

## Strategic alliance between Grifols and the Egyptian government to boost plasma-derived medicines self-sufficiency in the Middle East and Africa

- *Grifols and the National Service Projects Organization (NSPO) have reached a strategic agreement to develop the local plasma-derived therapies market through the opening of 20 plasma centers and construction of production facilities in Egypt, including a plasma fractionation plant and a protein purification plants*
- *The agreement is a unique collaborative opportunity that will strengthen Egypt's healthcare system and self-sufficiency, while reinforcing Grifols' international expansion in the Middle East and Africa*
- *Grifols and NSPO will incorporate a new company (joint venture) which will be owned by Grifols and NSPO on a 49%-51% basis, respectively*

**Barcelona, November 24, 2020.-** Grifols (MCE:GRF, MCE:GRF.P, NASDAQ:GRFS), one of the world's leading producers of plasma-derived medicines with a more than 100-year track record of contributing to the health and well-being of people around the world, and the Government of Egypt, through the National Service Projects Organization (NSPO), have signed a strategic agreement (Master Joint Venture Agreement) to further develop the Egyptian plasma-derivatives market and promote its self-sufficiency. The operation will ensure national security needs and help strengthen the healthcare system in Egypt.

Under this joint venture, owned by NSPO (51%) and Grifols (49%), the parties will join their industrial expertise and financial efforts for the development, construction and operation of 20 plasma collection centers throughout Egypt (with an initial capacity to collect 600,000 liters of plasma per year); manufacturing facilities, including a fractionation plant (with a capacity to fractionate up to 1 million liters of plasma per year) and a purification and fill-and-finish plant; a warehouse and an analysis laboratory. The plasma centers and manufacturing installations are expected to be operational at the end of 2025.

Through this agreement, Grifols will become a strategic ally of the Egyptian government, while building on its commitment to help countries reach higher levels of self-sufficiency in the manufacture and procurement of plasma-derived therapies for patients who need them.

The transaction supports Grifols' globally focused, long-term sustainable growth strategy, whose core objectives include increasing the company's supply of plasma and reinforcing its global expansion.

The transaction will allow Grifols to bolster its presence in the Middle East and Africa after establishing a solid presence in the United States and Europe and making important inroads in China, all core areas of its growth plan.

For Víctor Grifols Deu, co-CEO of Grifols, “we are extremely pleased to take part in a strategic alliance that will contribute to developing the healthcare system of Egypt. In addition to marking an important step forward in our sustainable growth strategy, it fulfills our objective to continue helping countries achieve self-sufficiency in plasma-derived medicines, essential for patients who need them”.

Grifols’ leadership in the production of plasma-derived medicines, technical expertise and reputation in developing and managing plasma centers and manufacturing facilities have been key factors behind this strategic alliance.

### ***About the strategic alliance***

Under the agreement (Master Joint Venture Agreement), Grifols and NSPO will incorporate a new company which will be owned by Grifols and NSPO on a 49%-51% basis, respectively. The board of directors will comprise an equal number of members appointed by both parties. This notwithstanding, the agreement provides for a vast list of matters which will require unanimous consent of both shareholders in order to be approved.

The project will be carried out in stages over a 5-year time period and the total expected capital expenditure for the project is estimated to be USD 300 million and is to be disbursed by the shareholders according to their percentage ownership, on a need-be basis. An initial joint investment of USD 20 million will be made upon the incorporation of the joint venture in order to support immediate operations.

At a first stage, through a contract manufacturing agreement and whilst the manufacturing facilities are pending to be finalized and fully up and running, Grifols will secure the processing of the plasma collected in Egypt into plasma-derived products to serve Egyptian national needs in the short term.

The plasma-centers will initially enable the collection of around 600,000 liters of plasma per year and the plant will have a fractionation capacity of up to 1 million liters per year. The plasma centers and manufacturing facilities are expected to be operational at the end of 2025. For Grifols, this project will free-up plasma and manufacturing capacity, it will bring diversification to its plasma procurement sources and will create expansion opportunities in certain territories

As part of the recognized value to be contributed by Grifols into the joint venture it includes its industry expertise and experience, as well as its intellectual property. The subscription to specific complementary agreements (Consultancy and Services Agreement, Technology and Know-How License Agreement and Contract Manufacturing Agreement) will allow Grifols to provide with any needed support, guidance, training, engineering services, manufacturing services, know-how and technology to support the execution of the project, in exchange of fees and royalties agreed upon between the parties.

Grifols will assume full supervision and management of the operation’s quality and safety to guarantee the infrastructures and processes adhere to the strictest quality and safety

standards. The installations are expected to be authorized by international regulatory agencies, such as the European Medicines Agency (EMA) or the International Quality Plasma Program (IQPP) of the Plasma Protein Therapeutics Association (PPTA), among others.

Grifols retained Osborne Clarke Spain, S.L.P as legal advisors.

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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 chronic, rare 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 more than 24,000 employees in 30 countries and regions, is committed to a sustainable business model that sets the standard for continuous innovation, quality, safety and ethical leadership.

In 2019, Grifols' economic impact in its core countries of operation was EUR 8.5 billion. The company also generated 148,000 jobs, including indirect and induced.

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, please visit [www.grifols.com](http://www.grifols.com)

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