

News Release

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Merck KGaA, Darmstadt, Germany, signs definitive agreement to acquire Intermolecular for \$1.20 per share in an all cash transaction

- **Acquisition to strengthen semiconductor technology offering**
- **Merck KGaA, Darmstadt, Germany, successfully continues the transformation of its Performance Materials business sector**
- **Transaction expected to close in the second half of 2019**

Darmstadt, Germany, May 6, 2019 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, has signed a definitive agreement to acquire Intermolecular Inc. (NASDAQ: IMI) through a subsidiary for \$1.20 per share in an all cash transaction, representing an equity value of approximately \$62 million. The acquisition has been unanimously approved by the Executive Board of Merck KGaA, Darmstadt, Germany, and by Intermolecular’s Board of Directors.

“Intermolecular’s unique capabilities in rapid materials screening, in combination with the R&D pipeline of Merck KGaA, Darmstadt, Germany, will allow us to offer our customers faster materials innovation and device integration, through parallel composition experiments with full performance testing and characterization,” said Kai Beckmann, member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO of Performance Materials. “We are excited to join forces with Intermolecular, and bring significant advantages to our customers compared to conventional materials R&D.”



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“We are pleased to become an integral part of the leading electronic materials business of Merck KGaA, Darmstadt, Germany, and look forward to all of the new and exciting opportunities we see for our customers and employees. We believe our technology expertise is very complementary and creates a unique offering that will continue to shape the innovations of tomorrow,” said Chris Kramer, President and CEO of Intermolecular.

Intermolecular is a California-based company leading in advanced materials innovation. They possess application specific materials expertise, accelerated learning and experimentation platforms with powerful analytics infrastructure that perfectly complement the business and technology portfolio of Merck KGaA, Darmstadt, Germany. Intermolecular’s fabrication and testing capabilities allow for material combinations to be tested directly within the specific target application. In comparison to conventional methods these capabilities translate to major time reductions in the development process, dramatically accelerated learning cycles and insights into novel material systems to provide customers with a unique service value. Intermolecular reported annual sales of \$33.7 million in FY2018 and employs about 90 people.

The transaction is expected to close in the second half of 2019, subject to the approval of Intermolecular’s stockholders, regulatory clearances and the satisfaction of other customary closing conditions.

Merck KGaA, Darmstadt, Germany, will acquire Intermolecular through its subsidiary EMD Group Holding II, Inc.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and performance materials. Around 52,000 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 2018, Merck KGaA, Darmstadt, Germany, generated sales of € 14.8 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 business sectors of Merck KGaA, Darmstadt, Germany operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Performance Materials. Since its founding 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.

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About Intermolecular

Intermolecular Inc. (NASDAQ: IMI) is a California-based company and the trusted partner for advanced materials innovation. Advanced materials are at the core of innovation in the 21st century for a wide range of industries including semiconductors, consumer electronics, automotive and aerospace. With its substantial materials expertise, accelerated learning and experimentation platform, and information and analytics infrastructure, Intermolecular has a ten-year track record helping leading companies accelerate and de-risk materials innovation.

Cautionary Statement Regarding Forward-Looking Statements

This communication may contain forward-looking statements based on current assumptions and forecasts made by Merck KGaA's, Darmstadt, Germany, EMD Group Holding II's and Intermolecular's management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of Merck KGaA, Darmstadt, Germany, and the estimates given here. These factors include the following: Merck KGaA's, Darmstadt, Germany and EMD Group Holding II's ability to successfully complete the proposed acquisition of Intermolecular or realize the anticipated benefits of the proposed transaction in the expected time-frames or at all; The ability of Merck KGaA, Darmstadt, Germany, to successfully integrate Intermolecular's operations into those of Merck KGaA, Darmstadt, Germany; such integration may be more difficult, time-consuming or costly than expected; the failure to obtain Intermolecular's stockholders' approval of the proposed transaction; the failure of any of the conditions to the proposed transaction to be satisfied; revenues following the proposed transaction may be lower than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the proposed transaction; the ability of Merck KGaA, Darmstadt, Germany to retain certain key employees at Intermolecular; risks associated with the disruption of management's attention from ongoing business operations due to the proposed transaction; the outcome of any legal proceedings related to the proposed transaction; the parties' ability to meet expectations regarding the timing and completion of the proposed transaction; delays in obtaining any approvals required for the proposed transaction or an inability to obtain them on the terms proposed or on the anticipated schedule; the effects of the business combination on Intermolecular and EMD Group Holding II, including the combined company's future financial condition, operating results, strategy and plans; and other factors discussed in Merck KGaA's, Darmstadt, Germany, public reports which are available on the Merck KGaA, Darmstadt, Germany, website at www.emdgroup.com or in Intermolecular's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended on December 31, 2018 and Intermolecular's other filings with the SEC, which are available at <http://www.sec.gov> and Intermolecular's website at www.intermolecular.com. Except as otherwise required by law, Merck KGaA, Darmstadt, Germany EMD Group Holding II and Intermolecular assume no liability whatsoever to update these forward-looking statements or to conform them to future events or developments. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Additional Information and Where to Find It

This communication relates to the proposed merger transaction involving Intermolecular, EMD Group Holding II and Merck KGaA, Darmstadt, Germany. In connection with the proposed merger, Intermolecular and Merck KGaA, Darmstadt, Germany, intend to file relevant materials with the SEC, including Intermolecular's proxy statement on Schedule 14A (the "Proxy Statement"). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, and is not a substitute for the Proxy Statement or any other document that Intermolecular or Merck KGaA, Darmstadt, Germany, may file with the SEC or send to Intermolecular's stockholders in connection with the proposed merger. STOCKHOLDERS OF INTERMOLECULAR ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Investors and security holders will be able to obtain the documents (when available) free of charge at the SEC's web site, <http://www.sec.gov>, or Intermolecular's website at www.intermolecular.com.

Participants in Solicitation

Intermolecular, EMD Group Holding II and Merck KGaA, Darmstadt, Germany, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Intermolecular common stock in respect of the proposed transaction. Information about the directors and executive officers of Intermolecular is set forth in Intermolecular's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, which was filed with the SEC on March 8, 2019, as amended on April 29, 2019. Information about the directors and executive officers of Merck KGaA, Darmstadt, Germany and EMD Group Holding II, is set forth in the Schedule 14A filed by Merck KGaA, Darmstadt, Germany, with the SEC on May 6, 2019. Other information regarding the participants in the

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proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement and other relevant materials to be filed with the SEC in respect of the proposed transaction when they become available.