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Merck KGaA, Darmstadt, Germany, Plans to Build a New Electronics Technology Center in China

- **New investment of € 18 million announced at the China International Import Expo (CIIE) 2020**
- **Electronics Technology Center will focus on semiconductor and OLED materials**

Darmstadt, Germany, November 6, 2020 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today officially announced that the company will build one of its most comprehensive Electronics Technology Centers in China. Merck KGaA, Darmstadt, Germany, has signed a memorandum of understanding (MOU) with Shanghai Pudong Government on this strategic investment today at the China International Import Expo (CIIE) 2020.

“From PCs, smartphones, TVs to wearable electronics, China has become the world’s largest producer and consumer of a wide range of consumer electronics,” said Kai Beckmann, CEO Performance Materials and member of the Executive Board of Merck KGaA, Darmstadt, Germany. “China is deploying a new wave of infrastructure to accelerate digitalization. Shanghai is the right place and now is the right time for Merck KGaA, Darmstadt, Germany to further invest in China’s next-generation electronics. The country’s post-Covid growth will increasingly be driven by digital innovation technologies such as 5G, artificial intelligence, quantum computing and the Internet of Things.”

The new Electronics Technology Center will host capabilities for analytics, application testing and sampling for electronic materials. The 3,300 square meter facility will



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be located at the company's Jinqiao hub in Shanghai. The opening of the technology center with an investment of € 18 million (approximately CNY 140 million) is planned for the first half of 2022. Merck KGaA, Darmstadt, Germany, will provide local customers with comprehensive technology services and customized solutions to enable more and faster innovative electronic applications contributing to the advancement of China's electronics industry.

"Today, China uses around half of the world's microchips and is heavily investing in building up semiconductor fabs in the country. A strategic focus of our new Electronics Technology Center in China is our semiconductor business," said Allan Gabor, President of Merck KGaA, Darmstadt, Germany, in China and Managing Director of Performance Materials China. "We believe that a golden decade for China's semiconductor industry has just begun." Semiconductor Materials has become one of fastest growing businesses of Merck KGaA, Darmstadt, Germany, in China and more than 150 products are being supplied to around 100 chip makers across the country, covering each step of their wafer processing.

With this investment, Merck KGaA, Darmstadt, Germany, will also further strengthen its analytical capabilities in the field of OLED (organic light-emitting diodes) materials. OLED technology enables flexible displays and future display-based consumer electronics. Merck KGaA, Darmstadt, Germany, is currently completing the localization of its OLED full-value-chain capabilities in Shanghai - from analysis and application to production. Earlier this year, Merck KGaA, Darmstadt, Germany, already announced to expand its OLED application lab and to establish an OLED production capacity in Shanghai. "We are proud to be present in Shanghai and the Yangtze River Delta, one of the future technology areas for OLED innovation and application," said Allan Gabor.

In recent years, the Performance Materials business sector of Merck KGaA, Darmstadt, Germany, has been on a transformational journey to shift its overall business focus towards electronics. With the acquisitions of Versum Materials and Intermolecular last year, Merck KGaA, Darmstadt, Germany, offers a broad portfolio of semiconductor and display materials aiming to become a leading player for data-driven electronics. More than 100 years ago, Merck KGaA, Darmstadt, Germany,

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laid the foundation for its electronic materials business by starting liquid crystals research in 1904.

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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 57,000 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 2019, Merck KGaA, Darmstadt, Germany, generated sales of € 16.2 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.