

Roche acquires Adheron Therapeutics to strengthen pipeline in inflammatory and autoimmune diseases

Lead molecule, SDP051, is a Cadherin-11 inhibitor based on a pioneering cell technology and has completed Phase I of clinical development

Roche (SIX: RO, ROG; OTCQX: RHHBY), announced today that it has agreed to acquire Adheron Therapeutics, a privately held biotechnology company based in Berkeley, California, United States. Adheron Therapeutics has developed a pioneering technology that disrupts immune cell adhesion through a cell surface protein called Cadherin-11 in order to develop potential treatments for a variety of inflammatory and autoimmune diseases such as rheumatoid arthritis and fibrotic diseases. The lead asset, SDP051, a humanized monoclonal antibody targeting Cadherin-11, has completed Phase 1 of clinical development.

"This acquisition highlights Roche's commitment to developing new medicines for inflammatory and autoimmune diseases," said John C. Reed, Head of Roche Pharma Research and Early Development. "People with inflammatory and autoimmune conditions have relied on our innovative medicines for many years and we are excited to move forward with this promising program to develop new treatment options for debilitating diseases such as rheumatoid arthritis."

"We are very excited about this acquisition, as it is an important step towards the development of breakthrough medicines in the area of inflammation and fibrosis," said Hari Kumar, Chief Executive Officer of Adheron Therapeutics. "This deal brings together Adheron's deep understanding of the underlying science of

Cadherin-11 with Roche's vast experience in researching and developing next generation medicines. We are proud to move our promising investigational medicine to the next level and into a new home at Roche."

Under the terms of the agreement, Adheron's shareholders will receive an upfront cash payment of USD 105 million, plus additional contingent payments of up to USD 475 million based on achievement of certain predetermined milestones. The transaction is subject to customary closing conditions and anticipated to close shortly.

About Cadherin-11

Cadherin-11 (Cad-11) is a protein that acts as an "adhesive" between cells. Cadherin-11 is a surface protein expressed on fibroblasts in the skin and lungs, and fibroblast-like synoviocytes (FLS) in the joints. It is a key mediator of joint destruction in rheumatoid arthritis, and is also an important contributor to fibrotic pathology.

Adheron Therapeutics completed a Phase 1 trial of SDP051, which assessed the safety and tolerability of the compound in healthy volunteers. Research completed in the laboratory of Michael Brenner, MD, at Brigham and Women's Hospital and Harvard Medical School, and at Adheron Therapeutics has implicated Cad-11 in the disease processes leading to rheumatoid arthritis and a number of fibrotic diseases.

About Rheumatoid Arthritis (RA)

RA is an autoimmune disease with prevalence worldwide of approximately 40 million. RA causes joints to become chronically inflamed, painful and swollen, and patients can become increasingly disabled as cartilage and bone is damaged. RA patients are often treated with a number of medicines, combining protein-based biologic therapies with methotrexate (MTX), the most common disease-modifying anti-rheumatic drug (DMARD).

About Roche in Immunology

The Roche Group's immunology medicines include rheumatoid arthritis treatments MabThera/Rituxan (rituximab) and ACTEMRA/RoACTEMRA (tocilizumab), XOLAIR (omalizumab) in asthma, Pulmozyme (dornase alfa) for cystic fibrosis and Esbriet (pirfenidone) for idiopathic pulmonary fibrosis. In addition, MabThera is approved for the treatment of certain types of small-vessel vasculitis. Roche's late-stage pipeline includes etrolizumab, which is being studied in ulcerative colitis, and lebrikizumab for severe asthma.

About Adheron Therapeutics

Adheron Therapeutics is a biotechnology company focused on leveraging pioneering technology that disrupts cell adhesion to treat a variety of diseases. Founded by Dr. Michael Brenner and Dr. David Lee of Harvard

Medical School, the company is led by industry veterans Bob Baltera (executive chairman) and Hari Kumar, PhD (CEO), and funded by a group of venture investors comprising Health Care Ventures, MedImmune Ventures, Partners Innovation Fund, Amgen Ventures, and SROne.

About Roche

Headquartered in Basel, Switzerland, Roche is a leader in research-focused healthcare with combined strengths in pharmaceuticals and diagnostics. Roche is the world's largest biotech company, with truly differentiated medicines in oncology, immunology, infectious diseases, ophthalmology and neuroscience. Roche is also the world leader in in vitro diagnostics and tissue-based cancer diagnostics, and a frontrunner in diabetes management. Roche's personalised healthcare strategy aims at providing medicines and diagnostics that enable tangible improvements in the health, quality of life and survival of patients. Founded in 1896, Roche has been making important contributions to global health for more than a century. Twenty-nine medicines developed by Roche are included in the World Health Organization Model Lists of Essential Medicines, among them life-saving antibiotics, antimalarials and chemotherapy.

In 2014, the Roche Group employed 88,500 people worldwide, invested 8.9 billion Swiss francs in R&D and posted sales of 47.5 billion Swiss francs. 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 roche.com.

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