

June 2023

Capital Markets Day



SANDOZ

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Sandoz business, strategy and investment proposition

Leadership and scale in an attractive market

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Agenda

Morning

8.30 - 9.00am	Registration, breakfast	
9.00 - 9.10am	Welcome	Samir Shah, Novartis Global Head Investor Relations
Session 1 Sandoz business, strategy and investment proposition		
9.10 - 9.50am	Building on our heritage to succeed as a standalone company	Gilbert Ghostine, Chairman-Designate
	A European champion and a global leader in Generics and Biosimilars	Richard Saynor, Chief Executive Officer
9.50 - 10.10am	Q&A	
10.10 - 10.30am	Break	
Session 2 Leadership and scale in an attractive market		
10.30 - 11.10am	Building on our leadership position in Europe	Rebecca Guntern, President Europe
	Stabilizing and returning to growth in North America	Keren Haruvi, President North America
	Capturing high-growth / high-return opportunities in International markets	Francisco Ballester, President International
11.10 - 11.40am	Q&A	
11.40am - 12.40pm	Lunch with management	

Afternoon

Session 3 End-to-end capabilities creating long-term value		
12.40 - 1.30pm	Driving growth with our attractive pipeline	Pierre Bourdage, Chief Commercial Officer
	Delivering our pipeline	Claire D'Abreu-Hayling, Chief Scientific Officer
	Expanding margin through operational improvements	Glenn Gerecke, Chief Manufacturing and Supply Officer
1.30 - 2.00pm	Q&A	
Session 4 An attractive financial outlook and compelling sustainability story		
2.00 - 2.30pm	An attractive financial outlook	Colin Bond, Chief Financial Officer
	A compelling sustainability story	Richard Saynor, Chief Executive Officer
	Transaction overview and concluding remarks	
2.30 - 3.00pm	Final Q&A	
3.00pm	Meeting concludes	

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Today's objectives

Meet Sandoz management

Introduce our company, strategy and growth drivers

Explain the benefits of Sandoz as a standalone company

Discuss Sandoz financial framework and guidance

Answer your questions



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Meet the presenters



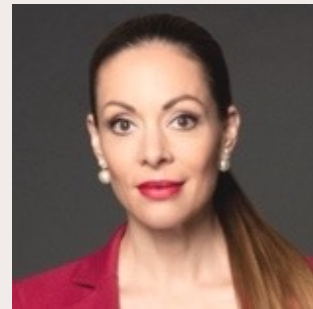
Gilbert Ghostine
Chairman-Designate



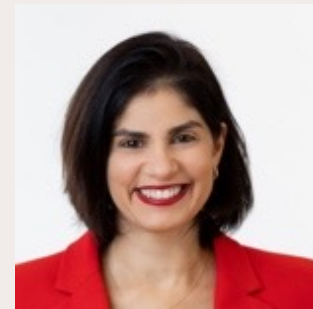
Richard Saynor
Chief Executive Officer



Colin Bond
Chief Financial Officer



Rebecca Guntern
President Europe



Keren Haruvi
President North America



Francisco Ballester
President International



Pierre Bourdage
Chief Commercial Officer



Claire D'Abreu-Hayling
Chief Scientific Officer



Glenn Gerecke
Chief Manufacturing and
Supply Officer

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Building on our heritage to succeed as a standalone company



Gilbert Ghostine
Chairman-Designate

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A powerful global brand in the off-patent medicines industry



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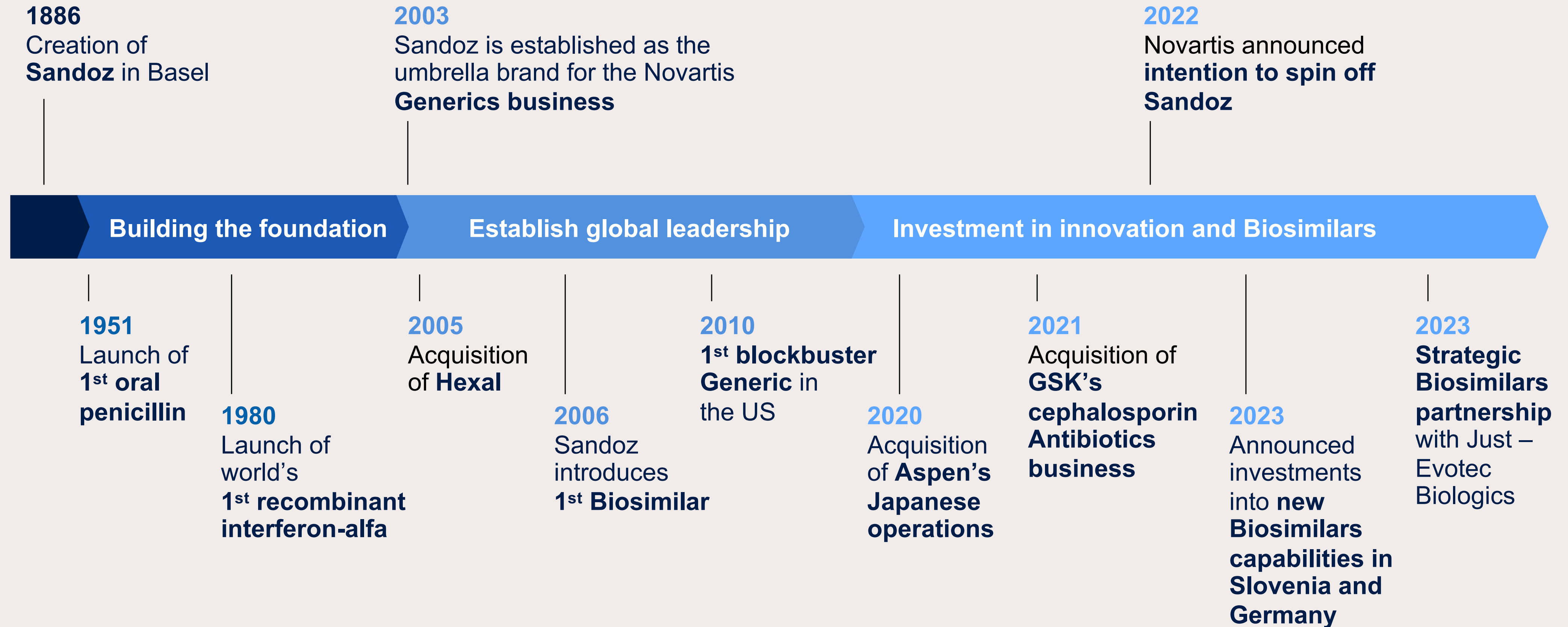
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Long-standing heritage and a pioneer in Generics and Biosimilars



A compelling spin-off rationale

Enhanced focus

✓
Simplification and optimization of resource allocation

Greater agility

✓
Greater freedom to operate and adapt to evolving off-patent medicines market conditions

Improved accountability

✓
Ambitious targets and clearer business objectives

Value creation

✓
Clear path for profitable growth and enhanced shareholder returns

Generics culture

✓
Strengthen entrepreneurial mindset

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A highly experienced and diverse Board of Directors



Gilbert Ghostine
Chairman-Designate




Dr. Karen J. Huebscher
Vice Chair-Designate





François-Xavier Roger
Member-Designate





Urs Riedener
Member-Designate




Dr. Shamiram R. Feinglass
Member-Designate

Aarti Shah
Member-Designate




Yannis Skoufalos
Member-Designate




Remco Steenbergen
Member-Designate




Dr. Maria Varsellona
Member-Designate



Pending nomination
Member-Designate

Senior healthcare expert identified, nominated for election at 2024 AGM

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A proven CEO with a true Generics mindset



Richard Saynor
Chief Executive Officer

- > 20+ years' experience in the Generic and Biosimilar medicines industry
- > Chair of the International Generic and Biosimilar Medicines Association's CEO advisory committee
- > Leader of the year, Global Generics and Biosimilars Awards 2022
- > Building Sandoz into the world's leading and most valued Generics and Biosimilars company

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A European champion and a global leader in Generics and Biosimilars



Richard Saynor
Chief Executive Officer

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**Who
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**Reshaped for
sustainable
growth**



**An attractive
investment
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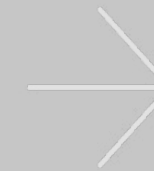
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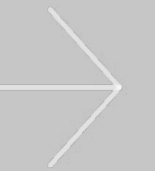
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We have a clear purpose to pioneer access for patients to become the world's leading and most valued Generics and Biosimilars company

Purpose

Pioneering access for patients

Vision

Becoming the world's leading and most valued Generics and Biosimilars company

Impact

~500 million¹
patients served per annum

>USD 180 billion²
estimated annual social impact of Sandoz medicines

1. Based on internal analysis. 2. Based on 2022 WifOR Institute analysis.

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Sandoz at a glance

USD 208bn
Market size¹

Growing at 8%^{1,2} with increasing share of Biosimilars

USD 9.1bn
FY 2022 net sales^{3,4}

USD 1.9bn FY 2022 core EBITDA⁴

A European champion

And a global leader in Generics and Biosimilars

Strong pipeline

>400 Generics
24 Biosimilars

100+ markets served

Broad coverage across Europe, North America and International

Strong management team

Supported by >22,000 employees⁵

1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price, excludes certain sizeable markets with no or limited Sandoz operations. 2. 2022-2031 CAGR for Biocomparable, Early Entry Generics and Generics as defined by IQVIA and includes all ATC and NFC forms. 3. Net sales to third parties. 4. Based on unaudited draft carve-out financials extract. For additional information regarding the core results, which are non-IFRS measures, including a reconciliation to the most directly comparable measures presented in accordance with IFRS, see "Appendix" starting on slide 136. 5. Approximate number of FTEs at spin-off.

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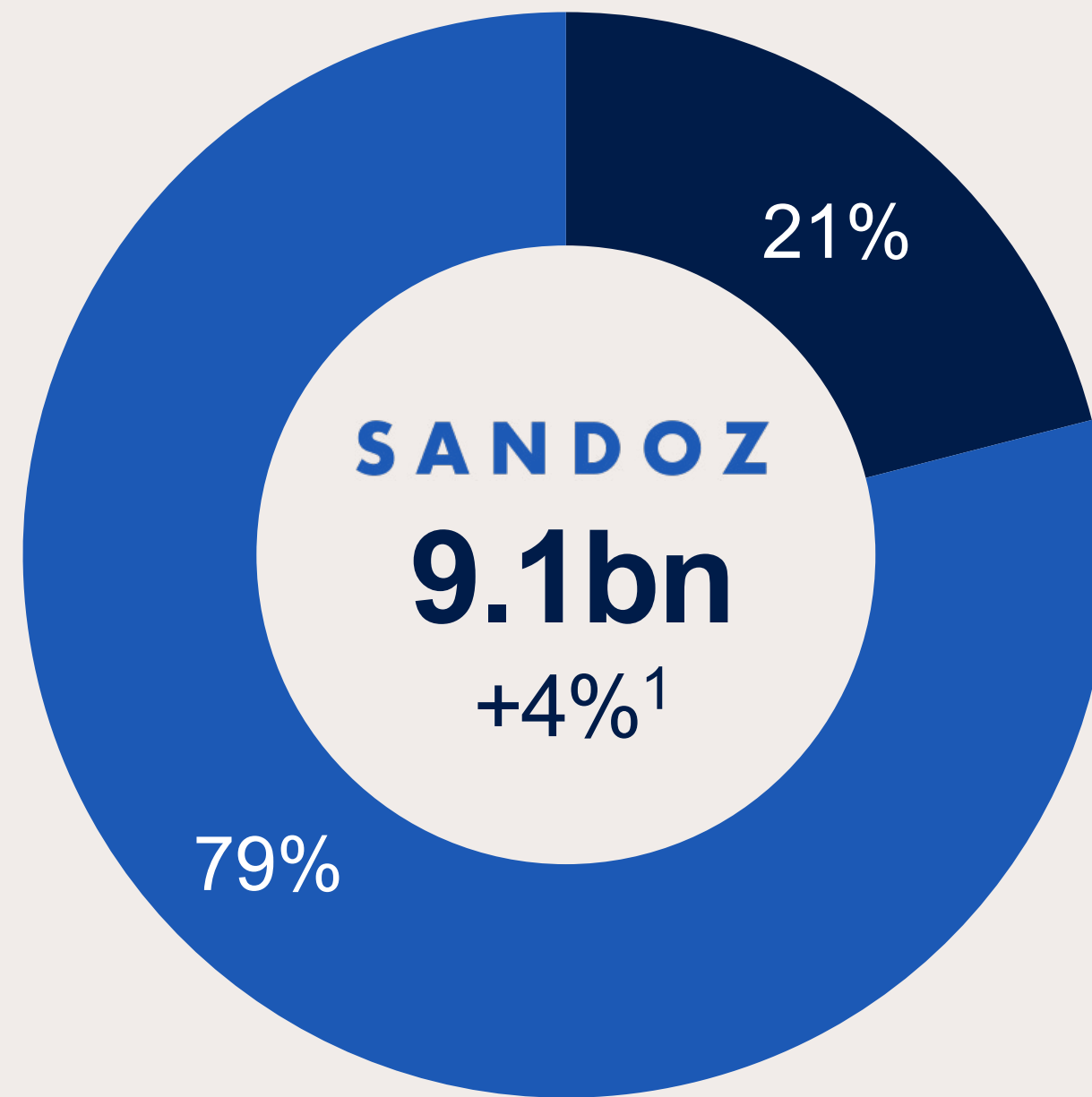
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A broad portfolio generating USD 9.1bn in sales

Net sales by business FY 2022, in USD

Generics
7.1bn
+3%¹



Biosimilars
1.9bn
+9%¹

Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. 1. Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

> One of the broadest Generics portfolios in the industry

> 8 in-market Biosimilar products

> Increasing contribution from Biosimilars

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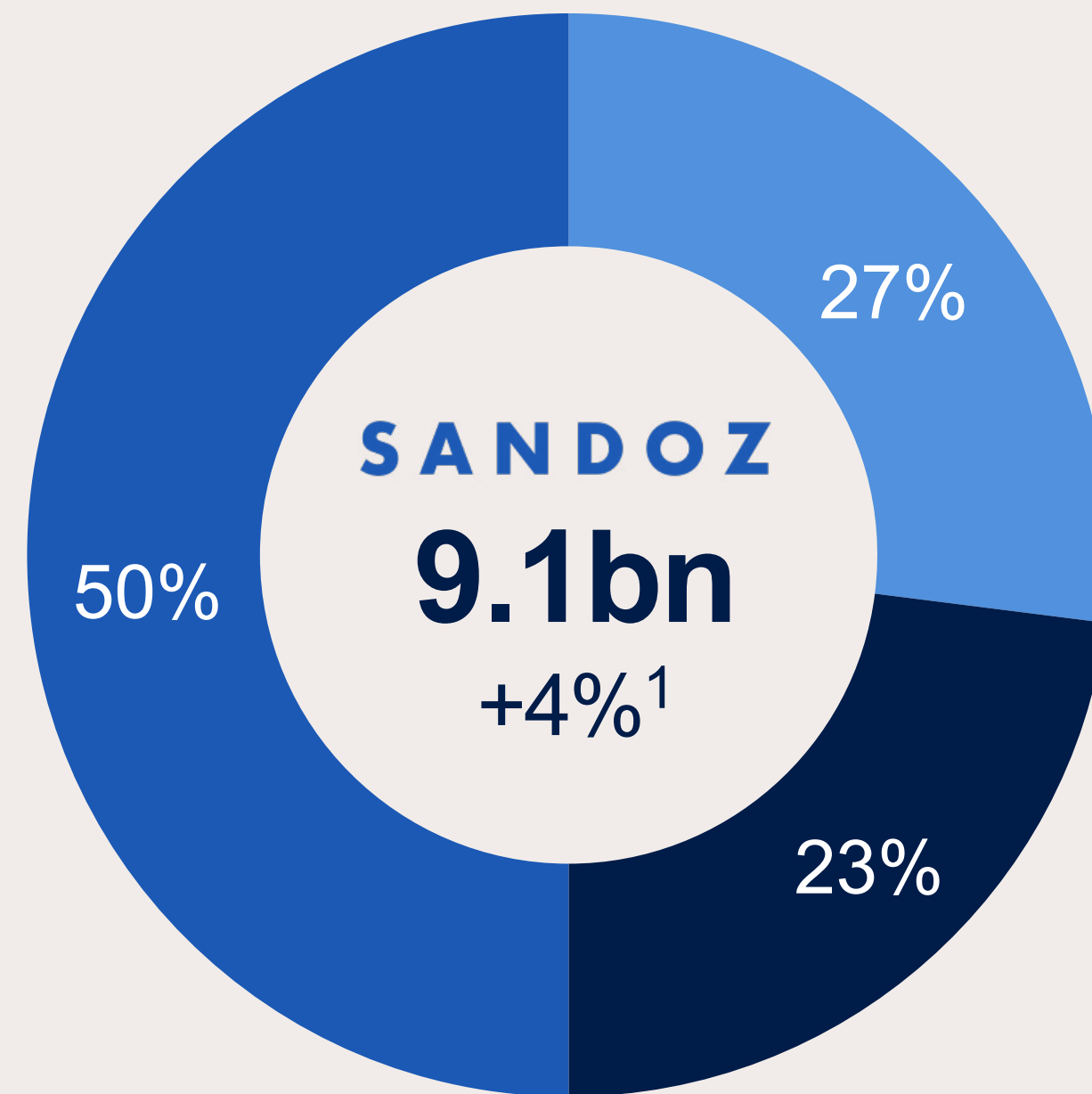
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Global scale and a European champion

Net sales by region FY 2022, in USD

Europe
4.5bn

+6%¹



International
2.5bn

+7%¹

North America
2.1bn

-2%¹

Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. 1. Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

> **Market leadership and strong growth in Europe**

> **Capturing high-growth / high-return opportunities in International markets**

> **North America stabilizing**

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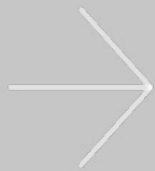
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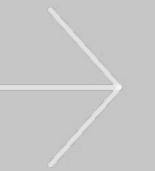
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Reshaped for sustainable growth



An attractive investment proposition



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Reshaped Sandoz for long-term sustainable growth

Built a strong leadership team

Aligned on our long-term vision

Focused on sales execution

Expanded pipeline investments

Invested in capabilities

Forged attractive partnerships

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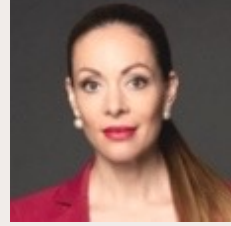


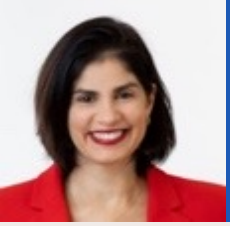
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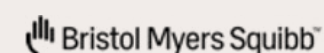
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Highly experienced and diverse Corporate Officers¹

	Colin Bond Chief Financial Officer		Richard Saynor Chief Executive Officer		Tripti Jha Chief People Officer
	Pierre Bourdage Chief Commercial Officer		Ingrid Sollerer Group General Counsel		Glenn Gerecke Chief Manufacturing and Supply Officer
	Rebecca Guntern President Europe		Claire D'Abreu-Hayling Chief Scientific Officer		Francisco Ballester President International
			Keren Haruvi President North America		

Not exhaustive



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We are proud to be Generics!

Shift culture to true Generics mindset



Attract and retain talent with our strong employer brand



Empower entrepreneurial behavior and leadership



Promote agility, accountability and drive for execution



Our vision

Becoming the world's leading and most valued Generics and Biosimilars company

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Focused on sales execution

What we did

Prioritized growth by expanding share and bringing new products to market

Invested in capabilities to return the US to growth

Executed on accretive M&A and BD&L

Discontinued activities non-core to our business

What we achieved

Six continuous quarters of growth¹



Advanced European leadership, outperforming the market



Accelerated growth in International markets and stabilized the North American business



1. In constant currencies, based on Sandoz division's net sales, as reported by Novartis. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

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Invested in the pipeline and doubled down on Biosimilars

2x
expected overall launch contribution to net sales in the next five years¹

~3x
number of Biosimilars in development in the last five years

~50%
of launch contribution to net sales expected to be derived from Biosimilars in the next five years

>400
Generics in pipeline

24
Biosimilars in pipeline

>USD 341bn
molecular LoE value targeted²

4
Key Biosimilars launches upcoming

Humira®
(adalimumab³)

Tysabri®
(natalizumab)

Prolia® / Xgeva®
(denosumab)

Eylea®
(aflibercept)

✓ **EMA and FDA approved**

Note: The third-party trademarks above are property of their respective owners. 1. Compared to prior five years, for both Generics and Biosimilars. 2. Combined Generics and Biosimilars molecular LoE value covered based on analysis of annual sales at full year prior to expected market formation year. For Generics, LoE coverage based on Company analysis using Evaluate Pharma and other databases; for Biosimilars, LoE value covered based on Company analysis using Evaluate Pharma. 3. Only pertains to adalimumab high concentration formulation (HCF).

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Strategic investments in our Biosimilars capabilities

Recent announcement March 09, 2023

New Biosimilars production plant in Slovenia



>USD 400m
Planned investment



Recent announcement May 09, 2023

Expansion of Biosimilars development center in Germany



~EUR 25m
Planned investment

+ Additional planned investments in other locations to complement existing capabilities



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Leveraging Biosimilars partnerships to drive long-term growth

Key partners



Note: The third-party trademarks above are property of their respective owners.

> **Accessing best-in-class Biosimilars technical and manufacturing capabilities**

> **Securing long-term Biosimilars manufacturing capacity**

> **Adding new commercial assets**

> **Sandoz as partner of choice due to commercial scale, development and regulatory capabilities**

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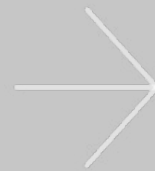
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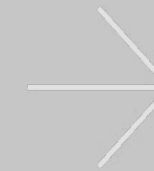
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Reshaped for
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Six strategic levers to drive long-term shareholder value



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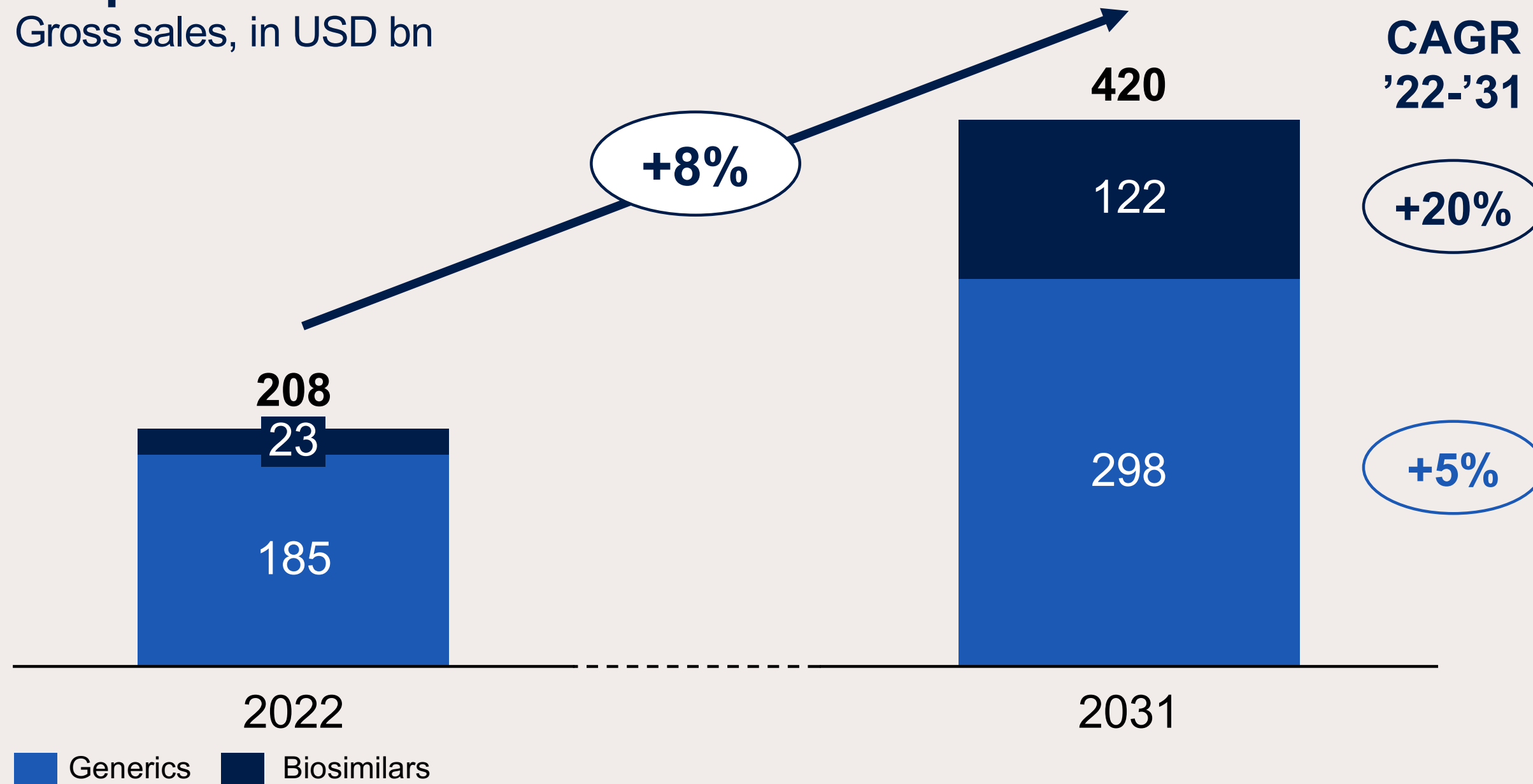
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Attractive and growing market with increasing share in Biosimilars

Off-patent market¹ Gross sales, in USD bn



1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price, excludes certain sizeable markets with no or limited Sandoz operations; 2022-2031 CAGR for Biocomparable, Early Entry Generics and Generics as defined by IQVIA and includes all ATC and NFC forms.

Market dynamics

- > Supportive demographic trends
- > Challenged healthcare systems
- > Growing value of loss of exclusivity
- > Shifting share towards Biosimilars
- > Increasing market adoption of Generics and Biosimilars

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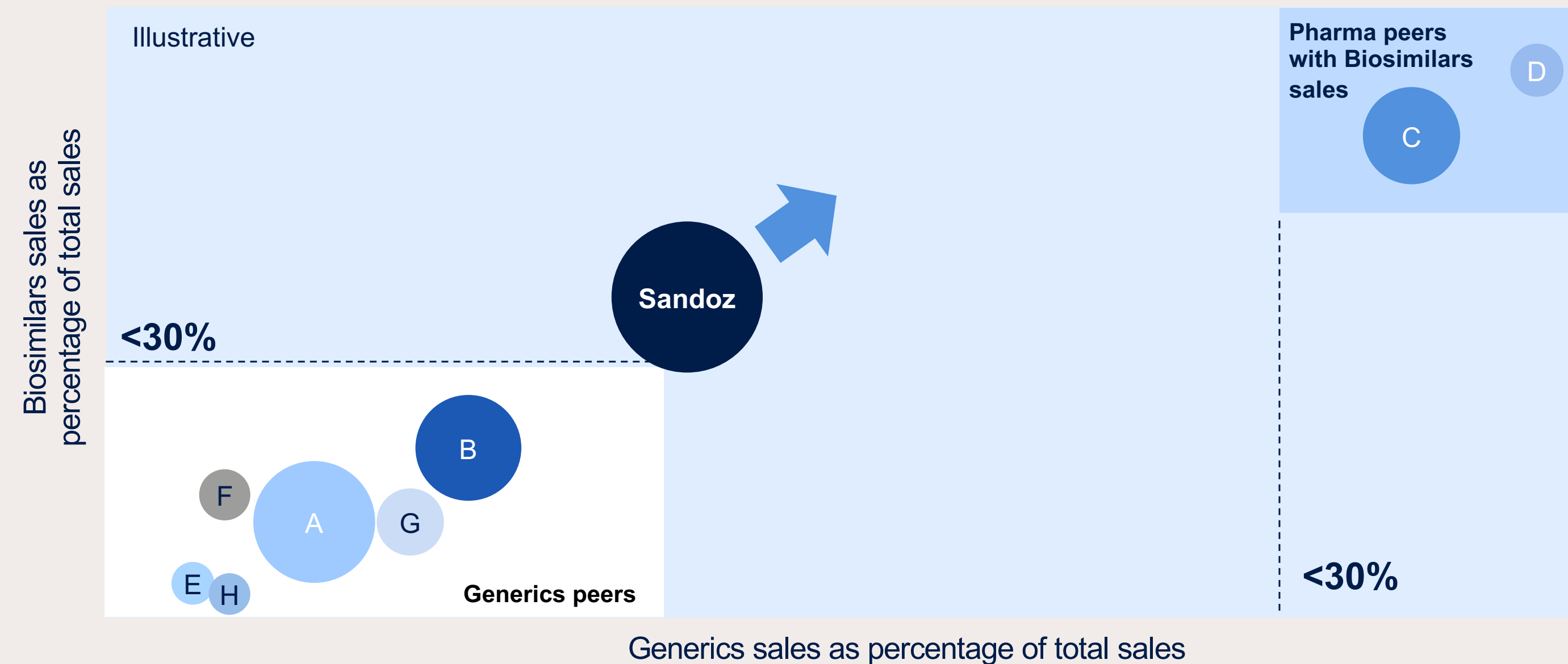
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The only company positioned at scale in Generics and Biosimilars

Gross sales in global Generics and Biosimilars¹ %, vs. key competitors



1. Illustration based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price.

Balanced risk profile

Leverage scale

Opportunity for significant growth and margin expansion

Substantial synergies between Generics and Biosimilars

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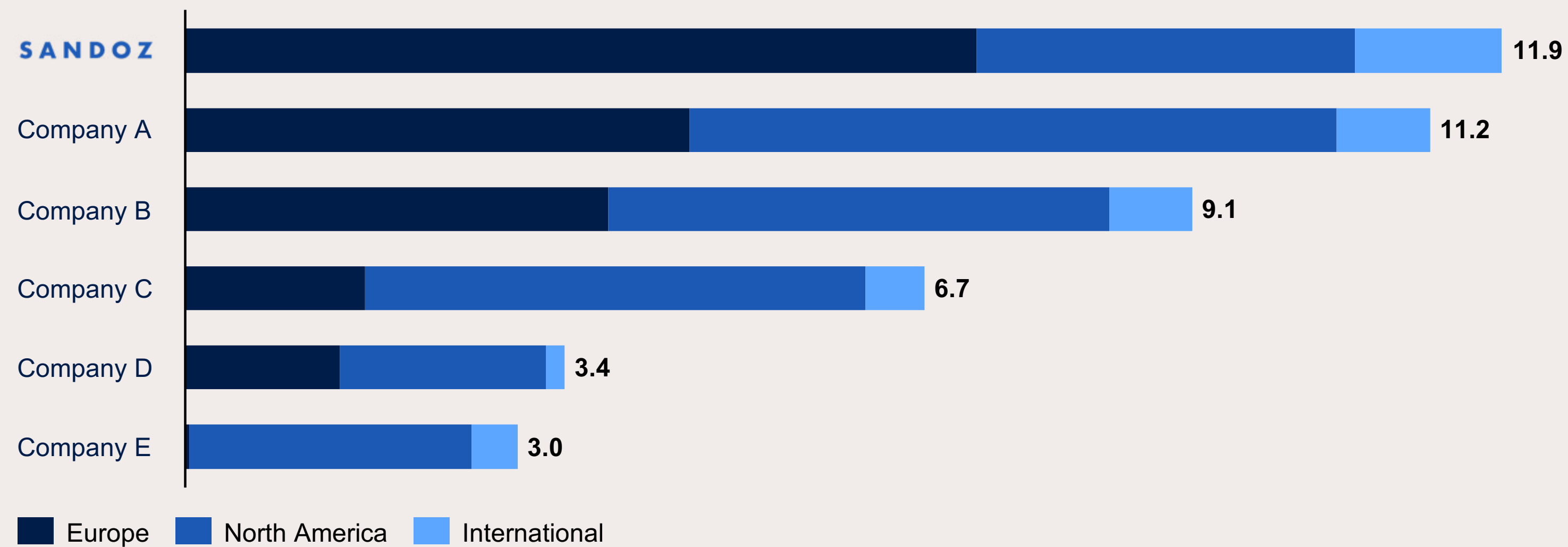
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Global leadership and scale; #1 in Europe, Sandoz biggest market

Breakdown of global Generics and Biosimilars players by region¹ Gross sales, in USD bn



#1 in stable and profitable European market

At scale but not over-exposed to North America

Targeted presence in International

1. Based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, NFC V and Z and certain sizeable markets with no or limited Sandoz operations; Biocomparable, Early Entry Generics and Generics as defined by IQVIA.

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Leading in Biosimilars in the majority of biggest markets; sustained increase in share globally

Sandoz Biosimilars ranking¹ in the top 10 markets

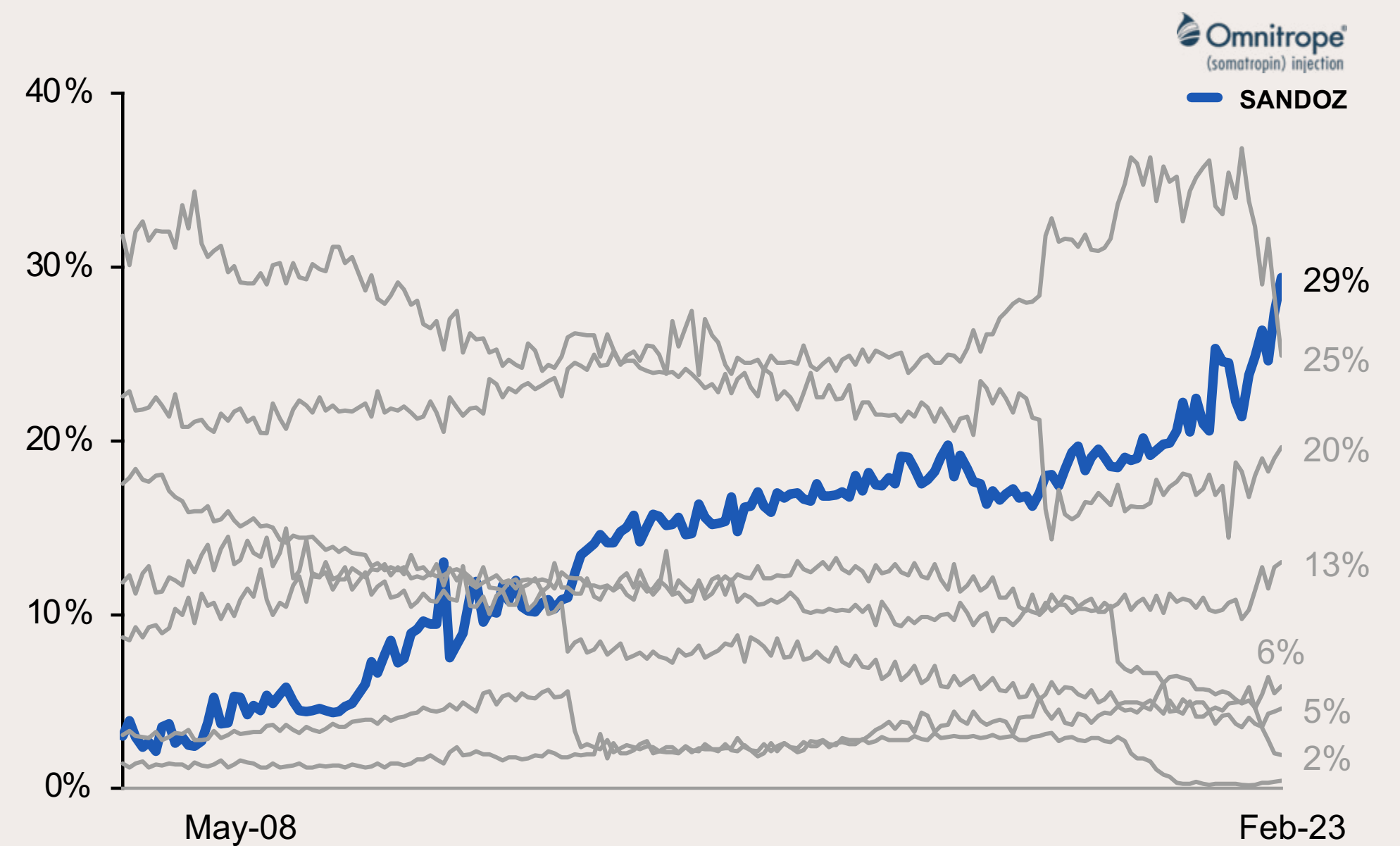
US	#4
Germany	#1
UK	#4
Italy	#1
France	#1
Spain	#1
Canada	#2
Japan	#13
Netherlands	#1
Switzerland	#1

Biosimilars leadership in the biggest European markets

Four upcoming Biosimilars launches in the US

Creating access to Biosimilars in key International markets

Case study: Omnitrope share evolution²



1. Based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, and certain sizeable markets with no or limited Sandoz operations; Biocomparable, Early Entry Generics and Generics as defined by IQVIA; ranking sorted by order of Sandoz regional sales contribution. 2. Based on Company analysis using data from IQVIA PADDs Feb'23 data, using volume data, including Originator products.

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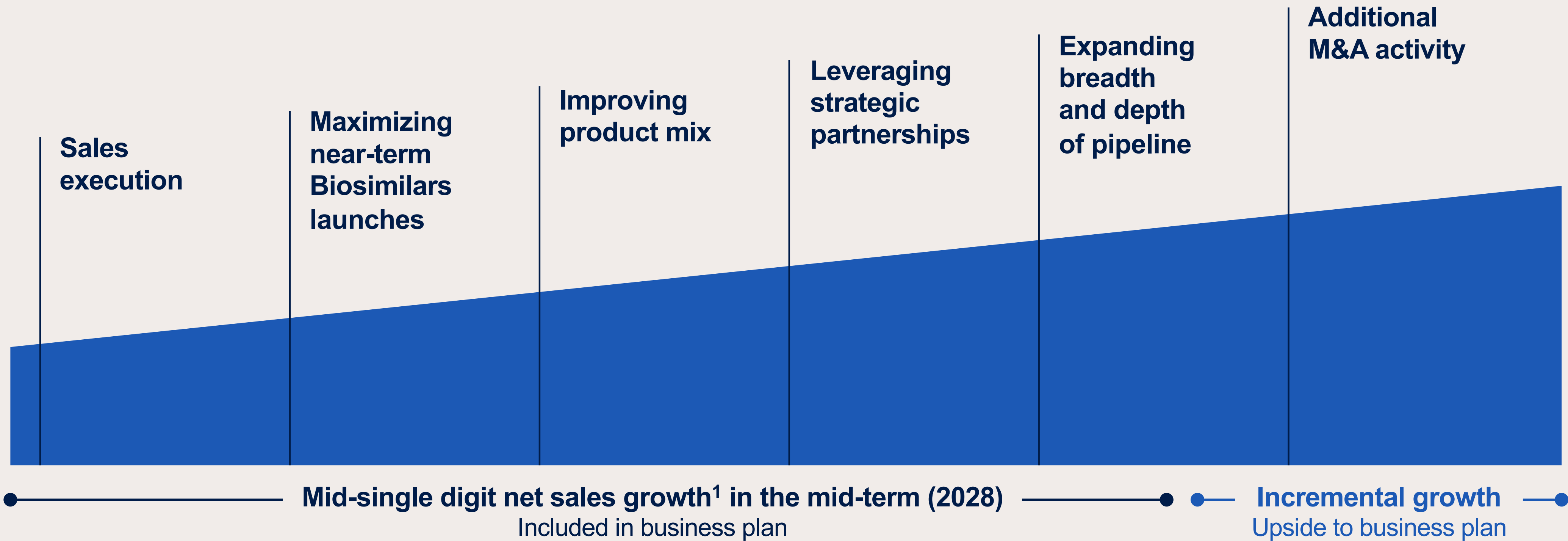
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Multiple drivers to deliver mid-single digit top-line growth¹ in the mid-term



1. In constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

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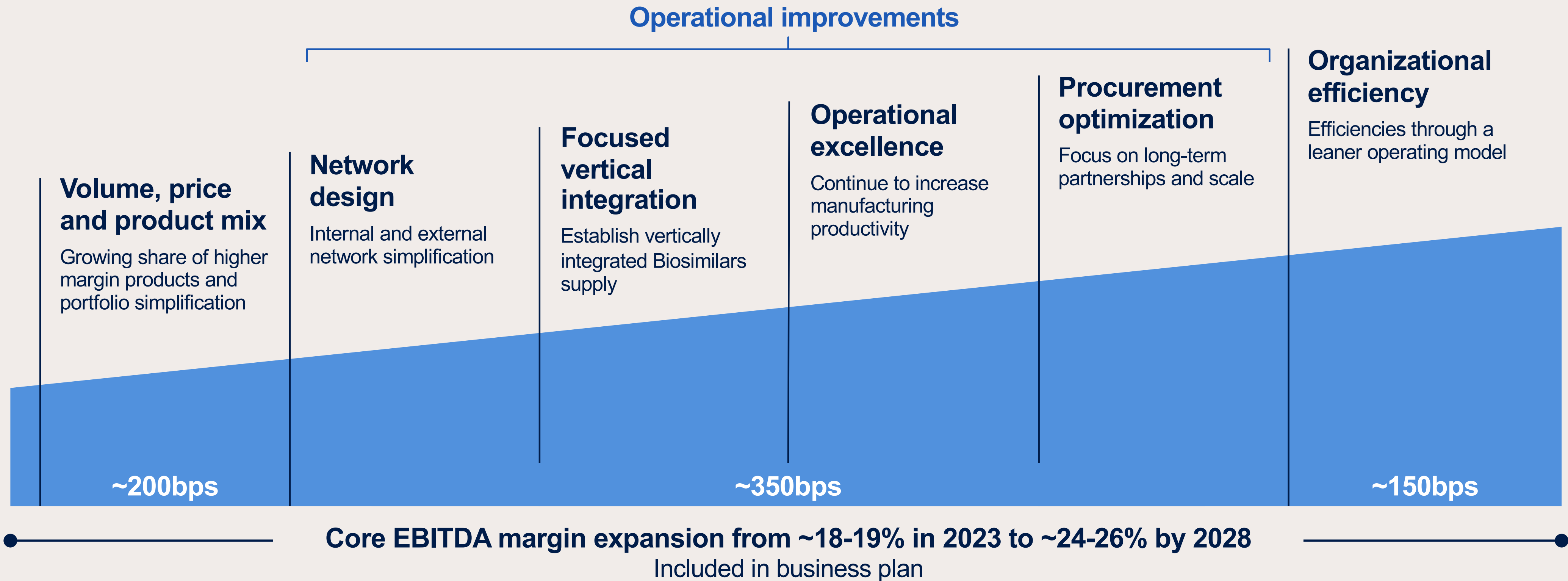
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Rigorously focused on improving core EBITDA margin to ~24-26% by 2028



Note: For additional information regarding the core results, which are non-IFRS measures, see "Appendix" starting on slide 136.

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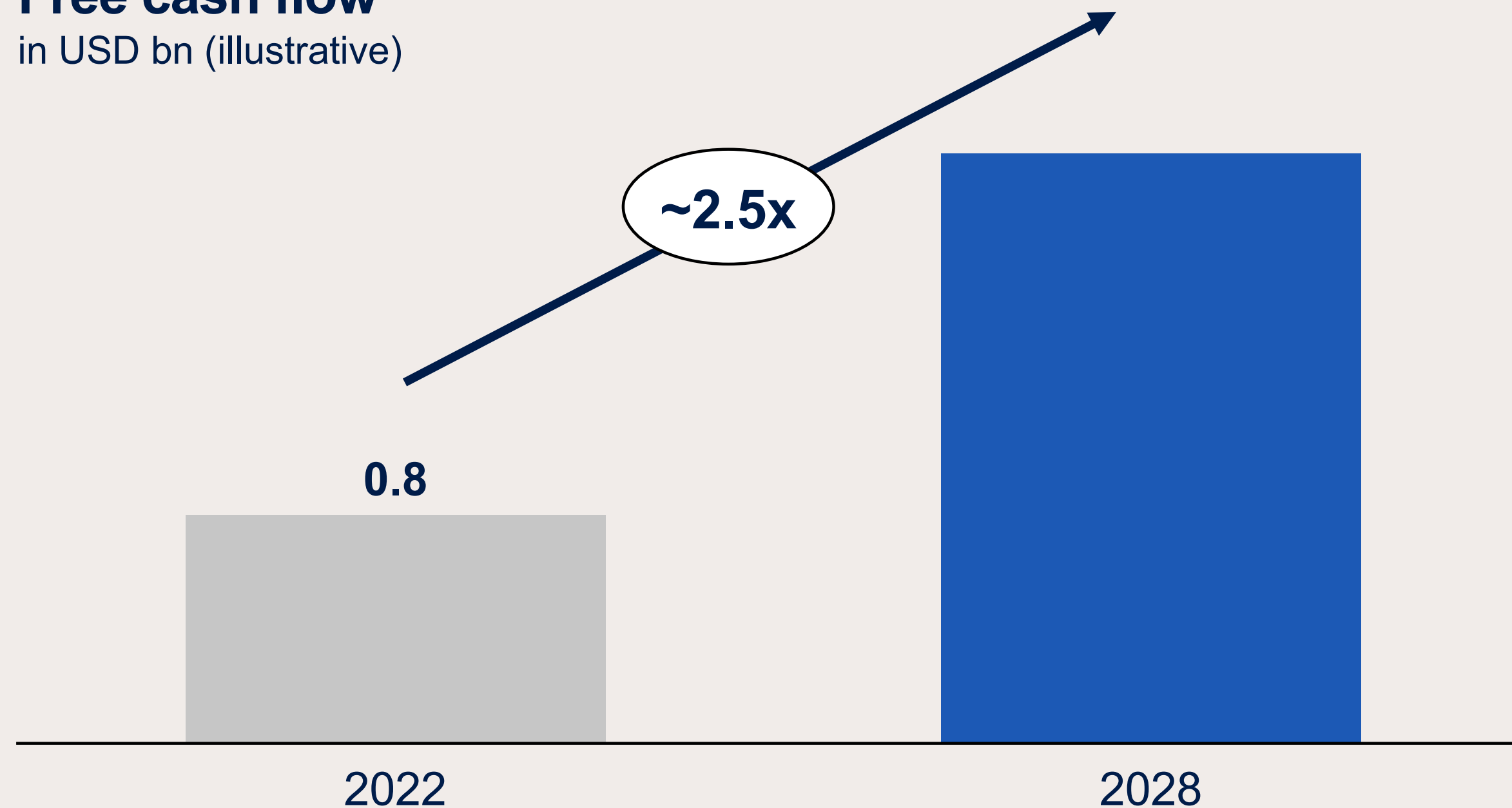
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Core EBITDA margin expansion driving strong free cash flow uptake

Free cash flow in USD bn (illustrative)



Note: 2022 based on unaudited draft carve-out financials extract. For additional information regarding free cash flow, which is a non-IFRS measure, see "Appendix" starting on slide 136.

Attractive cash flow profile

Sustained core EBITDA margin expansion

Increasing EBITDA to cash conversion

Working capital optimization

Capital allocation priorities

- 1 Investment in organic business
- 2 Return capital to shareholders
- 3 Deployment into value generating bolt-on M&A and BD&L

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Maintaining optionality with strong balance sheet

Prudent capital structure at spin-off



Net debt to core EBITDA ratio in the range of 2.0-2.5x



Targeting investment grade credit profile



Note: For additional information regarding the core results and net debt, which are non-IFRS measures, see "Appendix" starting on slide 136.

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2023 and mid-term guidance

	2023 guidance	Mid-term guidance (2028E)
Sales growth¹ %	Mid-single digit	Mid-single digit
Core EBITDA % margin	~18-19%	~24-26%
Dividend policy % of core net income	20-30% Full year dividend based on FY 2023 core net income	30-40%

Note: Unless the context requires otherwise, the expression "mid-term" used in this section refers to a forecast until 2028. As with any projection or forecast, these five-year outlook measures are inherently susceptible to uncertainty and are based on various assumptions that may turn out to be incorrect. For additional information regarding core results and constant currencies, which are non-IFRS measures, see "Appendix" starting on slide 136. 1. Net sales to third parties, in constant currencies.

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Sustainability strategy aligned with our purpose and growth

We incorporate environmental responsibility, driving down our carbon footprint and preserving natural resources

We deliver access to medicines and democratize biologics worldwide



We champion diversity, equity and inclusion

Underpinned by strong corporate governance

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Well-positioned to deliver sustainable growth and drive long-term shareholder value



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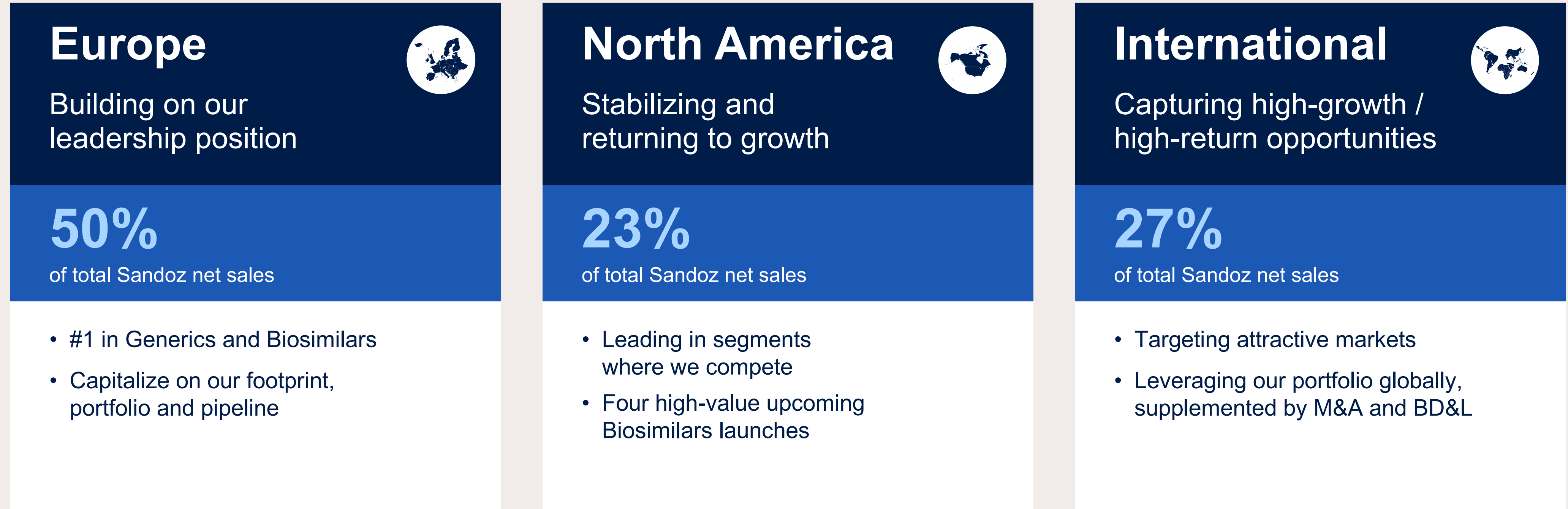
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Market affinity at scale is our competitive advantage



Note: Net sales to third parties based on unaudited draft carve-out financials extract.

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Building on our leadership position in Europe



Rebecca Guntern
President Europe

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Region Europe at a glance



USD 65bn
FY 2022 market size¹

Large, attractive and growing market opportunity

#1 in Generics and Biosimilars²

#1 in 3 out of top 5 European markets³ and expanding leadership¹

USD 4.5bn
FY 2022 net sales

Strong top-line growth

Powerful commercial platform

Present in >40 countries and leading in ~80% of markets across Europe^{1,4}

Leading go-to-market capabilities

Best-in-class in first-to-market execution, commercialization and market access

Multiple drivers of sustainable top-line growth

Leverage strong commercial platform and leading go-to-market capabilities

Note: Net sales to third parties based on unaudited draft carve-out financials extract. 1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price for Biocomparable, Early Entry Generics and Generics as defined by IQVIA and includes all ATC and NFC forms. 2. Based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, NFC V and Z; Europe excluding Russia; Biocomparable, Early Entry Generics and Generics as defined by IQVIA, Europe excluding Russia. 3. The European top 5 markets include Germany, France, UK, Italy, and Spain. 4. Leadership defined as being ranked among top 3 per country in gross sales.



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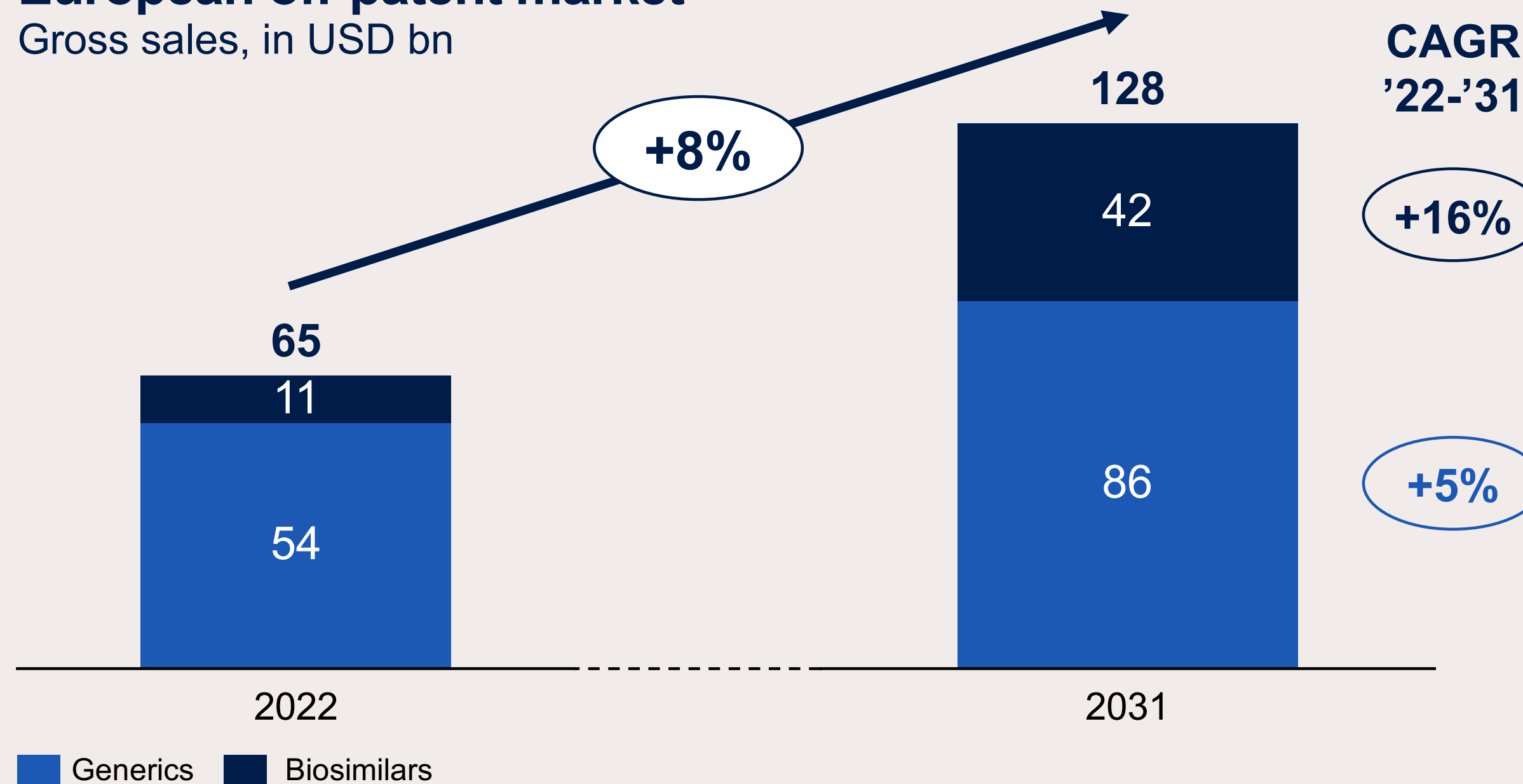
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Europe represents a large, attractive and growing market

European off-patent market¹ Gross sales, in USD bn



1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price, Europe excluding Russia; 2022-2031 CAGR for Biocomparable, Early Entry Generics and Generics as defined by IQVIA and includes all ATC and NFC forms. 2. KPMG, 2021. Generics Medications and Asia-Pacific Health Systems.



Market dynamics

Generics accounting for ~70% of dispensed medicines²

Continuing market growth primarily driven by

- Loss of exclusivity in Biosimilars and Generics
- Solid volume growth due to aging population in Europe
- Continued off-patent medicines penetration in line with cost-containment policies

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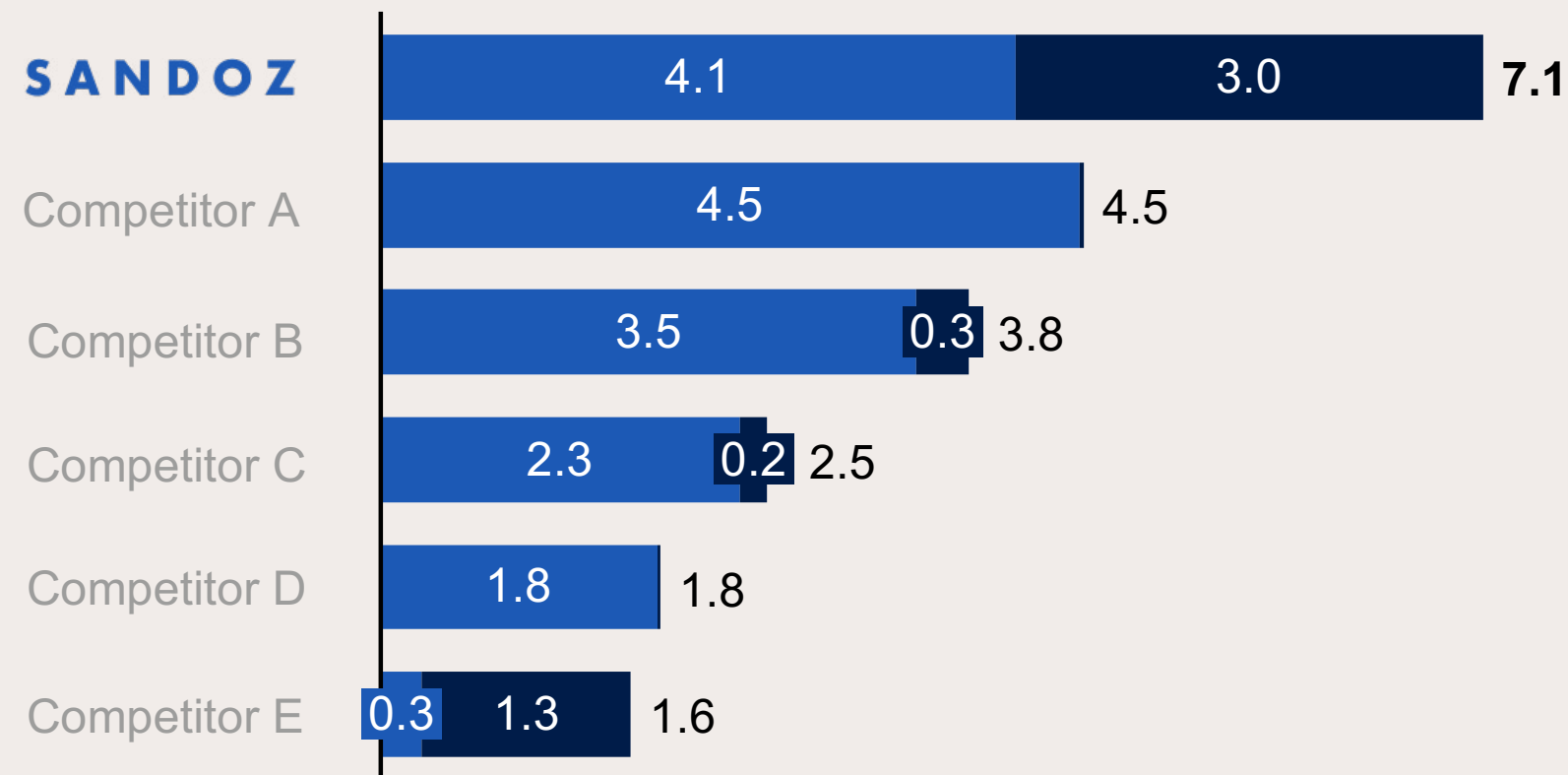
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We are the clear leader in Generics and Biosimilars in Region Europe



European market¹ ranking by top Generics and Biosimilars competitors

Gross sales, in USD bn



■ Generics ■ Biosimilars

Total share

Share	3Y Δ Share	3Y Evolution Index ²
11%	▲	104
7%	▼	95
6%	▼	99
4%	—	100
3%	▼	99
3%	▲	101

1. Based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, NFC V and Z; Europe excluding Russia; Biocomparable, Early Entry Generics and Generics as defined by IQVIA, Europe excluding Russia. 2. Describes the respective company growth compared to the overall growth rate of the market. 3. The European top 5 markets include Germany, France, UK, Italy, and Spain.

#1 in Europe and in 3 out of Top-5 markets^{1,3}

#1 in Biosimilars growing above market; #2 in Generics returning to above the market growth

Doubled the gap to closest competitor over the last 3 years

Balanced portfolio composition

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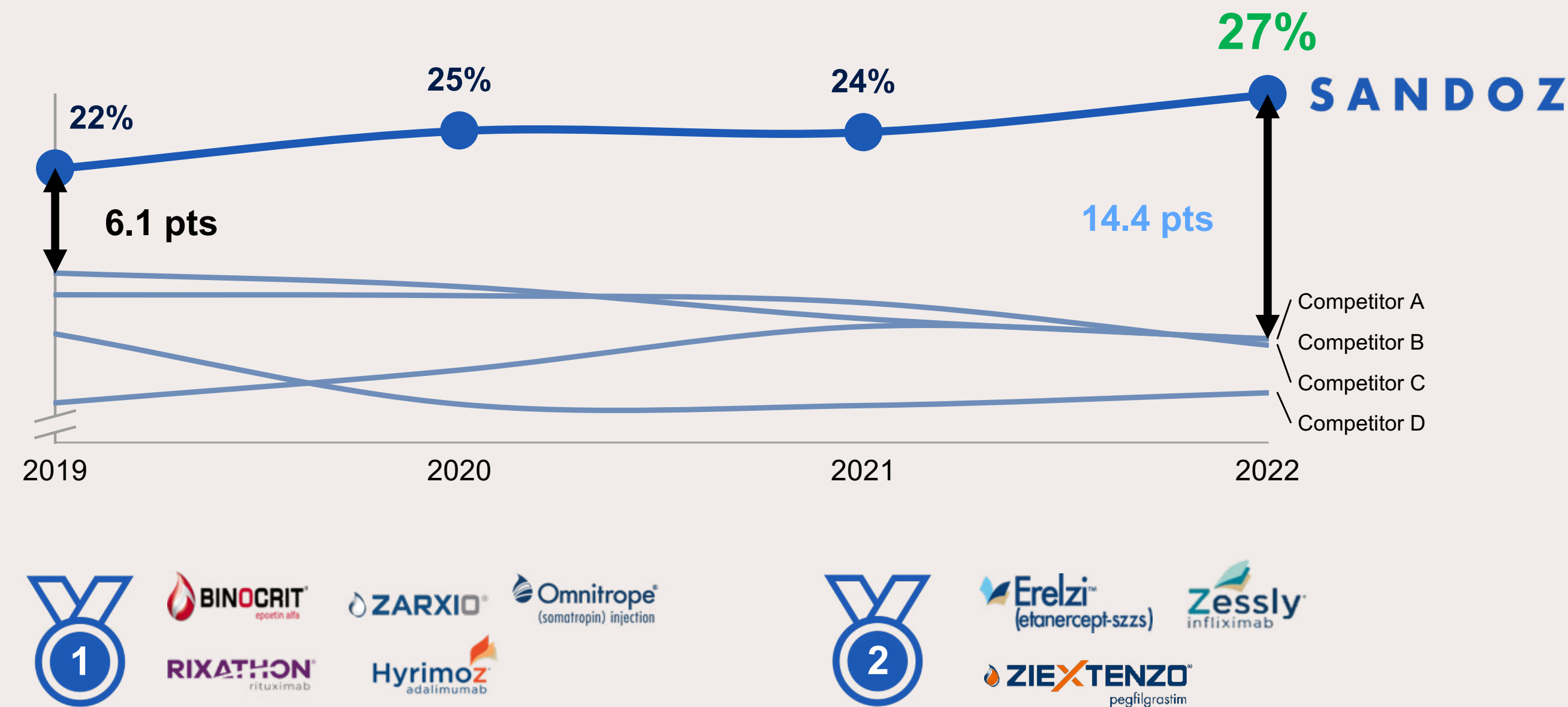
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Continuing to expand our leadership in Biosimilars



Sandoz Biosimilars share evolution (2019 - 2022)¹



Sandoz is leader in 5 of its 8 launched Biosimilars²

2x share vs. closest competitor

>80% tender win rate³

Four upcoming launches



Note: The third-party trademarks above are property of their respective owners. 1. Based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price; Biocomparable market defined by IQVIA, Europe excluding Russia. 2. Based on Company analysis using IQVIA MAT12'22 MIDAS, volume-based; excludes parallel import corporations. 3. Number of tenders won as a percent of total number of tenders bid, FY 2022. 4. Only pertains to adalimumab high concentration formulation (HCF).

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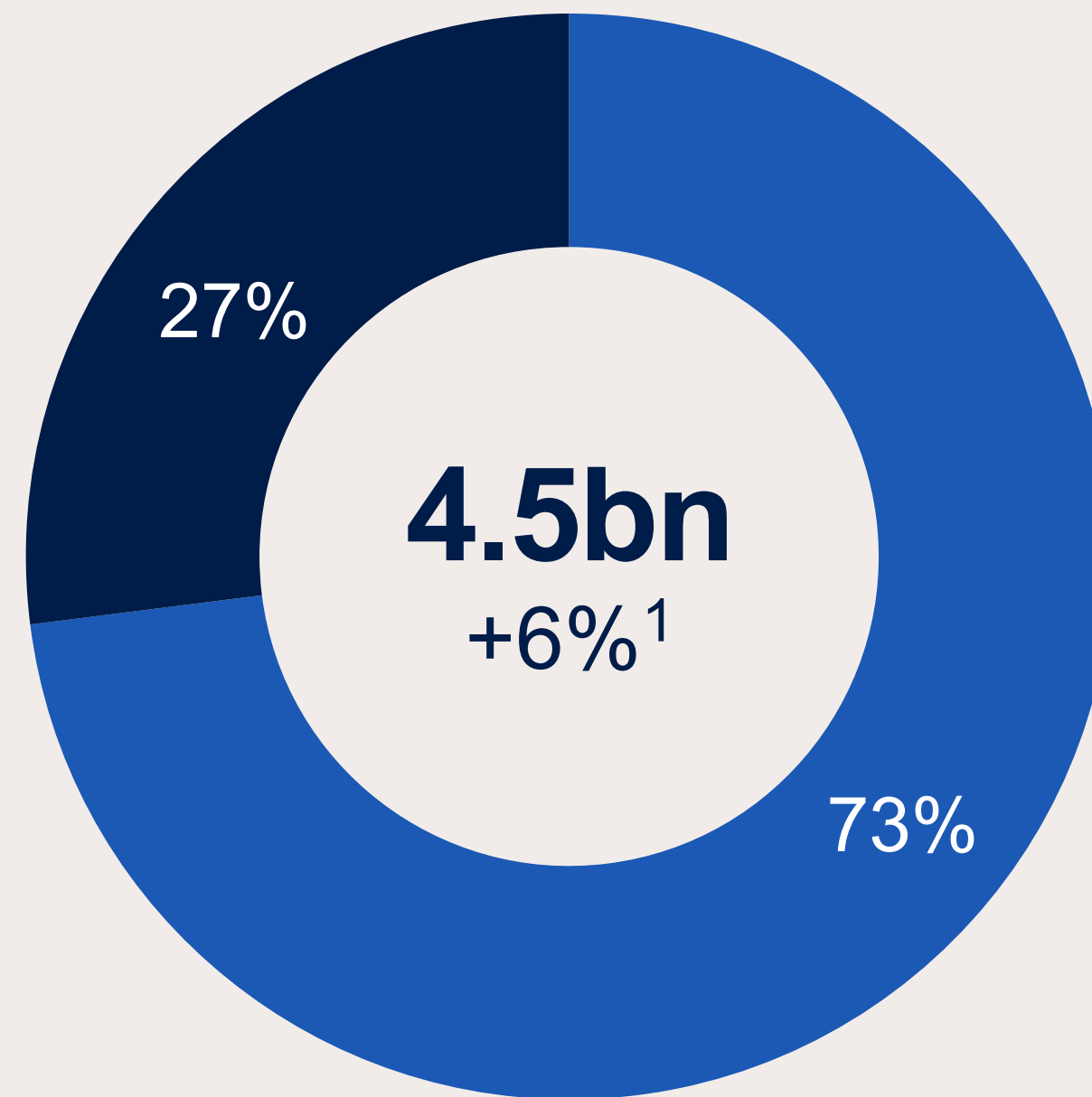
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Delivering strong sales growth in Region Europe

Net sales
FY 2022, in USD

Biosimilars
1.2bn



Generics
3.3bn



Key drivers of recent performance

Growing European market with post-COVID demand rebound

Above market growth driven by strong volume uptake in both Generics and Biosimilars

Coverage of the majority of LoEs and first-to-market focus

Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. ¹ Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

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Our strong commercial platform delivers affinity at scale across all market archetypes and makes us a partner of choice



Unparalleled commercial footprint



Present in >40 countries and leading in ~80% of markets across all market archetypes^{1,2}

Strong field force footprint with >2,500 field force FTEs across Europe³

Leading portfolio breadth across TAs with >900 products³ and ~98% of Top-100 INNs covered¹

Market archetype

Tender driven

Share of voice

Substitution

Markets where we lead^{1,2}

DE	IT	FR
ES	NL	CH
UK	Nordics	AT

1. Based on Company analysis for ranking by value using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, NFC V and Z; Biocomparable, Early Entry Generics and Generics as defined by IQVIA, Europe excluding Russia. 2. Leadership defined as being ranked among top 3 per country in gross sales. 3. Based on Company analysis using internal Sandoz data, 2022; product defined as combination of molecule and dosage form.

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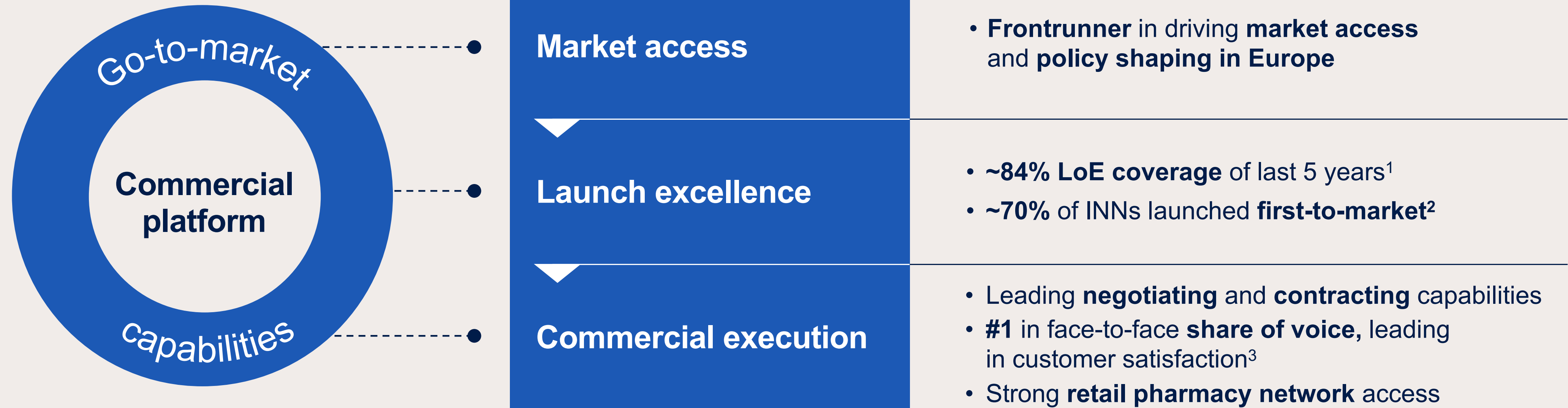
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Complete product portfolio and go-to-market capabilities make Sandoz the clear commercial partner across Europe



1. LoE value covered based on Company analysis using Sandoz IP and IP database; Germany LoE used as proxy for other markets in EU – Originator sales at LoE-1. 2. Based on Company analysis using IQVIA. 3. Based on Company analysis using IQVIA Channel Dynamics, Q4'22. Note: customer satisfaction represented by Net Promoter Score (NPS).

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Multiple drivers of sustainable growth in Region Europe



1. LoE value covered based on Company analysis using Evaluate Pharma. 2. LoE value covered based on Company analysis using Sandoz IP and IP database; Germany LoE used as proxy for other markets in EU – Originator sales at LoE-1.

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Stabilizing and returning to growth in North America



Keren Haruvi
President North America

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Region North America at a glance



USD 75bn
FY 2022 North America market¹

Rapid Biosimilars market growth expected

Regaining leadership positions

#4 in the US and #2 in Canada²

USD 2.1bn
FY 2022 net sales

Stabilizing ahead of key launches

Renewed commercial strategy

Launch excellence, organizational redesign and customer relationships

Four upcoming Biosimilars launches

with adalimumab and natalizumab³
launches planned in H2 2023

Multiple drivers of sustainable top-line growth

Commercial excellence, Biosimilars launches and pipeline expansion

Note: Net sales to third parties based on unaudited draft carve-out financials extract. 1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price for Biocomparable, Early Entry Generics and Generics as defined by IQVIA and includes all ATC and NFC forms. 2. Based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, NFC V and Z; Biocomparable, Early Entry Generics and Generics as defined by IQVIA. 3. Subject to customary launch-related litigation.



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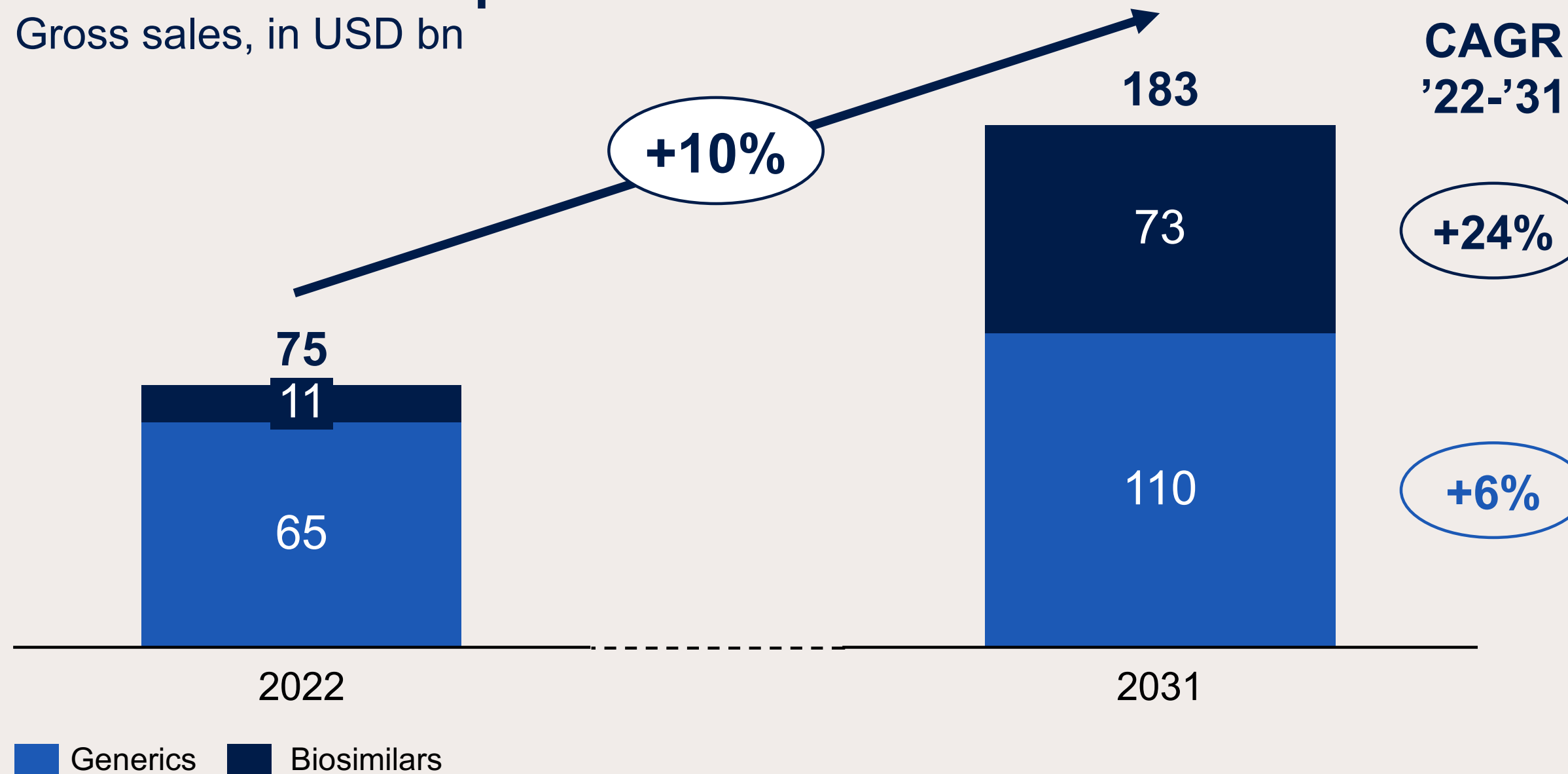
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Biosimilars expected to drive significant growth opportunity in North America

North America off-patent market¹ Gross sales, in USD bn



Note: Numbers may not add up due to rounding. 1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price; 2022-2031 CAGR for Biocomparable, Early Entry Generics, and Generics as defined by IQVIA and includes all ATC and NFC forms. 2. 2022 International Monetary Fund GDP estimates. 3. OECD population forecast, 2023. 4. LoE value covered based on Company analysis using Evaluate Pharma, extended by Company forecasting.



Market dynamics

#1 (US) and #9 (Canada) largest global economies²

Large and aging population: ~22% of North Americans will be 65 years or older by 2050³

Continuing reliance on Generics and Biosimilars for sustainability of healthcare system

High off-patent penetration in the US, with 90% of prescriptions filled with off-patent drugs

USD 172bn in upcoming biologics LoE by 2031 in the US⁴

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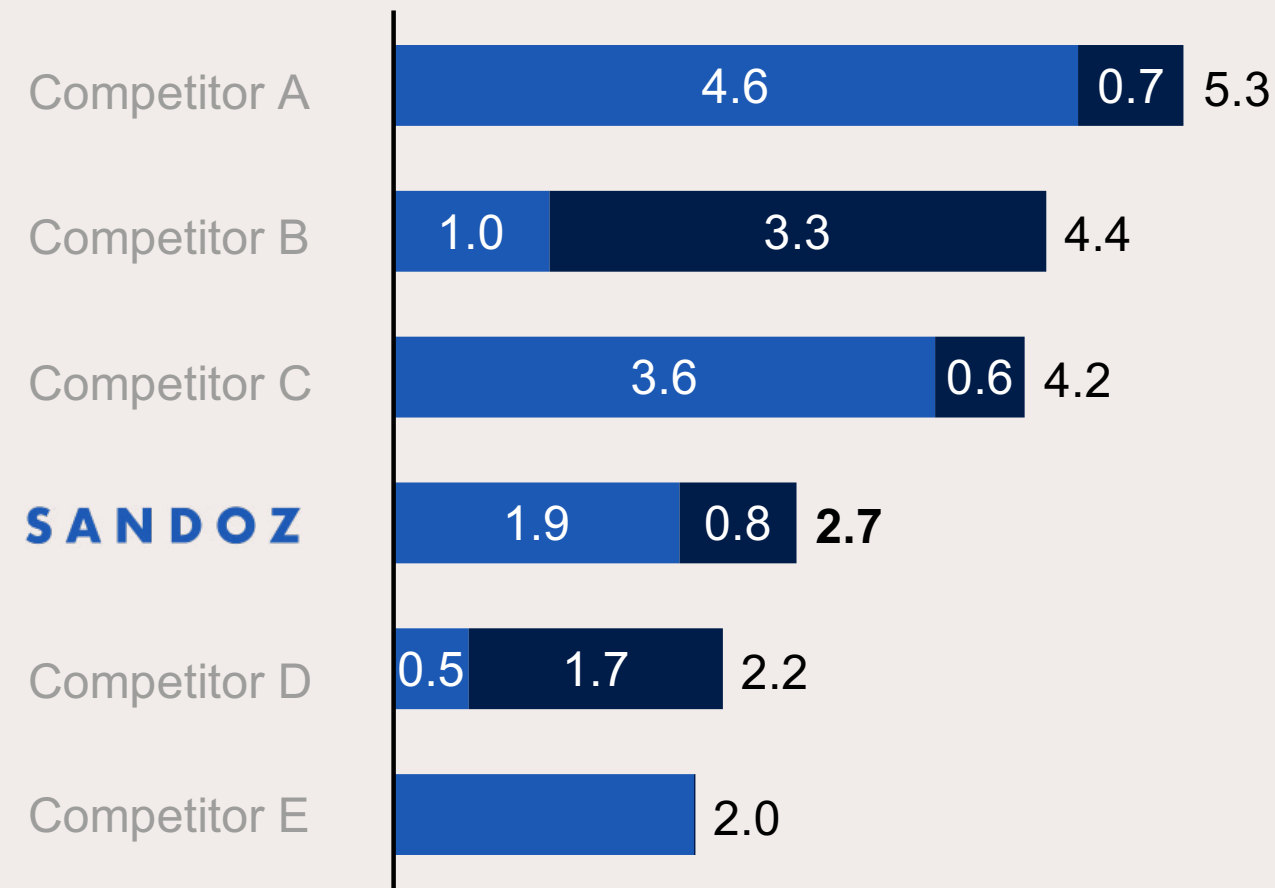
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#4 in the US and #2 in Canada



United States

US market ranking¹



Total share¹

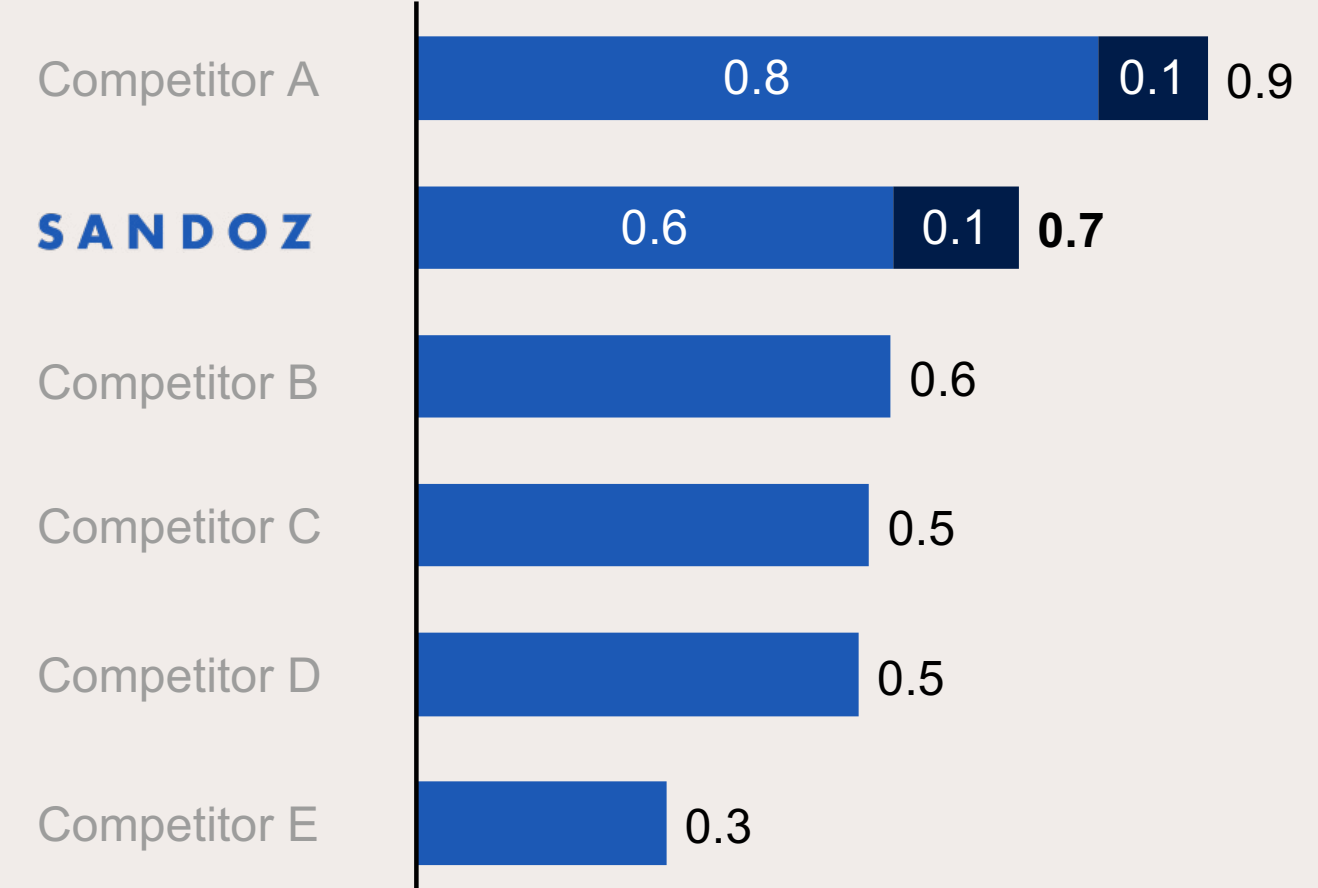
	3Y Δ Share	1Y Δ Share
Competitor A	8%	▼
Competitor B	6%	▲
Competitor C	6%	▼
SANDOZ	4%	▲
Competitor D	3%	▼
Competitor E	3%	▼

■ Generics ■ Biosimilars



Canada

Canadian market ranking¹



Total share¹

	3Y Δ Share	1Y Δ Share
Competitor A	14%	▼
SANDOZ	10%	▲
Competitor B	8%	▲
Competitor C	8%	▲
Competitor D	8%	▼
Competitor E	4%	▲

1. Ranking by value in gross sales based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price, excluding ATC J7,K,T and V, NFC V and Z; Biocomparable, Early Entry Generics and Generics as defined by IQVIA; arrows represent share change vs. 2019 and 2021, respectively.

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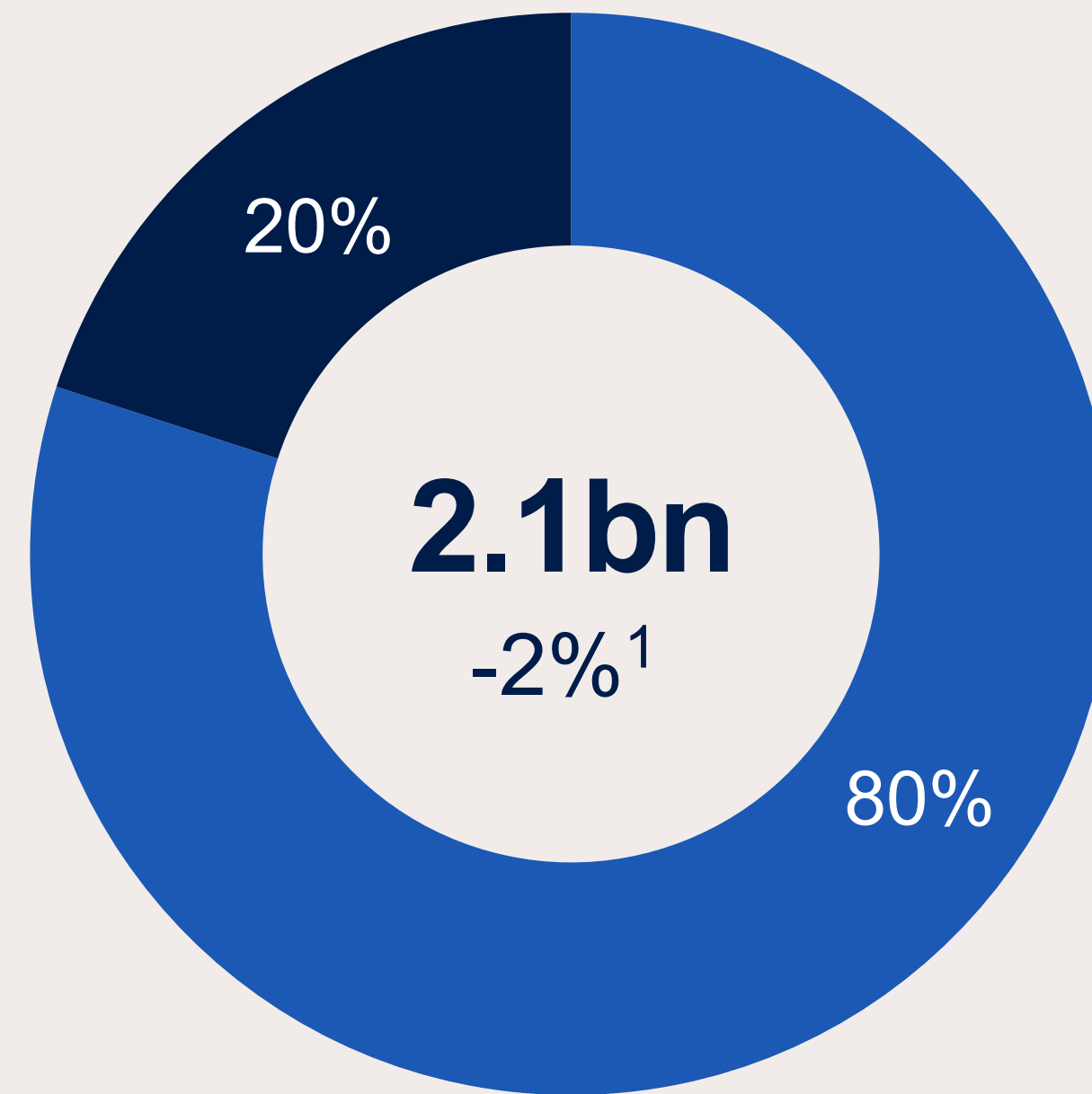
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North American business stabilizing ahead of key launches

Net sales
FY 2022, in USD

Biosimilars
0.4bn

Generics
1.7bn



Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. ¹ Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.



Headwinds through to 2021

Lack of portfolio investments due to strategic decision to divest oral solids business in 2018

Business stabilizing in 2022 as new strategy is implemented

- Focused product approach
- Launch excellence
- Rebuilding customer relationships
- Strengthening pipeline

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New strategy proving successful with early achievements



Focused product approach and launch excellence



- Improving in-market product performance
- IP success opening new opportunities, e.g. pirfenidone
- Regulatory capabilities strengthened

Rebuilding customer relationships



- Continued pricing, sales and contracting excellence
- Growing share with key customers
- 100% Biosimilars drug supply reliability since 2015

Strengthening pipeline



- Pipeline investment toward US opportunities
- Targeting high-value US Biosimilars and complex Generics
- Doubled first-to-file submissions (vs. 2021)

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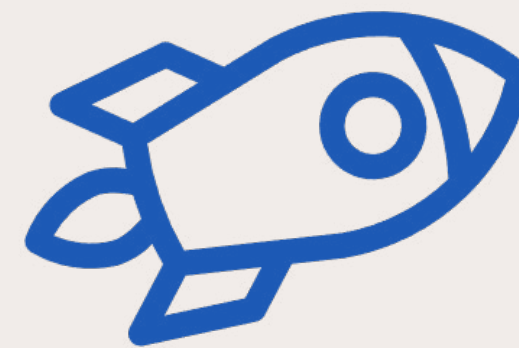
Four upcoming Biosimilars launches supported by strong commercial capabilities

Humira®
adalimumab
H2 2023
Launch

Tysabri®
natalizumab
H2 2023
onward¹

Prolia® / Xgeva®
denosumab
2024
onward¹

Eylea®
aflibercept
2024
onward¹



Note: The third-party trademarks above are property of their respective owners. 1. Subject to customary launch-related litigation.



Key commercial capabilities

Deep market knowledge from long legacy in Biosimilars (1st Biosimilar in US history)

Expertise in leveraging entire portfolio breadth to key customers

Launch excellence in all market channels

Strong market access and IP capabilities

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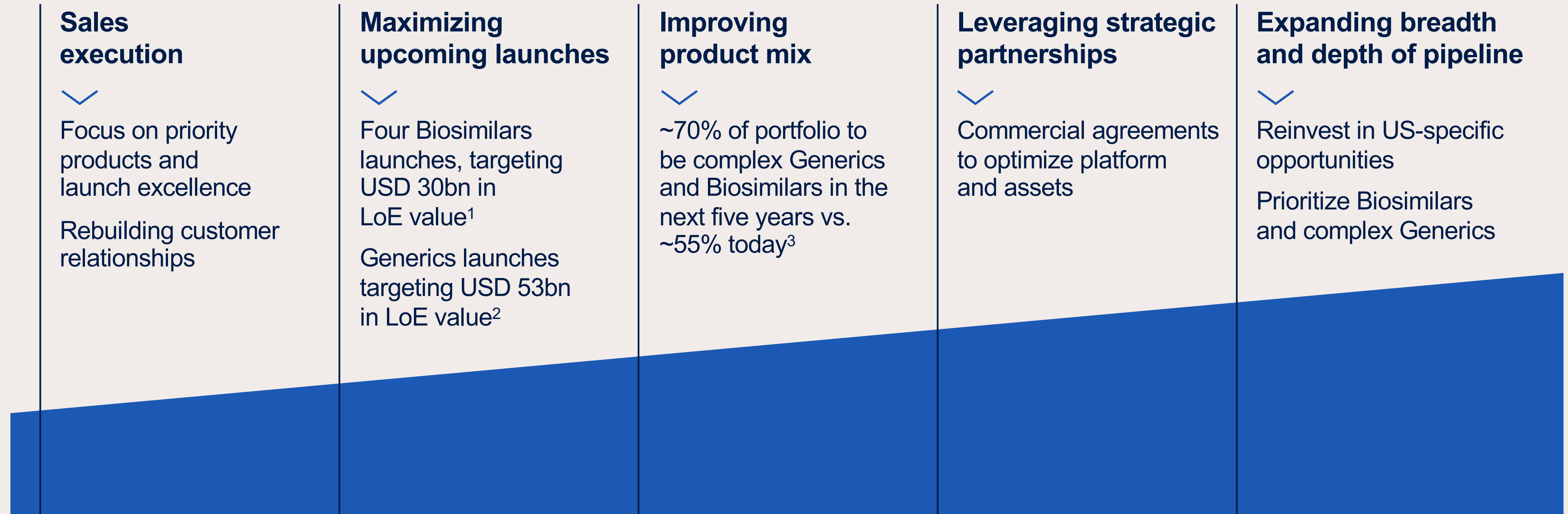
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Multiple drivers of sustainable growth in North America



1. LoE value covered based on Company analysis using Evaluate Pharma. 2. LoE value covered based on Company analysis using Sandoz IP and IP database; for US only. 3. Based on Sandoz net sales in FY 2022 and unaudited pipeline value.

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Capturing high-growth / high-return opportunities in International markets



Francisco Ballester
President International

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Region International at a glance



USD 68bn
FY 2022 market size¹

Highly attractive dynamics

Targeting most attractive markets

26 markets with direct presence²

USD 2.5bn
FY 2022 net sales

Consistent high-single digit growth

Leveraging our portfolio globally

Selective roll-outs and expansion

Tactical M&A and BD&L

Enhancing local and global portfolios

Multiple drivers of sustainable top-line growth

Capturing high-growth / high-return opportunities

Note: Net sales to third parties based on unaudited draft carve-out financials extract. 1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price; including Russia and excluding certain sizeable markets with no or limited Sandoz operations; including all ATC and NFC forms. 2. Markets with direct presence refers to markets with a trading or a non-trading legal entity.

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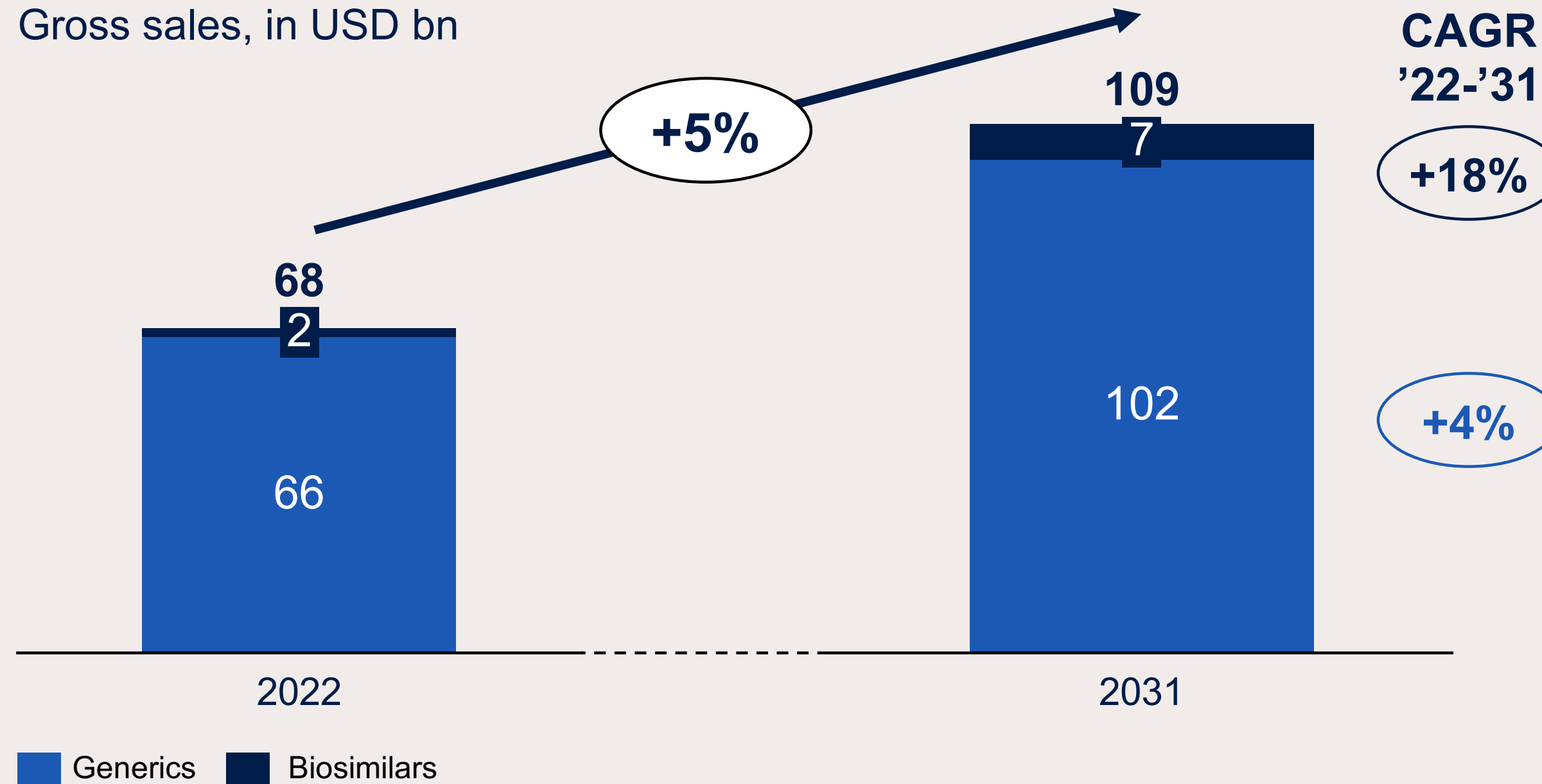
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Long-term international growth supported by attractive market dynamics

International off-patent markets¹ Gross sales, in USD bn



1. Based on Company analysis using IQVIA Analytics Link MAT12-2022 data in LCUSD at gross price; including Russia and excluding certain sizeable markets with no or limited Sandoz operations; 2022-2031 CAGR for Biocomparable, Early Entry Generics and Generics as defined by IQVIA and including all ATC and NFC forms. 2. Worldeconomics.com. 2022. World Markets of Tomorrow. 3. International Monetary Fund 2023.



Market dynamics

By 2030, emerging markets will make up over 50% of global GDP²

Worldwide highest population growth expected in emerging markets³

Pockets of significantly faster growth in selected countries and product areas

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26 most attractive markets served directly



Market archetype

Examples of markets we serve directly

Substitution



Australia



Japan



Brazil

Share of voice



Mexico



South Africa



Turkey

Tender driven



New Zealand



Egypt



Saudi Arabia

Selection criteria for direct presence¹ in 26 markets

- Patient need
- Market size
- Projected growth
- Value creation potential

26 additional markets served via third parties and distributors

1. Markets with direct presence refers to markets with a trading or a non-trading legal entity.

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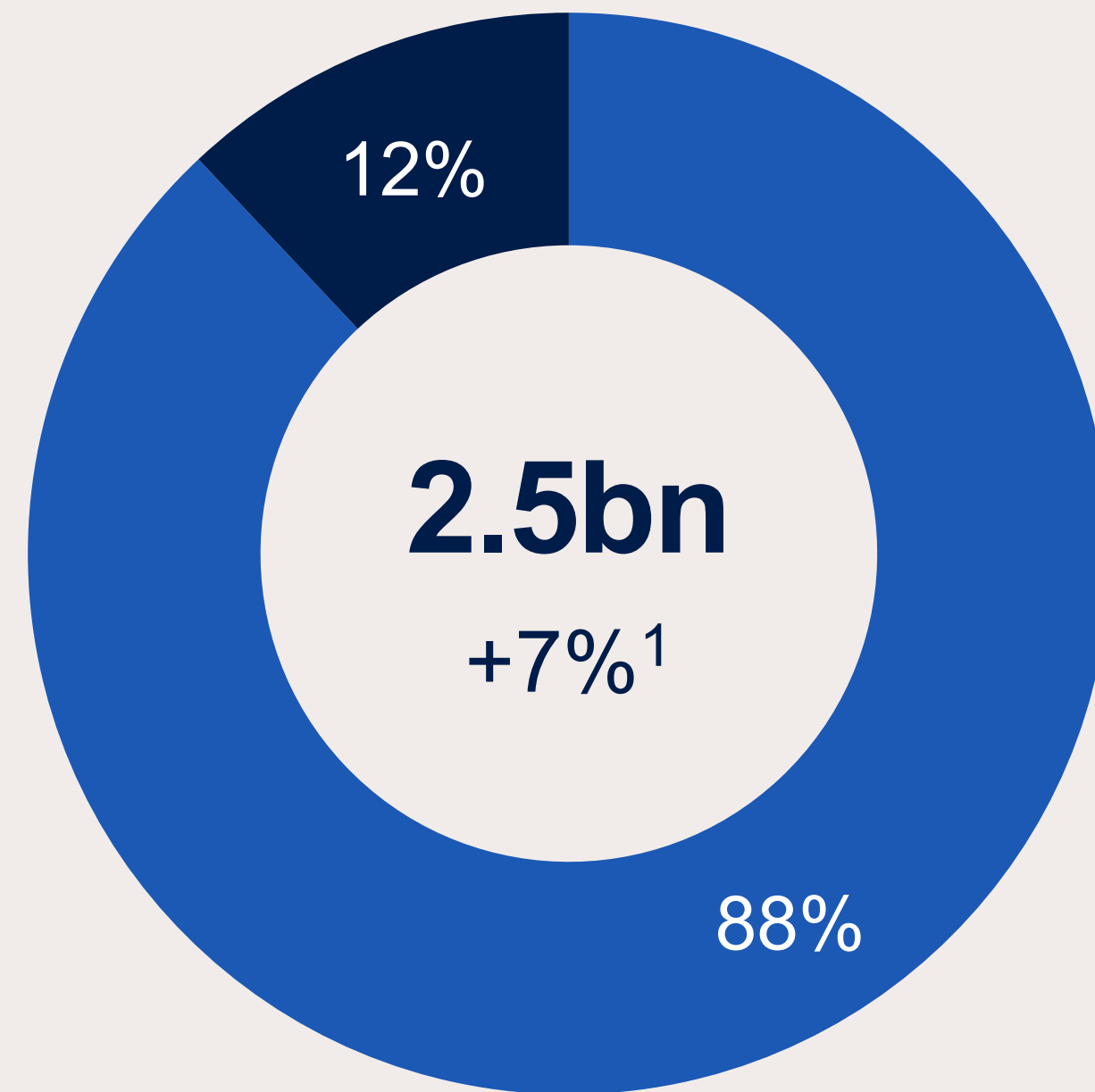
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Our international strategy has delivered strong growth

Net sales
FY 2022, in USD

Biosimilars
0.3bn



Generics
2.1bn



Key drivers of recent performance

Focused on most attractive markets

Implemented efficient hub and satellite structure

Harmonized and simplified portfolio

Doubled first-to-market launches in the last three years

Executed selective inorganic opportunities

Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. ¹ Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

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Leverage and maximize the value of our portfolio globally



Selected examples

Sandoz portfolio

Australia



Maximized global portfolio with focus on first-to-market, expanded key accounts and successful Biosimilars launches

~210 Generics
in-market

6 Biosimilars
including

- adalimumab
- rituximab
- somatropin

15% Net sales growth
(2020 – 2022 CAGR)¹

Brazil



Shifted from pharmacy focus to Antibiotics and Biosimilars launches in partnership with government (10-year agreement)

~90 Generics
in-market

5 Biosimilars
including

- adalimumab
- rituximab
- somatropin

16% Net sales growth
(2020 – 2022 CAGR)¹

1. Based on Sandoz division's net sales.

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Recent acquisitions have enhanced our presence in Japan and global Antibiotics



Key examples

Aspen's Japanese operations in 2020



- > Strengthened commercial presence in Japan, the 3rd largest off-patent market globally
- > Expanded access to hospital channel
- > Broadened portfolio into anesthetics and specialty brands

GSK's cephalosporin business in 2021

- > Reinforced our leading global position in Antibiotics
 - > Added three global brands in more than 100 markets
-  **Zinnat**[®]  **Zinacef**[®]  **Fortum**[®]
ceftazidime
- > Leveraged the existing Sandoz infrastructure

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Multiple drivers of sustainable growth in Region International



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End-to-end capabilities creating long-term value

Driving growth >

Highly attractive pipeline

USD 3bn of launch sales in the next five years

>400 Generics

24 Biosimilars

Delivering pipeline >

Leading capabilities

End-to-end development

Regulatory, legal and IP

In-house expertise and strategic partnerships

Expanding margin >

Operational improvements

Network design

Focused vertical integration

Operational excellence

Procurement optimization

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Driving growth with our attractive pipeline



Pierre Bourdage
Chief Commercial Officer

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We have built a strategic framework and operating process to maximize pipeline value

Operating review

Governance framework
KPIs and stage-gates

Technical lens

Development
Manufacturing

Scenario evaluation

Intellectual property scenarios
Innovator lifecycle



Strategic aim

Biosimilars leadership
Strength and discipline in Generics

Selection frame

LoE timing and competition
Portfolio and investment mix

Commercial lens

Channel and geography
Target product profile

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Broad and deep pipeline with ~70% contribution from complex Generics and Biosimilars

	 Generics Standard and complex products	 Biosimilars
Products in development	>400	24
Key features	Disciplined approach to rebuild the US pipeline; deliberate choices on standard Generics LoE coverage	
	Maximum value generation through launches at LoE, leveraging globally scaled roll-outs	
	Mix-shift to ~70% contribution to net sales from complex Generics and Biosimilars launches	

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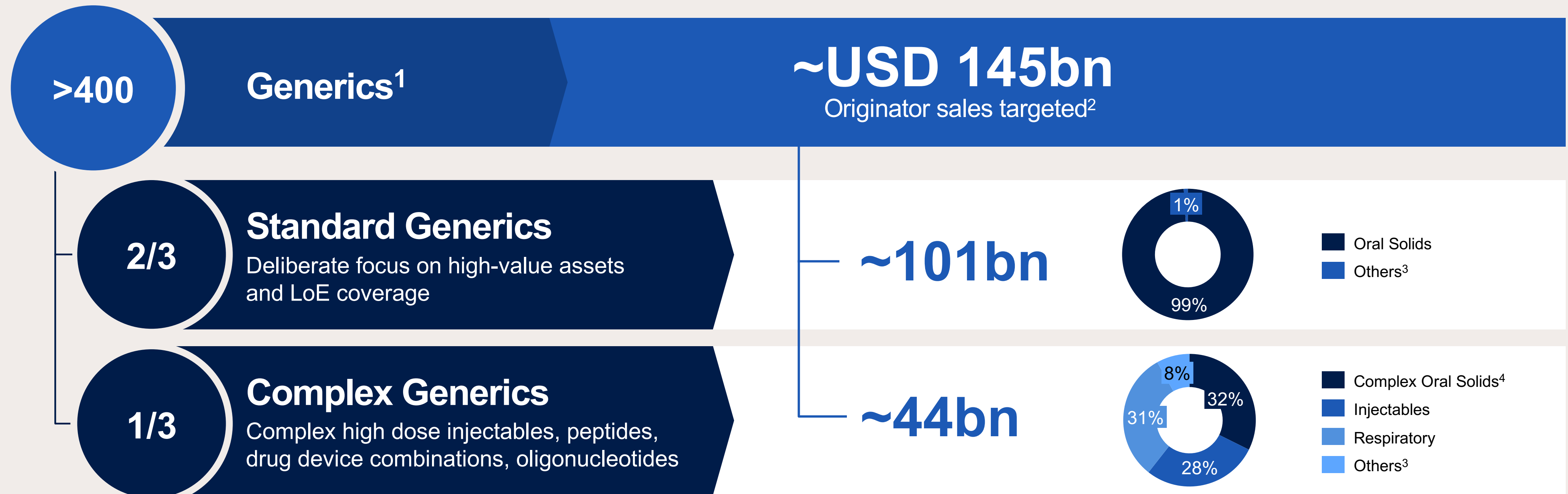
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Increasing shift to complex Generics, covering USD 44bn in LoE value across multiple technology platforms



1. Product defined as unique combination of molecule and dosage form. 2. LoE value covered based on Company analysis using Sandoz IP and IP database. 3. Other technologies include creams, ointments, transdermal therapeutic systems, among others. 4. Complex Oral Solids commonly characterized by a complex production process, equipment and / or a formulation enabling a specific release mechanism.

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High-value Biosimilars pipeline nearly tripled to 24 molecules since 2018



Biosimilars pipeline strategy

Targeting major upcoming LoEs

Prioritizing first-to-market or exclusive² opportunities

Focusing on targets that leverage our strong commercial footprint

Assessing lifecycle and intellectual property opportunities

1. Originator sale covered based on Company analysis using Evaluate Pharma; at full year prior to expected market formation year. 2. Opportunities for Sandoz to launch the only Biosimilar available to the market.

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Four key upcoming Biosimilars launches, covering >USD 40bn in LoE value

Targeted brand	Therapeutic areas	Originator net sales targeted ¹	Key highlights	Current status
Humira[®] adalimumab ²	Immunology	~USD 21bn	High Concentration Formulation (HCF), proven supply reliability and strong cost position, differentiating features	✓ EMA and FDA approved
Tysabri[®] natalizumab	Neurology / Immunology	~USD 2bn	First and potentially only Biosimilar to market, leveraging experience from Omnitrope success	✓ Submitted in the US and EU
Prolia[®] / Xgeva[®] denosumab	Bone diseases / Oncology	~USD 7bn	Most advanced industry program, market expansion opportunity in Osteoporosis	✓ Submitted in the EU, US and Canada
Eylea[®] aflibercept	Ophthalmology	~USD 11bn	Strong target product profile, including prefilled syringe at launch	Phase III readout expected in Q3 2023

Note: The third-party trademarks above are property of their respective owners. 1. Originator sale covered based on Company analysis using Evaluate Pharma; at full year prior to expected market formation year. 2. Only pertains to adalimumab high concentration formulation (HCF).

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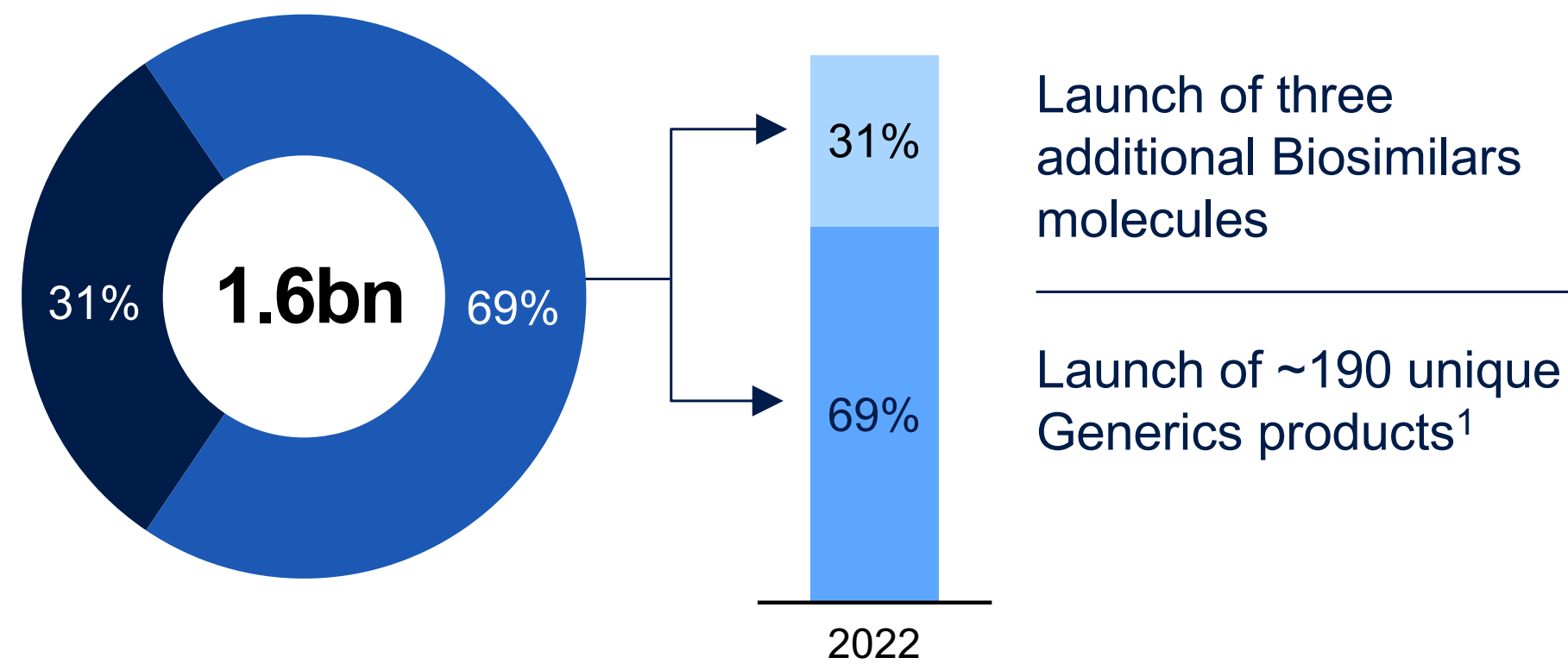
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Next five-year pipeline potential is nearly double the last five years, with mix-shift towards Biosimilars and complex Generics

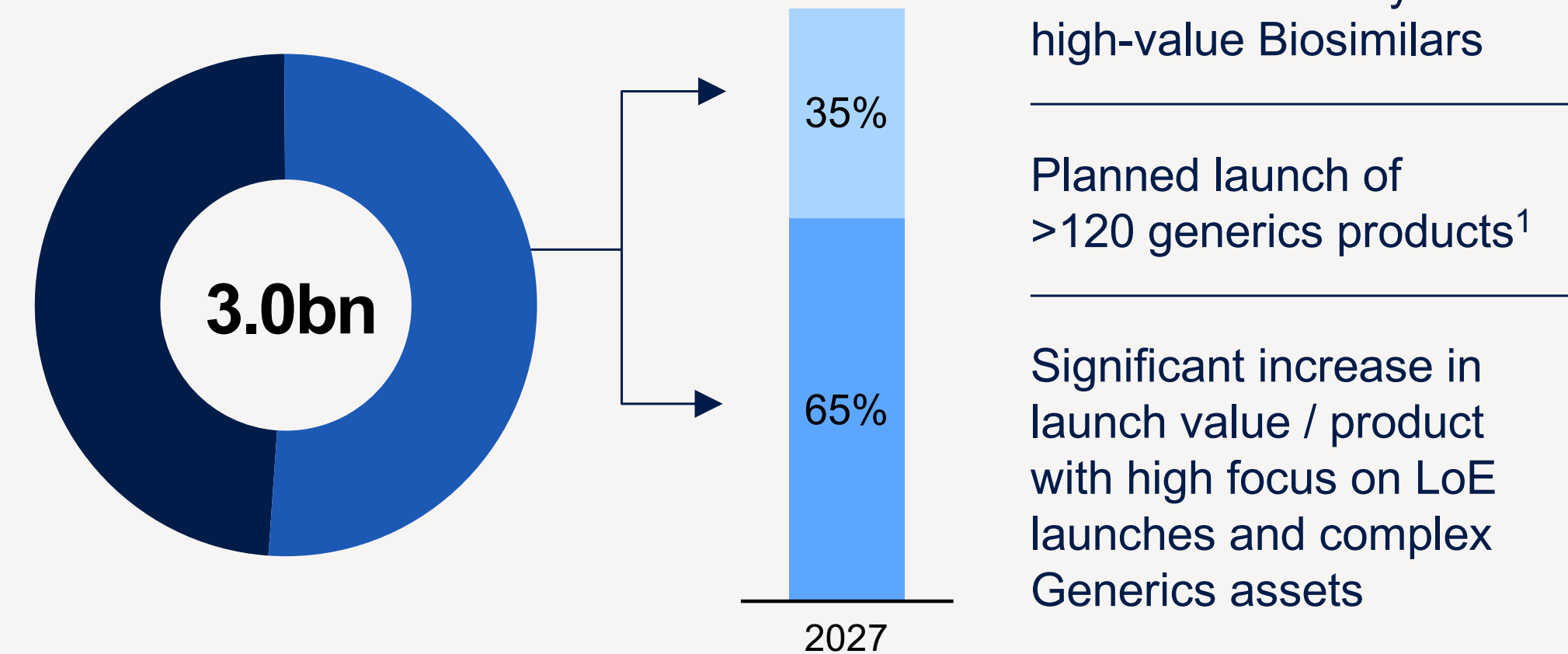
Peak contribution to net sales from launches in USD

Last five years



■ Biosimilars ■ Generics ■ Complex Generics ■ Standard Generics

Next five years



Note: In USD. 1. Product defined as unique combination of molecule and dosage form.



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Delivering our pipeline



Claire D'Abreu-Hayling
Chief Scientific Officer

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Sandoz Global Development & Regulatory at a glance

~1,700 FTEs

Across development and regulatory

6 development centers

Cost-efficient footprint

Strong development track record

100% success rate in bringing Biosimilars molecules from clinical trial to market in Europe

Synergistic capabilities

Between complex Generics and Biosimilars

Shaping the regulatory landscape

Represented in key international associations

High-quality external partners

Complementing internal capabilities

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Sandoz development and regulatory organization has a proven track record in Generics...

Europe



Consistently high level of **~120 unique product submissions^{1,2}** per year

~280 launches³ in 2022

~160 LoE launches³ in 2022, with **~80% of launches first-to-market or at Day 1**

North America



Doubled first-to-file submissions in US (vs. 2021)

~1/3 of launches are **first-to-market** in the US in 2022

International



Over 130 unique product submissions¹ in 2022, holding a consistent high number

~140 launches^{3,4} in 2022, with **~25% first-to-market or Day 1 launches**

Accelerating regulatory timeline in key global roll-out countries

1. Product defined as unique combination of molecule and dosage form. Submissions include new applications, life cycle management and new markets. 2. Over the last five years. 3. Number of launches defined as unique combination of molecule, dosage form and country. 4. Includes both LoE and non-LoE launches.

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...including leading capabilities and success in complex Generics...

Selected recent launches

Ferumoxytol Injectable

- Complex API and FDF characterization
- Developed fully in-house



Fulvestrant Pre-filled syringe

- Drug-device combination
- Complex product launched globally



Buprenorphine Transdermal

- Complex product launched in EU in 2022



Albuterol Inhalable

- Drug device combination respiratory inhaler



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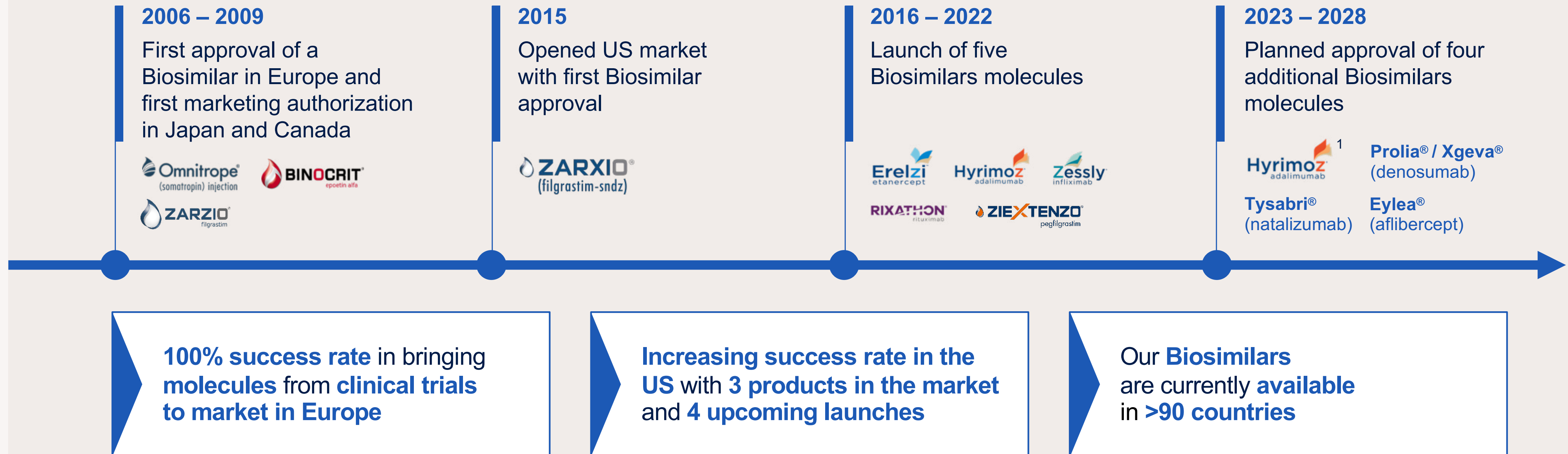
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...and significant success bringing Biosimilars to market



Note: The third-party trademarks above are property of their respective owners. 1. Approved in the US and EU, referring to adalimumab HCF (High concentration formulation).

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Leading capabilities to deliver our pipeline across four key technology platforms

4 key technology platforms



Biosimilars



Oral Solids



Injectables



Respiratory

End-to-end development



Generics and Biosimilars analytical development expertise

Bioequivalence and clinical studies execution

Management of strategic API sourcing

Regulatory, legal and IP



Global and local teams with expertise across all technology platforms

Experience and deep understanding of regulatory and IP environment

Engagement in actively shaping policy and legal framework

Manufacturing and launch

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Six Sandoz development centers with leading capabilities

Development centers and capabilities

Ljubljana (SI)	Biosimilars, Oral Solids, Complex Injectables, Nasals, Ophthalmics
Hyderabad (IN)	Oral Solids
Cambridge (UK)	Device Technology Development
Kundl (AT)	Biosimilars, Oral Solids, Injectables, Anti-infectives
Holzkirchen (DE)	Biosimilars and Transdermal Technology
Rudolstadt (DE)	Inhalation Technology



Five Centers of Excellence support development centers with expertise in

- Polymorphism
- Extractables & leachables
- Nitrosamines & mutagenic impurities
- In vitro – in vivo correlation
- Biosimilars analytics

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A highly capable regulatory team shaping the regulatory landscape through advocacy and scientific discussions

A large and capable global team...

~700
Global FTEs in regulatory function

Integrated team across Generics and Biosimilars

- > **Scientific guidance on complex products**
- > **In-silico clinical development for biostudy waivers**
- > **Guidelines on analytical similarity and efficacy studies**



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Internal capabilities supported by high-quality external partners

Partnership rationale

- People and expertise** 
- Technology** 
- Capacity** 
- Speed and cost efficiencies** 
- Risk and reward sharing** 

Note: The third-party trademarks above are property of their respective owners.



Pipeline expansion through partnership to develop and manufacture multiple Biosimilars

Accessing disruptive technology

- AI-driven technology platform
- Advanced continuous manufacturing
- Delivering high-quality assets at lower operational costs



Execution of technical laboratory activities for existing programs

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Strong basis to continue delivering our pipeline

Breadth of capabilities to cover full range of technologies



Strong track record



Flexible network to pioneer new technologies



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Expanding margin through operational improvements



Glenn Gerecke
Chief Manufacturing and Supply Officer

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Sandoz Technical Operations at a glance

USD 4.9bn
FY 2022 cost of goods sold¹

~60% of total Sandoz cost base¹

18
Manufacturing sites

High internal capacity and reliability

~700
External supply sites²

Flexibility, efficiency and market coverage

1.7bn
Packs distributed in 2022

>800 molecules

~160
Health authority inspections in 2019 - 2022

100% success rate

~90%
Delivery to customer on time and in full³

High customer satisfaction and retention

1. Based on unaudited draft carve-out financials extract. 2. External finished drugs and API supplier sites. 3. Orders delivered to customer matching requested dates and quantities.

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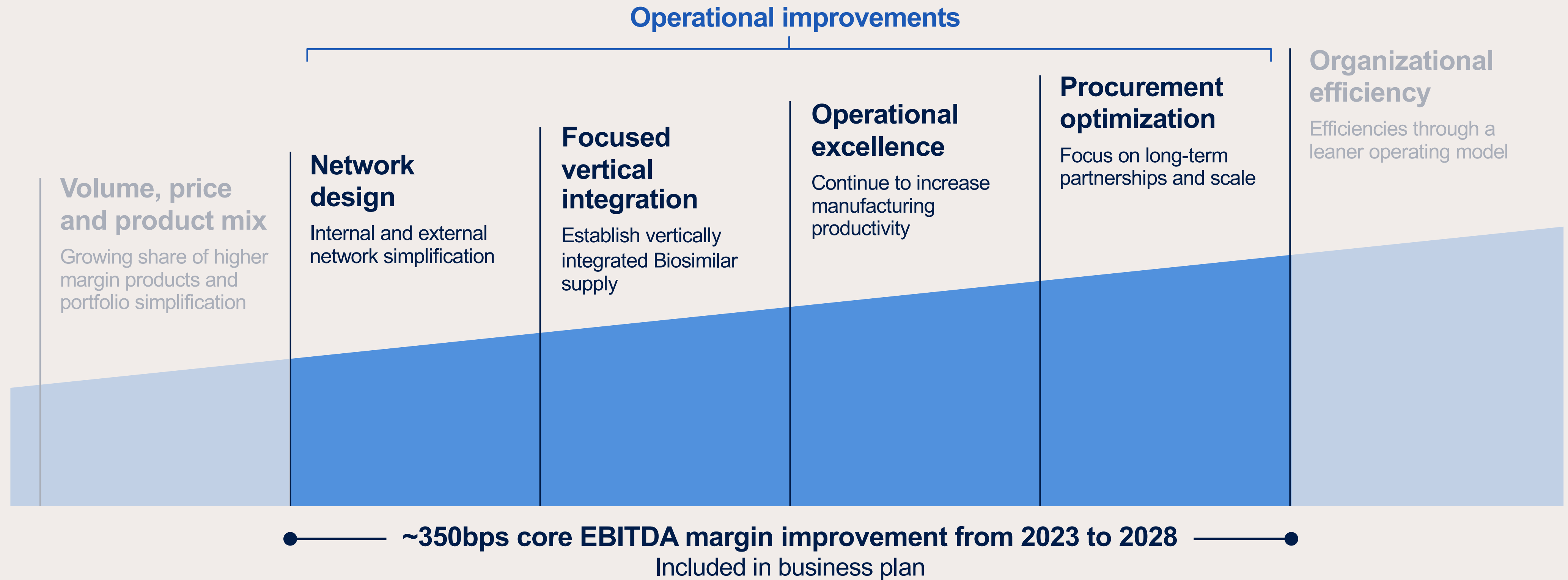
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Substantial opportunity to drive operational improvements as a standalone Generics and Biosimilars company



Note: For additional information regarding the core results, which are non-IFRS measures, see "Appendix" starting on slide 136.



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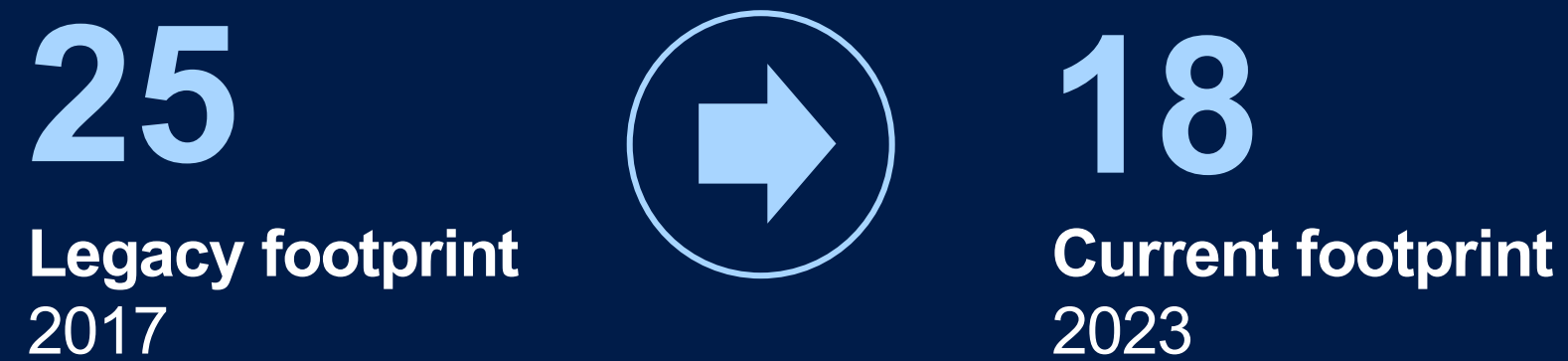
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High-quality in-house global manufacturing network

Optimization achieved over last 5 years



Cost efficient and high volume

Dedicated regional production

Broad capabilities

Highly skilled workforce

18 internal manufacturing sites



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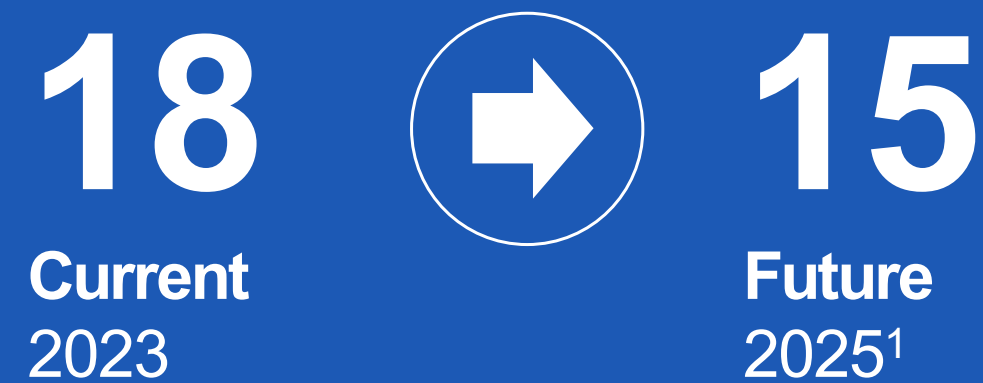
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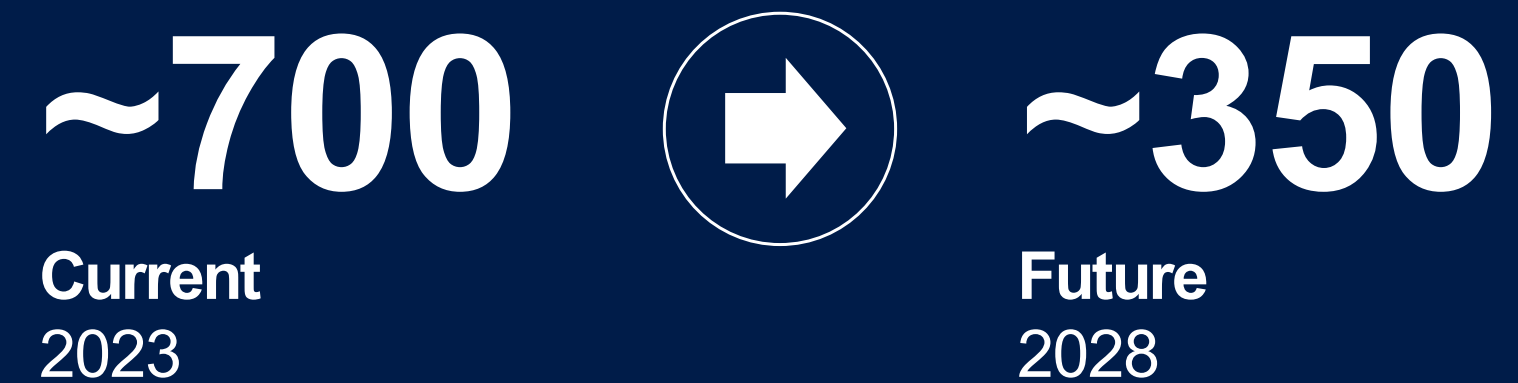
Significant opportunity to further rationalize the network

Planned network efficiencies

Internal manufacturing sites



External manufacturing sites²



Network design objectives

Improve capital allocation

Increase asset efficiency

Optimize make-or-buy decisions

Invest in cost efficient sites

Modernize

Concentrate external spend

Support our launch strategy

1. After announced closures. 2. External finished drugs and API supplier sites.



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Novartis will remain a strategic partner in Biosimilars

> Long-term partnership and high performance

> Track record of high reliability of supply

> Outstanding quality

> Agreements in place to secure upcoming Biosimilars launches

SANDOZ



 **NOVARTIS**

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Building end-to-end internal capabilities in Biosimilars



Lendava (Slovenia)



>USD 400m

Planned investment



Late 2026

Planned launch of site



Production capabilities

Cell bank management, storage, and production

Large-scale drug substance manufacturing

Warehousing and cryogenic storage

Pilot-scale plant using digital twin modeling

Laboratory capabilities

Manufacturing science and technology laboratory

Quality control

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Investing in sustainable access to Antibiotics



Kundl (Austria) & Palafolls (Spain)



>EUR 250m

Total planned investment¹



2024/25

New production lines operational

Sandoz as a trusted source of Antibiotics in Europe

Last vertically integrated Antibiotics production in Europe

Large-scale capacity for amoxicillin and other key penicillin

Support increased global demand of Antibiotics

1. Includes EUR 50m Austrian federal government grant.

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Rigorously focused on driving operational excellence

Strong foundation

~90%

Delivery to customer on time and in full¹

~160

Health authorities' inspections with 100% success rate² in 2019 - 2022

Exemplary safety record

No serious injuries and fatalities in last five years

Multiple operational excellence opportunities



Maximize asset utilization

- Increase equipment uptime
- Remove bottlenecks
- Harmonize and simplify product portfolio
- Leverage network consolidation



Improve processes and drive efficiencies

- Extend automation to reduce process variability
- Improve manufacturing processes to increase yields
- Optimize production campaigns and end-to-end planning
- Reduce throughput times

1. Orders delivered to customer matching requested dates and quantities. 2. 100% success rate implies no major findings during inspections.

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Procurement optimization expected to contribute substantially to operational improvements in the mid-term

Current scale and complexity

>USD 4bn
of external spend

>13,600
suppliers

Fragmented and dependent procurement organization

Multiple procurement initiatives for standalone Sandoz



Leverage scale

- Contract negotiation
- Consolidate suppliers and leverage strategic partnerships
- Drive API and direct material substitution
- Optimize indirect services



Reduce complexity

- Harmonize and simplify product portfolio
- Exploit advanced data, analytics and digital tools
- Improve internal demand management
- Simplify internal business processes



Improve organization

- Global Head Procurement appointed
- Consolidate procurement team
- Expedite exit of agreements with Novartis

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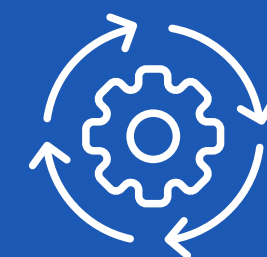
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Substantial opportunity to drive operational improvements as a standalone Generics and Biosimilars company

High quality global supply network



Multiple levers to drive optimization over the near- to mid-term



Internal and external capabilities to support our long-term ambitions



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An attractive financial outlook



Colin Bond
Chief Financial Officer

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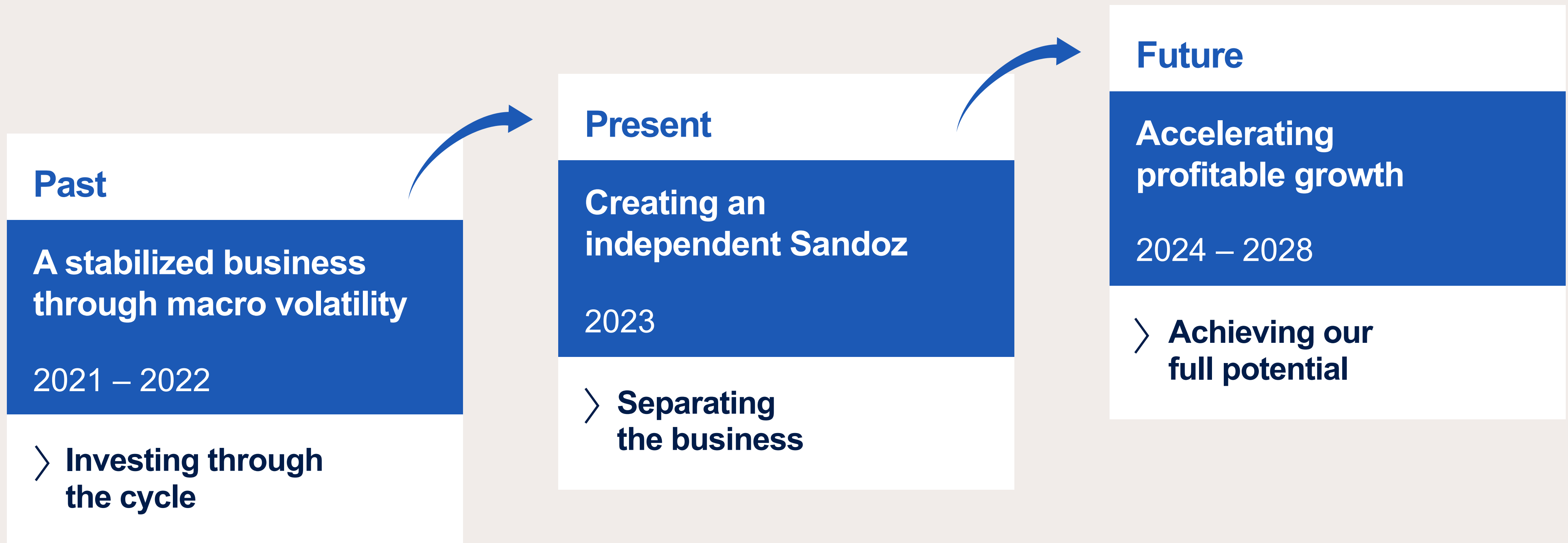
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After recent headwinds, Sandoz is set to achieve its full potential as a standalone business



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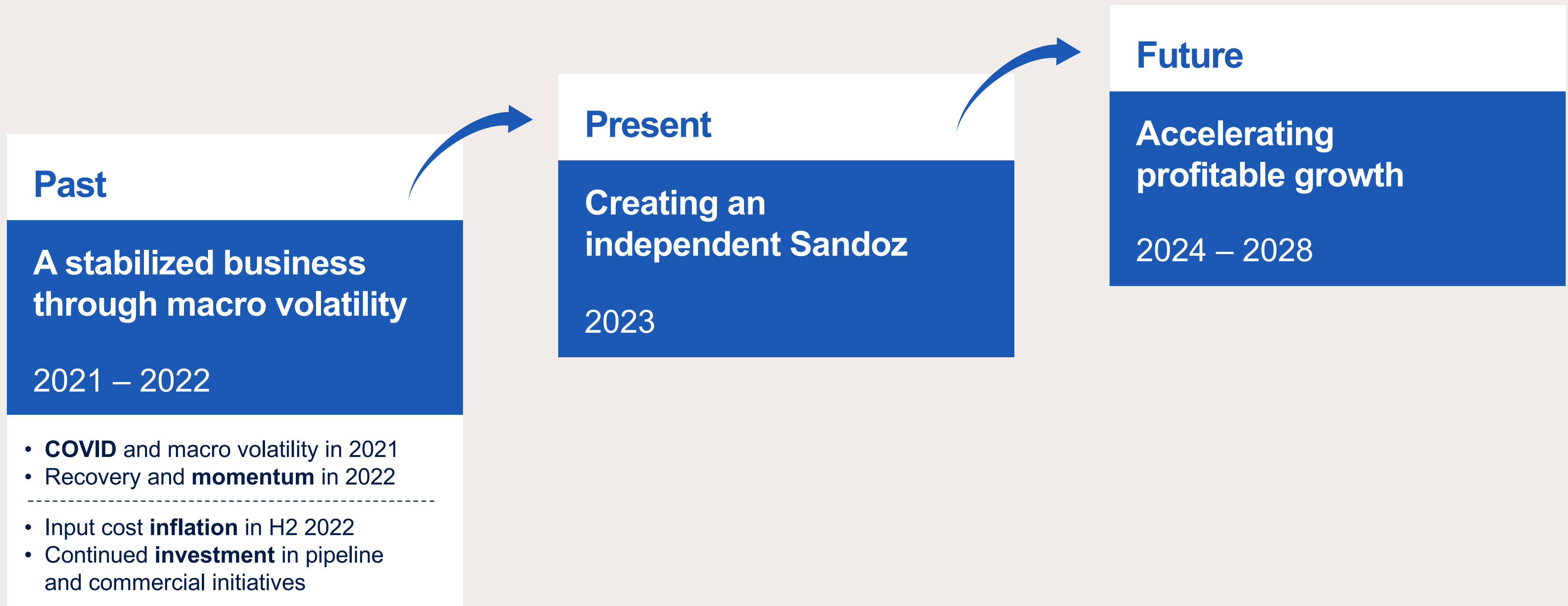
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Where have we come from? A stabilized business through macro volatility



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Strong top-line growth in 2022, core EBITDA impacted by inflation and investment through the cycle

In USD bn	FY 2021	FY 2022
Net sales¹	9.4	9.1
vs. PY (in USD)	0%	-4%
vs. PY (in cc ²)	-2%	+4%
Core EBITDA	2.1	1.9
% of net sales	22.1%	21.2%
Free cash flow	1.0	0.8
% of net sales	10.7%	9.2%

Net sales

Return to pre-COVID demand levels and Biosimilars expansion across all regions in 2022

Core EBITDA

2022 impacted by input cost inflation, marketing and sales investments and M&A integration

Free cash flow

2022 decrease due to inventory build up post-COVID and inventory increase due to inflation

Note: Based on unaudited draft carve-out financials extract. For additional information regarding the core results, the constant currency figures presented and free cash flow, which are non-IFRS measures, including a reconciliation to the most directly comparable measures presented in accordance with IFRS, see "Appendix" starting on slide 136. 1. Net sales to third parties. 2. Constant currencies.

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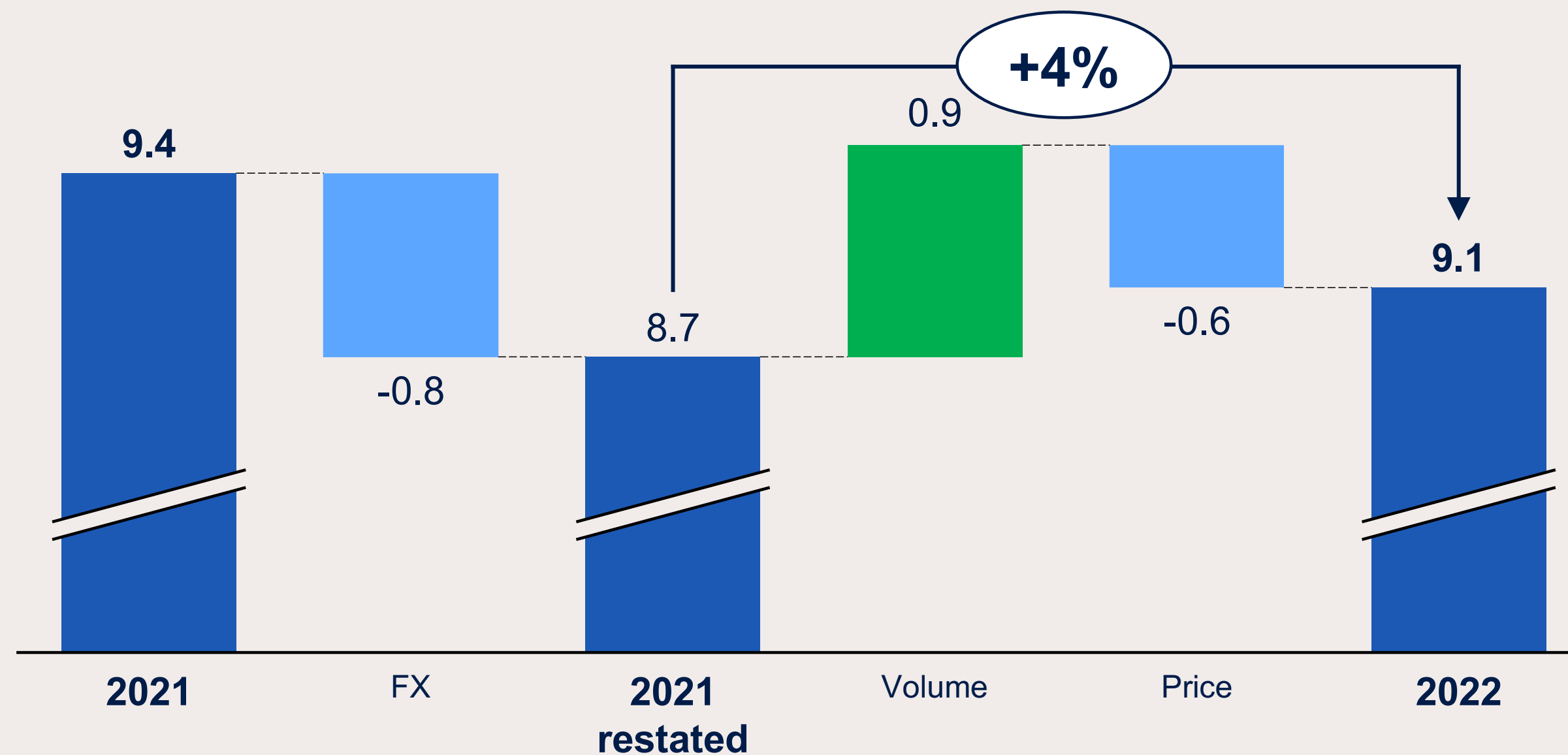
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Appendix

Strong volume growth in both Generics and Biosimilars with stabilizing price erosion

Net sales

In USD bn



Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding.



FX impact of -8% primarily from depreciation of the EUR



+10%pts volume growth Generics benefiting from momentum in Europe and International; **Biosimilars volume expansion** across regions



Price impact of -6%pts overall

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Strong growth driven by Biosimilars

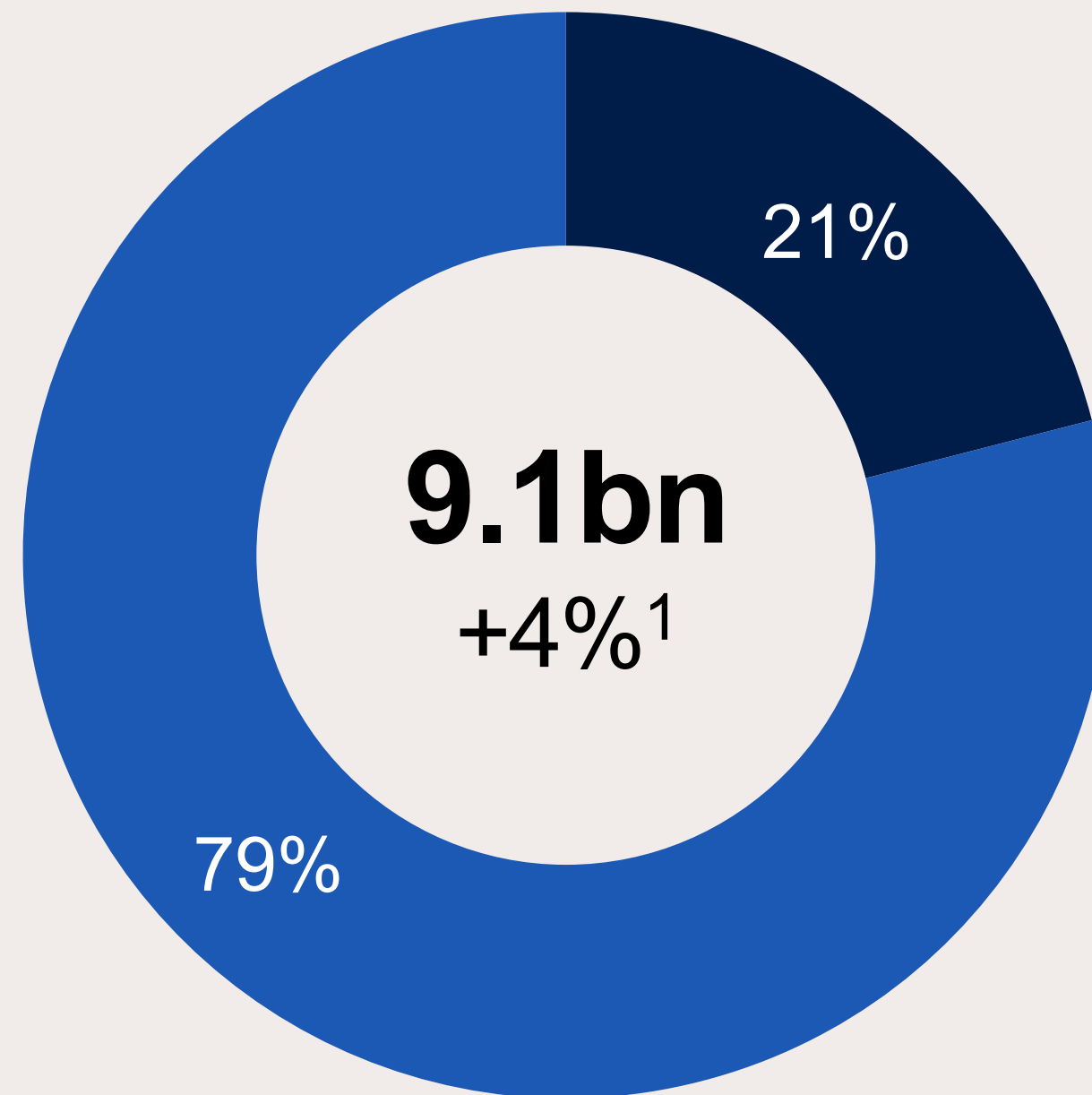
Net sales by business

FY 2022, in USD

Generics

7.1bn

+3%¹



Biosimilars

1.9bn

+9%¹

Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. ¹ Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.



Strong recovery of Generics business, with +8%pts volume growth



Biosimilars continue strong growth trajectory with +19%pts volume growth



Stabilizing price erosion of -5%pts in Generics and -10%pts in Biosimilars

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Strong performance in Europe and International

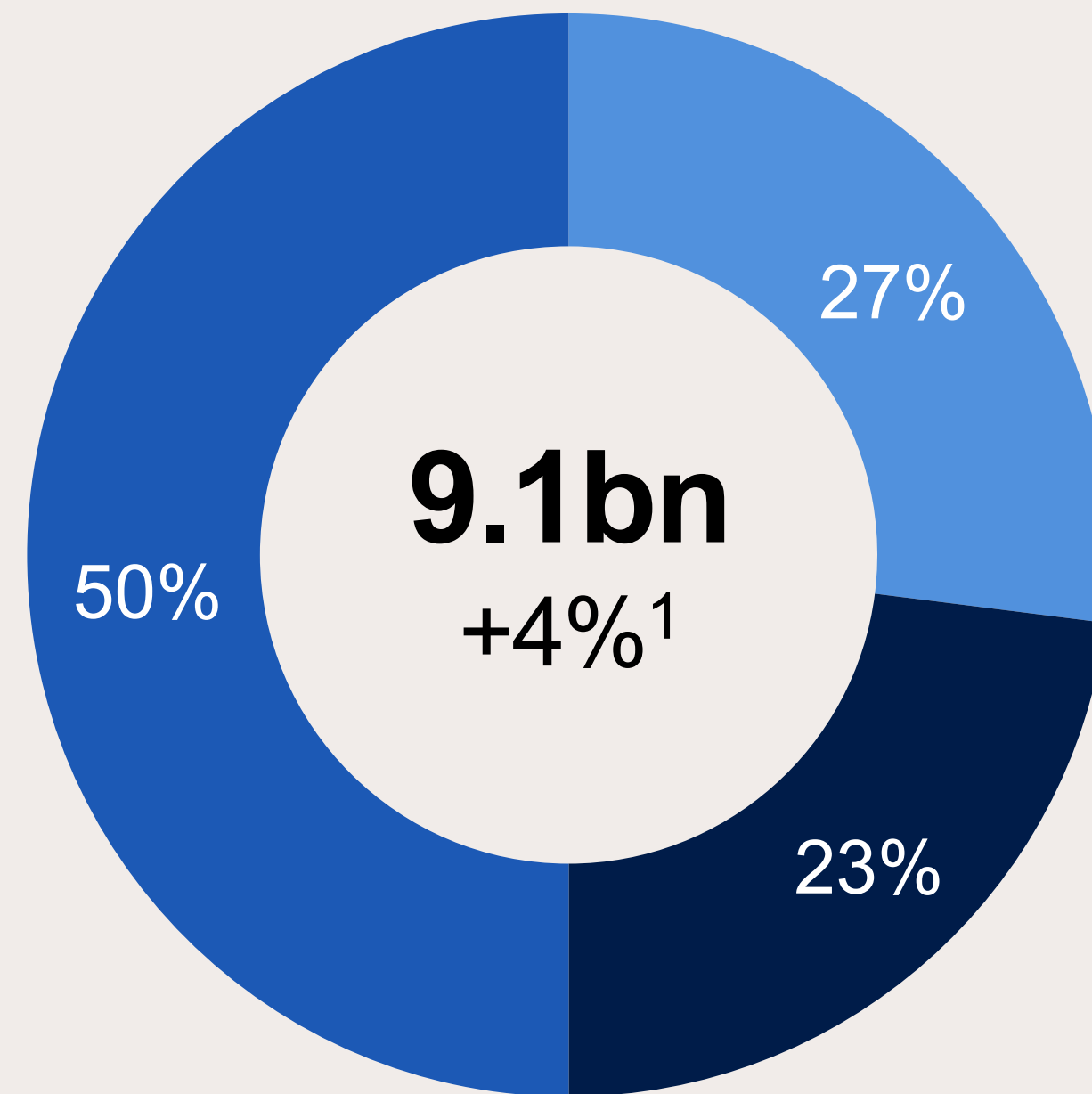
Net sales by region

FY 2022, in USD

Europe

4.5bn

+6%¹



International

2.5bn

+7%¹

North America

2.1bn

-2%¹

Note: Net sales to third parties based on unaudited draft carve-out financials extract. Numbers may not add up due to rounding. ¹ Growth vs. 2021 in constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.



Strong performance in Europe across Generics and Biosimilars



North America stabilizing, previous annual declines significantly reduced



Consistent high-single digit growth in Region International

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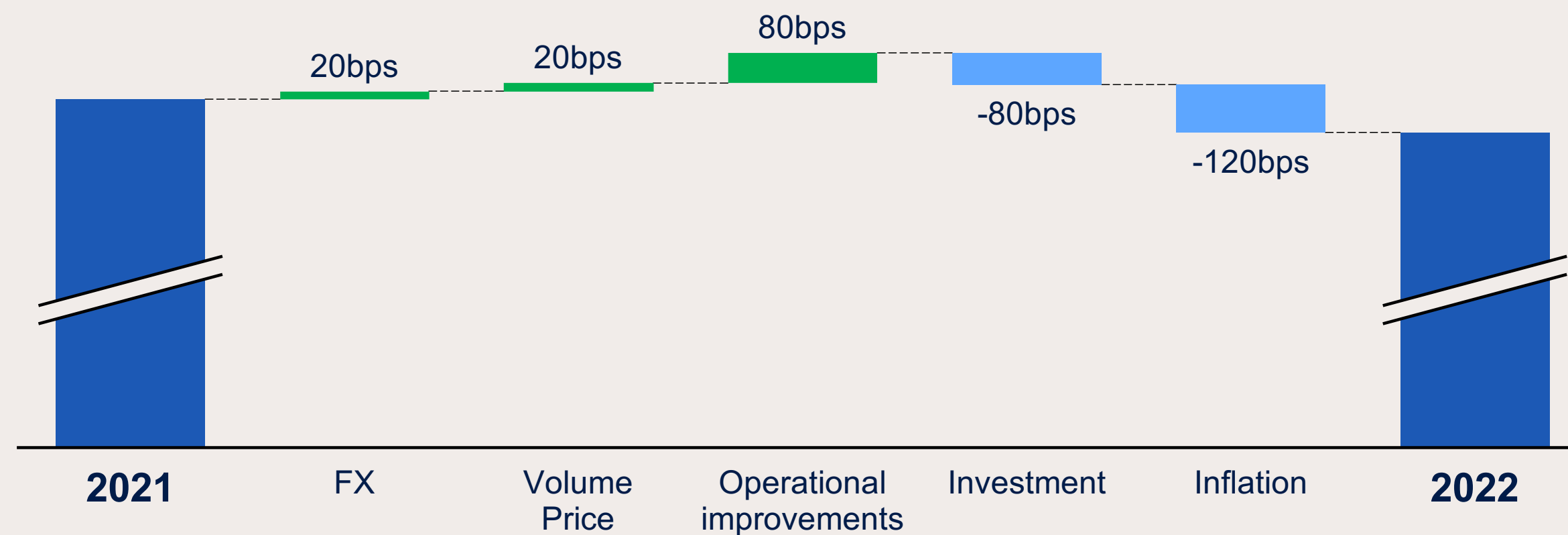
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Strong operational performance in 2022 offset by inflation and investments in growth

Core EBITDA margin % of net sales¹



Note: Based on unaudited draft carve-out financials extract; investment includes D&R and SG&A. Numbers may not add up due to rounding. For additional information regarding the core results, which are non-IFRS measures, see "Appendix" starting on slide 136. 1. Net sales to third parties based on unaudited draft carve-out financials extract.



FX: Positive impact due to USD appreciation against short position in CHF



Strong volume growth (+10%pts) including a return to normal demand post-COVID with **price erosion** at -6%pts historical average



Operational improvements due to procurement savings and conversion cost decreases



Investment increase due to marketing and sales activity to drive top-line and additional ongoing spend from M&A integration

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Where are we today? Creating an independent Sandoz



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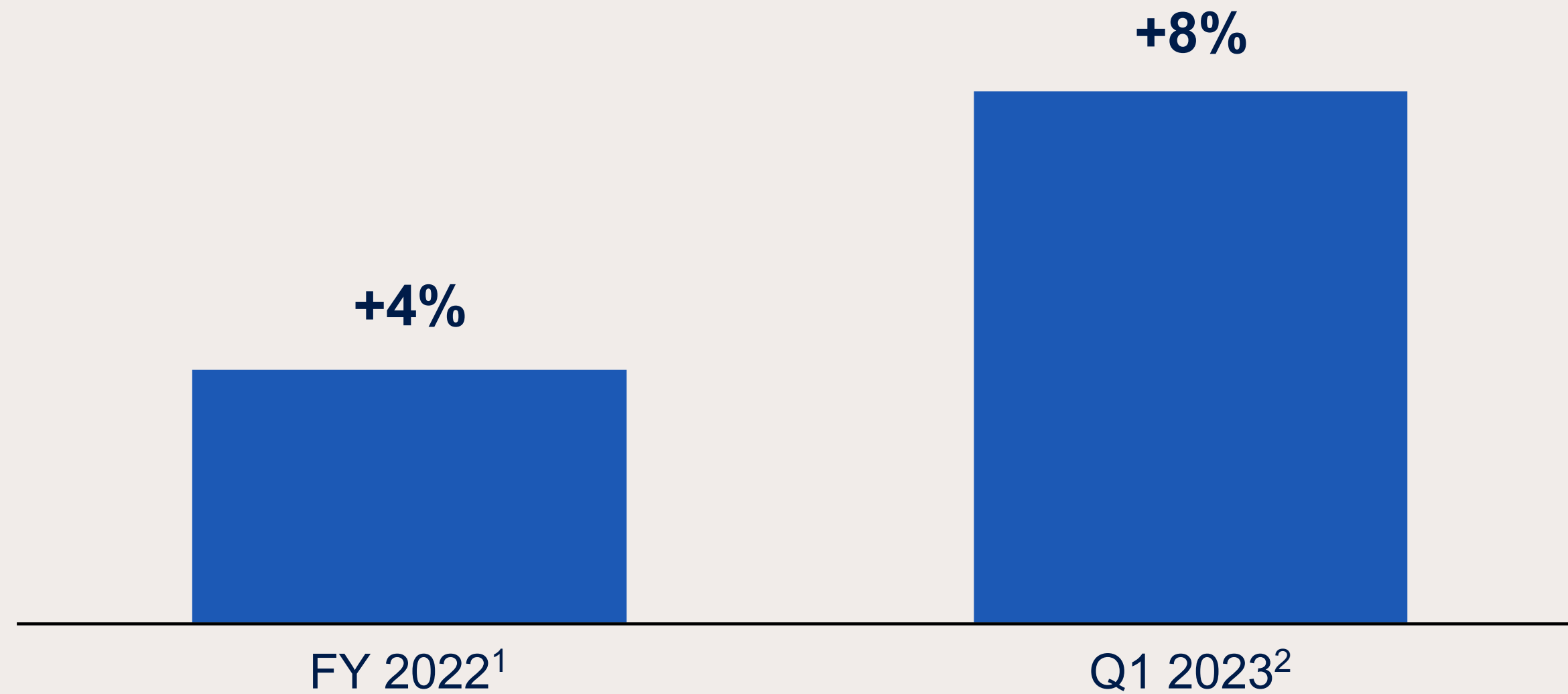
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Top-line growth momentum continuing into 2023

Net sales growth

In % vs. PY in constant currencies



Note: Net sales to third parties. 1. Based on unaudited draft carve-out financials extract. 2. Based on Sandoz division's net sales, as reported by Novartis.

Q1 2023 highlights²



Strong momentum in Europe with +16% growth



Biosimilars growing significantly, +17% growth



Stable price erosion of -6%pts in Generics and -10%pts in Biosimilars

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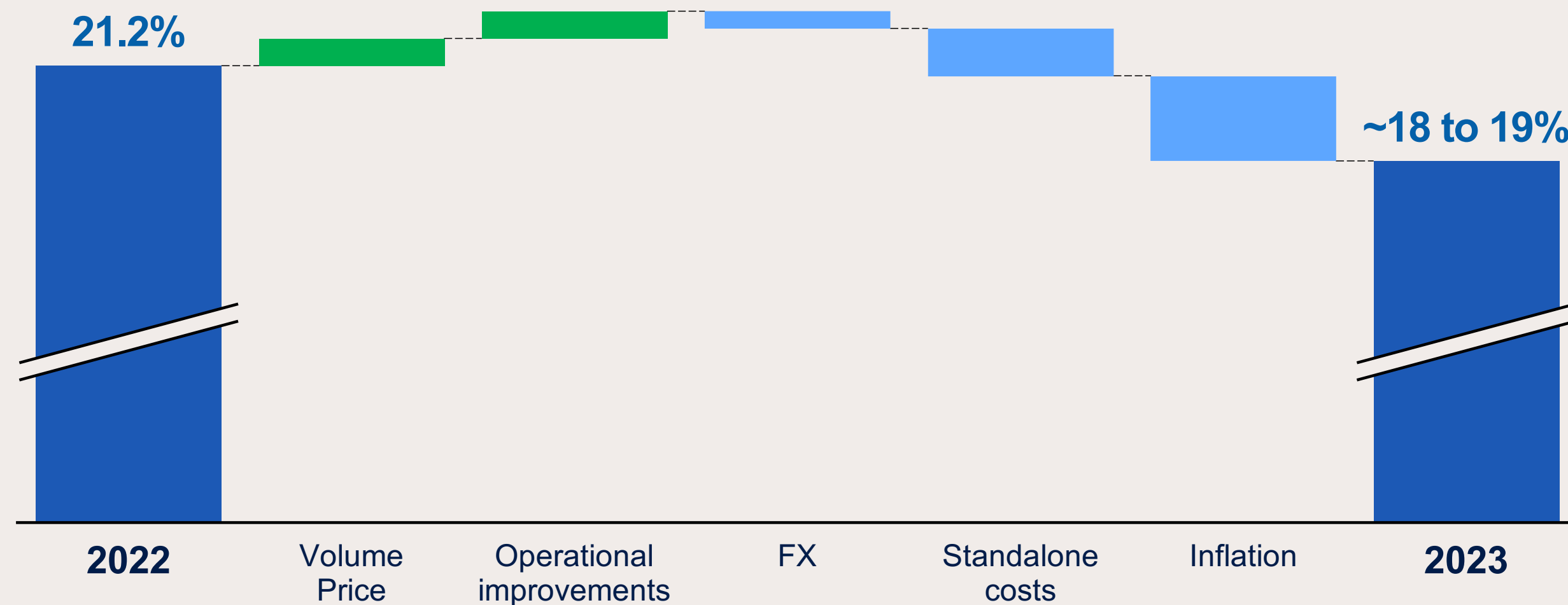
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Expected 2023 core EBITDA margin impacted by inflation and standalone costs

Core EBITDA margin % of net sales¹



Note: 2022 based on unaudited draft carve-out financials extract. For additional information regarding the core results, which are non-IFRS measures, see "Appendix" starting on slide 136. ¹ Net sales to third parties based on unaudited draft carve-out financials extract.



Volume and price increase driven by launch uptake across all three regions



FX reflecting slightly strengthened CHF against the dollar



Standalone costs include expenses to operate independently of approx. -100bps and arm's length **markups** on supplies from Novartis



Input cost inflation of up to 10% with early signs of improvement

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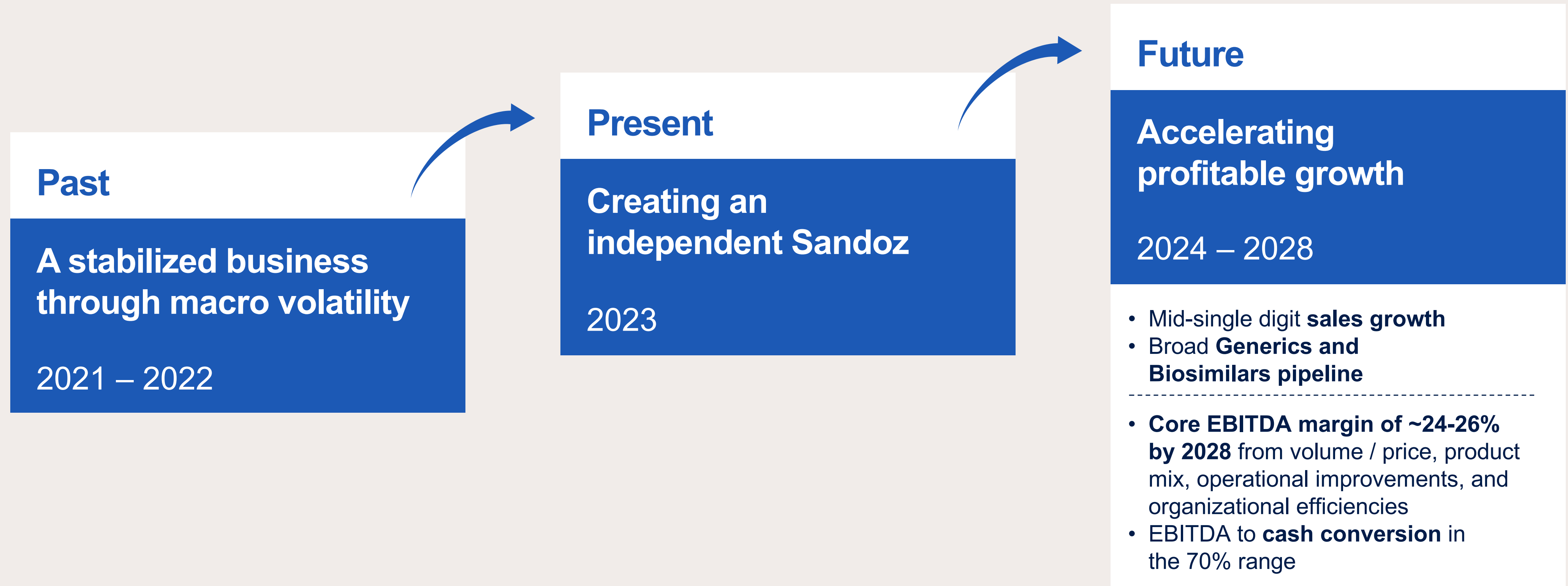
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Where are we going? Accelerating profitable growth



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Financial framework to generate capital and deliver attractive returns to Sandoz shareholders



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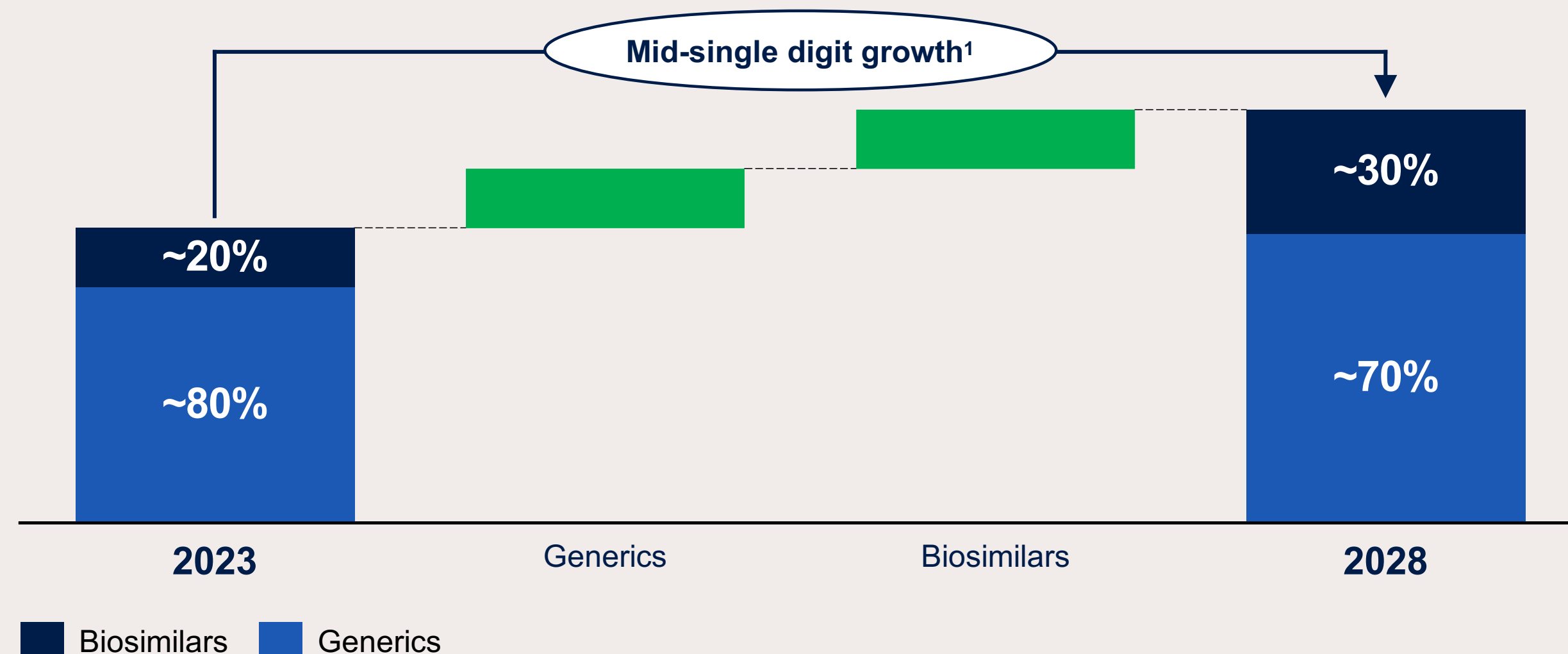
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Growth driven by broad Generics pipeline and high-value Biosimilars launches

Net sales by business

2023 – 2028 (illustrative)



1. In constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.

2. LoE value covered based on Company analysis using Sandoz IP and IP database.



Broad growth in Generics

Attractive pipeline of >400 products targeting ~USD 145bn of Originator sales²



Well-positioned to leverage strong Biosimilars pipeline

- 24 molecules in the pipeline
- Four key upcoming Biosimilars launches of adalimumab HCF, natalizumab, denosumab and aflibercept

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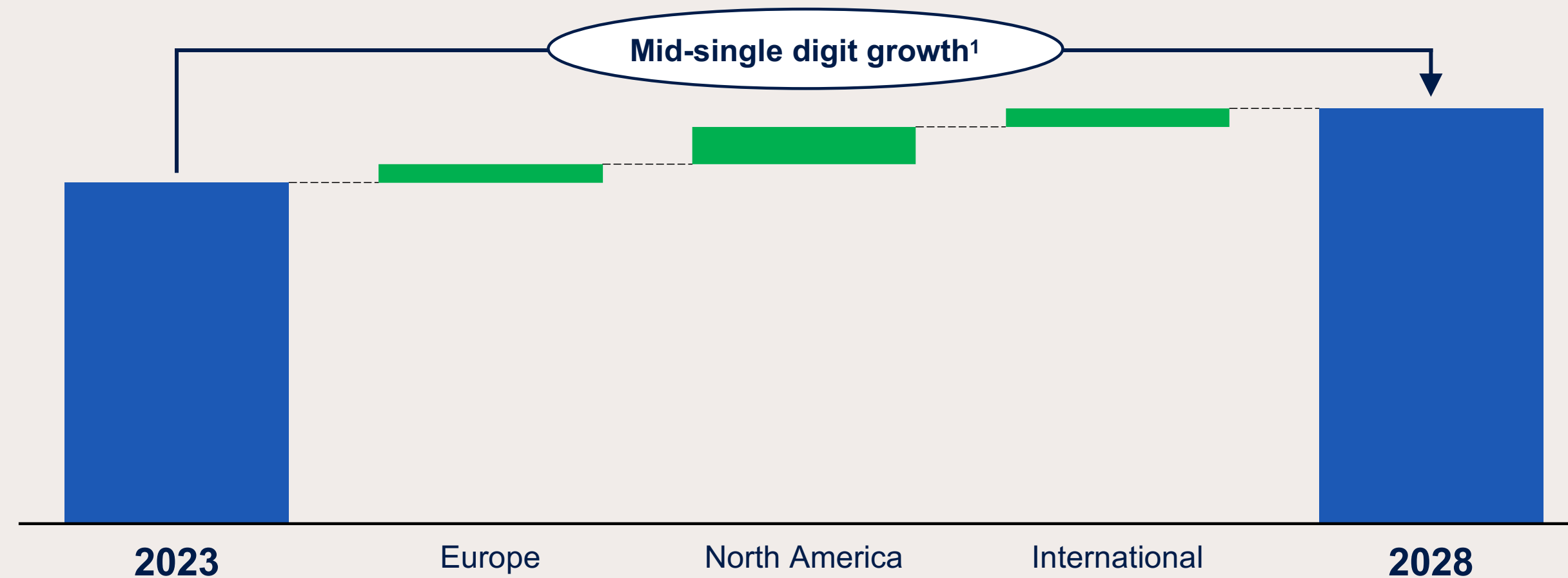
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Growth driven by launches in the US and strong performance in Europe and International

Net sales by region 2023 – 2028 (illustrative)



1. In constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.



Europe consistently performing above the market

- ~25% growth contribution
- Leverage footprint with new launches



North America with US returning to growth

- ~50% growth contribution
- Growth primarily driven by four high-value Biosimilars launches



Leveraging growth in International markets

- ~25% growth contribution
- Prioritize first-to-market and Biosimilars launches

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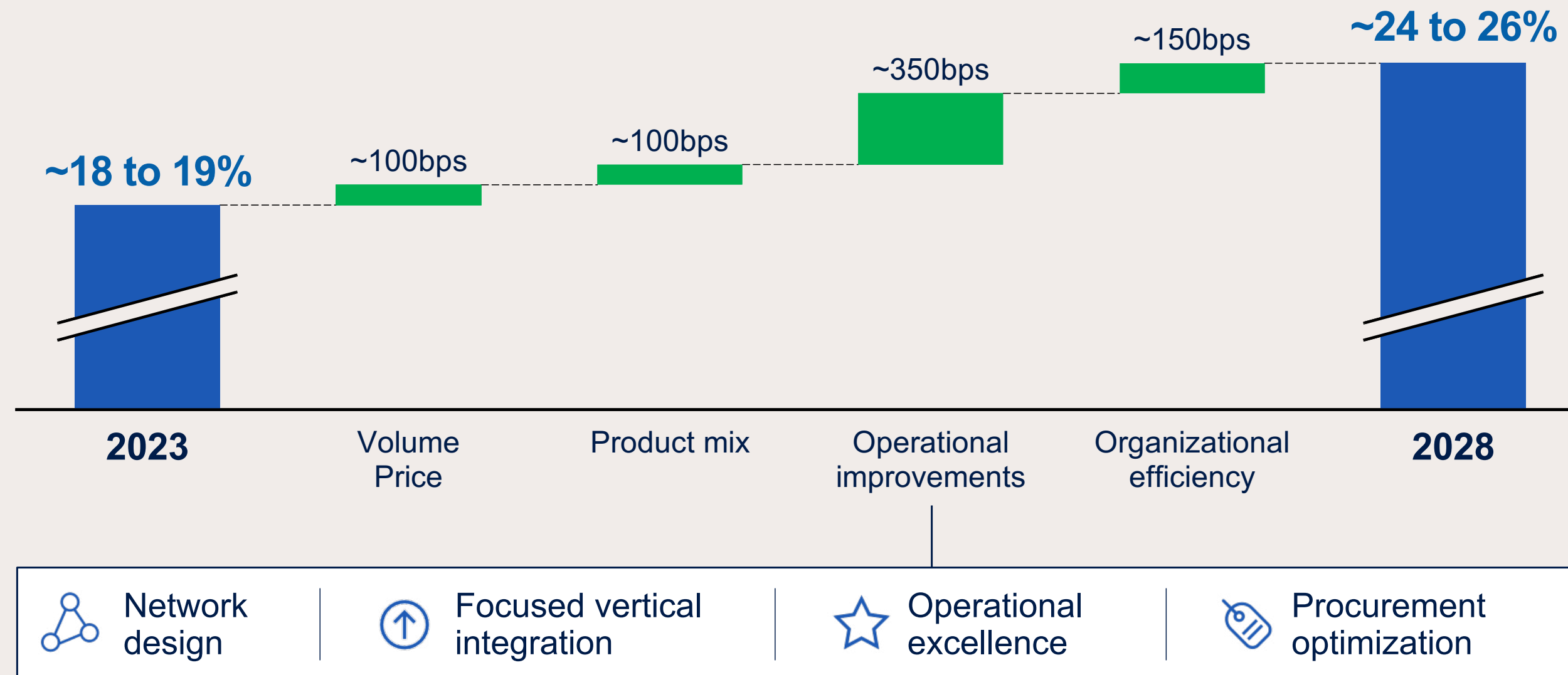
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Multiple levers to drive margin expansion

Core EBITDA Margin

2023 – 2028 (illustrative), % of net sales



Note: For additional information regarding the core results, which are non-IFRS measures, see "Appendix" starting on slide 136.



Strong volume growth across regions and businesses, price erosion in line with historical averages



Growing share of higher margin products, esp. Biosimilars and complex Generics



Operational improvements driven by four key levers



Leveraging organizational efficiencies through a leaner operating model

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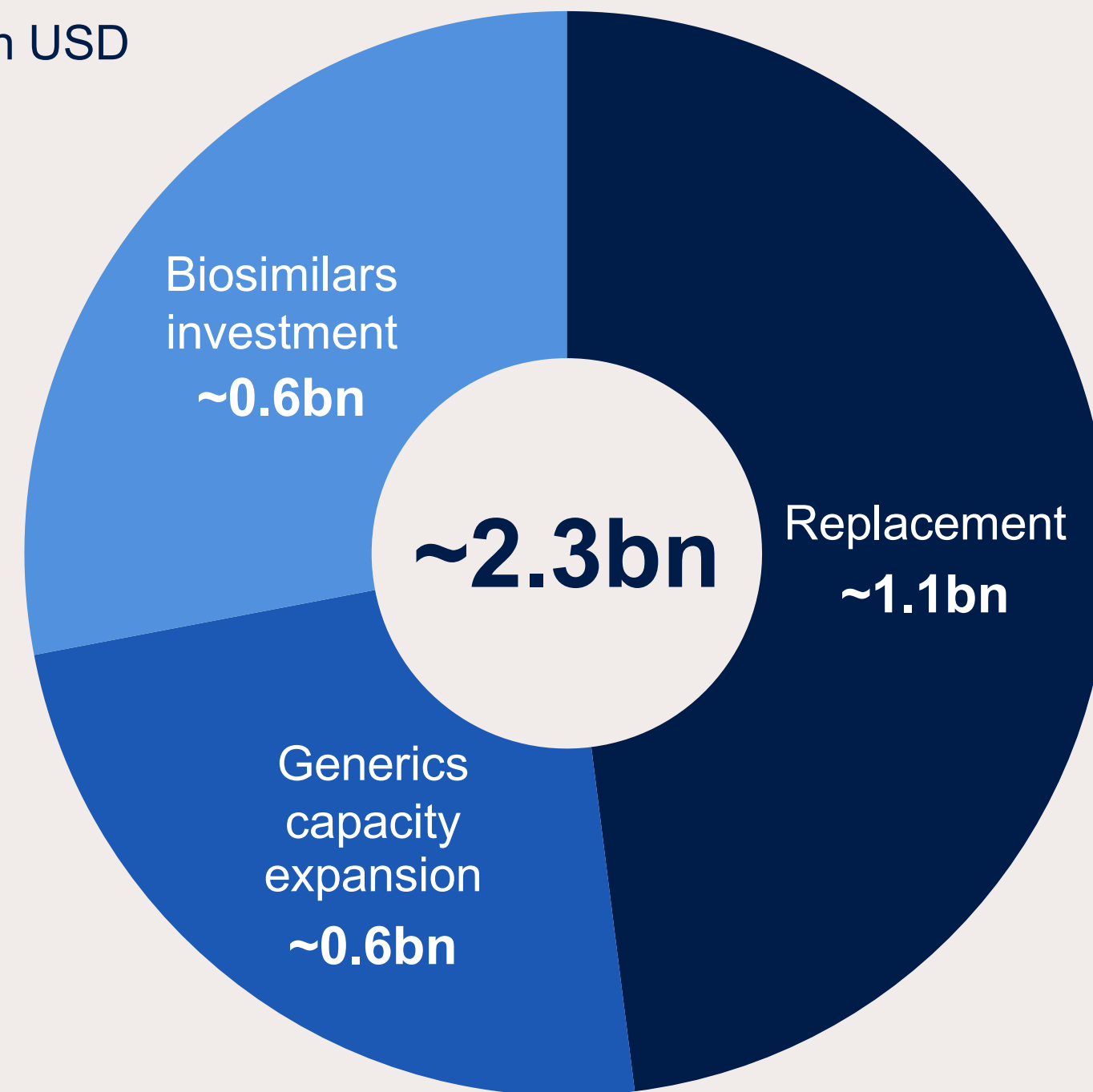
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Capex plan focused on Biosimilars capacity and capabilities

Total planned capex investments

Cumulative 2023 – 2028, in USD



1. Based on unaudited draft carve-out financials extract.



Replacement and capacity expansion capex in line with 2020 - 2022 average of ~2% of net sales¹



Generics capacity expansion capex to deliver 30% volume growth over the next 5 years



Strategic investments in new Biosimilars capabilities in Slovenia and Germany, complemented by ongoing capability investments in existing sites

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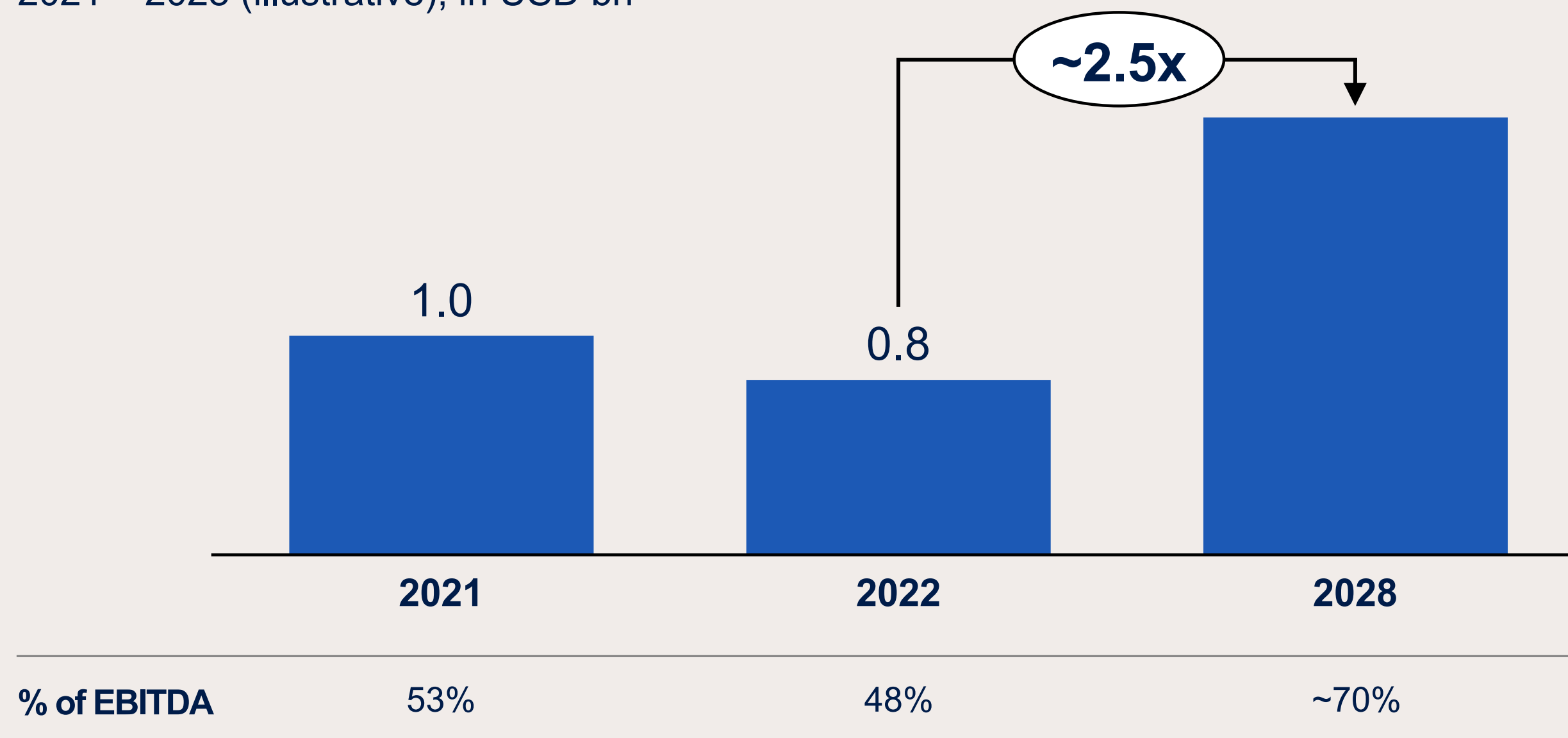
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FCF expected to more than double by 2028 vs. 2022, mainly driven by core EBITDA expansion

Free cash flow

2021 – 2028 (illustrative), in USD bn



Note: 2021 and 2022 based on unaudited draft carve-out financials extract. For additional information regarding core results and free cash flow, which are non-IFRS measures, see "Appendix" starting on slide 136.

2022 decline to ~0.8bn due to retail inventory build-up post-COVID

2023 – 2025 impact of separation

- Costs to operate as a standalone company
- One-time separation costs and investments (USD 0.7bn)
- Biosimilars capability and capacity investments (USD 0.6bn)

Solid cash generation in the mid-term

- High underlying conversion of EBITDA to cash in the 70% range by 2028
- Optimization of asset utilization and working capital

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Maintaining optionality with strong balance sheet

Financing at spin-off through bank loans



Majority of bank loans expected to be refinanced in the capital markets



Net debt to core EBITDA ratio in the range of 2.0-2.5x



Targeting investment grade credit profile



For additional information regarding the core results and net debt, which are non-IFRS measures, see “Appendix” starting on slide 136.

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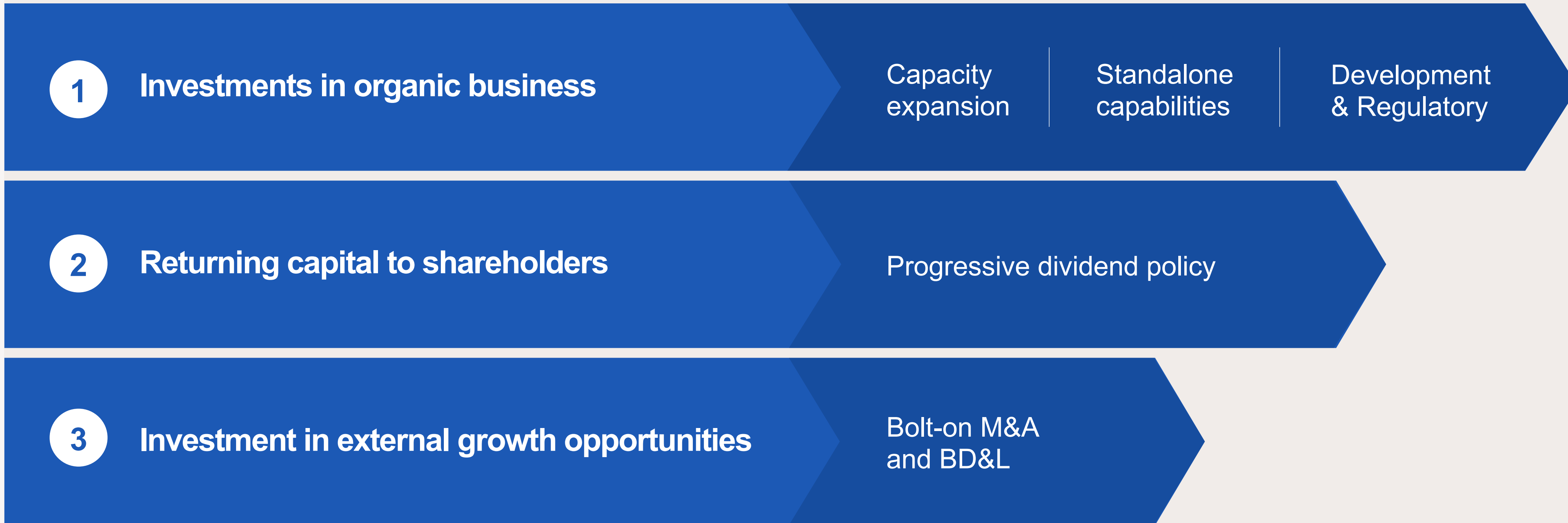
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Capital allocation priorities aligned with Sandoz strategy



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2023 and mid-term guidance

	2023 guidance	Mid-term guidance (2028E)
Sales growth¹ %	Mid-single digit	Mid-single digit
Core EBITDA % margin	~18-19%	~24-26%
Dividend policy % of core net income	20-30% Full year dividend based on FY 2023 core net income	30-40%

Note: Unless the context requires otherwise, the expression "mid-term" used in this section refers to a forecast until 2028. As with any projection or forecast, these five-year outlook measures are inherently susceptible to uncertainty and are based on various assumptions that may turn out to be incorrect. For additional information regarding core results and constant currencies, which are non-IFRS measures, see "Appendix" starting on slide 136. 1. Net sales to third parties, in constant currencies.

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A compelling sustainability story



Richard Saynor
Chief Executive Officer

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Sustainability strategy aligned with our purpose and growth

We incorporate environmental responsibility, driving down our carbon footprint and preserving natural resources

We deliver access to medicines and democratize biologics worldwide



We champion diversity, equity and inclusion

Underpinned by strong corporate governance

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Pioneering access to medicines

Strengthening healthcare systems through affordable medicines

>17bn

Savings delivered to US and EU healthcare systems¹

~500m

Patients currently reached by Sandoz products²

>180bn

Social impact³ delivered globally by our key products only

Democratizing Biologics

>90

Countries where our Biosimilars are currently available⁴

8

Biosimilars available for patients in the market

24

Biosimilars in the pipeline

Responsible manufacturing, access and use of Antibiotics

>50

Antibiotics molecules in our portfolio⁵

>40k

HCPs reached over the past 2 years⁶

>EUR 250m

Planned investment in unique European-based, vertically-integrated production network

Note: All monetary amounts in USD, unless otherwise indicated. 1. Association for Accessible Medicines (AAM), Medicines for Europe (MFE) and internal analysis based on IQVIA data. 2. Internal analysis are using quantities sold, daily dosage and days of therapy to calculate patients reached. 3. Based on 2022 WifOR Institute analysis. 4. Includes 40 lower- to upper-middle income countries. 5. Enabling HCPs to provide the right treatments. 6. In 15 markets and trained on responsible use of Antibiotics.

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Engaging with key stakeholders to improve access to medicines

Strengthening healthcare systems through affordable medicines



Democratizing Biologics



Clear roadmap to improve accessibility, acceptability and affordability of Biosimilars

Responsible manufacturing, access and use of Antibiotics



Strong partnership with EMA, FDA, HERA, OECD and European Commission



Drive cutting-edge digital solutions in global fight against AMR



Membership at the Board driving change

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We incorporate environmental responsibility in the way we operate, driving down our carbon footprint and preserving natural resources

In the last five years¹, we decreased...

Greenhouse gas emissions² by **-49%**

Water consumption by **-42%**

Total waste disposal by **-59%**

We focus and assess our impact on the below areas

Decarbonization

↳ Leveraging green energy sources and facilitating improvements in our operations

Water & waste management

↳ Embedding sustainability and green design into our products

Sustainable supply chain

↳ Working with our suppliers to promote sustainability in our value chain

1. Novartis in Society Integrated Report 2022. Combined achievements vs. 2016 baseline, based on combined Novartis and Sandoz data. 2. Based on Scope 1 and 2 emissions; Scope 1 defined as direct emissions from company-owned and controlled resources; Scope 2 emissions defined as indirect emissions from the generation of purchased energy.

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We champion diversity, equity and inclusion

>22,000 employees¹ in 100+ markets make Sandoz what it is today

Building a diverse workforce and promoting equal opportunity

47%

Women representation in management²

Enhancing inclusion and organizational belonging

Engagement and Connection to our Purpose

Above global benchmark³

Retaining and upskilling talent

Higher than average industry Glassdoor “Overall rating”⁴

86% of employees say they would recommend Sandoz to a friend

We commit to...

Transparency and equity in pay – 100% of associates covered by pay equity studies by 2025

Maintain gender balance in management

Continue building an environment focused on collaboration, inclusive leadership and innovation

1. Approximate number of FTEs at spin-off. 2. As of April 1, 2023. 3. Based on Glint’s global benchmark which is produced using a hybrid methodology combining Industry panel studies and Glint’s global customer base (500+ companies, +8m employees from 150+ countries). 4. Glassdoor rating, Sandoz vs. industry peers; as of April 2023.



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We are building a strong corporate governance

Independent, experienced and diverse Board of Directors

Gilbert Ghostine announced as Chairman-Designate

10 fully independent members selected

40% female representation

Strong governance and high Business Ethics

Strong cultural foundation to enable our people to do what's right

Robust Code of Ethics, including clear commitments to anti-bribery and anti-corruption

Integrated Enterprise Risk Management across the value chain

Best practice reporting

We commit to publishing an ESG Report by Q1 2024 following international standards



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Transaction overview and concluding remarks



Richard Saynor
Chief Executive Officer

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Transaction overview

100% spin-off

New Sandoz shares distributed to existing Novartis shareholders

SIX Swiss Exchange listing

Complemented by a Level 1 American Depository Receipt (ADR) program in the US

Switzerland

Incorporated and headquartered

Investment grade credit rating

Targeted from rating agencies

18 July 2023

Novartis Second Quarter & Half Year 2023 Results

H2 2023

Spin-off¹

1. Completion of the transaction is subject to certain conditions, including consultation with works councils and employee representatives (as required), general market conditions, tax rulings and opinions, final approval of the Novartis Board of Directors and shareholder approval in line with Swiss corporate law.

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Well-positioned to deliver sustainable growth and superior value creation for our shareholders

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**Attractive
market
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**Leadership
and scale**

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**Multiple
growth
drivers**

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**Margin
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**Strong
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**Compelling
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Glossary

Abbreviation	Definition
AGM	Annual general meeting
AI	Artificial intelligence
AMR	Antimicrobial resistance
API	Active pharmaceutical ingredient
ATC	Anatomical therapeutic chemical
BD&L	Business development and licensing
CAGR	Compound annual growth rate
CAPEX	Capital expenditure
EMA	European Medicines Agency
FDA	Food and Drug Administration
FDF	Finished dosage form
FTE	Full-time equivalent
HERA	Health Emergency Preparedness & Response Authority
INN	International nonproprietary name
IP	Intellectual property
LoE	Loss of exclusivity (primarily referring to date of originator patent expiry)
M&A	Mergers and acquisitions
MAT	Moving annual total (refers to rolling 12 months average)
NFC	New form code (drug classification standard)
OECD	Organization for Economic Co-operation and Development

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Segment to carve-out sales, breakdown by business and region

In USD bn	FY 2020	FY 2021	FY 2022
Segment sales	9.6	9.6	9.2
Adjustments ¹	-0.2	-0.2	-0.2
Carve-out sales	9.5	9.4	9.1
vs. PY (in USD)	-	-0%	-4%
vs. PY (in cc ²)	-	-2%	4%
Carve-out sales	9.5	9.4	9.1
Generics	7.7	7.5	7.1
Biosimilars	1.8	1.9	1.9
Carve-out sales	9.5	9.4	9.1
Europe	4.7	4.8	4.5
North America	2.5	2.2	2.1
International	2.3	2.5	2.5

Note: Based on Sandoz division's reporting and unaudited draft carve-out financials. Numbers may not add up due to rounding. 1. Reflect the transfers of the Sandoz division's biotechnology manufacturing services to other companies' activities and the Coartem brand to the Innovative Medicines division. 2. Constant currencies.

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Segment operating income to carve-out EBITDA bridge

In USD bn	FY 2020	FY 2021	FY 2022
Segment operating income	1.0	1.6	1.4
Adjustments ¹	-0.2	-0.2	-0.2
Carve-out operating income	0.8	1.4	1.2
Depreciation of property, plant and equipment	0.3	0.2	0.2
Depreciation of the right-of-use-assets	0.0	0.0	0.0
Amortization of intangible assets	0.4	0.2	0.2
Impairments of property, plant and equipment, and intangible assets	0.3	0.0	0.0
Carve-out EBITDA	1.8	1.9	1.7

Note: Based on Sandoz division's reporting and unaudited draft carve-out financials. Numbers may not add up due to rounding. 1. Incremental costs for a standalone Sandoz and other adjustments; reflect the transfers of the Sandoz division's biotechnology manufacturing services to other companies' activities and the Coartem brand to the Innovative Medicines division.

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Segment core operating income to carve-out core EBITDA bridge

In USD bn	FY 2020	FY 2021	FY 2022
Segment core operating income	2.3	2.1	1.9
Adjustments ¹	-0.2	-0.2	-0.2
Carve-out core operating income	2.1	1.9	1.7
Depreciation of property, plant and equipment	0.2	0.2	0.2
Depreciation of the right-of-use-assets	0.0	0.0	0.0
Amortization of intangible assets	0.0	0.0	0.0
Impairments of property, plant and equipment, and intangible assets	0.0	0.0	0.0
Carve-out core EBITDA	2.4	2.1	1.9

Note: Based on Sandoz division's reporting and unaudited draft carve-out financials. Numbers may not add up due to rounding. 1. Incremental costs for a standalone Sandoz and other adjustments; reflect the transfers of the Sandoz division's biotechnology manufacturing services to other companies' activities and the Coartem brand to the Innovative Medicines division.

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Non-IFRS financial definitions included in this presentation

Core results

Sandoz core results, core operating income and core net income, exclude fully the amortization and impairment charges of intangible assets, excluding software, net gains and losses on fund investments and equity securities valued at fair value through profit and loss and certain acquisition- and divestment- related items. The following items that exceed a threshold of USD 25 million are also excluded: integration- and divestment-related income and expenses; divestment gains and losses; restructuring charges / releases and related items; legal related items, impairments of property, plant and equipment, software and financial assets, and income and expense items that management deems exceptional and that are or are expected to accumulate within the year to be over a USD 25 million threshold.

Sandoz believes that investor understanding of its performance is enhanced by disclosing core measures of performance since, core measures exclude items that can vary significantly from year to year, they enable a better comparison of business performance across years. For this same reason, Sandoz uses these core measures in addition to IFRS and other measures as important factors in assessing its performance.

The following are examples of how these core measures are utilized:

- In addition to monthly reports containing financial information prepared under International Financial Reporting Standards (IFRS), senior management receives a monthly analysis incorporating these core measures;
- Annual budgets are prepared for both IFRS and core measures.

As an internal measure of Sandoz performance, the core results measures have limitations, and the Sandoz performance management process is not solely restricted to these metrics. A limitation of the core results measures is that they provide a view of the Sandoz operations without including all events during a period, such as the effects of an acquisition, divestment, or amortization/impairments of purchased intangible assets, impairments to property, plant and equipment and restructurings and related items.

Constant currencies

Changes in the relative values of non-US currencies to the US dollar can affect Sandoz financial results and financial position. To provide additional information that may be useful to investors, including changes in sales volume, Sandoz presents information about its net sales and various values relating to operating and net income that are adjusted for such foreign currency effects. Constant currency calculations have the goal of eliminating two exchange rate effects so that an estimate can be made of underlying changes in the consolidated income statement excluding the impact of fluctuations in exchange rates:

- the impact of translating the income statements of consolidated entities from their non-USD functional currencies to USD;
- the impact of exchange rate movements on the major transactions of consolidated entities performed in currencies other than their functional currency.

Sandoz calculates constant currency measures by translating the current year's foreign currency values for sales and other income statement items into USD (excluding the IAS 29 "Financial Reporting in Hyperinflationary Economies" adjustments to the local currency income statements of subsidiaries operating in hyperinflationary economies), using the average exchange rates from the prior year and comparing them to the prior year values in USD. Sandoz uses these constant currency measures in evaluating its performance, since they may assist the Company in evaluating its ongoing performance

from year to year. However, in performing its evaluation, Sandoz also considers equivalent measures of performance that are not affected by changes in the relative value of currencies.

Growth rate calculation

For ease of understanding, Sandoz uses a sign convention for its growth rates such that a reduction in operating expenses or losses compared to the prior year is considered favorable and hence shown as a positive change (growth).

Free cash flow

Sandoz defines free cash flow as net cash flows from operating activities and cash flow from investing activities associated with the purchase or sale of property, plant and equipment, of intangible assets, of financial assets and of other non-current assets. Excluded from free cash flow are cash flows from investing activities associated with acquisitions and divestments of businesses and of interests in associated companies, purchases and sales of marketable securities, commodities, time deposits and net cash flows from financing activities. Free cash flow is a non-IFRS measure and is not intended to be a substitute measure for net cash flows from operating activities as determined under IFRS. Free cash flow is presented as additional information because management believes it is a useful supplemental indicator of the Sandoz ability to operate without reliance on additional borrowing or use of existing cash. Free cash flow is a measure of the net cash generated that is available for investment in strategic opportunities, returning to shareholders and for debt repayment. Free cash flow is a non-IFRS measure, which means it should not be interpreted as a measure determined under IFRS.

Free cash flow conversion

Sandoz defines free cash flow conversion as free cash flow divided by EBITDA. This measure represents a company's ability to convert its operating profits into free cash flow (FCF) in a given period.

EBITDA

Sandoz defines earnings before interest, tax, depreciation and amortization (EBITDA) as operating income, excluding depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets, and impairments of property, plant and equipment, right-of-use assets and of intangible assets.

Net debt

Sandoz defines net debt as current financial debts and derivative financial instruments plus non-current financial debt less cash and cash equivalents and marketable securities, commodities, time deposits and derivative financial instruments. Net debt is presented as additional information because it sets forth how management monitors net debt or liquidity and management believes it is a useful supplemental indicator of the Sandoz ability to pay dividends, to meet financial commitments, and to invest in new strategic opportunities, including strengthening its balance sheet.

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Sandoz business, strategy and investment proposition

Leadership and scale in an attractive market

End-to-end capabilities creating long-term value

An attractive financial outlook and compelling sustainability story

> **Appendix**

IQVIA data included in this presentation

Data and methodology

Sandoz utilizes IQVIA's "Multinational Integrated Data Analysis Service" (MIDAS) market measurement product to calculate its market share, ranking, growth, sales benchmarking and other market-related analysis. The MIDAS has wide coverage of global pharmaceutical markets (>98% global sales value), capturing over 10,000 molecule combinations and 1.6mn products. Sandoz has access to 68 markets globally across multiple distribution channels to analyze sales trends, in value and volume terms, across market segments, such as biologics, originator products, generics or biosimilars at an SKU level.

All sales values are presented in MIDAS at Ex-Manufacturer level, based on the price which the Manufacturer receives from the purchaser. Volume data refers to the Standard Unit, as defined by IQVIA as number of doses sold. Doses are defined by product form, e.g. for Injectables, the standard Unit equals one syringe; for tablets, the standard Unit equals one tablet.

To provide market-related forecasting, Sandoz utilizes IQVIA Analytics Link, an online business intelligence platform for the global prescription pharmaceutical market, covering 75 markets globally. The backbone of the Analytics Link ecosystem is MIDAS sales data, which provides 5-year historical + 10-year forecast view of pharmaceutical sales at country, segment and product level in both value and volume. Analytics Link covers over 10,000 drugs across 600 disease areas, tracks sales of over 1,200 corporations across their sales channel, markets and product level.

Data presented

Throughout this presentation, Sandoz utilizes the moving annual total (MAT), which refers to the rolling 12 months average of gross sales. Therein, Sandoz standardized the usage of IQVIA MAT, using December 2022 MAT data to reflect FY 2022 gross sales. Based on the underlying methodology of the MIDAS platform, IQVIA MIDAS data is at gross price level, which excludes any rebates, discounts and margins. Consequently, company-specific net sales are not comparable to IQVIA gross sales.

In this presentation, the size of certain markets is not or not fully reflected. Sandoz excludes certain sizeable markets where the Company has no or only limited commercial presence, such as China, India and Indonesia. Furthermore, Sandoz has a private label and B2B business which is not reflected in IQVIA sales for Sandoz.