

From: GDD Communications <gdd.communications@novartis.com>
Sent: Thursday, June 9, 2022 2:48 PM
To: Mahajan, Vinay
Subject: A message from Shreeram Aradhye: Driving future growth by shaping our portfolio



Driving future growth by shaping our portfolio

Dear colleagues,

In my first week in role I participated in the **Innovation Management Board (IMB) Portfolio Review**, an annual session of the board governing development projects at Novartis, to assess the strength of our portfolio and take decisions to optimize its value, scale and focus. While not directly linked to *Transforming for Growth*, there is a consistent focus on ensuring we advance a portfolio of assets that are both transformational for patients and make significant contributions to future growth.

The IMB reviewed the full pipeline using our core principles of portfolio management and with a *OneNovartis* portfolio mindset, and I want to express my appreciation to the many colleagues who prepared the detailed data and analytics that guided the review. The progress made in retaining a high degree of innovation, strengthening

lifecycle-management for high-value assets and improving cycle times was reflected. We also recognized areas for improvement and agreed on principles to help us further strengthen and deliver the pipeline:

- Prioritize therapeutic areas where we have scale: hematology, oncology, neuroscience, cardiovascular and immunology
- Focus our resources on the assets with the highest value – *a notable observation is that ~20 assets/ 22 diseases drive 80% of our eNPV*
- Continue to leverage platforms to develop medicines aligned with our therapeutic areas and principles
- Improve portfolio outlook by taking more decisions on projects that are aligned with our disease priorities, confer depth, and are of high value
- Expand assets with significant potential into multiple indications
- Strengthen execution excellence by addressing material (based on impact on project value) deviations from approved plans, in real-time
- Actively deprioritize (stop, wind down or out-license) assets and projects that don't meet the criteria for strategic focus, value and scale
- Focus on drug development fundamentals and review the portfolio of digital activities pursued in GDD

While some are areas of focus for GDD already, others are new, and over the coming weeks members of our leadership team will share more details and work with many of you on action plans to shape our future portfolio. As has been a topic in many of my conversations with you in the past few weeks, effective prioritization also means stopping some activities to be able to optimally deploy our resources.

I know first-hand the sense of uncertainty that may be felt, especially with wider changes underway, and at the same time I've been extremely impressed by the sense of purpose and dedication I've seen across GDD since returning. I'm looking forward to hearing your thoughts and talking further about the unique role of GDD at the upcoming Live Connect townhall.

Best wishes,
Shreeram

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