Appendix

An attractive financial outlook and compelling sustainability story

Leadership and scale in an attractive market

End-to-end capabilities creating long-term value

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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
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
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
1

Sandoz business, strategy and investment proposition
Building on our heritage to succeed as a standalone company

Gilbert Ghostine
Chairman-Designate
A powerful global brand in the off-patent medicines industry
Long-standing heritage and a pioneer in Generics and Biosimilars

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1886</td>
<td>Creation of Sandoz in Basel</td>
</tr>
<tr>
<td>1951</td>
<td>Launch of 1st oral penicillin</td>
</tr>
<tr>
<td>1980</td>
<td>Launch of world's 1st recombinant interferon-alfa</td>
</tr>
<tr>
<td>2003</td>
<td>Sandoz is established as the umbrella brand for the Novartis Generics business</td>
</tr>
<tr>
<td>2005</td>
<td>Acquisition of Hexal</td>
</tr>
<tr>
<td>2006</td>
<td>Sandoz introduces 1st Biosimilar</td>
</tr>
<tr>
<td>2010</td>
<td>1st blockbuster Generic in the US</td>
</tr>
<tr>
<td>2010</td>
<td>Acquisition of Aspen's Japanese operations</td>
</tr>
<tr>
<td>2021</td>
<td>Acquisition of GSK's cephalosporin Antibiotics business</td>
</tr>
<tr>
<td>2022</td>
<td>Novartis announced intention to spin off Sandoz</td>
</tr>
<tr>
<td>2023</td>
<td>Strategic Biosimilars partnership with Just – Evotec Biologics</td>
</tr>
<tr>
<td>2023</td>
<td>Announced investments into new Biosimilars capabilities in Slovenia and Germany</td>
</tr>
</tbody>
</table>
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
A highly experienced and diverse Board of Directors

Note: The third-party trademarks above are property of their respective owners.
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
A European champion and a global leader in Generics and Biosimilars

Richard Saynor
Chief Executive Officer
Who we are

Reshaped for sustainable growth

An attractive investment proposition
Who we are

Reshaped for sustainable growth

An attractive investment proposition
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 million\(^1\) patients served per annum
- >USD 180 billion\(^2\) estimated annual social impact of Sandoz medicines

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1. Based on internal analysis.  
2. Based on 2022 WfCOR Institute analysis.
Sandoz at a glance

USD 208bn
Market size¹
Growing at 8%¹,² with increasing share of Biosimilars

USD 9.1bn
FY 2022 net sales³,⁴
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.
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%\(^1\)

9.1bn
+4%\(^1\)

79%
21%

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.
Global scale and a European champion

Net sales by region
FY 2022, in USD

Europe
4.5bn
+6%  
International
2.5bn
+7%  
North America
2.1bn
-2%

9.1bn
+4%

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.
Reshaped for sustainable growth
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
Highly experienced and diverse Corporate Officers

Richard Saynor  
Chief Executive Officer

Colin Bond  
Chief Financial Officer

Ingrid Sollerer  
Group General Counsel

Tripti Jha  
Chief People Officer

Pierre Bourdage  
Chief Commercial Officer

Claire D’Abreu-Hayling  
Chief Scientific Officer

Glenn Gerecke  
Chief Manufacturing and Supply Officer

Rebecca Guntern  
President Europe

Keren Haruvi  
President North America

Francisco Ballester  
President International

Not exhaustive

Note: The third-party trademarks above are property of their respective owners.  
1. Proposed Corporate Officers of Sandoz Group AG.
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
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 growth\(^1\)
- Advanced European leadership, outperforming the market
- Accelerated growth in International markets and stabilized the North American business

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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.
**Invested in the pipeline and doubled down on Biosimilars**

| 
| 
| 
| 
| 
| 2x | >400 | 4 |
| expected overall launch contribution to net sales in the next five years | Generics in pipeline | Key Biosimilars launches upcoming |
| ~3x | 24 | |
| number of Biosimilars in development in the last five years | Biosimilars in pipeline | Humira® (adalimumab)
| ~50% | >USD 341bn | Tysabri® (natalizumab) |
| of launch contribution to net sales expected to be derived from Biosimilars in the next five years | molecular LoE value targeted | Prolia® / Xgeva® (denosumab) |
|  |  | Eylea® (aflibercept) |

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).
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
Leveraging Biosimilars partnerships to drive long-term growth

Key partners

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

Note: The third-party trademarks above are property of their respective owners.
Six strategic levers to drive long-term shareholder value

01
Attractive market fundamentals

02
Leadership and scale

03
Multiple growth drivers

04
Margin improvement

05
Strong cash flow generation

06
Compelling sustainability story
Attractive and growing market with increasing share in Biosimilars

Off-patent market\(^1\)

Gross sales, in USD bn

\[\begin{array}{c|c|c}
\text{Year} & \text{Generics} & \text{Biosimilars} \\
\hline
2022 & 185 & 23 \\
2031 & 298 & 122 \\
\end{array}\]

\[\text{CAGR '22-'31} \quad +8\% \quad +20\% \quad +5\%\]

\(^1\) Based on Company analysis using IQVIA Analytics Link MAT 12-2022 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
The only company positioned at scale in Generics and Biosimilars

Gross sales in global Generics and Biosimilars\(^1\)
\%
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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1. Illustration based on Company analysis using data from IQVIA MIDAS MAT 12-2022 data in LCUSD at gross price.
Global leadership and scale; #1 in Europe, Sandoz biggest market

Breakdown of global Generics and Biosimilars players by region

Gross sales, in USD bn

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

Sandoz Biosimilars ranking¹ in the top 10 markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>4</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
</tr>
<tr>
<td>UK</td>
<td>4</td>
</tr>
<tr>
<td>Italy</td>
<td>1</td>
</tr>
<tr>
<td>France</td>
<td>1</td>
</tr>
<tr>
<td>Spain</td>
<td>1</td>
</tr>
<tr>
<td>Canada</td>
<td>2</td>
</tr>
<tr>
<td>Japan</td>
<td>13</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1</td>
</tr>
</tbody>
</table>

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

- Expanding breadth and depth of pipeline
- Leveraging strategic partnerships
- Improving product mix
- Maximizing near-term Biosimilars launches
- Sales execution

Mid-single digit net sales growth in the mid-term (2028)

1. In constant currencies. For additional information regarding constant currencies, which is a non-IFRS measure, see "Appendix" starting on slide 136.
Rigorously focused on improving core EBITDA margin to ~24-26% by 2028

Core EBITDA margin expansion from ~18-19% in 2023 to ~24-26% by 2028

Included in business plan

Note: For additional information regarding the core results, which are non-IFRS measures, see “Appendix” starting on slide 136.
Core EBITDA margin expansion driving strong free cash flow uptake

Free cash flow
in USD bn (illustrative)

2022
0.8

2028
~2.5x

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.
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.
## 2023 and mid-term guidance

<table>
<thead>
<tr>
<th></th>
<th>2023 guidance</th>
<th>Mid-term guidance (2028E)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales growth(^1)</strong></td>
<td>Mid-single digit</td>
<td>Mid-single digit</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Core EBITDA</strong></td>
<td>~18-19%</td>
<td>~24-26%</td>
</tr>
<tr>
<td>% margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dividend policy</strong></td>
<td>20-30%</td>
<td>30-40%</td>
</tr>
<tr>
<td>% of core net income</td>
<td>Full year dividend based on FY 2023 core net income</td>
<td></td>
</tr>
</tbody>
</table>

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.
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.

Underpinned by strong corporate governance.

We champion diversity, equity and inclusion.

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

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<tr>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
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</thead>
<tbody>
<tr>
<td>Attractive market fundamentals</td>
<td>Leadership and scale</td>
<td>Multiple growth drivers</td>
<td>Margin improvement</td>
<td>Strong cash flow generation</td>
<td>Compelling sustainability story</td>
</tr>
</tbody>
</table>
Q&A
Session 1
Leadership and scale in an attractive market
Market affinity at scale is our competitive advantage

<table>
<thead>
<tr>
<th>Region</th>
<th>Building on our leadership position</th>
<th>Stabilizing and returning to growth</th>
<th>Capturing high-growth / high-return opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>50% of total Sandoz net sales</td>
<td>23% of total Sandoz net sales</td>
<td>27% of total Sandoz net sales</td>
</tr>
<tr>
<td>North America</td>
<td>• #1 in Generics and Biosimilars</td>
<td>• Leading in segments where we compete</td>
<td>• Targeting attractive markets</td>
</tr>
<tr>
<td></td>
<td>• Capitalize on our footprint,</td>
<td>• Four high-value upcoming</td>
<td>• Leveraging our portfolio globally, supplemented by M&amp;A and BD&amp;L</td>
</tr>
<tr>
<td></td>
<td>portfolio and pipeline</td>
<td>Biosimilars launches</td>
<td></td>
</tr>
</tbody>
</table>

Note: Net sales to third parties based on unaudited draft carve-out financials extract.
Building on our leadership position in Europe

Rebecca Guntern
President Europe
## Region Europe at a glance

<table>
<thead>
<tr>
<th>USD 65bn</th>
<th>#1 in Generics and Biosimilars</th>
<th>USD 4.5bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022 market size&lt;sup&gt;1&lt;/sup&gt;</td>
<td>#1 in 3 out of top 5 European markets&lt;sup&gt;3&lt;/sup&gt; and expanding leadership&lt;sup&gt;1&lt;/sup&gt;</td>
<td>FY 2022 net sales</td>
</tr>
<tr>
<td>Large, attractive and growing market opportunity</td>
<td></td>
<td>Strong top-line growth</td>
</tr>
</tbody>
</table>

### Powerful commercial platform
- Present in >40 countries and leading in ~80% of markets across Europe<sup>1,4</sup>

### 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.
Europe represents a large, attractive and growing market

European off-patent market¹
Gross sales, in USD bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Generics</th>
<th>Biosimilars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>65</td>
<td>11</td>
</tr>
<tr>
<td>2031</td>
<td>128</td>
<td>42</td>
</tr>
</tbody>
</table>

CAGR '22-'31

- +8% CAGR 2022-2031
- +16% CAGR 2022-2031
- +5% CAGR 2022-2031

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

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

European market\(^1\) ranking by top Generics and Biosimilars competitors

<table>
<thead>
<tr>
<th>Gross sales, in USD bn</th>
<th>Total share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share △Share Evolution Index(^2)</td>
</tr>
<tr>
<td>Sandoz</td>
<td>11% ▲ 104</td>
</tr>
<tr>
<td>Competitor A</td>
<td>7% ▼ 95</td>
</tr>
<tr>
<td>Competitor B</td>
<td>6% ▼ 99</td>
</tr>
<tr>
<td>Competitor C</td>
<td>4% — 100</td>
</tr>
<tr>
<td>Competitor D</td>
<td>3% ▼ 99</td>
</tr>
<tr>
<td>Competitor E</td>
<td>3% ▲ 101</td>
</tr>
</tbody>
</table>

Generics | Biosimilars

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.
Continuing to expand our leadership in Biosimilars

Sandoz Biosimilars share evolution (2019 - 2022)

Sandoz is leader in 5 of its 8 launched Biosimilars

2x share vs. closest competitor

>80% tender win rate

Four upcoming launches

| Hyrimoz® (natailmunab) | Prolia® / Xgeva® (denosumab) | Tysabri® (natalizumab) | Eylea® (aflibercept) |

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).
Delivering strong sales growth in Region Europe

**Net sales**
FY 2022, in USD

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biosimilars</td>
<td>1.2bn</td>
</tr>
<tr>
<td>Generics</td>
<td>3.3bn</td>
</tr>
</tbody>
</table>

4.5bn
+6%\(^1\)
73%
27%

**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.
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

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

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

Market archetype

Tender driven
Share of voice
Substitution

Markets where we lead

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

- Frontrunner in driving market access and policy shaping in Europe
- ~84% LoE coverage of last 5 years
- ~70% of INNs launched first-to-market
- Leading negotiating and contracting capabilities
- #1 in face-to-face share of voice, leading in customer satisfaction
- Strong retail pharmacy network access

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).
Multiple drivers of sustainable growth in Region Europe

Sales execution

- Leverage our footprint and drive share

Maximizing upcoming launches

- Four Biosimilars launches, targeting USD 4bn in LoE value¹
- Generics launches targeting USD 19bn in LoE value²

Improving product mix

- Maintain high share of complex portfolio sales amid continuing top-line growth

Leveraging strategic partnerships

- Partner of choice for new products / technologies

Expanding breadth and depth of pipeline

- Maintaining broad INN coverage
- Adding Biosimilars assets

---

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.
Stabilizing and returning to growth in North America

Keren Haruvi
President North America
## Region North America at a glance

<table>
<thead>
<tr>
<th>USD 75bn</th>
<th>Regaining leadership positions</th>
<th>USD 2.1bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022 North America market(^1)</td>
<td>#4 in the US and #2 in Canada(^2)</td>
<td>FY 2022 net sales</td>
</tr>
<tr>
<td>Rapid Biosimilars market growth expected</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Renewed commercial strategy</th>
<th>Four upcoming Biosimilars launches</th>
<th>Multiple drivers of sustainable top-line growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch excellence, organizational redesign and customer relationships</td>
<td>with adalimumab and natalizumab(^3) launches planned in H2 2023</td>
<td>Commercial excellence, Biosimilars launches and pipeline expansion</td>
</tr>
</tbody>
</table>

**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.
Biosimilars expected to drive significant growth opportunity in North America

**North America off-patent market**
Gross sales, in USD bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Generics</th>
<th>Biosimilars</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>11</td>
<td>65</td>
<td>76</td>
</tr>
<tr>
<td>2031</td>
<td>73</td>
<td>110</td>
<td>183</td>
</tr>
</tbody>
</table>

**CAGR**
- '22-'31: +10%
- '20-31: +24%
- '20-31: +6%

**Market dynamics**

- #1 (US) and #9 (Canada) largest global economies
- Large and aging population: ~22% of North Americans will be 65 years or older by 2050
- 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 US

---

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.  
4. LoE value covered based on Company analysis using Evaluate Pharma, extended by Company forecasting.
#4 in the US and #2 in Canada

**United States**

<table>
<thead>
<tr>
<th></th>
<th>US market ranking</th>
<th>Total share</th>
<th>3Y △ Share</th>
<th>1Y △ Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitor A</td>
<td>4.6</td>
<td>0.7</td>
<td>5.3</td>
<td>8% ▼ ▼</td>
</tr>
<tr>
<td>Competitor B</td>
<td>1.0</td>
<td>3.3</td>
<td>4.4</td>
<td>6% ▲ ▲</td>
</tr>
<tr>
<td>Competitor C</td>
<td>3.6</td>
<td>0.6</td>
<td>4.2</td>
<td>6% ▼ ▼</td>
</tr>
<tr>
<td><strong>Sandoz</strong></td>
<td><strong>1.9</strong></td>
<td><strong>0.8</strong></td>
<td><strong>2.7</strong></td>
<td><strong>4% ▼ ▼</strong></td>
</tr>
<tr>
<td>Competitor D</td>
<td>0.5</td>
<td>1.7</td>
<td>2.2</td>
<td>3% ▼ ▼</td>
</tr>
<tr>
<td>Competitor E</td>
<td></td>
<td></td>
<td>2.0</td>
<td>3% ▼ ▼</td>
</tr>
</tbody>
</table>

**Canada**

<table>
<thead>
<tr>
<th></th>
<th>Canadian market ranking</th>
<th>Total share</th>
<th>3Y △ Share</th>
<th>1Y △ Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitor A</td>
<td>0.8</td>
<td>0.1</td>
<td>0.9</td>
<td>14% ▼ ▼</td>
</tr>
<tr>
<td><strong>Sandoz</strong></td>
<td><strong>0.6</strong></td>
<td><strong>0.1</strong></td>
<td><strong>0.7</strong></td>
<td><strong>10% ▼ ▼</strong></td>
</tr>
<tr>
<td>Competitor B</td>
<td></td>
<td></td>
<td></td>
<td>8% ▲ ▼</td>
</tr>
<tr>
<td>Competitor C</td>
<td></td>
<td></td>
<td></td>
<td>8% ▲ ▼</td>
</tr>
<tr>
<td>Competitor D</td>
<td></td>
<td></td>
<td></td>
<td>8% ▼ ▼</td>
</tr>
<tr>
<td>Competitor E</td>
<td></td>
<td></td>
<td>0.3</td>
<td>4% ▲ ▼</td>
</tr>
</tbody>
</table>

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.
North American business stabilizing ahead of key launches

Net sales
FY 2022, in USD

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biosimilars</td>
<td>0.4bn</td>
</tr>
<tr>
<td>Generics</td>
<td>1.7bn</td>
</tr>
<tr>
<td>Total</td>
<td>2.1bn</td>
</tr>
</tbody>
</table>

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
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)
Four upcoming Biosimilars launches supported by strong commercial capabilities

**Humira®**
adalimumab

**H2 2023**
Launch

**Tysabri®**
natalizumab

**H2 2023**

**Prolia® / Xgeva®**
denosumab

**2024**

**Eylea®**
aflibercept

**2024**

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

Note: The third-party trademarks above are property of their respective owners.
Multiple drivers of sustainable growth in North America

- **Sales execution**
  - Focus on priority products and launch excellence
  - Rebuilding customer relationships

- **Maximizing upcoming launches**
  - Four Biosimilars launches, targeting USD 30bn in LoE value\(^1\)
  - Generics launches targeting USD 53bn in LoE value\(^2\)

- **Improving product mix**
  - ~70% of portfolio to be complex Generics and Biosimilars in the next five years vs. ~55% today\(^3\)

- **Leveraging strategic partnerships**
  - Commercial agreements to optimize platform and assets

- **Expanding breadth and depth of pipeline**
  - Reinvest in US-specific opportunities
  - Prioritize Biosimilars and complex Generics

---

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

Francisco Ballester
President International
Region International at a glance

<table>
<thead>
<tr>
<th>USD 68bn</th>
<th>Targeting most attractive markets</th>
<th>USD 2.5bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022 market size&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Highly attractive dynamics</td>
<td>FY 2022 net sales</td>
</tr>
<tr>
<td>Targeting most attractive markets</td>
<td>26 markets with direct presence&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Consistent high-single digit growth</td>
</tr>
</tbody>
</table>

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.
Long-term international growth supported by attractive market dynamics

International off-patent markets

Gross sales, in USD bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Generics (bn)</th>
<th>Biosimilars (bn)</th>
<th>CAGR '22-'31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>66</td>
<td>7</td>
<td>+5%</td>
</tr>
<tr>
<td>2031</td>
<td>102</td>
<td>109</td>
<td>+18%</td>
</tr>
</tbody>
</table>

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.

Market dynamics

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

Worldwide highest population growth expected in emerging markets.

Pockets of significantly faster growth in selected countries and product areas.

1. 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.
26 most attractive markets served directly

<table>
<thead>
<tr>
<th>Market archetype</th>
<th>Examples of markets we serve directly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substitution</td>
<td>Australia, Japan, Brazil</td>
</tr>
<tr>
<td>Share of voice</td>
<td>Mexico, South Africa, Turkey</td>
</tr>
<tr>
<td>Tender driven</td>
<td>New Zealand, Egypt, Saudi Arabia</td>
</tr>
</tbody>
</table>

Selection criteria for direct presence\(^1\) 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.
Our international strategy has delivered strong growth

Net sales
FY 2022, in USD

- Generics: 2.1bn
- Biosimilars: 0.3bn

2.5bn
+7%₁

88%
12%

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.
Leverage and maximize the value of our portfolio globally

Selected examples

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.
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
- Leveraged the existing Sandoz infrastructure
Multiple drivers of sustainable growth in Region International

- **Sales execution**
  - Focus on 26 most attractive markets

- **Maximizing upcoming launches**
  - Prioritize first-to-market and Biosimilars launches

- **Improving product mix**
  - Increase share of branded products and Biosimilars

- **Leveraging strategic partnerships**
  - Maximize opportunities with third-party distributors

- **Expanding breadth and depth of pipeline**
  - Deploy Sandoz pipeline globally
  - Identify further regional inorganic opportunities
3
End-to-end capabilities creating long-term value
## 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
Driving growth with our attractive pipeline

Pierre Bourdage
Chief Commercial Officer
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
Broad and deep pipeline with ~70% contribution from complex Generics and Biosimilars

<table>
<thead>
<tr>
<th>Generics</th>
<th>Biosimilars</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;400</td>
<td>24</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Extensive Biosimilars pipeline</th>
<th>16 in early stage of development</th>
<th>8 in clinical and regulatory stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-value market opportunity</td>
<td>&gt;USD 196bn of originator sales covered(^1)</td>
<td>~2/3 of value in oncology and immunology</td>
</tr>
</tbody>
</table>

**Biosimilars pipeline strategy**

- Targeting major upcoming LoEs
- Prioritizing first-to-market or exclusive\(^2\) 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.
Four key upcoming Biosimilars launches, covering >USD 40bn in LoE value

<table>
<thead>
<tr>
<th>Targeted brand</th>
<th>Therapeutic areas</th>
<th>Originator net sales targeted</th>
<th>Key highlights</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humira®/adalimumab²</td>
<td>Immunology</td>
<td>~USD 21bn</td>
<td>High Concentration Formulation (HCF), proven supply reliability and strong cost position, differentiating features</td>
<td>✓ EMA and FDA approved</td>
</tr>
<tr>
<td>Tysabri®/natalizumab</td>
<td>Neurology / Immunology</td>
<td>~USD 2bn</td>
<td>First and potentially only Biosimilar to market, leveraging experience from Omnitrope success</td>
<td>✓ Submitted in the US and EU</td>
</tr>
<tr>
<td>Prolia®/Xgeva®/denosumab</td>
<td>Bone diseases / Oncology</td>
<td>~USD 7bn</td>
<td>Most advanced industry program, market expansion opportunity in Osteoporosis</td>
<td>✓ Submitted in the EU, US and Canada</td>
</tr>
<tr>
<td>Eylea®/aflibercept</td>
<td>Ophthalmology</td>
<td>~USD 11bn</td>
<td>Strong target product profile, including prefilled syringe at launch</td>
<td>Phase III readout expected in Q3 2023</td>
</tr>
</tbody>
</table>

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).
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**
- 1.6bn
- 31% Biosimilars
- 69% Generics
- 31% Launch of three additional Biosimilars molecules
- 69% Launch of ~190 unique Generics products<sup>1</sup>

**Next five years**
- 3.0bn
- 35% Planned launch of >120 generics products<sup>1</sup>
- 65% Significant increase in launch value / product with high focus on LoE launches and complex Generics assets

---

<sup>1</sup> Product defined as unique combination of molecule and dosage form.
Delivering our pipeline

Claire D’Abreu-Hayling
Chief Scientific Officer
Sandoz Global Development & Regulatory at a glance

- Synergistic capabilities
  - Between complex Generics and Biosimilars
- Cost-efficient footprint
  - 6 development centers
- High-quality external partners
  - Complementing internal capabilities
- Shaping the regulatory landscape
  - Represented in key international associations
- 1,700 FTEs
- Strong development track record
  - 100% success rate in bringing Biosimilars molecules from clinical trial to market in Europe
- Across development and regulatory
  - ~1,700 FTEs
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 launches\(^3\) in 2022

~160 LoE launches\(^3\) 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 submissions\(^1\) 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.
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

...including leading capabilities and success in complex Generics...
...and significant success bringing Biosimilars to market

2006 – 2009
First approval of a Biosimilar in Europe and first marketing authorization in Japan and Canada

2015
Opened US market with first Biosimilar approval

2016 – 2022
Launch of five Biosimilars molecules

2023 – 2028
Planned approval of four additional Biosimilars molecules

100% success rate in bringing molecules from clinical trials to market in Europe
Increasing success rate in the US with 3 products in the market and 4 upcoming launches
Our Biosimilars are currently available in >90 countries

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).
Leading capabilities to deliver our pipeline across four key technology platforms

<table>
<thead>
<tr>
<th>4 key technology platforms</th>
<th>Biosimilars</th>
<th>Oral Solids</th>
<th>Injectables</th>
<th>Respiratory</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>End-to-end development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generics and Biosimilars analytical development expertise</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bioequivalence and clinical studies execution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management of strategic API sourcing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regulatory, legal and IP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global and local teams with expertise across all technology platforms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience and deep understanding of regulatory and IP environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement in actively shaping policy and legal framework</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Manufacturing and launch
Six Sandoz development centers with leading capabilities

Development centers and capabilities

<table>
<thead>
<tr>
<th>Location</th>
<th>Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ljubljana (SI)</td>
<td>Biosimilars, Oral Solids, Complex Injectables, Nasals, Ophthalmics</td>
</tr>
<tr>
<td>Hyderabad (IN)</td>
<td>Oral Solids</td>
</tr>
<tr>
<td>Cambridge (UK)</td>
<td>Device Technology Development</td>
</tr>
<tr>
<td>Kundl (AT)</td>
<td>Biosimilars, Oral Solids, Injectables, Anti-infectives</td>
</tr>
<tr>
<td>Holzkirchen (DE)</td>
<td>Biosimilars and Transdermal Technology</td>
</tr>
<tr>
<td>Rudolstadt (DE)</td>
<td>Inhalation Technology</td>
</tr>
</tbody>
</table>

Five Centers of Excellence support development centers with expertise in
- Polymorphism
- Extractables & leachables
- Nitrosamines & mutagenic impurities
- In vitro – in vivo correlation
- Biosimilars analytics
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
Internal capabilities supported by high-quality external partners

**Partnership rationale**

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

**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**

Note: The third-party trademarks above are property of their respective owners.
Strong basis to continue delivering our pipeline

1. **Breadth of capabilities to cover full range of technologies**

2. **Strong track record**

3. **Flexible network to pioneer new technologies**
Expanding margin through operational improvements

Glenn Gerecke
Chief Manufacturing and Supply Officer
## Sandoz Technical Operations at a glance

<table>
<thead>
<tr>
<th><strong>USD 4.9bn</strong></th>
<th><strong>18</strong></th>
<th><strong>~700</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2022 cost of goods sold&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Manufacturing sites</td>
<td>External supply sites&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>~60% of total Sandoz cost base&lt;sup&gt;1&lt;/sup&gt;</td>
<td>High internal capacity and reliability</td>
<td>Flexibility, efficiency and market coverage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>1.7bn</strong></th>
<th><strong>~160</strong></th>
<th><strong>~90%</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Packs distributed in 2022</td>
<td>Health authority inspections in 2019 - 2022</td>
<td>Delivery to customer on time and in full&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>&gt;800 molecules</td>
<td>100% success rate</td>
<td>High customer satisfaction and retention</td>
</tr>
</tbody>
</table>

---

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

Operational improvements

- **Network design**
  - Internal and external network simplification

- **Focused vertical integration**
  - Establish vertically integrated Biosimilar supply

- **Operational excellence**
  - Continue to increase manufacturing productivity

- **Procurement optimization**
  - Focus on long-term partnerships and scale

~350bps core EBITDA margin improvement from 2023 to 2028

Included in business plan

Note: For additional information regarding the core results, which are non-IFRS measures, see “Appendix” starting on slide 136.
High-quality in-house global manufacturing network

Optimization achieved over last 5 years

25
Legacy footprint
2017

18
Current footprint
2023

Cost efficient and high volume
Dedicated regional production
Broad capabilities
Highly skilled workforce

18 internal manufacturing sites

2x US
2x Spain
3x Germany
2x Austria
4x Slovenia
2x Poland
Turkey
India
Brazil
Significant opportunity to further rationalize the network

Planned network efficiencies

<table>
<thead>
<tr>
<th>Internal manufacturing sites</th>
<th>External manufacturing sites²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current 2023</td>
<td>Future 2025¹</td>
</tr>
<tr>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

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.
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
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
Investing in sustainable access to Antibiotics

Kundl (Austria) & Palafolls (Spain)

>EUR 250m
Total planned investment

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.
Rigorously focused on driving operational excellence

**Strong foundation**

- ~90% Delivery to customer on time and in full
- ~160 Health authorities’ inspections with 100% success rate 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.
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
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
Q&A

Session 1
4

An attractive financial outlook and compelling sustainability story
An attractive financial outlook

Colin Bond
Chief Financial Officer
After recent headwinds, Sandoz is set to achieve its full potential as a standalone business

Past
A stabilized business through macro volatility
2021 – 2022
› Investing through the cycle

Present
Creating an independent Sandoz
2023
› Separating the business

Future
Accelerating profitable growth
2024 – 2028
› Achieving our full potential
Where have we come from?
A stabilized business through macro volatility

Past
A stabilized business through macro volatility
2021 – 2022

- COVID and macro volatility in 2021
- Recovery and momentum in 2022
- Input cost inflation in H2 2022
- Continued investment in pipeline and commercial initiatives

Present
Creating an independent Sandoz
2023

Future
Accelerating profitable growth
2024 – 2028
Strong top-line growth in 2022, core EBITDA impacted by inflation and investment through the cycle

<table>
<thead>
<tr>
<th>In USD bn</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales(^1)</td>
<td>9.4</td>
<td>9.1</td>
</tr>
<tr>
<td>vs. PY (in USD)</td>
<td>0%</td>
<td>-4%</td>
</tr>
<tr>
<td>vs. PY (in cc(^2))</td>
<td>-2%</td>
<td>+4%</td>
</tr>
<tr>
<td>Core EBITDA</td>
<td>2.1</td>
<td>1.9</td>
</tr>
<tr>
<td>% of net sales</td>
<td>22.1%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>% of net sales</td>
<td>10.7%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

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

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

Net sales
In USD bn

<table>
<thead>
<tr>
<th>Year</th>
<th>FX</th>
<th>2021 restated</th>
<th>Volume</th>
<th>Price</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>9.4</td>
<td>-0.8</td>
<td>8.7</td>
<td>-0.6</td>
<td>9.1</td>
</tr>
</tbody>
</table>

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
Strong growth driven by Biosimilars

Net sales by business
FY 2022, in USD

<table>
<thead>
<tr>
<th>Business</th>
<th>Net Sales (bn)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generics</td>
<td>7.1</td>
<td>+3%</td>
</tr>
<tr>
<td>Biosimilars</td>
<td>1.9</td>
<td>+9%</td>
</tr>
</tbody>
</table>

9.1bn  
+4%    
79% 
21%

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 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

9.1bn
+4%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 operational performance in 2022 offset by inflation and investments in growth

Core EBITDA margin
% of net sales¹

2021 | FX | Volume | Price | Operational improvements | Investment | Inflation | 2022

-20bps | -20bps | 80bps | -80bps | -120bps

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
Where are we today?
Creating an independent Sandoz

Past
A stabilized business through macro volatility
2021 – 2022

Present
Creating an independent Sandoz
2023
- Continued growth and US stabilizing
- Two Biosimilars launches expected
- Multiple Generics launches ongoing
- Supply chain inflation
- Investments in capability, capacity, technology and pipeline
- Standalone costs

Future
Accelerating profitable growth
2024 – 2028
Top-line growth momentum continuing into 2023

Net sales growth
In % vs. PY in constant currencies

- FY 2022: +4%
- Q1 2023: +8%

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 highlights

**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**
Expected 2023 core EBITDA margin impacted by inflation and standalone costs

Core EBITDA margin
% of net sales

<table>
<thead>
<tr>
<th>2022</th>
<th>Volume Price</th>
<th>Operational improvements</th>
<th>FX</th>
<th>Standalone costs</th>
<th>Inflation</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~18 to 19%</td>
<td></td>
</tr>
</tbody>
</table>

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
Where are we going? Accelerating profitable growth

Past

A stabilized business through macro volatility

2021 – 2022

Present

Creating an independent Sandoz

2023

Future

Accelerating profitable growth

2024 – 2028

- Mid-single digit sales growth
- Broad Generics and Biosimilars pipeline
- Core EBITDA margin of ~24-26% by 2028 from volume / price, product mix, operational improvements, and organizational efficiencies
- EBITDA to cash conversion in the 70% range
Financial framework to generate capital and deliver attractive returns to Sandoz shareholders

- **Sales growth**
  - Attractive market, scale, and leadership, multiple top-line drivers

- **Margin expansion**
  - Product mix, operational improvements, and organizational efficiencies

- **FCF growth**
  - Growing FCF driven by EBITDA expansion and asset efficiency
Growth driven by broad Generics pipeline and high-value Biosimilars launches

Net sales by business
2023 – 2028 (illustrative)

Broad growth in Generics
Attractive pipeline of >400 products targeting ~USD 145bn of Originator sales

Well-positioned to leverage strong Biosimilars pipeline
- 24 molecules in the pipeline
- Four key upcoming Biosimilars launches of adalimumab HCF, natalizumab, denosumab and aflibercept

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

Net sales by business
2023 – 2028 (illustrative)
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.
Multiple levers to drive margin expansion

Core EBITDA Margin
2023 – 2028 (illustrative), % of net sales

- ~18 to 19%
- ~100bps
- ~100bps
- ~350bps
- ~150bps
- ~24 to 26%

- 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

Note: For additional information regarding the core results, which are non-IFRS measures, see “Appendix” starting on slide 136.
Capex plan focused on Biosimilars capacity and capabilities

Total planned capex investments
Cumulative 2023 – 2028, in USD

- Replacement: ~1.1bn
- Generics capacity expansion: ~0.6bn
- Biosimilars investment: ~0.6bn

~2.3bn

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

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

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.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow (in USD bn)</th>
<th>% of EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1.0</td>
<td>53%</td>
</tr>
<tr>
<td>2022</td>
<td>0.8</td>
<td>48%</td>
</tr>
<tr>
<td>2028</td>
<td>~2.5x</td>
<td>~70%</td>
</tr>
</tbody>
</table>

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
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.
Capital allocation priorities aligned with Sandoz strategy

1. Investments in organic business
   - Capacity expansion
   - Standalone capabilities
   - Development & Regulatory

2. Returning capital to shareholders
   - Progressive dividend policy

3. Investment in external growth opportunities
   - Bolt-on M&A and BD&L
## 2023 and mid-term guidance

<table>
<thead>
<tr>
<th></th>
<th>2023 guidance</th>
<th>Mid-term guidance (2028E)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales growth</strong></td>
<td>Mid-single digit</td>
<td>Mid-single digit</td>
</tr>
<tr>
<td>%</td>
<td>~18-19%</td>
<td>~24-26%</td>
</tr>
<tr>
<td><strong>Core EBITDA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% margin</td>
<td>~18-19%</td>
<td>~24-26%</td>
</tr>
<tr>
<td><strong>Dividend policy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of core net income</td>
<td>20-30%</td>
<td>30-40%</td>
</tr>
<tr>
<td>Full year dividend</td>
<td>Full year dividend based on FY 2023 core net income</td>
<td></td>
</tr>
</tbody>
</table>

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.
A compelling sustainability story

Richard Saynor
Chief Executive Officer
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
Pioneering access to medicines

**Strengthening healthcare systems through affordable medicines**

- **>17bn** Savings delivered to US and EU healthcare systems
- **~500m** Patients currently reached by Sandoz products
- **>180bn** Social impact delivered globally by our key products only

**Democratizing Biologics**

- **>90** Countries where our Biosimilars are currently available
- **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 portfolio
- **>40k** HCPs reached over the past 2 years
- **>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 WfOR 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.
Engaging with key stakeholders to improve access to medicines

- Strengthening healthcare systems through affordable medicines
  - IGBA
  - medicines for Europe
  - AAM

- Democratizing Biologics
  - ACT4 BIOSIMILARS
  - Clear roadmap to improve accessibility, acceptability and affordability of Biosimilars

- Responsible manufacturing, access and use of Antibiotics
  - FDA
  - Strong partnership with EMA, FDA, HERA, OECD and European Commission
  - ares genetics
  - Drive cutting-edge digital solutions in global fight against AMR
  - AMR Industry Alliance
  - Membership at the Board driving change
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

---

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.
We champion diversity, equity and inclusion

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

<table>
<thead>
<tr>
<th>Building a diverse workforce and promoting equal opportunity</th>
<th>Enhancing inclusion and organizational belonging</th>
<th>Retaining and upskilling talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>47% Women representation in management²</td>
<td>Engagement and Connection to our Purpose</td>
<td>Higher than average industry Glassdoor “Overall rating”⁴</td>
</tr>
<tr>
<td></td>
<td>Above global benchmark³</td>
<td>86% of employees say they would recommend Sandoz to a friend</td>
</tr>
</tbody>
</table>

We commit to...

<table>
<thead>
<tr>
<th>Transparency and equity in pay – 100% of associates covered by pay equity studies by 2025</th>
<th>Maintain gender balance in management</th>
<th>Continue building an environment focused on collaboration, inclusive leadership and innovation</th>
</tr>
</thead>
</table>

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.
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
Transaction overview and concluding remarks

Richard Saynor
Chief Executive Officer
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-off

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

01 Attractive market fundamentals
02 Leadership and scale
03 Multiple growth drivers
04 Margin improvement
05 Strong cash flow generation
06 Compelling sustainability story
Final Q&A
## Glossary

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

<table>
<thead>
<tr>
<th>In USD bn</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Segment sales</strong></td>
<td>9.6</td>
<td>9.6</td>
<td>9.2</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td><strong>Carve-out sales</strong></td>
<td>9.5</td>
<td>9.4</td>
<td>9.1</td>
</tr>
<tr>
<td>vs. PY (in USD)</td>
<td>-</td>
<td>-0%</td>
<td>-4%</td>
</tr>
<tr>
<td>vs. PY (in cc²)</td>
<td>-</td>
<td>-2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

| 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.
## Segment operating income to carve-out EBITDA bridge

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

Note: Based on Sandoz division’s reporting and unaudited draft carve-out financials. Numbers may not add up due to rounding. 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.
## Segment core operating income to carve-out core EBITDA bridge

<table>
<thead>
<tr>
<th>In USD bn</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment core operating income</td>
<td>2.3</td>
<td>2.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Adjustments(^1)</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>Carve-out core operating income</td>
<td>2.1</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Depreciation of the right-of-use-assets</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Impairments of property, plant and equipment, and intangible assets</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Carve-out core EBITDA</td>
<td>2.4</td>
<td>2.1</td>
<td>1.9</td>
</tr>
</tbody>
</table>

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.
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. 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.
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 88 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.