**Key highlights 2018**

**Supporting continued growth**
With CHF 2.4 billion in sales—Ocrevus for two forms of MS most successful new product launch for Roche

**Progressing Alzheimer’s diagnosis**
FDA breakthrough device designation for Elecsys assays to support early and improved diagnosis of Alzheimer’s disease

**Treating rare blood disorder**
Hemlibra now indicated for most haemophilia patients in the US

**Improving access to healthcare**
Roche takes a lead role in the scale-up of the City Cancer Challenge 2025 to change global landscape of cancer care

**Fighting influenza infections**
Xofluza—first single-dose oral medicine to treat influenza approved in the US

**Contributing to sustainability**
Roche ranked most sustainable healthcare company in the Dow Jones Sustainability Indices for the tenth successive year

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Discover personal stories and further key highlights of Roche in our digital version of the 2018 Annual Report.
Key figures 2018

- **30** Roche medicines on the WHO Model List of Essential Medicines
- **24** breakthrough therapy designations in six years
- **7** breakthrough device designations in 2018
- **CHF 56.8** billion Group sales (+7%*)
- **CHF 20.5** billion core operating profit (+9%)
- **CHF 8.70** dividend

**CHF 11.0** billion R&D core investments (+6%)

**67** new molecular entities in clinical development

**20** billion tests conducted with Roche products

**127,000,000** people worldwide treated with our medicines

**94,442** employees** around the world

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* All growth rates in this report are at constant exchange rates (CER; average 2017).
** Number of employees expressed in full-time equivalents.
Who we are

Innovation: It’s in our DNA. We have always worked across disciplines and geographies to drive scientific discovery and redefine what is possible to improve patients’ lives.

We are working on understanding how diseases differ down to the molecular level, so we can develop new tests and medicines that prevent, diagnose and treat these diseases. With our combined strengths in diagnostics and pharmaceuticals, our personalised healthcare strategy aims to fit the right treatment to the right patient.

As the world’s largest biotech company, we develop breakthrough medicines, improving the standard of care across oncology, immunology, infectious diseases, ophthalmology and neuroscience. We are also the world leader in the in vitro diagnostics business. This track record allows us to build lasting and meaningful partnerships across the world with research academia and public healthcare institutions.

The founding families continue to hold the majority voting stake in the company. This stability allows for a tradition of sustainable thinking, so we can learn from setbacks and focus on lasting value for patients and society. We remain dedicated to the highest standards of quality, safety and integrity. Our legacy is based on respect for the individual as well as the communities and the world we live in.

Our strategy:

We focus on finding new medicines and diagnostics that help patients live longer, better lives and evolve the practice of medicine.

What we do

Our focus
Fitting treatments to patients

Our people
Making their mark

Our decision-making
Accountable and transparent

Our structure
Built for innovation

Our delivery
Value for all stakeholders

Our distinctiveness
Excellence in science
According to my doctors, I am not supposed to be talking to you now. They gave me about a year to live after I developed aggressive bladder cancer. But here I am three years later, telling you my story—almost cancer-free and living my life.

I am 67 years old—a husband, father and grandfather now. Three years ago, I noticed blood in my urine and went to the doctor. I was asked to do a series of tests and was diagnosed with bladder cancer. A team of doctors at the hospital decided that I had to undergo surgery and have the bladder removed. But that plan had to be changed. During the operation, the surgeons realised that the cancer had spread and this had not been detected earlier. So they decided not to remove the bladder but instead put me on chemotherapy.

My chemotherapy was five days a week, every alternating week. This was a challenge as I was hooked up to tubes and the process usually lasted about 18 hours each day. The chemotherapy went on for about five months, but there seemed to be no change in my prognosis. I told my doctors that I was very busy and that I was not ready to die. My oncologist then told me that there was another test that she wanted me to undergo. It was a comprehensive genomic test. She explained that the test might help identify the specific mutation I had. Once this was identified I could then receive targeted therapy for my specific mutation.

The results were surprising both for my doctor and me. The mutation that had caused my bladder cancer was actually typical in breast cancer patients. I often joke that I became the first bladder cancer patient in Israel to be treated with medicines for breast cancer patients—a combination of two targeted therapies. With this treatment, my condition improved markedly within a few months.

It was because of this test that a very specific diagnosis could be made and I could then be offered a very specific therapy. My doctor explained that there are substantial differences between tumours, even if they are located at the same site in the body. Therefore, I am quite sure that the test can be of great benefit to several other patients. I believe it should be added to different healthcare systems and packages so that the costs are covered. I underwent chemotherapy for months and not only was it damaging, it also did not improve my condition in any way.

These three years have been so important to me. I am leading a normal, active life. I now have a new granddaughter as well. This additional time is so valuable to me and can be to so many others around the world.

Read more personal stories in our Annual Report 2018.
**Diagnostics performance**

**CHF 12.9 billion**

Diagnostics sales  +7%*

- **+3%** Europe, Middle East and Africa
- **+6%** Japan
- **+7%** North America
- **+9%** Latin America
- **+13%** Asia-Pacific

**Top-selling portfolio in 2018** (CHF millions)

- **4,242** +11% cobas Immunodiagnostics
- **1,841** +7% cobas Clinical chemistry
- **853** +10% Ventana Advanced staining

**Pharmaceuticals performance**

**CHF 44.0 billion**

Pharmaceuticals sales  +7%

- **-7%** Europe
- **+14%** US
- **+10%** International
- **-1%** Japan

**Key growth drivers in 2018** (CHF millions)

- **2,353** +172% Ocrevus Neuroscience
- **2,773** +27% Perjeta Oncology
- **772** +59% Tecentriq Oncology

* All growth rates in this report are at constant exchange rates (CER; average 2017).
The core of our business is science and innovation

Advances in digital technologies and data-driven analytics will increasingly shape research and development going forward, taking personalised healthcare to the next level.

Data insights for better informed decisions

Roche has been building on its wide-ranging expertise and combined strengths in Pharmaceuticals and Diagnostics for the past 20 years. This has made the company a universally acknowledged pioneer and leader in this first wave of personalised healthcare (PHC). As part of these efforts, the company has developed targeted treatments, starting with one of our breast cancer medicines in 1998.

New technologies and advanced analytical tools are helping to manage, mine and make sense of large and fast-growing datasets. They are emerging as powerful catalysts in the transformation of healthcare, both in terms of accelerating research and development and ensuring access to the best possible care for patients.

Going forward, our ability to capture and understand unprecedented amounts of data from multiple sources will allow for a higher resolution and a more in-depth view of each patient, thus putting the promise of truly personalised healthcare within reach.

In 2018, Roche concluded several transactions to further develop its PHC strategy. These include three US-based companies: Foundation Medicine, with its comprehensive genomic profiling assays to identify the molecular alterations in a patient’s cancer and match them with relevant targeted therapies, immunotherapies and clinical trials; Flatiron Health, a market leader in the curation and development of real-world evidence for cancer research; Ignyta, with a medicine targeting certain types of rare mutations found in several cancers. This is an example of very targeted novel treatment approaches based on genetic profiling.
Genomic profiles and digital biomarkers
The amount of healthcare data generated around the world is growing at an exponential rate, and the sheer volume of medical information is doubling every few months. Take, for example, the detailed investigation of cancer at the molecular level with the help of comprehensive genomic profiling or the continuous monitoring of disease progression in neurodegenerative conditions with the help of smartphone-based sensors. They produce billions of data points.

These tools and technologies not only generate vast amounts of data from which valuable nuggets of information can be extracted, they are also offering deeper insights into the nature of diverse diseases. They are, therefore, providing exciting new opportunities for drug discovery and development.

Antibiotic research
A growing public health threat making frequent headlines in the media is antimicrobial resistance. This refers to the fact that antibiotics are increasingly losing their effectiveness against a broad range of common and more difficult-to-treat bacterial infections, as microorganisms acquire resistance to antibacterial drugs. The problem is widespread and especially troublesome with the Gram-negative bacteria and is projected to cause more than 10 million deaths annually by 2050.

In view of the pressing medical need for new antibiotics with novel modes of action, Roche re-entered this space in 2013 with a focus on Gram-negative bacteria like Acinetobacter baumannii and Pseudomonas aeruginosa, and has a number of compounds in pre-clinical development.

Betting on gene therapy in a rare eye disease
Choroideraemia is a rare, monogenic recessive retinal disease caused by mutations of a specific gene, affecting about 1 in 50,000 males. The progressive peripheral vision loss and night blindness, which usually first show up in the patient’s teen years, can culminate in complete blindness later in life.

Gene therapy could hold the key to alleviating this condition. In gene therapy, therapeutic genes or specific segments of DNA are introduced into target cells in order to replace missing or faulty genes (in this example the mutant CHM gene) that fail to properly encode for fully functional proteins.

Gene therapy has traditionally faced a real challenge, namely finding effective gene delivery vehicles, or vectors, that fulfil their intended purpose satisfactorily. However, highly optimised, third-generation adeno-associated virus (AAV) vectors have been perfected into great vehicles for gene transfer that can locate and enter specific cells with a high degree of precision.

By announcing its expanded long-term partnership with the US company 4D Molecular Therapeutics in April 2018, Roche has entered new terrain with the choroideraemia project as its first foray into gene therapy.
Our pipeline of 67 new molecular entities (NMEs) covers a broad range of diseases, and highly innovative technologies are applied to create and produce the active molecules.
Acting sustainably is our responsibility

We are committed to running our business in a way that is ethical, responsible and creates long-term value for society.

Innovating for patients

Doing now what patients need next
Finding innovative solutions for unmet medical needs is at the heart of what we do. Two-thirds of all diseases are either still not treated adequately or not treated at all. We are trying to tackle these challenges. In 2018, we have invested CHF 11 billion in research and development (core), and our pipeline of 67 new molecular entities by the end of the year covers a broad range of diseases.

Combined strengths
We are embracing the best technologies and partnerships that leverage the power of our unique structure and that includes Pharmaceuticals and Diagnostics to advance science and develop new therapies. We have employees working in 30 research and development and 26 manufacturing sites worldwide.

Delivering medical value to a digital world
Our deepening understanding of molecular science, together with new diagnostic tools and data management methods is bringing disruptive changes to patient care. As one of the largest providers of real-world data, we produce billions of test results every year; in 2018, it was a total exceeding 20 billion results with our in vitro test portfolio.
Providing a great workplace

People with purpose
We are dedicated to ensuring that Roche remains the place where creative, gifted and passionate people desire to work. Our 94,442 people worldwide—the collective source of our innovation—are the most critical factor to our success.

Personal and professional development
We believe the most impactful development activities typically go beyond traditional classroom training and are not necessarily directly linked to taking on a new role. Many regions and functions offer a Changing Perspectives programme, which enables employees to experience a different area or role for a period of three to six months. Employees have the opportunity to work on projects, develop leadership skills and gain insights into a new career path that might be suitable for them in the future.

Attracting talent
We are transforming the way we work to make sure we can consistently meet the needs of patients and customers, now and in the future. While digitalisation is already deeply embedded at Roche, our Code4Life initiative is an effort to raise Roche’s profile among digital talent who may not yet be aware of the extent to which digitalisation is changing the world of diagnosis and treatment options for patients. We had more than 13,100 user interactions with our online campaigns.

Protecting the environment

Investing in the future
At Roche, protecting the environment is an integral part of our operations and is taken seriously throughout the lifecycle of our products. We aim to minimise the environmental impacts of our medicines and devices. Our efforts also help address customer demands for greener products and supply chains, and public concerns about chemicals and pharmaceuticals in the environment. In 2018, we invested CHF 181 million in environmental infrastructure and CHF 80.3 million in environmental operating costs, including services and personnel.

Minimising our environmental footprint
We measure our total environmental impact using the Swiss eco-balance metric, which is a system of points allocated to ecologically relevant parameters. Our strategic goal was to reduce our eco-balance by 10% between 2014 and 2019. We reached this goal in 2016. Since then, we have been aiming to reduce our footprint by a further two percent each year.
Our commitment to the UN SDGs

As a global healthcare company, we are committed to supporting a number of the 17 United Nations Sustainable Development Goals (SDGs) in line with our business strategy; in particular SDG 3, which aims at ensuring healthy lives.

Being a trustworthy partner

Joining forces
Open and constructive dialogue with our stakeholders is crucial. Through partnerships we can build a better future together which makes a real difference to patients. In 2018, 107 new partnerships in Pharmaceuticals and 23 new partnerships in Diagnostics have been formed.

Partnering with patients
With a view to further improving sustainable partnerships with patients, Roche updated its directive on collaborating with patient groups and patients in 2018. Only by interacting with patients are we able to gain a greater understanding of what they need.

Human rights and sustainability of supply
The United Nations Guiding Principles on Business and Human Rights are embedded in our operations by multiple means. We do this by assessing the risks of potential violations, promoting awareness, fostering due diligence, strengthening the legal framework and collaborating on collective actions and transparent communication. In 2018, we carried out risk assessments of our approximately 1,000 business-critical suppliers and broadened our supplier due diligence. We also expanded collaboration with our business-critical suppliers to systematically identify and risk-assess critical tier 2 suppliers.
Stepping up globally

At Roche, we are passionate about following the science in areas of high unmet medical need to bring transformative medicines and diagnostic tests to patients. But we also realise our products can only benefit patients if they actually reach them. That is why access is an important topic for us.

Almost half the world lacks access to essential health services and 100 million people are still pushed into extreme poverty because of health expenses.\(^1\) We are continuing our efforts to try and change this on a global scale.

We know we cannot do this alone. It is very important for Roche to engage with all stakeholders in the different healthcare systems worldwide. Roche has therefore developed a systematic and comprehensive approach by working with affiliates around the world. Efforts have been made to identify what barriers are preventing patients from benefiting from our products and the steps that need to be taken in order to facilitate better access. Based on this analysis, we develop partnerships for tailored solutions country-by-country.

As part of our efforts, we follow the patient journey from disease awareness to diagnosis, treatment and funding. How can we make sure people are aware of their disease, and educate them? We have to support people in receiving proper and early diagnosis to prevent the disease from worsening. Once patients are diagnosed, adequate healthcare capacity has to be in place in order to deliver the right treatments. Capabilities to run infusion facilities and sufficient numbers of trained nurses and doctors are difficult to find in some countries. We also have to address how treatments are funded so that patients are protected from excessive financial burden.

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Industry collaborations to join forces
Roche plays a leading role in the Access Accelerated initiative launched in 2017. This cross-industry collaboration aims to reduce barriers to prevention, treatment and care for non-communicable diseases (NCDs) in low- and middle-income countries. By the end of 2018, 24 pharmaceutical companies and associations were involved in this programme, in which partners such as the World Bank Group and the Union for International Cancer Control participate.

Changing the landscape of cancer care
Access Accelerated is a founding member of the City Cancer Challenge (C/Can 2025) to support effective and sustainable cancer care delivery models in selected cities. Four key learning cities kicked off the challenge in 2017: Asunción in Paraguay, Cali in Colombia, Kumasi in Ghana and Yangon in Myanmar. Their participation provides insights into how the international community, local civil society, and the public and private sectors can best work together. In the first four cities, 84 participating institutions, 817 healthcare professionals and 652 patients were connected in 2018 to transform the approach of local cancer care solutions.

As part of our commitment to increasing access to sustainable cancer care, it was announced in October 2018 that we would act as the lead industry partner in working with 20 cities by 2020 to develop and pilot a model of engagement for C/Can that could be scaled up globally. We are leading efforts to support cities across the globe and spearhead the design, planning and implementation of state-of-the-art solutions for cancer care. So far, Kigali in Rwanda, Porto Alegre in Brazil and Tbilisi in Georgia have been chosen as cities for the next phase of C/Can.

Continuing the fight against HIV and AIDS
In areas hit hardest by HIV, such as in the vast region of sub-Saharan Africa, access to healthcare centres that can diagnose, treat and follow up HIV patient care is extremely limited.

As the leading provider of HIV viral load testing, Roche created the Global Access Program to expand access to quality, sustainable diagnostic testing while contributing to the UNAIDS 90-90-90 goal.

Since the start of the programme in 2014, access to HIV viral load tests and early infant diagnosis have improved in 82 countries with the highest disease burden. In collaboration with the Clinton Health Access Initiative and other partners, we provide accessible and affordable pricing for reagents and consumables needed for HIV-1 testing. To train healthcare workers, we offer support programmes that help build healthcare system capacity, including participation in public-private partnerships, for instance with the Centers for Disease Control and Prevention in the US. We also invest in developing countries by helping them equip laboratories with the newest technologies.

Roche continues to invest in innovative solutions to expand access. In 2018, we launched a stable and easy-to-use sample collection device for HIV plasma viral load testing, which has the size of a credit card. With just a small amount of blood from the person’s fingertip being needed, this card simplifies blood collection and sample transportation even in remote areas.

More access programmes:
roche.com/our-projects
Striving for long-term community engagement

Working together to bring in change for the better can take a variety of forms. We mobilise resources and serve as catalysts to strengthen and sustain local communities.

Paths to strong societies

Strengthening the communities in which we operate is part of Roche’s responsibility as a global citizen. Our philanthropic engagement is directed towards supporting humanitarian and social projects, fostering science and education, art and culture, as well as providing long-term disaster relief. We support projects run by international NGOs from our headquarters as well as local projects managed by our affiliates in collaboration with local NGOs, because they know the needs in these countries best.

Making a meaningful difference takes time, and this happens through partnerships that are given time and the opportunity to evolve. Our approach has once again been honoured by achieving an excellent score on Corporate Citizenship and Philanthropy in the Dow Jones Sustainability Indices. While recognition is important, it is crucial that these projects thrive and the resources are put to good use.

This is one reason why employees worldwide join forces during the annual Roche Children’s Walk and raise money for local projects. In 2018, 23,228 employees in 74 countries participated in this effort. With the matching contribution made by Roche, more than CHF 1 million was collected this year to support children’s projects.
Providing holistic care for children with cancer

One such project funded by the Children’s Walk is the partnership with St Jude India ChildCare Centres, an organisation that provides shelter and care to children undergoing cancer therapy. In countries like India, providing access to medicine often takes more effort than just making medicines available commercially.

Although therapy for paediatric cancer is subsidised and sometimes even free of charge at the Tata Memorial Hospital in Mumbai, the dropout rate is significant. There is a simple reason for this: Two-thirds of the patients come from outside Mumbai and housing in the city is beyond their means. With no roof over their heads, weakened by disease and the effects of chemotherapy, these children are prone to infection and find it difficult to fight their cancer.

In 2016, Roche opened a centre on the Mumbai campus of St Jude India. It offers a clean and safe place to stay for 12 children with cancer, at any given time, and their families. Here they can feel at home for the duration of their treatment, get nutritional support, education and counselling. Apart from Roche’s financial contribution, employees volunteer their time and passion to arrange recreational activities like performing dance and storytelling sessions.

The partnership has helped decrease the overall dropout rate for treatment of paediatric cancer in Mumbai from 30% to 5% since 2016. All 111 children who have found a temporary home away from home in the Roche centre completed their treatment. We expanded the partnership with St Jude India by opening a second centre in the eastern region of Assam in 2018. Roche also established a mobile training van that travels across the state of Maharashtra to teach basic occupational skills to parents at St Jude India centres in the state.

Connecting to local healthcare systems

Beginning its journey 24 years ago, the healthcare train Phelophepa is one of the most successful humanitarian projects in South Africa. With the Roche Health Clinic and Pharmacy Clinic on board, it delivers primary healthcare and health education to impoverished communities in remote areas. The Phelophepa trains run 36 weeks a year and travel to up to 70 remote communities annually. Today two trains are running and have provided treatment to over six million patients and dispensed over 700,000 prescriptions.

Unlocking potential and growing talents

Roche is also supporting the Selam children’s villages in Ethiopia. Selam is a non-profit organisation that provides housing and holistic care to orphan children in Ethiopia so that they can develop and become self-reliant.

A total of 110 children are supported. Our objective is to allow these students to focus entirely on their education by removing financial pressure that could otherwise hinder their progress. All the students who completed this training so far have been able to find a job very quickly. Additional funding helps the foundation with renovation work and better employment conditions for local workers.

We are also promoting a School Readiness Programme launched by UNICEF in Ethiopia. With the help of Roche, 9,040 children accessed early learning opportunities through this initiative in 2018.
Cautionary statement regarding forward-looking statements
Roche in Brief contains certain forward-looking statements. These forward-looking statements may be identified by words such as ‘believes,’ ‘expects,’ ‘anticipates,’ ‘projects,’ ‘intends,’ ‘should,’ ‘seeks,’ ‘estimates,’ ‘future’ or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in Roche in Brief, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage.

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We believe it’s urgent to deliver medical solutions right now—even as we develop innovations for the future.
We are passionate about transforming patients’ lives. We are courageous in both decision and action. And we believe that good business means a better world.

That is why we come to work each day. We commit ourselves to scientific rigour, unassailable ethics, and access to medical innovations for all. We do this today to build a better tomorrow.

We are proud of who we are, what we do, and how we do it. We are many, working as one across functions, across companies, and across the world.

We are Roche.
HER JOURNEY TO RECOVERY

The woman shown on the cover of Roche in Brief this year appeared on the cover of our 2017 brochure as well. Last year she was in the midst of receiving treatment for her breast cancer when photographed and this came through powerfully on the cover.

Now, a year later, she is enjoying life again.