

News Release

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Merck KGaA, Darmstadt, Germany Divests Biosimilars Business to Fresenius

- **Divestment major step towards strategic alignment of R&D resources to Healthcare priorities**
- **Focus on innovative drug development of high quality and first-to-market best-in-disease assets**
- **Company receives upfront purchase price, milestone payments and royalties on potential product sales**
- **Closing expected in the second half of 2017**

Darmstadt, Germany, April 24, 2017 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced the divestment of its Biosimilars business to Fresenius. The decision to divest Biosimilars is aligned with the company's strategy for its Healthcare business sector to focus on its pipeline of innovative medicines.

According to the terms agreed for the transaction, Merck KGaA, Darmstadt, Germany will receive an upfront payment of 170 million €, milestone payments of up to 500 million € plus royalties on future product sales. The parties agreed to enter into supply and services agreements, which include drug development support and manufacturing services. Closing is expected in the second half of 2017, subject to regulatory approvals and other customary closing conditions.

“Developing and marketing innovative products and services are at the forefront of our Group strategy and all the business strategies. Today's step reflects our ambition to resolutely continue the transformation of our company into a science

Page 1 of 2



and technology company,” said Stefan Oschmann, Chairman of the Executive Board and CEO of Merck KGaA, Darmstadt, Germany.

“The divestment of our Biosimilars business is a major step towards strategically aligning our R&D resources to our Healthcare priorities. We have increasing confidence in our Biopharma pipeline and this transaction will help prioritize innovative drug development of high quality and first-to-market best-in-disease assets,” commented Belén Garijo, member of the Executive Board of Merck KGaA, Darmstadt, Germany and CEO Healthcare: “The partnership with Fresenius will allow us to exploit our Biosimilars portfolio to full potential while granting us a substantial return on prior investments.”

“Biosimilars are a fast-growing segment within the pharmaceutical market. Some of the largest biological branded products will go off patent over the next years. With this acquisition, Fresenius Kabi enhances its position as a leading player in the injectables pharmaceutical market and further diversifies its product portfolio. The acquisition creates a platform for further growth,” emphasized Mats Henriksson, CEO of Fresenius Kabi.

The Biosimilars business is part of the Healthcare business sector of Merck KGaA, Darmstadt, Germany and is located in Aubonne and Vevey in Canton de Vaud, Switzerland. The business is developing a biosimilars portfolio focused on oncology and inflammatory disorders. After completion of the transaction the biosimilars unit will continue to operate in these locations.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2016, Merck KGaA, Darmstadt, Germany, generated sales of € 15.0 billion in 66 countries. Founded in 1668, Merck KGaA, Darmstadt, Germany, is the world’s oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck KGaA, Darmstadt, Germany, holds the global rights to the „Merck“ name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.