



NEWS RELEASE

# MSD Animal Health to Acquire Assets of LIC Automation Ltd.

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Automated Technology Enhances Dairy Farm Management

Builds on Strong MSD Animal Health Commitment to New Zealand Farmers

Complements Broad MSD Animal Health Portfolio of Medicines, Vaccines and Technology Solutions

MADISON, N.J.--(BUSINESS WIRE)-- MSD Animal Health, a division of Merck & Co., Inc., Kenilworth, N.J., USA (NYSE:MRK), today announced its intention to acquire the assets of LIC Automation Ltd. ("LICA"), from New Zealand-based, farmer-owned cooperative Livestock Improvement Corporation Ltd. ("LIC"). LICA is a leader in automation and technology for the dairy industry. Specific terms of the agreement were not disclosed.

LICA, a privately held company in New Zealand, manufactures and supplies specialised, integrated herd management systems and milk-testing sensors for the dairy industry. Farm productivity has become increasingly important on the dairy farm. LICA's automated offerings including Protrack technology solutions, enables dairy farmers to gather precise information on the health and milking habits of dairy cows, which supports their efforts in herd management, real-time milk analysis, animal evaluation and reproductive health and wellness. LICA products are available in New Zealand and in selected European markets.

"We are pleased to take this step forward with the acquisition of LICA technology, as we continue to broaden our portfolio with complementary products and technologies to advance animal well-being and outcomes for our customers," said Rick DeLuca, president, MSD Animal Health. "Our portfolio of enhanced dairy farm management

and livestock intelligence solutions for the dairy industry help address the evolving customer needs of dairy farmers and strengthen our leadership in shaping the future of animal health."

"We are excited to add LICA's products to our existing veterinary medicines, vaccines and health management solutions and services, as well as Allflex Livestock Intelligence's digitally connected identification, traceability and monitoring products to benefit farmers and veterinarians," said Pauline Calvert, Livestock Business Unit lead, MSD Animal Health, New Zealand. "MSD Animal Health has a substantial footprint in New Zealand as a leading partner in the agricultural community. The solutions we offer build upon our strong presence in New Zealand, which includes manufacturing facilities at Palmerston North (Allflex Livestock Intelligence, a business unit within MSD Animal Health), Upper Hutt (animal health vaccines) and now Hamilton (LICA milking intelligence and automation). We are exceptionally proud of our continuous commitment and investment to advance animal health and well-being for our unique pastoral-based farming systems in Aotearoa (New Zealand), that supports the efforts of our farmers' in their day-to-day operations today and into the future. We look forward to continuing to expand our world-class animal health solutions both locally and globally."

LICA's product portfolio joins Allflex Livestock Intelligence, the leading New Zealand livestock intelligence business. Allflex Livestock Intelligence is a complementary business that specialises in identification and monitoring technology that delivers real-time, actionable data and insights to help improve livestock management.

"We are pleased that MSD Animal Health has chosen to acquire this technology," said Wayne McNee, LIC chief executive. "MSD Animal Health has a reputation for investing heavily in research and development for animal health and welfare. The company has extensive scientific and technological capabilities that can take this technology to the next phase and deliver more value to farmers."

#### About MSD Animal Health

For 130 years, MSD, a leading global biopharmaceutical company, has been inventing for life, bringing forward medicines and vaccines for many of the world's most challenging diseases. MSD Animal Health, a division of Merck & Co., Inc., Kenilworth, N.J., USA, is the global animal health business unit of MSD. Through its commitment to TheScience of Healthier Animals™, MSD Animal Health offers veterinarians, farmers, pet owners and governments one of the widest ranges of veterinary pharmaceuticals, vaccines and health management solutions and services as well as an extensive suite of digitally connected identification, traceability and monitoring products. MSD Animal Health is dedicated to preserving and improving the health, well-being and performance of animals and the people who care for them. It invests extensively in dynamic and comprehensive R&D resources and a modern, global supply chain. MSD Animal Health is present in more than 50 countries, while its products are available in some 150 markets. For more information, visit [www.msd-animal-health.com](http://www.msd-animal-health.com) or connect with us on [LinkedIn](#) and [Twitter](#).

## About LIC Automation

LICA is a subsidiary of Livestock Improvement Corporation (LIC), a New Zealand based farmer-owned co-operative and world leader in pasture-based dairy genetics and herd management. LIC exists to deliver superior genetics and technological innovation to help our shareholder sustainably farm a profitable animal.

LICA manufacturers and supplies integrated herd management systems and unique milk testing sensors for the dairy industry. Automation is an important part of farm performance and herd management, to help dairy farmers to improve prosperity and productivity. The innovative in-shed systems, known as Protrack, simplify complex jobs and improve decision making on-farm, to deliver improved herd management, animal health and welfare, real-time milk analysis, increased labour efficiency and profit. The proprietary technology identifies each cow in the milking herd from their ear tags to provide automated drafting, heat detection, body condition scoring and targeted feeding. The systems also enable real-time animal recording and review, individual cow alerts and live analysis through milk testing sensors that measure fat, protein, somatic cell counts, lactose, conductivity, and volume while a cow is being milked.

The first Protrack system was installed on a New Zealand dairy farm in 2004. Today, more than 2500 dairy farms benefit from this state-of-the-art technology. The LICA business was formed in 2015, to amalgamate the co-op's automation solutions into a single, standalone entity.

## About LIC

LIC is a farmer-owned co-operative and world leader in pasture based dairy genetics and herd management. LIC exists to deliver superior genetics and technological innovation to help its shareholders sustainably farm a profitable animal.

With origins dating back to 1909, LIC has a long history of developing and delivering world-leading innovations for the dairy industry. The co-op continues to be one of the sector's biggest private investors in research and development.

Today the New Zealand-based co-op employs more than 700 permanent staff, swelling to 2000 during the spring peak dairy mating season. LIC also has offices in the United Kingdom, Ireland and Australia.

All LIC profit is returned to its farmer owners/shareholders in dividends, or reinvested for new solutions, research and development. [www.lic.co.nz](http://www.lic.co.nz)

Forward-Looking Statement of Merck & Co., Inc., Kenilworth, N.J., USA

This news release of Merck & Co., Inc., Kenilworth, N.J., USA (the "company") includes "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company's management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of the global outbreak of novel coronavirus disease (COVID-19); the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company's 2020 Annual Report on Form 10-K and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site ([www.sec.gov](http://www.sec.gov)).

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