

Ad hoc announcement pursuant to Art. 53 LR

Roche announces the repurchase of the equity stake held by Novartis in Roche

- **Roche and Novartis agree on the repurchase by Roche Holding Ltd of 53.3 million Roche shares from Novartis Holding AG.**
- **Repurchase is conditional upon the approval of a capital reduction by cancellation of the repurchased shares and the approval of the interim financial statements prepared for the purpose of the transaction by an Extraordinary General Meeting of Roche Holding Ltd. The Extraordinary General Meeting will take place on 26 November 2021.**
- **Repurchase leads to the disentanglement of the two competitors; Roche regains full strategic flexibility.**
- **The repurchase price is CHF 356.9341 per share. It corresponds to the volume weighted average price of the Roche non-voting equity certificates over the last 20 trading days up to and including 2 November 2021.**
- **All holders of Roche equity securities (shares and non-voting equity certificates) benefit from the earnings accretion resulting from the transaction.**
- **Roche intends to cancel the shares repurchased from Novartis after completion of the repurchase.**
- **Roche confirms the outlook for the year 2021 and is aiming at increasing the dividend in Swiss francs also for 2021.**

Basel, 4 November 2021 - Roche (SIX: RO, ROG; OTCQX: RHHBY) and Novartis have announced today that they agreed on a repurchase by Roche of the 53.3 million Roche shares held by Novartis. The aggregate transaction value is approx. CHF 19 billion. The price per share is CHF 356.9341. It corresponds to the volume weighted average price of the Roche non-voting equity certificates over the last 20 trading days up to and including 2 November 2021. The Board of Directors of Roche has approved the envisaged repurchase, which will be debt-financed by Roche. All shareholders and holders of non-voting equity certificates of Roche benefit from the earnings accretion resulting from the transaction.

Christoph Franz, Chairman of the Board of Directors of Roche: "I am convinced that the envisaged transaction is in the best interest of Roche and the holders of Roche equity securities from a strategic and economic perspective. As a result, Roche will be even better positioned strategically in the future to provide life-saving medicines and diagnostics to people around the world."

The transaction does not result in a change of control, as the pool formed by shareholders of the founding families has held the majority of the votes represented at general meetings of Roche previously. The voting power of the family pool will increase to approx. 67.5% upon completion of the transaction without any involvement or participation of the family pool in the transaction. The representatives of the family pool did

not participate in the deliberations and the vote of the Board of Directors on this transaction. Based on a request of the family pool, the Swiss Takeover Board has exempted the pool from the obligation to submit a mandatory offer based on the applicable statutory provisions.

The percentage of shares held by the public (so-called "free float") will increase from currently 16.6% to 24.9% with the cancellation of the equity stake held by Novartis. This will allow the shares to be included in the Swiss Performance Index (SPI) and possibly in other indices.

The Extraordinary General Meeting to approve the capital reduction by cancellation of the shares repurchased from Novartis and to approve the interim financial statements prepared for the purpose of this transaction will be held on 26 November 2021. In accordance with the Articles of Association of Roche, the official invitation will be published twice in the Swiss Official Gazette of Commerce (SHAB; <https://shab.ch/#!/gazette>), for the first time on Friday, 5 November 2021. In addition, the invitation advertisement will be published in the daily and financial press from Monday, 8 November 2021.

Roche confirms the outlook for the full year and expects a mid-single-digit sales growth at constant exchange rates. Core EPS growth at constant exchange rates is targeted to be broadly in line with sales growth. Furthermore, Roche is aiming at increasing the dividend in Swiss francs also for 2021.

About Roche

Roche is a global pioneer in pharmaceuticals and diagnostics focused on advancing science to improve people's lives. The combined strengths of pharmaceuticals and diagnostics, as well as growing capabilities in the area of data-driven medical insights help Roche deliver truly personalised healthcare. Roche is working with partners across the healthcare sector to provide the best care for each person.

Roche is the world's largest biotech company, with truly differentiated medicines in oncology, immunology, infectious diseases, ophthalmology and diseases of the central nervous system. Roche is also the world leader in in vitro diagnostics and tissue-based cancer diagnostics, and a frontrunner in diabetes management. In recent years, the company has invested in genomic profiling and real-world data partnerships and has become an industry-leading partner for medical insights.

Founded in 1896, Roche continues to search for better ways to prevent, diagnose and treat diseases and make a sustainable contribution to society. The company also aims to improve patient access to medical innovations by working with all relevant stakeholders. More than thirty medicines developed by Roche are included in the World Health Organization Model Lists of Essential Medicines, among them life-saving antibiotics, antimalarials and cancer medicines. Moreover, for the twelfth consecutive year, Roche has been recognised as one of the most sustainable companies in the pharmaceutical industry by the Dow Jones Sustainability Indices (DJSI).

The Roche Group, headquartered in Basel, Switzerland, is active in over 100 countries and in 2020 employed

more than 100,000 people worldwide. In 2020, Roche invested CHF 12.2 billion in R&D and posted sales of CHF 58.3 billion. 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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