Novartis announces offer to acquire CellforCure to expand manufacturing capacity for innovative cell and gene therapies

- Proposed acquisition builds on existing agreement with CellforCure for contract manufacturing of Novartis leading CAR-T cell therapy Kymriah® (tisagenlecleucel) and recent successful completion of technology transfer

- If completed, this acquisition would bolster CAR-T cell therapy manufacturing capacity with potential to expand to other cell and gene therapies in Novartis pipeline

- CellforCure would become wholly owned Novartis manufacturing facility, joining network of cell and gene sites including Morris Plains and Stein

 Basel, December 20, 2018 – Novartis today announced an offer to acquire CellforCure from LFB. CellforCure, a French company, is one of the first and largest contract development and manufacturing organizations (CDMO) producing cell and gene therapies in Europe.

Under the proposed agreement, Novartis would acquire the share capital of CellforCure from LFB including the cell and gene manufacturing facility located in Les Ulis and the related adjacent land. If the offer is accepted, CellforCure would become a wholly owned Novartis manufacturing site, joining the network of cell and gene therapy sites including Morris Plains, New Jersey, USA and Stein, Switzerland, where construction continues to progress as planned.

In July 2018, Novartis announced that it had signed an agreement with CellforCure to produce CAR-T cell therapies including Kymriah® (tisagenlecleucel), the first CAR-T cell therapy approved by the United States Food and Drug Administration (FDA) and indicated for two distinct, difficult-to-treat cancers in the United States, European Union, Switzerland, Canada and Australia. Novartis and CellforCure have successfully completed technology transfer and Kymriah clinical supply production is expected to begin by mid-2019. The proposed acquisition of CellforCure is another example of continued commitment by Novartis to investing in cell and gene therapies as well as in France.

Novartis has made several steps recently to strengthen and expand its cell and gene manufacturing, including signing a strategic licensing, collaboration and share purchase agreement with Cellular Biomedicine Group (CBMG) to manufacture and supply Kymriah in China; expanding an alliance with the Fraunhofer Institute in Germany to support manufacturing for clinical trials and post approval manufacturing; and a contract manufacturing collaboration in Japan.

Novartis Global Head of Technical Operations Steffen Lang said, “The proposed acquisition of CellforCure is another strategic step in our pursuit of additional manufacturing capacity to make our transformational CAR-T cell therapy Kymriah available to more patients in need around the world. If completed, this acquisition also would potentially increase manufacturing capacity for other cell and gene therapies in the Novartis pipeline. We are excited about the
possibility of adding the significant experience of CellforCure to our existing leadership in pioneering research, development and supply of cell and gene therapies.”

The transaction is subject to usual and customary closing conditions, including employee consultation process and necessary regulatory approvals. If approved, the transaction is expected to be funded through available cash and close in the first half of 2019.

CellforCure is an LFB group company specializing in innovative therapy drugs. CellforCure’s industrial platform located in Les Ulis, near Paris is one of the first and largest in Europe for the production of cell and gene therapy drugs. Established as a pharmaceutical company since 2013, CellforCure operates a Contract Development and Manufacturing Organization. The company obtained two Good Manufacturing Practice (GMP) certificates from the French Agence Nationale de Sécurité du Médicament et des Produits de Santé (ANSM) in 2016 for the production of innovative experimental and commercial therapy drugs.

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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 “offer,” “to acquire,” “to expand,” “proposed,” “builds on,” “if completed,” “would,” “potential,” “pipeline,” “to progress,” “planned,” “expected,” “commitment,” “strategic,” “investigational,” “subject to,” or similar expressions, or by express or implied discussions regarding the proposed acquisition of CellforCure including the potential outcome and expected timing for completion of the proposed acquisition, and the potential impact on Novartis of the proposed acquisition of CellforCure and the other transactions discussed in this press release, including express or implied discussions regarding potential future sales or earnings of Novartis, and any potential strategic benefits, synergies or opportunities expected as a result of the proposed acquisition and such other transactions; and regarding potential marketing approvals, new indications or labeling for the investigational and approved products described in this press release and the potential timing thereof, or regarding potential future revenues from any such products. You should not place undue reliance on these statements. There can be no guarantee that the acquisition described in this press release will be completed, or that it will be completed as currently proposed, or at any particular time. Neither can there be any guarantee that Novartis will realize any potential strategic benefits or opportunities as a result of the proposed acquisition or the other transactions discussed in this press release. Nor can there be any guarantee that the investigational or approved products described in this press release will be submitted or approved for sale or for any new indications or labeling in any market, or at any particular time. Neither can there be any guarantee that such products will be commercially successful in the future. In particular, our expectations could be affected by, among other things: regulatory actions or delays or government regulation generally, including potential regulatory actions or delays relating to the completion of the potential acquisition described in this release, as well as potential regulatory actions or delays with respect to the development of the products described in this release; the satisfaction of the conditions to the consummation of the proposed acquisition; the potential that the strategic benefits or opportunities expected to result from the proposed acquisition or the other transactions discussed in this press release may not be realized or may take longer to realize than expected; the potential that the integration of CellforCure into Novartis subsequent to the closing of the proposed acquisition may not be successful, or may take longer to succeed than expected; potential adverse reactions to the proposed acquisition by customers, suppliers or collaborators; dependence on key CellforCure personnel and suppliers; uncertainties inherent in the manufacturing of cell and gene therapies; uncertainties inherent in the research and development of new healthcare products, including clinical trial results and additional analysis of existing clinical data; our ability to obtain or maintain proprietary intellectual property protection; safety, quality or manufacturing issues; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures; the particular prescribing preferences of physicians and patients; potential or actual data security and data

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privacy breaches, or disruptions of our information technology systems, and other risks and
factors referred to in Novartis AG’s filings with the U.S. Securities and Exchange Commission,
including the “Forward-Looking Statements” and “Risk Factors” sections of Novartis AG’s
current Form 20-F for the fiscal year ended December 31, 2017. Novartis undertakes no
obligation to publicly update or revise any forward-looking statements, whether as a result of
new information, subsequent events or otherwise, except as required by applicable law.

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 1 billion people globally and we are finding
innovative ways to expand access to our latest treatments. About 125 000 people of more
than 140 nationalities work at Novartis around the world. Find out more at www.novartis.com.

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