseases
SAR439459	Anti-TGFb mAb	Osteogenesis Imperfecta
SP0273	mRNA QIV	Influenza
SP0256	mRNA RSV	RSV older adults

Immuno-inflammation
Oncology
Neurology
Rare Diseases
Vaccines

Collaborations:
E: Kymera (Planned to start Ph2 also in HS)
F: Biond
G: Innate Pharma
I: ABL Bio

Other names:
1: KT474
2: KDS1001
3: KD033
4: KD050
5: AMX-818
6: SAR444245/THOR707
7: ABL301

Abbreviations:
BCMA: B-Cell Maturation Antigen
CD: Cluster of Differentiation
FGFR3: Fibroblast Growth Factor Receptor 3
GPC3: Glypican-3
HER2: Human Epidermal growth factor Receptor 2
HS: Hidradenitis Suppurativa
IGF1R: Insulin Like Growth Factor 1 Receptor
IL: Interleukin
ILT2: Ig-like transcript 2
IRAK4: Interleukin 1 Receptor Associated Kinase 4
mAb: Monoclonal Antibody
MM: Multiple Myeloma
mRNA: messenger RNA
N-H: Non-Hodgkin
NK: Natural Killer
PD1: Programmed Death protein 1
PDL1: Programmed Death-ligand 1
QIV: Quadrivalent Influenza Vaccine
RSV: Respiratory Syncytial Virus
TCR: T Cell Receptor
TGFb: Transforming Growth Factor beta
TNF: Tumor Necrosis Factor
TSLP: Thymic Stromal Lymphopoietin

As of June 30, 2023

3. STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

Period from January 1 to June 30, 2023

To the Shareholders,

In compliance with the assignment entrusted to us by your Board of Directors and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying (condensed) half-yearly consolidated financial statements of Sanofi, for the period from January 1, 2023 to June 30, 2023;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 28, 2023

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Anne-Claire Ferrié	Cédric Mazille	Pierre Chassagne	Jeremy Thurbin

** This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

4. RESPONSIBILITY STATEMENT OF THE CERTIFYING OFFICER – HALF-YEAR FINANCIAL REPORT

"I hereby certify that, to the best of my knowledge, the condensed half-year consolidated financial statements have been prepared in accordance with the applicable accounting standards and present fairly the assets and liabilities, the financial position and the income of the Company and the entities included in the scope of consolidation, and that the half-year management report starting on page 38 provides an accurate overview of the significant events of the first six months of the financial year with their impact on the half-year consolidated financial statements, together with the major transactions with related parties and a description of the main risks and uncertainties for the remaining six months of the financial year."

Paris, July 28, 2023

Paul Hudson

Chief Executive Officer

sanofi

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75017 Paris