

MEDIA & INVESTOR RELEASE

Novartis shareholders approve all resolutions proposed by the Board of Directors at the Annual General Meeting

- *Shareholders approve 26th consecutive dividend increase to CHF 3.20 (+3.2%) per share for 2022; representing a 4.0% yield¹ and approximately 61% payout of free cash flow*
- *Shareholders confirm Joerg Reinhardt as Chair of the Board of Directors as well as all other members who stood for re-election; John D. Young newly elected to the Board of Directors*
- *Shareholders approve all other proposals of the Board of Directors, including the amendment of the Articles of Incorporation, the 2022 Compensation Report in an advisory vote, as well as the future Board and Executive Committee compensation in separate binding votes*

Basel, March 7, 2023 — Novartis shareholders today agreed to the Board of Directors' recommendations for all proposed resolutions at the Group's Annual General Meeting (AGM). A total of 1507 shareholders were present at the meeting held in Basel, representing approximately 56.01% of the issued shares of Novartis.

Shareholders approved the 26th consecutive dividend increase since the creation of Novartis in 1996, with an increase of 3.2% to CHF 3.20 per share. Payment for the 2022 dividend will be made as from March 13, 2023. The dividend for 2022 is an approximately 61% payout of free cash flow and results in a dividend yield of 4.0%¹.

Annual re-election of Members of the Board

Shareholders re-elected Joerg Reinhardt as Chair of the Board of Directors, and all members of the Board who stood for re-election, for one year. In addition, John D. Young was newly elected to the Board of Directors.

Shareholders also re-elected all members of the Compensation Committee who stood for re-election, for one year. The Board of Directors intends to redesignate Simon Moroney as Chair of the Compensation Committee.

Reduction of Share Capital

In line with the Board of Directors' recommendation, the shareholders also approved the cancellation of 126 243 500 shares repurchased under the authorizations of March 2, 2021

and March 4, 2022 and the reduction of the share capital accordingly by CHF 63.1 million, from CHF 1 201 860 626 to CHF 1 138 738 876.

Potential further share repurchases

To allow for the full execution of the already announced share buyback of up to USD 15 billion and potential additional share buybacks, shareholders authorized the Board of Directors, in addition to the remaining authorization of CHF 7.4 billion², to repurchase shares as deemed appropriate from time to time up to a maximum of CHF 10 billion between the 2023 Annual General Meeting and the 2026 Annual General Meeting.

Amendment of the Articles of Incorporation

Shareholders also approved the Board of Directors' proposal for the amendment of the Articles of Incorporation of Novartis AG implementing the requirements of the reform of Swiss corporate law that came into force on January 1, 2023 and taking into account current best corporate governance practice. Among other changes, the Articles of Incorporation newly authorize the Board of Directors to hold shareholder meetings electronically. Novartis has committed to submit the corresponding authorization again to a shareholder vote at the 2025 AGM.

Votes on Compensation for the members of the Board of Directors and the Executive Committee

In two separate binding votes, shareholders approved the total maximum aggregate amount of compensation for the Board of Directors, covering the period from the 2023 AGM to the 2024 AGM, and the total maximum aggregate amount of compensation for the Executive Committee for the 2024 financial year. Shareholders also endorsed the 2022 Compensation Report in an advisory vote.

Election of KPMG AG as Auditor

In line with the Board of Directors' proposal, the shareholders elected KPMG AG as auditor for the financial year starting on January 1, 2023.

For a detailed listing of all resolutions at the 2023 Annual General Meeting, please visit: <https://www.novartis.com/agm>

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 "will," "authorized," "endorsed," "advisory," "future," "proposed," "potential," "intends," or similar terms, or by express or implied discussions regarding the potential future impact on Novartis of the matters described in this press release, including the future commercial performance of Novartis, further share repurchases, the annual re-election and election of members of the Board of Directors and the Compensation Committee, votes on compensation for the members of the Board of Directors and the Executive Committee, an advisory vote on the 2022 Compensation Report, the re-election of the statutory auditor, and the amendment of the Articles of Incorporation. 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 as to the ultimate outcome of the matters described in this press release or their potential impact on Novartis. In particular, our expectations regarding these matters could be affected by, among other things, uncertainties regarding future demand for our products; general political, economic and business conditions, including the effects of and efforts to mitigate pandemic diseases such as COVID-19; potential or actual data security and data privacy breaches, or disruptions of our information technology systems; the potential impact of matters discussed in this press release on Novartis management, its financial results and its

competitiveness, 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 106,000 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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References

1. Based on the SIX closing share price on March 6, 2023
2. As of January 31, 2023

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