

MEDIA & INVESTOR RELEASE

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

- *Shareholders approve 25th consecutive dividend increase to CHF 3.10 (+3.3%) per share for 2021; representing a 3.9% yield¹ and approximately 57% payout of free cash flow*
- *Shareholders confirm Dr. Joerg Reinhardt as Chair of the Board of Directors as well as all other members who stood for re-election; Ms. Ana de Pro Gonzalo and Mr. Daniel Hochstrasser newly elected to the Board of Directors*
- *Shareholders elect KPMG AG as statutory auditor and approve all other proposals of the Board of Directors, including the 2021 Compensation Report in an advisory vote, as well as the future Board and Executive Committee compensation in separate binding votes*

Basel, March 4, 2022 — Novartis shareholders today agreed to the Board of Directors' recommendations for all proposed resolutions at the Group's Annual General Meeting (AGM). In accordance with the Swiss COVID-19 Ordinance 3, the 2022 AGM was held without shareholders being physically present. Accordingly, shareholders exercised their shareholder rights via the Independent Proxy and could follow the AGM via a live webcast. In addition, shareholders had the opportunity to send their questions to the Board of Directors electronically in advance, with all questions being answered by the Chair of the Board of Directors and the CEO during the AGM.

Shareholders approved the 25th consecutive dividend increase since the creation of Novartis in 1996, with an increase of 3.3% to CHF 3.10 per share. Payment for the 2021 dividend will be made as of March 10, 2022. The dividend for 2021 is an approximately 57% payout of free cash flow and results in a dividend yield of 3.9%¹.

Annual re-election of Members of the Board

Shareholders re-elected Dr. 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, Ms. Ana de Pro Gonzalo and Mr. Daniel Hochstrasser were newly elected to the Board of Directors.

Shareholders also re-elected the following members of the Board of Directors to the Compensation Committee for one year: Patrice Bula, Bridgette Heller, Simon Moroney and William T. Winters. 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 30 699 668 shares repurchased under the authorizations of February 28, 2019 and March 2, 2021 and the reduction of the share capital accordingly by CHF 15.3 million, from CHF 1 217 210 460 to CHF 1 201 860 626.

Further share repurchases

On December 16, 2021 Novartis announced a share buyback of up to USD 15 billion to be executed by the end of 2023. The shareholders authorized the Board of Directors to repurchase shares up to an additional CHF 10 billion between the Annual General Meeting 2022 and the Annual General Meeting 2025 to cover the amount exceeding CHF 7.8 billion still available under the existing shareholder authorization granted in 2021.

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 2022 AGM to the 2023 AGM, and the total maximum aggregate amount of compensation for the Executive Committee for the financial year 2023. Shareholders also endorsed the 2021 Compensation Report in an advisory vote.

Election of KPMG AG as Statutory Auditor

In line with the Board of Directors' proposal, the shareholders elected KPMG AG as statutory auditor for the financial year starting on January 1, 2022.

For a detailed listing of all resolutions at the 2022 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," "could," "authorized," "to be," "endorsed," "advisory," "future," "proposed," "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 2021 Compensation Report, and the election of the new statutory auditor. 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. As a leading global medicines company, we use innovative science and digital technologies to create transformative treatments in areas of great medical need. In our quest to find new medicines, we consistently rank among the world's top companies investing in research and development. Novartis products reach nearly 800 million people globally and we are finding innovative ways to expand access to our latest treatments. About 108,000 people of more than 140 nationalities work at Novartis around the world. Find out more at <https://www.novartis.com>.

Novartis is on Twitter. Sign up to follow @Novartis at <https://twitter.com/novartisnews>
For Novartis multimedia content, please visit <https://www.novartis.com/news/media-library>
For questions about the site or required registration, please contact media.relations@novartis.com

References

1. Based on the SIX closing share price on March 3, 2022

#

Novartis Media Relations

E-mail: media.relations@novartis.com

Richard Jarvis
Novartis Strategy & Financial Communications
+44 7966 118 652 (mobile)
richard.jarvis@novartis.com

Julie Masow
Novartis US External Engagement
+1 862 579 8456 (mobile)
julie.masow@novartis.com

Novartis Investor Relations

Central investor relations line: +41 61 324 7944

E-mail: investor.relations@novartis.com

Central		North America	
Samir Shah	+41 61 324 7944	Sloan Simpson	+1 862 345 4440
Nicole Zinsli-Somm	+4 16 132 43809	Alina Levchuk	+1 862 778 3372
Isabella Zinck	+41 61 324 7188	Parag Mahanti	+1 973-876-4912