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September 16, 2024

Merck KGaA, Darmstadt, Germany, and Siemens enter Strategic Partnership on Digital Transformation Technology

- Memorandum of Understanding signed to drive digital transformation through strategic projects across all three business sectors of Merck KGaA, Darmstadt, Germany
- Siemens named one of the global preferred suppliers for the company's next-level automation, boosting global smart manufacturing with Siemens Xcelerator platform
- Merck KGaA, Darmstadt, Germany's cutting-edge production,
 enabled by Siemens, sets new standards in modular manufacturing

Darmstadt, Germany, September 16, 2024– Merck KGaA, Darmstadt, Germany, a leading science and technology company and Siemens, a leading technology company deepened their mutual cooperation aimed at taking smart manufacturing to the next level today. Cedrik Neike, CEO Digital Industries and Member of the Managing Board of Siemens AG, and Kai Beckmann, CEO Electronics and Member of the Executive Board of Merck KGaA, Darmstadt, Germany, signed a Memorandum of Understanding (MoU) to expand cooperation in *Smart*facturing (short for Smart Manufacturing) and outline the next steps for both companies. The MoU makes Siemens a preferred global supplier and strategic partner for Smartfacturing technologies, paving the way for transformative projects across Merck KGaA, Darmstadt, Germany's three business sectors.

"Healthcare, Life Science, and Electronics are at the core of improving lives and creating a more sustainable future. By combining Merck KGaA, Darmstadt,



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Germany's expertise in these vital sectors with Siemens' cutting-edge hardware and software we are transitioning from a concept of mass production to a modular approach, saving time and increasing flexibility. With the MoU, we now aim to set new global standards for future production," said Cedrik Neike. "Our collaboration, which spans over 145 years, is a powerful reminder that both companies are more than just partners - we are longstanding allies in shaping the future."

Kai Beckmann highlighted the importance of this partnership: "Our goal is to bring new products to market faster, more cost-effectively, and with a heightened focus on sustainability. Smartfacturing is essential to achieving this, and Siemens is the perfect partner for this journey. Their deep domain expertise and century-long familiarity with our company uniquely positions them to rapidly implement and scale our vision."

Merck KGaA, Darmstadt, Germany, drives an ambitious digital transformation agenda. At the core of this development is the digital transformation of manufacturing, Smartfacturing. The MoU introduces a centralized governance structure to streamline decision-making and a contractual framework to fast-track the partnership agreement, opening doors to new business opportunities and industry-leading advancements. Central to this partnership is the <u>Siemens Xcelerator platform</u>, which will provide Merck KGaA, Darmstadt, Germany, with cutting-edge software and hardware solutions, enhancing their digital transformation efforts. One key element is modular production based on the plug & produce principle. This approach allows individual process modules to be added, removed, or reconfigured with ease, significantly reducing the time to market, lowering investment costs, and cutting CO₂ emissions. The collaboration seeks to drive innovation, reduce complexity, and create growth for both companies.

A recent example of successful collaboration is the modular manufacturing line for GMP (Good Manufacturing Practice) production at Merck KGaA, Darmstadt, Germany, based on the new automation standard MTP (Module Type Package), which ensures that the facility meets the highest standards of quality and safety, guaranteeing that every product manufactured adheres to rigorous industry requirements, ultimately safeguarding patient health and reinforcing the company's commitment to excellence. Currently, Merck KGaA, Darmstadt, Germany, is utilizing



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this new automation technology for pharmaceutical and chemical production, but it can be applied to various production processes and manufacturing industries.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across life science, healthcare and electronics. Around 63,000 employees work to make a positive difference to millions of people's lives every day by creating more joyful and sustainable ways to live. From providing products and services that accelerate drug development and manufacturing as well as discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2023, Merck KGaA, Darmstadt, Germany, generated sales of € 21 billion in 65 countries.

The company holds the global rights to the name and trademark "Merck" internationally. The only exceptions are the United States and Canada, where the business sectors of Merck KGaA, Darmstadt, Germany, operate as MilliporeSigma in life science, EMD Serono in healthcare and EMD Electronics in electronics. Since its founding in 1668, scientific exploration and responsible entrepreneurship have been key to the company's technological and scientific advances. To this day, the founding family remains the majority owner of the publicly listed company.