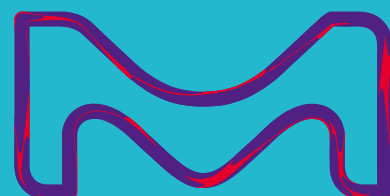


Annual General Meeting 2021

Speech by Dr. Stefan Oschmann

Chairman of the Executive Board and CEO

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Check against delivery.

Dear Shareholders,

I would like to warmly welcome you to our 2021 Annual General Meeting. Thank you for your interest in our company. This is already our second virtual event of this kind. The premiere took place last May.

Back then, the pandemic was becoming less intense in Germany. That was a few months before the so-called "second wave". It is a challenge for all of us: our society, our economy and especially patients and medical personnel.

No doubt, 2020 was a very difficult year for the world. However, at the same time, it was a year of science and of research. It was a year of collaboration. Scientists are collaborating during the pandemic more closely than ever before to develop therapies for patients all over the world.

They developed vaccines against the virus across borders in record time. The World Health Organization estimates that more than 260 vaccine projects in total have been initiated. This is tremendous. Developing vaccines and getting them approved usually takes up to ten years but for Covid-19, it took just a few months. That is an impressive achievement. Multiple vaccines have now been approved in the European Union, in the United States and in other parts of the



world and we made a significant contribution to those approvals. More about that later.

One thing is certain: The global community has made important progress, first and foremost thanks to science and research. Crises have created new prospects. Individual spots of light became rays of hope. That was also the year 2020.

The pandemic showed that science and research are the engine of progress in our society. Today I will report to you on how our company is helping to shape this progress – today, tomorrow and after the pandemic. We have many reasons to be confident. I will also talk about those.

Today's Annual General Meeting is my last one as Chairman of the Executive Board and CEO of this company. Therefore, I will later take a look somewhat further back over the last ten years. How has our company changed during this time? I'll say this now: Today we are benefiting from this transformation, particularly during the current crisis.

Last year, we proved our strength in a very demanding environment, despite all the turbulence. Our figures show this clearly. In business terms, 2020 was another very good year for our company. We achieved superb results. Our net sales increased organically by 6% to € 17.5 billion. We thus not only achieved our targets; we exceeded our expectations.



Why were we successful? Because we have the right products? Yes. Because we set the right course? Yes. Because customers and patients trust us? Yes. Yes to all these. But above all, because we have superb employees who are doing fantastic work for our company. Almost 60,000 people, every day, around the globe.

Their dedication was and is unique, especially during these difficult times. Coming in to work in production on site, despite the challenging incidence figures, because it's a matter of manufacturing life-saving medicines, as well as products needed for vaccine production. Or to advance digital solutions. Especially now, during the pandemic, this is all the more important. This is what has been driving our people, for more than one year.

Wherever possible, we made adaptations, allowing employees to work from home. Even before the pandemic, our company pursued new avenues here, and this is now paying off. It hasn't been an easy time, as everyone who is caring for children and working at the same time knows. But we are getting through this together. All of us at our company. During a crisis, the true meaning of pulling together is revealed.

I would like to cordially thank all our employees, also on behalf of the entire Executive Board. Our workforce is at the heart of our success.



Our business model is a further important success factor. We are building on three strong business sectors, all of which stand for innovation and through which we operate in attractive markets. We initiated this very early on. We made far-sighted, strategic decisions instead of being forced to do so. We put the roof on before it started raining. Then the storm came. We weathered it well. I am confident that this will continue to be the case.

Our ambition remains unchanged: We want to become the leading science and technology company. In 2020, we generated the strongest growth in three areas: medicines for difficult-to-treat diseases, excipients for the production of vaccines and materials for the manufacture of microchips. This is made possible by cutting-edge science and first-rate scientists. Through their work, they have enabled progress around the world and enabled us to achieve growth.

I don't want to conceal that fact that we weren't completed unfazed by the pandemic. Among other things, this was due to the closure of fertility clinics. Couples who wanted to have children could not receive fertility treatment. Sales declined here in the second quarter. Research laboratories had to close, which is why we sold fewer chemicals and laboratory tools in the first half of the year. At the same time, demand for automotive coatings and cosmetics declined. We also operate in these markets. However, it is also true that individual businesses have reached their pre-pandemic level again.



What does this mean for the bottom line? Our strategy has paid off. Our sales and earnings reveal this. At the same time, we have shown a high degree of cost discipline.

This is also paying off now in the most literal sense. We have reduced our debt more quickly than planned. This was important after the acquisition of Versum Materials; it gives us room for maneuver so that we can make crucial investments in science and research.

Our development is reflected in the capital market's response. The share price of our company increased by 33% last year. That is further evidence of our success. It shows what makes us stand out: reliability, continuity, prospects, and, above all, growth. As shareholders, you should share in this success. We therefore propose to the Annual General Meeting today a dividend of € 1.40 per share.

Now, please allow me to take a look at the individual business sectors. In our Healthcare business, patients are at the center of everything we do. Our aim is to improve, prolong and help create life. This is possible thanks to innovative medicines and therapies, above all for serious diseases.

Our oncology medicine Bavencio is one example. We received further approvals for it last year – in the United States and in Europe – for certain forms of urothelial carcinoma.



Mavenclad is used in the treatment of multiple sclerosis, a disease of the central nervous system. In 2020, it was approved in additional countries. It now has more than 80 approvals globally, including in the European Union, the United States, Australia, Canada, and Switzerland. Bavencio and Mavenclad are both making a growing contribution, also in business terms. Their share of organic sales is increasing.

We are also making progress with the development of additional medicines, for instance with the active ingredient evobrutinib. We are developing it for the treatment of relapsing-remitting multiple sclerosis. Another example is the active ingredient tepotinib. The Japanese regulatory authorities approved the medicine in 2020. We are commercializing it under the name Tepmetko. Physicians can use it to treat certain forms of lung cancer. It was the first regulatory approval of this kind anywhere in the world. This year, Tepmetko was also approved in the United States.

Developing new medicines offers tremendous opportunities. At the same time it harbors risks. It's all part of the process. One example is bintrafusp alfa – an innovative immunotherapy that we developed in-house. It is designed to help the body's own response to fight cancer. We are currently investigating the efficacy of the treatment in various studies. We decided to discontinue one clinical trial, based on a recommendation from an independent committee that monitors



the data from the study, and another study has ended. But multiple other studies are still underway.

We believe in our ambitious goal. We aim to generate € 2 billion in sales of new products from our Healthcare business sector next year. This will be a key growth driver for our company. At the same time, we want to continue to drive profitable growth with products from our core franchises. For example, in General Medicine and Fertility. This is also one of our priorities. The preconditions for this are good. Our research work is very promising. And thanks to our collaborations, we will become even better.

Take for example our recent in-licensing agreement with Debiopharm of Switzerland for the drug xevinapant, which we plan to develop further and commercialize. Xevinapant is currently being investigated in a clinical study for use in treating head and neck tumors.

We already have the right products on the market today and in development – for tomorrow and beyond.

Our Healthcare team is highly motivated. And with Peter Guenter, we have the right person leading this business sector. He is an expert with superb knowledge of the pharmaceutical industry. Peter Guenter joined us at the beginning of January. I would like to warmly welcome him as a member of the Executive Board.



Let's move on to Life Science. Here too we have obtained reinforcement. Matthias Heinzl assumed responsibility for this business sector on April 1. We are pleased to welcome him as an international executive with proven experience.

Peter and Matthias, I wish you both every success with these exciting tasks.

Our mission in Life Science is clear. We support scientists in their work through new products, services and technologies. We are a key supplier to the global research community and a close partner to leading scientists. Globally, we rank among the top three companies in the industry in terms of sales. Our portfolio comprises more than 300,000 products, including laboratory tools, antibodies and the precursors needed for biopharmaceuticals.

Demand for solutions to manufacture pharmaceuticals is unabated, not least due to the pandemic. This area of business remains our key growth driver. Our colleagues are working day and night to meet the strong demand. New shift models have been introduced that enable us to make even better use of our capacities.

Above all however, we have made additional investments in order to manufacture even more urgently needed products. Take single-use bioreactors for example. They are crucial when it comes to manufacturing vaccines. We have invested considerably to expand our production output in the United States. In addition, a few weeks



ago we also announced the construction of an entirely new production facility at our site in Molsheim, France. Thierry Bretton, EU Commissioner with responsibility for vaccine development, was present. This shows the importance of what we are currently doing.

Or think of membranes and filters. Membranes are important components of filters, which ensure sterile drug production. We have also invested in this technology, both in the United States and at our global headquarters in Darmstadt, Germany. A € 140 million, state-of-the-art membrane plant is currently being constructed here. This is money well spent, an investment in cutting-edge technologies that the world needs.

We will remain a strong, innovative and reliable partner for our customers, offering them solutions that suit their needs. Our new M-Lab in Shanghai is the latest example. We opened it last July. It is the ninth of its kind and the largest in the world.

Customers can optimize their production processes here in pilot projects. They can try out new ideas before implementing them on a large scale, saving both time and money. This is particularly important in China, where the biotechnology market is growing rapidly. Research in Asia is setting new trends, for example in cell and gene therapies, which can improve the treatment of serious diseases.



The same applies to digitalization. The laboratory of the future is more connected than ever before. Data fuels research and data analysis offers tremendous advantages in terms of competition, and above all, when it comes to helping patients.

These are just two of many markets with a promising future. We intend to and will play a leading role in China and around the world, in the future as well.

Now, let's move on to Electronics. Our third business sector and a business that is very exciting and rewarding because it is decisively shaping digitalization. Why? Our products make it possible to manufacture microchips, for example. Today, they are practically ubiquitous. New applications are emerging each and every day.

This business sector also includes our business with liquid crystals and OLED materials, which are used in displays. We are the market leader here.

We supply technologies to other companies so that we can advance digital living together. Especially in the semiconductor market where we also hold a leading position.

As you certainly know, this business sector was called Performance Materials until recently. The renaming to Electronics is a clear sign of our strategic direction. This is a logical step, as our sales show. Today, almost 90% of our sales in this business sector are



generated in the Electronics market. This is thanks not least to our acquisition of Versum Materials.

Many colleagues have already been working together very successfully for months without ever having met in person. Digitalization also makes this possible. We make an important contribution to technological progress.

Take the Internet of Things, for example. An increasing number of objects contain sensors that are connected to the Internet. Think about autonomous driving. Microchips are an essential component everywhere. We are now approaching the limits of what's physically possible when it comes to the development of semiconductors. Pioneering materials, and thus our contribution, will become all the more significant.

There are many indications that demand for semiconductors will remain high. To name just one example, even after the pandemic, many of us will continue to work remotely. People are equipping themselves for this.

It is clear to me that a great deal of potential exists here. We are well on the way to unlocking and leveraging it. We are obtaining new orders. And we are continuing to invest in the growth of our business. Here too, it's worth looking at China. Or at Taiwan, Korea, Japan, the United States, or Darmstadt. We have invested in all



these places, for instance in new technology centers for semiconductor and OLED materials.

At our company, we are focusing on groundbreaking new technologies, for example, on the computer of tomorrow. Among other things, this technology is based on the laws of quantum mechanics. This makes it incredibly fast. Another research field is the use of artificial intelligence, for example to develop new medicines even faster.

Ladies and gentlemen! We are proud of what we have achieved together in recent months and we remain optimistic. The businesses that were impacted by the pandemic have been recovering since the second half of 2020. We expect that this development will continue worldwide.

What does this mean for our expectations for the coming year? We forecast strong organic growth of sales, and we predict the same for earnings before interest, taxes, depreciation, amortization, and adjustments. We expect that the recovery will continue.

What makes us optimistic is that more and more vaccines are available and more and more people are getting vaccinated. As a science and technology company, we are not only contributing to the fight against the pandemic in numerous ways. We are convinced that vaccines are indispensable to help protect people's health and to effectively contain the coronavirus. Imagine if we didn't have any



vaccines and what the global situation would be like then. No, we had better not imagine this. Vaccines will make it possible to restore the stability of society and the economy. I firmly believe this.

Nevertheless, our forecast is overshadowed by greater uncertainty than in normal fiscal years. That's clear and something we learned in 2020 as well. The fight against the pandemic is not over yet. We must be prepared for the unexpected. That is why as a science and technology company, we are helping to overcome the crisis – in many different ways.

We are collaborating closely with partners around the world on the development of more than 50 potential vaccines, including the vaccine developed by BioNTech. It is based on so-called mRNA technology. What is this about? A vaccine strengthens the body's own immune response to pathogens. With mRNA, this does not happen through attenuated or inactivated viruses. Instead, the cells receive genetic blueprints for a protein, meaning a component of the virus. The cells then produce this protein and the body elicits a response to the virus. It's a complex and entirely new process, yet highly effective. Studies clearly confirm this, which is not surprising since researchers have been intensively working on this technology for many years now.

Recently, we strengthened our strategic partnership with BioNTech. We are united by a firm belief in mRNA technology. This also applies



to oncology and immunology, in other words therapies for cancer and disorders of the immune system.

Our contribution to this technology is significant. We are a key supplier of raw materials. How are we involved? Only very few manufacturers can produce large quantities of special types of fats, so-called lipids, in top quality. These are essential for vaccines because they encase the sensitive mRNA as it is transported into the body. In other words: without lipids, these vaccines would not be possible. That is why we are working together with BioNTech to accelerate the delivery of these raw materials. Especially now, when it is essential to manufacture as much vaccine as possible. We will also increase the quantity of lipids we produce by year-end. This involves complex processes and technologies. Globally, only very few companies are equipped to do so.

In addition, we recently acquired AmpTec, a company based in Hamburg that manufactures mRNA. This important acquisition will additionally strengthen our expertise in the field of mRNA technology.

We also supply raw materials for more than 35 Covid-19 testing solutions. And we are supporting the development of more than 20 therapies to fight the coronavirus, always in collaboration with strong partners.



The pandemic has also shown that we will only create new prospects together. That is why we are building on partnerships, for example, with the European organization CARE. This is a partnership between research, industry and the public sector and it's the largest project of its kind in Europe. Its aim is to accelerate research into the coronavirus.

We are also conducting coronavirus research in our own laboratories. We are currently investigating the efficacy of our own compound M5049, which could prevent a dangerous immune response in patients with Covid-19.

Ladies and gentlemen, these contributions are important to us. They are part of our responsibility. But none of them would mean anything if production operations came to a standstill during the pandemic. We have done everything possible to prevent this from happening. Why? Because we know that we are needed, more than ever. Patients, scientists and customers rely on us. Day in, day out.

We have therefore taken extensive measures in order to protect the health of our colleagues on site as best we can. And we have kept our production activities and supply chain up and running. We are very proud of having successfully accomplished this feat, which is only possible with a strong team.

We are very happy that the number of infected employees has remained comparatively low. Yet we call to mind today all our



colleagues at our company who have fallen ill. And especially the two employees who died due to the pandemic. We will honor their memory. They remind us to take the dangers seriously.

We are protecting our workforce. We are continuing to work in a focused manner. And we are driving our strategy forward. Those were and are our priorities during this time. And above all, we are growing further and will continue to do so in the future. We are keeping a close eye on our costs and are purposefully expanding our businesses further.

This involves a high degree of responsibility. It is the only way to achieve the progress that people will benefit from. We take on responsibility for our employees, for our products, for the environment, and for society.

We see sustainable actions as a prerequisite for our economic success. Many people, including our customers, our employees and you as our shareholders, expect this of us and rightly so. Sustainability is becoming increasingly important to investors. And with good reason.

That is why we have formulated specific goals. In 2030, our company will achieve human progress for more than one billion people through sustainable science and technology. By 2030, we will integrate sustainability into all our value chains. And by 2040, our company will achieve climate neutrality and reduce its resource



consumption. In a first step, we will cut our direct greenhouse gas emissions by half by 2030. And we want to obtain 80% of our purchased energy from renewable sources.

Our Sustainability strategy does not exist in a vacuum. It also helps us to meet the Sustainable Development Goals of the United Nations. Our businesses make a very substantial contribution to five of these goals.

There is no question that our objectives are ambitious. However, we are convinced that we will achieve them. We are already making good progress. At the end of 2020, we took fourth place in the Wall Street Journal's ranking of the "100 Most Sustainably Managed Companies in the World". A total of 5,500 companies were assessed worldwide. Last year, the German magazine "Stern" presented Germany's 200 most sustainable companies. We achieved second place. Rating agencies also assess our sustainable actions very positively, which is an incentive to us.

Our responsibility towards employees is particularly great. We want to offer them the best possible conditions, also for their further development. This will enable us to meet the challenges of today and after the pandemic as well. It is about future ways of working at this company. We want to move forward in a world that is characterized by change. If anyone can do it, it's us.



We are setting the course for this now, combining all our efforts in the “Future Ways of Working” program, which is about what working at our company will be like in the future. For this purpose, we will create an even more flexible working environment. We offer individualized learning offers and new programs for managers, supported by data and new technologies. Achieving an even better work-life balance is something we also wish to make possible. This will help us to remain an attractive employer.

Thinking for the long term and acting dynamically has always been our credo. It has paid off. This becomes clear when looking at the developments over the past ten years.

Take our company’s shares for example. From the end of 2010 to the end of 2020, our share price increased by +369%. That’s 271 percentage points more than the DAX. When I joined our company, our market capitalization was around € 13 billion. Today it’s more than € 60 billion.

This underscores that our company has a very strong foundation. It is stronger than ever. Many envy our positioning. Our strategy: Spreading the risk across three strong businesses. And relying on our own research.

Take our Healthcare business for example: Following a long dry spell, we developed important active ingredients in recent years, supported by a strong core business.



Moreover, every strategic realignment was preceded by a clear plan. By which I mean clear priorities that we explain to all employees and ambitious goals that we can achieve together. This was the case in Healthcare. It was the case in Electronics. And it is the case in Life Science.

Acquisitions have been and are further elements of our success. The same applies to divestments. We deliberately think in both directions.

Let me look back a bit further. Since 2007 we have made acquisitions and divestments worth more than € 50 billion. I know of hardly any other company of our size that has been more active and successful in this regard.

We have become a market leader in the life science field thanks to the acquisitions of Millipore in 2010 and Sigma-Aldrich in 2015. The acquisition of Serono in 2007 made us a leading global company in biotechnology. The divestment of our Generics business was the starting point for our focus on specialty medicines. In 2017, we sold our Biosimilars business. The divestment of our Consumer Health business followed in 2018. Last year we sold Allergopharma.

In addition, we are being strengthened by partnerships, for example, with Pfizer and GlaxoSmithKline in oncology. Another good example



is the joint venture with Palantir. We launched Syntropy together with this U.S. tech specialist. Syntropy is a platform with which we want to accelerate the exchange of data in oncology research.

I have mentioned that data are important, particularly in research. We are learning to process data even faster and to make it usable, also within our company.

This brings me to Electronics. Our acquisitions were path-breaking. AZ Materials. Intermolecular. Versum Materials. These were all important investments in our future.

Despite all the changes, certain things will remain constant. The Darmstadt site is one of them. In 2019, we announced that we will invest € 1 billion here by 2025. No other site in the world of our company has so much expertise combined at one location. And that's how it will stay.

The last few years were characterized not only by structural changes in our business. Our company has also undergone a cultural change, marked by curiosity and a passion for research and discovery. This is embodied by numerous colleagues around the world. That is why we relaunched our brand in 2015. Our vibrant brand stands for the diversity of our company, for vibrant science and technology and for our tremendous curiosity. It demonstrates pride and shows what makes this company special.



This is mirrored by the people who work for this company, as our last global employee survey shows. Our employees identify with our company. They want to actively contribute to the success of the company.

It is a strong company. With a strong sense of solidarity. This is especially apparent during the pandemic and in other ways as well. The best example is the Innovation Center and the innovation hubs, which we have established over the past several years. This is where our curiosity meets groundbreaking collaboration, whether in China, Israel, the United States, or here in Darmstadt.

Science is at the heart of everything we do. It is our driving force. That is how we achieve progress – through new products and technologies. And it commits us to take responsibility and embody the values that make this company what it is.

A look back shows that our company is working on the right technologies in promising future markets with a robust strategy, supported by a culture of curiosity. In brief, a company with excellent prospects.

Belén Garijo will succeed me on May 1. The collaboration with her has been superb. I know that the company is in very good hands with her. Belén, I wish you every success and all the very best. As you know, the task involves a great deal of responsibility. But it is above all a fulfilling one. You have an amazing team behind you.



It was a privilege to lead this wonderful company through major changes and to help set the course for a successful future. Many thanks for the trust you have placed in me over the past ten years. And thank you for your attention. Please stay healthy.

