

## *First Half 2021 Results*

# The Bioscience Division grows 5.1% in the second quarter and raises first-half revenues to EUR 2,537 million

### *Net income increased by 22% to EUR 267 million*

- Revenues in the second quarter grew 5.3% cc<sup>1</sup> to EUR 1,352 million due to solid performance of the Bioscience, Diagnostic and Hospital Divisions.
- Bioscience revenues increased 5.1% cc in the quarter and increase first-half revenues to EUR 1,986 million. Of note is the positive contribution of new products and the increase in prices of certain proteins.
- The Diagnostic and Hospital Divisions recorded double-digit growth, attaining EUR 395 million (22.9% cc) and EUR 68 million (19.5% cc) in revenues, respectively.
- EBITDA totals EUR 635 million (a 9.4% increase), 25.0% over sales.
- Grifols' financial debt ratio decreases to 4.9x. The strategic agreement with GIC will further reduce it by 0.6x.
- Plasma collections in the U.S. continue to rise, while collections in Europe exceed pre-pandemic levels leveraging on recent acquisitions and multiple initiatives.

**Barcelona, July 29, 2021.-** Grifols (MCE: GRF, MCE: GRF .P, NASDAQ: GRFS) reported 2.3% cc (-5.3% taking into account exchange rate variations) growth and EUR 2,536.6 million in revenues in the first half, a period marked by the gradual recovery of plasma donations, debt reduction, and significant investment efforts to further consolidate plasma supply levels and innovation.

In the second quarter of 2021, revenues grew by 5.3% cc to EUR 1,351.9 million, fueled by the solid performance of the Bioscience, Diagnostic and Hospital divisions.

The [Bioscience Division](#) recorded notable 5.1% cc growth, reversing the 5.6% cc decline recorded in the first quarter. First-half revenues totaled EUR 1,986.0 million (-0.1% cc; -8.0%).

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<sup>1</sup> Operating or constant currency (cc) excludes changes rate variations reported in the period.

The division's growth was driven by robust demand for all major plasma proteins – immunoglobulins (IVIG and SCIG), albumin, alpha-1 and specialty proteins – coupled with mid-single-digit price increases and the contribution of new products.

The **Diagnostic Division** delivered EUR 395.5 million in sales in the first six months of 2021, growing by 22.9% cc (16.3%), mainly due to sales of the TMA (Transcription-Mediated Amplification) molecular test to detect the SARS-CoV-2 virus, as well as underlying growth of NAT technology (Procleix® NAT Solutions) solutions, used to screen whole blood and plasma.

**Hospital Division** revenues increased for the third consecutive quarter as hospital investments and treatments normalize. The division registered revenues of EUR 67.7 million in the first half, an operational increase of 19.5% cc (17.1%).

**Bio Supplies Division's** sales totaled EUR 107.3 million, a 8.5% cc decline (-15.4%) mainly as a result of lower third-party plasma sales and Bio Supplies Commercial phasing.

The **gross margin** in the first half was 43.9%, compared to 38.8% reported in the same period last year. The **gross margin** for the second quarter stood at 43.0%.

**EBITDA** reached EUR 634.5 million (EUR 337.7 million in the second quarter), a 9.4% increase during the first half. The EBITDA margin is 25.0% over revenues (25.1% in the first quarter).

Grifols continues to execute its EUR 100 million per year operating expense containment plan, enabling the company to optimize its financial performance without impacting on its innovation efforts.

Throughout the first six months of 2021, Grifols has continued working on expanding its long-term plasma supply to meet current market needs and the anticipated robust demand.

Today, plasma collections in Europe exceed 2020 levels and pre-pandemic levels. U.S. plasma collections continue its upward trend. Recent strategic acquisitions increased Grifols' plasma collection capacity, providing access to an additional 1.4 million liters per year. Grifols' plasma collection capacity installed increased by 15% in 2021. In parallel, the company plans on opening 15 to 20 new centers in the second half of 2021.

The company reaffirmed its firm commitment to innovation, combining its extensive experience in plasma-derived medicines while progressively developing a complementary portfolio of non-plasma therapies. In this context, **total net investment in R+D+i** amounted to EUR 155.3 million, representing 6.1% of revenues. These results underscore Grifols' ongoing efforts to integrate and develop cutting-edge projects as those of Alkahest and GigaGen.

Grifols allocated EUR 117.3 million (EUR 145.6 million in the first half of 2020) to **CAPEX**.

The **financial result** in the first half of 2021 stood at EUR 119.4 million (EUR 132.4 million in the first half of 2020 excluding the positive EUR 56.5 million impact from the closing of the Shanghai RAAS transaction registered in that period).

**Share of results of equity-accounted investees** mainly includes the updated value of Grifols' GigaGen stake (EUR 34.5 million), following the agreement signed in the first quarter of 2021 to acquire the remaining capital.

The reported net profit totaled EUR 266.8 million, a 22.3% increase over the EUR 218.2 million recorded in the same period of 2020. This figure includes part of the COVID-19<sup>2</sup> impact. The adjusted net profit amounts to EUR 279.1 million.

Excluding the impact of IFRS 16<sup>3</sup>, the net financial debt reached EUR 6,475.5 million. In recent quarters, the leverage ratio has increased due to strategic acquisitions totaling USD 1 billion to secure plasma supply, reinforce innovation and support global expansion.

Decreasing leverage remains a priority for the company. In the first half of 2021, Grifols reduced the net financial debt over EBITDA ratio to 4.9x, down from the 5.1x reported until the first quarter of the year.

The GIC, the sovereign wealth fund of Singapore, agreement will also further reduce leverage by 0.6x, since the capital will be allocated in full to repay senior debt. GIC will become a long-term strategic investor for the next 30 years as a result of this transaction.

As of June 30, 2021, Grifols' cash position totaled EUR 398 million, bringing its liquidity position to EUR 813 million.

The efforts to increase plasma capacity, business optimization, global expansion, innovation and financial discipline leave Grifols well positioned to respond to current needs and fulfill its commitments and growth strategy.

### ***About the Strategic investment from GIC in Biomat***

In line with Grifols' commitment to reduce its leverage levels, the company takes a step further and welcomes GIC as a strategic investor. Grifols' leadership in the manufacture of plasma-based medicines, extensive expertise in the expansion and management of plasma centers, market know-how, and outstanding reputation were all key factors in GIC's decision to invest in the company.

As previously announced, Grifols S.A. has signed a corporate transaction by means of which GIC, the sovereign wealth fund of Singapore, have entered into a definitive agreement under which an affiliate of GIC will invest US\$990 million in Grifols' wholly-owned US subsidiary Biomat USA, Inc. ("Biomat"). In exchange, GIC will receive an aggregate of 10 Class B common shares of Biomat and 9 Class B common shares of a newly-established sub-holding company ("Newco"). These common shares, which will represent directly and indirectly an aggregate of 23.8% of the equity of Biomat, will be non-voting but will have annual preferential dividends of US\$4,168,421.05 per share of each of Biomat and Newco. Beginning with respect to 2023, holders of these shares may request, subject to certain limitations, the redemption of up to one share of Biomat or Newco per year, as applicable, at a redemption price of \$52,105,263.16 per share (the "redemption price"), provided that following the 15<sup>th</sup> anniversary of the closing of the transaction, holders may request redemption of up to all their then outstanding shares. The shares will have customary liquidation preference rights (in an amount per share equal to the redemption price plus unpaid dividends) that would trigger in certain circumstances, such as in

<sup>2</sup> In the first half of 2020, Grifols recognized an estimated impact of EUR 205 million for the entire 2020 financial year to adjust inventory value as a result of COVID-19.

<sup>3</sup> As of June 30, 2021, the impact of IFRS 16 on total debts stands at EUR 783 million.

the case of a liquidation, dissolution or winding up of Biomat, if Grifols ceases to control or have at least a 75% voting interest in Biomat, or upon the exclusive licensing of all or substantially all intellectual property of Biomat. In addition, in the event of a default in the payment of dividends or redemptions, there would among other things be monetary penalties or holders of the shares could opt to exchange them for shares of Grifols S.A.

Biomat (together with its subsidiaries) holds a plasma collection business with 296 plasma collection centers throughout the territory of the United States. Grifols will continue to control all aspects of the day-to-day management of Biomat and, through a long-term plasma supply agreement, all plasma collected by Biomat and its subsidiaries will continue to be supplied to Grifols for the further manufacturing of plasma derived products. Grifols intends to apply all net proceeds from GIC's investment to repay debt.

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**About Grifols**

Grifols is a global healthcare company founded in Barcelona in 1909 committed to improving the health and well-being of people around the world. Its four divisions - Bioscience, Diagnostic, Hospital and Bio Supplies - develop, produce and market innovative solutions and services that are sold in more than 100 countries.

Pioneers in the plasma industry, Grifols operates a growing network of donation centers worldwide. It transforms collected plasma into essential medicines to treat rare, chronic and, at times, life-threatening conditions. As a recognized leader in transfusion medicine, Grifols also offers a comprehensive portfolio of solutions designed to enhance safety from donation to transfusion. In addition, the company supplies tools, information and services that enable hospitals, pharmacies and healthcare professionals to efficiently deliver expert medical care.

Grifols, with close to 24,000 employees in 30 countries, is committed to a sustainable business model that sets the standard for continuous innovation, quality, safety and ethical leadership.

In 2020, Grifols' economic impact in its core countries of operation was EUR 7.5 billion. The company also generated 140,000 jobs, including indirect and induced jobs.

Free translation from the original in Spanish. In the event of discrepancy, the Spanish language version will prevail.

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 U.S. NASDAQ through ADRs (NASDAQ:GRFS).

For more information about Grifols, please visit [www.grifols.com](http://www.grifols.com)



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