Novartis R&D update highlights industry leading development pipeline including potential blockbusters and advanced therapy platforms

- 26 potential blockbusters in confirmatory development⁵. 13 projects in clinical development across Cell, Gene & Radioligand therapies. 60 major submissions² planned from 2019 to 2021
- AVXS101 in SMA type 1 on track for launch in H1 2019, and clinical development underway in all other SMA subtypes
- Progressing late-stage pipeline of medicines with potential to change the standard of care in high burden disease areas: MS (Mayzent³/BAF312 & OMB157), nAMD (RTH258), moderate to severe asthma (QAW039), sickle cell (SEG101) and lung cancer (ACZ885)
- Maximizing key in-line brands Cosentyx, Entresto and Gilenya with potential new indications and data

London, November 5, 2018 Throughout 2018, Novartis took strong action to focus the company and its capital towards the Innovative Medicines Division, resulting in an industry leading pipeline. Today Novartis holds an R&D and investor update in London which will provide deeper insights into the pipeline including the below.

Progressing cell, gene and radioligand therapy platforms with 13 therapies in clinical development, and 9 more expected to enter the clinic in 2019. The potentially foundational gene therapy AVXS101 delivers rapid, transformational and durable benefit in SMA Type 1, with regulatory approvals expected in US, EU and Japan in H1 2019. In Radioligand therapy, Novartis acquired AAA and successfully launched Lutathera in NET and has projects in development for indications beyond NET. Novartis announced the planned acquisition of Endocyte⁴, which would expand the radioligand platform. Novartis also highlights one of the most comprehensive CAR-T development programs across multiple indications.

Novartis is advancing a pipeline of medicines with potential to change the standard of care in high burden disease areas. In multiple sclerosis, Mayzent⁶ (siponimod, formerly BAF312) is expected to launch in Q1 2019 as the first and only drug proven to delay progression for typical patients living with SPMS. Also in MS, OMB157 (ofatumumab) is a next generation B-cell depleter with a potentially favorable safety profile from faster b-cell repletion and preserved immunity, and with a convenient monthly sub-cutaneous dosing. In moderate to severe asthma, QAW039 (fevipiprant) is targeting a unique profile of biologic efficacy with oral simplicity. In nAMD, RTH258 (brolucizumab) has the potential to reduce treatment burden by drying the retina better with fewer injections. In sickle cell disease, SEG101 (crizanlizumab) is a promising treatment with data from a pivotal trial showing patients have more Vaso-occlusive Crisis-free days and regulatory filings are expected in 2019. In lung cancer, ACZ885 (canakinumab) has three phase III trials in adjuvant NSCLC, 1st line NSCLC, and 2nd line NSCLC with an opportunity to become the standard of care in these settings.

Maximizing the potential of in-line brands with new data is a key development priority. Novartis is pursuing new indications and building out the data profile for Cosentyx, Entresto and Gilenya. Cosentyx is expected to be Novartis’ largest drug next year, with robust growth in all three approved indications, PSO, PSA and AS. Confidence in Cosentyx comes from 100 studies and an extensive phase III clinical

¹ Post-Proof of Concept clinical development ⁵ ³ ⁴ ⁶
² Submissions in US, Europe and Japan.
³ The brand name Mayzent has been provisionally approved by the FDA and EMA for the investigational product siponimod (BAF312), but the product itself has not been approved for sale in any country.
⁵ Closing of the transaction is subject to customary closing conditions, including receipt of regulatory approvals and Endocyte stockholders approval. Until closing, Endocyte will continue to operate as a separate and independent company.
trial program, including PREVENT in non-radiographic axial spondyloarthritis, a potential fourth indication. *Entresto*’s position in HFrEF is being strengthened by new data that could increase initiation of therapy in hospitals. *Entresto* also has the potential to be the first approved treatment for HFrEF with the PARAGON-HF trial, with results expected in 2019. *Gilenya* continues to benefit from a wealth of data flow, including the recent approval for pediatric use as well as the ASSESS trial which showed superiority to Copaxone®.

For background slides and webcast (audio only) please refer to the following link:
https://www.novartis.com/investors/event-calendar
The background slide decks will be available on Monday November 5th, 2018.

Notes
1 Post-Proof of Concept clinical development
2 Submissions in US, Europe and Japan.
3 The brand name *Mayzent* has been provisionally approved by the FDA and EMA for the investigational product siponimod (BAF312), but the product itself has not been approved for sale in any country.
4 Closing of the transaction is subject to customary closing conditions, including receipt of regulatory approvals and Endocyte stockholders approval. Until closing, Endocyte will continue to operate as a separate and independent company.

Disclaimer
This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, that can generally be identified by words such as “R&D,” “development,” “pipeline,” “potential,” “blockbuster,” “confirmatory development,” “Breakthrough Therapy designation,” “projects,” “advancing,” “planned,” “on track,” “launch,” “underway,” “building,” “progressing,” “maximizing,” “will,” “potentially,” “expected,” “would,” “targeting,” “promising,” “opportunity,” “priority,” “pursuing,” “is being strengthened,” “could,” “continues,” or similar expressions, or by express or implied discussions regarding potential marketing approvals, new indications or labeling for the investigational or approved products described in this presentation, or regarding potential future revenues from such products, or regarding the proposed acquisition of Endocyte, Inc. (Endocyte) by Novartis including the potential outcome and expected timing for completion of the proposed acquisition, and the potential impact on Novartis of the proposed acquisition, 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. 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 that the investigational or approved products described in this presentation will be submitted or approved for sale or for any additional indications or labeling in any market, or at any particular time. Nor can there be any guarantee that such products will be commercially successful in the future. Neither can there be any guarantee that the acquisition described in this presentation will be completed, or that it will be completed as currently proposed, or at any particular time. There can be no guarantee that Novartis or any potential products that would be obtained with Endocyte will achieve any particular future financial results, or that Novartis will be able to realize any potential strategic benefits or opportunities as a result of the proposed acquisition. In particular, our expectations regarding such matters could be affected by, among other things, the uncertainties inherent in research and development, including clinical trial results and additional analysis of existing clinical data; regulatory actions or delays or government regulation generally, including potential regulatory actions or delays with respect to the development of the products described in this presentation, as well as potential regulatory actions or delays relating to the completion of the potential acquisition described in this presentation; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures; our ability to obtain or maintain proprietary intellectual property protection; the particular prescribing preferences of physicians and patients; general political and economic conditions; safety, quality or manufacturing issues; the ability to obtain Endocyte stockholder approval and the satisfaction of the other conditions to the consummation of the proposed acquisition; the potential that the strategic benefits or opportunities expected to result from the proposed acquisition may not be realized or may take longer to realize than expected; the potential that the integration of Endocyte 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 strategic partners; dependence on key Endocyte personnel, customers and suppliers; uncertainties regarding actual or potential legal proceedings, including, among others, potential legal proceedings with respect to the proposed acquisition; 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 as a result of new information, future events or otherwise.

Additional Information and Where to Find It
This presentation may be deemed to be solicitation material in respect of the proposed acquisition of Endocyte by Novartis AG. In connection with the proposed acquisition, Endocyte filed a preliminary proxy statement with the SEC on October 31, 2018, and intends to file other relevant materials with the SEC, including Endocyte’s proxy statement in definitive form. Stockholders of Endocyte are urged to read these materials (including any amendments or supplements thereto) and all other relevant documents filed with the SEC when such documents become available, including Endocyte’s definitive proxy statement, because they contain important information about the proposed acquisition. Investors and security holders are able to obtain the documents (once available) free of charge at the SEC’s web site, http://www.sec.gov, or from Endocyte by going to its investor relations web site at http://investor.endocyte.com/investor-relations.
Participants in Solicitation
Novartis AG and its directors and executive officers, and Endocyte and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of Endocyte shares of common stock in respect of the proposed acquisition. Information about the directors and executive officers of Novartis AG is set forth in the excerpts of Novartis AG’s Annual Report for 2017, which was furnished to the SEC on Form 6-K on January 24, 2018 and incorporated by reference into Novartis AG’s Annual Report on Form 20-F for the fiscal year ended December 31, 2017. Information about the directors and executive officers of Endocyte is set forth in the proxy statement for Endocyte’s 2018 Annual Meeting of Stockholders, which was filed with the SEC on March 23, 2018. Information regarding interests of Endocyte’s participants in the solicitation is set forth in Endocyte’s preliminary proxy statement relating to the proposed acquisition, and will be set forth in other materials to be filed with the SEC relating to the proposed acquisition, including Endocyte’s definitive proxy statement.

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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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