

News Release

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Merck KGaA, Darmstadt, Germany, Announces €121 Million U.S. Government Contract Award for New Lateral Flow Membrane Production Facility in Sheboygan, Wisconsin, USA

- **New facility to manufacture the company's Hi-Flow™ Plus lateral flow membrane used in rapid diagnostic test kit manufacturing, including Covid-19**
- **Supports strategy by Merck KGaA, Darmstadt, Germany, to add physical capacity and expand the network regionally to grow key portfolios, providing customers greater flexibility and security of supply**
- **Increase local production capacity for future demand surges**

Darmstadt, Germany, December 29, 2021 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced that its Life Science business sector has been awarded a €121 million contract award for the construction of a lateral flow membrane production facility over a three-year period at the company's U.S. site in Sheboygan, Wisconsin. The contract award from the U.S. Department of Defense (DoD), on behalf of the U.S. Department of Health and Human Services, is part of an effort to ensure secure local supply and production capacity for critical products for pandemic preparedness.

"With this agreement, Merck KGaA, Darmstadt, Germany, will construct a state-of-the-art lateral flow membrane production facility that will give our global in-vitro diagnostic (IVD) manufacturing customers greater flexibility and security of supply



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of our Hi-Flow™ Plus lateral flow membranes,” said Matthias Heinzl, Member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO Life Science.

“Our lateral flow membranes have earned a worldwide reputation for high consistency among rapid diagnostic manufacturers and the already robust global demand for this membrane has significantly increased since the onset of the pandemic. With this critical investment, we are expanding much-needed access to essential diagnostic testing as a trusted partner to the world’s most sophisticated diagnostic manufacturers,” said Jean-Charles Wirth, head of Applied Solutions, Life Science at Merck KGaA, Darmstadt, Germany.

Building this new facility supports the overall Life Science strategy by Merck KGaA, Darmstadt, Germany, to add physical capacity and expand its regional network to enable further growth of its key portfolios.

Hi-Flow™ Plus lateral flow membrane is used in rapid diagnostic test kit manufacturing by customers of Merck KGaA, Darmstadt, Germany, enabling reproducible results due to its consistent quality and optimized properties. The rapid test kits are used for a variety of applications, including Infectious Disease testing (Covid-19, HIV, Influenza, Malaria, etc.), as well as in women’s health, biomarker detection, drug testing, food safety and animal health. Due to continuously increasing demand for lateral flow membrane, Merck KGaA, Darmstadt, Germany, had already invested in a second membrane casting line in Cork, Ireland, which was recently completed, and expanded the range of other critical reagents (antibodies, beads, blockers, buffers) utilized to develop lateral flow rapid test kits. These strategic investments position Merck KGaA, Darmstadt, Germany, as an important critical raw material supplier for the Diagnostic market, especially as the company prepares for IVD Regulation and Medical Device Regulation.

The Life Science business of Merck KGaA, Darmstadt, Germany, is undertaking an ambitious, multi-year program to increase production capacity and capabilities to support the growing global demand for lifesaving vaccines, therapies and diagnostics. Within the last year, the company has accelerated investments to expand capacity to produce its support Mobius® single-use assemblies in both the U.S. and France, as well as increased capacity for the production of cell culture

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media in the U.S. and UK, among others. Additionally, several expansion projects continue to advance across the company's manufacturing and distribution global network.

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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 electronics. Around 58,000 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 2020, Merck KGaA, Darmstadt, Germany, generated sales of € 17.5 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 Electronics. 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.