



News Release

FOR IMMEDIATE RELEASE

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Merck Announces Acquisition of Alydia Health on behalf of its Planned Spinoff of Organon

**Acquisition underscores Organon’s commitment to improving the health of women by
addressing unmet medical need in maternal health through safer childbirth**

KENILWORTH, N.J. & MENLO PARK, Calif., March 30, 2021 – Merck (NYSE: MRK), known as MSD outside the United States and Canada, and Alydia Health announced today that they have entered into a definitive agreement pursuant to which, after the intended Merck spinoff of Organon, Organon will acquire Alydia Health. Alydia Health is a commercial-stage medical device company focused on preventing maternal morbidity and mortality caused by postpartum hemorrhage (PPH) or abnormal postpartum uterine bleeding. PPH is one of the most common complications of birth, resulting in pharmacologic treatment in up to 10% of mothers and potentially resulting in emergency intervention such as hysterectomy and blood transfusions, and, in some cases, maternal death.¹ The transaction is expected to close after Organon has spun off from Merck as a standalone publicly traded company.

“The acquisition aligns with Organon’s strategy to become a global leader in women’s health by focusing our product development on her unmet medical needs,” said Kevin Ali, chief executive officer, Organon. “We believe that Organon’s strong global commercial footprint in

reproductive health, in conjunction with Alydia's rapidly growing commercial capabilities in the U.S., will help enable growth of the Jada® System, including potential expansion into Europe and other developed countries, as well as in the world's least developed markets where Organon has significant experience creating affordable access."

The Jada System is intended to provide control and treatment of abnormal postpartum uterine bleeding or hemorrhage when conservative management is warranted. The safety and effectiveness of the Jada System was evaluated in the PEARLE study, a prospective, single-arm, clinical trial, under an approved investigational device exemption from the U.S. Food and Drug Administration (FDA).

"Alydia Health is thrilled to join Organon as we hold a similar vision to bring technology and therapeutic solutions to market that can improve outcomes for women in need across the globe," said Rob Binney, chief executive officer, Alydia Health. "Our goal is to help make childbirth safer for more women. With critical gaps in maternal care, we believe this acquisition will potentially accelerate the delivery of the Jada System to more women and communities in need."

Organon has agreed to acquire Alydia Health for up to \$240 million total consideration, subject to customary purchase price adjustments, including \$215 million upfront plus a \$25 million contingent milestone payment. Fifty million dollars of the upfront payment will be paid prior to the spinoff of Organon; \$165 million will be paid by Organon upon the close of the acquisition, and the remainder will be paid by Organon upon achievement of the milestone. Closing will be subject to customary closing conditions and completion of the spinoff of Organon from Merck, currently anticipated late in the second quarter of 2021. Alydia Health was represented by Guggenheim Securities as financial advisor.

About Alydia Health

Founded in 2010 with a vision to make childbirth safer for all mothers, Alydia Health is a commercial-stage medical device company focused on preventing maternal morbidity and mortality caused by postpartum hemorrhage (PPH) or abnormal postpartum uterine bleeding – a challenging condition to manage and a growing problem in the U.S. and globally.

Alydia's device, the Jada System, is designed to encourage normal contraction of the uterus to stop excessive bleeding after childbirth. Alydia received 510(k) clearance (marketing authorization) from the FDA for the Jada System in August 2020 based on results from the company's pivotal PEARLE IDE Study. Alydia's lead institutional investors, the Global Health Investment Fund and AXA IM Alts through its Impact Investing Strategy, are social impact funds

that invest in innovative technologies that can generate attractive financial returns while helping to address major public health issues worldwide. For more information, visit <https://www.alydiahealth.com/> and follow the company on Twitter at [@AlydiaHealth](#) and on LinkedIn at [@Alydia Health](#).

About Organon

Organon will be a global healthcare company formed through a spinoff from Merck to focus on improving the health of women throughout their lives. It will have a portfolio of more than 60 trusted medicines that address an entire spectrum of conditions women face. Led by the growing reproductive health portfolio coupled with an expanding biosimilars business and stable franchise of established medicines, Organon's products produce strong cash flows that will support investments in future growth opportunities in women's health. In addition, Organon will pursue opportunities to partner with biopharmaceutical innovators looking to commercialize their products by leveraging its scale and presence in fast-growing international markets.

Organon is expected to have a global footprint with significant scale and geographic reach, world-class commercial capabilities, and approximately 10,000 employees with headquarters located in Jersey City, N.J.

About Merck

For 130 years, Merck, known as MSD outside of the United States and Canada, has been inventing for life, bringing forward medicines and vaccines for many of the world's most challenging diseases in pursuit of our mission to save and improve lives. We demonstrate our commitment to patients and population health by increasing access to health care through far-reaching policies, programs and partnerships. Today, Merck continues to be at the forefront of research to prevent and treat diseases that threaten people and animals – including cancer, infectious diseases such as HIV and Ebola, and emerging animal diseases – as we aspire to be the premier research-intensive biopharmaceutical company in the world. For more information, visit www.merck.com and connect with us on [Twitter](#), [Facebook](#), [Instagram](#), [YouTube](#) and [LinkedIn](#).

Forward-Looking Statement of Merck & Co., Inc., Kenilworth, N.J., USA

This news release of Merck & Co., Inc., Kenilworth, N.J., USA (the "company") includes "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements

include statements with respect to the company's plans to spinoff certain of its businesses into an independent company, the timing and structure of such spinoff, the characteristics of the business to be separated, the expected benefits of the spinoff to the company and the expected effect on the company's dividends. These statements are based upon the current beliefs and expectations of the company's management and are subject to significant risks and uncertainties. There can be no guarantees with respect to whether the proposed spinoff will be completed on the proposed timetable or at all. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, uncertainties as to the timing of the proposed spinoff; uncertainties as to the status of any required regulatory approvals; the possibility that various conditions to the consummation of the spinoff may not be satisfied; the effects of disruption from the transactions contemplated in connection with the spinoff; general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; the impact of the global outbreak of novel coronavirus disease (COVID-19); global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company's 2020 Annual Report on Form 10-K and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov).

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¹ Widmer M et al. "Heat-Stable Carbetocin versus Oxytocin to Prevent Hemorrhage after Vaginal Birth." N Engl J Med 2018; 379:743-752