

Additional information in accordance with the GERMAN COMMERCIAL CODE (HGB)

The Annual Financial Statements of Merck KGaA, Darmstadt, Germany, have been prepared in accordance with the provisions of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and the supplementary provisions of the Articles of Association of Merck KGaA, Darmstadt, Germany. The Management Report of Merck KGaA, Darmstadt, Germany, is combined with the Group Management Report.

This summary includes a Sustainability Statement, which integrates both the Group Sustainability Statement and the Non-Financial Statement of Merck KGaA, Darmstadt, Germany. With this Combined Sustainability Statement, Merck KGaA, Darmstadt, Germany, meets the requirements of sections 289b to 289e of the German Commercial Code (HGB) on compiling a non-financial statement. When preparing the (Group) Sustainability Statement, the first set of European Sustainability Reporting Standards was implemented in full. No specific framework was used as reference for the Non-Financial Statement of Merck KGaA, Darmstadt, Germany; instead, it is based on conclusions drawn from the Group. The concepts and results described relate to both the Group and Merck KGaA, Darmstadt, Germany, unless Merck KGaA, Darmstadt, Germany, is explicitly mentioned.**

The full version of the Annual Financial Statements of Merck KGaA, Darmstadt, Germany, together with the unqualified auditor's opinion and including the Combined Management Report, is electronically transmitted to the German Federal Gazette for inclusion in the German company register and is published on its website.

Merck KGaA, Darmstadt, Germany, headquartered in Darmstadt, Germany, is the parent company of the Group. Following the transfer of the Life Science, Healthcare and Electronics business sectors into separate legal entities, which was completed at the beginning of fiscal 2023, Merck KGaA, Darmstadt, Germany, primarily performs a holding function for the Group. In this role, the supporting central functions make strategically important decisions and ensure that compliance provisions are observed globally. Merck KGaA, Darmstadt, Germany, also performs Group-wide services for the areas of information technology, strategic management and site management, especially at the Darmstadt site where around 4,000 of the more than 11,000 employees work.

** The Combined Sustainability Statement was not subject to a content review as part of the audit of the financial statements but was subject to a separate limited assurance audit by Deloitte.

Business development and results of operations

The operating business activities of Merck KGaA, Darmstadt, Germany, consist mainly of intragroup services such as site management, IT, strategic management, and the issuing of licenses for the Group umbrella brand. Furthermore, the results of operations are largely influenced by the development of the investment result, which includes all expenses and income in connection with investments of the Group.

Results of operations

€ million	2025	2024	Change	
			€ million	%
Net sales	1,754	1,624	130	8.0
Other income	101	114	-13	-11.7
Cost of materials	-787	-693	-94	13.6
Personnel expenses	-542	-527	-14	2.7
Depreciation, amortization and write-downs	-133	-132	-2	1.1
Other operating expenses	-792	-916	124	-13.6
Operating result	-399	-530	131	-24.7
Investment result	1,943	2,173	-229	-10.6
Other financial result	-511	-685	175	-25.5
Profit before profit transfers and taxes	1,034	958	76	7.9
Profit transfers	-740	-709	-31	4.4
Taxes	-9	36	-45	-126.0
Profit after profit transfers and taxes/ net income	284	284	-	-

The **operating result** of Merck KGaA, Darmstadt, Germany, improved overall. This is attributable to the following key changes:

The **net sales**, which mainly comprise intragroup on-charging, increased as a result of higher on-charges of project costs for global projects incurred within Merck KGaA, Darmstadt, Germany, such as the divestment of the Surface Solutions business unit and the acquisition of SpringWorks Therapeutics, Inc., USA, to Group companies with an economic involvement. The **cost of materials**, which comprises the services procured for the on-charged project costs, increased correspondingly. Accordingly, the cost of materials in relation to sales increased slightly to 44.9% (2024: 42.7%).

Personnel expenses grew slightly as a result of the scheduled increases to wages and salaries and the associated social security contributions and variable salary components.

In 2024, **other operating expenses** included an expense from another accounting period in a low triple-digit million euro amount. Adjusted for this expense, the other operating expenses increased by 7.8%, which was primarily attributable to increased external services for the aforementioned projects, which remained within Merck KGaA, Darmstadt, Germany.

The decline in the **investment result** is primarily due to lower investment income in the form of dividends from direct subsidiaries. This was realized to a smaller extent in financial assets as a result of one-time income from the intragroup transaction. In addition, income from profit transfers declined slightly. The good performance of the Life Science business sector and the divestment of the Surface Solutions business unit in the Electronics business sector had a positive effect here. However, profit transfers declined overall due to one-time effects in the Healthcare business sector and in the Group financing company Merck Financial Services GmbH, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany, as a result of the further decline in interest rates.

In **other financial result**, the lower interest rate level had a positive effect on the amount of interest expenses.

The **profit before profit transfers and taxes** developed positively overall due to the described effects.

Net assets and financial position

Assets

€ million	Dec. 31, 2025	Dec. 31, 2024	Change	
			€ million	%
Fixed assets	26,352	25,209	1,143	4.5
Intangible assets	196	193	3	1.4
Tangible assets	1,413	1,276	138	10.8
Financial assets	24,743	23,741	1,002	4.2
Current assets	1,251	1,795	-545	-30.3
Inventories	32	34	-2	-6.7
Trade accounts receivable	59	63	-4	-7.0
Other receivables and other assets	1,160	1,698	-538	-31.7
Cash and cash equivalents	-	-	-	-
Prepaid expenses	89	84	5	6.2
	27,692	27,088	604	2.2

Equity and liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024	Change	
			€ million	%
Net equity	5,481	5,481	-	-
Provisions	1,893	2,067	-174	-8.4
Provisions for pensions and other post-employment benefits	1,190	1,313	-123	-9.3
Other provisions	703	754	-51	-6.8
Liabilities	20,309	19,532	777	4.0
Financial liabilities	2,548	2,276	272	12.0
Trade accounts payable	172	155	17	10.7
Other liabilities	17,589	17,101	488	2.9
Deferred income	10	9	-	-
	27,692	27,088	603	2.2

Net assets increased slightly by 2.2%. The increase on the asset side of the balance sheet related primarily to fixed assets (€ +1,143 million), while current assets declined (€ -545 million). On the equity and liabilities side, liabilities increased (€ +777 million) while provisions decreased (€ -174 million). The net equity remained at the level of the previous year.

Tangible assets increased as a result of the investments in property, plant and equipment at the Darmstadt site in particular, some of which are still under construction.

Financial assets increased in fiscal 2025 due to the two-phase contribution of an investment in an affiliated company as a non-cash contribution to another affiliated company, for which new shares were granted. The contribution occurred in two phases, whereby the first contribution occurred at the carrying amount of € 244 million and the second occurred at the fair value amounting to € 1,257 million. Accordingly, the shares in affiliated companies increased by € 1,500 million. This is offset by the carrying amounts of the contributed shares as disposals amounting to € 300 million. The resulting gains are shown under the investment result. Furthermore, a capital reduction of an affiliated company took place, which is recorded as a disposal in the investment book value amounting to € 251 million.

Other receivables and other assets declined as a result of lower investment income from subsidiaries.

Merck KGaA, Darmstadt, Germany, was financed by **equity** in the amount of € 5,481 million (2024: € 5,481 million), corresponding to an equity ratio of 19.8% (2024: 20.2%). The net income generated in fiscal 2025 covered the dividend payments that took place during the course of the year.

The reduction in **provisions** was due to the lower level of **pension provisions** in particular. These were reduced by an increased fair value of the offset plan assets and a lower settlement amount caused by a slightly increased discount rate.

The **financial liabilities** amounting to € 2,548 million (2024: € 2,276 million) serve primarily to finance various acquisitions in the Group alongside refinancing. Additional information on the financing conditions and maturity structure of the bonds can be found in Note (22) Financial Liabilities of the Notes to the Financial Statements in accordance with HGB.

Merck KGaA, Darmstadt, Germany, is also financed via the Group financing company Merck Financial Services GmbH, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany, which provides Merck KGaA, Darmstadt, Germany, with sufficient financial resources, thus ensuring liquidity. The **other liabilities** increased; these primarily relate to current loans and clearing account liabilities with respect to Merck Financial Services GmbH, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany, in the amount of € 16,659 million (2024: € 15,900 million).

Research and development

Research and development (R&D) expenses in fiscal 2025 declined to € 39 million (2024: € 79 million) and include remaining expenses for global R&D services at Merck KGaA, Darmstadt, Germany.

Dividend

For fiscal 2025, we propose to the Annual General Meeting the payment of a dividend of **€ 2.20** per share.

Personnel

As of December 31, 2025, Merck KGaA, Darmstadt, Germany, had **3,633** employees, representing a decrease compared with the reporting date of the previous year (2024: 3,715), in the areas of site operations, administration and research.

The average number of employees by functional area:

Personnel

	2025	2024
Administration	2,498	2,529
Site operations	762	820
Research	281	310
Logistics	55	55
Marketing and sales	35	36
Other	7	6
Total	3,637	3,756

Risks and opportunities

As the parent of the Group, Merck KGaA, Darmstadt, Germany, is largely subject to the same opportunities and risks as the Group. Merck KGaA, Darmstadt, Germany, participates in these risks and opportunities via its equity investments and subsidiaries. This can have consequences for its investment result or the valuation of shares in subsidiaries. More information can be found in the Group **[Report on Risks and Opportunities](#)**.

Forecast for Merck KGaA, Darmstadt, Germany

Deviations of actual business development in fiscal 2025 from the previously reported guidance

In the Combined Management Report for 2024, a moderately increased investment result was initially expected in fiscal 2025 in comparison with 2024. Net income was forecast to be slightly higher than in fiscal 2024.

Contrary to this expectation, the investment result was slightly less than in the previous year and was thus also less than forecast last year. Due to the realization of the one-time income from the intragroup transaction in financial assets, lower investment income in the form of dividends was thus realized. In addition, income from profit transfers was below the forecast from the previous year. The key drivers of this were one-time effects in the Healthcare business sector and the continued decline in interest rates, which had a negative effect on the earnings of the Group financing company Merck Financial Services GmbH, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany.

Net income was stable year-on-year, but was below the forecast due to the unexpected slight decline in the investment result.

Forecast 2026

We forecast a slight increase in the investment result overall. The investment income from dividend payments included in this is expected to be significantly higher than in fiscal 2025. However, it will remain below the level of the years prior to 2025 as, because of the intragroup transaction of fiscal 2025, additional Group companies will be included in the German tax group. In accordance with the plans for the German tax group, this will bring about a sustained increase in income from profit transfers. A one-time effect from the intragroup transaction, as in fiscal 2025, is not planned for 2026.

Overall, net income is forecast to remain at a comparable level to fiscal 2025.

Merck Financial Services GmbH, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany, in Darmstadt will provide the company with sufficient financial resources as needed, thus ensuring liquidity.

No risks that could jeopardize the continued existence of the company have been identified.