

Ad hoc announcement pursuant to art. 53 SIX Swiss Exchange Listing Rules

MEDIA RELEASE

Sandoz takes further steps to resolve legacy US generic drug antitrust class action litigation

- Sandoz US has entered into a settlement agreement with the class of end payer plaintiffs for USD 275 million
- Provision of USD 265 million taken to cover potential additional settlement costs with regard to the US generic drug industry antitrust litigation
- No impact on current Sandoz full-year 2024 and mid-term guidance

Basel, December 17, 2024 – Sandoz (SIX:SDZ/OTCQX:SDZNY), the global leader in generic and biosimilar medicines, today announced a number of steps to resolve the US Generic Drug Antitrust Class Action Litigation. Following the previously announced settlements with the US Department of Justice in 2020 and 2021 and with the direct purchaser plaintiffs' class in February 2024, Sandoz has now also entered into a settlement agreement with the end payer plaintiffs' class for a total of USD 275 million, which is expected to be paid before December 31, 2024. The company has also taken a provision of USD 265 million for the outstanding claims brought by opt-out plaintiffs and State Attorneys' General. The settlement payment and the provision will be included in the company's 2024 financial results. This does not affect current Sandoz full-year 2024 and mid-term guidance.

End payer plaintiffs class settlement

Sandoz Inc. and its subsidiary Fougera Pharmaceuticals Inc. – both indirect subsidiaries of Sandoz Group AG – have entered into a settlement agreement with the class of end payer plaintiffs in the multi-district litigation entitled *In re Generic Pharmaceuticals Pricing Antitrust Litigation* in the US District Court for the Eastern District of Pennsylvania. This agreement, which contains no admission of wrongdoing by Sandoz US, resolves all of the damages claims of the end payer class, which is comprised generally of certain consumers, insurers, health and welfare funds, employee benefit plans, and other entities that paid for and reimbursed the sales of drugs. Under the terms of the agreement, Sandoz US will pay USD 275 million in exchange for a full release of all claims asserted against it in the end payer class action by the settlement class members.

This settlement underscores Sandoz commitment towards integrity and sound governance, and it is an encouraging step toward resolving allegations of legacy conduct. Beyond the payment, settlement terms include:

- A broad release of claims that covers alleged conduct between 2009 and 2019 as well as all medicines at issue in the end purchaser class claims
- Class members have the right to opt out of the settlement, which could result in the settlement amount being reduced by up to USD 45 million

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The settlement is subject to Court approval, as is required for class settlements under US law. If the Court preliminarily approves the settlement, class members will be notified of the settlement and given an opportunity to opt out of the class, object to the settlement, and file a claim to receive a settlement payment.

Remaining claims related to the US generic antitrust litigation

The remaining claims are seeking damages for alleged anticompetitive conduct in the US market. These claims are brought by certain US States and Territories as well as the indirect reseller plaintiff class and individual plaintiffs in the multidistrict litigation. Sandoz US continues to defend itself vigorously in those cases, and has raised a number of defenses, including whether downstream purchasers were actually damaged due to the alleged conduct. Based on its current assessment of these remaining claims, Sandoz set up a provision of USD 265 million. As the litigation progresses, Sandoz will continue to assess the overall situation and may increase or decrease the provision as appropriate.

Other generic antitrust litigation

In addition to the US generic antitrust litigation, as previously disclosed, Sandoz Inc., Sandoz Canada Inc., and Fougera Pharmaceuticals Inc. have been named in a class action in Ontario, Canada alleging price fixing in the Canadian generic pharmaceutical market. The claims are being vigorously contested.

DISCLAIMER

This Media Release contains forward-looking statements, which offer no guarantee with regard to future performance. These statements are made on the basis of management's views and assumptions regarding future events and business performance at the time the statements are made. They are subject to risks and uncertainties including, but not confined to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside of the control of Sandoz. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. Each forward-looking statement speaks only as of the date of the particular statement, and Sandoz undertakes no obligation to publicly update or revise any forward-looking statements, except as required by law.

ABOUT SANDOZ

Sandoz (SIX: SDZ; OTCQX: SDZNY) is the global leader in generic and biosimilar medicines, with a growth strategy driven by its Purpose: pioneering access for patients. More than 20,000 people of 100 nationalities work together to ensure 800 million patient treatments are provided by Sandoz, generating substantial global healthcare savings and an even larger social impact. Its leading portfolio of approximately 1,500 products addresses diseases from the common cold to cancer. Headquartered in Basel, Switzerland, Sandoz traces its heritage back to 1886. Its history of breakthroughs includes Calcium Sandoz in 1929, the world's first oral penicillin in 1951, and the world's first biosimilar in 2006. In 2023, Sandoz recorded net sales of USD 9.6 billion.

CONTACTS

Global Media Relations contacts

Investor Relations contacts

Global.MediaRelations@sandoz.com

Investor.Relations@sandoz.com

Joerg E. Allgaeuer
+49 171 838 4838

Laurent de Weck
+41 79 795 7364
