

News Release

Your Contact

gangolf.schrimpf@emdgroup.com

Phone: +49 6151 72-9591

October 18, 2019

Merck KGaA, Darmstadt, Germany, Launches Seed Fund for Startups in China

- **RMB 100 million fund targets startups close to the three business sectors of Merck KGaA, Darmstadt, Germany, as well as new businesses**
- **Innovation Hub Shanghai officially opened, Innovation Hub Guangzhou to follow in November**

Darmstadt, Germany, October 18, 2019 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced an RMB 100 million (€ 13 million) seed fund targeted at startups in China. The company also officially opened its innovation hub in Shanghai and announced plans to officially open a second innovation hub in Guangzhou in November.

“Our RMB 100 million China seed fund underlines our commitment to invest in the Chinese market,” said Stefan Oschmann, CEO and Chairman of the Executive Board of Merck KGaA, Darmstadt, Germany, at the opening ceremony in Shanghai today. “Our China innovation hubs will accelerate our innovation development nationwide. Together with local partners, we aim to jointly advance innovation in China, for China and beyond.”

Within the scope of the overall € 300 million corporate strategic venture arm M Ventures, the new € 13 million seed fund is being established to foster relevant innovations from China and to get closer to the startup scene in China owing to the country’s commitment to innovation.



News Release

M Ventures intends to invest in Chinese seed-stage companies with individual investments ranging between € 500,000 and € 1 million. The seed investment is meant to help the startups reach the next value inflection point within 18-24 months. The initiative targets early innovations generated within the Chinese innovation ecosystem with a connection to Healthcare, Life Science, Performance Materials or new businesses. The seed investment will be managed by M Ventures and the China innovation hub of Merck KGaA, Darmstadt, Germany, jointly. Both innovation hubs in Shanghai and Guangzhou are located in areas of high early-venture activity.

“This is the first activity of our corporate strategic venture arm in China,” Oschmann continued. “Our seed fund initiative aims to deliver strategic returns so as to underscore our position as an innovator in China and to strengthen our ties to the dynamic Chinese innovation ecosystem.”

Today’s newly opened innovation hub in Shanghai is located in the New Bund World Trade Center and occupies 1,000 square meters. Merck KGaA, Darmstadt, Germany, will invite startups, academic institutions and other industry players to partner on joint innovation projects. The hub was established by a dedicated innovation team in February 2018 and has already started building partnerships in not only the three innovation fields of the company but for China also in AI-enabled health solutions. To date, six startups from China and other Asian countries have successfully taken part in the first phase of the company’s Accelerator in China. The Accelerator program helps Chinese startups to connect with global innovation networks, thus supporting China in its transformation into an innovation-driven economy.

Plans for the second innovation hub of Merck KGaA, Darmstadt, Germany, in Guangdong in southern China were announced in late 2018. The “Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”, released by the local government this year, states that it will promote innovation in new materials, life science, healthcare and beyond. This 700 square meter facility will be officially opened in November 2019.

The strong commitment of Merck KGaA, Darmstadt, Germany, to China is not only reflected by today’s news, but for instance also by agreements with Alibaba in the

News Release

Healthcare and the Life Science business sectors signed in June 2018 and September 2019, respectively, as well as by the opening of a new technology center for the company's OLED customers in Shanghai last year. In addition, two manufacturing sites of Merck KGaA, Darmstadt, Germany in Nantong, China represent a total investment of € 250 million. Around 4,000 employees work for Merck KGaA, Darmstadt, Germany, in China in the Healthcare, Life Science and Performance Materials business sectors. Merck KGaA, Darmstadt, Germany, hosts a global Healthcare R&D hub in Beijing and Performance Materials R&D centers as well as Life Science labs in Shanghai.

All Merck KGaA, Darmstadt, Germany, press releases are distributed by e-mail at the same time they become available on the EMD Group Website. In case you are a resident of the USA or Canada please go to www.emdgroup.com/subscribe to register for your online subscription of this service as our geo-targeting requires new links in the email. You may later change your selection or discontinue this service.

About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and performance materials. Around 56,000 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.