

## **MEDIA & INVESTOR RELEASE**

### **Novartis confirms Sandoz Spin-off for October 4, 2023**

- *Sandoz shares (SDZ) to be listed and traded on SIX Swiss Exchange; ADRs to be traded on OTCQX<sup>®</sup>, first trading day October 4, 2023*
- *Sandoz to be included in key Swiss market indices*
- *Investment grade credit rating for Sandoz confirmed: Moody's, Baa2; S&P, BBB*
- *Debt financing of USD 3.75 billion (in various currencies) secured for Sandoz, supported by USD 1.25 billion revolving credit facility*
- *Spin-off to be completed by way of a 1:5 distribution of Sandoz shares to Novartis shareholders and Sandoz ADRs to Novartis ADR holders*

**Basel, September 25, 2023** — Novartis today confirmed plans for the 100% Spin-off of the Sandoz business, with trading of new Sandoz Group AG shares and ADRs (American Depositary Receipts) to commence on October 4, 2023.

This follows the previously announced Novartis shareholder approval for the Spin-off of Sandoz, at the EGM on September 15 2023. In addition, key regulatory approvals have been obtained, including the approval by SIX Exchange Regulation for the listing of the Sandoz shares on the SIX Swiss Exchange (subject to technical deliveries only).

The shares of Sandoz are expected to be listed and traded from October 4, 2023 on the SIX Swiss Exchange with the symbol "SDZ". Sandoz will be included in the Swiss Performance Index (SPI<sup>®</sup>), Swiss Leader Index (SLI<sup>®</sup>) and other relevant Swiss indices following completion of the Spin-off, as announced by the SIX Swiss Exchange. Sandoz ADRs are envisaged to be traded on the OTCQX<sup>®</sup>, with the symbol to be available shortly before the Spin-off date.

Key ratings agencies have confirmed Sandoz' credit rating will be investment grade following the Spin-off, placing the company in a strong position among its peers. Moody's Investors Service and S&P Global Ratings have rated Sandoz Baa2 and BBB, respectively.

Sandoz has secured debt financing of USD 3.75 billion (in various currencies) through a group of banks which will also support Sandoz with a revolving credit facility of USD 1.25 billion to serve as an undrawn backstop facility.

The Spin-off will be completed via distribution of a dividend-in-kind by Novartis, which is expected to occur on October 4, 2023. Each Novartis shareholder will receive one Sandoz share for every five Novartis shares and each Novartis ADR holder will receive one Sandoz ADR for every five Novartis ADRs. Novartis shareholders and ADR holders will receive a cash amount for any fractional interest. The Spin-off is expected to be tax neutral for Swiss tax and US federal income tax purposes.

The listing prospectus of Sandoz and any supplements thereto can be accessed through the following links:

- Click here ([www.sandoz.com/prospectus](http://www.sandoz.com/prospectus)) to access the Listing Prospectus,
- Click here ([www.sandoz.com/sandoz-spin](http://www.sandoz.com/sandoz-spin)) to access the supplements to the Listing Prospectus and other related documents.

### **Additional Transaction Details**

Completion of the proposed Spin-off is subject to satisfaction of certain conditions, including no event outside of the control of Novartis preventing the Spin-off and no material adverse change. There can be no assurance regarding the ultimate timing of the proposed transaction or that the transaction will be completed.

### **Disclaimer**

This media update 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," "look forward," "believe," "committed," "investigational," "pipeline," "launch," or similar terms, or by express or implied discussions regarding the potential completion of the announced Spin-off of Sandoz; regarding whether the Spin-off is in the best interests of shareholders, regarding the future commercial performance of Novartis or of a separate Sandoz business, or regarding any potential strategic benefits, synergies or opportunities as a result of the Spin-off; or by discussions of strategy, plans, expectations or intentions. You should not place undue reliance on these statements. Such forward-looking statements are based on our current beliefs and expectations regarding future events and are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee that the proposed Spin-off will be completed in the expected form or within the expected time frame or at all. Neither can there be any guarantee that Novartis or a separate Sandoz business will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of the Spin-off, within any particular time frame, or at all. Nor can there be any guarantee that shareholders of Novartis or Sandoz will achieve any particular level of shareholder returns. Neither can there be any guarantee that the Spin-off of Sandoz will in fact be in the best interests of shareholders, or that Novartis or a separate Sandoz business, will be commercially successful in the future, or achieve any particular credit rating or financial results. In particular, our expectations regarding such products could be affected by, among other things: an unexpected failure to satisfy the required closing conditions, or unexpected delays in meeting these requirements; the potential that the strategic benefits, synergies or opportunities expected from the proposed Spin-off may not be realized or may take longer to realize than expected; the inherent uncertainties involved in predicting shareholder returns; a failure to successfully separate Sandoz from the Novartis Group subsequent to the completion of the Spin-off, or within the expected time frame; potential adverse reactions to the proposed Spin-off by customers, suppliers, strategic partners or key Sandoz personnel and potential difficulties in maintaining relationships with such persons; the uncertainties inherent in research and development, including clinical trial results and additional analysis of existing clinical data; the ability of Sandoz as a standalone company to obtain or maintain proprietary intellectual property protection; 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 or

in the Swiss listing prospectus and any supplements filed by Sandoz with the SIX Swiss Exchange. Novartis is providing the information in this media update as of this date and does not undertake any obligation to update any forward-looking statements contained in this media update 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>

### **About Sandoz**

Sandoz, a Novartis division, is a global leader in generic pharmaceuticals and biosimilars. Our purpose is to pioneer access for patients by developing and commercializing novel, affordable approaches that address unmet medical needs. Our vision is to be the world's leading and most valued generics company. Our broad portfolio of high-quality medicines covers major therapeutic areas.

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