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MEDIA & INVESTOR RELEASE

Novartis signs agreement to divest 'front of eye' ophthalmology assets in line with focused strategy

- *Divested assets to include* Xiidra®*, on-market treatment for dry eye disease and* SAF312 (libvatrep), *potential therapy for chronic ocular surface pain*
- *Deal consistent with Novartis focused strategy of prioritized therapeutic areas*
- *Closing anticipated 2H 2023, subject to customary conditions*

Basel, June 30, 2023 — Novartis announced today that it has signed an agreement to divest 'front of eye' ophthalmology assets to Bausch + Lomb, a global eye health company, in a transaction valued up to USD 2.5 billion, including USD 1.75 billion in upfront cash, plus additional milestone payments. The deal includes Xiidra®, the first approved prescription treatment for the signs and symptoms of dry eye disease, and investigational medicine SAF312 (libvatrep), in development as a first-in-class therapy for chronic ocular surface pain (COSP), as well as the rights for use of the AcuStream delivery device in dry eye indications and OJL332, a second generation TRPV1 antagonist in pre-clinical development.

"This transaction will enhance our focus on prioritized innovative medicines to alleviate society's greatest disease burdens, achieve the greatest patient impact and drive our growth strategy.", said Ronny Gal, Chief Strategy & Growth Officer of Novartis. "Our ongoing portfolio refinement enables us to best deploy our scientific expertise and resources towards priority programs and therapeutic areas, while remaining open to opportunistic development for additional high impact conditions leveraging our advanced technology platforms. We believe that Bausch + Lomb has the capabilities, scale and commitment to continue the work of Novartis in delivering and developing much needed therapies for patients suffering from dry eye and related conditions."

Under the terms of the agreement, Novartis will receive milestone payments up to USD 750 million linked to anticipated future sales for Xiidra, SAF312 (libvatrep) and OJL332. Novartis will continue to supply Xiidra to patients on behalf of Bausch + Lomb, via transitional agreements for a limited period post-close, to ensure consistent supply for patients.

Closing is anticipated in the second half of 2023 subject to customary conditions.

Novartis will continue its R&D efforts in addressing retinal diseases via platforms including gene therapy and optogenetics.

Disclaimer
This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by words such as “potential,” “can,” “will,” “plan,” “may,” “could,” “would,” “expect,” “anticipate,” “investigational,” “strategy,” “to include,” “development,” “focus,” “ongoing,” “confident,” “commitment,” “continue,” “ensure,”or similar terms, or by express or implied discussions regarding potential marketing approvals, new indications or labeling for Xiidra or the investigational products described in this press release, regarding our divestiture of ‘front of eye’ ophthalmology assets, or regarding potential future revenues from such products. 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 transaction described in this press release will be completed in the expected time frame, or at all. Neither is there any guarantee that the expected benefits from such transaction will be achieved in the expected timeframe, or at all. Nor can there be any guarantee that Xiidra or the investigational products described in this press release will be submitted or approved for sale or for any additional indications or labeling in any market, or at any particular time. Neither can there be any guarantee that such products will be commercially successful in the future. In particular, our expectations regarding the transaction described in this press release or Xiidra or the investigational products described in this press release could be affected by, among other things, the satisfaction of customary closing conditions, 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 press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

About Novartis
Novartis is reimagining medicine to improve and extend people’s lives. We deliver high-value medicines that alleviate society’s greatest disease burdens through technology leadership in R&D and novel access approaches. In our quest to find new medicines, we consistently rank among the world’s top companies investing in research and development. About 103,000 people of more than 140 nationalities work together to bring Novartis products to nearly 800 million people around the world. Find out more at https://www.novartis.com

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