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MEDIA & INVESTOR RELEASE

Novartis Completes Acquisition of Chinook Therapeutics

- *Acquisition of Chinook Therapeutics, a clinical-stage biopharmaceutical company, completed for USD 3.2bn upfront*

- *Deal brings two phase 3 assets in development for IgAN; atrasentan, an oral endothelin A receptor antagonist, and zigakibart, an anti-APRIL monoclonal antibody*

- *Transaction fully in line with Novartis strategy to focus on innovative medicines, significantly expands renal portfolio, complementing existing pipeline*

Basel, August 11, 2023 — Novartis today announced that it has completed its acquisition of Chinook Therapeutics, Inc., a Seattle, WA, based biopharmaceutical company focused on the discovery, development, and commercialization of precision medicines for kidney diseases, in a transaction valued at up to USD 3.5 billion.

Chinook's pipeline includes two late-stage assets in clinical development to treat Immunoglobulin A Nephropathy (IgAN), atrasentan and zigakibart (BION-1301), as well as earlier stage research and development programs. Atrasentan, an oral endothelin A receptor antagonist (ERA) currently in Phase 3 development for IgAN with a pivotal readout expected in Q4 2023, has shown significant reductions in proteinuria. Atrasentan is also in early-stage development for other rare kidney diseases. Zigakibart (BION-1301) is a subcutaneously administered anti-APRIL monoclonal antibody which entered Phase 3 development for IgAN in July 2023.

"We are excited to complete this important transaction and look forward to leveraging our combined resources and expertise to further advance the development of these promising treatments for the benefit of patients with rare, severe chronic kidney diseases," said Vas Narasimhan, M.D., CEO of Novartis. "We welcome the Chinook team to Novartis as we expand our renal portfolio and continue our journey to reimagine medicine."

Chinook stockholders will receive USD 40.00 in cash per Chinook share (total of USD 3.2 billion), plus up to a further USD 4.00 in cash per Chinook share, through a contingent value right (CVR), upon the achievement of certain regulatory milestones, representing a potential additional USD 300 million in aggregate contingent consideration.

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,” “seek,” “look forward,” “believe,” “committed,” “investigational,” “pipeline,” “launch,” or similar terms, or by express or implied discussions regarding potential marketing approvals, new indications or labeling for atresentan or zigakibart, the acquisition of Chinook Therapeutics, Inc. or regarding potential future revenues from atresentan or zigakibart. 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 atresentan or zigakibart 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 the expected benefits or synergies from this transaction will be achieved in the expected timeframe, or at all, nor can there be any guarantee that atresentan or zigakibart will be commercially successful in the future. In particular, our expectations regarding atresentan or zigakibart or the transaction described in this press release could be affected by, among other things, expected revenues, cost savings, synergies and other benefits from the transaction might not be realized within the expected time frames or at all and costs or difficulties relating to integration matters, including but not limited to employee retention, might be greater than expected; business disruption may occur following or in connection with the acquisition; 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.

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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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