1. **What is the potential impact of COVID-19 on Merck’s supply chain?** UPDATED
   The situation remains fluid, but COVID-19 has not yet had significant near-term impacts on the production and supply of Merck’s medicines and vaccines. While supply and demand vary by product, Merck continues to have normal supply levels for most of its medicines and vaccines, including KEYTRUDA and GARDASIL, and we expect that will be the case unless the outbreak is sustained over an extended period of time. As communities around Merck’s manufacturing facilities are impacted by various social distancing measures implemented by authorities, Merck will assess the impact of reduced staffing levels on our supply chains.

   However, due to a surge in demand for PNEUMOVAX 23 over the last few weeks in certain markets there may be intermittent backorders. Merck continues to evaluate the pattern of demand to determine the impact and is working to adjust production and delivery schedules where possible to replenish stock as soon as possible but do anticipate there will be stockouts in certain markets. Backorders for PNEUMOVAX 23 have not occurred to date and Merck is working to adjust inventory levels to accommodate increased demand going forward.

**What proactive measures have been taken to ensure supply?** UPDATED
To understand potential impacts, Merck’s teams have been conducting thorough assessments of its supply chain. This includes contacting direct suppliers, suppliers that source from affected areas and tracking distribution and logistics to monitor import and export status. Merck is monitoring major ports, alternative ports, air cargo shipments, and third-party logistics partners. Merck will continue to track closely and provide any updates as needed. If we become aware of increased demand, with respect to any of our medicines, in one country and have excess supply available elsewhere, we will assess whether we can re-allocate a medicine or vaccine from one country to another with the appropriate regulatory reviews and approvals.

**What has been the supply chain impact in India, specifically?** NEW
The 21-day national lockdown in India, to our knowledge, has not resulted in impacts to our third-party suppliers.
2. **Where specifically might there be impact to Merck’s business? UPDATED**

Merck is confident in the underlying demand for its products, but is aware of the following changes in the business environment:

- The prioritization of patients at hospitals could result in delayed patient infusions or delayed starts of new patients on its oncology products.
- The postponement or canceling of elective surgeries at hospitals will likely impact demand for BRIDION.
- Major cancer centers are treating fewer overseas patients given travel restrictions.
- Demand for certain vaccines could increase near-term due to customer efforts to ensure continuous supply. For example, Merck is anticipating intermittent backorders in certain markets soon for PNEUMOVAX 23 and is working to evaluate the pattern of demand to determine the impact and is working to adjust production and delivery schedules where possible to replenish stock as soon as possible.
- Overall demand for Merck’s Animal Health products has remained strong and to date our ability to supply has been largely unaffected.
- Beyond 1Q, there is likely to be more of an impact given government calls to exercise social distancing, which may impact both our companion animal and livestock businesses. For example:
  - Reducing access and wellness trips to the veterinarian
  - Reducing downstream demand for meat and dairy at restaurants and milk for school lunches

3. **Will the recent move in foreign currencies impact Merck’s results? NEW**

Merck’s guidance, which used mid-January rates, assumed a negative impact from foreign exchange of less than 1% and roughly 1.5% on revenue and non-GAAP EPS, respectively. Throughout the first quarter, the dollar has strengthened against most currencies, particularly against emerging market currencies, which are more difficult to hedge against. Merck will provide more details when the Company announces earnings on April 28th.

4. **Will there be COVID-19 related expense reductions? NEW**

The situation is fluid, but reduced activity around travel, medical meeting attendance and clinical trials could result in reduced expenses. However, there could be offsetting increases in expenses related to Merck’s efforts to ensure continuity of our manufacturing, supply and ability to get our products to patients. Merck will provide more details when the Company announces earnings on April 28th.

5. **What is Merck doing to combat COVID-19 from an R&D perspective? NEW**

Merck is actively engaged in scientific efforts to develop safe and effective therapeutics and vaccines against COVID-19. Merck has deep experience in both antivirals and vaccines, and has a large library of antiviral compounds that are being screened for potential activity against this coronavirus. While the path toward a vaccine is not fast or easy, the Company understands how to advance a vaccine in a global public health emergency like the one the world is facing now, particularly given its experience with Ebola. Additionally, Merck is part of the industry consortium announced by the Bill and Melinda Gates Foundation that brings together a range of assets, resources and expertise needed to identify effective and scalable solutions to the pandemic, and Merck looks forward to working alongside these leaders to lend our resources to this important cause.
Forward-Looking Statement of Merck & Co., Inc., Kenilworth, N.J., USA

This FAQ of Merck & Co., Inc., Kenilworth, N.J., USA (the "company") includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company’s management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of the recent global outbreak of novel coronavirus disease (COVID-19); the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company’s 2019 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).