

Roche enters into a definitive merger agreement to acquire Carmot Therapeutics, including three clinical stage assets with best-in-class potential in obesity and diabetes

- **Carmot Therapeutics's R&D portfolio of clinical stage incretins has great potential to treat obesity, diabetes and potentially other diseases both as standalone medicines and in combination with Roche's in-house assets**
- **Lead asset CT-388 is a Phase-2 ready dual GLP-1/GIP agonist with best-in-class potential for the treatment of obesity and its comorbidities**
- **Under the terms of the agreement, Roche will pay a purchase price of USD 2.7 billion upfront and additional milestone payments of up to USD 400 million**

Basel, 4 December 2023 - Roche (SIX: RO, ROG; OTCQX: RHHBY) announced today the entry into a definitive merger agreement to acquire Carmot Therapeutics, Inc. ("Carmot"), a privately owned US company based in Berkeley, California. Carmot's R&D portfolio includes clinical stage subcutaneous and oral incretins with best-in-class potential to treat obesity in patients with and without diabetes, as well as a number of preclinical programs.

The acquisition gives Roche access to a differentiated portfolio of incretins including:

- **CT-388**, the lead asset is a Phase-2 ready, dual GLP-1/GIP receptor agonist for the treatment of obesity in patients with and without type 2 diabetes. Injected subcutaneously once a week, it has potential as a standalone and combination therapy to improve weight loss and to be expanded to other indications.
- **CT-996**, a once-daily oral, small molecule GLP-1 receptor agonist currently in Phase-1 intended to treat obesity in patients with and without type 2 diabetes.
- **CT-868**, a Phase-2, once-daily subcutaneous injectable, dual GLP-1/GIP receptor agonist intended for the treatment of type 1 diabetes patients with overweight or obesity.

The existing clinical data for Carmot's assets, especially the lead asset CT-388, suggests a best-in-class potential to achieve and maintain weight loss with differentiated efficacy. Moreover, the assets provide an opportunity for combinations with existing Roche pipeline assets including ones focused on other benefits, such as preserving muscle mass. Incretins are gut hormones that are secreted after food intake and play a role in modulating blood glucose by stimulating insulin secretion and suppressing appetite. The incretin-based portfolio could also be expanded to other indications where incretins play a role including cardiovascular, retinal and neurodegenerative disease.

“Obesity is a heterogeneous disease, which contributes to many other diseases that together comprise a significant health burden worldwide. By combining Carmot’s portfolio with programs in our Pharmaceuticals pipeline and our Diagnostics expertise and portfolio of products across cardiovascular and metabolic diseases, we are aiming to improve the standard of care and positively impact patients’ lives,” said Thomas Schinecker, CEO Roche Group.

“We are encouraged by the clinical data for the lead asset CT-388, which demonstrated substantial weight loss in Phase 1b. These data suggest the potential for a differentiated profile to treat obesity and its associated diseases”, says Levi Garraway, Roche’s Chief Medical Officer and Head of Global Product Development. “The broad Carmot portfolio offers different routes of administration and opportunities to develop combination therapies that treat obesity and potentially other indications.”

Terms of the acquisition

Under the terms of the agreement, Roche will pay Carmot’s equity holders a purchase price of USD 2.7 billion in cash at the closing of the transaction. Additionally, Carmot’s equity holders are entitled to receive payments of up to USD 400 million depending on the achievement of certain milestones. Upon closing of the transaction, Roche will obtain access to Carmot’s current R&D portfolio including all clinical and pre-clinical assets, with Carmot and its employees joining the Roche Group as part of Roche’s Pharmaceuticals Division.

Upon closing of the transaction, Roche will also have exclusive access to Carmot’s innovative Chemotype Evolution discovery platform in metabolism to further strengthen Roche’s R&D efforts and portfolio across cardiovascular and metabolic diseases.

The transaction is subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other customary closing conditions. The closing of the transaction is currently expected to take place in the first quarter of 2024.

About Carmot Therapeutics

Carmot Therapeutics (Carmot) is a clinical-stage biotechnology company dedicated to developing life-changing therapeutics for people living with metabolic diseases, including obesity and diabetes. Based in Berkeley, California, the company employs ~70 people. Carmot’s expertise in metabolic biology has enabled the development of a broad pipeline of therapeutics, including three clinical candidates: CT-388 (once-weekly subcutaneous injectable, dual GLP-1/GIP receptor agonist), CT-996 (once-daily oral, small molecule GLP-1 receptor agonist) and CT-868 (once-daily subcutaneous injectable, dual GLP-1/GIP receptor agonist) and others in preclinical development. All of these novel compounds have the potential to deliver an enhanced treatment response in people with metabolic diseases. For more information, visit the Carmot Therapeutics website.

About obesity

Obesity is one of the most pervasive health challenges in the world and an area where recent scientific advances can help meet the high unmet medical need. This condition is associated with many health challenges and comorbidities, including type 2 diabetes, cardiovascular diseases, fatty liver, and chronic kidney disease, which together place an incredible strain on healthcare systems worldwide. Over 4 billion people are estimated to be obese or overweight by 2035, approaching 50% of the world's population.¹

Scientific advances in the field of incretins and an increased understanding of relevant disease biology have significantly changed the possibilities to treat obesity over the last years. Incretins are gut hormones that are secreted after food intake and play a role in modulating blood glucose by stimulating insulin secretion. Emerging scientific data show a wider biologic effect of incretins in multiple organs including the liver, heart and brain, suggesting they may have broader roles in the body. Incretins are clinically validated targets and the emerging standard of care therapies in obesity and could also be effective targets in other disease areas.

About Roche

Founded in 1896 in Basel, Switzerland, as one of the first industrial manufacturers of branded medicines, Roche has grown into the world's largest biotechnology company and the global leader in in-vitro diagnostics. The company pursues scientific excellence to discover and develop medicines and diagnostics for improving and saving the lives of people around the world. We are a pioneer in personalised healthcare and want to further transform how healthcare is delivered to have an even greater impact. To provide the best care for each person we partner with many stakeholders and combine our strengths in Diagnostics and Pharma with data insights from the clinical practice.

In recognising our endeavour to pursue a long-term perspective in all we do, Roche has been named one of the most sustainable companies in the pharmaceuticals industry by the Dow Jones Sustainability Indices for the thirteenth consecutive year. This distinction also reflects our efforts to improve access to healthcare together with local partners in every country we work.

Genentech, in the United States, is a wholly owned member of the Roche Group. Roche is the majority shareholder in Chugai Pharmaceutical, Japan.

For more information, please visit www.roche.com.

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References

[1] World Obesity Atlas 2023, <https://data.worldobesity.org/publications/WOF-Obesity-Atlas-V5.pdf>

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