

Five key takeaways from Meet Novartis Management 2020

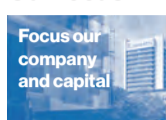
"Novartis offers a unique profile as a fully focused medicines company with diversification across therapeutic areas and geographies, while providing exposure to cutting-edge platforms. Our rich pipeline continues to advance, and we highlight many assets that show significant promise."

Vas Narasimhan, Novartis CEO

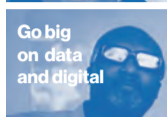
1. We are executing on our strategy set out in 2018

Strategy set out in 2018...

Our focus



Our five priorities



...is delivering...

- Consistent top-line growth
- Sustained bottom-line expansion
- 10 key medicines approved in three years

...while transforming Novartis

- 100% focused as a medicines company
- Record-high engagement score
- Leading pipeline, with 4 advanced therapy platforms
- USD 2bn cost savings achieved over 2017-2020
- Building a leading digital and data science platform
- Improving ESG scores, industry leader across 3 key indices

2. Our leading pipeline is based on scale, innovation and future value



Our first-in-class medicines address the needs of patients with no therapy or limited treatment options. They have the potential to significantly advance treatment standards for patients worldwide.

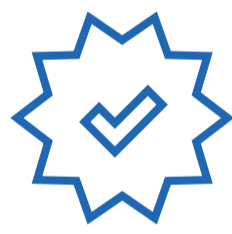
- **Highlighted leading assets in our portfolio with key milestones in 2021 and 2022:**
 - **5 life cycle** management assets that are growth drivers in major therapeutic areas
 - **6 pharmaceutical assets** in mid- to late-stage development
 - **5 oncology assets** in mid- to late-stage portfolio
- **116 assets in phase I or II, 49 in phase III or undergoing registration and more than 65 new molecular entities**
 - **> 20 advanced platform therapies** in clinical development
 - **≈ 90 percent** potential first-in-class/first-in-indication medicines
 - **≈ 80 percent** of targets in areas of high unmet patient need



3. Sandoz is making good progress in strengthening its leadership in the global generics and biosimilars market

- **Top 3 position** in all major regions (US, Europe, ROW) as the only generics company
- **15+ molecules** in the pipeline
- **> 500 million patients** reached annually

4. We continue to drive constant margin expansion, deliver cost savings, and drive productivity programs



- **High 30s margin** expected for Innovative Medicines in the mid-term
- **USD 2 billion** cost savings by year-end across Novartis Technical Operations and Novartis Business Services
- Target for Novartis Technical Operations productivity program starting in 2021 **increased from USD 1.5bn to USD 2bn**



5. We are laying the foundations for sector leadership in the Environmental, Social, Corporate Governance (ESG) space

Key developments in the last 12 months include:



the launch of the **Code of Ethics**



expanded **Diversity and Inclusion efforts** across all operations



the **first-of-its-kind** sustainability bond in the pharmaceutical industry

Disclaimer

This presentation contains forward-looking statements within the meaning of the Securities and Exchange Act of 1933 and the Securities and Exchange Act of 1934. Forward-looking statements can generally be identified by words such as "potential," "expected," "will," "planned," "pipeline," "outlook," or similar terms, or by express or implied discussions regarding potential marketing approvals, new indications or labeling for the investigational or approved products described in this presentation, or regarding potential future revenues from such products, or regarding potential future sales or earnings of the Group or any of its divisions or potential shareholder returns, or regarding the potential impact of the share buyback plan; or by discussions of strategy, plans, expectations or intentions. You should not place undue reliance on these statements. Such forward-looking statements are based on our current beliefs and expectations regarding future events, and are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee that the investigational or approved products described in this presentation will be submitted or approved for sale or for any additional indications or labeling in any market, or at any particular time. Nor can there be any guarantee that such products will be commercially successful in the future. In particular, our expectations regarding such products could be affected by, among other things, the inherent uncertainties involved in predicting shareholder returns, the uncertainties inherent in research and development, including clinical trial results and additional analysis of existing clinical data, regulatory actions or delays or government regulation generally; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures and requirements for increased pricing transparency; our ability to obtain or maintain proprietary intellectual property protection; the particular prescribing preferences of physicians and patients; general political, economic and business conditions, including the effects of and efforts to mitigate pandemic diseases such as COVID-19; safety, quality, data integrity or manufacturing issues; potential or actual data security and data privacy breaches, or disruptions of our information technology systems, and other risks and factors referred to in Novartis AG's current Form 20-F on file with the US Securities and Exchange Commission. Novartis is providing the information in this presentation as of this date and does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.