



NEWS RELEASE

Merck Announces Sale of its Direct Equity Investment in Moderna

12/2/2020

KENILWORTH, N.J., Dec. 2, 2020 – Merck (NYSE: MRK), known as MSD outside the United States and Canada, divested its direct holding in Moderna (MRNA) in the first half of the fourth quarter. As such, Merck expects to record a small fourth-quarter gain, which will be reflected in “Other (income) expense, net” (OIE).

Merck’s direct investment in MRNA was initiated in 2015 and increased in 2018, reflecting a research collaboration between the two companies that was announced and expanded in those years. Merck achieved a substantial gain on its direct holding in MRNA over the life of the investment, particularly in 2020 given the substantial appreciation in MRNA’s stock price. Merck retains exposure to MRNA indirectly through its investment in venture funds. As a reminder, gains/losses from such holdings are recorded on a one-quarter lag (e.g. the current quarter change in value of holdings in venture funds are reflected in the subsequent quarter’s OIE).

Merck and Moderna continue to collaborate on the development of personalized cancer vaccines as well as a cancer vaccine that encodes the four most common KRAS mutations.

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. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. 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 2019 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).

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