

COMPENSATION REPORT

This Compensation Report describes the structure and application of the compensation system for the Executive Board of Merck KGaA, Darmstadt, Germany, in fiscal 2025. It provides a transparent overview of the relationship between compensation and performance, and presents the compensation awarded or due to the members of the Executive Board and the Supervisory Board in fiscal 2025. The Supervisory Board and the Executive Board have jointly prepared the Compensation Report, which meets the requirements of section 162 of the German Stock Corporation Act (AktG). It is audited by Deloitte Wirtschaftsprüfungsgesellschaft GmbH formally in accordance with section 162 (3) AktG and materially. Furthermore, we are oriented towards the requirements of the German Corporate Governance Code (DCGK) in the version dated April 28, 2022.

The legislation and regulations relating to the Compensation Report are geared toward the situation at a German stock corporation ("Aktiengesellschaft" or "AG") and do not take into consideration the special characteristics of a corporation with general partners ("Kommanditgesellschaft auf Aktien" or "KGaA"), such as our company. Major differences between the two legal forms exist in terms of liability and management. In the case of an AG, only the AG is liable as a legal entity, whereas the general partners of a KGaA also have unlimited personal liability for the company's obligations (section 278 (1) AktG). Unlike the management board members of an AG, the members of the Executive Board of our company are personally liable partners of both Merck KGaA, Darmstadt, Germany, and the general partner E. Merck KG, Darmstadt, Germany, and not merely employed members of a corporate board.

Review of fiscal 2025

In fiscal 2025, the established growth trajectory continued successfully despite a challenging global business environment. We were able to organically increase both our sales and our EBITDA pre, the most important key performance indicator for managing our operational business.

In the Life Science business sector, we further strengthened our position as a leading provider for customers in research, diagnostics and pharmaceuticals. Fiscal 2025 was characterized by organic sales growth and strong order intake. The successful opening of a new facility in Blarney, Ireland, enhanced our strategic positioning.

In Healthcare, we achieved moderate organic sales growth based on all franchises. In addition to the successful completion of the acquisition of SpringWorks Therapeutics, Inc., USA, on July 1, 2025, we set an important milestone for future growth with the opening of the new Launch and Technology Center at our site in Darmstadt.

The net sales of the Electronics business sector remained organically stable in fiscal 2025. In the Semiconductor Solutions business unit, we recorded increased demand for modern microchips in the field of artificial intelligence, as well as for mature microchips. As part of the strategic capacity expansion, we opened a new site in Kaohsiung, Taiwan, which enables us to strengthen the resilience of the global semiconductor supply chain. Additionally, as part of the portfolio optimization, the divestment of the Surface Solutions business unit was completed on July 31, 2025.

Sustainability is an integral part of our business strategy. In fiscal 2025, we revised parts of our sustainability strategy and sharpened our commitment to deliver more sustainable solutions through our portfolio. We also achieved key milestones in our sustainability strategy by reducing our greenhouse gas emissions (Scope 1 and 2) by more than half compared to 2020 through effective and consistent measures and thereby achieved our 2030 target ahead of schedule. Furthermore, we finalized our first Climate Transition Plan. To further advance our long-term sustainability goals, we have again implemented relevant indicators and targets in the Sustainability Factor within the Long-Term Incentive Plan (LTIP) 2025.

Fiscal 2025 showed a differentiated performance regarding compensation: based on stable results in fiscal years 2023 to 2025 the payouts from the profit sharing reflect a consistent operational performance. In contrast, the payout from the Long-Term Incentive Plan (LTIP) was significantly lower, as the multi-year targets for the key performance indicators set at the inception of the plan were not met to the required extent. In particular, the development of the share price during the performance period fell short of expectations. A detailed presentation of the target achievement and the resulting compensation components will be provided in the following sections.

In addition, there were the following changes within the Executive Board in fiscal 2025: Khadija Ben Hammada was appointed Chief People Officer and is a member of the Executive Board in this newly created position with effect from March 1, 2025. Furthermore, Jean-Charles Wirth took over the position of CEO Life Science from Matthias Heinzl on June 1, 2025. Likewise, the role of CEO Healthcare was transferred from Peter Guenter to Dan Pinhas Bar Zohar on June 1, 2025. All had previously been employed in leading positions within the company. Matthias Heinzl and Peter Guenter left the Executive Board on May 31, 2025. In addition to his role as CEO Electronics, Kai Beckmann became Deputy Chair of the Executive Board effective September 25, 2025.

In fiscal 2025, the contractually agreed compensation of the other members of the Executive Board remained unchanged.

In the Supervisory Board, there was one change of mandate. Effective June 30, 2025, Sascha Held left the Supervisory Board and as of July 1, 2025, and Sven Vollrath joined. Anne Lange became Vice Chair of the Supervisory Board on July 1, 2025.

Approval of the Compensation Report 2024

In accordance with section 120a (4) AktG, the Compensation Report 2024 was approved with a voting result of 88.28% at the Annual General Meeting 2025. Only shareholders of Merck KGaA, Darmstadt, Germany, are entitled to vote at the Annual General Meeting (and thus not E. Merck KG, Darmstadt, Germany, in its capacity as personally liable partner of Merck KGaA, Darmstadt, Germany).

During the Annual General Meeting 2025, and in numerous discussions before and after the Annual General Meeting, the Group received feedback from investors, shareholder associations and proxy advisors on the compensation of the Executive Board, as well as the presentation in the Compensation Report. We consider this feedback to be valuable input for the continuous improvement of the Compensation Report and decisive for the revision of the compensation system. The revised compensation system, which was approved by 88.77% at the Annual General Meeting 2025, will enter into force on January 1, 2026.

In the discussions, we were given the impression that the high level of transparency in our compensation reporting was positively acknowledged. However, some investors noted that while the total amount of the maximum compensation is disclosed in the description of the Executive Board compensation system according to section 87a paragraph 1 of the German Stock Corporation Act (AktG), the individual capped amounts were not disclosed for all compensation components. These, as in previous years, are disclosed in the compensation report.

Regarding the design of the compensation system, the discussion partners appreciated the strengthening of the "pay for performance" principle in the design of the performance-related variable compensation components for the Executive Board. In particular, the revision of the profit sharing was highlighted. By focusing the performance period on the respective fiscal year and by doubling the threshold value required for a payout, the incentive effect and performance orientation of the profit sharing are further strengthened.

With regard to the compensation structure, it was commented that the Executive Board's compensation system will in future be even more strongly connected to the long-term and sustainable success of the company. This is achieved by a proportionately higher weighting of the Long-Term Incentive Plan within the variable compensation, while maintaining the maximum amount of compensation.

Additionally, in relation to the design of the profit sharing, it was discussed whether the profit after tax of the Group of E. Merck KG, Darmstadt, Germany, as the sole financial performance metric can adequately reflect the performance of the Executive Board members holistically. Unlike the management board members of a German stock corporation ("Aktiengesellschaft" or "AG"), the members of the Executive Board are personally liable partners which is reflected in a strongly entrepreneurial-oriented compensation via the profit sharing. The participation in the profit of E. Merck KG, Darmstadt, Germany, thus directly aligns the compensation of the Executive Board members with the success or with the failure of the company. Furthermore, the Personnel Committee considers the individual performances of the Executive Board members and their contributions to our sustainability goals within the adjustment factor of the profit sharing. This ensures – along with the other elements of the compensation system – a holistic alignment of the compensation of our Executive Board members with the company's success and the interests of our investors.

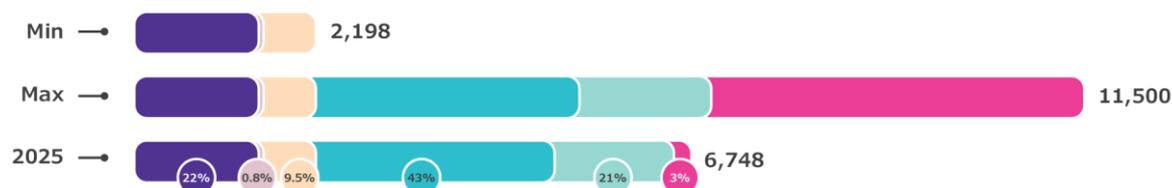
Regarding the future design of the Long-Term Incentive, the even more explicit consideration of sustainability aspects in the compensation system was discussed. In the compensation system valid from fiscal 2026, strategically derived sustainability goals will be implemented alongside the financial KPIs as independent and additive key indicators in the LTIP rather than as a sustainability factor (as before). This means that sustainability goals and financial KPIs will be of equal significance. With some discussion partners, the target achievement curve for the relative performance of the share of Merck KGaA, Darmstadt, Germany, compared to the DAX[®] was discussed. In our view, the DAX[®] Total Return Index represents a suitable and ambitious peer group of globally operating companies from various sectors that consistently set high standards in long-term performance. To keep pace with the DAX[®] Total Return Index, outstanding results must be continuously achieved, regardless of industry-specific or macroeconomic fluctuations. Accordingly, we consider the design of the target achievement curve for the relative share price performance to be ambitious and to establish the intended "pay for performance" principle within the Executive Board's compensation system. Against this background, it is important to note that the performance of the share of Merck KGaA, Darmstadt, Germany, is measured against a so-called Total Return Index. This means that dividend payments are included in the performance of our peer companies, while they are in contrast not considered in the calculation of the share performance of Merck KGaA, Darmstadt, Germany.

In summary, it can be stated that the constructive exchange with our investors plays an essential role in the continuous development of our compensation system and the improvement of reporting. In the run-up to the 2026 Annual General Meeting, we will continue the dialogue with investors in order to obtain constructive and valuable feedback and report accordingly in the following year.

Compensation for fiscal 2025 – summary

Compensation for services up to December 31, 2025 (see “Executive Board Compensation for 2025”)

Chair of the Executive Board (Belén Garijo), in € thousand



- Base salary
- Additional benefits
- Pension entitlement
- 2/3 of profit sharing 2025 (free disposal)
- 1/3 of profit sharing 2025 (to be held in shares for 4 years)
- LTIP 2022

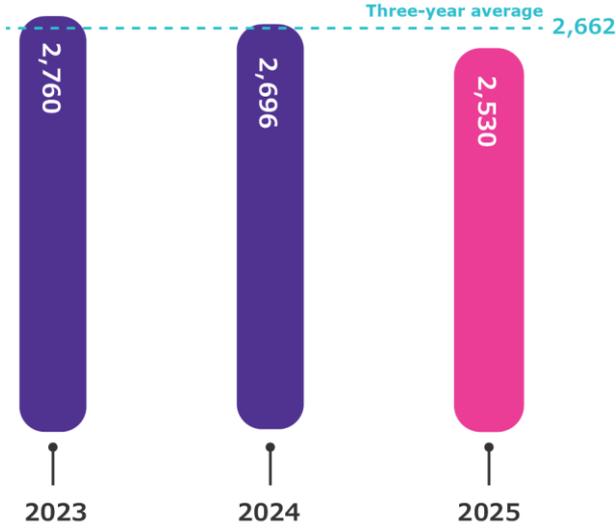
The average calculation of the compensation of further members of the Executive Board is not shown for fiscal 2025. Due to entries into and exits from the Executive Board, the average calculation of the compensation is not meaningful.

Terms of the compensation components for fiscal 2025



Relevant key performance indicators for profit sharing and LTIP

Profit after tax of the Group of E. Merck KG, Darmstadt, Germany (€ million)



Performance of share of Merck KGaA, Darmstadt, Germany



LTIP 2022

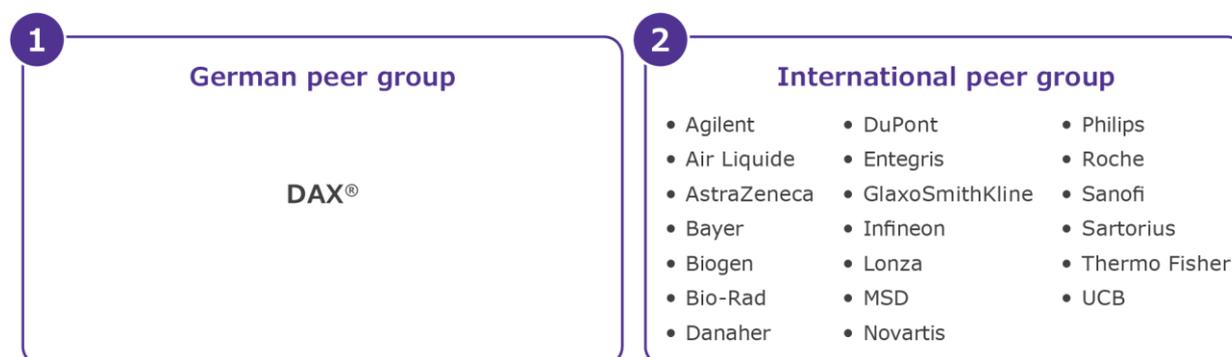
Performance indicator	Target corridor	Actual value	Target achievement
Share price performance relative to DAX® (Weighting: 50%)	Lower limit: -20% Target value: 0% Upper limit: 50%	-54.9%	0%
EBITDA pre margin (Weighting: 25%)	Lower limit: 27.2% Target value: 30.2% Upper limit: 33.2%	29.2%	66.7%
Organic sales growth (Weighting: 25%)	Lower limit: 4.9% Target value: 7.9% Upper limit: 10.9%	2.3%	0%
Sustainability factor	Lower limit: 0.8 Target value: 1.0 Upper limit: 1.2	1.01	1.01
		Total target achievement:	16.8%

● Actual value

Determining the compensation of the Executive Board

At our company, unlike at publicly listed German stock corporations, it is not the Supervisory Board but the Board of Partners of E. Merck KG, Darmstadt, Germany, that is responsible for designing and reviewing the compensation system and deciding on the amount and composition of compensation paid to Executive Board members. The Board of Partners has assigned this task to its Personnel Committee. As a result, the Personnel Committee is responsible for the development and regular review of the compensation system for the Executive Board, in particular also for structuring and examining the non-performance-related and performance-related compensation elements. The Personnel Committee also takes into account the compensation system for managers and employees below Executive Board level to ensure consistency and a uniform steering effect between the compensation systems. Furthermore, the Personnel Committee is responsible for defining the annual targets and thresholds of the key performance indicators for the performance-related compensation elements.

In addition to structuring the Executive Board compensation system, the Personnel Committee is responsible for defining the specific amounts of compensation paid to the members of the Executive Board. The compensation paid to the members of the Executive Board takes into account the responsibilities and duties of the individual Executive Board members, particularly their status as personally liable partners, their individual performance and the economic situation as well as the performance and future prospects of the Group. Furthermore, external market benchmarks are also considered. For this purpose, two peer groups are used: the companies of the DAX® as the German peer group as well as a group of selected international competitors. The peer groups are composed as follows:



The international peer group was defined considering the size, business area and geographic location of the headquarters of the respective companies. Overall, the peer group offers an appropriate ratio of companies headquartered in Europe and the United States as well as a balanced coverage of the Life Science, Healthcare and Electronics business sectors. In relation to the size criteria of sales, number of employees and market capitalization, the Group is positioned around the median of this international peer group.

Moreover, for the determination of the specific compensation amounts, the relation between Executive Board compensation, top management compensation and workforce compensation will also be considered based on a multi-year assessment. Top management is defined as senior levels of management below the Executive Board in Germany. The average compensation of an employee in full-time employment in Germany is considered in the determination of the compensation of the remaining staff.

The Personnel Committee regularly reviews the appropriateness of the amount and structure of the Executive Board compensation by referring to the peer groups described and with the assistance of an independent compensation consultant.

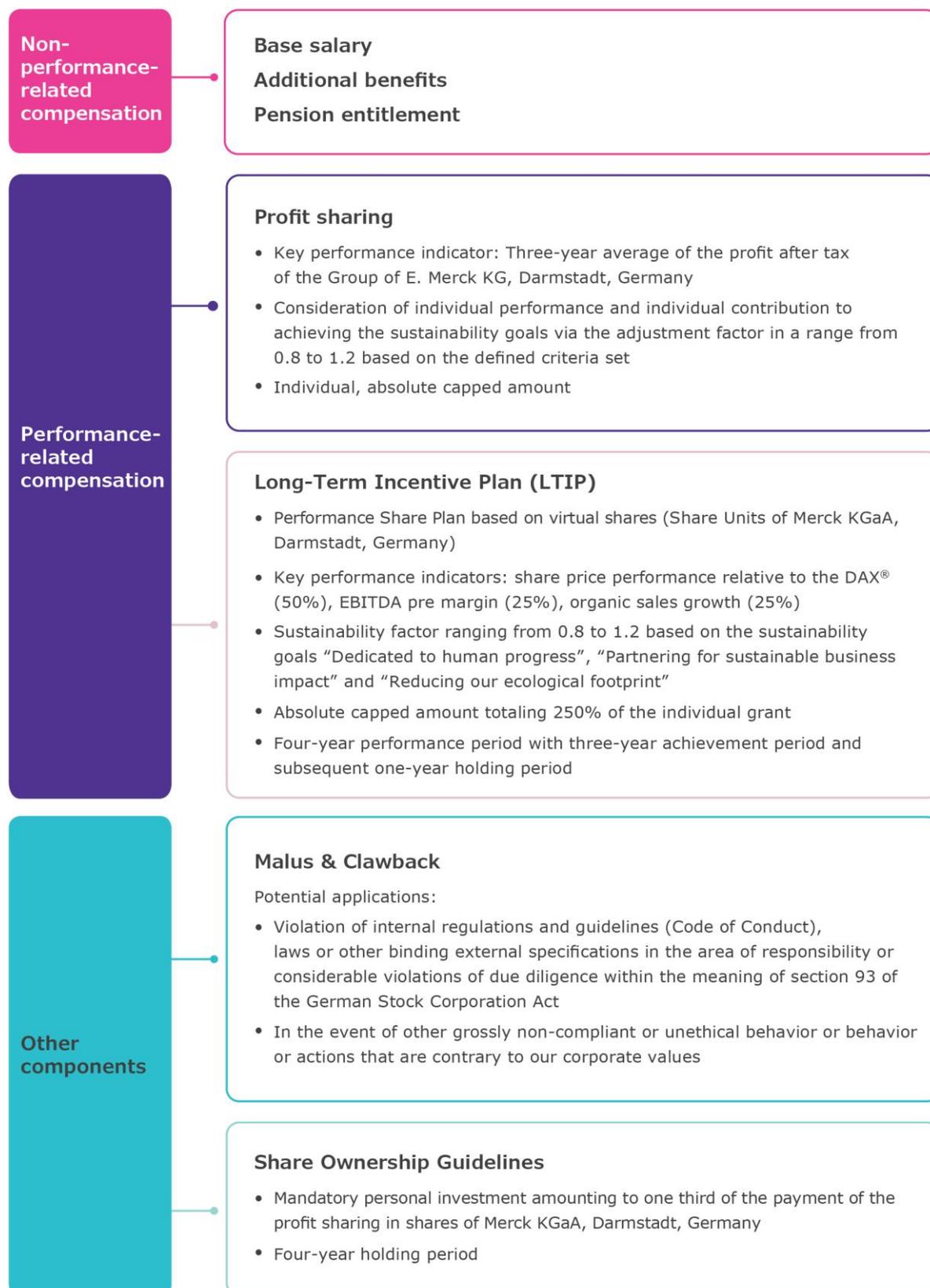
Overview of the structure of the compensation system

Compensation components

Executive Board compensation includes three main components: base salary, profit sharing and the Long-Term Incentive Plan (LTIP). It is complemented by contributions to the company pension plan as well as additional benefits. Additional compensation arrangements also exist for the members of the Executive Board, in particular malus and clawback provisions and a Share Ownership Guideline.

The performance-related compensation elements – profit sharing and the LTIP – are based on a multi-year performance period and as such are fully oriented toward the company's long-term development. In addition, the LTIP is strongly linked to the company's share price, to specifically recognize our shareholders' interests. The key performance indicators selected for variable compensation are derived from the corporate strategy and form part of our central controlling system. In this way, the variable compensation of the Executive Board members is used as a strong steering tool to ensure a focus on our objective of long-term profitable growth accompanied by strong cost discipline.

The following diagram provides an overview of all elements of the compensation system for Executive Board members relevant for fiscal 2025:



Executive Board compensation for 2025

The performance-related and performance-independent components of the compensation system for the Executive Board in fiscal 2025 are fully consistent with the Executive Board compensation system approved by the Annual General Meeting 2021 with a voting result of 87.08%. The compensation system 2021 is published on our website and has applied to all members of the Executive Board since January 1, 2021. The new compensation system 2026, which was approved with 88.77% of the votes at the 2025 Annual General Meeting, will come into force with effect as of January 1, 2026. The Personnel Committee ensures compliance with the compensation system by deciding by resolution on its specific application (e.g. setting targets, determining target achievement, etc.) as well as on the amounts to be paid out.

The following section reports on the compensation awarded or due in accordance with section 162 (1) AktG. Accordingly, the following sections contain all amounts paid to individual members of the Executive Board (active and former members) in the fiscal year (compensation awarded) as well as all amounts legally due but not yet received (compensation due).

In addition, the compensation for which the members of the Executive Board have provided the underlying service in full by December 31, 2025, but for which payment will be made in the following year, is disclosed on a voluntary basis. This applies to the profit sharing for fiscal 2025, as well as to the LTI tranche 2022, the performance period of which ended on December 31, 2025. These amounts have been provisionally determined by the Personnel Committee by resolution. The final amount will be paid to the members of the Executive Board once the Consolidated Financial Statements of E. Merck KG, Darmstadt, Germany, have been released. This enables transparent information and ensures the link between performance and compensation in the financial year.

Performance-independent compensation

Base salary

As base salary, the members of the Executive Board receive contractually fixed performance-independent amounts that are paid in the form of 12 equal monthly installments.

Due to the appointment of Kai Beckmann as Deputy Chair of the Executive Board, his base salary was increased from € 1,200,000 to € 1,300,000, effective September 25, 2025.

Additional benefits

The additional benefits mainly include company cars for personal use, contributions to insurance policies and expenses for personal protection.

Compensation payments were agreed with Helene von Roeder to compensate for the loss of variable compensation claims from her previous position on the Management Board of Vonovia SE, which resulted from her move to the Executive Board of Merck KGaA, Darmstadt, Germany, on July 1, 2023. The loss of the claims was proven on the basis of appropriate supporting documents.

The compensation payment for the loss of the long-term variable compensation entitlement is based on the plan rules of Vonovia SE's LTIP Tranche 2023, the performance period of which runs from the beginning of 2023 to the end of 2026. The amount can only be calculated after the publication of Vonovia SE's 2026 annual financial statements and will be paid out in fiscal 2027. This procedure ensures that Helene von Roeder only receives the long-term variable compensation that has actually been lost. The details of this were published in the 2023 Compensation Report.

Pension entitlement

The members of the Executive Board are granted a pension obligation as a direct commitment. A fixed amount is paid into a benefit account every year, and interest is paid at the applicable statutory maximum technical interest rate for the life insurance industry in accordance with section 2 (1) of the German Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV). Once the pension event occurs, the retirement capital in the benefit account is paid out either in ten annual installments or as a one-time payment. The pension event occurs upon retirement, in the event of occupational disability, or death. In fiscal 2025, no pension contributions were increased. The following table shows the pension obligations which result from the pension entitlements of the members of the Executive Board.

Pension obligations

		IAS 19			
		Service cost		Present value of the pension obligation as of December 31	
€ thousand	Contribution level	2025	2024	2025	2024
Belén Garijo	650	642	640	9,645	8,710
Kai Beckmann	450	435	435	8,146	7,478
Peter Guenter (until May 31, 2025)	186	182	436	-	1,835
Matthias Heinzel (until May 31, 2025)	450	446	447	2,366	1,883
Helene von Roeder	450	464	479	1,200	733
Total	2,186	2,169	2,437	21,357	20,639

In accordance with the Executive Board compensation system 2021, a pension agreement was entered into with Khadija Ben Hammada, Jean-Charles Wirth and Dan Pinhas Bar Zohar. The individual contractual pension contribution amounts to € 450,000 annually in each case. In fiscal 2025, it was agreed with Khadija Ben Hammada, Jean-Charles Wirth and Dan Pinhas Bar Zohar to switch to the pension substitute from January 1, 2026 in accordance with the compensation system for the Executive Board 2026 as well as a compensation payment for the pension contribution 2025 based on the compensation system 2021. This compensation will be paid in January 2026.

Peter Guenter had a pension commitment until May 31, 2025. The retirement capital was paid upon retirement as a one-time payment.

Performance-related compensation

Performance-related compensation comprises profit sharing as well as the Long-Term Incentive Plan.

Profit sharing

With regard to profit sharing, an individual profit-sharing rate is contractually defined for the members of the Executive Board as a per mille rate of the three-year average of the consolidated profit after tax of the Group of E. Merck KG, Darmstadt, Germany. Fiscal 2025 and the two preceding fiscal years are included in the calculation.

The use of profit after tax as the key performance indicator, which also serves as the basis for dividend payments, ensures very close alignment with shareholder interests.

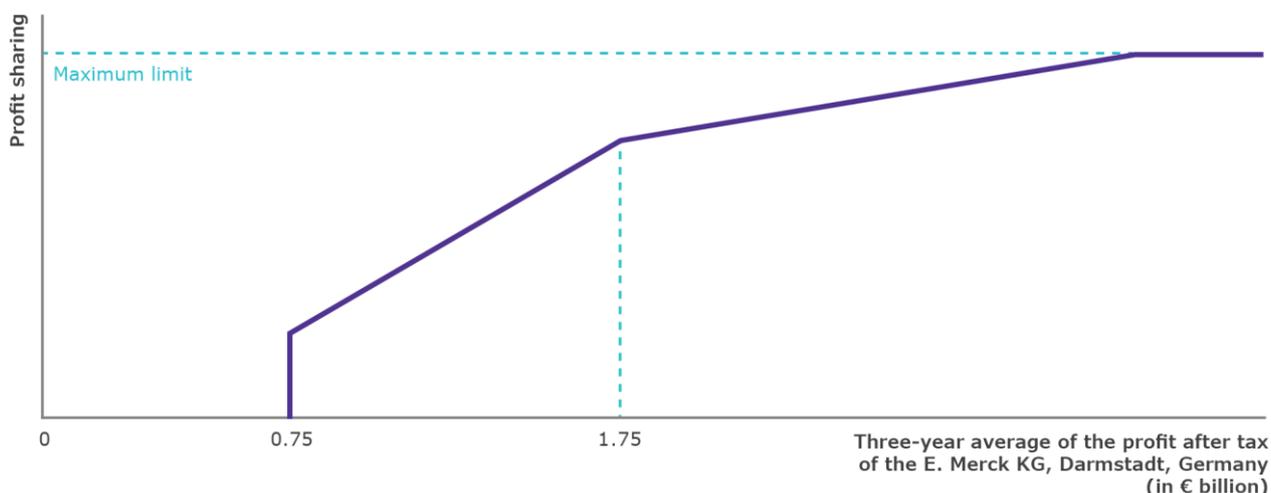
To appropriately consider the individual performance of the Executive Board members, the Personnel Committee may modify the payment by applying a factor ranging from 0.8 to 1.2. The adjustment factor allows recognition of outstanding individual performance as well as overachievement of certain sustainability targets by multiplying the profit sharing by a value greater than 1.0 up to 1.2. Similarly, multiplying by a value less than 1.0 down to 0.8 can reduce the profit sharing if the circumstances call for it, such as a failure to achieve sustainability targets.

The members of the Executive Board are obligated to invest one-third of the payout of the profit sharing in our shares and to hold them for at least four years. The obligation to hold shares refers to the payout amount of the profit sharing. Further details are provided under the heading [Share Ownership Guideline](#).

The following illustration shows the profit sharing for fiscal 2025:



The Group of E. Merck KG, Darmstadt, Germany, must generate an average profit after tax of at least € 0.75 billion for the profit-sharing payment to be made. This minimum threshold reflects the “pay-for-performance” approach of the compensation system. If the profit exceeds this threshold, the individual profit-sharing rates are staggered as illustrated below:



The maximum profit-sharing payment is capped individually. It amounts to € 4,810 thousand for Belén Garijo, € 3,900 thousand for Peter Guenter, Matthias Heinzl, Dan Pinhas Bar Zohar, and Jean-Charles Wirth and € 3,300 thousand for Helene von Roeder and Khadija Ben Hammada. Due to Kai Beckmann's appointment as Deputy Chair of the Executive Board, effective September 25, 2025, the maximum profit-sharing payment for Kai Beckmann has been adjusted from € 3,500,000 to € 3,900,000. In the event of intra-year entries to or exits from the Executive Board, as well as intra-year compensation adjustments, the contractual provisions stipulate a pro-rata calculation of the respective maximum amounts.

The three-year average that is relevant for fiscal 2025 was based on the profit after tax generated by the Group of E. Merck KG, Darmstadt, Germany, in fiscal 2023, 2024 and 2025, as illustrated in the following table and graphic:

Profit after tax of the Group of E. Merck KG, Darmstadt, Germany

€ million	2022	2023	2024	2025
Profit after tax	3,288	2,760	2,696	2,530
Three-year average profit after tax (2022-2024)	2,915			
Three-year average profit after tax (2023-2025)	2,662			



The Personnel Committee has set the adjustment factor at 1.0 for all members of the Executive Board, taking into account individual performance as well as contributions to sustainability goals against the agreed criteria.

The Personnel Committee thereby acknowledges that, due to the contributions and commitment of the Executive Board members, the growth trajectory has continued despite a persistently challenging macroeconomic environment. Via thoughtful decisions and strategic foresight, the three business sectors Life Science, Healthcare and Electronics have set the course for the company's continued successful and resilient development in the future. In addition to economic successes, further achievements in relation to our three sustainability goals have been made under the leadership of the Executive Board.

The successes achieved are the result of close collaboration among the members of the Executive Board. Therefore, in the view of the Personnel Committee, a differentiation of the adjustment factor between the members of the Executive Board is not appropriate.

Considering the relevant three-year average of the profit after tax of the Group of E. Merck KG, Darmstadt, Germany, the individual sharing rates and the adjustment factor, the profit sharing and the shareholding obligation for fiscal 2025 are as follows:

Profit sharing 2025 summary

	Three-year average profit after tax (€ million)	Average individual profit-sharing rate 2025 (in per mille) ¹	Adjustment factor for individual performance	Profit-sharing amount (€ thousand)	thereof investment obligation (€ thousand) ²
Belén Garijo		1.63	1.0	4,338	1,446
Kai Beckmann		1.22	1.0	3,251	1,084
Peter Guenter (until May 31, 2025) ³		0.55	1.0	1,452	484
Matthias Heinzl (until May 31, 2025)		1.32	1.0	3,510	1,170
Helene von Roeder	2,662	1.11	1.0	2,956	985
Khadija Ben Hammada (since March 1, 2025) ³		0.93	1.0	2,478	826
Jean-Charles Wirth (since June 1, 2025) ³		0.77	1.0	2,058	686
Dan Pinhas Bar Zohar (since June 1, 2025) ³		0.77	1.0	2,058	686

¹ Profit-sharing amount in relation to the three-year average after tax.

² Gross amount – investment obligation is based on payout amount.

³ Pro rata temporis from the date of joining/until the date of leaving.

The profit sharing 2025 will be paid out in April 2026. One-third of the payout of the profit sharing must be invested in shares of Merck KGaA, Darmstadt, Germany, and held for at least four years (investment obligation). Further details of the investment obligation can be found under [Share Ownership Guideline](#).

In fiscal 2025, the profit sharing for fiscal 2024, already explained in detail in the Compensation Report 2024, was paid out, which is thus reported as compensation awarded or due in fiscal 2025 in accordance with section 162 AktG. Further details can be found in the following table from the previous year:

Profit sharing 2024 summary

	Three-year average profit after tax (€ million)	Average individual profit-sharing rate 2024 (in per mille) ¹	Adjustment factor for individual performance	Profit-sharing amount (€ thousand)	thereof investment obligation (€ thousand) ²
Belén Garijo		1.55	1.0	4,515	1,505
Kai Beckmann		1.13	1.0	3,282	1,094
Peter Guenter	2,915	1.25	1.0	3,654	1,218
Matthias Heinzl		1.25	1.0	3,654	1,218
Helene von Roeder		1.06	1.0	3,082	1,027

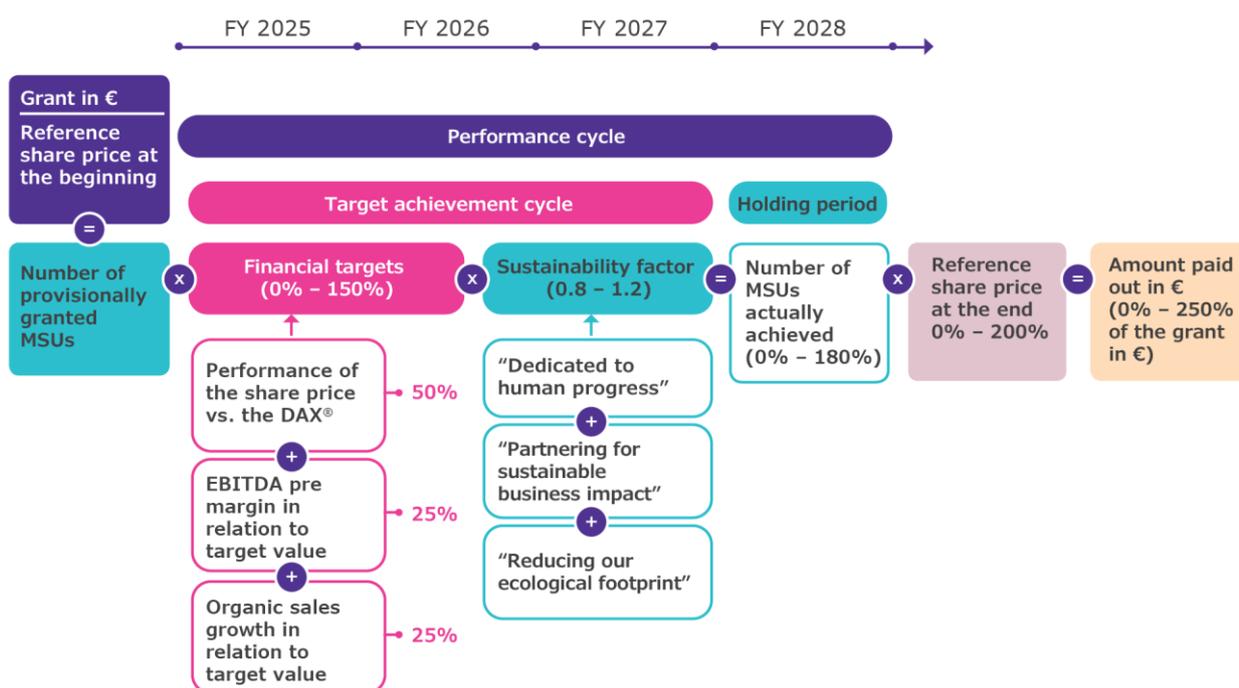
¹ Profit-sharing amount in relation to the three-year average after tax.

² Gross amount – investment obligation is based on payout amount.

Long-Term Incentive Plan (LTIP)

LTIP tranche for fiscal 2025

The LTIP is designed as a virtual performance share plan. It is based on a four-year future-oriented performance cycle that is composed of a three-year target achievement cycle and a subsequent one-year holding period. In addition to three financial performance indicators, the LTIP takes sustainability targets into account. These targets are linked to a sustainability factor. The sustainability factor has a range of 0.8 to 1.2 and can increase or reduce the target achievement resulting from the financial key performance indicators by up to 20%. The following graphic illustrates the calculation of the Share Units of Merck KGaA, Darmstadt, Germany (MSUs), as well as the functionality of the sustainability factor.



Calculation of the MSUs

Under the LTIP, members of the Executive Board are provisionally granted a certain number of virtual shares, so-called Share Units of Merck KGaA, Darmstadt, Germany (MSUs). The number of MSUs is calculated as follows: An individual grant in euros is set for each Executive Board member. Every year, this grant is divided by the definitive reference share price at the beginning of the performance cycle, resulting in the number of MSUs that the respective member is provisionally entitled to receive. The relevant reference share price is based on the average share price within the last 60 trading days prior to the start of the performance period.

In fiscal 2025, the LTIP tranche 2025 was allocated as follows:

LTIP Tranche 2025 allocation

	Grant amount (€ thousand)	Reference share price of Merck KGaA, Darmstadt, Germany, at the beginning (in €)	Number of provisionally granted MSUs	Maximum payout (€ thousand)
Belén Garijo	2,300		15,522	5,750
Kai Beckmann	1,765		11,909	4,412
Peter Guenter (until May 31, 2025) ¹	792		5,343	1,979
Matthias Heinzl (until May 31, 2025)	1,900		12,823	4,750
Helene von Roeder	1,400		9,448	3,500
Khadija Ben Hammada (since: March 1, 2025) ¹	1,167	148.18	7,874	2,917
Jean-Charles Wirth (since: June 1, 2025) ¹	1,108		7,480	2,771
Dan Pinhas Bar Zohar (since: June 1, 2025) ¹	1,108		7,480	2,771

¹ Pro rata temporis from the date of joining/until the date of leaving.

The number of MSUs actually allocated to the Executive Board members after the end of the target achievement cycle depends on the development of the financial performance indicators and the sustainability factor during the three-year target achievement cycle.

Based on the three financial performance indicators, the number of MSUs allocated may be between 0% and 150% of the provisionally granted MSUs. The resulting number of MSUs is then multiplied by the sustainability factor.

Sustainability factor target achievement can range between 0.8 and 1.2 and is determined by the predefined sustainability key indicators. Thus, the total number of MSUs actually allocated can amount to a maximum of 180% of the provisionally granted MSUs.

The target achievement cycle is followed by a one-year holding period. The final payout amount may be between 0% and a maximum of 250% of the amount initially granted and depends on the number of MSUs actually allocated and the reference share price at the end of the performance cycle.

Financial key performance indicators

The relevant financial key performance indicators are:

- The performance of the share price of Merck KGaA, Darmstadt, Germany, compared with the performance of the DAX[®] with a weighting of 50%;
- The EBITDA pre margin as a proportion of a defined target value with a weighting of 25%; and
- The organic sales growth of the Group as a proportion of a predefined target value with a weighting of 25%.

The number of MSUs actually allocated after the end of the target achievement cycle is based on the following target achievement curves. The targets and thresholds for the key performance indicators of the EBITDA pre margin and organic sales growth are defined by the Personnel Committee at the beginning of the performance cycle and subsequently published in the Compensation Report.



Non-financial key indicators of the sustainability factor

With the introduction of the sustainability factor in fiscal 2022, our sustainability strategy is also incorporated into the LTIP. Based on the sustainability goals, the Personnel Committee defines corresponding specific and measurable sustainability key indicators as well as associated target and threshold values at the beginning of each tranche of the LTIP. These values are used to calculate target achievement at the end of the relevant target achievement cycle. The following sustainability criteria were defined for the selection of the sustainability key indicators:

- Relevance and influence of the sustainability key indicators on the three overarching sustainability goals of the sustainability strategy;
- Internal and external influence of the sustainability key indicators by management;
- Good measurability and operationalization; and
- Sustained impact to support long-term solutions.

In addition, the Personnel Committee determines the weighting of the individual sustainability goal for each tranche of the LTIP to emphasize priorities.

The Personnel Committee has defined the following sustainability key indicators and weightings for the 2025 tranche of the LTIP:

Sustainability Goal	Weighting	Sustainability Key Indicator
Dedicated to human progress ¹	30%	People treated with our Healthcare products (including schistosomiasis control program) and pharma products enabled by our Life Science business sector
Partnering for sustainable business impact	30%	Share of procurement spend attributable to suppliers with a valid sustainability assessment of "good" or better
Reducing our ecological footprint	40%	Greenhouse gas emissions Scope 1+2

¹ At the end of 2025, our goal "Dedicated to Human Progress" was revised to strengthen our commitment to provide more sustainable solutions through our portfolio. The goal was modified to "Advancing Innovation for Humanity". This change will only be reflected in the LTIP from 2026.

The following table shows the target corridors for the respective sustainability key indicators of the three overarching goals for the 2025 LTIP tranche ax ante.

Sustainability Goal/Key Indicator	Minimum	Target	Maximum
Dedicated to human progress¹			
Number of people treated with our Healthcare products (in million)			
Number of people treated as part of the schistosomiasis control program (in million)	581	623	664
Number of people treated with pharma products enabled by our Life Science business sector (in million)			
Partnering for sustainable business impact			
Share of procurement spend attributable to suppliers with a valid sustainability assessment of "good" or better (percentage of procurement spend)	51%	61%	67%
Reducing our ecological footprint			
Greenhouse gas emissions in Scope 1+2 worldwide in kilotons (kt)	800	730	660

¹ At the end of 2025, our goal "Dedicated to Human Progress" was revised to strengthen our commitment to provide more sustainable solutions through our portfolio. The goal was modified to "Advancing Innovation for Humanity". This change will only be reflected in the LTIP from 2026.

The key indicators selected within the three overarching sustainability goals can be described as follows:

- "Dedicated to human progress"

We are convinced that with the help of science and technology, we can contribute to solving many global challenges. In this context, our Healthcare business sector measures how many people worldwide will be treated with our company's medicinal products. On the one hand, we look at the number of people treated with products from the Healthcare business sector, and on the other hand, we consider patients who are offered treatment with our praziquantel tablets as part of the schistosomiasis control program.

We also include the number of people who are treated with pharmaceuticals and medicinal products for the production of which technologies and products from our Life Science business sector have made an important contribution. We plan to continuously increase the number of patients treated and thus contribute to a significant improvement in medical care and the state of health of as many people as possible.

At the end of 2025, we revised our sustainability goal "Dedicated to human progress" and strengthened our commitment to provide more sustainable solutions through our portfolio. In the course of this, the goal was modified to "Advancing Innovation for Humanity". This change will be reflected in the LTIP from 2026.

- "Partnering for sustainable business impact"

We measure our progress in embedding sustainability in our supply chains. In recent years, the focus has been on increasing the transparency of our supply chains and obtaining a sustainability assessment for more suppliers. Since we now have appropriate sustainability assessments for the majority of the relevant suppliers, we will focus on selecting more suppliers with a good sustainability profile from fiscal 2025 onward. In this context, it is important for us to increase the share of procurement expenditure with suppliers whose sustainability rating is "good" or better.

- "Reducing our ecological footprint"

On our path to climate neutrality, we have already joined the Science Based Targets Initiative and aim to reduce both direct (Scope 1) and indirect emissions (Scope 2) by 50% by 2030 compared with fiscal 2020. This target is to be achieved by reducing process-related emissions, implementing energy efficiency measures and purchasing more electricity from renewable sources. Particularly in the case of process emissions (Scope 1), we aim to significantly reduce emissions by using new technologies.

The selected key indicators also reflect the topics that were classified as material in the CSRD materiality analysis and serve to achieve the goals of the sustainability strategy.

Target Achievement LTIP

When determining the target achievement for the tranche of the LTIP allocated in fiscal 2022, the sustainability factor introduced in fiscal 2022 was taken into account for the first time. The four-year performance period consisted of the target achievement cycle spanning three years (January 1, 2022 to December 31, 2024) and the subsequent one-year holding period (until December 31, 2025). At the end of the entire performance cycle of the LTIP 2022, the target achievement and the amounts were calculated based on the final share price. The relevant final share price is based on the average share price within 60 trading days prior to the end of the performance period. Subsequently, the amounts were multiplied by the sustainability factor and the final payout amounts were determined. The LTIP tranche 2022 will be paid out in April 2026.

The targets and thresholds, the actual amounts and the resulting target achievement for the LTIP tranche 2022 are as follows:

LTIP 2022 target achievement

Financial key performance indicator	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement
Share price performance relative to the DAX® (weighting: 50%)	-20.0%	0.0%	50.0%	-54.9%	0.0%
EBITDA pre margin (weighting: 25%)	27.2%	30.2%	33.2%	29.2%	66.7%
Organic sales growth (weighting: 25%)	4.9%	7.9%	10.9%	2.3%	0.0%
Target achievement					16.7%

Sustainability goal/key indicator	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement
Dedicated to human progress (weighting: 20%)					
People treated with our Healthcare products (millions)	93.5	97.0	100.5	103.3	120%
People treated as part of our schistosomiasis control program (millions)	72.0	92.0	100.0	81.2	89%
Partnering for sustainable business success (weighting: 40%)					
Share of relevant suppliers covered by a valid sustainability assessment (percentage of total)	60%	70%	80%	75%	110%
Share of relevant suppliers covered by a valid sustainability assessment (percentage of procurement spend)	80%	90%	100%	94%	108%
Reducing our ecological footprint (weighting: 40%)					
Scope 1 and 2 greenhouse gas emissions in metric kilotons (kt)	1,200	1,000	800	1,085	92%
Achievement of sustainability factor					1.01

The resulting final number of MSUs and the payout amounts of the LTIP tranche 2022 are shown in the following table.

LTIP 2022 summary

	Grant amount (€ thousand)	Reference share price of Merck KGaA, Darmstadt, Germany, at the beginning (in €)	Number of provisionally granted MSUs	Total target achievement	Sustainability factor	Final number of MSUs	Reference share price of Merck KGaA, Darmstadt, Germany, at the end (in €)	Payout amount (€ thousand) ¹
Belén Garijo	2,300		10,841			1,826		212
Kai Beckmann	1,715		8,084			1,361		158
Peter Guenter	1,900		8,956			1,508		175
Matthias Heinzel	1,900	212.16	8,956	16.7%	1.01	1,508	116.08	175
Marcus Kuhnert (until June 30, 2023)	1,400		6,599			1,111		129

The LTIP tranche 2021 that was allocated in fiscal 2021 was structured without the sustainability factor introduced in fiscal 2022. The four-year performance period consisted of the target achievement cycle of three years (January 1, 2021 to December 31, 2023) and the subsequent one-year holding period (until December 31, 2024). At the end of the entire performance cycle of the LTIP 2021, the target achievement and the payout amounts were calculated based on the final share price. The relevant final share price is based on the average share price within 60 trading days prior to the end of the performance period. The LTIP tranche 2021 was paid out in April 2025.

The targets and thresholds, the actual amounts and the resulting target achievement for the LTIP tranche 2021 are as follows:

LTIP 2021 target achievement

	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement
Share price performance relative to the DAX [®] (weighting: 50%)	-20.0%	0.0%	50.0%	-8.6%	57.0%
EBITDA pre margin (weighting: 25%)	24.9%	27.9%	30.9%	29.9%	133.4%
Organic sales growth (weighting: 25%)	5.7%	8.7%	11.7%	6.2%	16.8%
Total target achievement					66.1%

The resulting final number of MSUs and the payout amounts of the LTIP tranche 2021 are shown in the following table.

LTIP 2021 summary

	Grant amount (€ thousand)	Reference share price of Merck KGaA, Darmstadt, Germany, at the beginning (in €)	Number of provisionally granted MSUs	Total target achievement	Final number of MSUs	Reference share price of Merck KGaA, Darmstadt, Germany, at the end (in €)	Payout amount (€ thousand) ¹
Belén Garijo	2,190		16,538		10,932		1,619
Kai Beckmann	1,715		12,951		8,554		1,268
Peter Guenter	1,900		14,348		9,484		1,404
Matthias Heinzel (since April 1, 2021)	1,425	132.43	10,761	66.1%	7,108	148.18	1,053
Marcus Kuhnert (until June 30, 2023)	1,400		10,572		6,988		1,035
Stefan Oschmann (until April 30, 2021)	752		5,676		3,752		556

Share Ownership Guideline

Under the Share Ownership Guideline (SOG), the members of the Executive Board are obliged to invest one-third of the payout of the profit sharing in shares of Merck KGaA, Darmstadt, Germany, and to hold them for at least four years (investment obligation). The corresponding investments are made as part of an automated purchase via an external provider. Accordingly, 2,341 shares were purchased for Belén Garijo, 4,507 shares for Peter Guenter and Matthias Heinzl each, and 1,401 shares for Helene von Roeder in fiscal 2025, at a price of € 130.61 per share. In total, the number of shares to be held and blocked in the context of SOG in fiscal year 2025 amounts to 18,145 shares for Belén Garijo, 13,359 shares for Kai Beckmann, 14,155 shares for Matthias Heinzl, 14,859 shares for Peter Guenter, 5,481 shares for Helene von Roeder and 10,914 shares for Marcus Kuhnert. All members of the Executive Board fulfilled the investment and holding obligation in fiscal 2025.

The Share Ownership Guideline promotes an even stronger alignment of the interests of the members of the Executive Board with the sustainable interests of our shareholders and additionally increases the corporate responsibility of the members of the Executive Board in addition to their status as general partners.

Malus and clawback provisions

Through their status as personally liable general partners of Merck KGaA, Darmstadt, Germany, and E. Merck KG, Darmstadt, Germany, the Executive Board members bear a unique entrepreneurial responsibility. This is also reflected by the malus criteria set forth in the adjustment factor of the profit sharing and by the German statutory regulations on liability for damages stipulated in section 93 of the German Stock Corporation Act (AktG). In order to take even greater account of the prominent position of entrepreneurial responsibility in compensation, a clawback provision is implemented for the LTIP. Cases in which the clawback provision may be applied include violations of internal rules and regulations (Code of Conduct), legislation, other binding external requirements in responsibility, significant breaches of duty of care within the meaning of section 93 AktG, and other grossly non-compliant or unethical behavior or actions that are contradictory to our company values. In these cases, amounts that have already been allocated under the LTIP may be retained. The Personnel Committee is entitled to demand the repayment of profit sharing and LTIP payouts from a member of the Executive Board either in full or in part if it subsequently transpires that the payout was made wrongfully. For example, this is the case when targets are not actually met or are not met to the extent assumed when the payout was calculated due to incorrect information being applied. The extent of these claims for restitution is based on section 818 of the German Civil Code (BGB). The Personnel Committee may agree deadlines for the assertion of claims for restitution with the members of the Executive Board.

Neither the malus provision nor the clawback provision was exercised in fiscal 2025.

Compensation-related transactions

Contracts with the members of the Executive Board are usually entered into for a period of five years. If a contract begins during the year, the fixed compensation, profit sharing and individual LTIP tranches are paid on a pro rata basis.

Should members of the Executive Board be held liable for financial losses while executing their duties, this liability risk is covered by a directors and officers insurance policy under certain circumstances. This insurance policy has a deductible in accordance with the legal requirements.

Obligations in connection with the termination of Executive Board membership

The contracts of the Executive Board members do not provide for ordinary termination. The right to extraordinary termination for good cause in accordance with section 626 BGB is available to both parties without observing a notice period.

The contracts of the Executive Board members provide for the continued payment of fixed compensation to surviving dependents for a limited period in the event of death. Above and beyond existing pension obligations, no further obligations are provided for in the event of the termination of the contractual relationships of the Executive Board members.

The amounts payable to Executive Board members are capped in the event of the early termination of the contract without good cause justifying such termination. Pursuant to this, payments in connection with the termination of an Executive Board member's duties shall not exceed twice the annual total compensation or constitute compensation for more than the remaining term of the employment contract (severance cap). If an Executive Board member's membership terminates due to the termination of the contract either by the company or the Executive Board member before the four-year performance cycle of an open LTIP tranche expires, the obligations resulting from the LTIP shall continue if there are specific reasons for the termination, such as non-renewal of the contract after it expires, or if the Board of Partners determines this to be appropriate at its own discretion; otherwise, the obligations shall expire.

Should obligations resulting from the LTIP continue to apply, any early severance payout is excluded. Likewise, no early payout or severance for the profit-sharing payment is granted. If the compensation in the fiscal year in which the Executive Board member's duties cease is expected to be significantly higher or lower than in the previous fiscal year, the Board of Partners may decide to adjust the amount applied as the member's total compensation at its own discretion.

In fiscal 2025, a termination agreement was reached with Peter Guenter on his early exit from the Executive Board and the termination of the contractual relationship with E. Merck KG, Darmstadt, Germany, with effect from May 31, 2025. It was agreed that the profit sharing for the year 2025 will be paid on a pro rata temporis basis at the contractually agreed due date. According to the Share Ownership Guideline, one-third of the payout amount of the profit sharing will be invested in shares and held for a further four years. His claims under the LTIP tranches for the years 2022, 2023, 2024, and 2025 shall remain valid after his retirement, provided that the obligations under the agreed post-contractual non-competition clause for the period from June 1, 2025 to December 31, 2026 are complied with. In addition, Peter Guenter received a severance payment of € 3,939,755. With regard to pensions, it was agreed with Peter Guenter that the pension agreement concluded between the parties will be terminated with effect from May 31, 2025. The pension contribution for the year 2025 was paid on a pro rata temporis basis up to that date. The retirement capital of € 2,088,566 set out in the pension agreement was paid out to Peter Guenter in 2025.

It has been agreed with Matthias Heinzl to leave the Executive Board as of May 31, 2025 and to terminate the contractual relationship with E. Merck KG, Darmstadt, Germany, with effect from December 31, 2025. The contract was suspended until December 31, 2025. Until December 31, 2025, Matthias Heinzl received his fixed monthly remuneration of € 100,000. The profit sharing for 2025 will be paid out to Matthias Heinzl in April 2026, and the required investment will be made in accordance with the SOG. For the period between July 1, 2025 and December 31, 2025 the adjustment factor was set to 1.0 per contractual agreement. The claims for LTIP payments from the current tranches will be met in full, provided that Matthias Heinzl complies with the obligation under the post-contractual non-competition clause for the period from January 1, 2026 to December 31, 2027. Matthias Heinzl was credited a full pension contribution for the year 2025 with effect until December 31, 2025. Matthias Heinzl also received the contractually defined additional benefits up to December 31, 2025. As compensation for the premature termination of his membership of the Executive Board, Matthias Heinzl received a severance payment of € 1,688,467.

Post-contractual non-competition clause

Post-contractual non-competition clauses have been agreed with the members of the Executive Board. In general, the post-contractual non-competition clause involves the payment of a waiting allowance amounting to 50% of the member's average contractual benefits within the last twelve months and is paid for a period of two years. Other earnings and any severance payments are to be offset against this amount.

Peter Guenter is subject to a post-contractual non-competition clause for the period from June 1, 2025 to December 31, 2026. For the period from June 1, 2025 to December 31, 2025, the waiting allowance is not applicable because the severance payment has been credited. Peter Guenter will then receive a monthly waiting allowance of € 281,411 until December 31, 2026.

Matthias Heinzl is subject to a contractual non-competition clause until December 31, 2025, and a post-contractual non-competition clause for the period from January 1, 2026 to December 31, 2027. For the period from January 1, 2026 to March 31, 2026, the waiting allowance is not applicable, as a severance payment has been made for this period. From April 1, 2026 until December 31, 2027, Matthias Heinzl is entitled to a monthly waiting allowance of € 281,411.

Loans, advances, payments by affiliates of the Group

Neither loans nor advances were paid to members of the Executive Board during fiscal 2025, nor any payments by affiliated companies.

Individual Disclosure of the Compensation of the Executive Board

Compensation awarded or due to current members of the Executive Board in fiscal 2025

In accordance with section 162 (1) of the German Stock Corporation Act (AktG), the compensation awarded or due to each member of the Executive Board in fiscal 2025 and the respective relative share of total compensation are presented transparently in the tables below. This includes all compensation elements that were paid out or became legally due in fiscal 2025. Due to the introduction of the one-year holding period from the LTIP tranche 2021, there had been a payout gap for the LTIP in fiscal 2024.

To ensure a transparent presentation of the relation between business performance and the resulting compensation, variable compensation for fiscal 2025 is also disclosed on a voluntary basis, with the variable compensation components being allocated to the fiscal year in which the final performance was rendered, irrespective of the actual date of payment or the legal due date.

To provide a complete picture of the total compensation of the Executive Board members, service cost is also reported on a voluntary basis. For Khadija Ben Hammada, Jean-Charles Wirth and Dan Pinhas Bar Zohar, the compensation payment for the pension contribution for the year 2025 that was agreed in fiscal 2025 will be published instead. The payment will be made in January 2026 and is connected to the agreed change to the pension substitute from January 1, 2026, in line with the Executive Board compensation system 2026.

The compensation of the current members of the Executive Board is shown in the following tables:

In fiscal 2025 pursuant to section 162 AktG	For fiscal 2025 as voluntary disclosure
Base salary	
Additional benefits	
Compensation for pension contribution 2025	
Profit sharing for fiscal 2024, payout in fiscal 2025:	Profit sharing for fiscal 2025, payout in fiscal 2026:
<ul style="list-style-type: none"> • Payout in cash • Investment (in shares; 4-year holding period according to Share Ownership Guideline) 	<ul style="list-style-type: none"> • Payout in cash • Investment (in shares; 4-year holding period according to Share Ownership Guideline)
LTIP tranche 2021 (Jan 1, 2021-Dec 31, 2024), payout in fiscal 2025	LTIP tranche 2022 (Jan 1, 2022-Dec 31, 2025), payout in fiscal 2026
Service cost as voluntary disclosure	

The figures presented in the tables have been rounded in accordance with standard commercial practice. As a result, the individual values may not add up to the totals presented:

Compensation awarded or due

	Belén Garijo Chair of the Executive Board (since May 1, 2021; previously member of the Executive Board)			
	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025	2024	2025	2024
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,500	19.5%	1,500	1,500
Additional benefits	56	0.7%	58	58
Profit sharing				
Profit sharing 2023				
Payout in cash	-	-	3,058	-
Investment obligation (in shares; 4-year holding period)	-	-	1,529	-
Profit sharing 2024				
Payout in cash	3,010	39.1%	-	3,010
Investment obligation (in shares; 4-year holding period)	1,505	19.6%	-	1,505
Profit sharing 2025				
Payout in cash	-	-	-	2,892
Investment obligation (in shares; 4-year holding period)	-	-	-	1,446
LTIP				
LTIP 2021 (2021 to 2024)	1,619	21.1%	-	1,619
LTIP 2022 (2022 to 2025)	-	-	-	212
Compensation awarded or due pursuant to section 162 AktG	7,690	100.0%	6,145	-
Compensation for the fiscal year	-	-	-	6,106
Service cost	642	-	640	642
Total compensation incl. service cost	8,332	-	6,785	8,332

Kai Beckmann
Deputy Chair of the Executive Board
(since September 25, 2025; previously Member of the Executive Board)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025		2024	
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,200	20.8%	1,200	1,227
Additional benefits	16	0.3%	20	20
Profit sharing				
Profit sharing 2023				
Payout in cash	-	-	2,222	-
Investment obligation (in shares; 4-year holding period)	-	-	1,111	-
Profit sharing 2024				
Payout in cash	2,188	37.9%	-	2,188
Investment obligation (in shares; 4-year holding period)	1,094	19.0%	-	1,094
Profit sharing 2025				
Payout in cash	-	-	-	2,167
Investment obligation (in shares; 4-year holding period)	-	-	-	1,084
LTIP				
LTIP 2021 (2021 to 2024)	1,268	22.0%	-	1,268
LTIP 2022 (2022 to 2025)	-	-	-	158
Compensation awarded or due pursuant to section 162 AktG	5,766	100.0%	4,553	-
Compensation for the fiscal year	-	-	-	4,652
Service cost	435	-	435	435
Total compensation	6,201	-	4,988	5,087

¹ Due to the appointment of Kai Beckmann as Deputy Chair of the Executive Board effective September 25, 2025, his base salary for fiscal 2025 was increased on a pro rata basis. Due to administrative processes, the payment of the difference amount occurs in fiscal 2026.

Peter Guenter
Member of the Executive Board
(until May 31, 2025)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025		2024	
	€ thousand	in %	€ thousand	€ thousand
Base salary	500	9.0%	1,200	500
Additional benefits ¹	8	0.1%	413	8
Profit sharing				
Profit sharing 2023				
Payout in cash	-	-	2,475	-
Investment obligation (in shares; 4-year holding period)	-	-	1,237	-
Profit sharing 2024				
Payout in cash	2,436	43.8%	-	-
Investment obligation (in shares; 4-year holding period)	1,218	21.9%	-	1,218
Profit sharing 2025				
Payout in cash	-	-	-	968
Investment obligation (in shares; 4-year holding period)	-	-	-	484
LTIP				
LTIP 2021 (2021 to 2024)	1,404	25.2%	-	-
LTIP 2022 (2022 to 2025)	-	-	-	175
Compensation awarded or due pursuant to section 162 AktG	5,566	100.0%	5,325	-
Compensation for the fiscal year	-	-	-	2,135
Service cost	182	-	436	182
Total compensation	5,748	-	5,761	2,317

¹ In 2024: includes payment of € 375 thousand to compensate for loss of variable compensation entitlement from former employment relationship.

Matthias Heinzel
Member of the Executive Board
(until May 31, 2025)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)		
	2025	2024	2025	2024	
	€ thousand	in %	€ thousand	€ thousand	
Base salary	500	9.6%	1,200	500	1,200
Additional benefits	13	0.2%	12	13	12
Profit sharing					
Profit sharing 2023					
Payout in cash	-	-	2,475	-	-
Investment obligation (in shares; 4-year holding period)	-	-	1,237	-	-
Profit sharing 2024					
Payout in cash	2,436	46.7%	-	-	2,436
Investment obligation (in shares; 4-year holding period)	1,218	23.3%	-	-	1,218
Profit sharing 2025					
Payout in cash	-	-	-	2,340	-
Investment obligation (in shares; 4-year holding period)	-	-	-	1,170	-
LTIP					
LTIP 2021 (2021 to 2024)	1,053	20.2%	-	-	1,053
LTIP 2022 (2022 to 2025)	-	-	-	175	-
Compensation awarded or due pursuant to section 162 AktG	5,220	100.0%	4,924	-	-
Compensation for the fiscal year	-	-	-	4,198	5,919
Service cost	446	-	447	446	447
Total compensation	5,666	-	5,371	4,644	6,366

Helene von Roeder
Member of the Executive Board

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025		2024	
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,200	27.9%	1,200	1,200
Additional benefits ¹	19	0.4%	276	19
Profit sharing				
Profit sharing 2023				
Payout in cash	-	-	1,044	-
Investment obligation (in shares; 4-year holding period)	-	-	522	-
Profit sharing 2024				
Payout in cash	2,055	47.8%	-	2,055
Investment obligation (in shares; 4-year holding period)	1,027	23.9%	-	1,027
Profit sharing 2025				
Payout in cash	-	-	-	1,971
Investment obligation (in shares; 4-year holding period)	-	-	-	985
LTIP				
LTIP 2021 (2021 to 2024)	-	-	-	-
LTIP 2022 (2022 to 2025)	-	-	-	-
Compensation awarded or due pursuant to section 162 AktG	4,301	100.0%	3,043	-
Compensation for the fiscal year	-	-	-	4,175
Service cost	464	-	479	479
Total compensation	4,765	-	3,522	4,780

¹ Additional benefits includes a payment of € 257 thousand which was reported in the fiscal year 2024 as compensation for the loss of short-term variable remuneration from previous employment for the fiscal year 2023. To enhance the clarity of the information, the adjustment of the provision that was created in 2023 to compensate for the loss of long-term variable remuneration for the fiscal year 2023 will be aligned in the compensation report 2027 to reflect the actual achievement of targets.

Khadija Ben Hammada
Member of the Executive Board
(since March 1, 2025)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025		2025	
	€ thousand	in %	€ thousand	€ thousand
Base salary	1,000	99.0%	-	1,000
Additional benefits	10	1.0%	-	10
Compensation for pension contribution 2025	-	-	-	375
Profit sharing				
Profit sharing 2025				
Payout in cash	-	-	-	1,652
Investment obligation (in shares; 4-year holding period)	-	-	-	826
Compensation awarded or due pursuant to section 162 AktG	1,010	100.0%	-	-
Compensation for the fiscal year	-	-	-	3,863

Jean-Charles Wirth
Member of the Executive Board
(since June 1, 2025)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025		2025	
	€ thousand	in %	€ thousand	€ thousand
Base salary	700	98.9%	-	700
Additional benefits	8	1.1%	-	8
Compensation for pension contribution 2025	-	-	-	263
Profit sharing				
Profit sharing 2025				
Payout in cash	-	-	-	1,372
Investment obligation (in shares; 4-year holding period)	-	-	-	686
Compensation awarded or due pursuant to section 162 AktG	708	100.0%	-	-
Compensation for the fiscal year	-	-	-	3,029

Dan Pinhas Bar Zohar
Member of the Executive Board
(since June 1, 2025)

	In the fiscal year (pursuant to section 162 AktG)		For the fiscal year (voluntary disclosure)	
	2025		2025	
	€ thousand	in %	€ thousand	€ thousand
Base salary	700	96.6%	-	700
Additional benefits	25	3.4%	-	25
Compensation for pension contribution 2025	-	-	-	263
Profit sharing				
Profit sharing 2025				
Payout in cash	-	-	-	1,372
Investment obligation (in shares; 4-year holding period)	-	-	-	686
Compensation awarded or due pursuant to section 162 AktG	725	100.0%	-	-
Compensation for the fiscal year	-	-	-	3,046

Compensation awarded or due to former members of the Executive Board in the fiscal year

The compensation awarded or due to former members of the Executive Board during the fiscal year is also presented below. Tranches of the LTIP already allocated before a member of the Executive Board left the company continue to run until the end of the originally contractually agreed term and are settled and paid out after the end of the performance period. In addition, some members who have already left the Executive Board receive fixed payments from pension plans.

The following tables show the compensation awarded or due to former members of the Executive Board in fiscal 2025 in accordance with section 162 (1) AktG and the respective relative share of total compensation. Compensation awarded or due includes all amounts received by the former members of the Executive Board in the fiscal year (compensation awarded) or all amounts legally due but not yet received (compensation due). For former members of the Executive Board who left the Executive Board in the last ten years, the information is indicated by name. In accordance with the provisions of section 162 (5) AktG, no personal information is provided on former members of the Executive Board who left the Executive Board more than ten years ago, i.e. before December 31, 2014.

Compensation awarded or due

	Peter Guenter Member of the Executive Board (until May 31, 2025)		
	2025		2024
	€ thousand	in %	€ thousand
Other (retirement capital and severance payment)	6,028	100.0%	–
Compensation awarded or due pursuant to section 162 AktG	6,028	100.0%	–

	Matthias Heinzel Member of the Executive Board (until May 31, 2025)		
	2025		2024
	€ thousand	in %	€ thousand
Base salary	700	29.3%	–
Other (severance payment)	1,688	70.7%	–
Compensation awarded or due pursuant to section 162 AktG	2,388	100.0%	–

	Marcus Kuhnert Member of the Executive Board (until June 30, 2023)		
	2025		2024
	€ thousand	in %	€ thousand
Profit Sharing 2023			
Payout in cash	–	–	1,044
Investment (in shares)	–	–	522
LTIP			
LTIP 2021 (2021 to 2024)	1,035	36.6%	–
Other (waiting allowance)	1,794	63.4%	2,266
Compensation awarded or due pursuant to section 162 AktG	2,829	100.0%	3,832

	Stefan Oschmann Member of the Executive Board (until April 30, 2021)		
	2025		2024
	€ thousand	in %	€ thousand
LTIP			
LTIP 2021 (2021 to 2024)	556	45.8%	–
Pensions	659	54.2%	642
Compensation awarded or due pursuant to section 162 AktG	1,215	100.0%	–

Former members of the Executive Board who only received pension payments in fiscal 2025 are shown in the following table. The compensation awarded or due in fiscal 2025 in accordance with section 162 (1) AktG consists entirely of non-performance-related compensation elements.

Pension payments

€ thousand	2025	2024
Karl-Ludwig Kley	768	768
Bernd Reckmann	521	521

Payments to former members of the Executive Board and their surviving dependents

Payments to former members of the Executive Board and their surviving dependents may be made in the form of pension payments, as a temporary continuation of the basic salary in the event of death, as part of the profit sharing and the LTIP, and as a waiting allowance for a post-contractual non-competition clause. In fiscal 2025, they amounted to € 13.0 million (previous year: € 18.3 million). Provisions for defined benefit pension commitments in accordance with IAS 19 amounted to € 108.7 million as of December 31, 2025 (December 31, 2024: € 121.5 million).

Compliance with the defined maximum compensation

The maximum compensation limits the compensation awarded or due in the fiscal year, i.e. the total of all non-performance-related and performance-related compensation elements awarded or due in a fiscal year. Pension payments are not included in the maximum compensation.

The maximum compensation for the fiscal year is € 11,500,000 for the Chair of the Executive Board and € 9,500,000 each for ordinary members of the Executive Board. The sum of the compensation awarded or due in accordance with section 162 AktG minus any pension and severance payments and plus service cost is below the defined maximum compensation in accordance with section 87a AktG for all members of the Executive Board.

In addition to the maximum compensation, there is a separate contractually agreed payment cap for each of the performance-related compensation elements. An individual maximum amount has been set for the amount of profit sharing for all members of the Executive Board. It amounts to € 4,810 thousand for Belén Garijo, € 3,900 thousand for Peter Guenter, Matthias Heinzl, Dan Pinhas Bar Zohar, and Jean-Charles Wirth, € 3,500 thousand for Kai Beckmann (effective September 25, 2025: € 3,900 thousand), and € 3,300 thousand for Helene von Roeder and Khadija Ben Hammada. The payout from the LTIP cannot exceed 2.5 times the individual award value, even in cases of exceptional performance.

In addition, there is a contractually agreed maximum limit on the direct compensation, i.e. the sum of base salary, profit-sharing and LTIP. In this context, it is stipulated that capping compensation, if necessary, shall be applied first to the LTIP and then to the profit sharing.

Compliance with the defined maximum compensation is ensured by the Personnel Committee setting the amounts of the variable compensation components by resolution. The defined maximum compensation and the maximum limit for the direct compensation of the members of the Executive Board are shown in the following table.

Overall compensation limit

€ thousand	Maximum limit for Direct Compensation	Maximum compensation pursuant to section 87a AktG
Belén Garijo	9,800	11,500
Kai Beckmann	8,000	9,500
Peter Guenter	8,000	9,500
Matthias Heinzel	8,000	9,500
Helene von Roeder	8,000	9,500
Khadija Ben Hammada	8,000	9,500
Jean-Charles Wirth	8,000	9,500
Dan Pinhas Bar Zohar	8,000	9,500

Compensation of the Supervisory Board members in fiscal 2025

The compensation of the members of the Supervisory Board is regulated in Article 20 of the Articles of Association of Merck KGaA, Darmstadt, Germany, and corresponds to the compensation system of the Supervisory Board, which was approved by the Annual General Meeting 2024 with a voting result of 99.06%.

Accordingly, the members of the Supervisory Board receive fixed annual compensation of € 75,000. The Chair receives two and a half times this amount, and the Vice Chair one and a half times this amount. For membership of the Audit Committee, the members of the Supervisory Board receive fixed annual compensation of € 50,000 in addition to their fixed compensation. The Chair of the Audit Committee also receives additional annual compensation of € 100,000. There is no additional compensation for membership of the Nomination Committee. In addition, the members of the Supervisory Board receive an attendance fee of € 1,000 for each meeting of the Supervisory Board in which they participate. If several meetings take place on one day, the attendance fee is only paid once. Participation in a meeting using electronic media is also considered to be participation. The members of the Supervisory Board are covered by the directors and officers insurance. Expenses are reimbursed to the respective members of the Supervisory Board. There are no variable pay components.

Compensation awarded or due to the members of the Supervisory Board in fiscal 2025

The following table illustrates the compensation awarded or due and the respective relative share of the total compensation of the current members of the Supervisory Board. The compensation components are allocated to the fiscal year in which the service was rendered, regardless of the actual time of payment or its legal due date. For the members of the Supervisory Board who joined or left the Supervisory Board in the financial year, the amounts are disclosed on a pro rata basis.

There were no payments to former members of the Supervisory Board in fiscal 2025.

Compensation awarded or due

	2025							2024						
	Fixed compensation		Compensation for committee duties		Meeting fees		Total compensation	Fixed compensation		Compensation for committee duties		Meeting fees		Total compensation
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand
Michael Kleinemeier (Chair since February 13, 2024)	187.5	77%	50.0	21%	5.0	2%	242.5	150.6	79%	33.5	18%	7.3	4%	191.3
Sascha Held (Vice Chair until June 30, 2025)	56.3	67%	25.0	30%	3.0	4%	84.3	98.3	68%	38.3	27%	7.3	5%	143.8
Anne Lange (Vice Chair since July 1, 2025)	93.8	95%	-	-	5.0	5%	98.8	65.5	90%	-	-	7.3	10%	72.8
Birgit Biermann	75.0	94%	-	-	5.0	6%	80.0	65.5	90%	-	-	7.3	10%	72.8
Katja Garcia Vila (since April 26, 2024)	75.0	58%	50.0	39%	5.0	4%	130.0	50.6	56%	33.5	37%	5.8	6%	89.9
Carla Kriwet (since April 26, 2024)	75.0	94%	-	-	5.0	6%	80.0	50.6	90%	-	-	5.8	10%	56.4
Barbara Lambert	75.0	42%	100.0	56%	5.0	3%	180.0	65.5	44%	76.6	52%	6.3	4%	148.4
Dietmar Oeter	75.0	94%	-	-	5.0	6%	80.0	65.5	90%	-	-	7.3	10%	72.8
Stefan Palzer (since April 26, 2024)	75.0	95%	-	-	4.0	5%	79.0	50.6	90%	-	-	5.8	10%	56.4
Alexander Putz	75.0	94%	-	-	5.0	6%	80.0	65.5	93%	-	-	5.3	7%	70.8
Christian Raabe	75.0	58%	50.0	39%	5.0	4%	130.0	65.5	59%	38.3	35%	7.3	7%	111.1
Michael Reinhart (since April 26, 2024)	75.0	58%	50.0	39%	5.0	4%	130.0	50.6	57%	33.5	38%	4.8	5%	88.9
Susanne Schaffert (since April 26, 2024)	75.0	95%	-	-	4.0	5%	79.0	50.6	90%	-	-	5.8	10%	56.4
Sandra Schwebke (since April 26, 2024)	75.0	94%	-	-	5.0	6%	80.0	50.6	91%	-	-	4.8	9%	55.4
Daniel Thelen	75.0	94%	-	-	5.0	6%	80.0	65.5	86%	4.8	6%	6.3	8%	76.6
Simon Thelen	75.0	94%	-	-	5.0	6%	80.0	65.5	90%	-	-	7.3	10%	72.8
Sven Vollrath (since July 1, 2025)	37.5	58%	25.0	39%	2.0	3%	64.5	-	-	-	-	-	-	-
Total	1,350.0		350.0		78.0		1,778.0	1,076.9		258.5		101.0		1,436.5

Comparative presentation of compensation and earnings development

The comparative presentation in accordance with section 162 (1) no. 2 AktG shows the annual change in the compensation of current and former members of the Executive Board as well as members of the Supervisory Board, the development of earnings of the Group and the development of the average compensation of a full-time employee of the Group over the last five years.

For employee compensation, the average personnel expenses excluding company pension costs are used. This reflects the total compensation of employees worldwide.

For members of the Executive Board, the compensation awarded or due in the fiscals 2021, 2022, 2023, 2024, and 2025 is used in accordance with section 162 AktG.

Comparative presentation

in € thousand/change in %	2025	2024	Change 2025/2024	Change 2024/2023	Change 2023/2022	Change 2022/2021
Member of the Executive Board						
Belén Garijo (Chair since May 1, 2021)	7,690	6,145	25.1%	-37.9%	-	22.2%
Kai Beckmann (since April 1, 2011)	5,766	4,553	26.6%	-41.8%	-0.9%	25.0%
Peter Guenter (since January 1, 2021)	11,594	5,325	117.7%	3.5%	8.0%	185.1%
Matthias Heinzel (since April 1, 2021)	7,608	4,924	54.5%	3.3%	32.6%	288.9%
Helene von Roeder (since July 1, 2023)	4,301	3,043	41.4%	399.6%	-	-
Khadija Ben Hammada (since March 1, 2025)	1,010	-	-	-	-	-
Jean-Charles Wirth (since June 1, 2025)	708	-	-	-	-	-
Dan Pinhas Bar Zohar (since June 1, 2025)	725	-	-	-	-	-
Former Member of the Executive Board						
Marcus Kuhnert (until June 30, 2023)	2,829	3,832	-26.2%	-46.5%	-5.6%	23.5%
Stefan Oschmann (until April 30, 2021)	1,215	642	89.3%	-84.0%	-60.6%	-11.8%
Karl-Ludwig Kley (until August 31, 2016)	768	768	-	1.5%	8.8%	10.3%
Bernd Reckmann (until April 29, 2016)	521	521	-	17.5%	-	-3.5%
Further former members	5,482	7,328	-25.2%	-1.1%	5.9%	-66.0%
Member of the Supervisory Board						
Michael Kleinemeier (Chair since February 13, 2024)	242.5	191.3	26.7%	277.0%	1.5%	-
Sascha Held (Vice Chair until June 30, 2025)	84.3	143.8	-41.4%	61.2%	0.8%	2.7%
Anne Lange (Vice Chair since July 1, 2025)	98.8	72.8	35.7%	43.4%	1.5%	-
Birgit Biermann (since July 14, 2022)	80.0	72.8	9.9%	43.4%	116.0%	-
Katja Garcia Vila (since April 26, 2024)	130.0	89.9	44.6%	-	-	-
Carla Kriwet (since April 26, 2024)	80.0	56.4	41.9%	-	-	-
Barbara Lambert (since August 11, 2023)	180.0	148.4	21.3%	387.2%	-	-
Dietmar Oeter	80.0	72.8	9.9%	43.4%	1.5%	-
Stefan Palzer (since April 26, 2024)	79.0	56.4	40.1%	-	-	-
Alexander Putz	80.0	70.8	13.0%	39.5%	1.5%	-
Christian Raabe	130.0	111.1	17.0%	68.9%	1.2%	3.7%
Michael Reinhart (since April 26, 2024)	130.0	111.1	17.0%	-	-	-
Susanne Schaffert (since April 26, 2024)	79.0	56.4	40.1%	-	-	-
Sandra Schwebke (since April 26, 2024)	80.0	55.4	44.4%	-	-	-
Daniel Thelen	80.0	76.6	4.5%	16.5%	1.2%	3.7%
Simon Thelen	80.0	72.8	9.9%	43.4%	1.5%	-
Sven Vollrath (since July 1, 2025)	64.5	-	-	-	-	-
Personnel expenses without pension expenses	6,671,000	6,320,000	5.6%	2.7%	-0.5%	11.0%
Average number of employees	62,636	62,329	0.5%	-2.1%	1.7%	6.6%
Average compensation of an employee	106.5	101.4	5.0%	4.9%	-2.2%	4.2%
Earnings development						
Profit after tax of the Merck KGaA, Darmstadt, Germany (HGB)	284,333	284,333	-	-0.20%	17.70%	-16.20%
Profit after tax of the Group of E. Merck KG, Darmstadt, Germany (IFRS)	2,529,709	2,659,863	-4.9%	-3.60%	-16.10%	9.50%

Report of the Auditor

To MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany

We have audited the accompanying compensation report of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, (“the Company”) for the financial year from January 1 to December 31, 2025, including the related disclosures, which has been prepared to comply with section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s Responsibilities

Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the compensation report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the compensation report, including the related disclosures. The choice of the audit procedures is subject to the auditor’s professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the compensation report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the compensation report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company’s system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the compensation report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the financial year from January 1 to December 31, 2025, including the related disclosures, complies, in all material respects, with the accounting principles of section 162 AktG.

Other Matter – Formal Audit of the Compensation Report

The audit of the content of the compensation report described in this report comprises the formal audit required under section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the content audit is unmodified, this audit opinion includes that the disclosures required under section 162 (1) and (2) AktG are contained, in all material respects, in the compensation report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, and our liability is also governed by the engagement letter dated November 8 and November 20, 2025, agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2024 (IDW-AAB). However, we do not accept or assume liability to third parties.

Frankfurt am Main, Germany, February 18, 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:
Christoph Schenk
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Daniel Weise
Wirtschaftsprüfer
(German Public Auditor)