LSEG STREETEVENTS

EDITED TRANSCRIPT

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OVERVIEW:

Company Summary

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CORPORATE PARTICIPANTS

Robert Davis *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

Dean Li *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

CONFERENCE CALL PARTICIPANTS

Asad Haider

PRESENTATION

Asad Haider

We're just about at time. So let's keep moving with our next session with Merck. I'm very excited to have Rob Davis, CEO and Dean Li, EVP, Research Labs. Thank you both for being with us today.

QUESTIONS AND ANSWERS

Asad Haider

Rob, maybe before we begin, I want to just give you the opportunity to level set up big picture on how things are going, sort of midpoint of the year, how are things tracking toward the de-risking of the commercial targets that you said that you've achieved at least half of by the end of this year. So high-level comments on those.

Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

Yeah. Happy to do it. Well, one, thank you for having us. Good afternoon, everyone. If you look at where we're at, it's already been a very eventful year for us so far. And I would say our transformation is well underway.

If you look at the readouts we've had, it's pretty much hitting every area of our portfolio, whether it's oncology, some important readouts coming from ASCO, HIV. News came out yesterday of our announcement (corrected by company after the call) of islatravir plus lenacapavir. Ophthalmology, things are moving. Across the board, we feel very good about what's happening in the pipeline.

And as I think about proof points, you're starting to see them and they're accelerating. And that's very important. We're well on track to our goal. You mentioned the 50% of the $70 billion by the end of this year. We're actually ahead of schedule. You saw we had important readouts for sac-TMT, I-DXD, actually about a year ahead of what we thought.

So as I sit here today, whether it's that, what we're doing with business development, bringing in Terns, which is another important asset. Our Animal Health business continues to do incredibly well growing strongly on a new product portfolio strategy, very similar to the Human Health business.

Across all those fronts, what I'm probably most pleased about is, it feels like people are starting to dig in and get a real sense and confidence in the breadth and depth of our portfolio. And more there, but the fact that you're starting to see investors start to appreciate that makes me very happy.

And I would just close by saying, as I think about where we sit today, my confidence that we are positioned for good growth coming out of the LOE is as high as it's ever been. It was already high. It just gets better.

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We're going to keep doing what we're doing. We're never satisfied. But we're operating now from a position of strength, and I think that's probably most important. And credit to Dean, to our MRL colleagues, how they transformed the pipeline in the last four years is frankly quite amazing.

Asad Haider

And there's a lot to talk about that pipeline transformation, which we're going to get to. But maybe before we do that, Rob, maybe just want to stick to big picture for a bit. You touched on this briefly, BD -- and I apologize in advance for asking you this question again because you've been asked in so many different ways.

But I think everyone is always interested in hearing about your latest framing on the M&A lever. Just given the confidence that you're expressing on the pillars that you've already put in place for the transformation of this company that now seem well underway. So what are the gaps that are left to fill, level set up on size, TAs, etc.?

Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

If I was going to summarize it, I would say, we are going to continue to execute the exact strategy we've been doing over the last four and a half or five years. And it starts with always asking the question: where is there important science that is happening addressing an unmet need? Where we see that, we look at the portfolio, and we try to think strategically about the portfolio.

And as I think about your question of where we are, I don't know if I see gaps at the moment. I see opportunities. Where I would see further opportunities? Oncology, we want and intend to be a leader in broad-based oncology. And I think we now have the portfolio to do that. And we have strength to leverage by adding to it. So we'll continue to focus on oncology.

Cardiometabolic is a space we're interested in. Immunology is a place where we're interested in. But we're going to continue to do that. And as you think about it, where we see the science aligned with our portfolio, and if we can see value, we will move.

We have been operating under a one-pipeline strategy since Dean and I really came into our roles. And that means we want to bring in the best, whether it's internal or external. So this isn't -- we're not doing business development to fill a gap to -- and so, there's never a finish.

It is just part of an ongoing strategy of how we develop a sustainable growth model that is going to take us not into 2030, not into 2035, but 2040 and beyond. And that's why from a size perspective, that $1 billion to $15 billion, which has been the sweet spot we've been operating in, that continues to be where we operate.

We've said consistently that we would go bigger. But it has to be something where we see an important scientific opportunity and we have to see value creation. And obviously the bar as you go bigger gets harder because it reduces your opportunities to do other things. So that sweet spot $1 billion to $15 billion is where we'll continue to focus. You look at what we've done, Verona, Cidara, Terns. Those are the type of deals. I think you should continue to expect to see more of that.

Asad Haider

Excellent. So before we start drilling into some of the science with Dean, one more high-level question, Rob, that we're actually asking all of our Management Teams is that's on the external environment and the operating external environment for the industry.

You've got the midterms coming up. You've got some regulatory uncertainty with the FDA leadership vacuum. You've got attempts to quantify MFN that's set to expire in about three years. So what are you paying the most close attention to? Where are the banana peels that you could run into either on the drug pricing side, on the MFN side, or anything else that you should deal with?

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Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

Yeah. If I look at where the FDA is and what's happening, I would start by saying we need a steady, stable, predictable FDA. That's very important. If you look back over the last couple of years where they've been focused, I do think they were making moves in the right direction. I hope they continue under whoever comes in now to take over.

And that's around how do we move better into the Phase 1 first-in-human studies? The question always is, why are we looking -- why do so many companies go to China, as an example? Well, it's because you can go faster and cheaper. So why don't we try to make the U.S. competitive (technical difficulty) and simplifying our Phase 1 clinical processes? We want to see that focus. We want to continue to see a focus on AI. So those are the things we are promoting from an FDA perspective.

From a macro perspective, the push to try to continue to get reforms around PBM insurance, now 340B. I still believe that if you look at total drug spend, it's only 15% of the total on the innovative drugs. 90% of all drugs prescribed are generic. Generic prices in the United States are the lowest in the world. So that is a highly efficient model.

So why not focus where the real challenge is, is the $0.50 that goes into the middle? Why do we lose $0.50 of every dollar when you're not a part of the development, not taking any of the risks, not having to manufacture? We need to address that macro system.

And as an industry, both as Merck and now as Chairman of Pharma for this year, that's where I'm pushing. How do we continue to work with the Administration and with Congress to address those fundamental infrastructure issues that I think are real opportunities.

So if we can continue to drive for stability, predictability in the FDA, focus on making our system more efficient, and address some of these macro challenges, we're positioned to be the world leader for a long time. But we need to make those moves to do it, and that's where I'm focused.

Asad Haider

Okay. So maybe with that, and I have a couple of other big picture questions, but we'll come back to those because I want to bring Dean. I want to bring you into the conversation.

Let's maybe start the discussions coming off of ASCO. But before we get into some of the updates you saw there, I want to just address the EVOKE trial that you and Gilead announced a discontinuation of last night, where the KEYTRUDA plus Trodelvy combination was being tested in first-time metastatic non-small cell lung, PD-L1 high patients. So how should we think about the implications of that for sac-TMT in that indication? What, if anything, should be the read-through there?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah, so I would (technical difficulty) comparison (technical difficulty) and so one has to be a little bit thoughtful on how one does it. But this is in the PD-L1-high. It is looking at the addition of a TROP2 ADC with PD-1. It's very similar to a trial that we discussed at ASCO where there was impressive data. And in the data that we just had a discussion where we actually put the headline out yesterday with our other partner, Gilead, it didn't meet the bar.

So the way that we look at it is, not all TROP2 ADCs might not be the same and that we're very focused on our partnership with Kelun on their unique TROP2 ADC sac-TMT, which we think is differentiated in the molecular design. And we're very interested in replicating the data that you saw at ASCO in relationship to the China trial and doing it globally. So we think that the opportunity for that potentially is greater, and our job is to bring that through.

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Asad Haider

So I guess that's a great segue into maybe unpacking that a little bit, arguably the OptiTROP-Lung05 trial, which I think you were referring to as stronger validating data for sac-TMT than what you saw last night. So really no read through there despite those both being TROP2 ADCs.

So maybe talk a little bit about the OptiTROP-Lung05 trial? What did you learn and what didn't you fully learn from that program? What are the most important gating points in terms of just trials and what would you like to see before taking the next steps for the development of this program in the KEYNOTE-189 population, which has clearly set a very high bar?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah. So the first thing is when we brought in sac-TMT, the TROP2 ADC, we were very clear. We thought that this was a differentiated molecule and that there was enormous opportunity outside of lung and breast. So when you see the 17 Phase 3 trials we have, we've highlighted 13 of them are in tumor types and indications, we were the first movers.

What we said in breast and lung is that there will be TROP2 ADCs before us, and we need to highlight the differentiation. And I think we're beginning to do that in lung, and I think there's also data that probably will come out in the next year or so in relationship to breast.

In relationship to lung, specifically in KEYNOTE-189, the concept is, you have pembro plus chemo in an all comers and non-small cell lung cancer. And the question is, at what point would you take sac-TMT and put pembro in that sort of place? We've decided to do PD-L1 greater than 50, and that's clearly been a useful strategy.

But the broader thing as to when would you quote-unquote blow out the program within lung, we're already blowing out the program without talking about lung. One of the questions that we always ask ourselves is, will there be innovations on the PD-1 side that we should take into account? And so that's something that we're looking at carefully now with important data coming from Akeso in China. And so we're studying that deeply. But we've already quote-unquote blown out the sac-TMT program. We're focusing in one component part, which is lung.

Asad Haider

And I guess the lens for that program on the Kelun side is now starting to shift to the OptiTROP-Lung06 trial. So give us some high-level framing on what you would consider to be a successful outcome for that trial and how does that trial add to your knowledge base around sac-TMT activity across the spectrum of non-small cell lungs, including in the less than 1%?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Correct. Yeah, I think that would be an important trial because it'll tell you how much weight sac-TMT can hold in the challenging of KEYNOTE-189 and whether or not it would be -- it holds it well enough, or would it be better if it held it with another alternative to a PD-1? And I think that's what it will teach us.

And we work very closely with our partners in Kelun. I mean, they're just been excellent partners. And so we have -- using their data almost like a sentinel allows us to reshape the global trial. So we're very eager to see that data as we decide how broadly we take sac-TMT and whether or not the combination partner should be a PD-1 or something else.

Asad Haider

Let's maybe unpack another big theme coming out of ASCO, which you were very much at the center of as well, which is the progress on the PD-1/VEGF bispecific class. So I guess first, Dean, externally on the HARMONi-6 data that you saw from Akeso. I would just love to get

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your thoughts on the issues that were raised by the discussant on the stage after the data were presented that fueled some substantial discussion and debate among investors.

I mean are these really substantial concerns around the global translatability in terms of differences and age or is this just skeptics trying to poke holes in the data?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

So I think everything the discussant said is legitimate and we take them seriously. I think the person who spoke was very clear of the things one had to think through. But just stepping back, one of the things that's been very clear when you add PD-1 and VEGF, whatever the VEGF part has been, has been, you can hit PFS, but it's been hard to hit OS. That's been a constant sort of theme. We've seen it in our own pipeline. Other people have seen it in their pipeline as well.

But you need to step back and sit there and say, is this a clean PFS to OS? You'd have to say that it's clean in relationship to the OS appear to hold. There are all the other caveats that one has to think about, and so one has to be very thoughtful how one advances it. And so when we look at that data, we sit there and go, on one hand, there haven't been many things that have translated for PFS and OS, and this one is.

So we do not -- we think that's an important contribution. But I think the caveats that the discussant said informs us as to how do we think to move it forward, and in what partner should we move it forward, and in precisely what indications we would move it forward.

Clearly, if you look at PD-1s and VEGFs, there are opportunities in lung, but it's not just in lung. It's in HCC, it's in RCC, it's in cervical, it's in a variant. There's many places where PD-1 and a VEGF works. So we're doing the hard work to sort of sort out where and when we should target those different indications. But equally important for us is not just where we put the PD-1/VEGF, but what's the combination partner. Should it be chemo? Should it be sac-TMT? Should it be a different ADC? Should it be a different molecule?

Asad Haider

So let's unpack that a little bit more. At ASCO, just regarding your own PD-1/VEGF program that you alluded to a little bit right now, you noted that it was Phase 3-ready, which was intriguing and suggests it's moving potentially at a more rapid speed than certainly I think a lot of us have thought. So I guess we'll just ask the question. Like, what data are you waiting for externally or internally before you get comfortable, in your words, to let the dogs out, I think you phrased it as that.

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

I'm going to have to live that one down a little bit.

Asad Haider

But what indications can be seen in those?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah. So clearly, we work extremely closely with Kelun. So us understanding where some of the other agents are will be really important because it's not just around the PD-1/VEGF. We believe that PD-1/VEGF could be an accelerant to other novel molecules, whether they're antibody drug conjugates, whether they're precision-targeted. So it is about PD-1/VEGF. There is more information that will be coming out.

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But equally important, it's the combination partner that you put in, in a specific tumor indication. So, for example, you've talked about the OptiTROP. How that OptiTROP plays out will inform us as to when or whether we should -- how we would advance that sac-TMT in lung and who the IO partner would be.

Asad Haider

Okay. Very clear. Another big theme out of ASCO that obviously got a lot of attention was RAS, and you discussed Merck's KRAS programs at your own ASCO event. So how do you see the applicability to lung cancer and what are the tumor types you see rationale to target, and how is Merck approaching development, very broadly?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah, so when you think about the RAS, you think of two major tumor types. There's many more. But you think of lung, you think of pancreas, and you think of CRC. Well, we have the ambition to do is to displace KEYNOTE-189, not with a PD-1/VEGF necessarily or a sac-TMT, but in those patients who have RAS mutations that you take a PD-1 and a RAS inhibitor, and you don't take any chemo.

And you see that in our G12C programs that are advancing, and there's many programs in relationship, not just in metastatic, but earlier. We also believe that in CRC, it's very important. There the combination partner is not PD-1. It's cetuximab. How well can your compound compete in that combination?

And then, we've also said that we have a non-G12C RAS molecule, 4716, that one could imagine that whatever we see with our G12C, one would begin to replicate with our non-G12C in lung and CRC. We give enormous credit to RevMed. They've really made an important contribution for pancreas. I think many people will drive to pancreas and we will make the decision when or whether to drive into pancreas, depending on how we look at where we can do the most good.

I do think that many people will enter the field targeting pancreas given the important data of RevMed.

Asad Haider

Okay. I have one more oncology question and then we're going to keep moving because there's so much to talk about in the pipeline, which is a great thing, Rob, as you alluded to earlier. Just at the ASCO event, Dean, you noted the historic nature of the INT program partnered with Moderna.

So just remind us on your technology, how the technology approach is differentiated there? What have you learned now in terms of what's been de-risked in melanoma and what's the path forward there as you look to expand into other indications and turning this asset into a scalable platform business?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yes. So I have to give enormous credit to our partners. Previously, I talked about Kelun. But I must talk about Moderna. Their technology is differentiated. And the fundamental issue for cancer, quote-unquote, vaccine or individualized neoantigen therapy is people have done it for 30- to 40 years. And they've had to pick a single neoantigen. That's very difficult in solid tumor.

What the Moderna technology allows us to do is to make a spread head. We don't have to pick one. It's 20 plus, right? We can pick 30 and that's critically important. And so, the ability to pick so many neoantigens and put it in a vaccine is important. We have focused where IO has worked. We have focused where KEYTRUDA works. We have focused where KEYTRUDA works in earlier stage. And so that's where we have focused.

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And the melanoma data that we saw in Phase 2, I think is thought provoking. And if we can repeat that in a Phase 3, I think it will move the field in a substantial way. One of the things that you also notice is that when you think about mRNA, sometimes people worry about durability. But for the melanoma, the five-year data, I mean that's pretty durable, right? There was no more injections. It was pretty durable.

That confidence led us to open up additional trials and even earlier stage in lung as well. So as that moves forward, where you see KEYTRUDA at a minute, you could see us be very interested in moving INT in that form. We would also look at other people who are doing it in non-IO sensitive tumors and metastatic. And if they get positive readouts, we would react to that as well.

Asad Haider

Okay, let's keep moving, Dean. Let's move to cardiometabolic enlicitide. Just has the filing been made, and if not, what are the remaining gating factors? And you had this CNPV program. Any impact on that from Makary's departure?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah. So I can tell you that I actually had a meeting because after the Makary departure, the FDA wanted to make very clear to us this is on. And so we have every indication that the National Priority Voucher given for enlicitide is moving forward in relationship to how it's done. It's almost like a rolling submission. And once they're satisfied, they send you a letter and then they say the PDUFA date is going to be this time.

Whenever we receive that letter, that's when we'll make it public. But now in the CNPV program, when you get that letter, that PDUFA date is really fast upon. It's no longer six months or nine months. It could be within two months. So we believe that's moving forward and we're very eager to move that. And we think, it's going to lower LDL in a substantial way.

And the point that I would also make out is the AHA and ACC have done a tremendous work in changing the guidelines. It used to be: Hey, take a statin and call me later for the last 12-, 13 years. And what they said is: We're going to give you hard targets that you need to meet. And I think what that will do is it will increase the need for having patients not just on statins, but other mechanisms like PCSK9 and both the antibodies and our small molecule.

I believe that the expansion will not be what percent of the PCSK market who gets. I think that there could be a substantial increase in the PCSK9 market.

Asad Haider

And I guess as we think about the development of the enlicitide program more broadly, and you think about combinations, and particularly, including with GLP-1s potentially. Just, what are you paying the most attention to in terms of market development? And Rob, I actually want to bring you into this conversation as well to talk a little bit about just obesity and how strategic that is to you. So maybe starting with you, Dean.

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

So I would just say, enlicitide is really important for that patient population. Clearly, GLPs are really important. I think people know that we have a GLP-1. We've been very focused on being very clear that we're not going to be playing in the peptide injectable or the peptide oral. We want to play in the small molecule GLP, and we want to make -- we want to play in the small molecule combination space. Those programs are moving very fast within our program, but in relationship to the markets of both obesity but also enlicitide. Rob?

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Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

Yeah. No, I think, nothing. Dean said it. I mean, we are interested in looking at the broader obesity space. But less about obesity than it is the comorbidities. So it is more broad in the way we think, and that's where the combination strategy comes in. And he said it.

It is about oral small molecules and how we can combine. That is the focus area. So that's kind of where we're focusing. And you'll probably see more from us in that space coming out into the early 2030s. But we get -- there's a lot of work to be done with enlicitide in the interim period, not only as a monoagent, but also with our fixed-dose combination, potentially in combination with Lp(a). So there's a much broader portfolio that we're thinking about across the broader cardiometabolic space.

Asad Haider

Okay. Maybe just on WINREVAIR, Dean. Just any update there too on FDA discussions on the Phase 3 trial design, feedback on time-to-clinical worsening as a primary endpoint and just timing on next updates there?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah. I don't want to get ahead of the FDA, but the time to clinical worsening to me is like really important. That's the most meaningful thing to the patient and to the provider. So I just want to make sure that, to me, has to be a prominent part.

I mean, just to sort of step back in PAH, I think sotatercept/WINREVAIR and Activin Signaling Inhibitors has changed how we talk about that field. And the question is, in a patient population that has HFpEF and has PH physiology, which is one of the hardest patient populations, can we make the same contribution?

And so we're very eager to do that and move that forward with the FDA and increasingly with the community because they recognize in this patient population they largely have nothing.

Asad Haider

Okay, let's maybe move to immunology. The TL1A, Tulisokibart. We're approaching the pivotal Phase 3 ulcerative colitis readout, I believe in August, September. So I guess, how should we be thinking about the bars for that pivotal? What would constitute a positive trial? I mean, your Phase 2 data set a really high bar already.

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah. So I would just step back and what do we hope? What do we hope is that TL1A, which is a member of the TNF superfamily, gets talked about no different than TNF is talked about, no different than IL-23. We want this to be a node that is really important.

The second point that I want to make out is, we think we want to make it not just a node because of its efficacy, but also because its AE profile is so low. So it opens up combinability. And the third thing that we think is really important is that we think that there's a narrative about immunofibrosis. Those other agents are really important and important nodes. But they've not -- people view them as immunology agents, not fibrosis agents.

So although we're doing ulcerative colitis and Crohn's disease, what you see our clinical development is quite extensive. And in comparison to others, much more extensive. We have it in HS. We have it in psoriatic arthritis. We have it in rheumatoid arthritis. We have it in SSc-ILD.

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And we are hoping that as we see data from this, can those different indications make that concept of immunofibrosis come alive? And if it does, then it gives us a beachhead to expand, deepen, and extend with other biomarkers and other combinations, all being different depending on what the indication is.

Asad Haider

Okay. Maybe just moving on to your HIV program.

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Oh, thank you.

Asad Haider

Do you want to comment on the data from yesterday? I'll leave that as an open-ended question.

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

So we're very pleased. We have talked about islatravir and that family as an NRTI, next generation with translocation inhibition. But what we've always said is, this could be a new anchor medicine. And you see it in ISL/DOR, which is a once a day with non-integrase, two-drug regimen, first two-drug regimen without an integrase. We're launching DOR/ISL. We have both naive as well as switch data.

You have this ISL/LEN now, Q-week. We have positive data. We'll be talking to the FDA with our partners, Gilead. They're the ones who have the market authorization. But this could be the first Q-week treatment. A two-drug Q-week treatment with two novel mechanisms with no integrase.

And then you also have our own islatravir/ulo, which is again trying to show everyone islatravir can be that base. And another Q-week. And then the fourth thing is, it's not islatravir, but it's islatravir-like MK-8527. Can we be the first compound that can make a prep that's Q-month oral? I mean, to us that's that excitement. So we laid out four. One's getting launched, one we have positive data, and hopefully, three, four fall into place as we hope.

Asad Haider

I'm very excited about that program too. It's great to see the enthusiasm. Let's talk about ophthalmology and retinal disease. You've got the BRUNELLO study's reading out, the Phase 3s in DME, I guess third quarter, fourth quarter. So just level set us on how we should be thinking about the program because as I look across consensus models, there's not a lot reflected for that.

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

Yeah. So I would just step back and say our ambition here is, within the company and Rob and I, is palpable. What we're hoping to do is to put two mechanisms in retinovascular disease (technical difficult) which is a Wnt agonist.

And the concept is, could this be the endothelial growth factor pathway molecule, an agonist, that could treat in diabetic macular edema? So all the other sort of drugs in diabetic macular edema and age-related macular degeneration are vascular endothelial growth factor-based. This would be the first non-VEGF.

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The reason why that's important is that VEGFs have transformed the field, but there are many patients who don't respond well with VEGF immediately or with time. So we hope that we can be the first non-VEGF mechanism of action moving to that field.

But I also want to make sure that, we also think that we want to be the best VEGF mechanism as well. So we have MK-8748. It is differentiated from Vabysmo in the fact that, like Vabysmo, it has an anti-VEGF arm. But differentiated for VEGF, we have a component that agonizes, that activates TIE-2, and we are very bullish about that.

So, what we're hoping to do is provide the retinal field, can we really have an excellent anti-VEGF offering in MK-8748 that is differentiated? And can we also provide them with the first non-VEGF pathway in MK-3000? If we can do both of those, then we believe that we can actually advance this field. And I think Rob can speak about the commercial. When you look at the commercial opportunity in eye. It's not insubstantial.

Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

Yeah. I mean, it's worth pointing out just to kind of size this. Between DME and AMD, it's about $15 billion market. As Dean said, 40% of patients will either show today either partial or no response to VEGF therapy. So there's a lot of switching that happens in this space, a lot of unmet need.

And if we have now two agents that can (technical difficulty) we think that's a meaningful opportunity. We're talking about the Wnt, which we will see positive or we will see the data readouts coming. But we also accelerated our TIE-2 into Phase 3 faster than people had expected. That's moving now in AMD.

So you've got now our TIE-2 moving in AMD. We've got the Wnt moving in DME. And so our ability to have a meaningful impact probably bigger than people expect and sooner than people expect is real.

Asad Haider

Great to see the progress in that program too. I guess in the last couple of minutes, quick maybe rapid fire. Dean, what's in the invisible pipeline that Rob's talked about that excites you the most?

Dean Li - *Merck & Co Inc - Executive Vice President, President - Merck Research Laboratories*

I think it's invisible. But I would just sit there, I go: You look at our pipeline, we are laying out new beachheads. And when we think about those beachheads, we can expand, deepen, and extend. There becomes incredible opportunity to add on other mechanisms to the ones that are in the visible pipeline. So much of it is this.

But I'll just lay out, at ASCO, I, for example, put antibody drug conjugates. Everyone was so focused on sac-TMT. I need to remind them, I've got three with Daiichi Sankyo, but the other thing is, I've got one in heme, and I've got like four or five heme assets moving, maybe three of them with readouts in '28, '29.

And also, we laid out there, there's like two or three other Kelun antibody drug conjugates that we haven't declared that will be very important as we with Kelun decide when to make that reveal, depending on their data and our data. So there's a lot, but some of the quote-unquote invisible is kind of visible. It wasn't a chart at ASCO.

Asad Haider

Great. Rob, any closing comments in the last few minutes?

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Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

No. I think the hardest thing here is we have so many opportunities. The breadth of our pipeline is so impressive, not only in the late phase. Greater than 20 assets driving over $70 billion, all either now launching or will be launching very soon. 70% will be completely de-risked by the time we get to 2027 from a clinical perspective.

But we have an equally exciting Phase 1 pipeline as well. You can think about macrocyclic peptides, you can think about antibody drug conjugates and others. So our sustainability as a growth engine is real. And you're going to see it increasingly play itself out, as it already has, to the proof points we've put on the board so far.

Asad Haider

Well, great to see all the progress. Thank you so much, as always, for being with us. I really appreciated the update.

Robert Davis - *Merck & Co Inc - Chairman of the Board, President, Chief Executive Officer*

Right. Thank you.

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