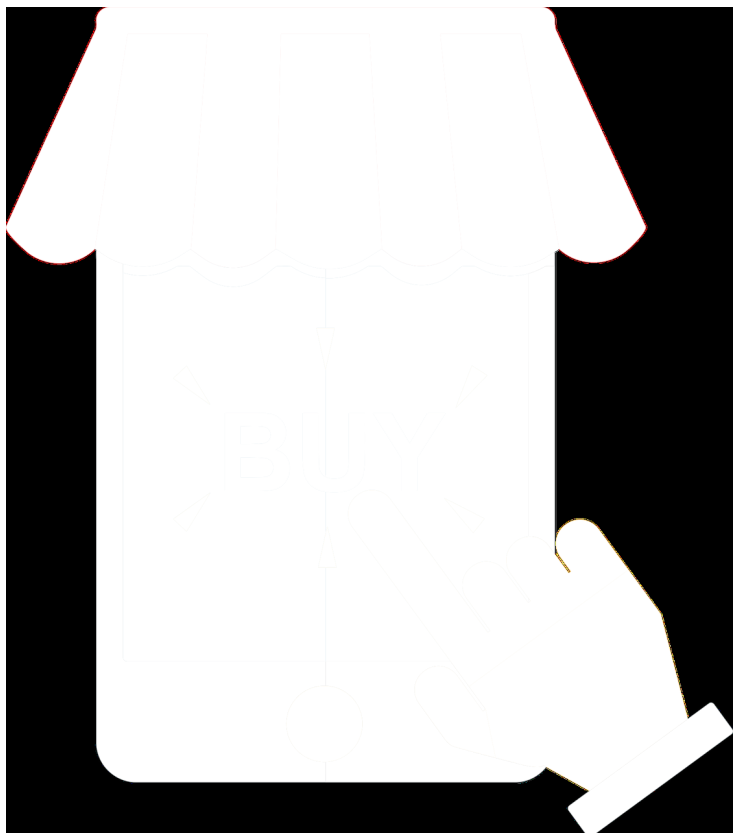


Novartis to buy Aspen's Japanese operations

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Sandoz announces agreement to acquire Aspen's Japanese operations and associated assets, strengthening position in world's third largest generics market



Sandoz has announced that it has entered into a binding agreement for the planned acquisition of the Japanese business of Aspen Global Incorporated (AGI), a wholly owned subsidiary of Aspen Pharmacare Holdings Limited. The planned acquisition consists of shares in Aspen Japan K.K. and associated assets held by AGI. Pursuant to the agreed terms of the transaction, on closing Sandoz will pay an initial cash consideration of EUR 300 million. Sandoz has also agreed, upon certain conditions being fulfilled after closing, to pay certain deferred consideration to AGI. It is currently anticipated that the amount of deferred consideration to be paid will not exceed EUR 100 million.

The acquisition will enable Sandoz to expand its presence in the third largest worldwide generics marketplace. The acquisition would complement the Sandoz broad portfolio and pipeline of hospital generic and biosimilar products with a dedicated sales, marketing and medical organization; thereby enhancing its ability to serve patients and customers in the hospital channel. Completion of the transaction is conditional upon certain customary conditions precedent being fulfilled and is expected to occur in the first half of 2020.

Aspen's portfolio in Japan consists of off-patent medicines with a focus on anesthetics and specialty brands. Additionally, AGI has entered into a five year manufacturing and supply agreement (with an additional two year extension option) with Sandoz, which will take effect from completion of the transaction, for the supply of active pharmaceutical ingredients, semi-finished and finished goods related to the portfolio of divested brands.

"The acquisition of Aspen's Japanese operations would significantly strengthen our position in this country, a stable but growing generics market. We are committed to helping address patient and customer needs in the market as we aspire to become the world's leading and most valued generics company," said Sandoz CEO Richard Saynor.

Aspen's portfolio in Japan comprises approximately 20 products, now off-patent branded medicines with a focus on anesthetics (including Xylocaine[®]), specialty brands (including Imuran[®]) and local brands. Full-year sales for the fiscal year ending in 2019 were EUR 130 million.

Aspen Japan K.K. is a wholly owned subsidiary of AGI and forms part of the Aspen Group which is headquartered in Durban, South Africa.