



Grifols Biotest AG Investment

GRIFOLS

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Our Focus in Bioscience: Plasma as an Essential Asset

4 Divisions



Bioscience

Global pioneer in the production of essential plasma-derived therapies



Diagnostic

A leader in transfusion medicine, from donation to transfusion



Hospital

Advances in pharmacy specialty products for hospital use

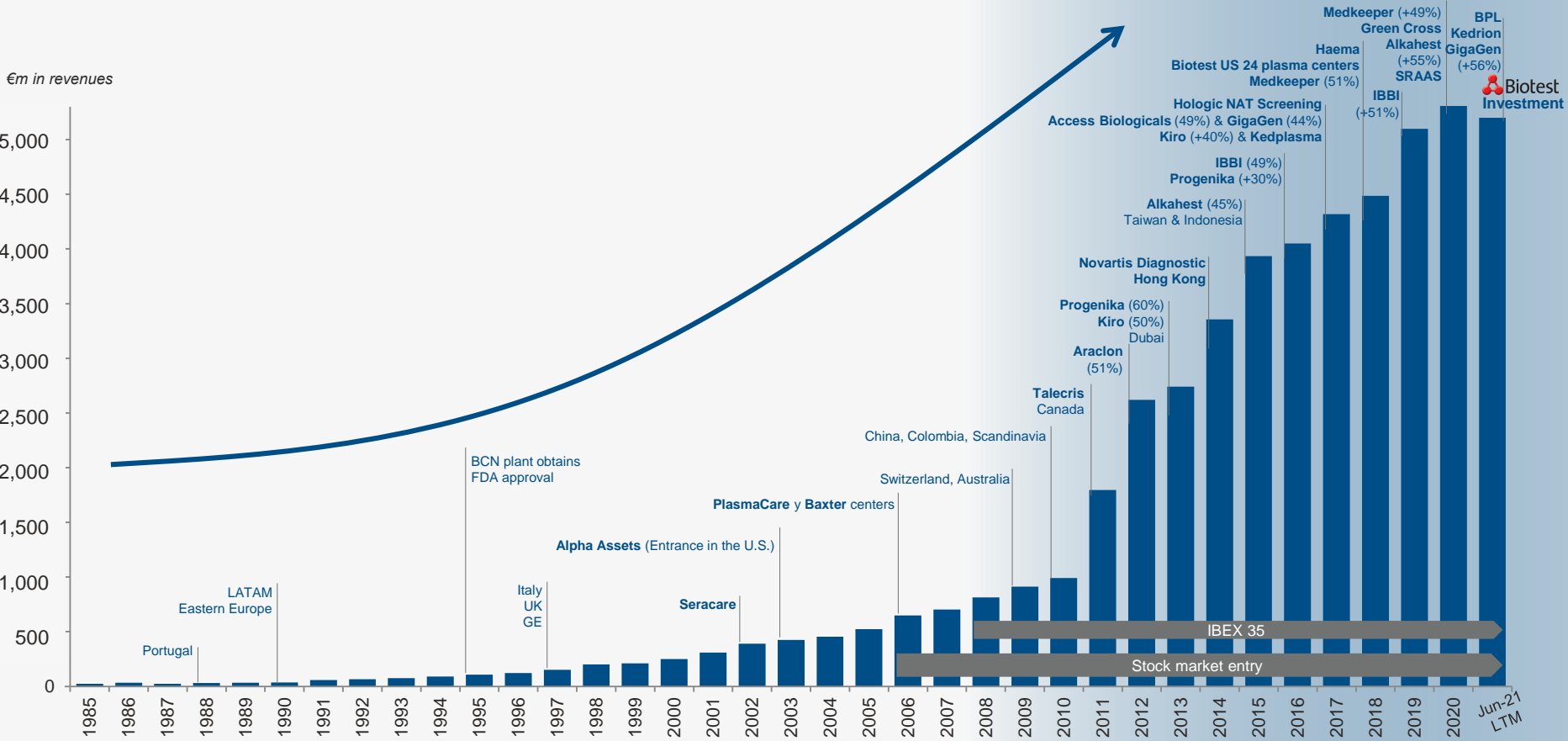


Bio Supplies

Provider of biological products for non-therapeutic use



Successful Track Record to Support Growth



More Than Ever, Plasma Is the Core Pillar of Grifols

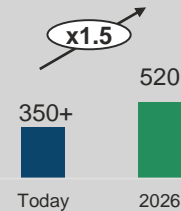
Grifols' response to limited plasma availability:

- ✓ **Organic and inorganic expansion** while **diversifying** plasma sourcing
- ✓ Planning to open **~20 centers/year** over the next 3-4 years
- ✓ Recent acquisitions and plasma supply agreements to strengthen existing network: **+50 centers** and **1.7ML/year capacity**
- ✓ Targeting **520 plasma centers** by 2026
- ✓ **Diversifying plasma sourcing** through U.S., Europe and Egypt
- ✓ Supporting countries to **reach self-sufficiency** (China, Canada and Egypt)
- ✓ **Improving plasma economics** and **increasing revenue per liter** bringing innovative plasma proteins to **drive revenue growth** and **margin expansion**

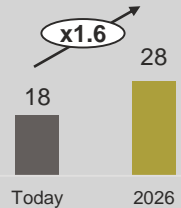
Bioscience



Plasma centers

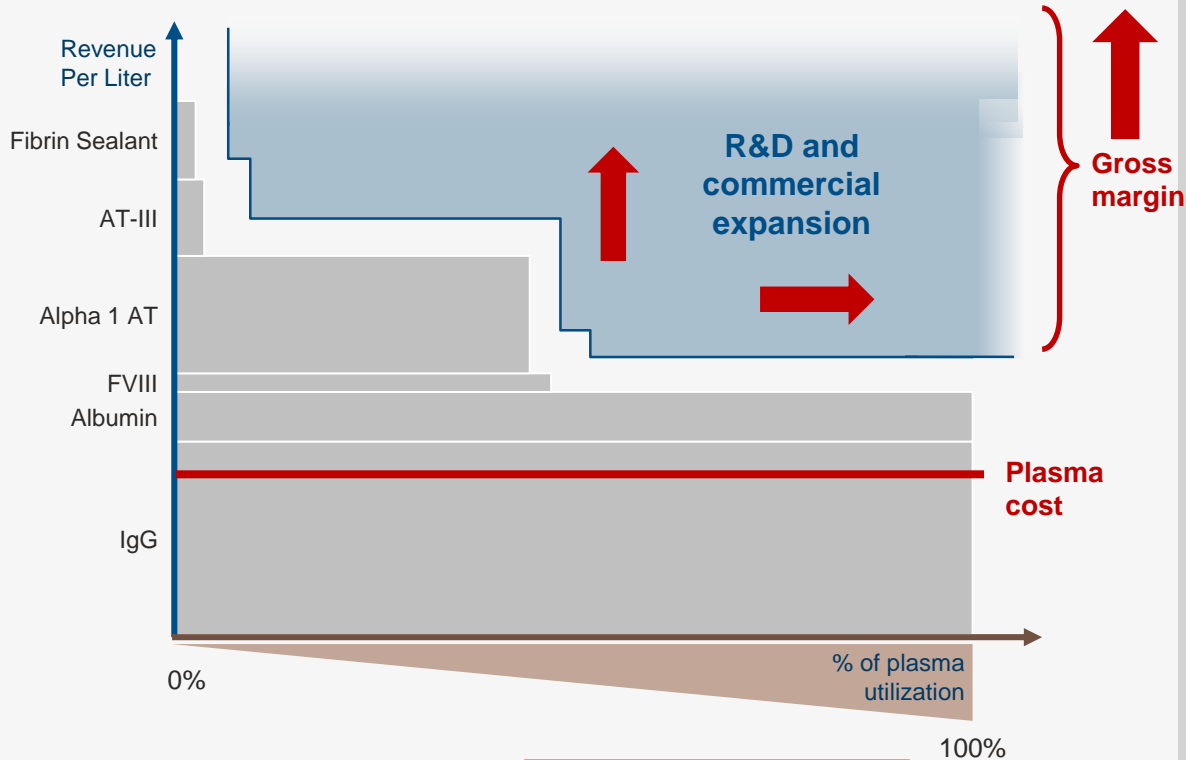


Fractionation capacity (mL)



Plasma Economics and Revenue per Liter Boosted by Innovation and Commercial Efforts

Grifols' Current Plasma Economics



- Current portfolio focused on three key proteins: **IgG, Albumin** and **Alpha-1**
- Recent innovation efforts led to **three successful product launches**: Xembify®, Tavlesse® and Vistaseal™
- Leading commercial efforts **to increase Alpha-1 diagnosis** and **accelerate its growth** in the U.S. and Europe
- R&D efforts focused on **developing new indications for existing proteins** and **novel proteins**
- **Collaborations and licensing agreements** to enhance existing pipeline

For illustrative purposes

Biotest: A Transformational Investment



Unique opportunity to launch **two new plasma proteins** in the short-term, significantly **improving revenue per liter and margins**



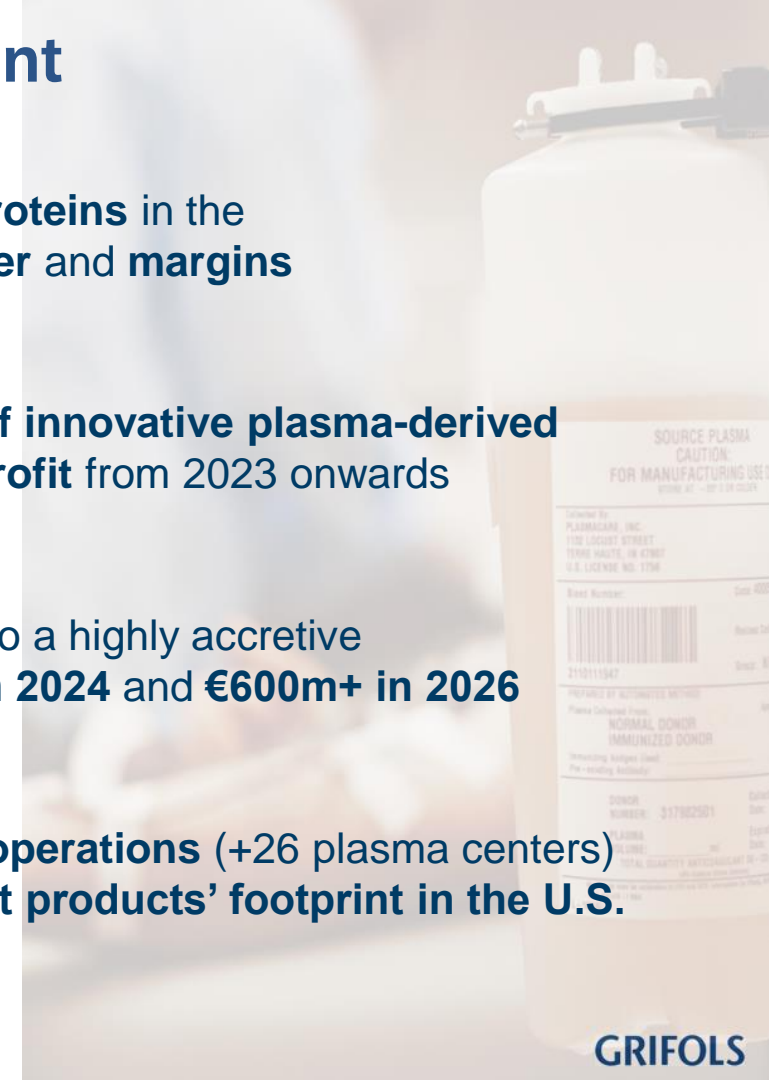
Integrate and accelerate an **attractive pipeline of innovative plasma-derived therapies** with exceptional potential **growth** and **profit** from 2023 onwards



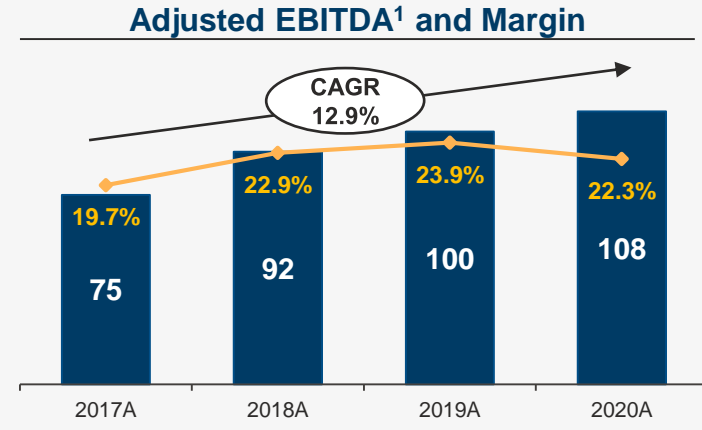
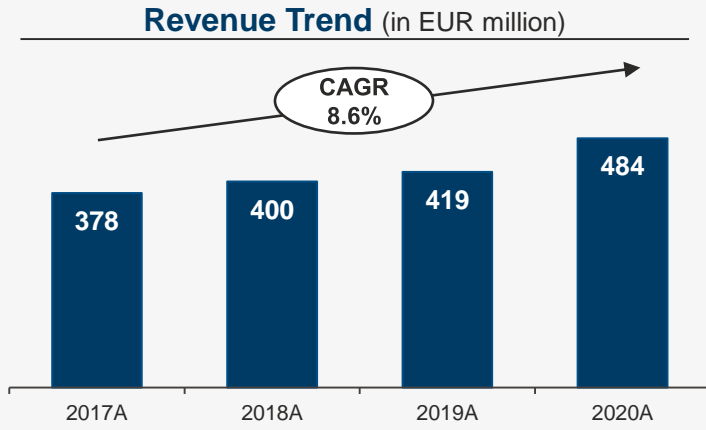
Significant revenue and **cost synergies** leading to a highly accretive investment with incremental **EBITDA of €300m+ in 2024** and **€600m+ in 2026**



A **more balanced global footprint** by expanding **operations** (+26 plasma centers) and **revenues** in **EMEA**, while **broadening Biotest products' footprint** in the **U.S.**



Biotest Delivers +16% Strong Revenue Growth in 2020 and a Solid Upward EBITDA Trend



Company Overview

- Founded in **1946**. Headquartered in **Dreieich, Germany**. 10 Affiliates
- **Manufacturing sites**
 - 1 production plant (up to ~1.5 m/L plasma)
 - 1 production plant in commissioning (Biotest Next Level Project, ~1.5 m/L plasma)
- **26 plasma centers** in Europe across Germany, Czech Republic and Hungary
- Direct **commercial presence** in **10 countries**. **Marketed** in **90+ countries**
- ~2,000 employees

+3 m/L plasma production capacity

Complementary Business to Boost Performance

GRIFOLS

- Founded in **1909** as a **family business**
- **Leading player** in global plasma-derivatives industry with a **solid track record** in **plasma sourcing**
- Proven ability to **grow businesses** both **organically** and through **M&A**
- **Plasma, manufacturing** and **commercial global footprint** with **large presence** in the **U.S.**
- **Strong mid- and long-term pipeline**



- Founded in **1946** as a **family business**, specialized on immunology and hematology
- Highly **experienced management**
- Strong presence in **Europe**
- Broad **plasma protein pipeline** to be launched in the **short-term**
- **Limited plasma** sourcing (non-U.S. plasma)

Estimated Combined Financials in 2024

Revenues
€7bn+

EBITDA
€2bn+

EBITDA Mg
>30%

Leverage
<3.5x

- **Shared values** and **culture** based on strong family footprint
- Improved **plasma economics** and **revenue per liter** by leveraging on **new, currently unused proteins** and Grifols' leading global plasma center network
- Notable increase in **revenues** and **profit margins** starting in 2023 as **new products** are **launched**
- Significant **revenue** and **cost synergies** in developing, producing and distributing plasma-derived therapies
- **Strengthened** product **pipeline development**
- Globally balanced **plasma sourcing** and **revenue** footprint
- **Leading industrial capacity** with **20m/L+** by **2021**

Biotest's Compelling Innovative Phase III Pipeline






Innovation



Plasma supply



Revenue footprint

Plasma protein	Indication	Therapeutic area	Phase	Expected market launch	Estimated market size
Fibrinogen	Congenital	Haematology 	Phase III completed	2023/2024	0.4-0.8Bn USD
	Acquired		Phase III	2023/2024	
IgM	Severe Community-acquired Pneumonia (sCAP)	Infectious diseases 	Phase III in preparation	2024	1-2Bn USD
Cytotect Pregnancy (CMVIG¹)	Prophylaxis of Cytomegalie-Virus (CMV) infection		Phase III	2024	<0.5Bn USD
SCIgG Next Generation	Primary Immunodeficiency (PID)	Immunology 	Phase III in planning	2025	10Bn+ USD
IVIgG Next Generation	Primary Immunodeficiency (PID)		Phase III completed	2022	
	Idiopathic Thrombocytopenic Purpura (ITP)	Haematology 	Phase III completed		

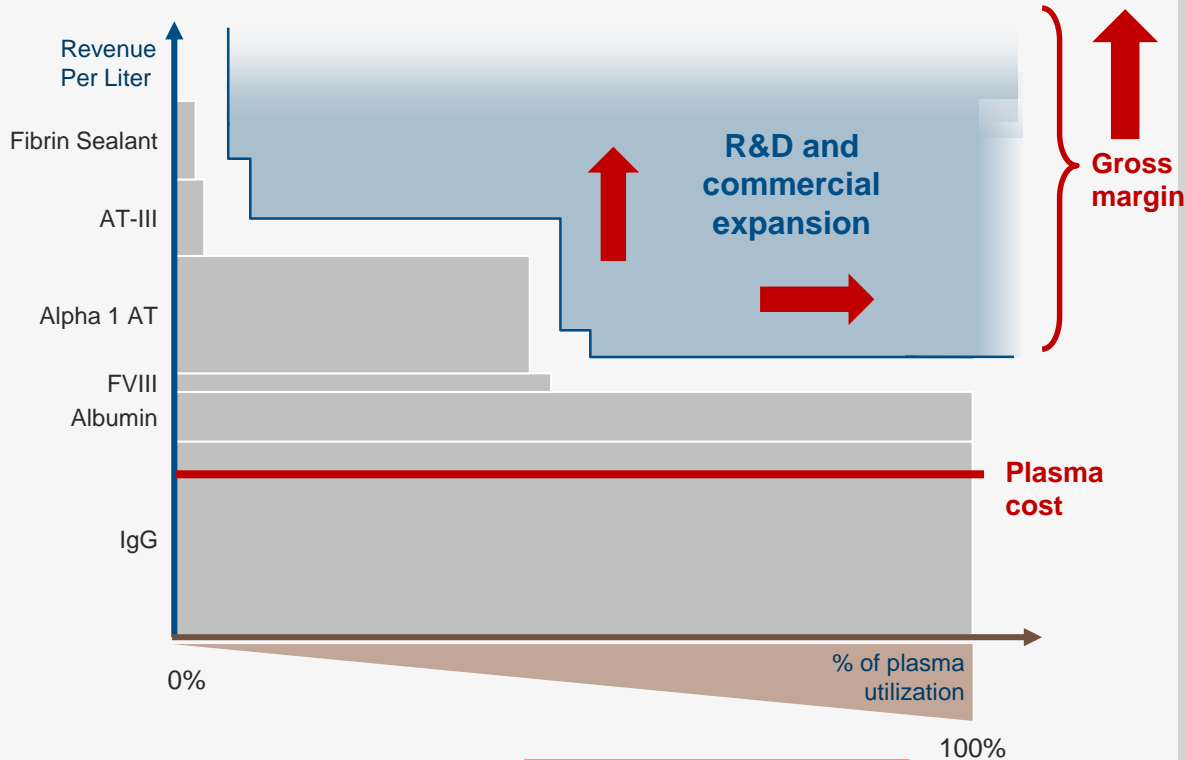
Combined Pipeline: Minor Overlap Leads to Perfect Fit

				Innovation		+	Plasma supply		+	Revenue footprint	
	Discovery	Pre-Clinical	Phase 1	Phase 2	Phase 3	Phase 4 / Regulatory	LCM				
Immunology	2 GRI programs 1 GIGA program	rSCIG Spike in PdLG with enriched libraries (PID)		SCIG/IVIG SIDs-CLL	IVIG-PEG	Xembify® Europe	Xembify® Bi-weekly dose	Xembify® Prefilled syringes			
					IVIG Next Gen - PID						
					SCIG Next Gen - PID						
Hepatology	2 GRI programs				Albumin 20% ACLF (APACHE)			FlexBag® US			
					Albumin 5% Decompensated Cirrhosis (PRECIOSA)						FlexBag® EUR
Pulmonology		Alpha-1 AT Non-cystic fibrosis bronchiectasis		Alpha-1 AT 15% (SC) AAT deficiency		Prolastin-C® EUR (SPARTA)		Prolastin® EU 4-5gr vials			
Hematology	2 GRI programs	ATIII New indication			Fostamatinib*** AlHA indication						
		Fibrinogen Acquired Deficiency			Fibrinogen Congenital Deficiency and severe hypofibrinogen						
					Fibrinogen Acquired						
					IVIG Next Gen - ITP						
Ophthalmology / Others	6 GRI programs 3 ALK programs 2 GIGA programs	GIGA 564 Anti-CTLA-4 Oncology		AKST4290 DR	Fibrin Sealant Biosurgery pediatric Use						
Infectious Diseases	4 GRI programs 2 GIGA programs	IgM Chlamydia	GIGA 2050 COVID-19		IgM sCAP						
		HIV Antibody HIV**								Cytotec Pregnancy (CMV infection)	
Neurology	3 GRI programs 5 ALK programs			GRF6019 AD	ABvac40 AD						
				GRF6021 PD with Dementia	AKST4290 PD						

- Biotest project
- Grifols project
- Grifols project to be discontinued

Plasma Economics and Revenue per Liter Boosted by Innovation and Commercial Efforts

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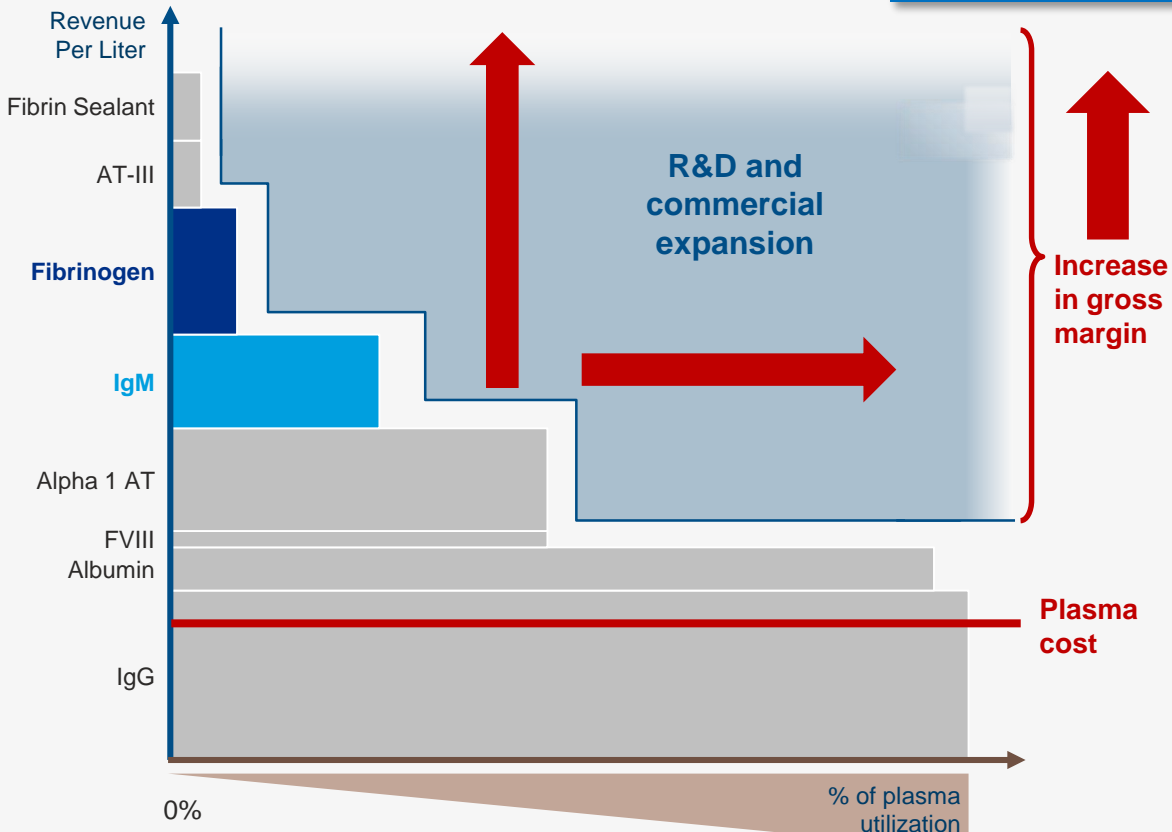
For illustrative purposes

Combined Portfolio to Enhance Plasma Economics Through 2 Novel Proteins

Innovation +

Plasma supply +

Revenue footprint



- Stronger and broader commercial portfolio through **addition of two breakthrough proteins**, IgM and Fibrinogen
- New proteins to be obtained from currently unused intermediate product
- Targeting of several **new indications**
- **Wider Biotest commercial presence in the U.S. market** by leveraging Grifols' plasma and commercial capabilities
- **Reinforcement** of our European innovation hub and commercial presence in **EMEA**

For illustrative purposes

Expanding and Diversifying Plasma Sourcing By Adding 26 European Plasma Centers

Innovation



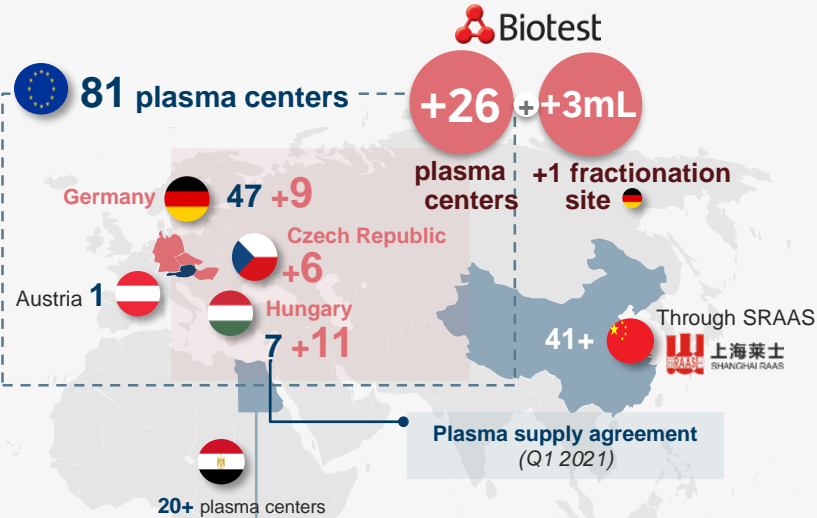
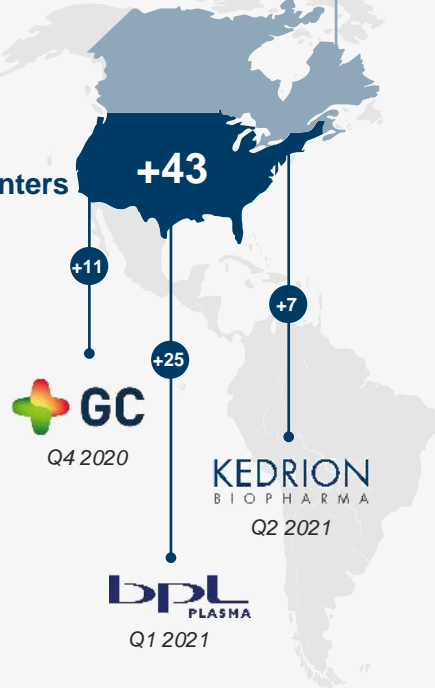
Plasma supply



Revenue footprint

Collaborating with national health systems to help them achieve self-sufficiency and better serve patients

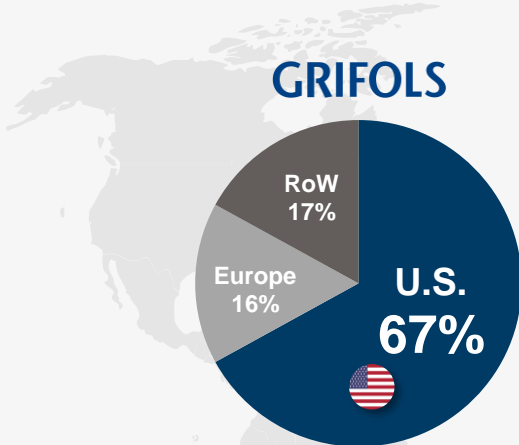
301
plasma centers



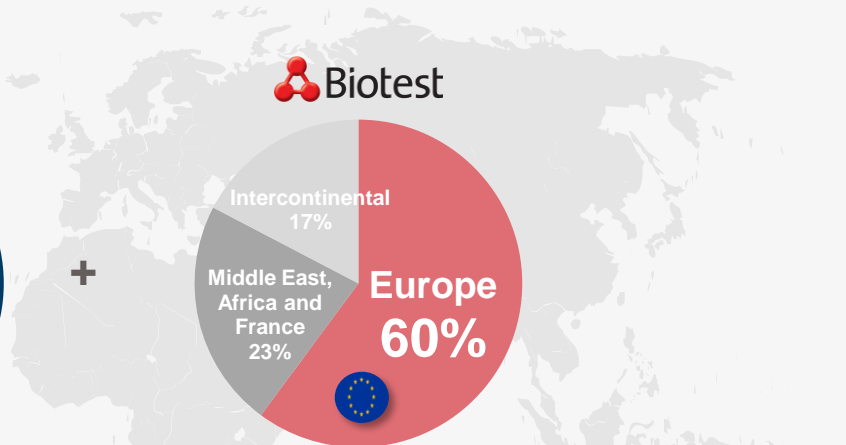
Enhancing Egypt's healthcare infrastructure with the construction of manufacturing installations and **20 plasma centers**

Combined:
380+ plasma centers

Increasing Revenue Footprint in EMEA



Operations in **100+** countries
Subsidiaries in **30+** countries

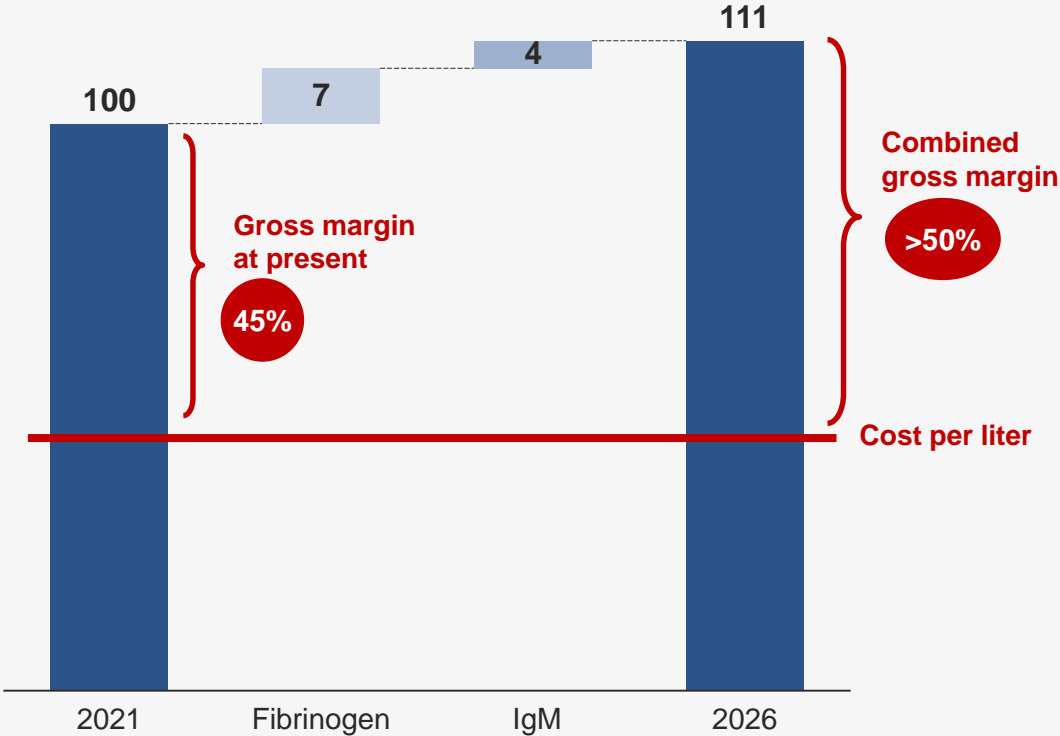


Operations in **90+** countries
Subsidiaries in **10** countries

Enhanced Revenue Growth and Margin Expansion by Adding Two New Proteins Without Incremental Plasma Costs

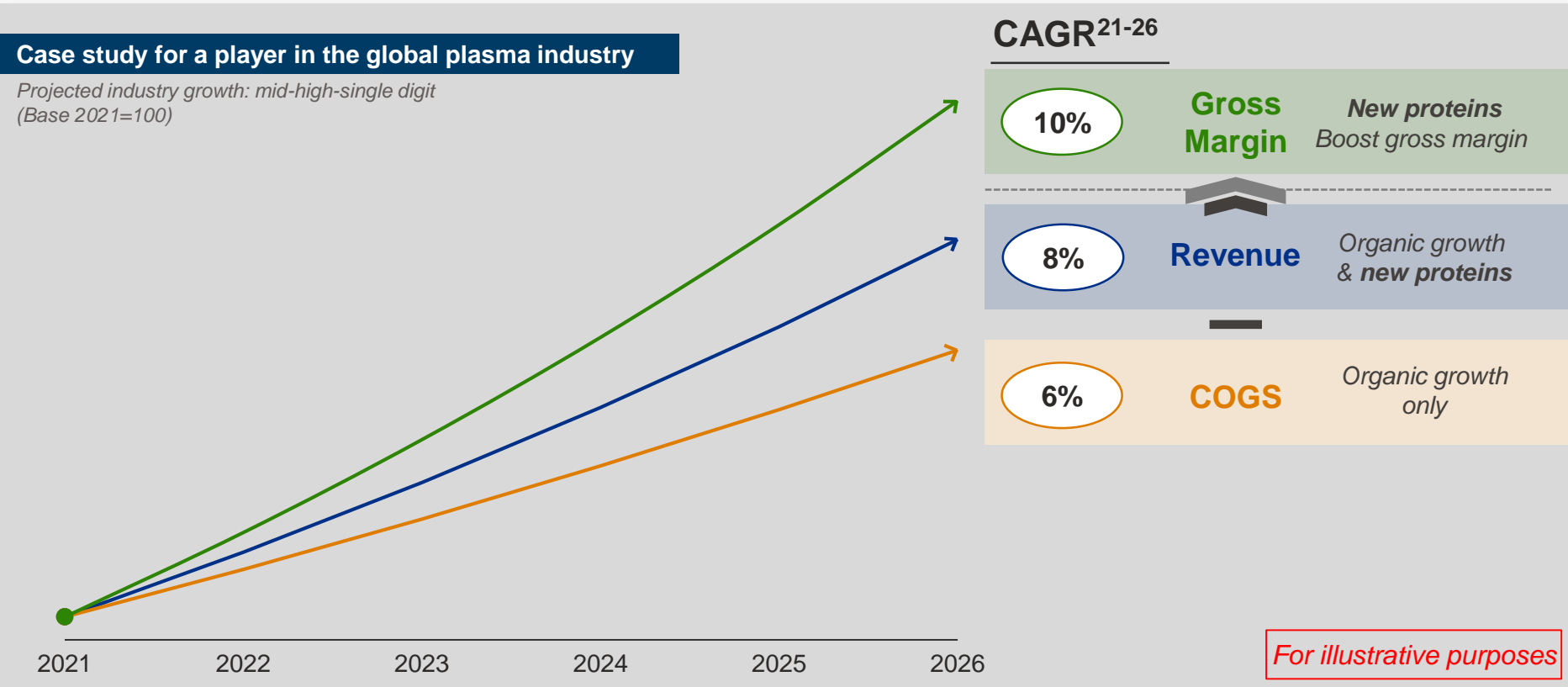
Grifols' Revenue per Liter

(Base 2021=100)



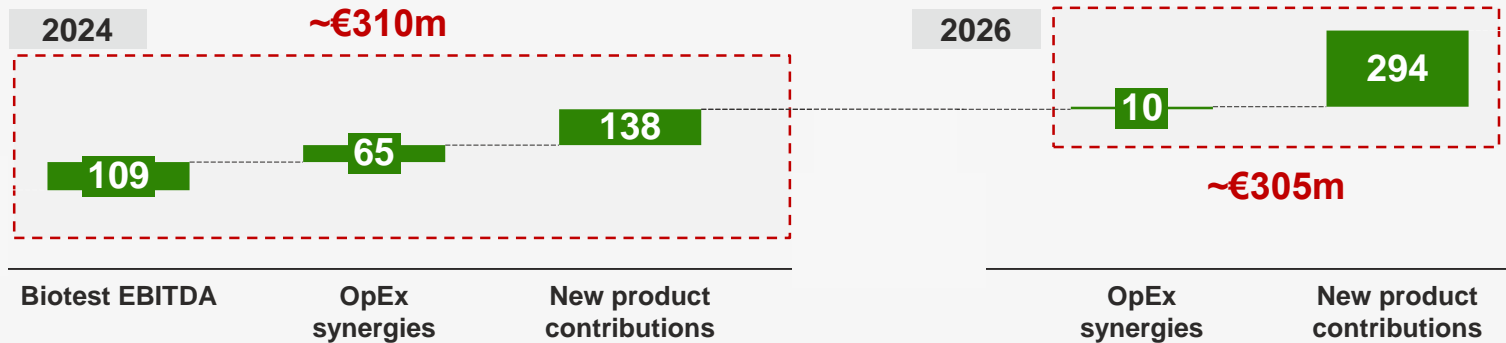
Improved Plasma Economics Enhances Profitability

How Adding 2 New Proteins Impacts Revenues, COGS and Gross Margin



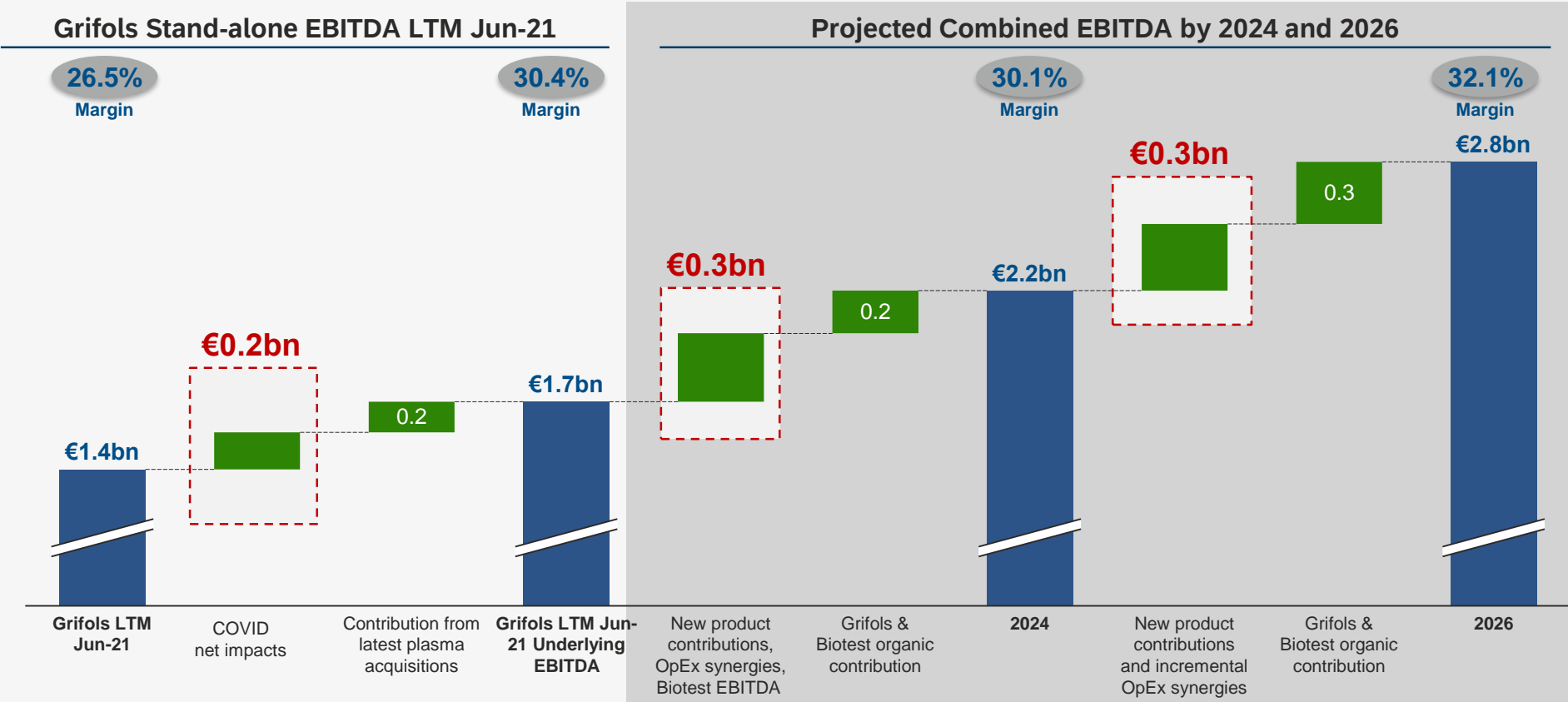
Revenue and Cost Synergies Resulting in a Highly Accretive Investment

Incremental EBITDA of more than **€600m** in 2026



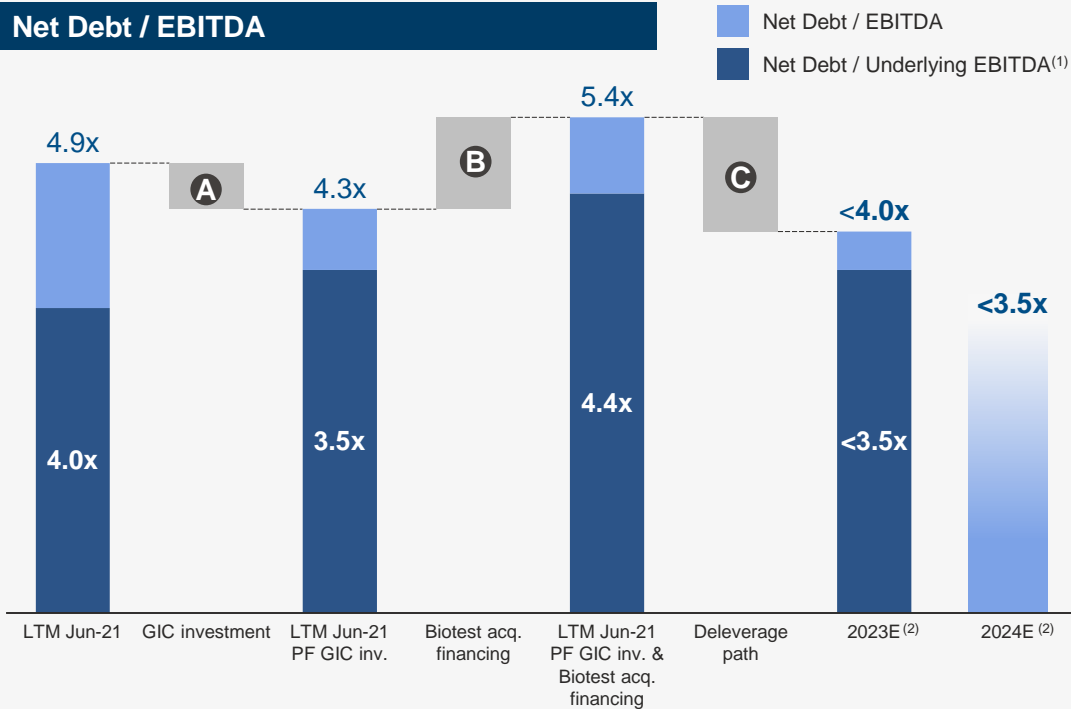
IgM	Novel plasma protein with large market potential (\$1-2bn) and no plasma competitors. High profit margins since it is derived from unused plasma fractions	OpEx synergies	€65m of cost savings starting from year 2 (2023) Additional €10m annual cost savings from 2026 onwards
Fibrinogen	First product with acquired indication focused on the U.S. market and strong potential in Europe (\$0.4-0.8bn). High profit margins since it is derived from unused plasma fractions	R&D costs savings	€200m+ in costs related to not further developing Grifols and Biotest's overlapped R&D projects – spread over ten years
		CAPEX	One-time CAPEX savings of €50 million by 2025 as Grifols will utilize some of Biotest's production capacity

Revenue and Cost Synergies Will Drive EBITDA to €2.8bn and Margin to 32%+ in 2026



Highly Committed to Achieving Rapid Deleveraging

Net Debt / EBITDA



- A** • Proceeds from GIC investment used to repay existing debt
- GIC investment materially strengthens Grifols' liquidity levels
- Expected closing in Q4 2021
- B** • €2 billion unsecured bridge financing commitment provided by BofA Securities
- Grifols plans to explore its financing options for unsecured debt
- C** • Grifols is highly confident about achieving this deleveraging profile using all its available tools, as necessary
- Grifols does not expect to pursue any meaningful M&A or cash dividends until leverage is below 4x
- Strong track record of deleveraging post acquisitions

Note: Leverage metrics presented on a pre-IFRS16 basis. IFRS16 impact on Grifols EBITDA assumed to remain at 2020A level of €63m throughout the forecast period. IFRS16 impact on Biotest EBITDA assumed to remain at LTM Jun-21 level of €5m throughout the forecast period. Grifols IFRS16 lease liabilities assumed to remain at Jun-21 level of €783m throughout the forecast period.

1) Covid adjustments of €169m for LTM Jun-21 and €145m for 2023E; run-rate adjustments of €140m for LTM Jun-21 relating to acquisitions of new plasma centers throughout FY20 and FY21 by Grifols.

2) Leverage metrics computed on EBITDA values combining Grifols and Biotest EBITDAs as well as estimated synergies.

Transaction Highlights

- The transaction values **Biotest's Equity** at **~€1.6 billion** and **Enterprise Value** at **~€2 billion**
- Grifols offers **c.€800 million** for the **c.90% of Biotest ordinary shares** and **c.1% of Biotest preferred shares, plus €310 million loan**
- The offer includes **c.23% premium** to the 30-day price (VWAP) for Biotest's ordinary shares
- Upon completion, Grifols will indirectly **own ~90% of total share capital by voting rights** and **~45% by economic rights**
- Grifols launches a **tender offer** for **Biotest's remaining ordinary** and **preferred shares** for cash

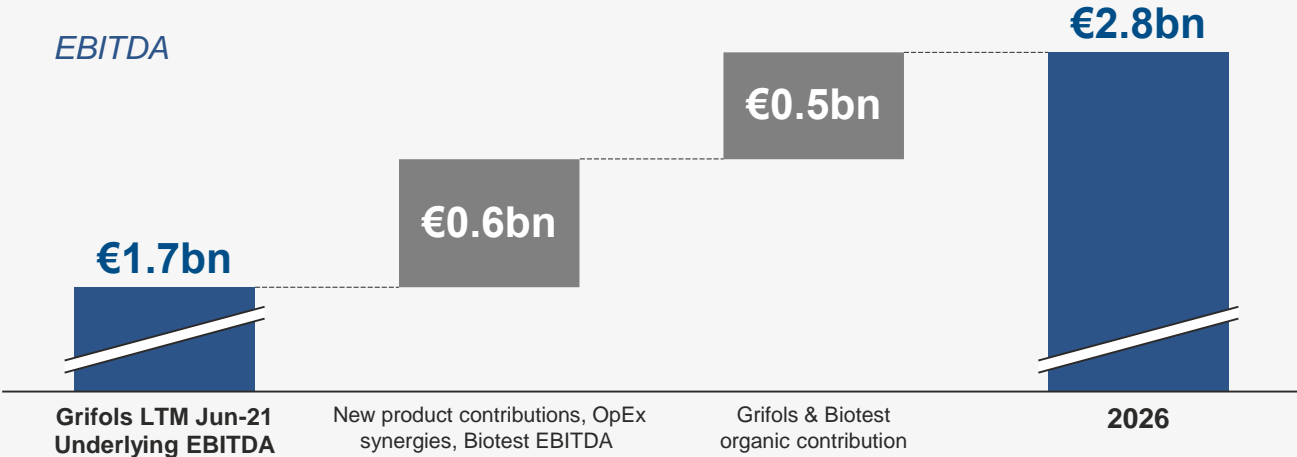
Grifols and Biotest Marking a New Milestone While Shaping the Plasma Industry

Significant value creation opportunity

**Incremental EBITDA of €300m in 2024
and €600m in 2026**

Estimated Combined Financials in 2024

€7bn+ Revenues	€2bn+ EBITDA
<3.5x Leverage	>30% EBITDA Mg





Advancing towards increasing global plasma-derived therapies availability, while introducing novel plasma therapies to meet new patients' needs around the world

*"The right to live in society entails
the duty to work to improve it"*

Josep Antoni Grífols i Roig, Founder



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