Science, patient benefits and productivity

Alan Hippe, CFO Roche Group

London, November 2017
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6. increased government pricing pressures;
7. interruptions in production;
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9. litigation;
10. loss of key executives or other employees; and
11. adverse publicity and news coverage.

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Performance update

Portfolio rejuvenation

Productivity

Outlook
Q3 2017: Sales growth for the sixth consecutive year

All growth rates at Constant Exchange Rates (CER)
YTD Sep 2017: Successful launch activities
Differentiation driving growth

- EU: Positive CHMP opinion in 1L ALK+ NSCLC
- US: 1L approved
- EU approval in bladder (1/2L) & lung (2L)
- Approved in RMS & PPMS: US, EU, CH, Australia
- Positive early feedback from all stakeholders

Additional sales of recent launches

<table>
<thead>
<tr>
<th>CHF</th>
<th>Alecensa</th>
<th>+122m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tecentriq</td>
<td>+278m</td>
</tr>
<tr>
<td></td>
<td>Ocrevus</td>
<td>+500m</td>
</tr>
</tbody>
</table>

Total: +900m

PPMS=primary progressive multiple sclerosis; RMS=relapsing forms of multiple sclerosis; NCCN=National Comprehensive Cancer Network; CHMP=Committee for Medicinal Products for Human Use
HY 2017: Strong Core operating profit

% of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>CHFbn</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>HY 2015</td>
<td>9.2</td>
<td>39.2%</td>
</tr>
<tr>
<td>HY 2016</td>
<td>9.9</td>
<td>39.4%</td>
</tr>
<tr>
<td>HY 2017</td>
<td>10.1</td>
<td>38.5%</td>
</tr>
</tbody>
</table>

+3% at CER

CER=Constant Exchange Rates
Performance update

Portfolio rejuvenation

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Outlook
YTD 2017: Sustainable Roche business case

**Important milestones achieved**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>HER2 franchise</td>
<td>Perjeta in adjuvant BC (APHINITY)</td>
<td>US priority review, EU filed</td>
</tr>
<tr>
<td>CD20/Hematology</td>
<td>Gazyva in 1L iNHL (GALLIUM)</td>
<td>US priority review, EU approved</td>
</tr>
<tr>
<td></td>
<td>Venclexta in R/R CLL (MURANO)</td>
<td>Ph 3 met primary endpoint</td>
</tr>
<tr>
<td></td>
<td>Polatuzumab in R/R DLBCL (Ph II)</td>
<td>BTD, EU PRIME designation</td>
</tr>
<tr>
<td>Cancer Immunotherapy</td>
<td>Tecentriq</td>
<td>EU approved in bladder and lung</td>
</tr>
<tr>
<td>Lung cancer</td>
<td>Alecensa in 1L ALK+ NSCLC</td>
<td>US priority &amp; approved, positive CHMP opinion</td>
</tr>
<tr>
<td>Hemophilia A</td>
<td>Emicizumab in inhibitors (HAVEN 1 and 2)</td>
<td>BTD, US priority review, EU accelerated assessment</td>
</tr>
<tr>
<td>Neuroscience</td>
<td>Ocrevus</td>
<td>Additional approvals in AUS, CAN, CH, EU positive opinion</td>
</tr>
<tr>
<td>Spinal Muscular Atrophy</td>
<td>SMN2 splicer (SUNFISH)</td>
<td>Ph 1b at WMS* – Pivotal Ph III initiated</td>
</tr>
</tbody>
</table>

* WMS=World Muscle Society, October 2017; BTD=breakthrough therapy designation
APHINITY: Perjeta+Herceptin in HER2+ eBC
Priority review by the FDA

- Risk of recurrence or death reduced by 19% in all patients, 23% in node+ and 24% in HR- patients

von Minckwitz et al, ASCO 2017; eBC=early breast cancer (adjuvant setting); HR=hormone receptor; * Target population for Herceptin in adjuvant breast cancer (US & EU5); current Herceptin penetration ~95%; Source: Datamonitor and internal estimates
Late-stage hematology: Improving the standard of care and extending into new indications

Incidence rates (330,000 pts¹)

1 Datamonitor; incidence rates includes the 7 major markets (US, Japan, France, Germany, Italy, Spain, UK); CLL=chronic lymphoid leukemia; DLBCL (aNHL)=diffuse large B-cell lymphoma; iNHL=indolent non-hodgkin’s lymphoma; AML=acute myeloid leukemia; MM=multiple myeloma; MDS=myelodysplastic syndrome; ALL=acute lymphoblastic leukemia; Venclexta in collaboration with AbbVie; Gazyva in collaboration with Biogen; Polatuzumab vedotin in collaboration with Seattle Genetics.
Cancer Immunotherapy
Aiming to set new standards of care

<table>
<thead>
<tr>
<th>Tissue</th>
<th>Description</th>
<th>Readouts: (Q4 17 to Q2 18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lung</td>
<td>Most comprehensive lung cancer program addressing all common backbones</td>
<td>5 trials in non-squamous, squamous &amp; small cell lung cancer</td>
</tr>
<tr>
<td>GU</td>
<td>Among the leaders in renal cancer</td>
<td>1L RCC</td>
</tr>
<tr>
<td>Breast</td>
<td>First-in-class in triple negative breast cancer</td>
<td>1L TNBC</td>
</tr>
<tr>
<td>CRC</td>
<td>First-in-class in colorectal cancer</td>
<td>2/3L CRC</td>
</tr>
</tbody>
</table>
Emicizumab’s clinical development plan
HAVEN 3 results expected in Q4

HAVEN 1
- Non-interventional
- 113 patients

HAVEN 2
- inhibitor children (0–11 years old), qw
- 62 patients

HAVEN 3
- non-inhibitor adults/adolescents (≥12 years old), qw and q2w
- 152 patients

HAVEN 4
- non-inhibitor/inhibitor adults/adolescents, q4w
- 48 patients

HAVEN 3 results expected in Q4

Q4

H1 2018

Priority review
PDUFA date
February 23
Ocrevus with excellent launch in all treatment lines in RMS and PPMS, positive CHMP opinion

- Continued strong uptake in RMS and PPMS (60/40)
- Some bolus in PPMS
- Broad base of prescribers and high level of US insurance coverage

RMS=relapsing forms of multiple sclerosis; PPMS=primary progressive multiple sclerosis
Performance update

Portfolio rejuvenation

Productivity

Outlook
Productivity in R&D

**Breakthrough designation impacting cycle times**

### Breakthrough Therapy Designations

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Roche</td>
<td>18</td>
</tr>
<tr>
<td>2</td>
<td>Novartis</td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>BMS</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Merck</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Pfizer</td>
<td>9</td>
</tr>
</tbody>
</table>

**Phase duration (years)**

- **No** = 7.5
- **Fast track** = 5.8
- **Accelerated review** = 3.8
- **Breakthrough therapy** = 3.6

Source: [http://www.focr.org/breakthrough-therapies](http://www.focr.org/breakthrough-therapies) as of October 2017;
Restructuring costs 2009 – 2016

- 2009: Genentech integration
- 2010: Operational Excellence
- 2012: Closure of Nutley
- 2015/16: Pharma manufacturing network
- 2012/16: Prioritisation and simplification

Restructuring programs externally disclosed in Finance Reports
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Outlook
Launch of new medicines at a record high

- Zelboraf
- PERJETA
- Kadcyla
- GAZYVA
- Esbriet
- Cotellic
- Tecentriq (atezolizumab)
- Venclexta
- Ocrevus (ocrelizumab)
- Emicizumab filed
## 2017 outlook raised at HY

<table>
<thead>
<tr>
<th><strong>Group sales growth</strong>&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Mid-single digit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core EPS growth</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Broadly in line with sales growth</td>
</tr>
<tr>
<td><strong>Dividend outlook</strong></td>
<td>Further increase dividend in Swiss francs</td>
</tr>
</tbody>
</table>

<sup>1</sup> At Constant Exchange Rates (CER)
Doing now what patients need next