



Sandoz

Access is our business

SANDOZ A Novartis
Division

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Sandoz overview

A Novartis division

We are uniquely positioned as one of three industry-leading divisions of Novartis – the first company to establish leading global rankings in both patented and off-patent medicines.



Our mission and purpose

Our mission is to discover new ways to improve and extend people's lives.

At Sandoz, we discover new ways to improve and extend people's lives. We pioneer novel approaches to help people around the world access high-quality medicine. This is how we contribute to improving society's ability to support growing healthcare needs. That is our purpose.

Our products reach more than 500 million patients every year.

We work closely with commercial and scientific partners as well as the civil sector to maximize our collective contribution to **#MakingAccessHappen**.

Facts & figures

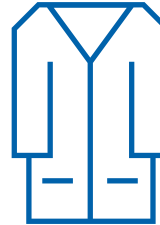
Sandoz is the global leader in biosimilars¹, generic antibiotics² and generic oncology medicines.² We are the industry-leading generics provider across Europe.

Our global portfolio comprises

~1,000
Molecules

>800
Projects in development

Therapeutic areas



#1

in biosimilars¹
in generic (Gx) antibiotics²
in Gx oncology²

Geographies

#1
in Europe³

#3
in US³



1. In the combined regions of North America, Europe, Japan and Australia
2. #1 in Gx market by volume, based on data by market research company IQVIA through November 2017
3. IQVIA through November 2017

**Sandoz is an integral part
of Novartis and its
second-largest division.**

We believe that, together, we can
make a real difference for patients.



~13,000

Sandoz employs approx.
13,000 people worldwide.

>60

The Sandoz workforce
includes people of over
60 nationalities.

Clear
values

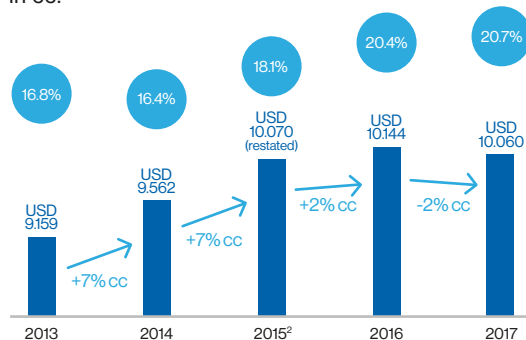
Our culture is reflected in
clear values: innovation,
quality, collaboration,
performance, courage and
integrity.

We have grown steadily and profitably in recent years, and continue to do so overall, despite recent industry-wide headwinds in the US.

Sandoz net sales were USD 10.1 billion in 2017.

Sandoz sales and margin evolution

Bar chart shows sales in USD bn with percentage growth in constant currencies (cc); bubbles show Core Return on Sales (ROS) as percentage of sales in cc.¹



1. The 2016 Core ROS (and margin) also reflects the mature brands transfer (sales declined but positive impact on profit).

2. 2015 sales subsequently restated to USD 10.070 bn, following transfer of 19 mature brands from Novartis Innovative Pharmaceuticals.

Innovation, quality and supply

The Sandoz brand

The Sandoz brand is a seal of quality, and healthcare professionals around the world trust it as a symbol of high-quality, affordable medications.

The brand can trace its history to the foundation of Kern & Sandoz in Switzerland in 1886. Historical highlights related to the Sandoz brand include the launch of Calcium Sandoz in 1929, the first oral penicillin in 1951, and the 1972 discovery of the immunosuppressive effect of cyclosporin, which today is used for transplants.

Biosimilars, approved biologics that match their reference product in terms of safety, efficacy and quality, are another example of our innovation prowess. Sandoz has pioneered the development of biosimilars, launching the world's first biosimilar in 2006.

Manufacturing at Novartis

We are part of the global Novartis manufacturing organization, with the purpose of providing patients and customers with high-quality and affordable products – on time, every time – safely and efficiently. With a single manufacturing organization we have an opportunity to deliver both the value of generics and the innovation of new medicines.

Sandoz partners with select pharmaceutical companies to provide access to finished products and active ingredients manufactured across the global Novartis manufacturing network.

If you would like to discuss partnering opportunities, please get in touch. (See page 54)



Product development at Sandoz

Sandoz Global Product Development delivers a broad portfolio of small-molecule medicines, which are the basis of our generics business.

We cover all major therapeutic areas and have one of the largest small-molecules portfolios in the industry. We develop approximately 2,000 submissions per year.

Product Development ensures we bring the right products to the right markets, affordably priced and with high quality. Our strong scientific roots have led to many product innovations, and new delivery technologies that we develop offer improvements over alternative market offerings.



World-class expertise in biosimilars



Analytical

We use a broad range of evaluation techniques to ensure a biosimilar matches its reference medicine in over 100 measures of function and structure.



Clinical

We have deep expertise in major therapeutic areas to deliver medicines that match reference biologics on quality, safety and efficacy.



Manufacturing

Our cutting-edge end-to-end biomanufacturing facilities supply five marketed biosimilars (as of December 2017).



Regulatory

Our approved biosimilars are available in nearly 90 countries¹⁻³ (as of December 2017).



References:

1. Periodic Safety Update Report 10 (Somatropin; Sandoz internal report), Date of Report: 14 Nov 2016
2. Periodic Safety Update Report 9 (Filgrastim; Sandoz internal report), Date of Report: 31 Oct 2016
3. Periodic Safety Update Report 9 (Erythropoietin; Sandoz internal report), Date of Report: 21 Oct 2016



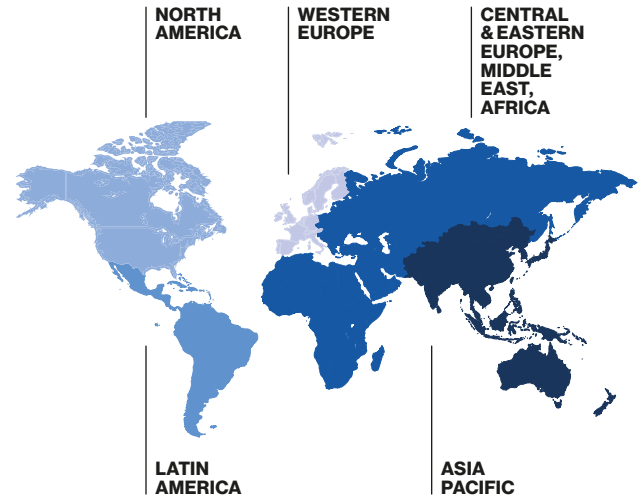
Business overview

Regional businesses

To ensure our medicines reach patients in local markets, Sandoz operates in a regional business structure.

The portfolio covers areas including biosimilars, generic anti-infectives, oncology, ophthalmology, over-the-counter medicines (OTC), generic cardiovascular, central nervous system (CNS), dermatology, gastrointestinal and hormonal therapies, metabolism, pain management and respiratory.

Our commercial operations are organized in five business regions with a range of regional franchises.



Western Europe



Regional
head office:
**Holzkirchen,
Germany**

Region Head:
Pierluigi Antonelli

Portfolio focus:
Anti-Infectives, Central Nervous System, Pain,
Transplant, Oncology, Virology, Biosimilars
and Over-the-Counter medicines

> 2,200 associates

Central & Eastern Europe, Middle East, Africa



Regional
head office:
**Holzkirchen,
Germany**

Region Head:
Francesco Balestrieri

Portfolio focus:
Prescription medicines: Anti-Infectives, Cardiology,
Pain, Central Nervous System and Respiratory.
Over-the-Counter medicines: Probiotics, Anti-Fungal
and Cough.
Biosimilars

> 4,800 associates

North America



Regional
head office:
**Princeton,
New Jersey**

Region Head:
Peter Goldschmidt*

Portfolio focus:
Cardiovascular, Central Nervous System,
Oncology and Immunology, Respiratory
and Ophthalmology

> 800 associates

* until Mar 31, 2018

Latin America



Regional
head office:
**Miami,
Florida**

Region Head:
Francisco Ballester

Portfolio focus:
Cardio, Anti-Infectives, Oncology, Transplants,
Central Nervous System and Respiratory

> 800 associates

Asia Pacific



Regional
head office:
Singapore,
Singapore

Region Head:
Mike Crichton

Portfolio focus:
Cardio, Central Nervous System, Oncology
and Anti-Infectives

> 2,500 associates



Strategic business areas

In addition to our regional businesses, Sandoz operates a number of global business areas where a worldwide and aligned strategic approach adds particular value.

These strategic business areas are:

Biopharmaceuticals
Anti-Infectives
Oncology
Over-the-Counter medicines



Biopharmaceuticals

Biologics have revolutionized the treatment and prevention of many disabling and life-threatening diseases.¹

Sandoz, a Novartis division, is the pioneer and global leader in biosimilars² – follow on medicines to existing biologics (also known as ‘reference medicines’) when the patent has expired.^{1,3}

Sandoz pioneered research in this sector, launching the first biosimilar in Europe in 2006,⁴ and maintains its commitment to create more affordable treatments and improving access to biologics.

Sandoz has a leading biosimilars pipeline with a strong focus on major oncology and immunology biologics.

1. European Commission. Consensus Information Paper 2013. What you need to know about Biosimilar Medicinal Products. Available from: <http://ec.europa.eu/DocsRoom/documents/8242/attachments/1/translations/en/renditions/native> [Accessed June 2017]

2. #1 in the combined regions of North America, Europe, Japan and Australia

#1 in biosimilars²

with USD 1.1 billion Biopharmaceuticals sales in 2017

Leading the way

in driving worldwide recognition of biosimilars as safe and effective medicines

Pioneer and global leader

20+ years development and 10+ years commercial experience,⁴ five marketed biosimilars in Europe

Strong launch pipeline

with five major oncology and immunology biosimilar launches planned between 2017 and 2020 in various countries

3. Weise M, *et al.* Biosimilars: what clinicians should know. *Blood* 2012;120:5111-7

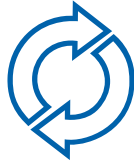
4. European Medicines Agency. Omnitrope® Summary of Product Characteristics. Available from: http://www.ema.europa.eu/docs/en_GB/document_library/EPAR_-_Product_Information/human/000607/WC500043695.pdf [Accessed July 2017]

Anti-Infectives

We are the global leader in generic antibiotic medicines.¹



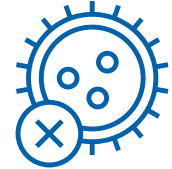
Antibiotics are a cornerstone of global healthcare systems – generics represent the majority of the global market.²



As the global leader in generic antibiotics,¹ we play a key role in keeping healthcare sustainable.



Sandoz offers a comprehensive antibiotic portfolio. Every year, our anti-infective medicines reach 85 million patients.³



We are committed to playing our part in tackling anti-microbial resistance (AMR) and promoting rational use of medicines.

1. #1 in Gx market by volume, IQVIA through November 2017

2. 76% by volume, 62% by value (IQVIA through 2016)

3. Internal 2015 data

Oncology

We are the global leader in generic oncology medicines.¹



Leading global generic oncology portfolio of >50 products, from chemotherapy, via hormones and supportive care, to targeted therapies¹



In 2017, our oncology medicines reached patients in nearly 100 countries²



Sandoz Oncology offering is strongly complementary to leading innovative presence of Novartis Oncology



The Sandoz Oncology portfolio covers 73% of WHO's Model List of Essential Medicines (EML) for cancer³

1. IQVIA through November 2017, #1 position in generic oncology does not include Sandoz oncology biosimilars.

2. Internal data

3. Percentage of number of marketed molecules out of the total 52 molecules of the EML for cancer.

Over-the-Counter medicines

In addition to our leading portfolio of prescription medicines, Sandoz offers a broad range of Over-the-Counter (OTC) products.

Our OTC portfolio is designed to help address the full spectrum of patients' needs by offering them a greater choice of treatments. It represents an integral component of our approach to improving access to high-quality medicine.

OTC products are medicines that have been found to be safe and appropriate for use without the supervision of a healthcare professional such as a physician. They are registered as medicines either through the European Medicines Agency (EMA) or through national bodies and can generally be purchased by consumers without a prescription.

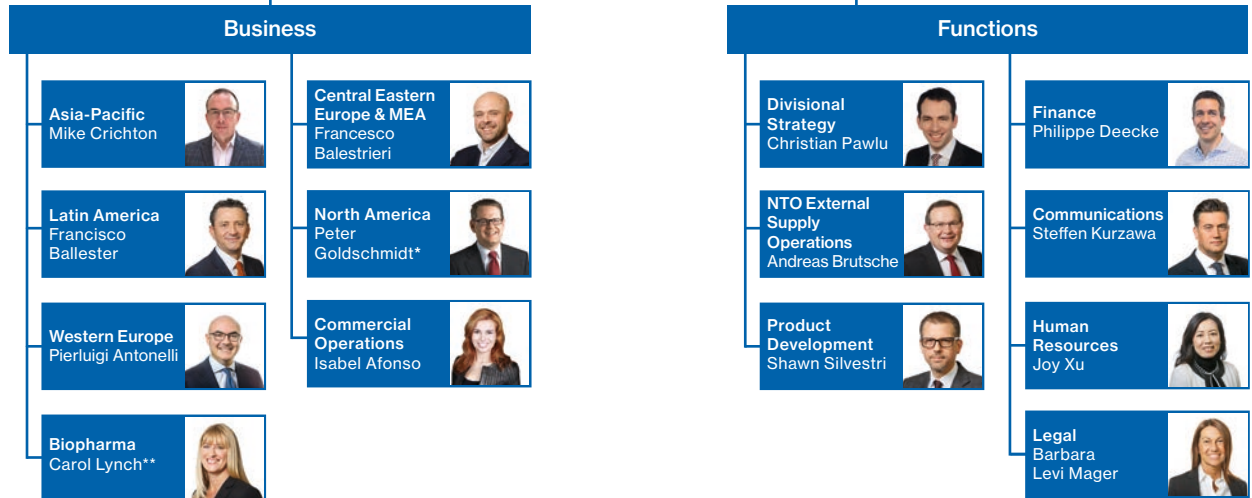


Sandoz OTC includes a broad array of good value products designed to provide relief for virtually all common indications. Our core business is centered around cough and cold relief, wellness benefits from probiotics and the treatment of fungal infections. We are also very active in helping improve patient access to effective and safe health solutions by supporting the switching of appropriate medicines from prescription status to OTC. We are one of the top OTC suppliers in Russia, Germany and several Central European countries.

Sandoz Executive Committee



CEO, Sandoz
Richard Francis



* until Mar 31, 2018

** as of Mar 1, 2018, Carol Lynch will be President of Sandoz Inc. and lead the business region North America

This chart reflects the Sandoz Executive Committee as of Feb 2018.



Corporate Responsibility

The way we do business

Doing business responsibly

Society has increasingly high expectations for ethical behavior from global healthcare companies – expectations that often go beyond what is legally required. We are determined to ensure that our standards are aligned with these expectations.

Ethics & compliance

We are committed to creating a culture of integrity and trust through strict adherence to our Code of Conduct, which applies across all Novartis divisions and outlines what we expect of everyone who works for or with us.



Health, safety & environment

We strive to make efficient use of natural resources and to minimize the environmental impact of our activities and products.

Corporate responsibility reporting

We are committed to transparent reporting – a central part of our UN Global Compact obligations. The Novartis Annual Report serves as our primary reporting tool for corporate responsibility (CR), and the company has published a combined financial and CR report since 2000.

Sandoz is also recognized as part of the Novartis contribution in the Access to Medicines Index (ATMI) where Novartis was ranked number 3 globally in 2016.

Reference: <https://accesstomedicineindex.org/overall-ranking/> [accessed February 2018]

Targeting those most in need

Increasing access to medicine is the basis of our business model. To support this above and beyond the pursuit of our business, we also run a range of shared-value corporate responsibility programs to help ensure access for those most in need.

Our business model is based on driving access by reaching more patients with the high-quality medicines they need.

In addition, we run corporate responsibility programs that focus on addressing specific health needs in underprivileged communities and help increase access to medicines, accurate and reliable medical information and medical capacity building.

Our corporate responsibility work focuses on three main areas:



Access to medicines



Access to medical information



Access to medical capacity

Our corporate responsibility work

Novartis Social Business

Novartis Social Business is operationally managed by Sandoz. The unit works with public and private actors in lower-income countries to tackle infectious and chronic diseases through novel commercial approaches and healthcare systems strengthening. It includes Novartis Access, the Novartis Malaria Initiative, the Novartis Healthy Family programs, SMS for Life, and Sandoz NGO Supply.

New Life & New Hope

In 2015, Sandoz launched a program in Ethiopia called New Life & New Hope to improve maternal and child health and to reduce mortality associated with childbirth.

World Child Cancer

Together with the UK-based global charity World Child Cancer, we are working on improving childhood cancer survival rates in the developing world.

Americares

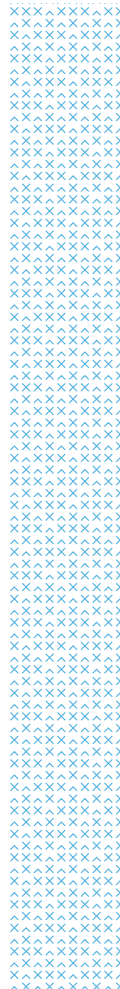
Sandoz has recently deepened its ongoing support of Americares, a global health nonprofit organization that provides donated medications and health programs for people in need.

Sandoz HACK

The Sandoz Healthcare Access Challenge (Sandoz HACK) is a competition seeking young people with innovative ideas to “re-imagine” access to healthcare. Winners are awarded seed funding and mentorship to help bring their ideas to life.

#MakingAccessHappen

#MakingAccessHappen is a platform to discuss the variety of topics that make up and affect access to medicine. Sandoz also publishes a magazine, ‘MakingAccessHappen – for better healthcare around the world’, to stimulate a discussion about access challenges, possible solutions to the various problems and the pioneers who are working tirelessly to Make Access Happen.



**Employer
of choice**

Working at Sandoz

Sandoz is uniquely positioned as both a global generics leader in its own right and part of the worldwide Novartis Group. As one of three industry-leading divisions with innovation power backed by global scale, Sandoz is an increasingly important strategic driver for Novartis overall.

Our single greatest differentiator is our entrepreneurial culture and the quality and commitment of our associates. We combine the resources and long-term vision of a global pharmaceutical leader with the energy, drive and flexibility of a start-up.

In 2018, Sandoz was officially certified by the Top Employers Institute for its exceptional employee offerings in Europe.

Values and Behaviors

The group-wide Novartis Values & Behaviors are key to creating a culture that is performance oriented but also focused on innovation, quality, collaboration, integrity and courage.

Diversity & Inclusion

We embrace diversity and inclusion in nationality, race, age, ethnicity, gender, sexual orientation and religion. We have dedicated groups supporting women in leadership, our LGBT (Lesbian, Gay, Bisexual and Transgender) community, associates with alternative thinking and working styles and talent from key growth markets. We are committed to diversity and inclusion because it makes good business sense and because it is the right thing to do.

Contact us

At Sandoz, we value your feedback as we are committed to continuously improving our products and services and providing greater value to our patients, customers and other stakeholders.

Media contacts

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For general inquiries, information on our research locations and offices around the world, local contact information or any feedback, please visit us at:

www.sandoz.com/about-us/contact-us

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