Sandoz announces agreement to acquire Aspen’s Japanese operations and associated assets, strengthening position in world’s third largest generics market

- Planned acquisition reinforces Sandoz strategic focus on Japan
- Aspen portfolio in Japan consists primarily of off-patent branded medicines with focus on anesthetics and specialty brands
- Medicines complement Sandoz broad hospital portfolio and pipeline in Japan thereby expanding access to the hospital channel

Holzkirchen, Germany, November 11, 2019 – Sandoz today announced that it has entered into a binding agreement for the planned acquisition of the Japanese business of Aspen Global Incorporated (AGI), a wholly owned subsidiary of Aspen Pharmacare Holdings Limited. The planned acquisition consists of shares in Aspen Japan K.K. and associated assets held by AGI. Pursuant to the agreed terms of the transaction, on closing Sandoz will pay an initial cash consideration of EUR 300 million. Sandoz has also agreed, upon certain conditions being fulfilled after closing, to pay certain deferred consideration to AGI. It is currently anticipated that the amount of deferred consideration to be paid will not exceed EUR 100 million.

The acquisition will enable Sandoz to expand its presence in the third largest worldwide generics marketplace. The acquisition would complement the Sandoz broad portfolio and pipeline of hospital generic and biosimilar products with a dedicated sales, marketing and medical organization; thereby enhancing its ability to serve patients and customers in the hospital channel. Completion of the transaction is conditional upon certain customary conditions precedent being fulfilled and is expected to occur in the first half of 2020.

Aspen’s portfolio in Japan consists of off-patent medicines with a focus on anesthetics and specialty brands. Additionally, AGI has entered into a five year manufacturing and supply agreement (with an additional two year extension option) with Sandoz, which will take effect from completion of the transaction, for the supply of active pharmaceutical ingredients, semi-finished and finished goods related to the portfolio of divested brands.

“The acquisition of Aspen’s Japanese operations would significantly strengthen our position in this country, a stable but growing generics market. We are committed to helping address patient and customer needs in the market as we aspire to become the world’s leading and most valued generics company,” said Sandoz CEO Richard Saynor.

Aspen’s portfolio in Japan comprises approximately 20 products, now off-patent branded medicines with a focus on anesthetics (including Xylocaine®), specialty brands (including Imuran®) and local brands. Full-year sales for the fiscal year ending in 2019 were EUR 130 million.

Aspen Japan K.K. is a wholly owned subsidiary of AGI and forms part of the Aspen Group which is headquartered in Durban, South Africa.
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 “planned,” “strategic,” “growing,” “expanding,” “would,” “expand,” “committed,” “aspire,” “potential,” “will,” “expectation,” “expected,” “launch,” “pioneer,” “focus,” “portfolio,” “purpose,” “anticipated,” “to be paid,” or similar terms, or by express or implied discussions regarding potential launches, marketing authorizations, new indications or labeling for the generic products described in this press release, or regarding potential future revenues from such products, or regarding the planned transaction described in this press release. 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. You should not place undue reliance on these statements. There is no guarantee that the planned transaction will be successfully completed in the proposed form, or in the expected time frame, or at all. Neither can there be any guarantees regarding the supply of active pharmaceutical ingredients, semi-finished and finished goods under the manufacturing and supply agreement. Nor can there be any guarantee that the generic products described in this press release will be commercially successful in the future. In particular, our expectations regarding the planned transaction, the manufacturing and supply agreement, and such products could be affected by, among other things, regulatory actions or delays or government regulation generally; the need to fulfill the conditions precedent to the transaction, including any approvals needed from governmental authorities; the uncertainties inherent in research and development, including clinical trial results and additional analysis of existing clinical data; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures and requirements for increased pricing transparency; the particular prescribing preferences of physicians and patients; competition in general, including potential approval of additional competing versions of our products; our ability to obtain or maintain proprietary intellectual property protection; litigation outcomes, including intellectual property disputes or other legal efforts to prevent or limit Sandoz from marketing its products; general political, economic and industry conditions; safety, quality 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 need. Our ambition is to be the world’s leading and most valued generics company. Our broad portfolio of high-quality medicines, covering all major therapeutic areas, accounted for 2018 sales of USD 9.9 billion. Sandoz is headquartered in Holzkirchen, in
Germany's Greater Munich area.

Sandoz is on Twitter. Sign up to follow @Sandoz global at http://twitter.com/Sandoz_Global.

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