Novartis continues to grow immuno-oncology pipeline through collaboration and licensing agreement with Surface Oncology

- Agreement gives Novartis access to four pre-clinical programs that target regulatory T cell populations, inhibitory cytokines, and immunosuppressive metabolites in the tumor microenvironment

- Novartis diverse immuno-oncology portfolio already includes seven additional programs in clinical trials and five more expected to enter the clinic by the end of 2016

Basel, January 11, 2016 – Novartis announced today that it is adding to its diverse and deep immuno-oncology pipeline through a strategic alliance and licensing agreement with Surface Oncology. The agreement gives Novartis access to four pre-clinical programs that target regulatory T cell populations, inhibitory cytokines, and immunosuppressive metabolites in the tumor microenvironment. These programs will be explored as monotherapies and in combination with other complementary therapies in Novartis’ immuno-oncology and targeted therapy portfolios.

“We have several programs now in the clinic that aggressively address the complexities of the tumor microenvironment,” said Mark Fishman, President of the Novartis Institutes for BioMedical Research. “This alliance with Surface Oncology is another building block in our strategy to develop a portfolio of programs that we believe will lead the next wave of immuno-oncology medicines.”

At the start of 2015 Novartis launched a new immuno-oncology research team led by cancer vaccine pioneer Glenn Dranoff. In a short period of time, this team has rapidly built a broad portfolio of clinical and pre-clinical programs focused on stimulating the body’s immune system to combat cancers through targeting critical regulatory steps in the anti-tumor immune response. Today the company’s immuno-oncology portfolio includes novel checkpoint inhibitors, chimeric antigen receptor T-cell (CART) technology, myeloid cell targeting agents, the T cell stimulating factor IL-15, STING agonists that enhance immune recognition of cancers, and adenosine receptor antagonists and TGF-beta blocking antibodies that overcome immunosuppression in the tumor microenvironment.

Seven of these candidates are already in clinical trials and five more are expected to enter the clinic individually and as combinations by the end of 2016. Novartis’ myeloid cell targeting program (MCS110), anti-TIM-3 program (MGB453), IL-15-agonist (NIZ985) checkpoint inhibitors targeting PD-1 (PDR001) and LAG-3 (LAG525), and a small molecule adenosine receptor antagonist (NIR178) are now in phase 1 clinical trials. The CART program (CTL019) is in phase 2 clinical trials. A STING agonist (MIW815), a GITR agonist, and an anti-TGF-beta antibody are progressing toward first-in-human clinical trials in 2016.

This rich immuno-oncology pipeline together with a deep targeted therapy portfolio provides Novartis with the opportunity to attack cancer in powerful and complementary ways: through enhancing immune-mediated tumor destruction and promoting direct
tumor cell killing. Together, these synergistic approaches may accomplish more durable clinical benefits for a larger proportion of cancer patients.

Disclaimer
The foregoing release contains forward-looking statements that can be identified by words such as “continues,” “pipeline,” “expected,” “will,” “building block,” “strategy,” “believe,” “next wave,” “launched,” “candidates,” “progressing,” “may,” or similar terms, or by express or implied discussions regarding potential marketing approvals for the four pre-clinical programs included in the alliance with Surface Oncology, MCS110, MGB453, NIZ985, PDR001, LAG525, NIR178, CTL019, MIW815, and the other clinical and pre-clinical candidates in the Novartis immuno-oncology pipeline, or regarding potential future revenues from such product candidates. You should not place undue reliance on these statements. Such forward-looking statements are based on the current beliefs and expectations of management 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 any of the four pre-clinical programs subject to the alliance with Surface Oncology, MCS110, MGB453, NIZ985, PDR001, LAG525, NIR178, CTL019, MIW815, or the other clinical and pre-clinical candidates in the Novartis immuno-oncology pipeline will be submitted or approved for sale in any market, or at any particular time. Nor can there be any guarantee that such product candidates will be commercially successful in the future. In particular, management's expectations regarding the Novartis immuno-oncology pipeline could be affected by, among other things, the uncertainties inherent in research and development, including unexpected clinical trial results and additional analysis of existing clinical data; unexpected regulatory actions or delays or government regulation generally; the company's ability to obtain or maintain proprietary intellectual property protection; general economic and industry conditions; global trends toward health care cost containment, including ongoing pricing pressures; unexpected safety issues; unexpected manufacturing or quality issues, 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 provides innovative healthcare solutions that address the evolving needs of patients and societies. Headquartered in Basel, Switzerland, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, eye care and cost-saving generic pharmaceuticals. Novartis is the only global company with leading positions in these areas. In 2014, the Group achieved net sales of USD 58.0 billion, while R&D throughout the Group amounted to approximately USD 9.9 billion (USD 9.6 billion excluding impairment and amortization charges). Novartis Group companies employ approximately 120,000 full-time-equivalent associates. Novartis products are available in more than 180 countries around the world. For more information, please visit http://www.novartis.com.

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