



NEWS RELEASE

Merck to Acquire Privately Held Antelliq Group

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Establishes Merck Animal Health as a Leader in Emerging Digital Tracking, Traceability and Monitoring Technology

Complements Merck Animal Health Portfolio of Vaccines and Pharmaceuticals

KENILWORTH, N.J.--(BUSINESS WIRE)--Merck [NYSE:MRK], known as MSD outside the United States and Canada, and privately held Antelliq Group today announced that the companies have signed a definitive agreement under which Merck will acquire Antelliq from funds advised by BC Partners. Antelliq will be a wholly owned and separately operated subsidiary within the Merck Animal Health Division. Merck will make a cash payment of approximately 2.1 billion euros to acquire all outstanding shares of Antelliq and will assume Antelliq's debt of 1.15 billion euros, which it intends to repay shortly after the closing of the acquisition.

Antelliq is a leader in digital animal identification, traceability and monitoring solutions, the fastest growing part of the animal health industry, with 360 million euros in sales in the 12-month period ending Sept. 30, 2018. These solutions help veterinarians, farmers and pet owners gather critical data to improve management, health and well-being of livestock and pets. The increasing use of digital technology in animal agriculture is driven by the growing demand for protein, food traceability and food safety. Identification and monitoring technologies will help optimize disease prediction and treatment and this acquisition will provide Merck Animal Health with a large, established customer base in both areas.

"Merck Animal Health is a leader in the animal health business and has delivered consistent above-market growth driven by a broad portfolio of innovative pharmaceuticals, vaccines and other value-added technologies and services. Antelliq's people and products complement this portfolio by adding market-leading digital products, extending the range of solutions we can provide our customers and further driving the growth of our business,"

said Kenneth C. Frazier, chairman and chief executive officer, Merck. "This acquisition is well aligned with our strategy to generate long-term growth and sustainable value for our customers and shareholders."

"Merck has a strong and growing animal health business, and we are delighted that our superior offering of technology, products and services, as well as our global relationships, together with Merck, will bring additional value to our customers," said Stefan Weiskopf, DVM, chief executive officer, Antelliq. "With more than 60 years of experience, we are constantly re-imagining animal care to improve the quality of life for animals and for the people who care for them."

With its extensive suite of digitally connected identification and monitoring products, Antelliq is uniquely positioned to support the needs of farmers and veterinarians. These products allow access to real-time, actionable information to help improve livestock management and health outcomes. In addition, Antelliq offers pet owners digitally connected products to help them enhance their pets' quality of life.

"The animal health industry is rapidly evolving with revolutionary digital solutions to manage the health and well-being of livestock and companion animals," said Rick DeLuca, president, Merck Animal Health. "Animal identification, animal monitoring and smart data management are critical components of this transformative technology. This acquisition represents yet another way that we will ensure our place as a leader in animal health, with a substantial and sustainable position, including the most innovative, technological solutions to serve our customers. Through our commitment to the Science of Healthier Animals™, we are dedicated to preserving and improving the health, well-being and performance of animals."

Jean-Baptiste Wautier, chairman of Antelliq and partner at BC Partners commented, "Antelliq is a unique business which played a pivotal role in driving forward the convergence of the animal intelligence and animal health industries globally. We are proud of the transformation of the company that we initiated together with a fantastic leadership team over the past five years and believe that Merck is an ideal partner for Antelliq to support the next stage of its growth. As a truly innovative market leader with a clear vision and dynamic team, Antelliq has significant potential to continue leading the industry, as the use of intelligence, data and technology play an increasingly important role in animal health and care."

The closing of the transaction is subject to clearance by antitrust and competition law authorities and other customary closing conditions, and is expected to close in the second quarter of 2019. Merck was represented by Barclays and Centerview Partners and Antelliq was represented by Goldman Sachs International and Rothschild & Co.

About Merck

For more than a century, Merck, a leading global biopharmaceutical company known as MSD outside of the United States and Canada, has been inventing for life, bringing forward medicines and vaccines for many of the world's most challenging diseases. Through our prescription medicines, vaccines, biologic therapies and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to health care through far-reaching policies, programs and partnerships. Today, Merck continues to be at the forefront of research to advance the prevention and treatment of diseases that threaten people and communities around the world - including cancer, cardio-metabolic diseases, emerging animal diseases, Alzheimer's disease and infectious diseases including HIV and Ebola. For more information, visit www.merck.com and connect with us on [Twitter](#), [Facebook](#), [Instagram](#), [YouTube](#) and [LinkedIn](#).

About Antelliq

Antelliq is the world's leading animal intelligence group, providing world-class devices for animal identification, monitoring, and traceability. Our pioneering monitoring solutions deliver smart data products and services for the management and wellbeing of livestock, fish and pets. For over 60 years we have been satisfying customer needs in over 100 countries, supported by 22 production sites, spanning five continents. Antelliq has four regional innovation centers and many brands working collaboratively to address some of the world's most pressing challenges: supporting farmers with real-time actionable information, providing a deeper connection with pets, and supporting conservation. Across Antelliq, our different brands provide the technology and intelligence that will be at the heart of overcoming these challenges. The name Antelliq is the embodiment of everything we stand for: intelligence connecting animals and people. For more information, visit www.antelliq.com .

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 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 2017 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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