

MEDIA & INVESTOR RELEASE

Novartis shareholders approve all resolutions proposed by the Board of Directors at the Annual General Meeting

- *Shareholders approve 24th consecutive dividend increase to CHF 3.00 (+1.7%) per share for 2020; representing a 3.8% yield¹ and approximately 63% payout of free cash flow*
- *Shareholders confirm Dr. Joerg Reinhardt as Chairman of the Board of Directors as well as all other members who stood for re-election*
- *Shareholders approve all other proposals of the Board of Directors, including the 2020 Compensation Report in an advisory vote, as well as the future Board and Executive Committee compensation in separate binding votes*

Basel, March 2, 2021 — Novartis shareholders today agreed to the Board of Directors' recommendations for all proposed resolutions at the Group's Annual General Meeting (AGM). In accordance with the Swiss COVID-19 Ordinance 3, the 2021 AGM was held without shareholders being physically present. Accordingly, shareholders exercised their shareholder rights via the Independent Proxy and could follow the AGM via a live webcast. In addition, shareholders had the opportunity to send their questions to the Board of Directors electronically in advance, with the most important questions being answered by the Chairman and the CEO during the AGM.

Shareholders approved the 24th consecutive dividend increase since the creation of Novartis in 1996, with an increase of 1.7% to CHF 3.00 per share. Payment for the 2020 dividend will be made as of March 8, 2021. The dividend for 2020 is an approximately 63% payout of free cash flow and results in a dividend yield of 3.8%¹.

Annual re-election of Members of the Board

Shareholders re-elected Dr. Joerg Reinhardt as Chairman of the Board of Directors, and all members of the Board who stood for re-election, for one year.

In addition, shareholders re-elected the following members of the Board of Directors to the Compensation Committee for one year: Patrice Bula, Bridgette Heller, Enrico Vanni and William T. Winters. Shareholders also elected Simon Moroney as a new member of the Compensation Committee for one year. The Board of Directors intends to designate Simon Moroney as Chairman of the Compensation Committee.

Share cancellation

In line with the Board of Director's recommendation, the shareholders also approved the cancellation of 32 640 000 shares repurchased under the eighth share repurchase program in 2020 and the reduction of the share capital accordingly by CHF 16 320 000, from CHF 1 233 530 460 to CHF 1 217 210 460.

Further share repurchases

The shareholders authorized the Board of Directors to repurchase shares as deemed appropriate from time to time up to a maximum of CHF 10 billion between the AGM 2021 and the AGM 2024. Any shares repurchased under this authority are to be cancelled and the corresponding share capital reductions will then be submitted to the shareholders for approval.

Votes on Compensation for the members of the Board of Directors and the Executive Committee

In two separate binding votes, shareholders approved the total maximum aggregate amount of compensation for the Board of Directors, covering the period from the 2021 AGM to the 2022 AGM, and the total maximum aggregate amount of compensation for the Executive Committee for the financial year 2022. Shareholders also endorsed the 2020 Compensation Report in an advisory vote.

Term limit for members of the Board of Directors

The shareholders approved an amendment to the Articles of Incorporation that, for future re-elections, replaces the current age limit with a term limit, according to which a member shall not serve on the Board for more than 12 years. The Board of Directors may recommend to shareholders exceptions under certain circumstances and if deemed to be in the best interests of the company.

For a detailed listing of all resolutions at the 2021 Annual General Meeting, please visit: <https://www.novartis.com/agm>

Disclaimer

This press release 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 "will," "may," "could," "commitment," "authorized," "to be," "endorsed," "advisory," or similar terms, or by express or implied discussions regarding the potential future impact on Novartis of the matters described in this press release, including the future commercial performance of Novartis, further share repurchases, the annual re-election and election of members of the Board of Directors and the Compensation Committee, votes on compensation for the members of the Board of Directors and the Executive Committee, an advisory vote on the 2020 Compensation Report, and votes on the term limit for members of the Board of Directors. 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 as to the ultimate outcome of the matters described in this press release or their potential impact on Novartis. In particular, our expectations regarding these matters could be affected by, among other things, uncertainties regarding future demand for our products; general political, economic and business conditions, including the effects of and efforts to mitigate pandemic diseases such as COVID-19; potential or actual data security and data privacy breaches, or disruptions of our information technology systems; the potential impact of matters discussed in this press release on Novartis management, its financial results and its competitiveness, 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 press release as of this

date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

About Novartis

Novartis is reimagining medicine to improve and extend people's lives. As a leading global medicines company, we use innovative science and digital technologies to create transformative treatments in areas of great medical need. In our quest to find new medicines, we consistently rank among the world's top companies investing in research and development. Novartis products reach nearly 800 million people globally and we are finding innovative ways to expand access to our latest treatments. About 110,000 people of more than 140 nationalities work at Novartis around the world. Find out more at <https://www.novartis.com>.

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References

1. Based on the SIX closing share price on March 1, 2021

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