

News Release

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Merck KGaA, Darmstadt, Germany, Assigns Chimeric Antigen Receptor T-cell (CAR-T) Rights to Intrexon

- **Agreement enables Merck KGaA, Darmstadt, Germany, to maintain an investment in the rapidly advancing oncology field of CAR-T, while focusing its R&D efforts**
- **Intrexon to issue Merck KGaA, Darmstadt, Germany, \$150 million of Intrexon stock and a \$25 million convertible note; Intrexon to receive a \$25 million cash investment**

Darmstadt, Germany, December 20, 2018 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced that through its wholly owned subsidiary, Ares Trading, it has evolved its agreement with Intrexon Corporation (NASDAQ: XON) for the development of Chimeric Antigen Receptor T-cell (CAR-T) therapies, genetically engineered T-cells with synthetic receptors that recognize a specific antigen expressed on tumor cells. The agreement with Intrexon and its wholly-owned subsidiary, Precigen, Inc. enables Merck KGaA, Darmstadt, Germany, to continue to implement its focused R&D strategy, while maintaining an investment in the future potential of next-generation CAR-T development.

Under the terms of the agreement, Merck KGaA, Darmstadt, Germany, will assign its exclusive CAR-T development rights to Intrexon. Merck KGaA, Darmstadt,



Germany will receive shares of Intrexon common stock valued at \$150 million in exchange for assigning Intrexon its CAR-T rights.

“Merck KGaA, Darmstadt, Germany, is excited to maintain its interest in the potential of CAR-T technology, which may offer significant future benefits to patients fighting cancer,” said Belén Garijo, Member of the Executive Board and CEO Healthcare, Merck KGaA, Darmstadt, Germany. “The agreement is also illustrative of our efforts to enhance our focus on accelerating the delivery of our innovative clinical pipeline to patients.”

Merck KGaA, Darmstadt, Germany, first entered into a collaboration and license agreement with Intrexon in 2015 to develop and commercialize CAR-T cancer therapies utilizing Intrexon’s proprietary RheoSwitch Therapeutic System® and the Sleeping Beauty non-viral gene integration technology. The combination of these platforms enables regulation of gene expression and delivery with a non-viral approach and preclinical data indicate the potential to improve therapeutic safety and facilitate shortened manufacturing to improve time-to-treatment. As of December 31, 2017, these rights were considered intangible assets not yet available for use with a carrying amount of € 104 million.

“Merck KGaA, Darmstadt, Germany’s leading immuno-oncology research and commitment to developing innovative medicines made them an ideal partner for us in advancing targeted and controllable CAR-T therapies,” said Helen Sabzevari, PhD, President of Precigen. “We look forward to continued development of these promising treatments with the goal of delivering more cost-effective, powerful, and precise therapies to patients in need.”

In addition to receiving \$150 million of Intrexon common stock, this agreement also includes a further \$25 million investment in Intrexon. In return, Merck KGaA, Darmstadt, Germany, will receive a \$25 million convertible note, providing the option to receive either Precigen or Intrexon stock. The closing of the transactions contemplated by the agreement is subject to customary closing conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a vibrant science and technology company, operates across healthcare, life science and performance materials. Around 51,000 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 advancing gene editing technologies and discovering unique ways to treat the most challenging diseases, to enabling the intelligence of devices – the company is everywhere. In 2017, Merck KGaA, Darmstadt, Germany, generated sales of € 15.3 billion in 66 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 company's business sectors operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Performance Materials. 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.