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MEDIA & INVESTOR RELEASE

Novartis completes divestment of 'front of eye' ophthalmology assets

- *Divestment includes Xiidra®, on-market treatment for dry eye disease and additional ophthalmic investigational therapies*

- *Novartis advances strategy of focused portfolio and prioritized therapeutic areas for future growth*

Basel, September 29th, 2023 — Novartis today announced that it has completed its divestment of 'front of eye' ophthalmology assets to Bausch +Lomb, a global eye health company, in a transaction valued up to USD 2.5 billion, consisting of 1.75 billion in upfront cash, plus potential 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 AcuStream delivery device in dry eye indications and OJL332, a second generation TRPV1 antagonist in pre-clinical development.

"The closing of this transaction is a further step forward as we advance our focused portfolio, investing in prioritized therapeutic areas that address high disease burden and hold the greatest potential for Novartis," said Ronny Gal, Chief Strategy & Growth Officer of Novartis. "On behalf of Novartis, I'd like to extend our gratitude to the talented 'front of eye' therapy team, who remain committed to bringing Xiidra and these potential treatments to patients into the future as part of Bausch + Lomb."

Under the terms of the agreement, Novartis will receive USD 1.75 billion in an upfront cash payment and potential milestone payments of up to USD 750 million linked to the achievement of specified sales milestones for Xiidra, and the achievement of specified commercialization and sales milestones for certain pipeline products in the transaction. Novartis, on behalf of Bausch + Lomb, will continue to supply Xiidra to patients via transitional agreements for a limited period post-close, to ensure consistent supply for patients.

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 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 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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