

# Report in accordance with section 315a of the German Commercial Code (HGB)

The following information is provided in accordance with section 315a of the German Commercial Code (HGB) and the explanatory report pursuant to section 176 (1) sentence 1 of the German Stock Corporation Act (AktG).

As of the balance sheet date, the company's subscribed capital is divided into 129,242,251 no-par value bearer shares plus one registered share. Each share therefore corresponds to € 1.30 of the share capital. The holder of the registered share is E. Merck Beteiligungen KG. It is entitled and obliged to appoint one-third of the members of the Supervisory Board representing the limited liability shareholders. If the holder of the registered share is a general partner, he or she has no such right of appointment. The transfer of the registered share requires the company's approval. The approval is granted at the sole discretion of the personally liable general partner with an equity interest, namely E. Merck KG.

Pursuant to the information on voting rights submitted to us in accordance with the German Securities Trading Act (WpHG), on December 31, 2020, no shareholders owned direct or indirect investments exceeding 10% of the voting rights.

According to the Articles of Association of Merck, the general partners not holding an equity interest who form the Executive Board are admitted by E. Merck KG with the consent of a simple majority of the other general partners. A person may be a general partner not holding an equity interest only if he or she is also a general partner of E. Merck KG. In addition, at the proposal of E. Merck KG and with the approval of all general partners not holding an equity interest, further persons who are not general partners not holding an equity interest may be appointed to the Executive Board.

The Articles of Association can be amended by a resolution at the Annual Meeting that requires the approval of the general partners. Notwithstanding any statutory provisions to the contrary, the resolutions of the General Meeting are adopted by a simple majority of the votes cast. Where the law requires a capital majority in addition to the voting majority, resolutions are adopted by a simple majority of the share capital represented in the vote. The Articles of Association of the company encompass authorized and contingent capital.

The Executive Board is authorized to increase the company's share capital with the approval of the Supervisory Board and of E. Merck KG once or repeatedly, up to and including April 27, 2022, by up to a total of € 56,521,124.19 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2017). Limited liability shareholders shall be generally granted the statutory right to subscribe to the new shares. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude the limited liability shareholders' subscription right, in full or in part, in case of a capital increase against cash contributions pursuant to or by analogous application of section 186 (3) sentence 4 AktG, if the issue price of the new shares is not substantially lower than the stock exchange price of the company's shares already listed and if the new shares, which are issued under exclusion of the subscription right, do not exceed a proportional amount of 10% of the share capital either at the time of the Authorized Capital 2017 taking effect or at the time of the Authorized Capital 2017 being utilized. This restriction to 10% of the share capital shall include the proportional amount of the share capital that is attributable to shares that are issued under exclusion of the subscription right or sold during the term of the Authorized Capital 2017, based on an authorization to issue new shares or sell own shares by direct or analogous application of section 186 (3) sentence 4 AktG. Further, this restriction shall also include the proportional amount of the share capital that is attributable to shares which may or must be issued in order to service bonds carrying a conversion or option right or a conversion or option obligation, if the bonds are issued during the term of the Authorized Capital

2017 under exclusion of the limited liability shareholders' subscription right by analogous application of section 186 (3) sentence 4 AktG.

It is likewise possible to exclude the subscription right of the limited liability shareholders with the approval of the Supervisory Board in the case of capital increases through non-cash contributions, particularly for the purpose of acquiring enterprises, parts of enterprises, or interests in enterprises. In addition, with the approval of the Supervisory Board, the limited liability shareholders' subscription rights can be excluded in order to enable E. Merck KG to exercise its right pursuant to article 32 (3) of the company's Articles of Association to participate in a capital increase by issuing shares or freely transferable share subscription rights.

It is likewise possible to exclude, with the approval of the Supervisory Board, the subscription right of the limited liability shareholders in order to enable E. Merck KG to exercise its right pursuant to article 33 of the Articles of Association to convert, in full or in part, its equity interest into share capital.

Moreover, with the approval of the Supervisory Board, the subscription right of the limited liability shareholders can be excluded if and to the extent this is necessary to grant the holders or creditors of conversion or option rights, and/or the holders or creditors of financing instruments carrying conversion or option obligations, which were or are issued by the company or by a domestic or foreign company in which the company directly or indirectly holds the majority of the votes and capital, a subscription right to the extent to which they would be entitled after the exercise of the conversion or option rights or after the performance of a conversion or option obligation.

Lastly, with the approval of the Supervisory Board, the subscription right of the limited liability shareholders can be excluded in order to exclude fractional amounts from the subscription right.

The sum of shares issued on the basis of the Authorized Capital 2017 under exclusion of the limited liability shareholders' subscription right must not exceed a proportional amount of 20% of the share capital, by taking into account other shares of the company which, during the term of the Authorized Capital 2017, are sold or issued under exclusion of the subscription right or are to be issued under bonds issued after April 28, 2017, under exclusion of the subscription right; this limitation shall apply both at the time of this authorization taking effect and at the time of this authorization being exercised.

To the extent that the subscription right is not excluded under the above provisions, it may also be granted to the limited liability shareholders by way of an indirect subscription right pursuant to section 186 (5) AktG or, in part, by way of a direct subscription right, and otherwise by way of an indirect subscription right pursuant to section 186 (5) AktG.

Furthermore, the Executive Board is authorized, with the approval of the Supervisory Board, to determine the additional details of the capital increase and its implementation, including the content of rights attached to the shares as well as the terms and conditions of the share issue.

The Articles of Association also encompass contingent capital. The share capital is contingently increased by up to € 66,406,298.40 divided into 51,081,768 shares (Contingent Capital I). The contingent capital increase serves to grant exchange rights to E. Merck KG in accordance with article 33 of the Articles of Association to enable the conversion of its equity interest. The shares carry dividend rights from the beginning of the fiscal year following the year in which the conversion option is exercised.

Moreover, the share capital is contingently increased by up to € 16,801,491.20 composed of up to 12,924,224 no par value bearer shares (Contingent Capital II). This increase in contingent capital is only to be implemented insofar as the bearers or creditors of option or conversion rights, or with an obligation to convert or exercise options on warrant bonds, option participation certificates, option participation bonds, convertible bonds, convertible participation certificates, or convertible participation bonds issued against contributions that are issued or guaranteed by the company or a subordinate Group company on the basis of the authorization resolution of the Annual General Meeting of April 27, 2018, to April 26, 2023, utilize their option or conversion rights, or to fulfill their conversion obligation or obligation to exercise options insofar as they are obliged to fulfill their conversion or option exercise obligation, or insofar as the company exercises an option, wholly or in part, of granting shares in the company instead of paying the sum of money due, and to the extent that in each case a cash settlement is not granted, or own shares or other forms of fulfillment are used. Each issue of new shares shall take place at the determined option or conversion price, pursuant to the aforementioned authorization resolution. The new shares participate in the profit from the beginning of the fiscal year in which they are created; insofar as this is legally permissible, the Executive Board may, with the approval of the Supervisory Board, and in deviation from section 60 (2) AktG, stipulate that the new shares also participate in the profit for a past fiscal year. The Executive Board is authorized, with the approval of the Supervisory Board and of E. Merck KG, to stipulate the further details of the implementation of the increase in contingent capital.

The company is not authorized to acquire its own shares.

The company has not entered into any material agreements subject to a change of control pursuant to a takeover offer nor has it entered into any compensation agreements with the members of the Executive Board or employees in the event of a takeover offer.