Novartis to strengthen R&D pipeline by in-licensing ECF843 for ophthalmic indications

- Novartis exercises an option to in-license ECF843, a recombinant form of human lubricin from Lubris LLC, for ophthalmic indications worldwide (outside Europe)

- Dry eye is an area with high unmet medical need, impacting over 344 million patients globally

- ECF843 is a new therapeutic approach and potential first-in-class Rx treatment in dry-eye, which in a small phase II study showed the potential to provide instant relief of symptoms and improve signs

- This in-licensing will build upon Novartis’ leadership in dry eye with global artificial tear products including Systane®, Tears Naturale® and Genteal®

Basel, April 6, 2017 – Novartis announced today that it has exercised an option to in-license ECF843 for ophthalmic indications worldwide (outside Europe). The closing of the deal is subject to customary closing conditions including regulatory approvals. The financial and other terms of this transaction are not disclosed.

ECF843 is a recombinant human lubricin (rh-Lubricin) protein, developed by Lubris LLC, Boston, USA. Instant relief of dry eye symptoms by improving signs in a timely manner remains a high unmet medical need and a relevant factor for patient compliance and treatment success. In a small phase II clinical study, ECF843 demonstrated the potential to provide immediate improvement of symptoms likely by increasing lubrication across various eye and tear surfaces together with an improvement in signs of dry eye within 28 days - without reporting treatment-related adverse events.

“ECF843 has the potential to be the first therapeutic to provide rapid relief of dry eye symptoms and significantly improve signs,” said Vasant Narasimhan, Global Head, Drug Development and Chief Medical Officer, Novartis. “Exercising our option to in-license ECF843, along with our recent acquisition of Encore Medical for the treatment of presbyopia, underscores our commitment to treating diseases of the front of the eye which impact millions of people worldwide”

Lubricin protein deficiency is observed in dry eye patients. Lubricin is an endogenous glycoprotein expressed in areas of high shear stress and friction including the tear film where it binds to and protects tissues of the ocular surface, the assumed mechanism that ECF843 addresses. ECF843 is a new therapeutic approach and a potential first-in-class Rx treatment in dry-eye, which is an area of high unmet medical need impacting over 344 million patients globally. ECF843 is hypothesized to restore the tear film function, reduce friction and relieve the signs and symptoms of dry eye.
This in-licensing builds upon Novartis' leadership in ophthalmology and dry eye treatments with a global portfolio of artificial tear products that includes Systane®, Tears Naturale® and Genteal®.

Disclaimer
The foregoing release contains forward-looking statements that can be identified by words such as "to strengthen," "pipeline," "potential," "builds," "portfolio," "subject to customary closing conditions," "expect," "commitment," "hope," "will," "hypothesized," or similar terms, or by express or implied discussions regarding potential completion of the announced in-licensing of ECF843, or regarding potential marketing approvals for ECF843, or regarding potential future revenues from ECF843 and the other products in the Novartis dry eye portfolio. 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 the proposed in-licensing will be completed in the expected form or within the expected time frame or at all. Neither can there be any guarantee that ECF843 will be submitted or approved for sale in any market, or at any particular time. Nor can there be any guarantee that ECF843 or the other compounds in the Novartis dry eye portfolio will be commercially successful in the future. In particular, management's expectations regarding ECF843 and the other compounds in the Novartis dry eye portfolio could be affected by, among other things, regulatory actions or delays or government regulation generally, including a failure to obtain necessary government approvals for the in-licensing of ECF843, or delays in obtaining such approvals; the potential that any other closing conditions for in-licensing of ECF843 might not be met; the uncertainties inherent in research and development, including clinical trial results and additional analysis of existing clinical data; the company's ability to obtain or maintain proprietary intellectual property protection; general economic and industry conditions; competition in general; global trends toward health care cost containment, including ongoing pricing and reimbursement pressures; safety, quality or manufacturing 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 Ophthalmology
Novartis is a leading ophthalmology company, with therapies that treat both front and back of the eye conditions, including retina diseases, glaucoma, dry eye and other external eye diseases. In 2016, Novartis combined its retina medicines business with the Alcon pharmaceuticals business, now operating as one Ophthalmology franchise under Novartis Pharmaceuticals.

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, cost-saving generic and biosimilar pharmaceuticals and eye care. Novartis has leading positions globally in each of these areas. In 2016, the Group achieved net sales of USD 48.5 billion, while R&D throughout the Group amounted to approximately USD 9.0 billion. Novartis Group companies employ approximately 118,000 full-time-equivalent associates. Novartis products are sold in approximately 155 countries around the world. For more information, please visit http://www.novartis.com.

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