

Grifols enters a strategic alliance with Shanghai RAAS to boost growth of its plasma-derived products and diagnostic solutions in China

- *China has been one of the fastest-growing hemoderivatives markets in recent years (+16% annual growth¹) and demand for NAT technology is forecast to grow significantly as it increasingly adopts leading-edge diagnostic solutions to enhance the safety of blood and plasma donations*
- *Under the agreement, Grifols will control a 26.2% stake in Shanghai RAAS (economic and voting rights) in exchange for a non-majority share (45% economic and 40% voting rights) in Grifols Diagnostic Solutions (GDS), a wholly-owned subsidiary*
- *Grifols will maintain the right of veto for certain decisions such as share issuances, asset divestments, mergers and bylaw amendments*
- *Grifols will appoint three members on Shanghai RAAS's Board of Directors and quality and manufacturing officers to guarantee compliance with the "Quality Assurance Agreement," also included in the strategic alliance*
- *The transaction is expected to close in the second half of 2019, pending approval by regulatory authorities*

Barcelona, March 7, 2019.- Grifols (MCE:GRF, MCE:GRF.P, NASDAQ:GRFS), one of the world's three top manufacturers of plasma-derived medicines to treat life-threatening diseases and a forerunner in the development of plasma protein replacement therapies, and Shanghai RAAS (002252.SZ), a leader in China's plasma derivatives sector, have reached a Strategic Alliance Agreement to manufacture, market and develop plasma products and transfusion diagnostic solutions in the Chinese market in compliance with international quality and safety standards.

Under the agreement, Grifols will reinforce its global expansion strategy and commercial presence in the People's Republic of China; among the markets with the greatest growth potential for plasma-derived products and transfusional diagnostic solutions.

This alliance is an important step forward in Grifols' sustainable growth and long-term strategy, generating value for all of its divisions, particularly the Bioscience and Diagnostic Divisions.

¹ Source: FactSet as of 28 September 2018, company filings, broker reports

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In exchange, the agreement will enable Shanghai RAAS to diversify its business with the support of a global leader in NAT technology and other innovative diagnostic solutions.

Shanghai RAAS will also become Grifols' exclusive distributor of plasma-derived products and transfusional diagnostic solutions in China.

The strategic alliance includes a provision for a specific "Quality Assurance Agreement" to ensure that all activities performed by Shanghai RAAS in relation to plasma collection and production of plasma-derived medicines adhere to the strictest international quality-control mandates. To this end, Grifols will appoint officers and provide advice to oversee Shanghai RAAS's quality and manufacturing areas.

The agreement also stipulates that Shanghai RAAS will use Grifols' NAT technology to screen plasma donations throughout its network of 41 plasma collection centers.

Grifols to become the second-largest shareholder in Shanghai RAAS

As part of their strategic alliance, Grifols will acquire a 26.2% stake in Shanghai RAAS capital to Grifols (economic and voting rights) in exchange for a non-majority share in Grifols Diagnostics Solutions (45% economic and 40% voting rights). Grifols will maintain operating, political and economic control of Grifols Diagnostics Solutions (GDS).

Upon completion of the transaction, Grifols will become the second-largest shareholder in Shanghai RAAS behind Creat Group Co. Ltd, which owns a 26.7% share. RAAS China Ltd will hold a 25.8% stake, with the remaining capital distributed among institutional investors and minority shareholders.

Grifols will appoint three members on the Shanghai RAAS Board of Directors, which includes nine members. It will also have the right of veto in instances such as share issuance, divestment of material assets, mergers and bylaw amendments, among others, in addition to subscription rights in possible capital increases. Shanghai RAAS will have a member on the GDS board.

No external financing is required to fund the transaction. GDS valuation is USD 4,279 Bn and the price per share of Shanghai RAAS is RMB 7.50.

The transaction is subject to approval by the Chinese and U.S. regulatory authorities. It is expected to close in the second half of 2019.

Grifols retained Osborne Clarke, S.L.P, Proskauer Rose, L.L.P and JunHe L.L.P. as legal advisors, and Nomura as lead financial advisor and China International Capital Corporation Limited as financial advisor for PRC affairs.

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About Shanghai RAAS

Founded in 1988 and headquartered in Shanghai, Shanghai RAAS is the leading blood plasma player in China. The company specializes in the research and manufacture and sale of plasma derived products for therapeutic use in the areas of immunology, haematology and intensive care medicines.

Shanghai RAAS's shares are publicly-listed on China's Shenzhen exchange.

The company has 41 blood collection centers in 10 provinces in China, with an annual production capacity of over 1.1 million litres. Shanghai RAAS also operates three fractionation facilities in China with a capacity of 2 million litres and has 11 key products with leadership positions in Albumin, IVG and Factor VII.

About Grifols

Grifols is a global healthcare company with more than 75 years of legacy dedicated to improving the health and well-being of people around the world. Grifols produces essential plasma-derived medicines for patients and provides hospitals and healthcare professionals with the tools, information and services they need to help them deliver expert medical care.

Grifols' three main divisions - Bioscience, Diagnostic and Hospital - develop, produce and market innovative products and services that are available in more than 100 countries.

With a network of 256 plasma donation centers, Grifols is a leading producer of plasma-derived medicines used to treat rare, chronic and, at times, life-threatening conditions. As a recognized leader in transfusion medicine, Grifols offers a comprehensive portfolio of diagnostic products designed to support safety from donation through transfusion. The Hospital Division provides intravenous (IV) therapies, clinical nutrition products and hospital pharmacy systems, including systems that automate drug compounding and control drug inventory.

Grifols is headquartered in Barcelona, Spain and has over 21,000 employees in 30 countries.

With nearly EUR 4,500 in revenues in 2018, Grifols demonstrates its strong commitment to advancing healthcare by allocating a significant portion of its annual income to research, development and innovation.

The company's class A shares are listed on the Spanish Stock Exchange, where they are part of the Ibex-35 (MCE:GRF). Grifols non-voting class B shares are listed on the Mercado Continuo (MCE:GRF.P) and on the US NASDAQ via ADRs (NASDAQ:GRFS). For more information, visit www.grifols.com

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