

MEDIA & INVESTOR RELEASE

Sandoz completes acquisition of GSK's cephalosporin business, reinforcing leading global position in antibiotics

- *Sandoz gains rights to three established brands sold in more than 100 markets*
- *Transaction, including leading global brand Zinnat®, complements Sandoz leadership in generic penicillins with leading position in cephalosporins*
- *Acquisition confirms Sandoz commitment to antibiotics, following announcement of further investment plans for European-based manufacturing network*

Basel, October 11, 2021 – Sandoz, a Novartis division, has successfully completed the acquisition of GSK's cephalosporin antibiotics business.

Through this transaction, Sandoz has acquired rights to three established brands (Zinnat, Zinacef and Fortum[®]) in more than 100 markets, further reinforcing its leading global position in antibiotics. In 2020, the three brands had combined sales of approximately USD 140 million in the relevant markets.

“Antibiotics are the backbone of modern healthcare systems and a central pillar of our worldwide Sandoz patient offering”, said Sandoz CEO Richard Saynor. “The successful and timely closing of this important transaction is further proof of our commitment at Sandoz to be a leading global supplier of these essential medicines.

“Cephalosporins are the largest antibiotic segment by global sales and this acquisition complements our #1 position in generic penicillins, the other key segment. It also sets us up for additional synergies driven by an increased promotional footprint across markets.”

The transaction excludes rights to certain brands previously divested by GSK in the US, Australia and Germany. GSK will also retain full brand rights in China (excluding Taiwan, Hong Kong and Macau), India, Pakistan, and Egypt and to certain brands in Japan.

In line with its integrated manufacturing strategy, Sandoz intends in the longer term to manufacture Zinnat at sites in its own network, which has global antibiotics production centered on its lead production site in Kundl, Austria. In May, Sandoz announced plans to invest more than EUR 150 million in its uniquely vertically-integrated, European-based antibiotics network.

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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,” “plans,” “commitment,” “to acquire,” “to expand,” “expected,” “intends,” “expect,” “focus,” “complements,” “leading,” or similar terms, or by express or implied discussions regarding the agreement to acquire GSK’s cephalosporin antibiotics business; or regarding potential future revenues from Zinnat, Zinacef or Fortum. 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 or synergies from the transaction described in this press release will be achieved in the expected timeframe, or at all. Neither is there any guarantee that Zinnat, Zinacef or Fortum will be commercially successful in the future. In particular, our expectations regarding the transaction described in this press release and Zinnat, Zinacef and Fortum could be affected by, among other things, regulatory actions or delays or government regulation generally; the particular prescribing preferences of physicians and patients; competition in general, including potential approval of additional generic or biosimilar versions of such products; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures and requirements for increased pricing transparency; litigation outcomes, including intellectual property disputes or other legal efforts to prevent or limit Sandoz from selling its products; 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 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 ambition is to be the world’s leading and most valued generics company. Our broad portfolio of high-quality medicines, covering major therapeutic areas, accounted for 2020 sales of USD 9.6 billion.

Sandoz on social media:

LinkedIn: <https://www.linkedin.com/company/sandoz/>

Twitter: https://twitter.com/sandoz_global

Facebook: <https://www.facebook.com/sandozglobal/>

Instagram: <https://www.instagram.com/sandozglobal>

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