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Meet Novartis Management

Novartis Investor Relations
September 22, 2022



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Disclaimer

This presentation contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by words such as “potential,” “can,” “will,” “plan,” “may,” “could,” “would,” “expect,” “anticipate,” “seek,” “look forward,” “believe,” “committed,” “investigational,” “pipeline,” “launch,” or similar terms, or by express or implied discussions regarding the potential completion of the proposed spin-off of Sandoz; regarding the future commercial performance of Novartis or of Sandoz; regarding any potential strategic benefits, synergies or opportunities as a result of the proposed spin-off; regarding discussions of strategy, plans, expectations or intentions; regarding our ability to deliver improved financial results, continuing development of to successfully launch new products and new indications for existing products, to deliver high value innovation, or improve access to patients; or regarding potential benefits resulting from our organizational changes announced in April. You should not place undue reliance on these statements. Such forward-looking statements are based on our current beliefs and expectations regarding future events, and are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee that the proposed spin-off will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that Novartis or a separate Sandoz business will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of these actions. Neither can there be any guarantee that shareholders will achieve any particular level of shareholder returns. Nor can there be any guarantee that the proposed spin-off of Sandoz will maximize value for shareholders, or that Novartis or any of its divisions, or a separate Sandoz business, will be commercially successful in the future, or achieve any particular credit rating or financial results. Neither can there be any guarantee that we will be able to improve our financial results, successfully launch new products and new indications for existing products, deliver high value innovation or improve access to patients. Nor can there be any guarantee that our organizational changes announced in April will realize any or all of the expected benefits, or within any particular time frame. In particular, our expectations could be affected by, among other things: an unexpected failure to complete, or unexpected delays in completing, the necessary actions for the proposed spin-off, or to obtain the necessary approvals to complete these actions; the potential strategic benefits, synergies or opportunities expected from the proposed spin-off may not be realized or may take longer to realize than expected; regulatory actions or delays or government regulation generally; the inherent uncertainty in predicting shareholder returns; the successful separation of Sandoz from Novartis and the timing of such separation; potential adverse reactions to the proposed spin-off by customers, suppliers, strategic partners or key Sandoz personnel and potential difficulties in maintaining relationships with such persons; a failure to improve our financial results, to successfully launch new products and new indications for existing products, to deliver high value innovation, or to improve access to patients; the uncertainties inherent in research and development, including clinical trial results and additional analysis of existing clinical data; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures and requirements for increased pricing transparency; our ability to obtain or maintain proprietary intellectual property protection; the particular prescribing preferences of physicians and patients; general political, economic and business conditions, including the effects of and efforts to mitigate pandemic diseases such as COVID-19; safety, quality, data integrity or manufacturing issues; potential or actual data security and data privacy breaches, or disruptions of our information technology systems, and other risks and factors referred to in Novartis AG’s current Form 20-F on file with the US Securities and Exchange Commission. Novartis is providing the information in this presentation as of this date and does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.

Implementation of the proposed separation of Sandoz by way of a 100% spin-off is subject to certain conditions, including Novartis shareholder approval and applicable Novartis Euroforum and local employee information and/or consultation.

Nuplazid® is a registered trademark of Acadia Pharmaceuticals Inc. Aduhelm® is a registered trademark of Biogen.



New Novartis: Our strategy

Deliver high-value medicines that alleviate society's greatest disease burdens through technology leadership in R&D and novel access approaches

Our focus

5 core Therapeutic Areas¹

Cardiovascular, Immunology, Neuroscience, Solid Tumors, Hematology



2+3 technology platforms

Chemistry, Biotherapeutics
xRNA, Radioligand, Gene & Cell Therapy



4 priority geographies

US, China, Germany, Japan



Our priorities

Accelerate growth

Deliver **high-value medicines** (including launch excellence)



Deliver returns

Embed **operational excellence**



Strengthen foundations

Unleash the power of our **people**

Scale **data science and technology**

Build trust with **society**



1. Other TAs opportunistically



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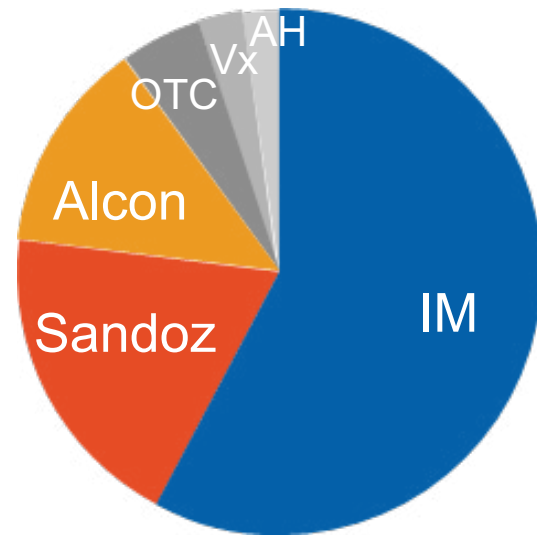
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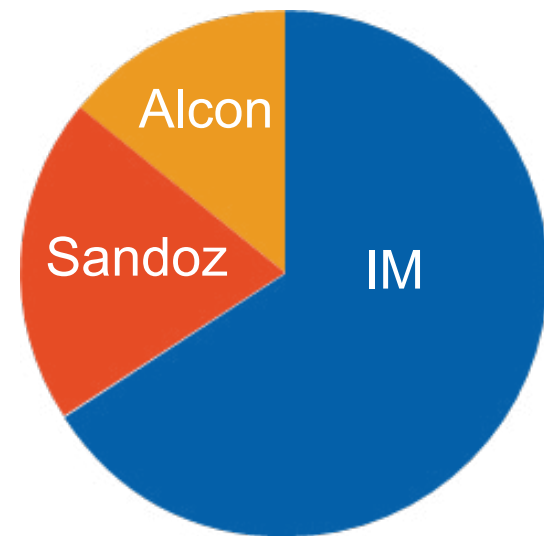
Abbreviations

Focused Innovative Medicines company consistently delivering strong operational performance

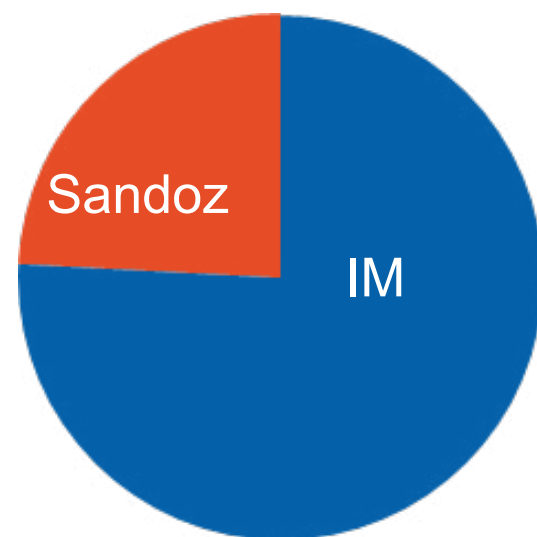
2014 | Pre-portfolio transformation



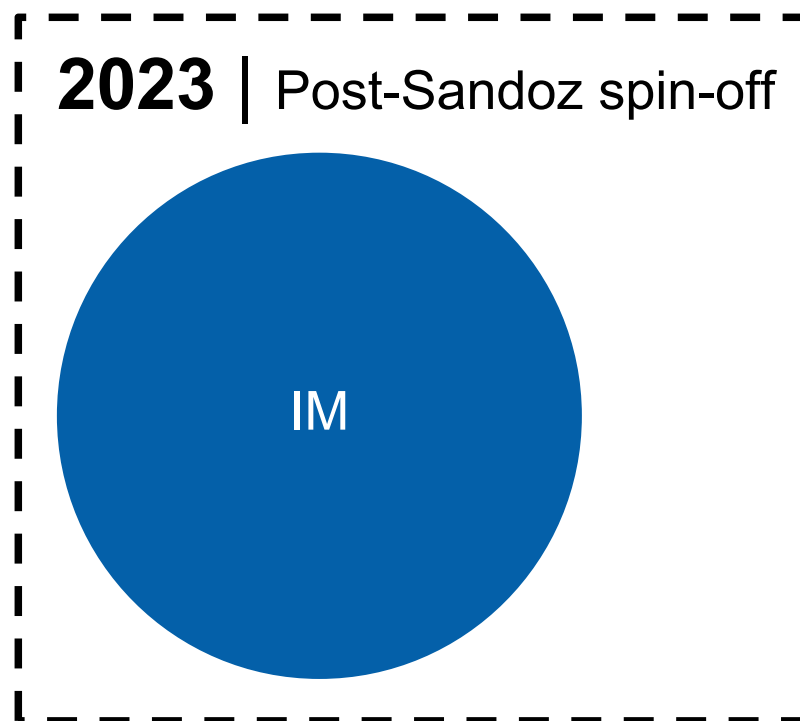
2017 | Pre-Alcon spin-off



2019 | Post-Alcon spin-off

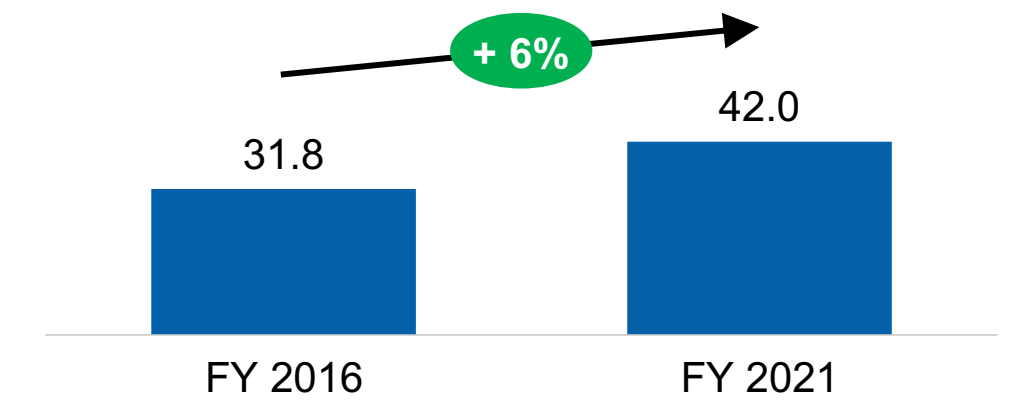


2023 | Post-Sandoz spin-off



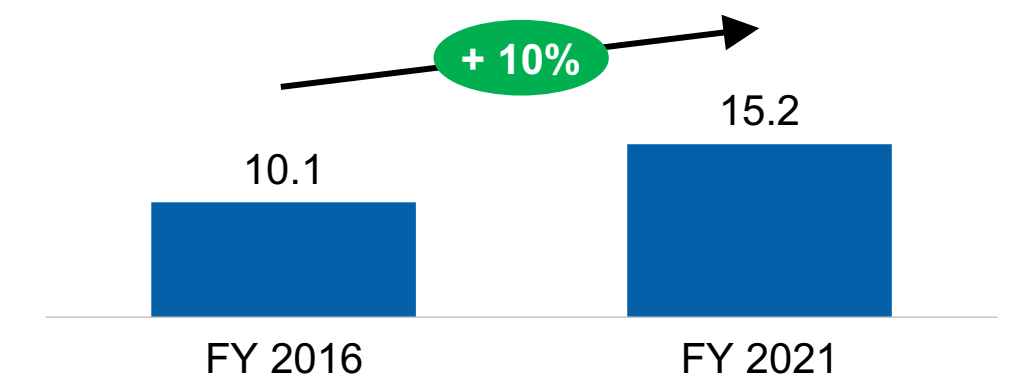
IM Sales

USD billion, %CAGR cc



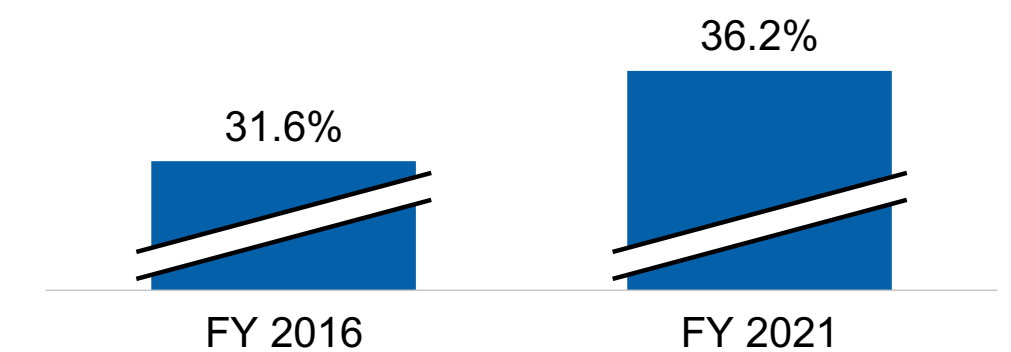
IM Core OpInc

USD billion, %CAGR cc



IM Core Margin

%





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Focused on 5 core Therapeutic Areas...

Select examples

	Cardiovascular	Immunology	Neuroscience	Solid Tumors	Hematology
Disease areas	<ul style="list-style-type: none"> Heart failure & hypertension Atherosclerosis 	<ul style="list-style-type: none"> Psoriasis Psoriatic arthritis Spondylitis/Spondylarthritis Hidradenitis suppurativa CSU Sjögren's / SLE / LN 	<ul style="list-style-type: none"> Multiple sclerosis Spinal muscular atrophy Neurodegeneration, incl. Huntington's, Parkinson's, ALS 	<ul style="list-style-type: none"> Breast and Women's cancer Prostate cancer Lung cancer 	<ul style="list-style-type: none"> Non-Hodgkin's lymphoma Non-malignant hematological - Immune thrombocytopenia Acute myeloid leukemia / Myelodysplastic syndrome
Commercial assets	 	 	    	    	   
Pipeline assets and opportunities	<p>Iptacopan (LNP023) C3G, IgAN</p> <p>Pelacarsen (TQJ230) CVRR-Lp(a)</p> <p>Leqvio CVRR-LDLA</p>	<p>Cosentyx Multiple indications</p> <p>Remibrutinib (LOU064) CSU</p> <p>Ianalumab (VAY736) Sjögren's, SLE, LN</p> <p>Ligelizumab (QGE031) Food Allergy</p>	<p>Remibrutinib (LOU064) MS</p> <p>Zolgensma (AVXS-101 IT) SMA IT</p> <p>Branaplam (LMI070) Huntington's</p>	<p>Kisqali Adjuvant HR+/HER2- BC</p> <p>TNO155, JDQ433 NSCLC; Colorectal Cancer; Combos</p> <p>NIS793 1L mPDAC / 1L mCRC</p>	<p>Iptacopan (LNP023) PNH, aHUS</p> <p>Sabatolimab (MBG453) MDS, AML</p> <p>Ianalumab (VAY736) Multiple indications</p> <p>YTB323 DLBCL</p>

TA-x (incl. Ophtha, Resp and other assets) not included in the above list. Pelacarsen is licensed from Ionis Pharmaceuticals, Inc.



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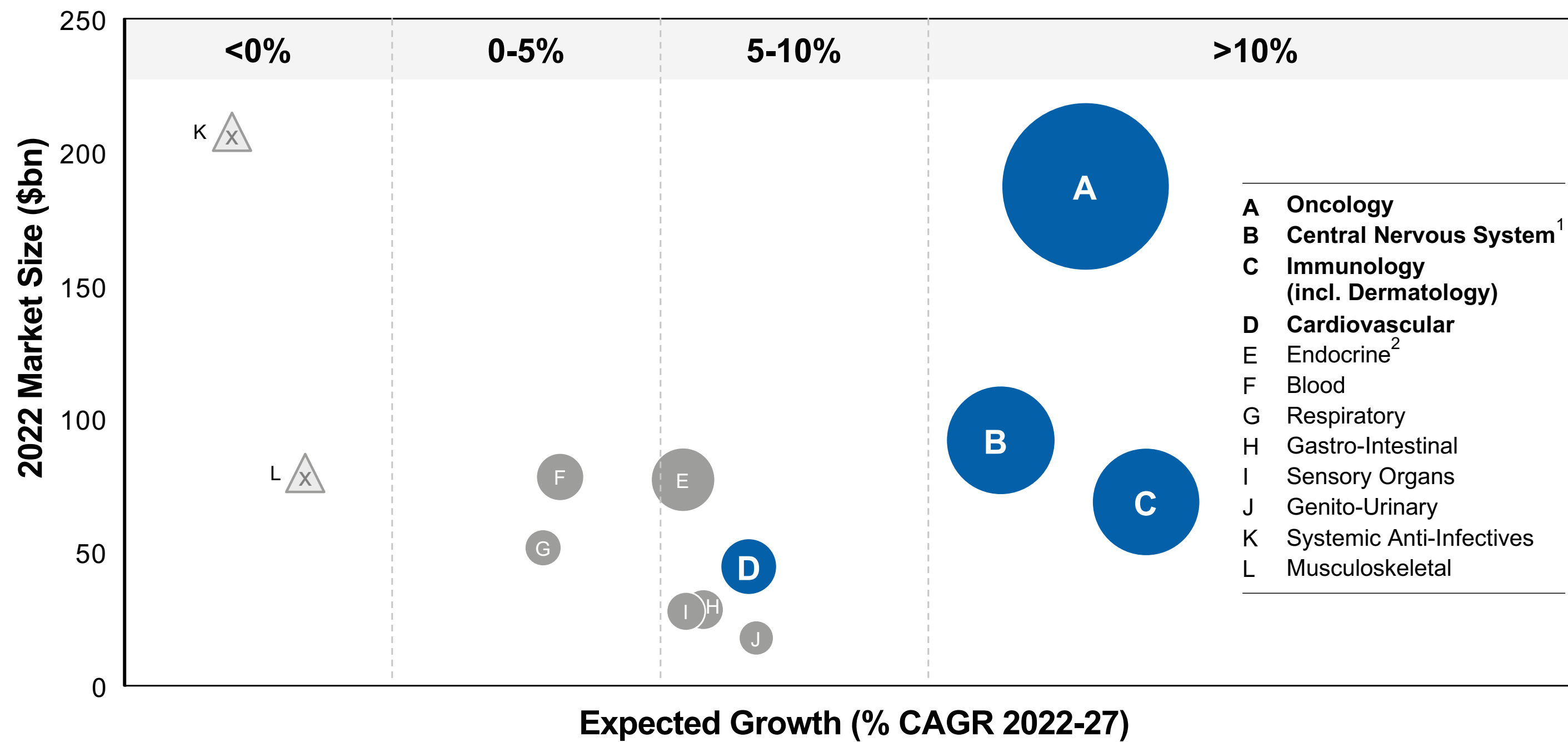
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...with the largest growth potential and existing Novartis expertise

TA size and growth contribution

Illustrative. Bubble size = 2022-27 revenue contribution to growth, \$bn. = negative contribution to growth.



Within each Therapeutic Area

- Clear disease area priorities
- Promising lead assets
- Focus on lifecycle management

Source: Evaluate Pharma (July, 15 2022). Note: Chart excludes 'Various' and 'Other Rx and OTC Pharma' segments; EvaluatePharma data not pro-forma for Consumer Health business separation for J&J and GSK.
 1. Reflects latest setbacks in Alzheimer's trials (Athira Pharma's fosgonimeton), FDA's negative opinion for Acadia's Nuplazid®, failed launch of Biogen's Aduhelm® and failed read out of Roche's crenezumab. 2. Includes obesity



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Strong positioning in Cardiovascular, the leading cause of death and disability

Novel approaches that aim to improve **HF outcomes**

Dyslipidemia treatments that improve CV morbidity/mortality in identifiable high-risk groups with high unmet need

Population health approach, initially with NHS agreement for broad and rapid access to Leqvio®

Chronic and acute **renal specialty indications** with high unmet need and limited/no targeted therapies

Disease modifying therapies for **metabolic disorders**

Disease area

- Cardio
- Renal
- Metabolic

Selected compound (indication)	Phase 1	Phase 2	Phase 3	Registration
Leqvio® (Hyperlipidemia)	[Progress bar across all phases]			
Leqvio® (CVRR-LDLC)	[Progress bar across all phases]			
Leqvio® (Primary prevention) ¹	[Progress bar across all phases]			
Pelacarsen (Lp(a))	[Progress bar across all phases]			
XXB750 (Cardiovascular diseases)	[Progress bar in Phase 1]			
Iptacopan (IgAN)	[Progress bar across all phases]			
Iptacopan (C3G)	[Progress bar across all phases]			
Iptacopan (iMN)	[Progress bar across all phases]			
Iptacopan (Others)	[Progress bar across all phases]			
TIN816 (S-AKI) ²	[Progress bar across all phases]			
MBL949 (Obesity)	[Progress bar in Phase 1]			

Note: Bars in Gantt chart indicate current phase of development 1. Phase 3 not yet started 2. Phase 2 initiating



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Full pipeline across Immunology covering Rheumatology, Dermatology and Allergy

Focus on areas of high unmet need in Rheumatology, Dermatology and Allergy:

Sjögren's, Osteoarthritis, Food Allergy, Hidradenitis Suppurativa, Lupus Nephritis, Atopic Dermatitis

Developing novel and differentiated MoAs:

Ianalumab: Fully human monoclonal antibody binding to and blocking the function of the BAFF receptor

Remibrutinib: Oral, covalent BTK inhibitor targeting immune cell signaling

Disease area

Rheumatology

Dermatology

Allergy

Selected compound (indication)	Phase 1	Phase 2	Phase 3	Registration
Cosentyx® (300 mg AI)	[Progress bar]			[Progress bar]
Cosentyx® (IV PsA/IV axSpA/LN/GCA)	[Progress bar]			[Progress bar]
Ianalumab (SjS/LN)	[Progress bar]			[Progress bar]
Ianalumab (SLE)	[Progress bar]			[Progress bar]
LNA043 (Knee OA)	[Progress bar]			[Progress bar]
Remibrutinib (SjS)	[Progress bar]			[Progress bar]
MHV370 (SjS/SLE)	[Progress bar]			[Progress bar]
Cosentyx® (HS)	[Progress bar]			[Progress bar]
Remibrutinib (CSU)	[Progress bar]			[Progress bar]
Cosentyx® (LP)	[Progress bar]			[Progress bar]
Remibrutinib (HS)	[Progress bar]			[Progress bar]
MAS825 (HS)	[Progress bar]			[Progress bar]
Xolair® (FA)	[Progress bar]			[Progress bar]
Ligelizumab (FA)	[Progress bar]			[Progress bar]
Remibrutinib (FA) ¹	[Progress bar]			[Progress bar]

Note: Bars in Gantt chart indicate current phase of development 1. Phase 2 initiating



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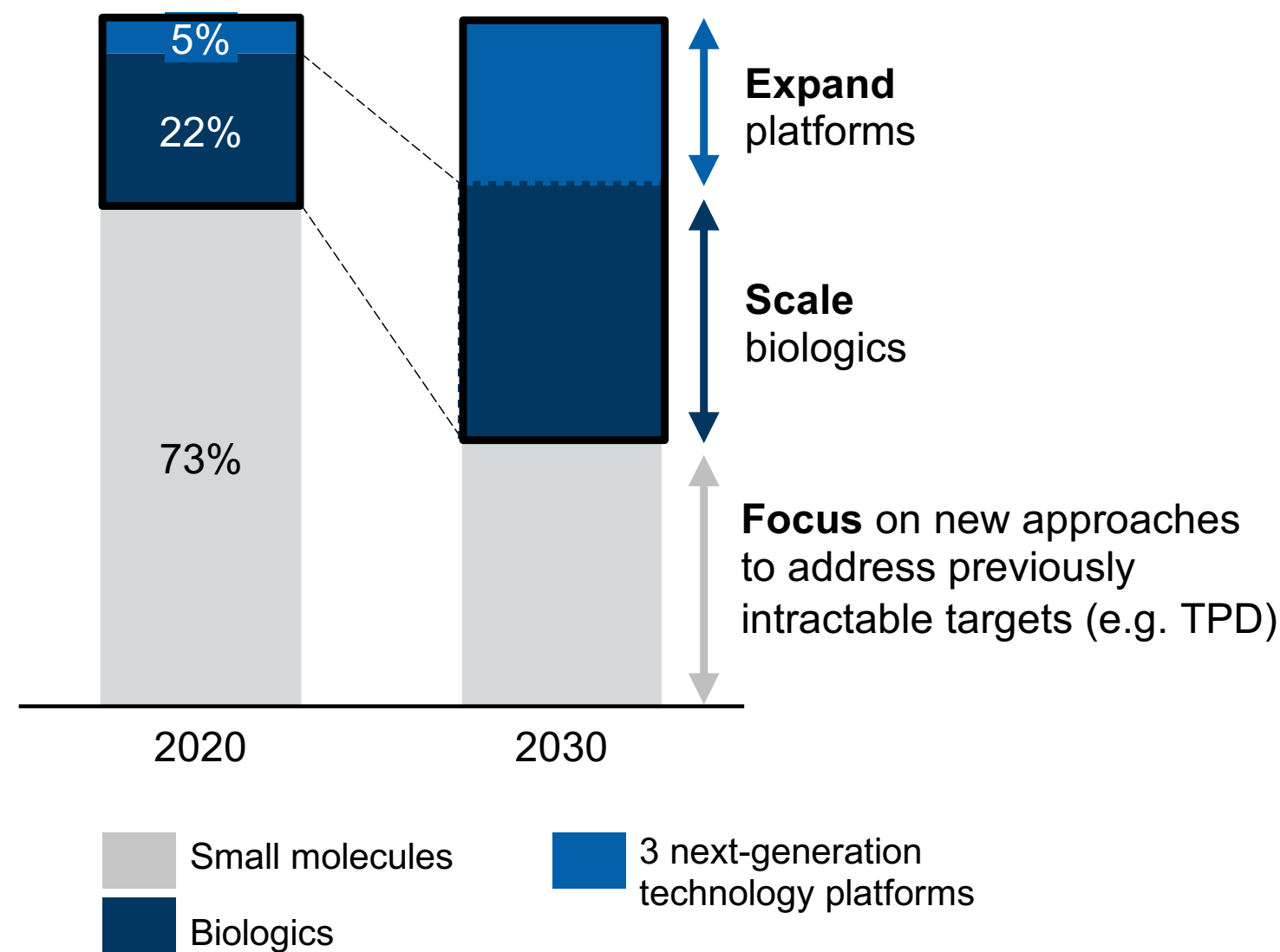
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Leadership across 3 next-generation technology platforms...

Shift towards biologics and advanced technology platforms

Proportion % of IM sales by platform
Outlook illustrative



Leadership across 3 next-generation technology platforms

	Gene & Cell therapy		RLT	xRNA ¹
	Gene	Cell		
Existing commercial assets	 		 	
Key focus	Novel cargos, targeting & switchable expression	Next generation of CAR-Ts & manufacturing efficiency	Additional solid tumors	Build up siRNA capabilities & explore new approaches in RNA
# of projects ²	19	14	9	11
Expected next filing	2025	2025	2023	2025

1. xRNA includes RNA targeting LMWs, ASOs, siRNA, mRNA cancer vaccines 2. Exploratory to Ph1/2 (July 2022)



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... leveraging the strengths across our organization

**Depth and breadth across
2 + 3 platforms**

~70 projects¹

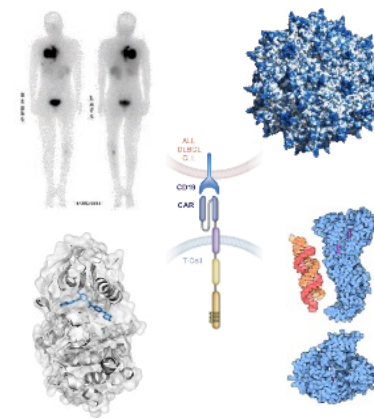
**Development and
regulatory experience**



**Global
footprint**



**Technology
platforms**

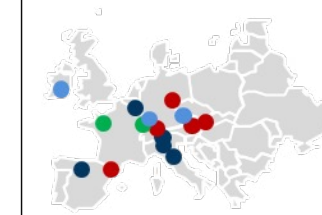


Manufacturing scale and expertise

North Americas



Europe



Asia



- >30 manufacturing sites globally
- **Strong supply chain** delivering **quality & safety** (100% YTD favorable HA inspections)
- Meeting **sustainability** targets

Commercialization expertise



¹ Exploratory to Ph1/2



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Building the industry-leading RLT platform

Established leadership in RLT, category creator and positioned as the go-to partner for collaborations

Robust manufacturing delivering safety and quality

- 4 manufacturing facilities: Ivrea (Italy), Milburn (US), Zaragoza (Spain) & Indianapolis (US, opening 2023)
- **At scale** manufacturing & **“just-in-time”** production/delivery
- On track for additional non-carrier added isotope production

Strong commercial execution

with >500 centers and >16,000 patients treated

Leading with the science

- 4 ongoing registrational studies (next readout PSMAfore Q4'22)
- 8 dedicated early discovery projects

Selected compound (indication)	Phase 1	Phase 2	Phase 3
Lutathera (1L GEP-NET)	[Progress bar spanning Phase 1, 2, and 3]		
Lutathera (Pediatrics + PPGL) ¹	[Progress bar spanning Phase 1, 2, and 3]		
Lutathera (GBM) ²	[Progress bar spanning Phase 1 and 2]		
Lutathera (ES-SCLC) ²	[Progress bar spanning Phase 1 and 2]		
Pluvicto (mHSPC)	[Progress bar spanning Phase 1, 2, and 3]		
Pluvicto (mCRPC)	[Progress bar spanning Phase 1, 2, and 3]		
225Ac-PSMA-617 (PCa+bone metastases)	[Progress bar spanning Phase 1]		
NeoB (multi tumor)	[Progress bar spanning Phase 1]		

1. PPGL, is an exploratory cohort of NETTER-P 2. Phase 1/2



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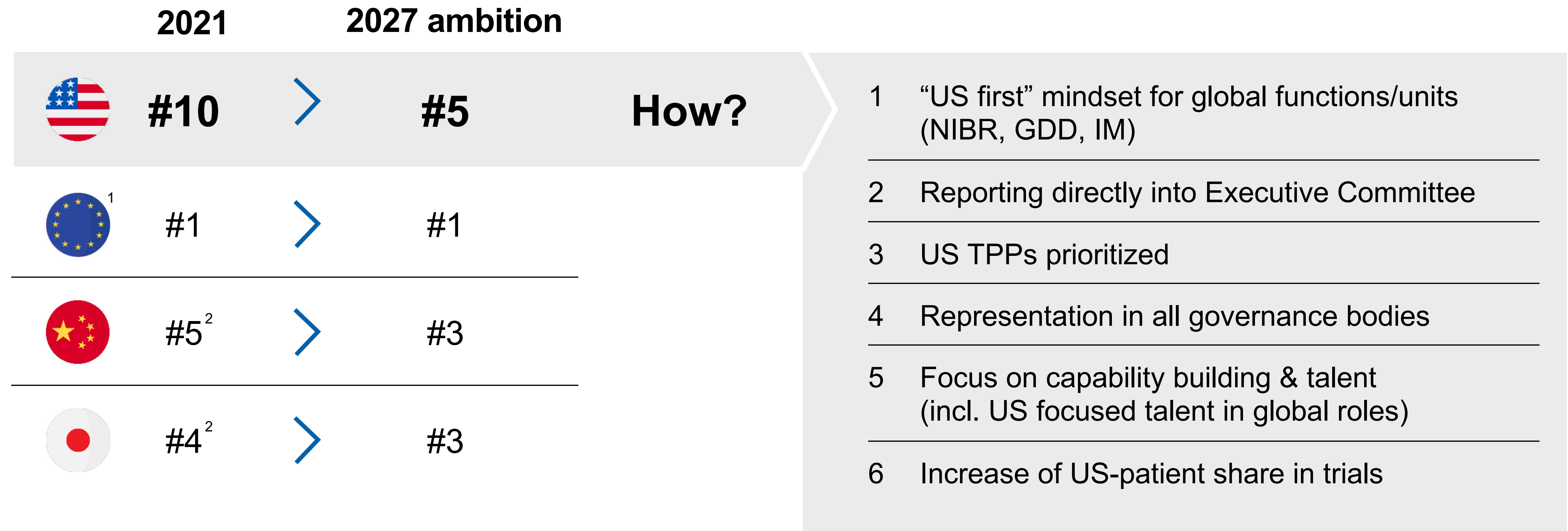
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Geographic focus - organically building the US to a top 5 player



1. Priority geography – Germany 2. Rank among pharmaceutical multinational companies



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Remain **disciplined and shareholder focused** in our capital allocation priorities

Investing in the business

Returning to shareholders

USD 53bn distributed (85% of FCF) 2017-2021

Investments in organic business

USD 9bn R&D 2021¹

USD 1.4bn capital investments 2021

Value-creating bolt-ons

USD 30bn (approx.) 2017-2021

Substantial cash generation

Growing annual dividend in CHF

USD 7.5bn paid out in 2022; DPS increase of +3.3% CHF; +4.1% USD

Share buybacks

USD 15bn ongoing, USD 8.2bn to be executed²

Sandoz separation is expected to have limited impact on our credit rating, providing continued flexibility for future capital allocations

1. Core R&D actuals 2021 2. As of August 31 2022



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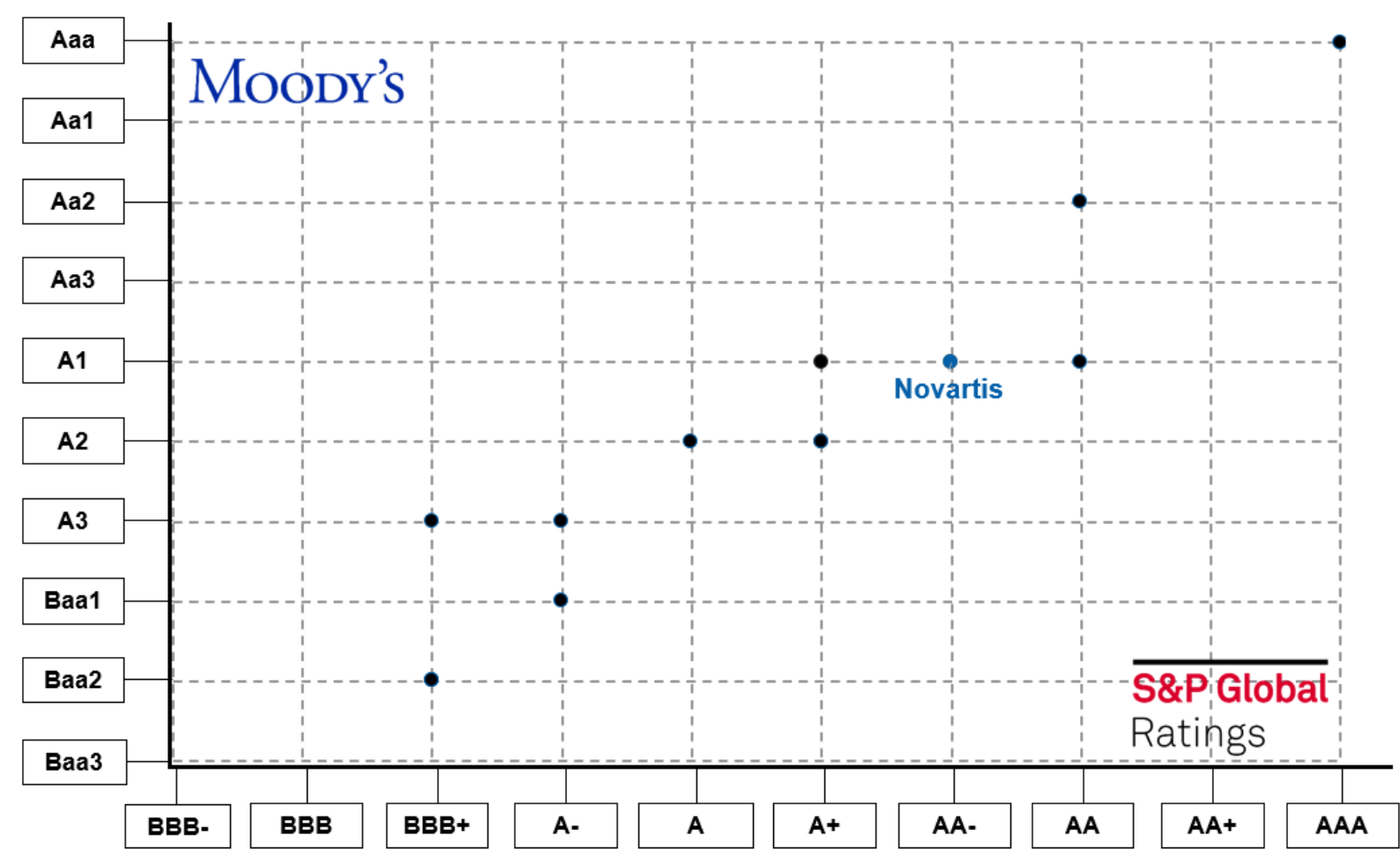
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Our strong capital structure supports flexibility for strategic investments and distributions

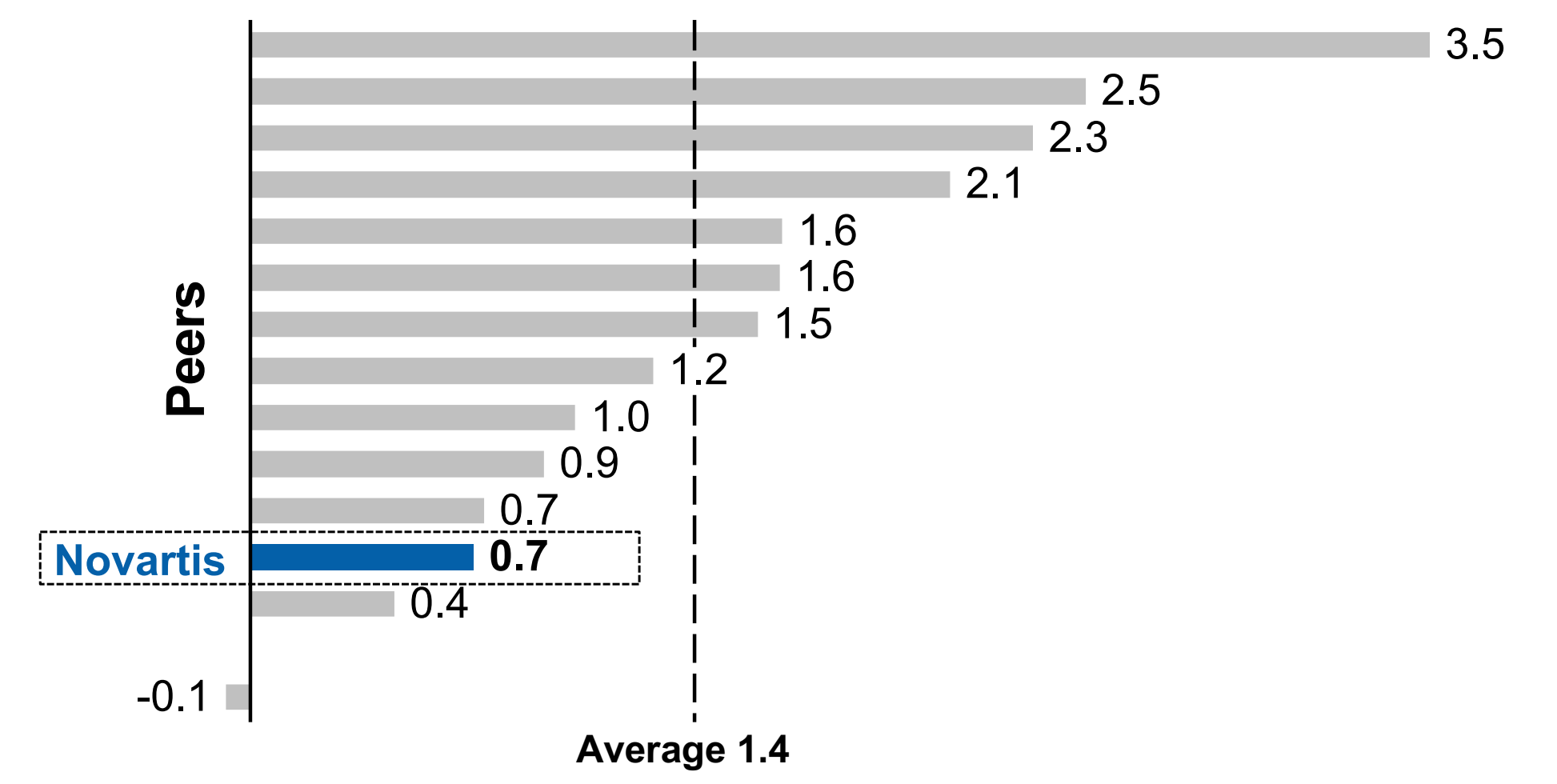
Our strong capital structure positions us well within our peer group ...

Credit rating positioning



... and the current low leverage provides flexibility for further capital allocation

Q2 2022 leverage (net debt / EBITDA)



Strong FCF generation coupled with strong balance sheet / low leverage provide flexibility for future value-creating bolt-on M&A or further shareholder distributions

Source: Bloomberg; ratings as of September 16, 2022; leverage calculated with net debt (gross debt incl. lease liabilities minus total liquidity) and trailing 12-month EBITDA



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- Improved financials
- Launch excellence
- High-value innovation
- Operational excellence
- Strengthen foundations

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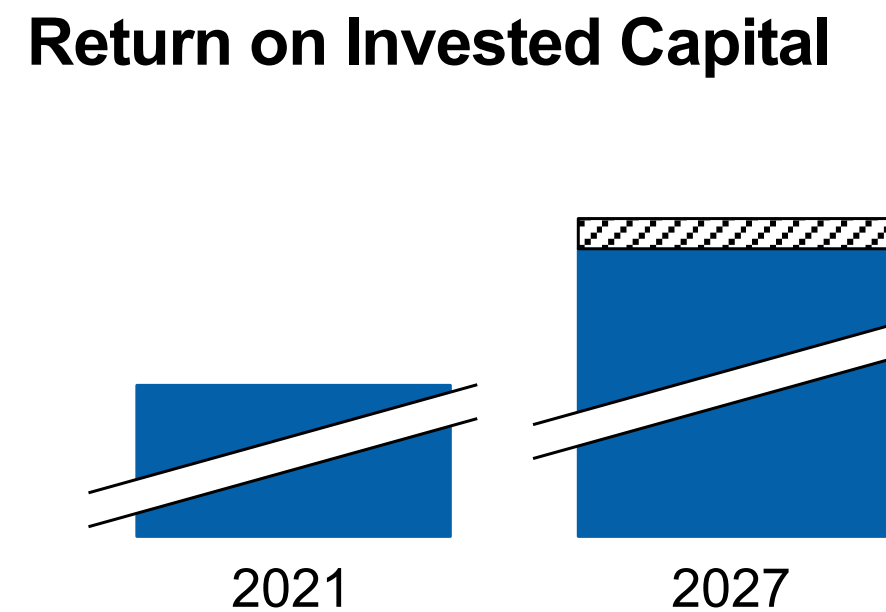
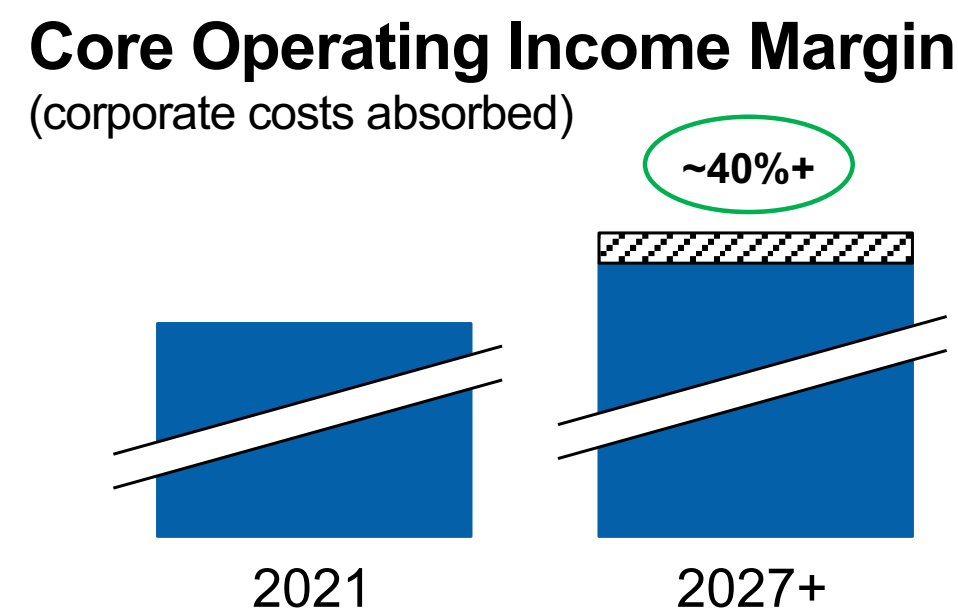
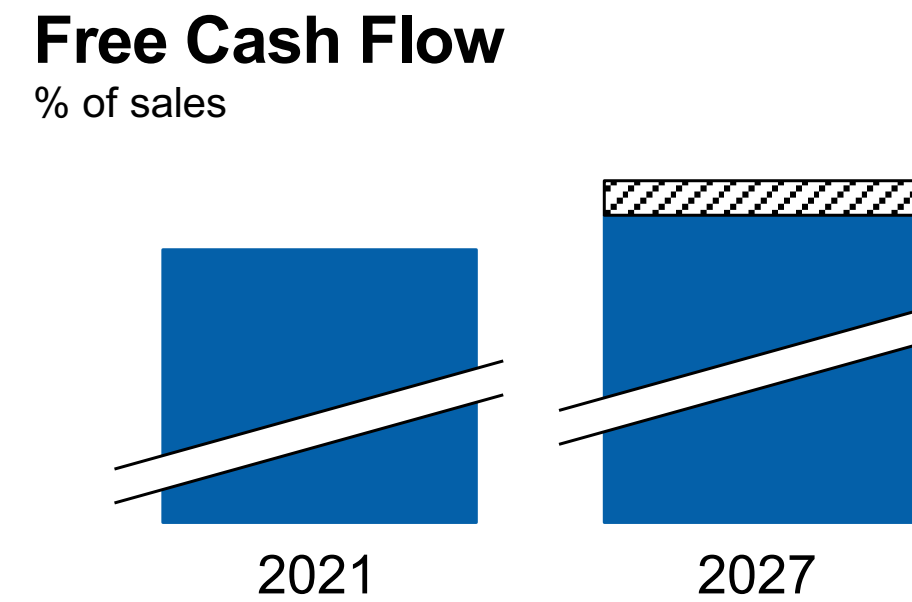
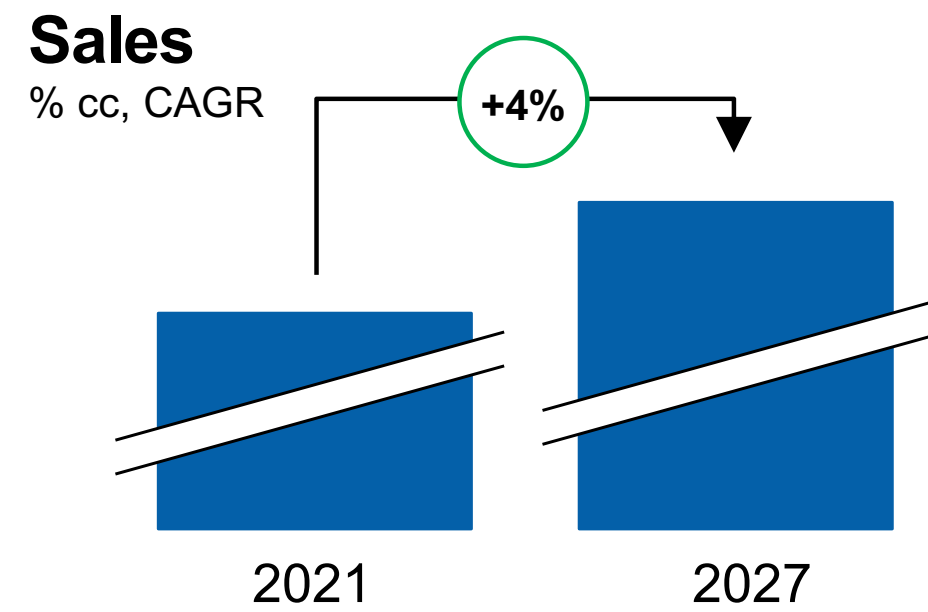
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Continuing to deliver improved financials – sales, core margin, free cash flow and return on invested capital

New-Novartis expectations (illustrative only) Incremental benefit from Sandoz spin-off



- > IM expected to grow sales, margin and FCF (% of sales)
- > Margin targets includes absorbing corporate costs
- > Sandoz **spin-off will result in incremental growth** for:
 - Core operating income margin
 - FCF (% of sales)
 - Return on invested capital
- > New-Novartis **remains committed to capital allocation priorities**, with growing (CHF) annual dividend



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Existing in-market brands with multi-bn potential are the foundations



Q2 2022 sales annualized

Q2 growth in cc

 <p>USD 5.1 bn</p> <p>+12%</p>	 <p>USD 4.5 bn</p> <p>+33%</p>	 <p>USD 1.5 bn</p> <p>+26%</p>	 <p>USD 1.2 bn</p> <p>+43%</p>	 <p>USD 1.0 bn</p> <p>+270%</p>	 <p>USD 0.1 bn</p> <p>nm</p>
<p>Peak sales USD >7bn</p> <p>US LoE 2029+</p>	<p>Peak sales USD >5bn</p> <p>US LoE 2025+</p>	<p>Peak sales multi-bn¹</p> <p>US LoE 2031+</p>	<p>Peak sales multi-bn</p> <p>US LoE 2031+</p>	<p>Peak sales multi-bn</p> <p>US LoE 2031+</p>	<p>Peak sales multi-bn</p> <p>US LoE 2036+</p>

nm – not meaningful. LoE – Loss of exclusivity. All growth rates in constant currencies (cc). US LoEs are estimated based on relevant patents; further extensions possible. 1. Including Zolgensma® IT.



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Recently launched Pluvicto™ and Scemblix® add potential upsides

PLUVICTO™ US launch beating internal expectations

- Manufacturing issues remediated
- Permanent A code granted in Jul, effective Oct
- More than 50% of insured lives covered (across Medicare, Medicaid and private payers)
- >100 target RLT sites operational
- Additional Ph3 studies in earlier settings on track (pre-taxane mCRPC and mHSPC)**

SCSEMBLIX® continues strong US uptake (asciminib) 20 mg, 40 mg tablets

- \$31m** Q2 sales driven by patients with resistance/intolerance to other TKIs
- 44%** 3L+ new patient share¹
- 16%** NBRx share across CML lines of treatment¹
- 1L** **Ph3 study (1L) enrolling ahead of plan**
-  EC approval and rollout ongoing across ex-US markets

1. Source: IQVIA Market Sizing “Source of Business”, “Product Summary” reports, June 2022



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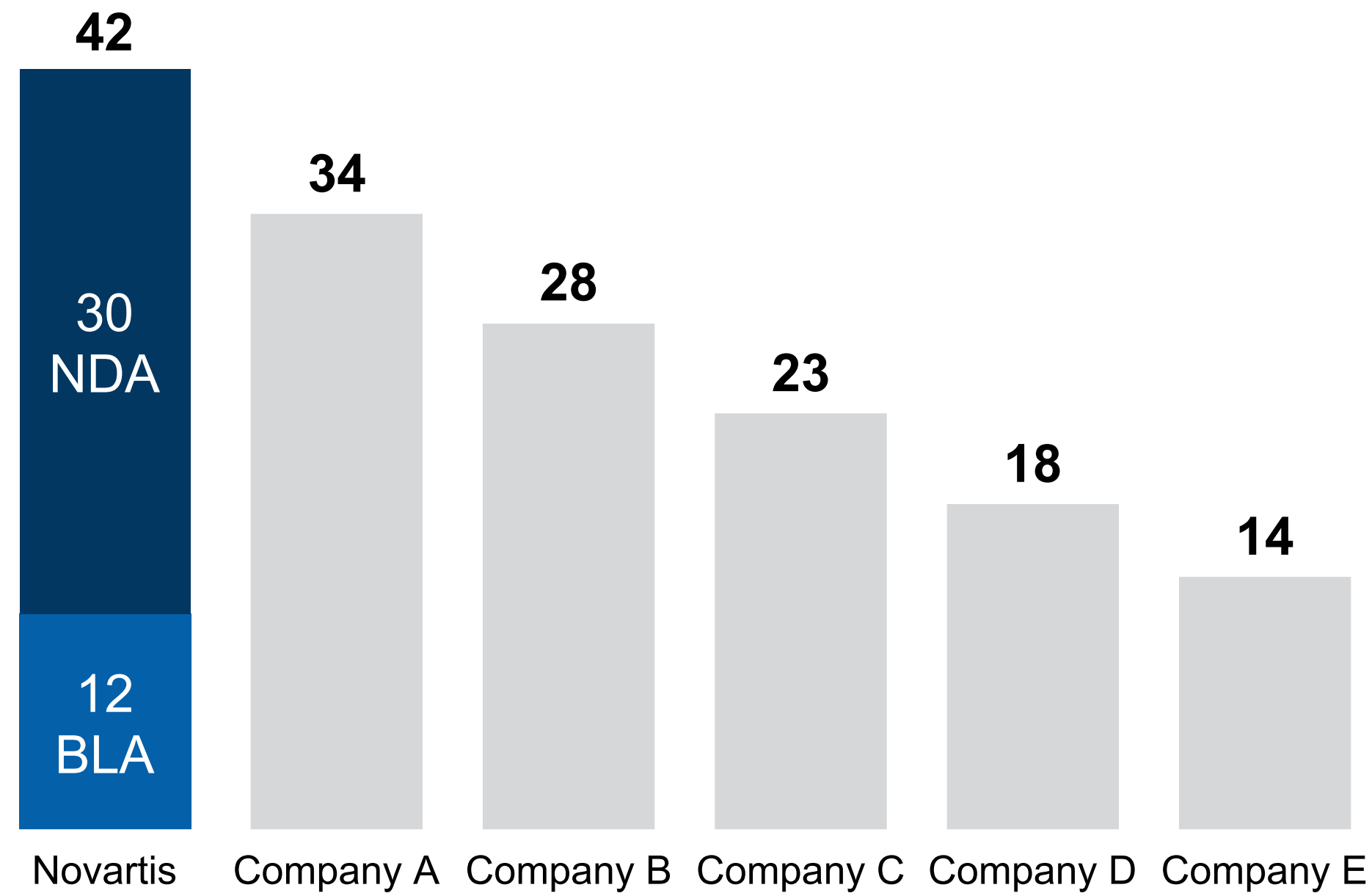
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Industry-leading development engine; now prioritizing value per asset

Total NME approvals by company (1999-2021)¹



- ✓ **Prioritization:** Active prioritization for **core Therapeutic Areas**
- ✓ **Commercial focus:** Increased **commercial input** into R&D
- ✓ **Development/TPP:** **US TPP** prioritized, portfolio prioritization **focusing on high-value assets**
- ✓ **Operational efficiency:** Strengthen efficiency by **simplifying structures**; further **integrating R&D** to accelerate key early assets
- ✓ **People:** Maintain/strengthen high-performing organization of competent and engaged talent

1. US FDA NME approvals



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Key near-term readouts (2023 – 2024) for high value assets...

Kisqali ●●●

NATALEE trial in adjuvant breast cancer testing both high-risk and intermediate-risk patients with final Phase 3 readout expected in **2023**

Iptacopan ●●●

APPLY-PNH trial with expected Phase 3 readout in H2 2022, followed by other indications in **2023**

Pluvicto ●●

PSMAfore trial in mCRPC (post-ARDT, pre-taxane) with expected readout **end of 2022 / early 2023**

PSMAddition trial in mHSPC with expected readout in **2024**

Remibrutinib ●●

CSU Phase 3 REMIX-1 and -2 trials with expected readout in **2024** and Multiple sclerosis Phase 3 REMODEL-1 and -2 trials with expected readout in **2025**

Scemblix ●●

1L CML-CP trial with expected readout in **2024**

Unprobabilized peak sales of indications in late-stage development: ● > USD 1bn ●● > USD 2bn ●●● > USD 3bn



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...from a catalyst rich pipeline across our core Therapeutic Areas

Catalyst readouts significantly increase in 2024-2025 timeframe

Key submission enabling readouts

2022-2023

Iptacopan C3G
Iptacopan IgAN
Kisqali [®] adj BC
Pluvicto mCRPC Pre-taxane
Iptacopan PNH

2024-2025

Pelacarsen CVRR	Cosentyx [®] GCA
Ligelizumab Food allergy	Remibrutinib CSU
Remibrutinib MS	Zolgensma [®] SMA IT
JDQ443 2/3L NSCLC	Pluvicto [®] mHSPC
NIS793 Pancreatic cancer	Ociperlimab ¹ 1L PDL1hi and 1L LA NSCLC
Piqray [®] TNBC and 1L HER2+ aBC	Iptacopan aHUS
Scemblix [®] 1L CML-CP	Sabatolimab MDS

2026-2027

Leqvio [®] Secondary Prevention
Ianalumab Sjögren's
Ianalumab Lupus nephritis
Cosentyx [®] Lupus nephritis
Ianalumab Hematology indications

- Cardiovascular
- Immunology
- Neuroscience
- Solid Tumors
- Hematology

In scope: Selected top assets (>1bn in development) with programs in phase 3 (or pivotal trial submission enabling) 1. Option deal, BeiGene study, PD-L1 High and Locally Advanced NSCLC



New Novartis: Our strategy

Our focus

Our priorities

Improved financials

Launch excellence

> **High-value innovation**

Operational excellence

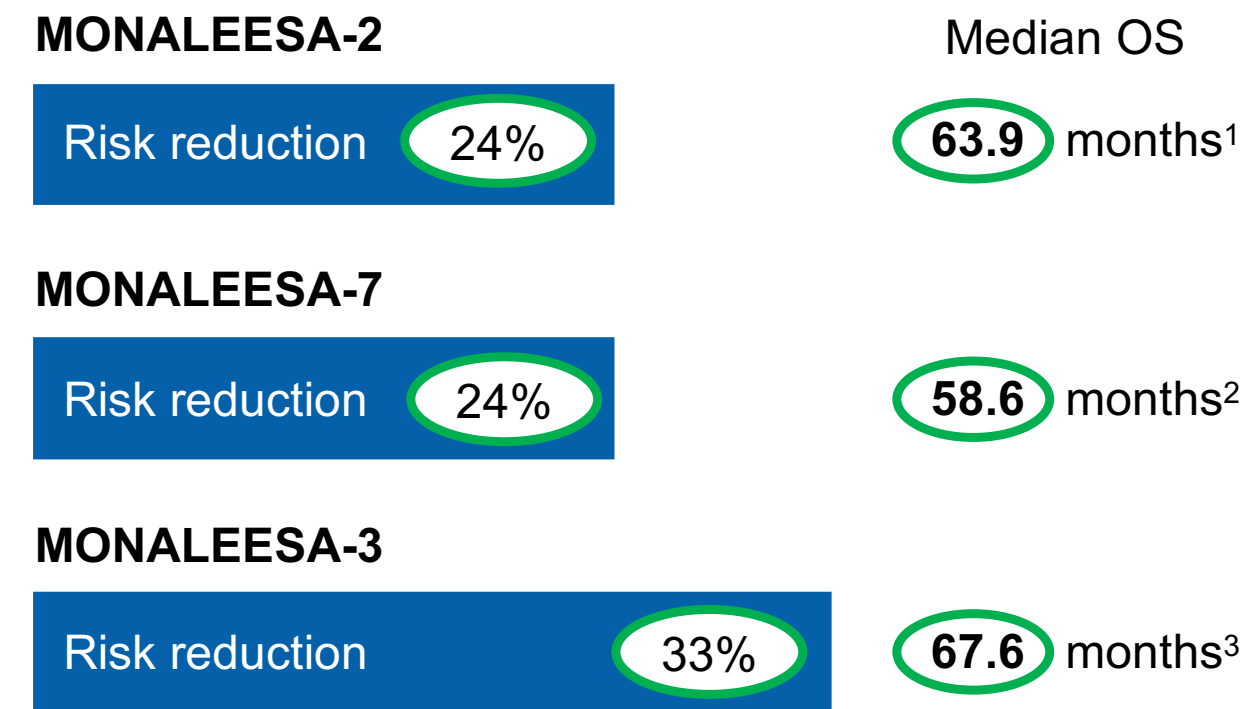
Strengthen foundations

Conclusion

Abbreviations

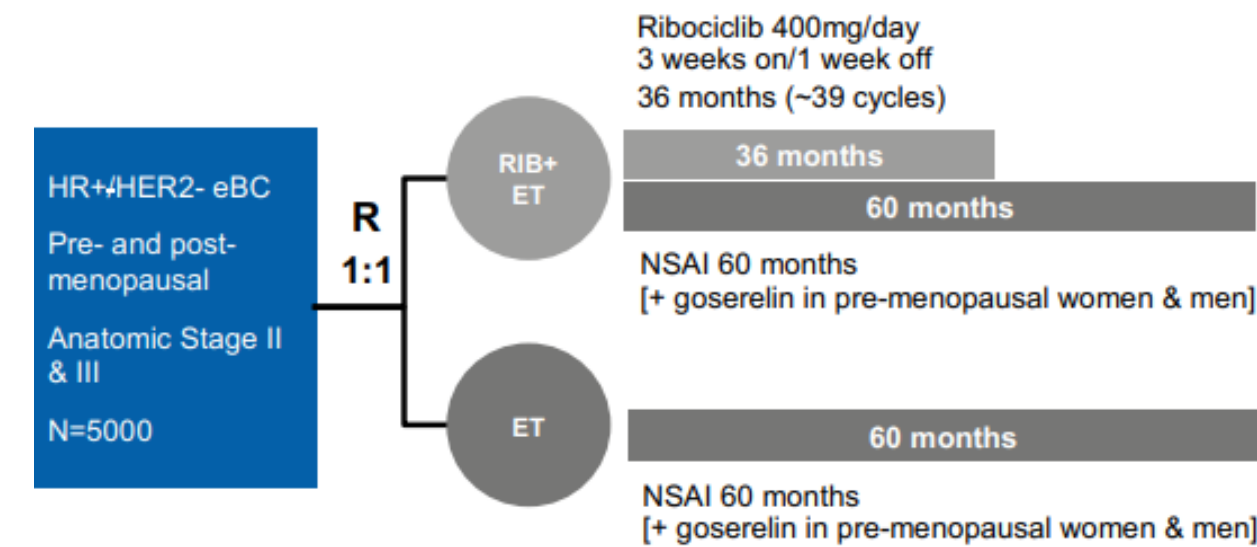
Potential positive NATALEE readout offers **significant upside** to sales growth

Kisqali® Ph3 OS results in 1L mBC



- **Proven OS benefit across all three Phase 3 clinical trials**
- **Same OS benefit** regardless of menopausal status, hormone therapy partner, or dose modifications⁴
- Maintains clinical benefit even after prior CDK4/6i use⁵

NATALEE adjuvant study



- **Fully enrolled** as of April 2021
- **Primary analysis** planned at 500 iDFS events, expected in 2023
- Interim analyses at 70% and 85%

To date **not reached first interim**; expect filing in **2023**

Indication	Early breast cancer
Potential	●●●
Population	218K (US & EU) ⁶

●○○ >USD 1bn
 ●●○ >USD 2bn
 ●●● >USD 3bn

1. In months vs. vs 51.4, P value: 0.008. Reference: Hortobagyi, GN et al., 2022 2. vs 51.8. Reference: Lu, YS et al., 2022 3. vs 51.4. Reference: Neven, P et al., 2022 4. Based on an analysis of MONALEESA-2, -3 and -7 5. Based on the MAINTAIN IIT, Patients who received Kisqali and changed their ET in 2L had PFS twice as long as patients who only changed their ET 6. eBC Patient - Adjuvant Breast Cancer Opportunity Assessment June 2020



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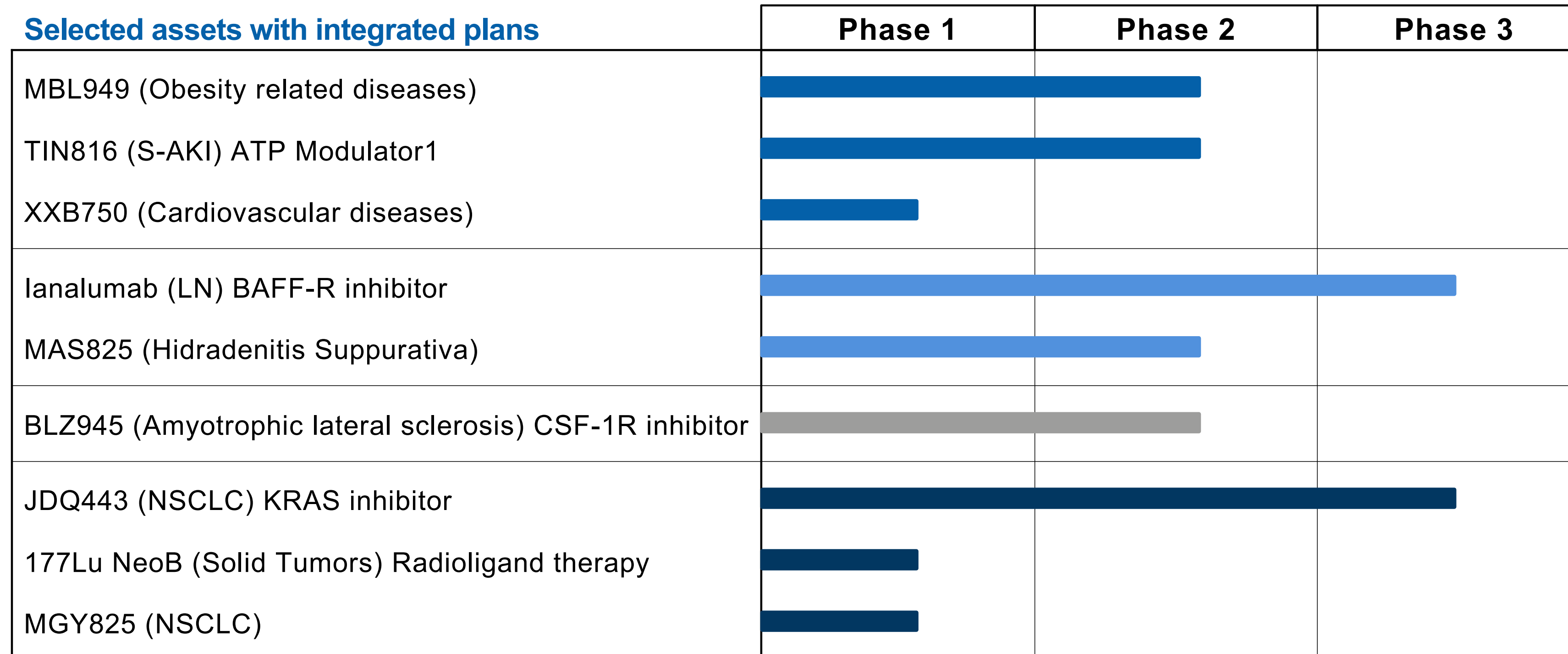
> **Operational excellence**

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Strengthening integration within R&D to accelerate key early programs



- Cardiovascular
- Immunology
- Neuroscience
- Solid Tumors

Note: Bars in Gantt chart indicate current phase of development 1. Phase 2 initiating



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Organizational changes announced in April on track to deliver operational excellence and drive growth...



Integrated IM business, with US and International at ECN



New Strategy & Growth function



Single Operations unit and integrated global G&A functions

Short-term
Accelerate growth

Strong pipeline management, business development

Accelerate technology transformation, create novel digital solutions, increase productivity

More agile M&S resource allocation to top brands

Mid- to long-term
Innovation and sales growth

Above peer median sales growth

Bringing Novartis into top 5 in the US

Productivity and focus for R&D and business development

Simpler, faster, more flexible decision making



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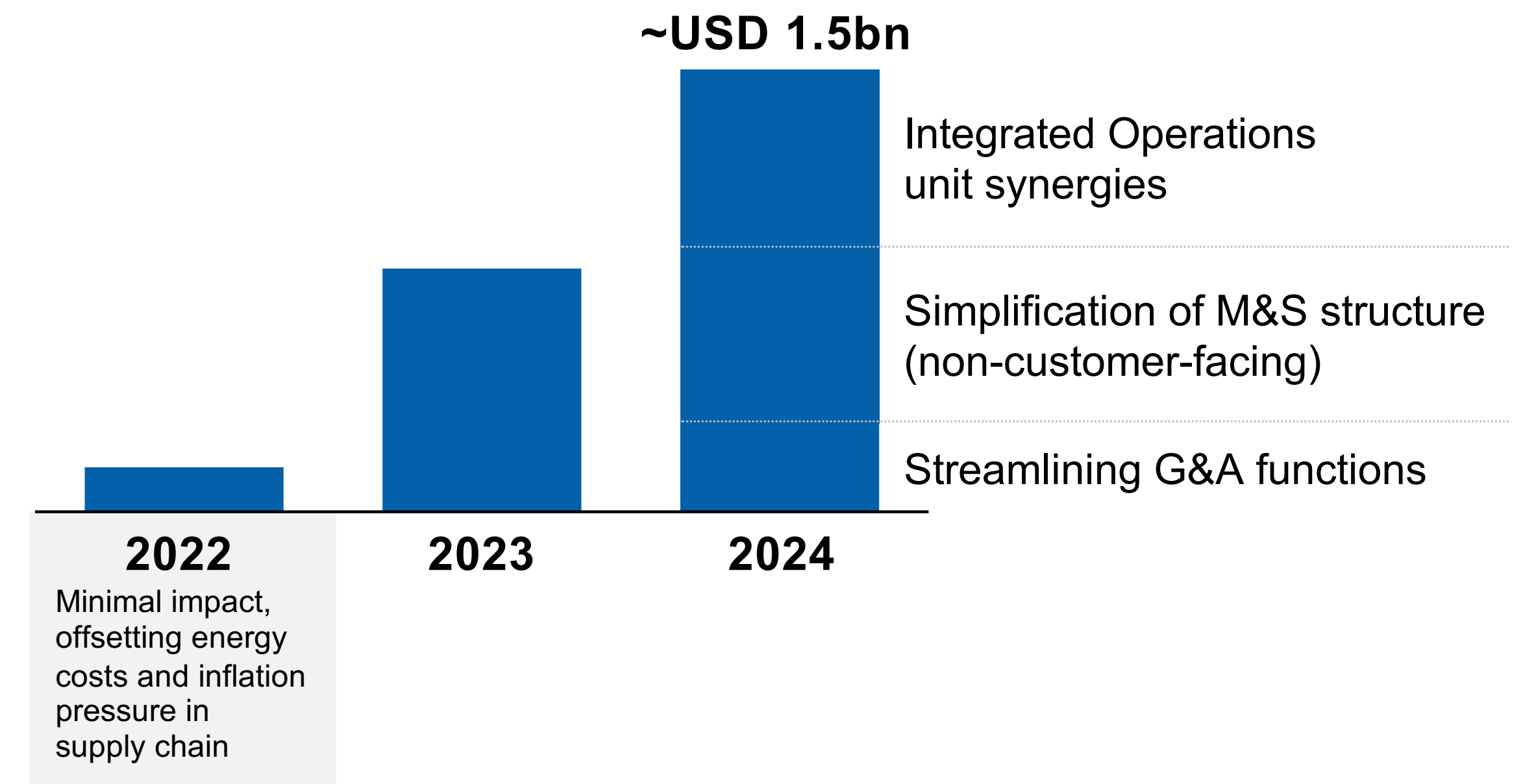
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...and on track to deliver **operational efficiencies**

Reorganization on track

- Organizational changes
- ~USD 1.5bn in savings
- People perspective

Savings of ~USD 1.5bn to be fully embedded by 2024





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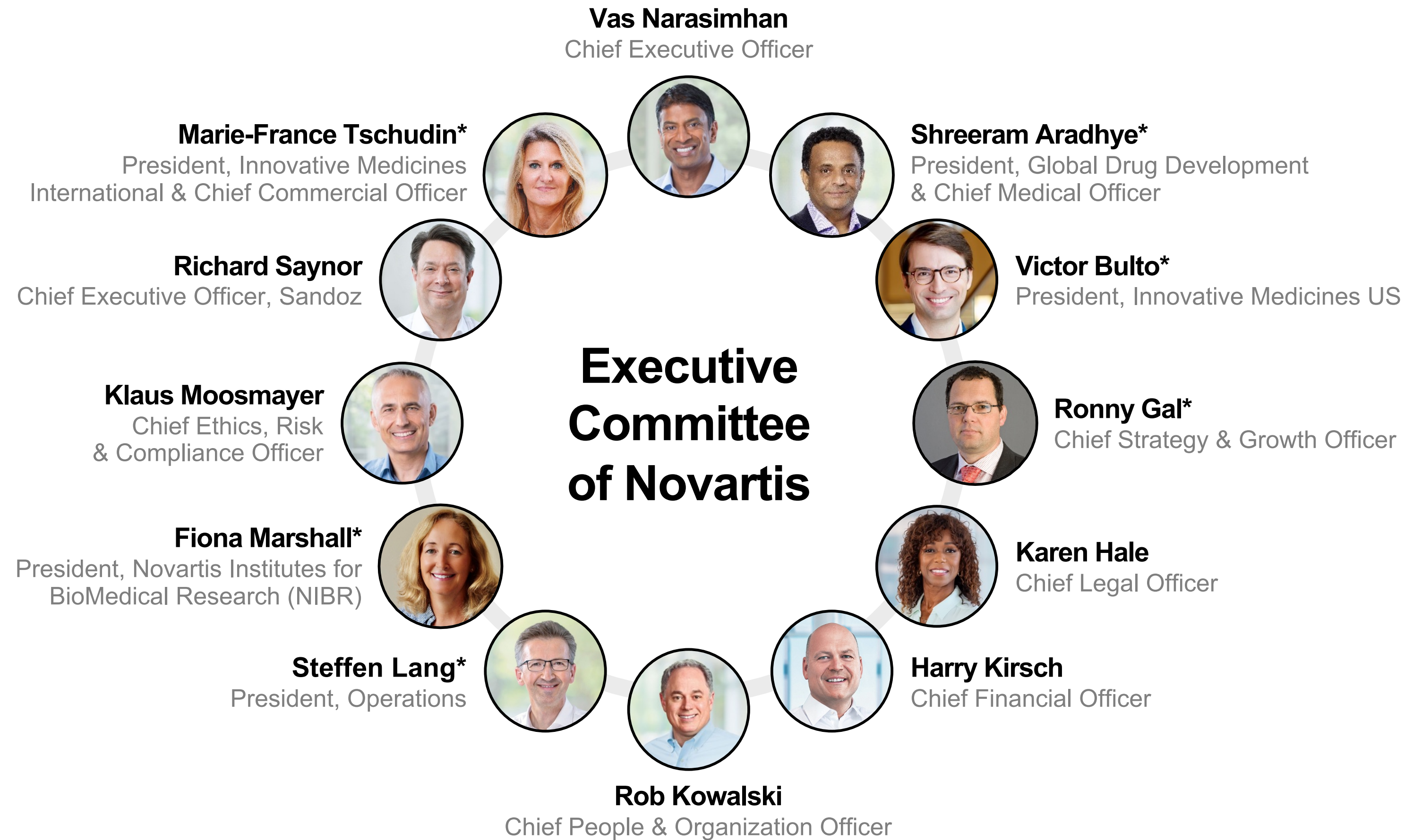
> **Operational excellence**

Strengthen foundations

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Refreshing our leadership team



* Recent role or appointment change



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Continue to strengthen foundations including improving access for patients

Broad access to innovation

Material ESG factors

1. Patient health & safety
2. Access
3. Innovation
4. Ethical business practices

Access

100% of launches with access strategy (Access Principles)

Innovative pricing and access models (SSA and EMB)

Sustainability-linked bond targets on track (LMICs, 2025):

- **3x** patient reach¹ with strategic innovative therapies
- **1.5x** patient reach¹ through flagship programs

Innovation

Innovative therapies reaching more LMIC patients faster

Neglected tropical diseases

Clinical trial diversity

Other priority areas

Human capital: Diversity targets

Environment: Net zero by 2040

Ethics: High ethical standards and zero tolerance

Leading position in third-party ESG ratings

1. Results in improved population health and substantial social impact



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Novartis is a focused company playing in an attractive market, with a differentiated portfolio and strong global footprint

Attractive market & financials

>\$1 tn IM market

Cardiovascular, Immunology, Neuroscience, Solid Tumors and Hematology – attractive TAs

+4% sales growth

(2021 – 2027, % cc, CAGR)

~40%+ core margin (2027+)

Shareholder focused capital allocation

Differentiated portfolio

5 core TAs

Emerging leadership with clear disease area priorities

Strong mid/late-stage pipeline

Focused on high value innovation

3 next-generation platforms

Leadership across technology platforms
Expanding % IM sales from biologics and technology platforms

Strong global footprint

~280 m patients¹
reached in 140 countries

Building US to a top 5 player and reinforcing international leadership

Leading R&D organization

Industry leading development engine
\$9 bn in R&D spend²

>30 manufacturing sites

Incl. leading capabilities in Cell, Gene, and Radioligand Therapies

1. Including IM + Global Health 2021 2. Core R&D actuals 2021



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Novartis concluded that **separation of Sandoz, via 100% spin-off, is in the best interests of shareholders (completion H2 2023)**

Expected benefits



Clear investment thesis as an Innovative Medicines business

- **Exclusive focus and investment** in Innovative Medicines
- Strong position in **5 core TAs**, **leadership** in technology **platforms**
- **Enhanced execution** of the **pipeline** and **commercialization**
- **Improved financial profile** and **return on capital**
- Organizational and operational **simplification**
- **Capital allocation** based on its business needs



Clear investment thesis as a Generics and Biosimilars business

- **#1 European Generics company¹** and a **global leader in Biosimilars**
- **More effective business strategy** for the Gx market
- **Greater freedom to operate**
- **Capital allocation** based on its business needs
- **Culture fit for the Gx industry**, with focus on faster/leaner decision-making and more efficient use of cost base
- **Improving access** with broad patient reach of ~500m patients

Limited synergies between Innovative Medicines and Generics; at **opposite ends of the biopharma value chain** with **significant differences in business dynamics**

1. Based on IQVIA MAT 03/2022, gross sales for combined Generics and Biosimilars market.



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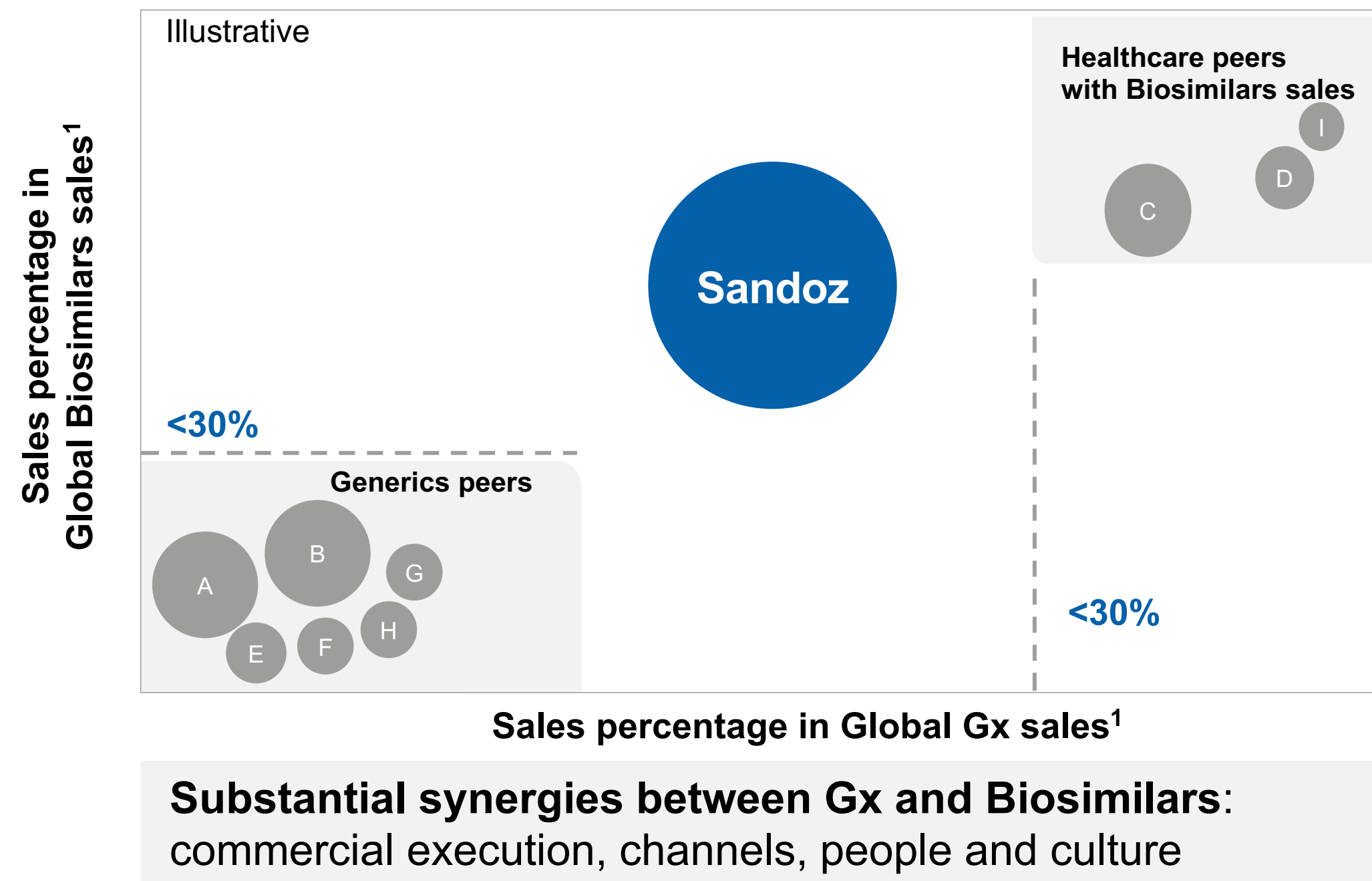
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Sandoz is uniquely positioned with a strong and balanced presence in both Generics and Biosimilars

Gross sales in global Biosimilars and Generics¹

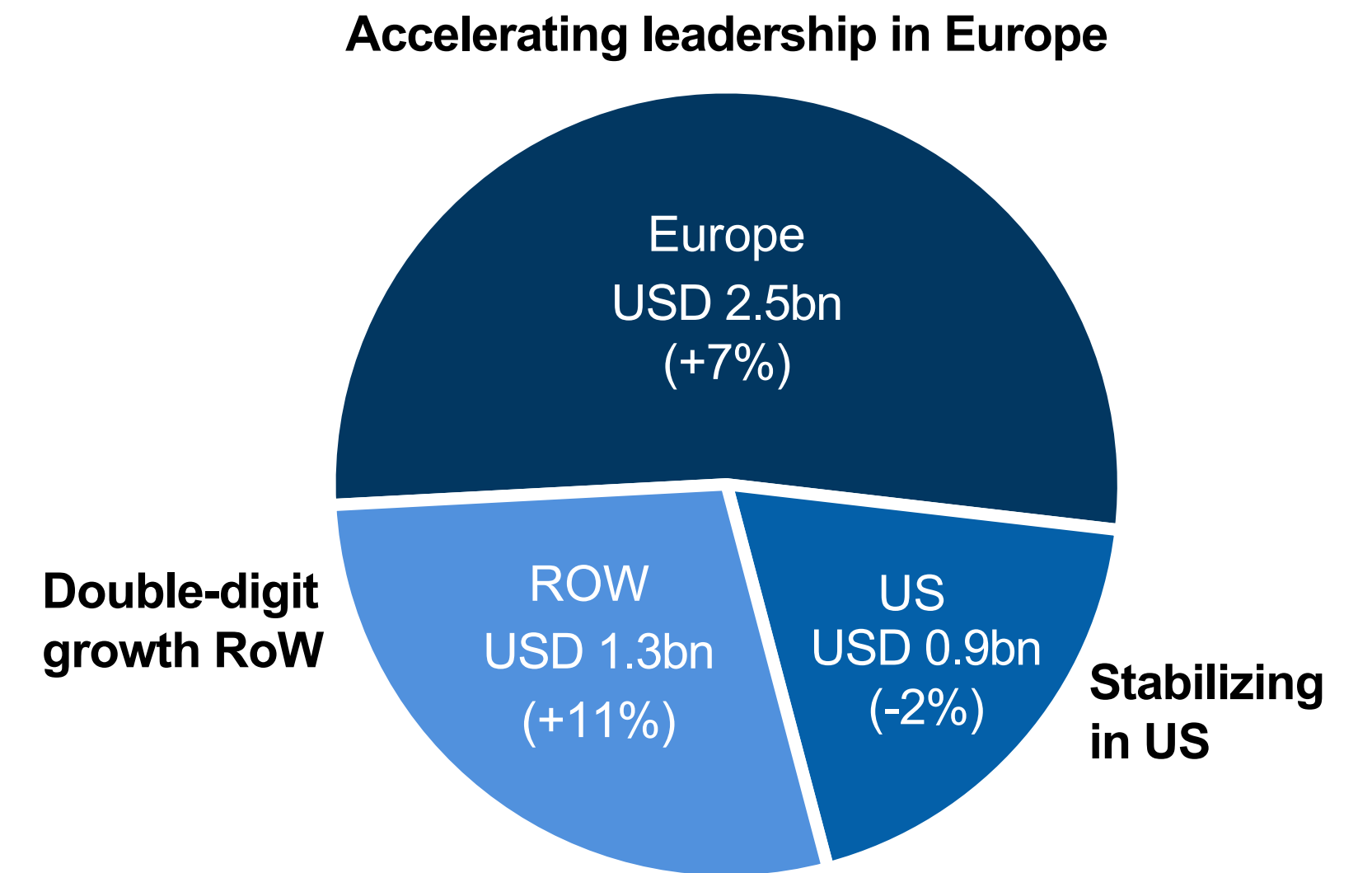
%, vs. key competitors



European “pure-play” Generics and Biosimilar market leader

H1 sales – total USD 4.7bn (+6%)¹

% CC



1. Reported H1'22 Earnings



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Key takeaways

1
Transforming
to a **pure-play**
IM company

2
Focusing strategy
on 5 core TAs,
technology platforms
and the US

3
Establishing
8 in-market brands
with **multi-bn \$**
potential

4
Prioritizing pipeline
to **high-value NMEs**
in our 5 core TAs

5
Continuing to deliver
improved financials

6
Continuing with
shareholder friendly
capital allocation

7
Strengthening
foundations –
ESG and culture



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1L	First-line
2/3L	Second or third line
adj.BC	Adjuvant breast cancer
aHUS	atypical Hemolytic Uremic Syndrome
ALS	Amyotrophic lateral sclerosis
AML	Acute myeloid leukemia
AMR	Antimicrobial resistance
axSPA	Axial spondyloarthritis
BAFF	B-cell activating factor
BCR	Biochemical recurrence
BTK	Bruton tyrosine kinase
C3G	C3 glomerulopathy
CML	Chronic myeloid leukemia
CVRR	Cardio-vascular risk reduction
CVRR-LDLC	Secondary prevention of cardiovascular events in patients with elevated levels of LDLC
CVRR-Lp(a)	Secondary prevention of cardiovascular events in patients with elevated levels of lipoprotein (a)
ECN	Executive committee of Novartis
EMB	Emerging Market Brands
ES-SCLC	Extensive stage small cell lung cancer
FA	Food allergy
GBM	Glioblastoma
GCA	Giant cell arteritis
GEA	Gastroesophageal adenocarcinoma
GEP-NET	Gastroenteropancreatic neuroendocrine tumor
GIST	Gastrointestinal stromal tumor
GRPR	Gastrin-releasing peptide receptor
Gx	Generics
HA	Health authorities
iDFS	Invasive Disease-Free Survival
IgAN	IgA nephropathy

IM	Innovative Medicines
LDLC	Low-density lipoprotein cholesterol
LMICs	Low / middle income countries
LN	Lupus nephritis
LP	Lichen Planus
Lp(a)	Lipoprotein(a)
mBC	Metastatic breast cancer
mCRPC	Metastatic castration-resistant prostate cancer
MDS	Myelodysplastic syndrome
MDT	Multi Disciplinary Team
mHSPC	Metastatic hormone-sensitive prostate cancer
MS	Multiple sclerosis
NME	New molecular entity
NSCLC	Non-small cell lung cancer
OA	Osteoarthritis
PCa	Prostate cancer
PDAC	Pancreatic ductal adenocarcinoma
PDL-1	Programmed death-ligand 1
PNH	Paroxysmal nocturnal haemoglobinuria
PPGL	Pheochromocytoma and paragangliomas
PsA IV	Psoriatic arthritis Intravenous
PSMA	Prostate-specific membrane antigen
RLI	Radioligand imaging
RLT	Radioligand therapy
SjS	Sjögren's syndrome
SMA-IT	Spinal muscular atrophy-intrathecal
SSA	SubSaharan Africa Strategy
TA	Therapeutic area
TKI	Tyrosine kinase inhibitor
TPD	Targeted protein degradation
TPP	Target product profile