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# ***Strategy, Culture, and Rejuvenation***

**Severin Schwan** | CEO

*The Octavian Seminar, January 2021*

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## **COVID-19: Roche's contributions**

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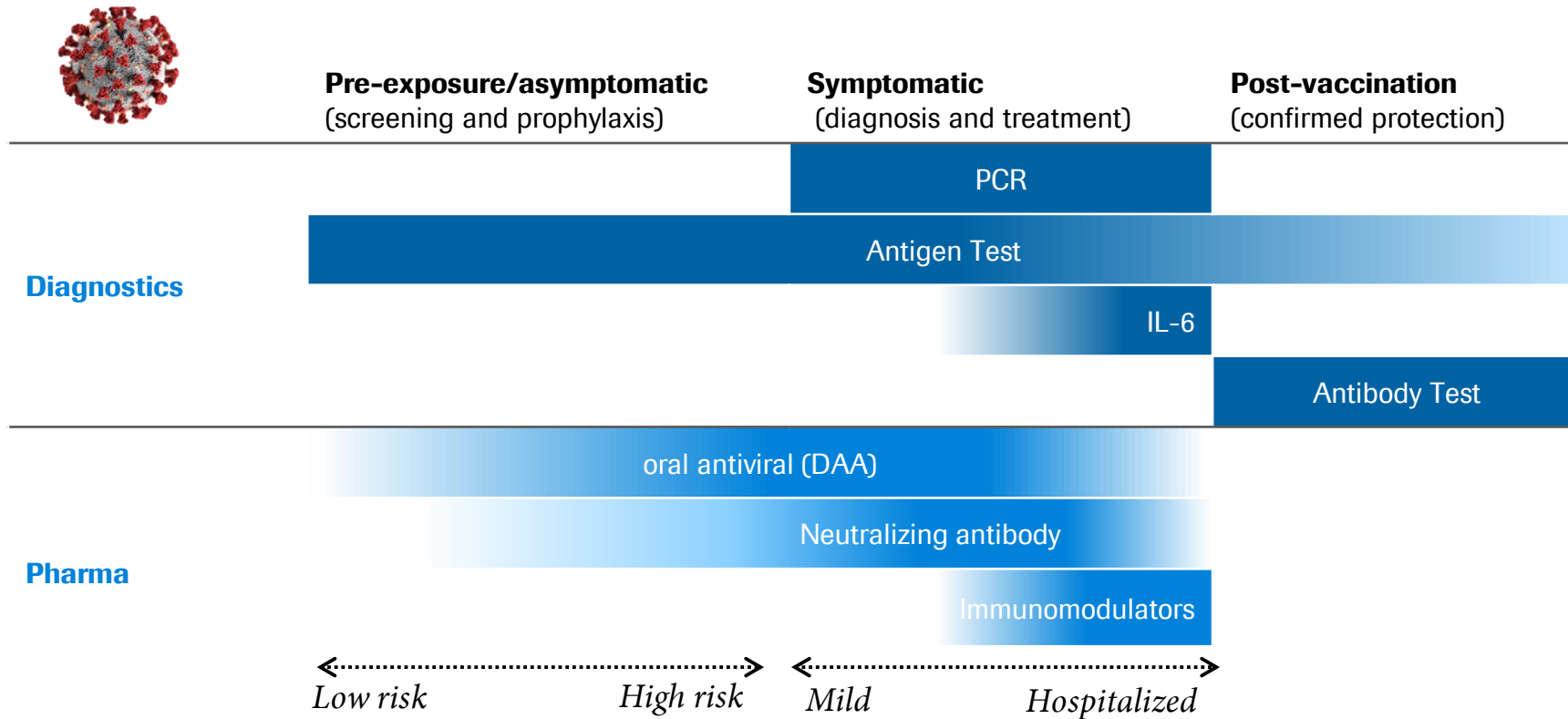
**Priorities to maintain leadership position**

**Environment, Governance, and Social Responsibility**

**Outlook**

# Roche's response to the pandemic

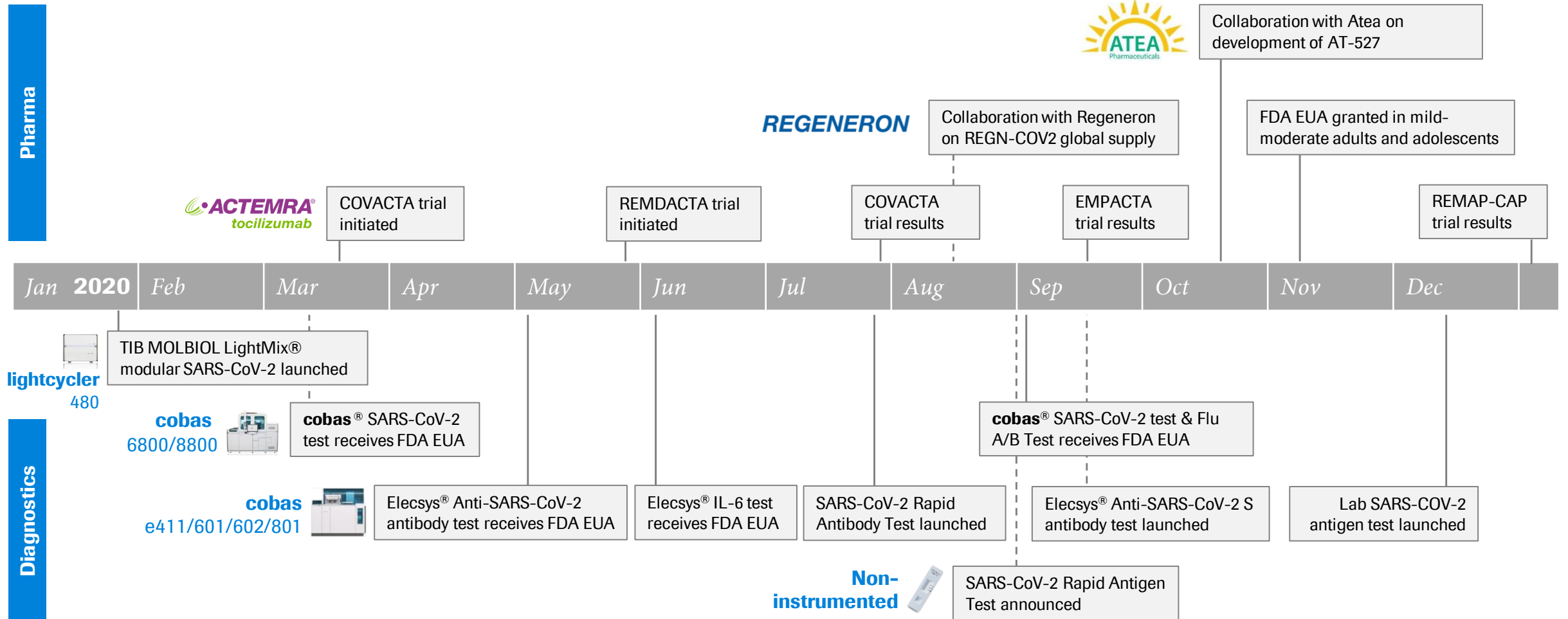
## Potential use cases for Dia/Pharma COVID-19 portfolio



### Use cases will continue to persist with vaccine rollout

- People not yet vaccinated
- Vaccine ineffective/wore off
- Antibody testing
- Population surveillance
- Screening
- Flu/COVID diagnosis

# Responding quickly and broadly to the pandemic



# Increasing testing capacity and installed base

			<i>Installed base</i>	<i>Test capacity</i>
<i>High throughput</i>	<b>cobas 6800/8800</b> <i>~1,500-4,000 tests in 24h</i>	<ul style="list-style-type: none"> <li>cobas® SARS-CoV-2</li> <li>cobas® SARS-CoV-2 &amp; Influenza A/B</li> </ul>	<b>&gt;1,000</b>	<b>&gt;20m</b> per month
	<b>cobas e411/601/602/801</b> <i>~300 tests / hour</i>	<ul style="list-style-type: none"> <li>Elecsys® Anti-SARS-CoV-2</li> <li>Elecsys® Anti-SARS-CoV-2 S</li> <li>SARS-CoV-2 rapid antibody</li> <li>Elecsys® Anti-SARS-CoV-2 antigen</li> </ul>	<b>~40,000</b>	<b>~100m</b> per month
<i>Point of care</i>	<b>cobas Liat</b> <i>~1 test in 20 minutes</i>	<ul style="list-style-type: none"> <li>cobas® SARS-CoV-2 &amp; Influenza A/B (POC)</li> </ul>	<b>&gt;5,000</b>	<b>~1m</b> per month
	<b>Rapid Antigen</b> <i>~1 test in 20 minutes</i>	<ul style="list-style-type: none"> <li>SARS-CoV-2 rapid antigen</li> <li>SARS-CoV-2 rapid antigen (nasal)*</li> <li>SARS-CoV-2 &amp; Influenza A/B rapid antigen*</li> </ul>	<b>Non-instrumented</b>	<b>~80m</b> per month

## Developing tests in months instead of years<sup>1</sup>

*Serology solutions<sup>2</sup>*

**42 days<sup>2</sup>**

~3-5 years on average<sup>4</sup>

*PCR solutions<sup>2</sup>*

**35 days<sup>3</sup>**

~3-5 years on average<sup>4</sup>

\* In development; 1. Unique set of circumstances e.g. EUA FDA has allowed; 2. cobas® SARS-CoV-2 test based on first regulatory approval; 3. Elecsys® Anti-SARS-CoV-2 test based on first regulatory approval; 4. Based on internal calculated averages

## **COVID-19: Roche's contributions**

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## **Priorities to maintain leadership position**

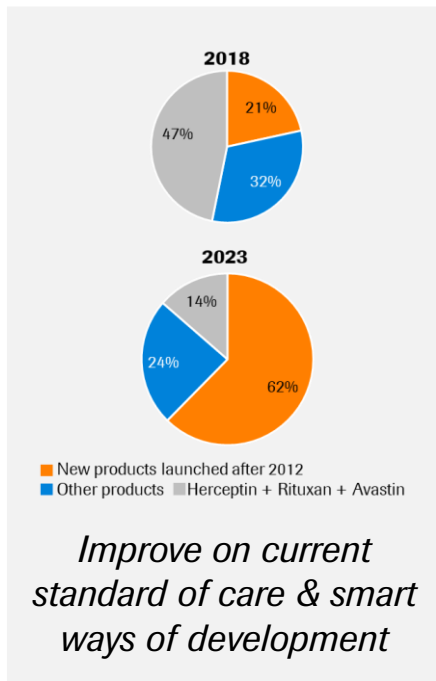
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## **Environment, Governance, and Social Responsibility**

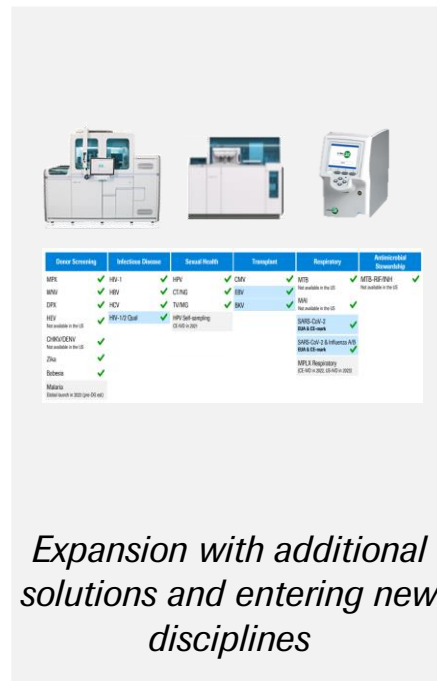
## **Outlook**

# 4 Priorities to maintain leadership position

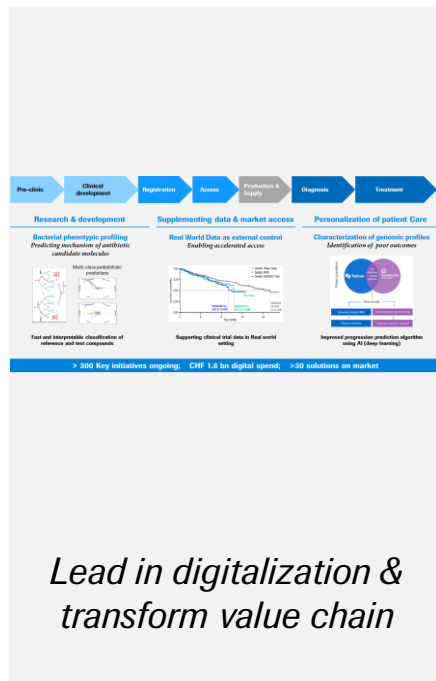
## Innovation: Replace & extend the business



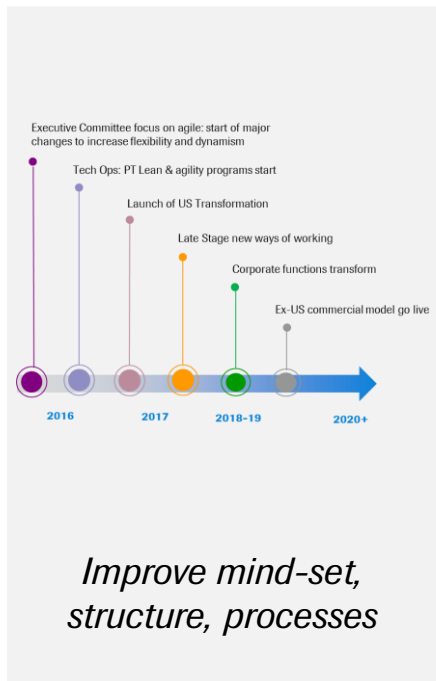
## Diagnostics: Growing installed base & expanding menu



## Leading personalized healthcare revolution



## Transformation







# New medicines: Replace and extend the business

## Replace/extend existing businesses

MabThera/Rituxan	Gazyva, Venclexta, Polivy, mosunetuzumab, glofitamab
Herceptin	Perjeta, Kadcyla, Phesgo
Avastin	Tecentriq, Alecensa, Rozlytrek, Gavreto
Lucentis	faricimab Port delivery system (PDS)
Tamiflu	Xofluza

## Entering new franchises

<b>Oncology:</b> Tecentriq (mUC, HCC, Mel), tiragolumab, giredestrant (HR+ BC) inavolisib (HR+BC) ipatasertib (mCRPC)	<b>Immunology:</b> etrolizumab (CD), Gazyva (LN), rhPTX-2 (IPF)
<b>Hematology:</b> Hemlibra, crovalimab (PNH), cevostamab (MM)	
<b>MS:</b> Ocrevus, fenebrutinib	
<b>CNS:</b> Enspryng (NMOSD), Evrysdi (SMA), tominersen (HTT), gantenerumab (Alzh.), SRP-9001 (DMD)	
<b>Infectious Disease:</b> casirivimab & imdevimab, AT-527	

FDC=fixed dose combination; mUC=metastatic urothelial carcinoma; HCC=hepatocellular carcinoma; Mel=melanoma; mCRPC=metastatic castration-resistant prostate cancer; NMOSD=neuromyelitis optica spectrum disorder; SMA=spinal muscular atrophy; CD=Crohn's disease; MM=multiple myeloma; HTT=huntington's disease; DMD = Duchenne muscular dystrophy; LN=lupus nephritis; PNH=paroxysmal nocturnal hemoglobinuria

# Strong short- and mid-term news flow

## *Diversifying the late stage pipeline and setting new standards of care*

Product	Indication	Filing	Population	Product	Indication	Filing	Population
<b>tominersen</b>	Huntington's	2022	~83k	<b>Gavreto</b>	RET+ NSCLC	filed	~2k (Dx+)
<b>gantenerumab</b>	Alzheimer's	2022	~9,300k (prodromal) ~3,600k (mild)		thyroid cancer	filed	~6k (Dx+)
<b>SRP-9001</b>	DMD	2023 /24	~21k	<b>Tecentriq*</b>	NeoAdj TNBC	2020	~23k
<b>etrolizumab</b>	Crohn's	2022	~570k (moderate/severe)		Adj SCCHN	2021	~8k
					Adj RCC	2021/22	~20k
<b>PDS</b>	nAMD	2020	nAMD ~3,600k DME ~4,700k		(Neo)Adj NSCLC	2021/22	~100k
	DME	2022			Adj HCC	2022	tbd
<b>faricimab</b>	DME	2021		<b>Tecentriq + P+H</b>	NeoAdj HER2+ BC	2021	~40k
	nAMD			<b>ipatasertib</b>	1L mCRPC	2021**	~100 (Dx+)
<b>Actemra + remdesivir</b>	COVID-19	2021	n/a	<b>Polivy</b>	1L DLBCL	2021	~51k
<b>casirivimab &amp; imdevimab</b>	COVID-19	2021	n/a	<b>tiragolumab + T</b>	1L SCLC	2022	~57k
<b>crovalimab</b>	PNH	2022	~14k	<b>mosunetuzumab</b>	R/R FL	2021	~3k
				<b>glofitamab</b>	R/R DLBCL	2022	~24k
				<b>Venclexta</b>	R/R MM t(11;14)	2022	~6k (Dx+)
				<b>giredestrant</b>	2L/3L mBC	2022	~74k

■ Neuroscience    ■ Ophthalmology    ■ Immunology  
■ Infectious diseases    ■ Oncology/Hematology

Source: Roche/Genentech, incidence/prevalence in the major markets (US, FR, DE, IT, ES, GB); DMD=duchenne muscular dystrophy; nAMD=neovascular age-related macular degeneration; DME=diabetic macular edema; NSCLC=non-small cell lung cancer; TNBC=triple-negative breast cancer; SCCHN=squamous cell carcinoma of the head and neck; RCC=renal cell carcinoma; HCC=hepatocellular carcinoma; mCRPC=metastatic castration resistant prostate cancer; DLBCL=diffuse large B-cell lymphoma; SCLC=small cell lung cancer; FL=follicular lymphoma; PNH=paroxysmal nocturnal hemoglobinuria; \*all adjuvant studies are event driven, timelines / readout depending on events; \*\*met primary endpoint, data further maturing

# Strong replacement power of franchises - example of Lung Cancer

## Early disease, novel combinations, targeted agents

**Tiragolumab granted Breakthrough Therapy Designation (BTD)**

	NSCLC (NSq)					NSCLC (Sq)	SCLC		
	ALK	EGFR	ROS	NTRK	RET			Non-Driver	
								PD-L1+	PD-L1-
<b>Neo-/Adj</b>	Alecensa					IMpower010 (adjuvant) Tecentriq IMpower030 (neoadjuvant) Tecentriq + platinum-based chemo <span style="color: green;">Data in 2021</span>			
<b>Stage III</b>						SKYSCRAPER-03 tiragolumab + Tecentriq			
<b>1L</b>	✓ Alecensa ✓ Tarceva ± Avastin ✓ Rozlytrek ✓ Rozlytrek ✓ Gavreto	IMpower110 ✓ Tecentriq SKYSCRAPER-01 tiragolumab + Tecentriq		IMpower150 ✓ Tecentriq + Avastin + CP IMpower130 ✓ Tecentriq + CnP IMpower132 ✓ Tecentriq + pemetrexed		IMpower131 ✓ Tecentriq + CnP IMpower110 ✓ Tecentriq	IMpower133 ✓ Tecentriq + carboplatin + etoposide SKYSCRAPER-02 tiragolumab + Tecentriq + chemo		
<b>2L</b>	IMpower150					OAK, POPLAR, BIRCH ✓ Tecentriq Tarceva ✓			

\* IMpower132 approved in Japan

✓ approved  
✓ positive readout

### Cancer immunotherapy

Tecentriq neoadjuvant and adjuvant data in 2021; Tiragolumab BTD in PD-L1 high NSCLC



### Driver mutations

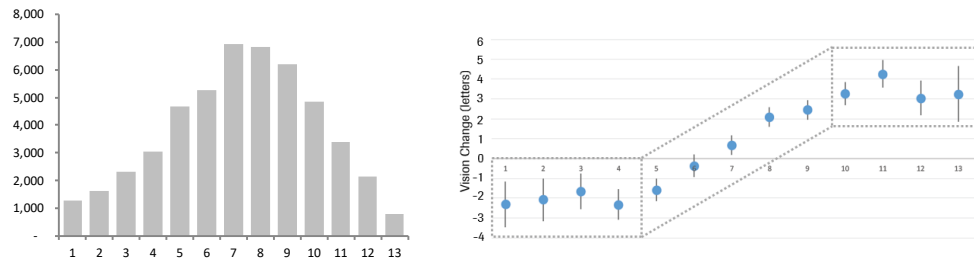
Rare mutations (≤2%) add up to ~10% of the lung cancer market: ~4bn opportunity



# Replace and extend current business – example Ophthalmology

## *Improve on durability, extend geographical outreach*

### Adherence to IVT therapies is low and infrequent dosing in the real world correlates with vision loss

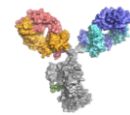


*Only 50% of patients can be extended to Q3M dosing with current IVT therapies*

### PDS and faricimab have the potential to improve real world outcomes with longer durability



- **Port Delivery System (PDS):** permanent, refillable intraocular implant. One-time ~30 min outpatient surgical procedure. **Refill twice yearly in-office**



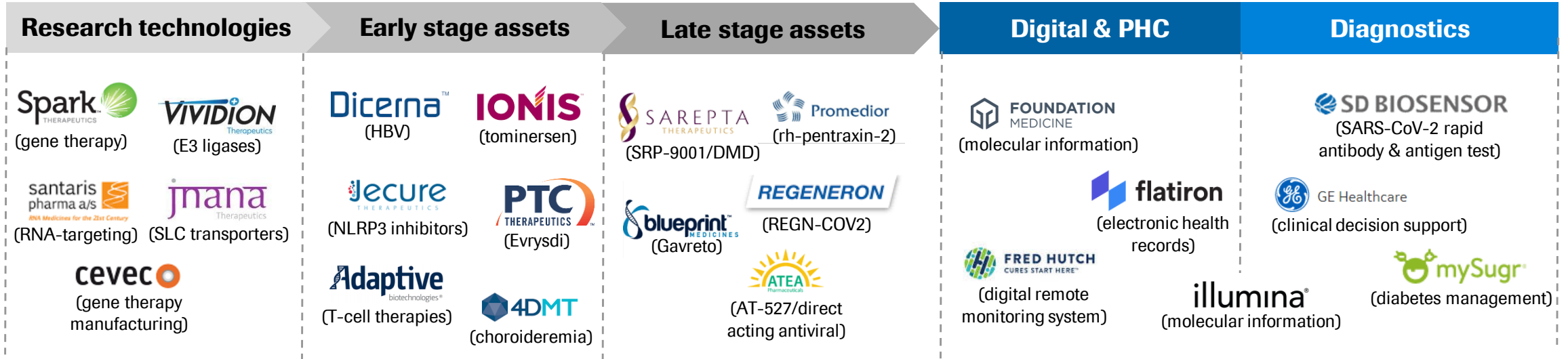
- **Faricimab:** in DME met primary endpoint, strong durability across all studies (>50% for 16 weeks); nAMD phase 3 to read out in 2021

1. Source: Evaluate Pharma; DME=diabetic macular edema; nAMD=neovascular AMD; IVT=intravitreal

# Investing in external innovations<sup>1</sup>

## *Accelerate drug discovery and diagnostic technologies*

Technology stage at the time of licensing



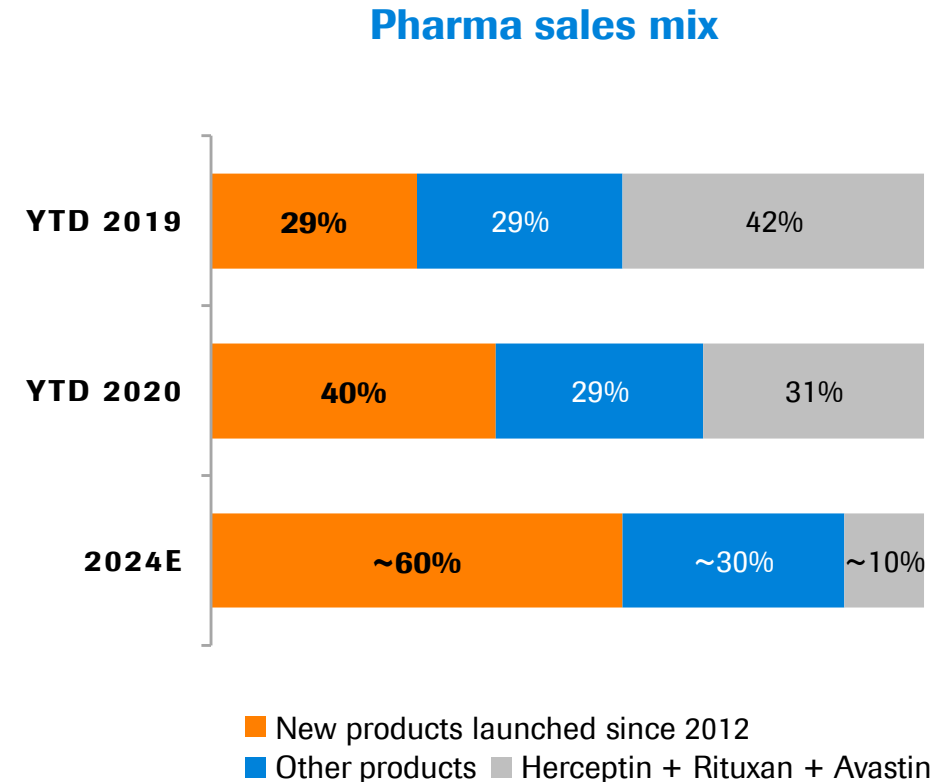
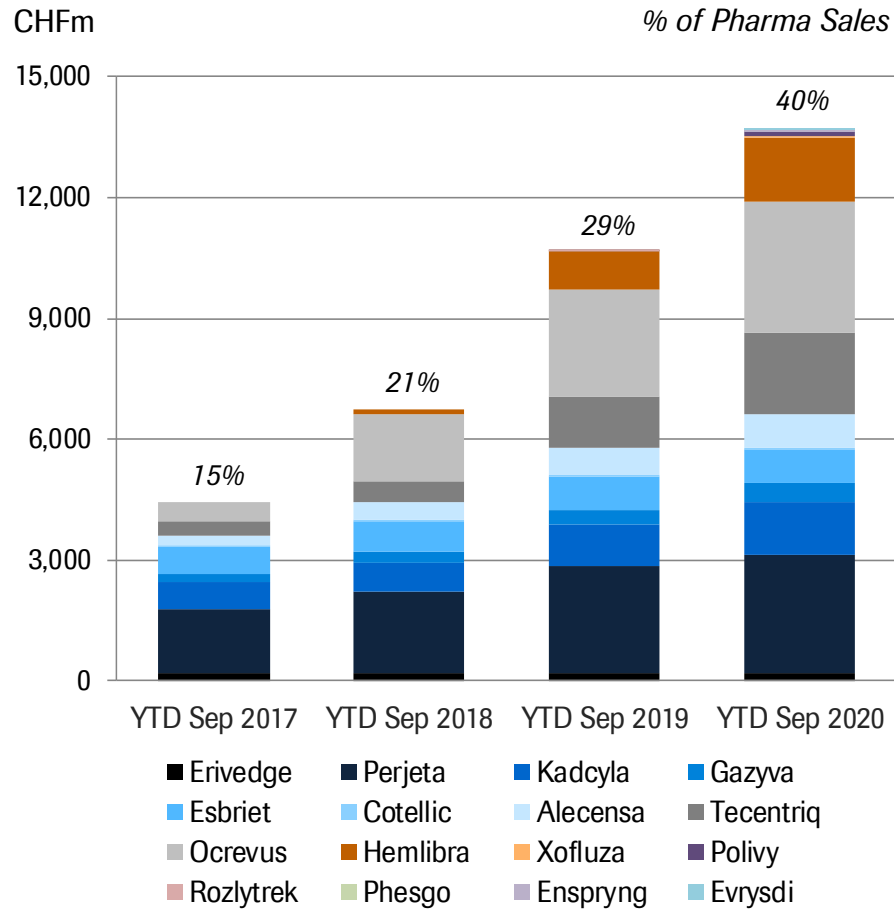
**132 new agreements in 2020**  
**focused on**

**High disease burden / Promising targets / Novel enabling technologies / Decision support**

<sup>1</sup> Non-exhaustive overview

# Innovation driving portfolio rejuvenation

## *Increasing share of sales coming from recent launches*



All absolute values are presented in CHFm reported; YTD reported in Q3

# Launching new medicines in virtual environment; example Evrysdi US launch



### **SMA Patients:**

Evrysdi shipped to patient's home through contactless delivery



### **Health Care Professionals:**

Digital tools and resources to educate HCPs and their staff



### **SMA Community:**

Virtual webinars and social media events in partnership with patient advocacy groups

**Strong launch and initial uptake: Evrysdi projected to become treatment of choice in the US for the majority of patients in 2021**





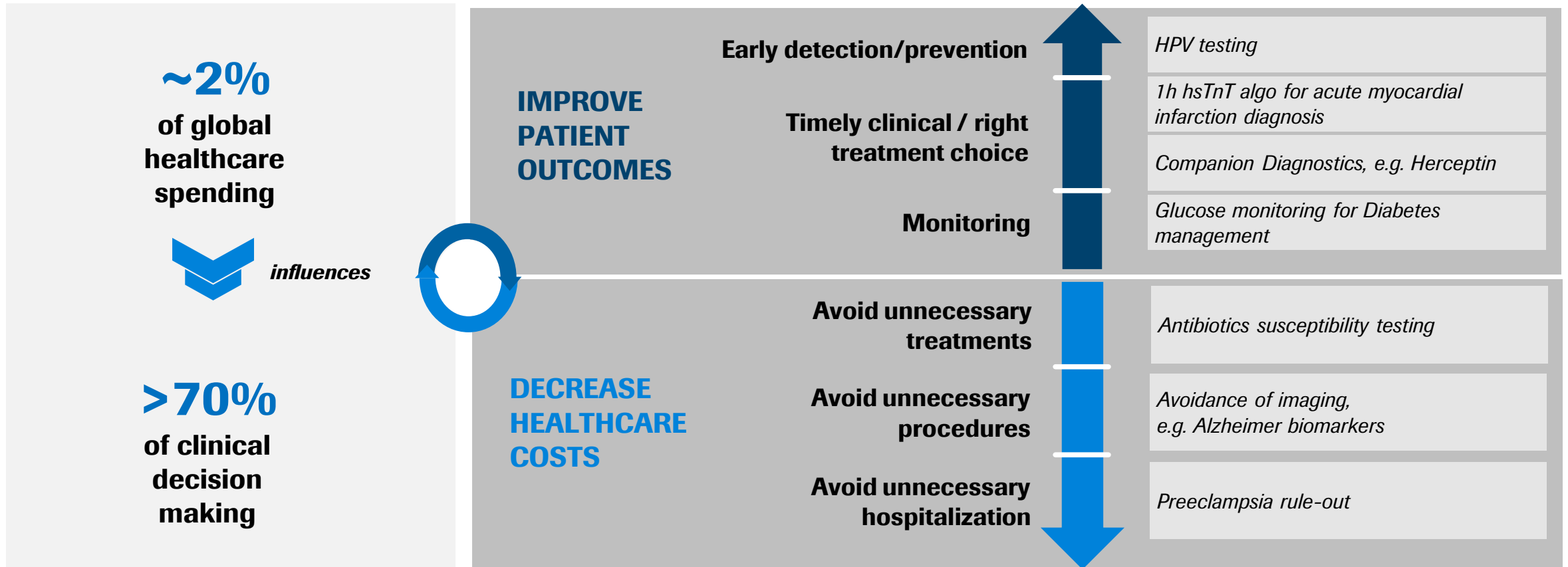
# Role of in-vitro diagnostics

*Playing a foundational role to improve outcomes & lower costs*

**IVD influences decisions...**

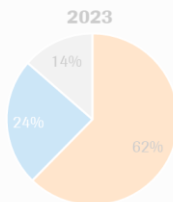
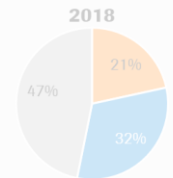
**... with tangible value for healthcare systems**

*examples*



# 4 Priorities to maintain leadership position

## Innovation: Replace & extend the business



■ New products launched after 2012  
■ Other products ■ Herceptin + Rituxan + Avastin

*Improve on current standard of care & smart ways of development*

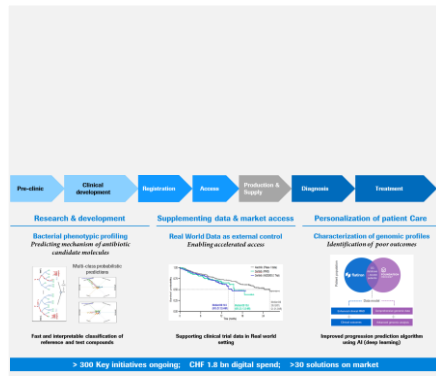
## Diagnostics: Growing installed base & expanding menu



Drug Name	Indication	Target	Regulatory	Commercial
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK
MSK	✓ MSK	✓ MSK	✓ MSK	✓ MSK

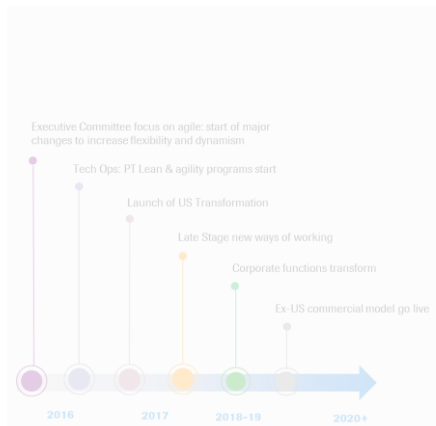
*Expansion with additional solutions and entering new disciplines*

## Leading personalized healthcare revolution



*Lead in digitalization & transform value chain*

## Transformation



*Improve mind-set, structure, processes*

# Pharma digital strategic priorities



## Research & development

## Supplementing data & market access

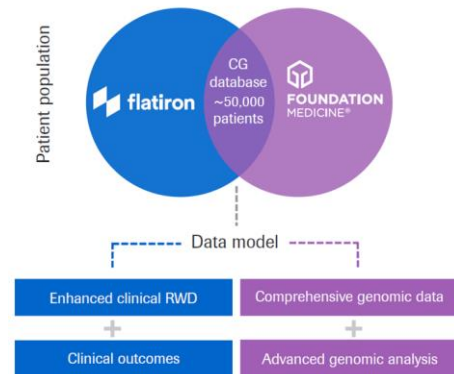
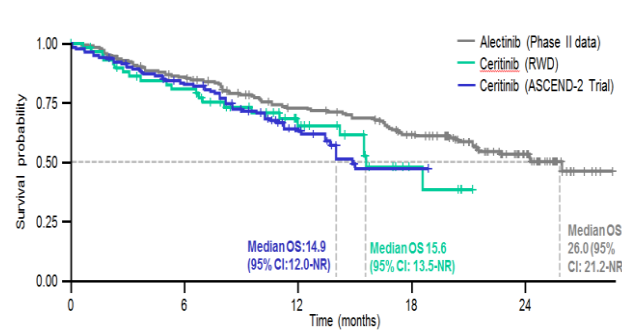
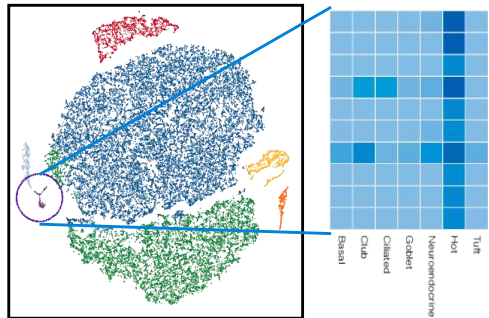
## Personalization of patient care

**Single cell and spatial genomics**  
*Discovering previously unknown cell types*

**Real World Data as external control**  
*Enabling accelerated access*

**Characterization of genomic profiles**  
*Identification of poor outcomes*

Examples:



Using massively parallel methods to profile millions of cells per day

Supporting clinical trial data in Real world setting

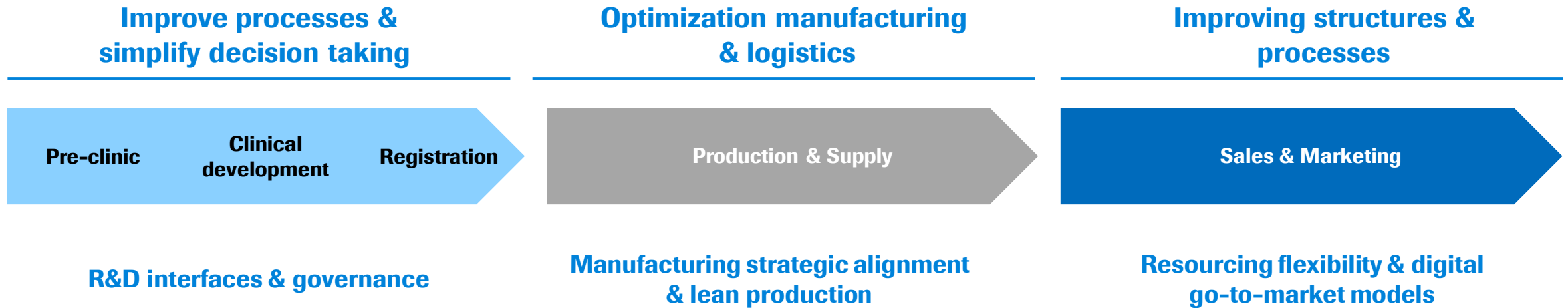
Improved progression prediction algorithm using AI (deep learning)

**> 300 Key initiatives ongoing and >30 solutions on market**



# Adjusting to a changing environment

## *Initiatives across the entire company/value chain*



R&D interfaces & governance

Manufacturing strategic alignment & lean production

Resourcing flexibility & digital go-to-market models

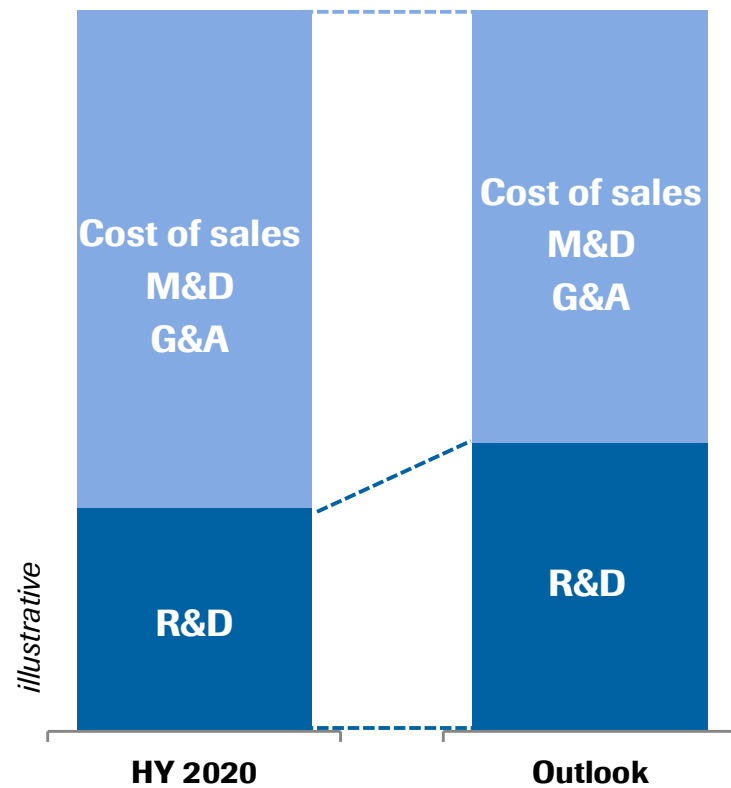
**Diagnostics division transformation across the value chain**

Finance / Procurement / IT / HR (end-2-end enterprise planning & centers of excellence)

**New ways of working: mindset and processes**

# Strategic re-allocation of resources: example Pharma

## Pharma cost structure

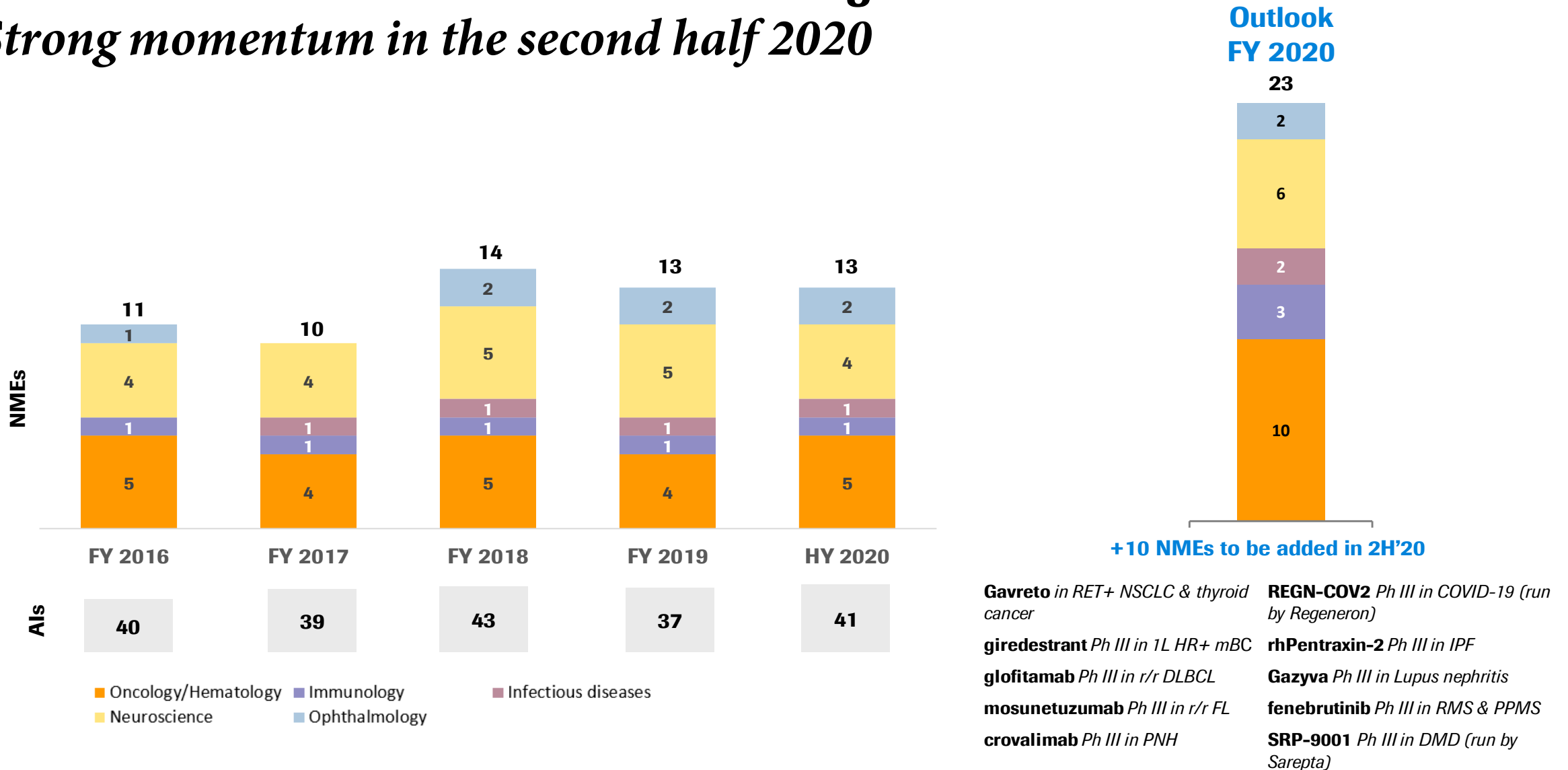


## Principles for resource allocation

- Re-allocate resources into R&D while working on and protecting profitability
- Optimizing costs and efforts by
  - More targeted and often virtual stakeholder engagement
  - Personalized, digital content & services
- Improve performance by dynamic resource allocation

# Invest in innovation: Assets in Ph III & registration

## *Strong momentum in the second half 2020*





**COVID-19: Roche's contributions**

**Priorities to maintain leadership position**

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**Environment, Governance, and Social Responsibility**

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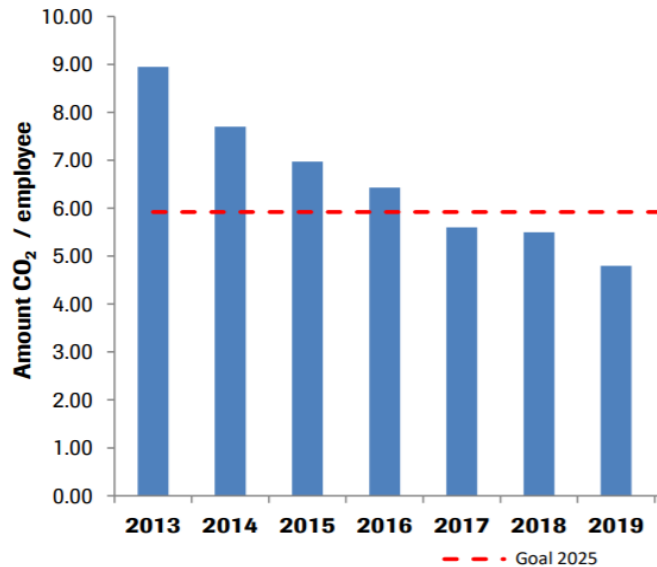
**Outlook**

# Our impact on society

*Roche ranked most sustainable healthcare company by DJSI for the 11<sup>th</sup> time*



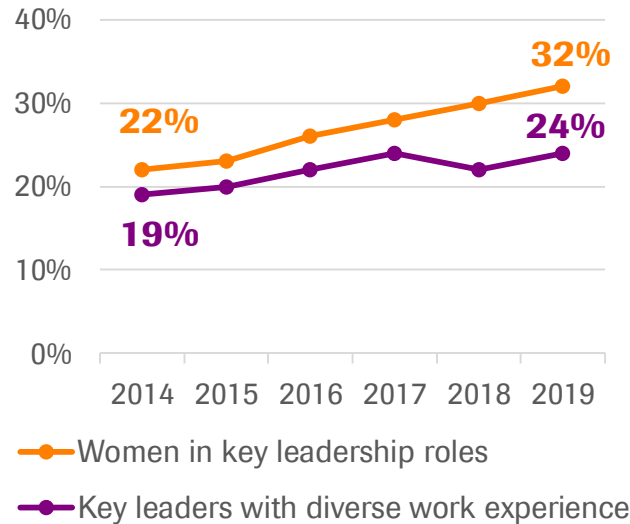
## Environment



**Goal: scope 1&2 greenhouse gas emissions to real zero by 2050<sup>1</sup>**



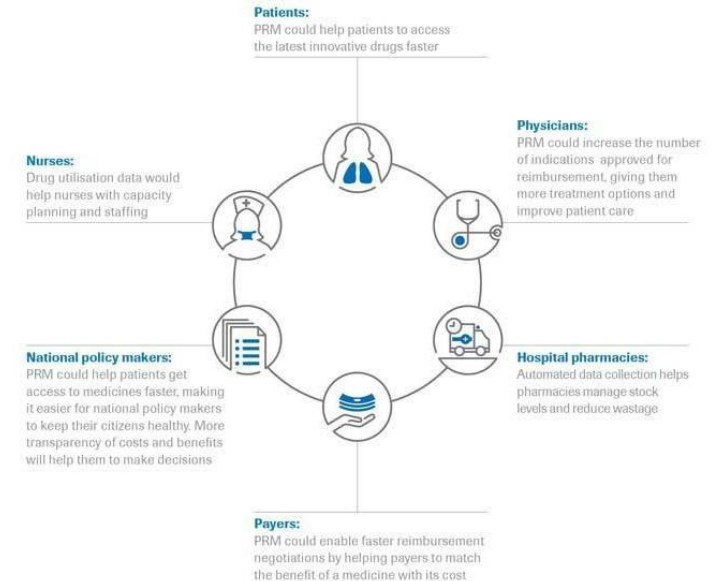
## Providing a great workplace



**32% of key leadership roles held by women**



## Access to our products



**Personalized Reimbursement Models deliver benefits to multiple stakeholders**

1. Without buying CO<sub>2</sub> certificates 2. Genentech's annual average net price increase in the U.S., weighted by sales; 3. for inflation CPI-U Medical Care is used for all medical care expenditures (incl. prescription and non-prescription drugs, medical supplies, physicians' services, hospital services, and health insurance) – source: U.S. Bureau of Labor Statistics (US BLS);

**COVID-19: Roche's contributions**

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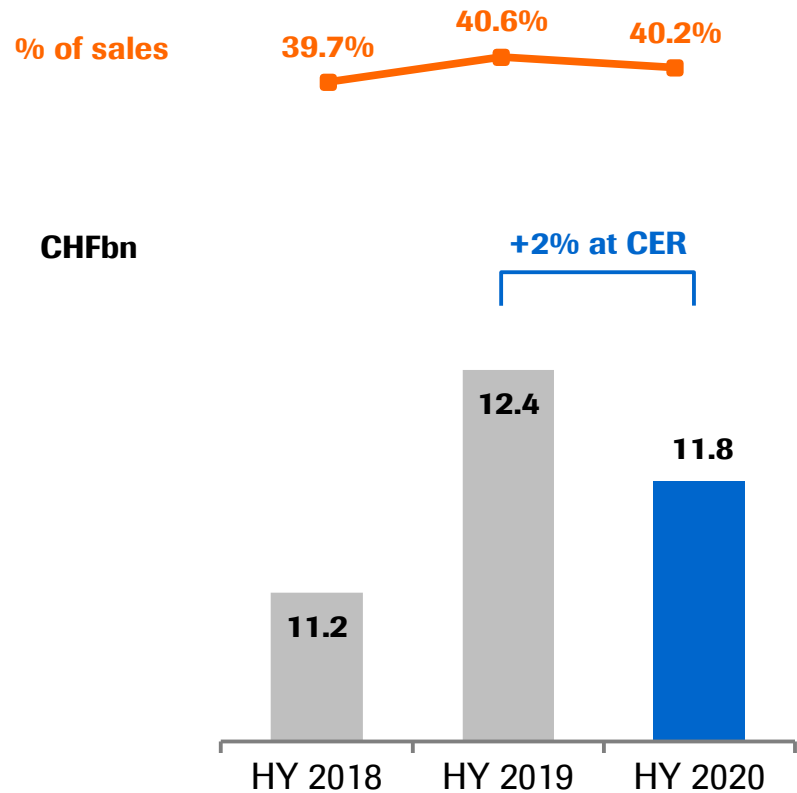
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**Outlook**

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# Defending margins despite headwinds and investment in innovation

## Core operating profit



## Sales

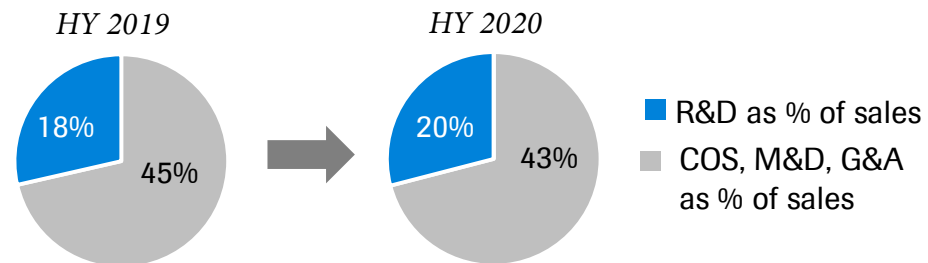


**New Product Growth:** 40% of sales YTD Sep 20 (up from 29% YTD Sep 19)  
**Diagnostics:** COVID-19 testing



**Biosimilars / COVID-19:** contraction in AHR in 2020  
**Diagnostics:** routine business

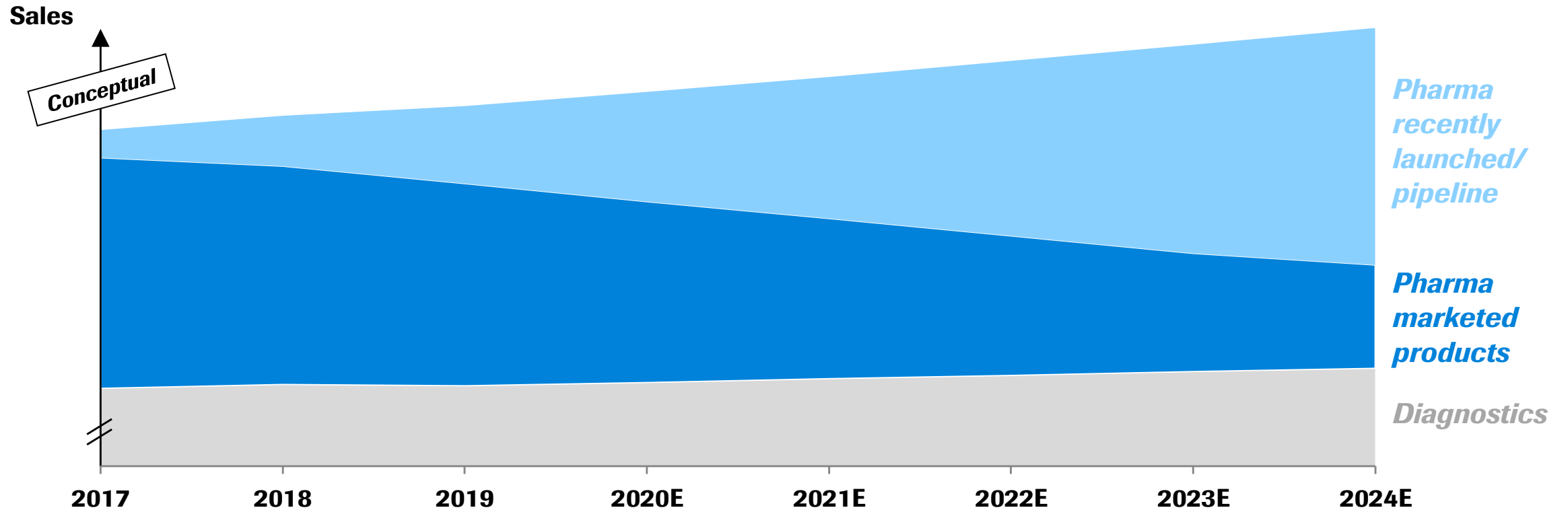
## Expenses



# Growing through biosimilar transition

## *Pharma NME and Dia launches*

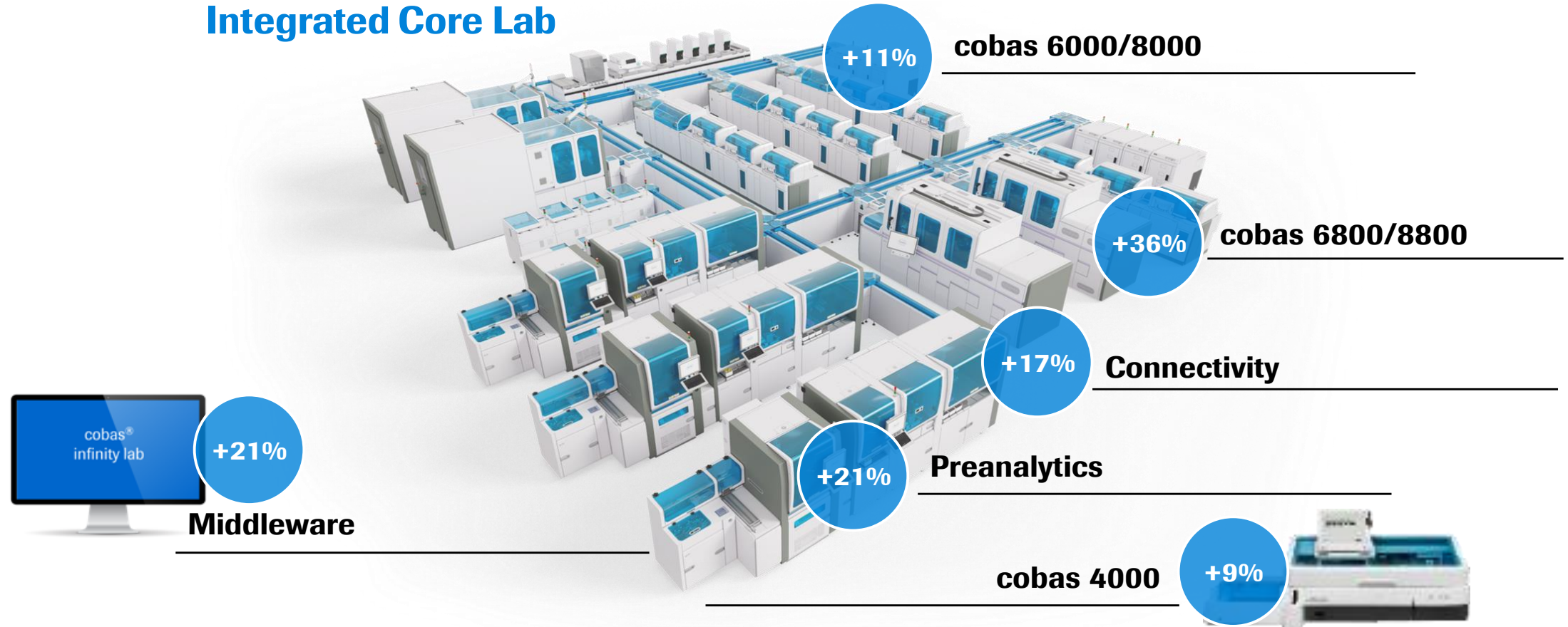
*Ocrevus, Perjeta, Hemlibra, Tecentriq, Venclexta, Gazyva, Alecensa, Xofluza, Polivy, Rozlytrek, Evrysdi, Enspryng, Gavreto, ipatasertib, tiragolumab, etrolizumab, PDS, faricimab, tominersen, gantenerumab, etc. cobas 6800/8800, cobas 5800, cobas Mass Spec, cobas Liat, etc.*



*Doing now what patients need next*

# Growing installed base worldwide driving reagents consumption

## Integrated Core Lab

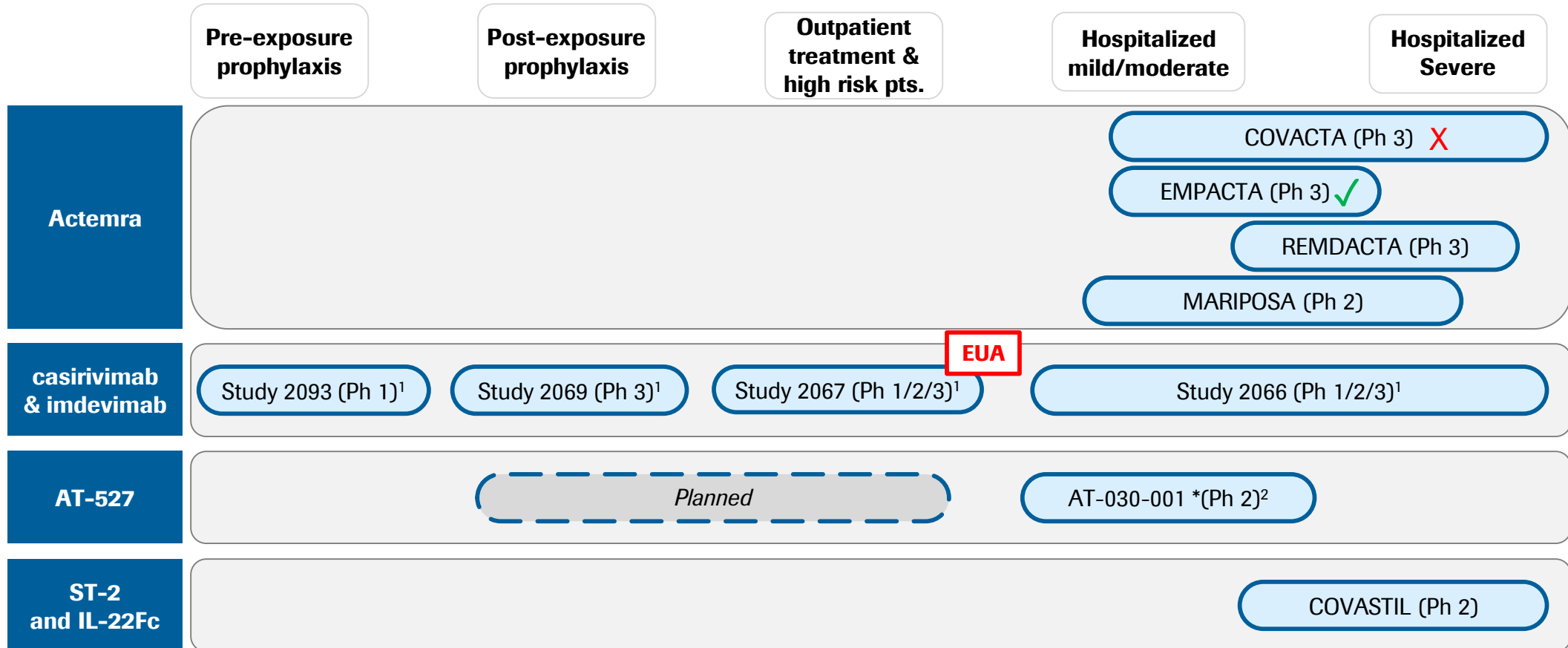


2019  
Growth

Growth rates being from the period of January 1, 2019 to December 31, 2019

# Roche-sponsored/partnered trials for COVID-19

## *Pursuing multiple options to maximize public health impact*



1. Conducted by Regeneron; 2. Conducted by Atea



# Hematology: continuing to redefine the standard of care in B-cell malignancies and expanding into new diseases

	<i>mAb</i>	<i>Small Molecule</i>	<i>ADC</i>	<i>Bispecific</i>
<b>CLL</b>	GAZYVA obinutuzumab <small>ipocin</small>	VENCLEXTA venetoclax tablets <small>150 mg, 100 mg, 50 mg</small>		
<b>iNHL/FL</b>	GAZYVA obinutuzumab <small>ipocin</small> tiragolumab		POLIVY polioestrone	mosunetuzumab glofitamab
<b>DLBCL</b>	tiragolumab	VENCLEXTA venetoclax tablets <small>150 mg, 100 mg, 50 mg</small>	POLIVY polioestrone	mosunetuzumab glofitamab
<b>MM</b>	tiragolumab	VENCLEXTA venetoclax tablets <small>150 mg, 100 mg, 50 mg</small>		cevestamab
<b>AML</b>		VENCLEXTA venetoclax tablets <small>150 mg, 100 mg, 50 mg</small>		
<b>MDS</b>		VENCLEXTA venetoclax tablets <small>150 mg, 100 mg, 50 mg</small>		

= approved    Indications where Rituxan approved    Indications where Rituxan not approved

## B-cell malignancies

*Polivy 1L DLBCL data in 2021; mosun/glofit advanced to randomized Ph 3 trials in NHL*

## New hematologic diseases

*Venclexta >40% US market share in AML; ongoing Ph 3 trials in MM and MDS*

# Replace and extend franchises: the example of Breast Cancer: Expanding into TNBC and HR+ BC



		mAb	Small Molecule	ADC
<b>HER2+</b>	Neoadj	✓  ✓ 		
	Adj.	✓  ✓ <small>peruzumab / trastuzumab / heparinase / zol</small> <small>SUBCUTANEOUS INJECTION / INTRAVENOUS USE</small>		✓ <small>ado-trastuzumab emtansine</small> <small>INTRAVENOUS INJECTION FOR INTRAVENOUS USE</small>
	1L mBC	✓  ✓ <small>peruzumab / trastuzumab / heparinase / zol</small> <small>SUBCUTANEOUS INJECTION / INTRAVENOUS USE</small>		
	2L mBC			✓ <small>ado-trastuzumab emtansine</small> <small>INTRAVENOUS INJECTION FOR INTRAVENOUS USE</small>
<b>HR+</b>	eBC		giredestrant	
	1L mBC		giredestrant inavolisib	
	2L+ mBC		giredestrant	
<b>TNBC</b>	eBC	<small>atezolizumab</small>		
	1L mBC	✓ <small>atezolizumab</small>		

**HER2+ BC**  
*Phesgo approved in US and EU in 2020 (SC fixed dose combination of Hercptin + Perjeta)*

**HR+/HER2- BC**  
*SERD and Pi3K programs advanced to Ph 3 in HR+ BC with large addressable population*

**TNBC**  
*Tecentriq positive Ph III results in neoadjuvant TNBC*

✓ = approved   ■ Indications where Herceptin approved   ■ Indications where Herceptin not approved

*Doing now what patients need next*