Biotest

From Nature for Life

HALF-YEAR REPORT 2022 BIOTEST AG

KEY FIGURES

BIOTEST GROUP		H1 2022	H1 2021	Change in %
Revenues	€ million	**253.1**	257.8	–1.8
thereof:				
Germany	€ million	**76.0**	69.3	9.7
Rest of World	€ million	**177.1**	188.5	–6.0
thereof:				
Therapy	€ million	**220.6**	224.1	–1.6
Plasma & Services	€ million	**29.4**	29.9	–1.7
Other Segments	€ million	**3.1**	3.8	–18.4
EBITDA	€ million	**8.8**	5.8	51.7
Depreciation and amortisation	€ million	**17.9**	14.3	25.2
Operating profit (EBIT)	€ million	**–9.1**	–8.5	–7.1
EBIT in % of revenues	*%*	***–3.6***	*–3.3*	–
Earnings before taxes	€ million	**–18.0**	–17.8	–1.1
Earnings after taxes	€ million	**–19.9**	–18.2	–9.3
Earnings per share	€	**–0.50**	–0.47	–6.4
Financing				
Cash flow from operating activities	€ million	**1.9**	–12.8	>100
		30 June 2022	31 December 2021	
Equity	€ million	**358.7**	380.4	–5.7
Equity ratio	*%*	***32.6***	*36.9*	–
Balance sheet total	€ million	**1,101.9**	1,145.8	–3.8
Employees in FTEs	number	**2,074**	1,967	5.4

CONTENTS

DR. GEORG FLOß
Chief Operations Officer

DR. MICHAEL RAMROTH
Chief Executive Officer /
Chief Financial Officer

DR. JÖRG SCHÜTTRUMPF
Chief Scientific Officer

Dear Shareholders,

The metaphor of the "perfect storm" aptly describes the current state of the global economy and the challenges Biotest is facing. Of course, there is still the COVID-19 pandemic, which is currently causing more and more staff absences at our company. Together with the existing acute shortage of skilled workers on the labour market, this has led to a shortage of staff, which in some cases means that entire shifts have to be cancelled. The supply chain disruptions that occurred as a result of the pandemic continue and are currently exacerbated by the zero-COVID strategy in China. As a result, construction materials, spare parts, auxiliary materials and even cardboard packaging are being delivered with severe delays and prices have also increased significantly in some cases. The continuous supply of human plasma, the raw material for all Biotest products, poses a particular challenge for us. We are faced with the dilemma that although the demand for plasma protein preparations in Europe, the United States and many Asian countries continues to grow, we are unable to satisfy it in full. And last but not least, Russia's hostile attack on Ukraine, in addition to all the human suffering, has created great uncertainty with regard to the future energy supply.

Considering this situation, we are quite satisfied with the results we achieved in the first half of 2022. With sales revenues of € 253.1 million, we are only 1.8 % below the previous year's figure. And at € -9.1 million, earnings before interest and taxes (EBIT) are also significantly better than one might expect in view of the gloomy global economic situation. Adjusted for the expenses for our new production facility Biotest Next Level, EBIT even increased by 9.8 % compared to the same period of the previous year.

But also apart from the economic results and with a view to our company structure and the products we have developed, we were able to achieve a few more successes. At the beginning of the second quarter, Grifols acquired the majority of voting rights in Biotest. As expected, this transaction went smoothly. We are now looking forward to working with our new major shareholder. We are united in our efforts to offer patients innovative treatment solutions in haematology, clinical immunology and intensive care medicine, and we can now successfully pursue this path together. Furthermore, we were able to recruit a very qualified successor for the position of Chief Operation Officer (COO) in Peter Janssen. He will familiarise himself with the area of responsibility of Dr. Georg Floß and succeed him as Chief Operating Officer at the end of the year, after Dr. Floß leaves the company as planned at the end of his contract.

We also recorded a number of successes in research and development in the first half of 2022: At the end of the first quarter, Biotest submitted the application for marketing authorisation of the development product IgG Next Generation, which will be the first product manufactured at the new Biotest Next Level production facility. If the assessment by the authorities is positive, we could receive approval towards the end of this year. We were able to achieve another significant milestone in the phase III study in acquired fibrinogen deficiency: The planned interim analysis of the phase III study with fibrinogen, which is used in patients with acquired fibrinogen deficiency, was successful. This confirms our plan to develop fibrinogen not only for congenital but also for acquired fibrinogen deficiency. This would allow us to address a much larger market than congenital fibrinogen deficiency, with a potential of USD 400 million to USD 800 million. Worldwide, there are only two other fibrinogen concentrates approved for acquired fibrinogen deficiency and they are not available globally. In addition, therapy with fibrinogen concentrate is step by step gaining acceptance in the United States. Therefore, there is a great potential for development there in particular.

By opening four more plasma collection centres in the Czech cities of Kolin, Ostrava, Uherský Brod and Mladá Boleslav, we now operate a total of 31 plasma collection stations in Europe to ensure the long-term supply of plasma. But we don't just want to guarantee the supply of this important raw material for ourselves, we also want to ensure that our earth remains a place worth living on for all those lives we save with our products. That is why we have been operating a certified energy management system for years. We use this to systematically collect data in order to tap into the potential for optimisation and to continuously reduce both our use of energy and our greenhouse gas emissions. We achieved climate neutrality for the entire Biotest Group for the first time in 2021. This was achieved through a wide range of measures, such as the replacement of an air-conditioning system, which reduced electricity requirements by 40 %. As a matter of principle, we cover our energy needs from renewable sources. We are currently planning the installation of photovoltaic systems on the company premises, which would enable us to produce part of our energy self-sufficiently. Any remaining greenhouse gas emissions that are produced at the site despite our efforts will be compensated by voluntary investments in non-profit climate protection projects.

Finally, we would like to express our gratitude: On the one hand, to all the plasma donors for their contribution to maintaining the supply of this important raw material despite the difficult situation and pandemic uncertainty. On the other hand, and above all, to our employees. Despite the difficult circumstances, they do everything they can to keep production running as far as possible. It is thanks to them that we are able to produce the vital medicines for patients. We thank them for their great dedication, their commitment, and their contribution to the success of the company!

Kind regards,

Dr. Michael Ramroth
Chairman of the
Board of Management

Dr. Georg Floß
Member of the
Board of Management

Dr. Jörg Schüttrumpf
Member of the
Board of Management

INTERIM MANAGEMENT REPORT FOR THE BIOTEST GROUP AS OF 30 JUNE 2021

A. GROUP PRINCIPLES

I. BUSINESS MODEL OF THE GROUP

The Biotest Group, headquartered in Dreieich, Germany, is an international supplier of biological medicines. Products currently on the market and new developments are obtained from human blood plasma or manufactured using biotechnology methods. The main therapeutic areas are haematology, clinical immunology and intensive care medicine.

The Biotest Group is engaged in research and development in all three therapeutic areas. Biotest covers all the material steps of the value chain, such as preclinical and clinical development of the preparations, plasma collection, production, worldwide marketing and sales.

A. SEGMENTS OF THE BIOTEST GROUP

The Company's operations are divided into the segments Therapy, Plasma & Services and Other Segments. The Therapy segment includes products and development projects assigned to the three above-mentioned therapeutic areas. Plasma sales, toll manufacturing and know-how transfer are combined in the segment Plasma & Services. Biotest reports on its merchandise business and cross-divisional costs not allocated to the Therapy or Plasma & Services segments in Other Segments.

B. HUMAN RESOURCES

As of 30 June 2022, the Biotest Group had 2,074 employees, expressed as full-time equivalents. This represents an increase of 5.4 % compared to 1,967 full-time equivalents at the end of 2021. The increase is mainly due to the personnel requirements in the new plasma centres and production.

II. GROUP STRATEGY

The core element of Biotest's strategy is a clear focus on the commercialisation and further development of plasma proteins. In addition to continuously advancing its own research and development pipeline, the Company's registration and marketing authorisation activities are focused on the ongoing internationalisation and diversification of its portfolio.

Since 2013, the Biotest Group is expanding its capacities at the Company's headquarters in Dreieich in order to participate in global market growth in the future. The BNL project will expand the product portfolio and double fractionation capacities. In the future, five rather than three product lines will be obtained from the raw material plasma while at the same time increasing yields. This is intended to further strengthen the Company's profitability and thus its competitiveness on the global markets to lay the foundation for the further profitable growth of the Group.

Biotest is actively looking for development and/or distribution partnerships for selected plasma proteins.

The core element in implementing the Biotest corporate strategy is utilising internal resources to cover key parts of the value chain. These include in particular research and development, plasma collection, production, quality assurance and distribution. The existing expertise, especially in the areas of plasma collection and fractionation, is also used to offer toll manufacturing on the market. A takeover by Grifols, S.A. could lead to a change in the Group's strategy. Details are provided in the Research and Development (General) chapter and in the Opportunities Report chapter.

III. RESEARCH AND DEVELOPMENT (GENERAL)

As part of the corporate strategy, research and development, among other areas, is the basis for the future growth of the Biotest Group. Substantial potential is offered by the ongoing development of existing products and the development of new products.

The focus in research and development projects is on plasma proteins. Research activities currently focus on the new products IgG Next Generation, Trimodulin and Fibrinogen. These form the core of the product portfolio intended for production in the new Biotest Next Level production facility.

In the first half of the year, Biotest continued to intensify its efforts to bring the product candidates in the late clinical phase, such as Fibrinogen Concentrate, quickly to the marketing authorization.

In addition, current products are also systematically developed to further increase patient benefits or to achieve new indications and approvals in additional countries. Biotest is collecting "real world" data on its marketed products in three ongoing and three planned non-interventional studies (NIS). This serves to continue the investigation of safety and efficacy in large patient populations and to gain further knowledge under everyday conditions, e.g. on quality of life, course of treatment and application behaviour.

A list of the progress made in the research and development projects carried out in the first half of 2022 is shown in the "Research and development" section of the Economic Report.

The Biotest Group's research and development costs amounted to € 24.4 million in the first half of 2022 (same period of the previous year: € 27.0 million) and are attributable to plasma proteins. The share of expenses in sales amounted to 9.6 % after 10.5 % in the same period of the previous year. The number of employees (converted into FTEs) working in research and development decreased slightly to 209 FTEs as of 30 June 2022 compared to 31 December 2021 (213 FTEs).

B. ECONOMIC REPORT

I. BUSINESS AND GENERAL FRAMEWORK

The economic recovery from the consequences of the corona crisis slowed down considerably in the first months of financial year 2022, due to the economic effects of the war in Ukraine and China's no-COVID strategy, according to the Kiel Institute for the World Economy (IfW). Both led to increasing supply bottlenecks and a strengthening of the already strong global inflation.[1] According to the IfW, the global economy expanded in the first quarter of 2022 at a slightly slower pace than the average level of the years before the corona crisis, with global production growing by 0.6 %.[2] Global industrial production increased again on

[1] Kiel Institute for the World Economy (2022), Economic reports from Kiel, World economy in summer 2022, p. 2.
[2] Ibid. p. 2.

a quarterly average, according to the Kiel economic researchers, but the recovery from the corona crisis lost much of its momentum after the turn of the year.[3]

For 2022, the economic researchers expect a subdued global economy overall with a significantly weakened increase in global production of only 3.0 % after 5.9 % in the previous year. Moderate growth of 3.2 % is forecast for 2023.[4] According to the Kiel Institute, one of the main reasons for this is the rise in inflation, which is driven mainly, but not exclusively, by higher commodity and energy prices.[5] As a result of higher inflation expectations, monetary policy was tightened across the board with central banks raising interest rates.[6]

For Germany, the IfW has lowered its forecast for GDP growth in the current year to 2.1 %, with growth of 3.3 % expected for 2023.[7]

After a significant increase in the gross domestic product of the USA in 2021, the IfW now expects significantly muted growth for the current and following year (2021: 5.7 %; 2022: 2.4 %; 2023: 1.9 %). The outlook for the euro region as a whole looks somewhat better (2021: 5.3 %; 2022: 3.1 %; 2023: 2.7 %), and for Asia even significantly better (2021: 7.4 %; 2022: 5.0 %; 2023: 5.7 %). After a noticeable recovery last year, growth in the United Kingdom (2021: 7.4 %; 2022: 2.9 %; 2023: 0.4 %) and Latin America (2021: 6.5 %; 2022: 1.7 %; 2023: 1.8 %), on the other hand, is forecast to be noticeably lower in 2022 and 2023.[8]

Due to the high global medical demand for plasma protein products, the Biotest Group is dependent on global economic cycles only to a lesser extent. This assessment by management also applies under the current economic conditions. Nevertheless, effects on the operating business, in particular due to local crises, the Russian invasion of Ukraine, disrupted supply chains, and a possible gas embargo, as well as exchange rate changes, cannot be ruled out.

II. INDUSTRY-SPECIFIC FRAMEWORK

A. IMMUNGLOBULINE AND ALBUMIN

The Biotest Group is active in the global markets for immunoglobulins and albumin, which represented the strongest sales of the product range in the past financial year. Both the established markets such as the USA and Europe, as well as other regions of the world continue to contribute to the positive development.

The long-term growth of the global albumin market is estimated at a compound annual growth rate of around 6 %.[9] Industry experts expect the long-term target corridor to be an annual global increase in demand in the mid-single-digit percentage range for the immunoglobulin (IgG) market.[10] In the USA, the IgG volume declined in the low percentage range in 2021, as stockpiles had presumably been built up in view of the pandemic in the previous year.[11] In Europe, the market volume for immunoglobulins did not grow in 2021 compared to the previous year.[12] Despite supply difficulties on the part of competitors, the German market, which is important for Biotest, managed to grow at high single-digit rates in 2021 compared to the previous year.[13]

As a result of the COVID-19 pandemic and related restrictions on the population, plasma donations in the USA in 2021 were at the low level of the previous year. Compared to 2019, plasma volumes collected in the US were down by approximately 20 % in 2020.[14] Due to the importance of US plasma, a continuing product shortage can still be observed in the global market in 2022,

[3] Ibid. p. 2.
[4] Ibid. p. 8.
[5] Ibid. p. 4-6.
[6] Ibid. p. 6.
[7] Kiel Institute for the World Economy (2022), Economic reports from Kiel, German economy in summer 2022, p. 3.
[8] Kiel Institute for the World Economy (2022), Economic reports from Kiel, World economy in summer 2022, p. 22.
[9] Markets and Markets (2020).
[10] MRB (2021).
[11] MRB (2022).
[12] IQVIA (2022), PPTA (2022), Biotest interne analysis
[13] Insight Health (2022), IQVIA (2022).
[14] PPTA (2022), Biotest interne analysis.

especially for IgG and albumin. In 2021, the plasma volumes collected in the EU countries of Germany, Austria, the Czech Republic and Hungary, which are important for Biotest, were virtually at the same level as in 2019, despite the more difficult conditions, after a decline of approx. 3.5 % was observed in 2020 compared to the previous year.[15] Prices for intravenous immunoglobulins (IVIG) in the EU remain well below the price level in the United States, while the average price continues to develop positively globally. Albumin prices also showed an upward trend.

B. HAEMOPHILIA

In the treatment of haemophilia A, the recombinant sector is dominated by half-life-extended Factor VIII preparations. The numerous treatment alternatives intensify competition and keep price pressure high in the overall market. The market introduction of new alternatives to Factor VIII therapy, so-called non-Factor replacement therapies, is slowing the growth of the Factor VIII market, especially in the USA, Europe and other developed markets. In certain emerging markets, growth is still expected in the medium term to be in the low to mid-single-digit percentage range due to the increasingly established Factor VIII therapies. In many of these less developed markets, haemophilia patients currently do not have access to coagulation factor therapy. While Europe, North and South America account for only around 29 % of the world's population, they are responsible for about 82 % of the global Factor VIII market volume. The US market plays a special role here.[16]

Despite regulatory hurdles, the expected market launch of gene therapies for the treatment of haemophilia A from 2022 will put further pressure on the developed Factor VIII markets and further strengthen the importance of markets outside the USA and Europe. While a negative single-digit development in the volumes of plasmatic Factor VIII preparations is forecast for the global market through 2027, a double-digit decrease in plasmatic FVIII volumes is expected in the United States, the largest market for haemophilia preparations, and in the European market, which is important to Biotest. Volume increases in the low single-digit range are only expected in some emerging markets. The simultaneous decrease in plasma FVIII prices in developed markets and the shift of the market to low-priced emerging markets leads to clearly negative expectations regarding sales of plasmatic FVIII products worldwide.[17]

C. TRANSPLANTATIONS

Against the backdrop of the COVID-19 pandemic, planned surgeries in 2021 were either postponed or cancelled in many countries. International transplant data shows that the number of transplantations in 2021 remained at approximately the same level as in 2020, which was lower than in 2019.[18] Due to the renewed global increase in the number of corona infections since the fall of 2021 and the related permanent emergency situation for hospitals and intensive care units, a sustained negative impact on transplantation figures is expected. Despite the extensive lifting of the corona protection measures, a decrease of approx. 7 % in the number of transplants reported to Eurotransplant could be observed by May 2022.[19] The further development of transplantation figures is strongly dependent on the further course of the COVID-19 pandemic and the risk of infection for transplant patients.

III. BUSINESS PERFORMANCE

A. AT A GLANCE

In the first half of financial year 2022, the Biotest Group recorded revenue of € 253.1 million. This represents a decrease of 1.8 % compared to revenue of € 257.8 million in the same period of the previous year.

[15] PPTA (2022), Biotest interne analysis.
[16] Report on the Annual Global Survey 2020, World Federation of Hemophilia (2021)
[17] MRB (2022).
[18] 20 Eurotransplant Annual Reports 2021 and 2020.
[19] Eurotransplant database, accessed 23 June 2022

Compared to the previous year, EBIT at Group level also deteriorated to € -9.1 million in the first six months of financial year 2022 (same period of the previous year: € -8.5 million).

The demand for coagulation factors from human blood plasma is limited due to the availability of recombinant, half-life-extended factor concentrates and bispecific antibodies, so that a decline in sales in the haematology therapeutic area is recorded in the first half of 2022. Likewise, due to the limited availability of raw materials, the sales volume with the products in the therapy area of intensive care medicine has declined.

Characterised by a worldwide increase in demand for immunoglobulins, while the pandemic situation has remained difficult, Biotest was nevertheless able to increase its sales significantly compared to the previous year, particularly of Intratect®, Biotest's standard immunoglobulin, due to a cautious and effective pricing policy.

The increase in sales revenues in the immunoglobulins and hyperimmunoglobulins product area could not fully compensate for the decline in sales in other product areas. Nevertheless, the general positive increase in average prices has enabled positive growth in contribution margins.

One component of Biotest's strategy is the continuous expansion of the company's own plasma collection network in Europe. This is intended to ensure a sufficient supply of human blood plasma, the most important raw material for Biotest's preparations. Four new donation centres were opened in the first half of 2022. The opening of three further plasma collection centres is planned for the remainder of the year.

Furthermore, Biotest has purchased small amount of US plasma from Grifols in the first half of 2022. These quantities were used to produce clinical material for the Trimodulin study as well as for albumin production for China.

With support from the Federal Ministry of Education and Research (Bundesministerium für Bildung und Forschung BMBF) and the German Federal Ministry of Health (Bundesministerium für Gesundheit) in the form of research grants totalling € 29 million, Biotest is continuing the development programme of the development product Trimodulin in moderate or severe COVID-19 disease. The submission of the first phase III study in patients with moderate or severe COVID-19 disease was made in May 2022. A further phase III trial with Trimodulin in patients with severe community-acquired pneumonia is planned for submission later in 2022.

Further progress was made in the Biotest Next Level expansion project. The dossier for IgG Next Generation was submitted to the Medicines Agency on 31 March 2022. Approval for this and thus marketing authorisation for IgG Next Generation is expected at the end of 2022.

After submission, Biotest was able to announce the signing of a licensing agreement for its novel immunoglobulin (IgG Next Generation) with the Saudi Arabian company Pharma Pharmaceutical Industries (PPI). Based on this agreement and with the help of Biotest's immunoglobulin expertise and technology, PPI will be able to launch the first local polyvalent intravenous immunoglobulin in Saudi Arabia. The agreement is based on an upfront payment for the license, which will be based on three milestones from the signing of the contract, and a ten-year manufacturing and supply agreement. Biotest will manufacture the product at the new BNL fractionation plant. The market launch in the Kingdom of Saudi Arabia is expected in 2023.

In addition to this submission, data was also submitted on Paste V, the precursor for Albiomin, which is produced at the new plant. Here, the extension of the approval is also still being sought in 2022.

Biotest continues to work intensively on bringing the product candidates Trimodulin and Fibrinogen, which are currently in phase III, to marketing authorisation as quickly as possible.

The voluntary takeover offer published on 26 October 2021 for the shares of Biotest AG was effectively completed ("closing") on 25 April 2022. Following the completion of the public tender offer and the completion of the acquisition of Tiancheng (Germany) Pharmaceutical Holdings AG, Grifols holds 96.20 % of the ordinary shares and 43.2 % of the preference shares and therefore 69.72 % of the share capital of Biotest AG. On 2 May 2022, Grifols, S.A. published pursuant to section 23 para. 2 sentence 1 WpÜG that Grifols, S.A. had acquired an additional 0.94 % of the voting rights in Biotest AG. Grifols, S.A. thus holds a total of 97.14 % of the voting rights in Biotest AG.

B. RESEARCH AND DEVELOPMENT

At € 24.4 million (-9.6 %), the costs for research and development in the first six months of financial year 2022 were significantly below the comparable figure of € 27.0 million from the previous year. The lower expenses resulted mainly from a research allowance in accordance with the Research Allowance Act (Forschungszulagengesetz) as well as the grant by the Federal Ministry of Education and Research (Bundesministerium für Bildung und Forschung BMBF) in the amount of € 6.6 million (same period of the previous year: € 1.9 million), which was taken into account in the research and development costs to reduce expenses. A complete list of all research and development projects is presented in the Annual Report 2021 (page 14).

Biotest was able to make further progress in the following research and development projects in the period from January to June 2022:

RESEARCH & DEVELOPMENT PROGRESS
IN THE FIRST SIX MONTHS OF 2022

Therapeutic area Clinical Immunology	
IgG Next Gen	Another study with a high-dose therapy in the dermatological field is currently being planned for Europe and the USA and submission is scheduled for the end of 2022.
Cytotect CP	A phase III clinical trial (PreCyssion) to prevent transmission of the mother's CMV infection to the unborn child is currently in the treatment phase.
Therapeutic area Intensive Care Medicine	
Fibrinogen	The planned interim analysis in the phase III pivotal study (AdFIrst study no. 995) was successful and the study can be continued with the originally planned number of patients. A further interim analysis to confirm the number of patients is planned as soon as 80 % of the planned patients have been treated.
Trimodulin (IgM Concentrate)	The start of phase III trials in COVID-19 (TRICOVID, 1001) and sCAP (ESsCAPE, 996) are in preparation.

In addition, Biotest is collecting "real world" data on its marketed products in four ongoing and three planned non-interventional studies (NIS). This serves the continued investigation of safety and efficacy in large patient populations and the further gain of knowledge under everyday conditions, such as quality of life, course of treatment and application behaviour.

Research activities with regard to the therapy of COVID-19 infection

Due to the strong similarity of the clinical picture to the patients treated in the CIGMA study with severe pneumonia acquired by patients outside the hospital, Biotest also saw considerable potential in Trimodulin for patients with severe pneumonia caused by a COVID-19 infection. The anti-inflammatory mechanisms of action of Trimodulin could also be demonstrated in laboratory tests in a coronavirus experimental approach. Therefore, a phase II trial (ESsCOVID – Escape from severe COVID-19) was set up with COVID-19 patients to accelerate the development of Trimodulin in view of the current COVID-19 pandemic. Although the primary endpoint was not met in the trial, post-hoc analyses show a notable benefit in a relevant subgroup of hospitalised patients who were still in an early systemic inflammatory phase.

In this subgroup of 96 COVID-19 patients, Trimodulin significantly reduced both the worsening of the clinical condition and patient mortality compared to placebo-treated patients. Biotest considers the reduced disease progression and mortality to be a relevant medical benefit that supports the continued development of Trimodulin in this patient population. The study results were presented in a scientific advisory meeting to the Paul Ehrlich Institute (PEI), which also recommended continuing clinical development in a proposed phase III trial in COVID-19 (TRICOVID). This development is funded by the German Federal Ministry of Education and Research and the German Federal Ministry of Health with goverment grants totalling € 29 million. Of this amount, € 6.2 million was recognised in profit or loss in the first half of 2022. In addition, a second phase III study with Trimodulin is being planned, the ESsCAPE study – involving patients with severe community-acquired pneumonia.

Pentaglobin® is successfully used for severe bacterial infections in combination with antibiotics. Furthermore, Biotest supports the investigation of the efficacy of Pentaglobin® in COVID-19 patients as part of academic-industrial collaborations (Investigator Initiated Studies). This is being done by the University Hospital in Bochum, Germany, in a large international register study. Initial evaluations suggest that Pentaglobin® can also lead to lower mortality in certain COVID-19 patients. Initial data was presented at the Congress of the International Society on Intensive Care and Emergency Medicine (ISICEM).

C. MARKETING AND DISTRIBUTION

The first half of 2022 was characterised by high global demand for immunoglobulins (IgG) at a stable level and rising prices. Prices for Intratect increased by more than 10 % in some countries. Some markets continue to report supply problems with immunoglobulins (IgG) and in many other countries there are signs that product shortages could arise in the coming months. As a result of the COVID-19 pandemic, US plasma donations were down by approximately 20 % in 2020 compared to 2019. In addition, the number of plasma donations in the US continued to show no recovery in 2021 compared to 2020. This also affects the supply situation of Biotest's competitors. The demand for immunoglobulins (IgG) remains at a stable high level, but is limited by the current supply situation. The overall situation is also leading some countries (e.g. Saudi Arabia, Romania, UK) to launch initiatives to improve self-sufficiency in the future.

Transplant activity remains at a low level due to the impact of the corona pandemic, but is slowly recovering and moving towards pre-corona levels. Biotest expects transplant numbers to recover in the medium term and anticipates an increase in these life-saving interventions, which is already reflected in the positive sales signals of Cytotect, for example.

Demand for albumin has also recovered as hospitals return to normal operations. Sales have increased in all regions except Intercontinental compared to last year. Intercontinental, sales were lower than last year due to lower albumin sales in China. The global price development is currently stable to positive.

MARKETING & DISTRIBUTION PROGRESS
IN THE FIRST SIX MONTHS OF 2022

Therapeutic area Clinical Immunology	
Hepatect®CP	Tenders were won in Algeria and Iraq. The volume of tenders won in Iraq is stable at a high level. First marketing authorization in Lithuania in June 2022 under the trade name Hepetra
Intratect®	Volume increases in key markets such as Central Europe. Increase in list/refund/sales prices in numerous countries, including Germany, Austria, Hungary and the UK
IgG Next Generation	Signing of a licensing agreement for a new immunoglobulin (IgG Next Generation) with the Saudi Arabian company Pharma Pharmaceutical Industries (PPI)
Zutectra®	New marketing authorization in Turkey
Therapeutic area Haematology	
Haemoctin®	The current contract in Algeria was extended and a new tender was won. Significant increase in sales in Turkey
Haemonine®	A tender for Haemonine was won in Algeria.
Therapeutical area Intensive Care Medicine	
Albiomin®	Albiomin 5 % and 20 %: new marketing authorization in Ghana and new distributor contract in China

IV. PRESENTATION OF EARNINGS, ASSET AND FINANCIAL POSITION

A. EARNINGS POSITION

In the first half of 2022, the Biotest Group generated sales revenues of € 253.1 million, compared to € 257.8 million in the same period of the previous year. A slight decline in sales was evident in all three segments. The decreasing demand for drug therapies with coagulation factors led to the volume and price-related decline in sales in the Therapy segment. In addition, no revenues were generated from the sale of human albumin in China compared to the same period of the previous year. Lower sales in the Plasma & Services segment resulted primarily from reduced toll manufacturing due to lower plasma availability. In the segment Other Segments, a decrease of € 0.7 million was recorded compared to the same period of the previous year. This was mainly due to lower sales of merchandise.

SALES BY SEGMENT

in € million	H1 2022	H1 2021	Change in %
Therapy	220.6	224.1	–1.6
Plasma & Services	29.4	29.9	–1.7
Other Segments	3.1	3.8	–18.4
Biotest Group	**253.1**	**257.8**	**–1.8**

At the beginning of financial year 2022, the sales regions were reorganised in order to optimise the market preparation. This led to the changes ofcountry allocation to the regions. At the level of the individual sales region, Biotest recorded sales growth in the Central Europe and Intercontinental regions in the first half of 2022. This growth was more than offset by the stronger decline in sales in the regions Middle East, Africa and France as well as Eastern and Southern Europe, Central Asia, Americas. Revenues in the Eastern and Southern Europe, Central Asia, America region fell particularly sharply (by -19.1 %). The reasons for this development included weaker sales in Turkey and Russia compared to the same period of the previous year. The main reason for the sales decline in the Middle East, Africa and France region was a lower toll manufacturing volume and the tense economic situation in this region. As in the previous year, the Central Europe region made the largest contribution in terms of absolute revenue figures. The positive development in this sales region as well as in the Intercontinental region resulted, among other factors, from the increased prices and sales volumes of the product Intratect®.

SALES BY REGION

in € million	H1 2022	H1 2021*	Change in %
Central Europe	104.7	94.0	11.4
Eastern and Southern Europe, Central Asia, America*	57.9	71.6	-19.1
Intercontinental*	42.5	34.9	21.8
Middle East, Africa and France*	48.0	57.3	-16.2
Biotest Group	**253.1**	**257.8**	**-1.8**

*Previous year's figures have been adjusted according to the definition of the sales regions in 2022.

At € 196.0 million, the cost of sales in the first half of 2022 was 2.9 % lower than in the same period of the previous year (same period of the previous year: € 201.8 million). The decrease of € 5.8 million resulted, among other factors, from the lower sales volume. The cost of sales ratio improved slightly from 78.3 % to 77.4 %. This effect resulted in particular from the sales prices for Intratect®, which were significantly higher than in the previous year.

At € 23.3 million, marketing and distribution costs for the first six months of financial year 2022 were slightly below the previous year's figure of € 23.7 million, due to lower commissions, among other reasons.

The Biotest Group's administrative costs amounted to € 16.3 million for the first half of 2022 and were thus 10.1 % above the previous year's level (same period of the previous year: € 14.8 million). The increase is due to higher recruitment and consulting costs, among other factors.

In the first six months of the current financial year 2022, research and development costs amounted to € 24.4 million, € 2.6 million below the previous year's figure (same period of the previous year: € 27.0 million). The decrease was mainly caused by the expense-reducing recognition of a research allowance in accordance with the Research Allowance Act (Forschungszulagengesetz) and the BMBF grant totalling € 6.6 million (same period of the previous year: € 1.9 million).

The increase in other operating expenses is mainly due to the value adjustments on financial assets measured at amortised cost in the amount of € 1.7 million (same period of the previous year: income in the amount of € 1.6 million).

EBIT amounted to € -9.1 million in the first half of 2022 and was thus below the previous year's figure (same period of the previous year: € - 8.5 million). In the current year, this includes expenses for the Biotest Next Level project in the amount of € 41.5 million (same period of the previous year: € 38.0 million). The 7.1 % decline in EBIT compared to the first half of 2021 is due, among other factors, to lower sales and higher administrative costs. These effects were only partially offset by lower manufacturing costs and reduced research and development costs.

The EBIT margin for the first six months of the current financial year was -3.6 % after -3.3 % in the same period of the previous year.

ADJUSTED EBIT*

in € million	H1 2022	H1 2021	Change in %
EBIT	–9.1	–8.5	-7.1
Expenses for Biotest Next Level*	41.5	38.0	9.2
ADJUSTED EBIT	**32.4**	**29.5**	**9.8**

* Among other items, the research and development costs for products that can only be manufactured at the new facility were allocated to the expenses for Biotest Next Level.

KEY INCOME STATEMENT ITEMS OF THE BIOTST GROUP

in € million	H1 2022	% of sales	H1 2021	% of sales
Revenue	253.1	100.0	257.8	100.0
Cost of sales	–196.0	77.4	–201.8	78.3
Marketing and distribution costs	–23.3	9.2	–23.7	9.2
Administrative expenses	–16.3	6.4	–14.8	5.7
Research and development costs	–24.4	9.6	–27.0	10.5
Other operating income and expenses	–2.2	0.9	1.0	0.4
Financial income and expenses	–8.9	3.5	–9.2	3.6

The EBIT of the current product business, excluding the costs for Biotest Next Level totalling € 41.5 million (same period of the previous year: € 38.0 million), would be € 32.4 million in the first half of 2022, compared to € 29.5 million last year. The expenses for Biotest Next Level essentially include the costs for the ramp-up of the production plant and the research and development costs for the products that are to be manufactured at the new plant in the future.

The adjusted EBIT margin for the first six months of the current financial year was 12.8 %, compared to 11.4 % in the same period of the previous year.

EBIT BY SEGMENT

in € million	H1 2022	H1 2021	Change in %
Therapy	–6.8	–13.0	47.7
Plasma & Services	–0.5	5.3	>-100
Other Segments	–1.8	–0.8	>-100
Biotest Group	**–9.1**	**–8.5**	**-7,1**

In the Plasma & Services segment, negative EBIT of € -0.5 million was achieved in the first half of 2022 (same period of the previous year: € 5.3 million). This was due, among other factors, to positive extraordinary effects that were recognised in the same period of the previous year.

In the Other Segments segment, EBIT deteriorated by € 1.0 million to € -1.8 million compared to the same period of the previous year. This development is mainly the result of lower sales of merchandise and higher intersegmental administrative costs.

In the first half of 2022, the financial result amounted to € -8.9 million after € -9.2 million in the same period of the previous year. This development is mainly due to the € 0.7 million higher income from value adjustments of the surrender claim against the trustee of shares in ADMA Biologics Inc. at fair value. This effect was partially offset by the € 0.5 million lower income from currency translations.

For the Biotest Group, this results in earnings before taxes (EBT) of € -18.0 million compared to € -17.8 million in the same period of the previous year.

The Biotest Group's total earnings after taxes (EAT) in the first half of 2022 thus amounted to € -19.9 million (same period of the previous year: € -18.2 million). This resulted in earnings per share of € -0.5 after € -0.47 in the first half of 2021.

KEY PERFORMANCE FIGURES OF THE BIOTEST GROUP

in € million	**H1 2022**	H1 2021	Change in %
EBIT	–9.1	–8.5	-7.1
EBT	–18.0	–17.8	-1.1
EAT	–19.9	–18.2	-9.3

B. ASSET POSITION

The total assets of the Biotest Group remained at a stable level of € 1,104.2 million as of the reporting date 31 December 2021 to € 1,101.9 million as of the reporting date 30 June 2022. At € 579.9 million, non-current assets also fell only marginally compared to the figure at the end of 2021 (31 December 2021: € 582.0 million). Current assets also remained nearly identical to the end of 2021 and amounted to € 522.0 million as of 30 June 2022 (31 December 2021: € 522.2 million). Trade receivables decreased by € - 10.1 million compared to the end of 2021, mainly due to improved payment behaviour. Inventories were expanded to secure the sales planned for the coming months and increased by € 18.6 million compared to the end of 2021.

Cash and cash equivalents amounted to € 85.0 million as of 30 June 2022, below the level of the end of 2021 (31 December 2021: € 104.4 million).

Equity decreased to € 358.7 million as of the reporting date 30 June 2022 (31 December 2021: € 380.4 million) due to the negative result for the period. The equity ratio thus amounted to 32.6 % at the end of the first half of 2022.

Total liabilities increased by € 19.4 million to € 743.2 million as of the reporting date 30 June 2022 (31 December 2021: € 723.8 million). This increase was caused on the one hand by a rise in long-term financial liabilities by € 3.7 million to € 500.1 million, which is mainly due to accrued interest for the shareholder loan. On the other hand, other current liabilities increased by € 6.5 million to € 18.9 million. This was mainly due to a liability from a unilaterally fulfilled plasma exchange transaction. In addition, current financial liabilities rose by € 4.9 million to € 39.7 million, mainly due to an increase in commission liabilities.

C. FINANCIAL POSITION

In the first six months of 2022, the Biotest Group recorded positive operating cash flow of € 1.9 million, mainly due to changes in working capital. In the same period of the previous year, operating cash flow was € -12.8 million. Cash flow from investing activities amounted to € - 15.5 million in the period from January to June 2022 (previous year: € -12.2 million). This increase is mainly due to payments for loans to partners to support the establishment of plasma collecting centres abroad. Cash flow from financing activities in the first half of 2022 was € -5.8 million and thus below the previous year's level of € 25.7 million. Financing cash flow in the same period of the previous year was essentially characterised by the fact that a loan tranche of € 25.0 million was drawn down. In addition, a cash deposit of € 2.3 million (previous year: repayment of € -12.2 million) was made for guarantees issued to banks. Biotest is financed by a subordinated shareholder loan in the amount of € 290 million and financing concluded in 2019 for a volume of € 240 million, of which € 125 million was drawn down as of 30 June 2022. As a result, credit lines of € 115 million are available as of 30 June 2022. The change in the shareholding structure has no direct impact on the financing, as the takeover by Grifols S.A. represents a contractually permissible change of control.

D. SUMMARY ASSESSMENT OF THE BUSINESS SITUATION OF THE COMPANY

The uncertainty regarding the COVID-19 pandemic, particularly due to further virus mutations and the associated supply chain interruptions and personnel bottlenecks, will continue until the time of preparation of the 2022 half-year financial statements. In the first half of 2022, the spread of the coronavirus continued to have a negative impact on the willingness of plasma donors to donate.

Due to the Russian attack on Ukraine, significant effects are evident at various points in the Company, such as production supply chain bottlenecks for raw materials, supplies and materials as well as high inflation rates. In particular, a potential undersupply of gas poses major risks. The Company is currently evaluating measures to counter the risks. The possible economic consequences cannot yet be conclusively assessed at the time of preparation of this report.

The number of surgeries as well as the number of outpatients treated are still down due to the corona pandemic, but are recovering and developing towards the pre-corona level. This is also evident in the positive sales development of Cytotect® in therapy after solid organ transplantation or stem cell transplantation and Hepatect in the first half of 2022.

The effects of the pandemic, the interrupted supply chains and the Russian attack on Ukraine as well as the high inflation rates could develop adversely for the Biotest Group and thus have a significant impact on the asset, financial and earnings position of the Biotest Group. For financial year 2022, the Board of Management is still aiming to maintain the sales level of 2021, but does not rule out a 5-10 % decrease in sales. Without the possible impact of the Russian attack on Ukraine, the Board of Management would have expected EBIT of € -20 million to € -25 million, including accelerated R&D activities. This amount could more than double to € -40 million to € -60 million if there were temporary production losses due to the risks mentioned above.

For research activities related to therapeutic approaches for COVID-19 patients, please refer to chapter A.IV Research and Development (General) in the Annual Report 2021 as well as the following section B of this half-yearly statement.

C. OUTLOOK, RISK AND OPPORTUNITIES REPORT

I. OUTLOOK REPORT

A. EXPECTED DEVELOPMENT OF THE MARKET ENVIRONMENT

Target markets

According to current studies, the global demand for immunoglobulins (IgG) will continue to grow annually in the mid-single-digit percentage range over the next few years.[20] The prices of these preparations continue to rise due to the tight supply situation.[21] It is impossible to predict to what extent the attack on Ukraine will lead to global shocks in the pharmaceutical market.

The long-term growth of the global albumin market is estimated to be around 6 % per year.[22]

A development of - 5 to 1 % p.a. is predicted for the global market for plasmatic factor VIII preparations by 2024.[23]

B. EXPECTED DEVELOPMENT OF THE BIOTEST GROUP

Expected business and earnings position of the Biotest Group

For financial year 2022, the Board of Management is aiming to maintain the level of sales achieved in 2021, but does not rule out the possibility of sales being 5-10 % lower. The main reasons for this would be a general war-related slump in the national economies with corresponding shortfalls in the healthcare sector as well, production interruptions due to a lack of or late availability of plasma volumes, particularly from the United States, undersupply of gas, spare parts not arriving on time or corona-related

[20] MRB (2021) supplemented by Biotest internal analyses.
[21] IQVIA (Nov 2021), www.cms.gov.
[22] Markets and Markets (2020) supplemented by Biotest internal analyses.
[23] MRB (2019), Biotest interne analysis.

staff shortages in the course of 2022. The forecast result will be negatively impacted by various factors in 2022. Besides the increased R&D expenses and the expected burdens from the Biotest Next Level expansion project amounting to € -95 million to € -105 million, the tense situation in the crisis regions and the global effects of the COVID-19-pandemic as well as supply bottlenecks could also have a negative impact on earnings. In addition, prices for electricity, gas and oil have already risen sharply in the first few months of 2022, and it is impossible to provide a forecast for the full year at present. Other important operating materials for Biotest, such as ethanol, had also already become significantly more expensive by the end of June 2022. The estimation of the further development of costs is subject to a high degree of forecast uncertainty.

Excluding the possible impact of the Russian attack on Ukraine, the Board of Management would have expected EBIT of € - 20 million to € -25 million, including accelerated R&D activities. This figure could more than double to € -40 million to € -60 million if there were temporary production downtimes due to the above-mentioned risks. For EBIT adjusted for expenses from the Biotest Next Level project, the Board of Management would have assumed a figure of € 70 million to € 85 million without the possible effects of the Russian attack on Ukraine. If there were to be temporary production downtimes, EBIT adjusted for charges against earnings from the Biotest Next Level project of € -100 million to € -110 million would be expected at € 40 million to € 70 million. As a result, the Board of Management expects the Return on Capital Employed (RoCE) for 2022 to be at the same level as in 2021 and a significantly negative cash flow from operating activities.

Expected asset and financial position of the Biotest Group

The Biotest Group strives to maintain a balanced financing structure with regard to the ratio of debt to equity as well as short-term to long-term loan financing. The Group has used a significant portion of the cash and cash equivalents received in recent years for the Biotest Next Level project and will continue to do so in order to finance the capacity expansion at the Dreieich site and to ensure the supply of plasma raw materials. For financial year 2022, investments of the Biotest Group with a volume of approximately € 25 million to € 30 million are planned, of which around a quarter is accounted for by further investments for the expansion of its current plasma centres and the establishment of new centres in Europe. In addition, Biotest participates financially in the establishment of plasma centres with partners. Financing was mainly provided by the shareholder loan and the financing concluded on 24 June 2019. These main sources of financing, which are also in the future available to Biotest AG in the long term, will enable the company to secure the financing requirements arising from the Biotest Next Level project and other activities.

II. RISK REPORT

The risk situation of the Biotest Group has not changed significantly compared to the presentation in the Risk Report of the Annual Report 2021 (pages 30-41), with the exception of the previously presented risks in connection with the gas supply and the high inflation rate.

This also applies to the assessment of risks in connection with pandemics/epidemics (page 41 in the 2021 Annual Report) and plasma procurement. The high level of uncertainty regarding the further spread of the coronavirus will continue in the period between the reporting date and the time of preparation of the half-year report for the first half of 2022. Any economic consequences cannot yet be conclusively assessed at the time of preparation of the half-year financial statements. If the spread of the coronavirus continues on a sustained basis, this could, for example, have a negative impact on the population's willingness to donate plasma or on the health and operational capability of employees. In addition, business activities in the regions affected by a pandemic could develop adversely and thus have an adverse effect on our net assets, financial position and results of operations.

Furthermore, Russia's belligerent attack on Ukraine has exacerbated political risks. There is a risk that sales in Eastern Europe will not materialize, supply chains will be interrupted, and construction materials, spare parts, supplies and gas will only be delivered with considerable delays and significantly reduced volumes or at substantially increased prices. With regard to gas, there is a risk of significant undersupply or gas supply stop. High inflation rates may have a significant impact. Even production interruptions cannot be ruled out in 2022.

Beyond this, there are still no discernible risks that could jeopardize the continued existence of the Biotest Group.

III. OPPORTUNITIES REPORT

The opportunities situation of the Biotest Group has not changed significantly compared to the information presented in the 2021 Annual Report. The acquisition by Grifols, S.A. has led to a support of the Biotest Group strategy - insofar as e.g. prioritised development projects such as trimodulin and fibrinogen can now be developed more quickly. See chapter Research & Development (General).

D. SUPPLEMENTARY REPORT

There were no events after the balance sheet date that had a significant impact on the earnings, asset or financial positions.

CONSOLIDATED STATEMENT OF INCOME

of the Biotest Group for the period from 1 January to 30 June 2022

in € million	Q2 2022	Q2 2021	H1 2022	H1 2021
Revenue	137.2	137.8	253.1	257.8
Cost of sales	–106.4	–104.8	–196.0	–201.8
Gross profit	**30.8**	**33.0**	**57.1**	**56.0**
Other operating income	0.8	1.6	1.0	2.4
Marketing and distribution costs	–12.4	–12.0	–23.3	–23.7
Administrative expenses	–7.6	–7.0	–16.3	–14.8
Research and development costs	–13.5	–14.4	–24.4	–27.0
Other operating expenses	–2.3	–0.6	–3.2	–1.4
Operating profit	**–4.2**	**0.8**	**–9.1**	**–8.5**
Financial income	3.0	2.3	7.3	4.3
Financial expenses	–8.2	–6.4	–16.2	–13.5
Financial result	**–5.2**	**–4.1**	**–8.9**	**–9.2**
Earnings before taxes	**–9.4**	**–3.4**	**–18.0**	**–17.8**
Income taxes	–5.6	–0.7	–1.9	–0.4
Earnings after taxes	**–15.0**	**–4.1**	**–19.9**	**–18.2**
Attributable to:				
Equity holders of the parent	–15.0	–4.1	–19.9	–18.2
Earnings per share in €	**–0.39**	**–0.11**	**–0.50**	**–0.47**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of the Biotest Group for the period from 1 January to 30 June 2022

in € million	H1 2022	H1 2021
Profit (Loss)	**–19.9**	**–18.2**
Exchange difference on translation of foreign operations	–1.0	–0.1
Reclassification of foreign currency translation differences recognised in the statement of income	–	–
Other comprehensive income, net of tax reclassified to profit or loss, or potentially reclassified to profit or loss in subsequent periods	**–1.0**	**–0.1**
Actuarial losses from defined benefit pension plans	–	–
resulting income tax effect	–	–
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods	**–**	**–**
Other comprehensive income, net of tax	**–1.0**	**–0.1**
Total comprehensive income, net of tax	**–20.9**	**–18.3**
Attributable to:		
Equity holders of the parent	**–20.9**	**–18.3**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
of the Biotest Group as of 30 June 2022

in € million	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Intangible assets	11.7	11.3
Property, plant and equipment	519.3	524.7
Right-of-use assets	25.3	25.3
Investments in joint ventures	3.9	4.5
Other assets	0.3	0.3
Other financial assets	11.2	5.6
Deferred tax assets	8.2	10.2
Total non-current assets	**579.9**	**582.0**
Current assets		
Inventories	263.2	244.6
Contract assets	42.7	39.1
Trade receivables	97.2	107.3
Current income tax assets	0.4	0.7
Other assets	15.4	12.9
Other financial assets	18.1	13.2
Cash and cash equivalents	85.0	104.4
Total current assets	**522.0**	**522.2**
Total assets	**1,101.9**	**1,104.2**
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	39.6	39.6
Share premium	219.8	219.8
Retained earnings	119.2	184.4
Share of profit or loss attributable to equity holders of the parent	–19.9	–63.4
Equity attributable to equity holders of the parent	**358.7**	**380.4**
Total equity	**358.7**	**380.4**
Non-current liabilities		
Provisions for pensions and similar obligations	117.5	116.5
Other provisions	2.1	2.4
Financial liabilities	500.1	496.4
Other liabilities	–	–
Deferred tax liabilities	1.3	2.2
Total non-current liabilities	**621.0**	**617.5**
Current liabilities		
Other provisions	20.4	19.9
Current income tax liabilities	0.2	0.5
Financial liabilities	39.7	34.8
Trade payables	42.2	38.8
Other liabilities	18.9	12.4
Contract liabilities	0.8	–
Total current liabilities	**122.2**	**106.4**
Total liabilities	**743.2**	**723.8**
Total equity and liabilities	**1,101.9**	**1,104.2**

CONSOLIDATED CASH FLOW STATEMENT

of the Biotest Group for the period from 1 January to 30 June 2022

in € million	H1 2022	H1 2021
Operating cash flow before changes in working capital	9.2	7.2
Cash flow from changes in working capital	1.2	–13.7
Interest and taxes paid	–8.5	–6.3
Cash flow from operating activities total	**1.9**	**–12.8**
Cash flow from investing activities total	**–15.5**	**–12.2**
Cash flow from financing activities total	**–5.8**	**25.7**
Cash changes in cash and cash equivalents	**–19.4**	**0.7**
Exchange rate-related changes in cash and cash equivalents	–	–
Cash and cash equivalents on 1 January	104.4	71.3
Cash and cash equivalents on 30 June	**85.0**	**72.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of the Biotest Group for the period from 1 January to 30 June 2022

in € million	Subscribed capital	Share-premium	Retained earnings	Remeasurement of defined benefit obligations	Translation reserve	Total equity
As of 1 January 2021	**39.6**	**219.8**	**219.9**	**–35.5**	**–2.2**	**441.6**
Reclassification to income statement	–	–	–	–	–	–
Other comprehensive income after tax	–	–	–	2.8	0.2	3.0
Profit (loss)	–	–	–63.4	–	–	–63.4
Total comprehensive income	**–**	**–**	**–63.4**	**2.8**	**0.2**	**–60.4**
Dividend payments	–	–	–0.8	–	–	–0.8
As of 31 December 2021	**39.6**	**219.8**	**155.7**	**–32.7**	**–2.0**	**380.4**
As of 1 January 2022	**39.6**	**219.8**	**155.7**	**–32.7**	**–2.0**	**380.4**
Reclassification to income statement	**–**	**–**	**–**	**–**	**–**	**–**
Other comprehensive income after tax	–	–	–	–	–1.0	–1.0
Profit (loss)	–	–	–19.9	–	–	–19.9
Total comprehensive income	**–**	**–**	**–19.9**	**–**	**–1.0**	**–20.9**
Dividend payments	–	–	–0.8	–	–	–0.8
As of 30 June 2022	**39.6**	**219.8**	**135.0**	**–32.7**	**–3.0**	**358.7**

SELECTED DISCLOSURES

METHOD OF PREPARATION

The Interim Consolidated Financial Statements of Biotest AG and its subsidiaries as of 30 June 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. Accordingly, these Interim Consolidated Financial Statements as of 30 June 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and contain condensed reporting compared to the Consolidated Financial Statements. The IFRSs include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) as well as the interpretations of the Standing Interpretation Committee (SIC). The accounting of the Biotest Group is prepared in accordance with IFRSs effective for financial years beginning on 1 January 2021.

The accounting and valuation methods applied are the same as those used in the last financial statements.

These Interim Consolidated Financial Statements were approved for publication by the Board of Management on 11 August 2022.

CONSOLIDATED GROUP

The consolidated financial statements of Biotest AG include three (previous year: three) domestic and eleven (previous year: eleven) foreign companies in which Biotest AG directly or indirectly holds the majority of voting rights.

BioDarou P.J.S. Co., based in Tehran, Iran, is included in the Consolidated Financial Statements at equity as a joint venture.

An overview of Biotest AG's shareholdings within the meaning of Section 313 (2) of the German Commercial Code (HGB) is provided in Chapter F 9 List of shareholdings of the 2021 Annual Report.

With effect from 25 April 2022 Grifols Biotest Holdings GmbH in Munich, Germany, holds the majority of the voting rights in Biotest AG. The Biotest Group is included in the Consolidated Financial Statements of Grifols, S.A., Barcelona, Spain, which, as the ultimate parent company of the Group, also prepares the Consolidated Financial Statements for the largest group of consolidated companies.

NET DEBT

in € million	30 June 2022	31 December 2021
Shareholder loan	318.2	314.8
Financial liabilities to third parties	156.7	155.8
Lease liabilities	26.8	26.8
Financial liabilities	**501.7**	**497.3**
Cash and cash equivalents	85.0	104.4
	85.0	**104.4**
Net debt	**416.7**	**392.9**

The increase in net debt compared to the previous year is mainly due to the lower cash and cash equivalents. A loan concluded in 2019 for a total volume of € 240.0 million with a maturity in 2024 was drawn down by € 125 million as of 30 June 2022. No further drawings were made in the first half of the year.

SEGMENT REPORTING
of the Biotest Group for the period from 1 January to 30 June 2022

	Revenue			EBIT		
in € million	**H1 2022**	H1 2021	Change in %	**H1 2022**	H1 2021	Change in %
Therapy	220.6	224.1	-1.6	–6.8	–13.0	47.7
Plasma & Services	29.4	29.9	-1.7	–0.5	5.3	>-100
Other Segments	3.1	3.8	-18.4	–1.8	–0.8	>-100
Biotest Group	**253.1**	**257.8**	**-1.8**	**–9.1**	**–8.5**	**–7.1**

	Revenue based on customer's geographical location		
in € million	**H1 2022**	H1 2021*	Change in %
Central Europe	104.7	94.0	11.4
Eastern and Southern Europe, Central Asia, America*	57.9	71.6	–19.1
Intercontinental*	42.5	34.9	21.8
Middle East, Africa and France*	48.0	57.3	–16.2
Biotest Group	**253.1**	**257.8**	**–1.8**

*Previous year's figures have been adjusted according to the definition of the sales regions in 2022.

RECONCILIATION OF TOTAL SEGMENT RESULTS TO EARNINGS AFTER TAXES OF THE BIOTEST GROUP

in € million	**H1 2022**	H1 2021
Operating profit (EBIT)	–9.1	–8.5
Financial income and expenses	–8.9	–9.2
Earnings before taxes (EBT)	**–18.0**	**–17.8**
Income taxes	–1.9	–0.4
Earnings after taxes (EAT)	**–19.9**	**–18.2**

in € million	Segments							
Categories	Therapy		Plasma & Services		Other Segments		Total	
	H1 2022	H1 2021*	**H1 2022**	H1 2021	**H1 2022**	H1 2021	**H1 2022**	H1 2021
Type of products and services								
Sale of Biotest products	220.6	224.1	–	–	–	–	220.6	224.1
Toll manufacturing and know-how transfer	–	–	29.4	29.9	–	–	29.4	29.9
Sale of merchandise	–	–	–	–	3.1	3.8	3.1	3.8
	220.6	**224.1**	**29.4**	**29.9**	**3.1**	**3.8**	**253.1**	**257.8**
Geographical markets								
Central Europe	90.9	84.1	10.7	6.1	3.1	3.8	104.7	94.0
Eastern and Southern Europe, Central Asia, America*	56.6	70.3	1.3	1.3	–	–	57.9	71.6
Intercontinental*	42.5	34.9	–	–	–	–	42.5	34.9
Middle East, Africa and France*	30.6	34.9	17.4	22.4	–	–	48.0	57.3
	220.6	**224.2**	**29.4**	**29.8**	**3.1**	**3.8**	**253.1**	**257.8**
Timing of revenue recognition								
Goods transferred at a point in time	220.6	224.1	–	–	3.1	3.8	223.7	227.9
Services transferred over a period of time	–	–	29.4	29.9	–	–	29.4	29.9
	220.6	**224.1**	**29.4**	**29.9**	**3.1**	**3.8**	**253.1**	**257.8**

*Previous year's figures have been adjusted according to the definition of the sales regions in 2022.

QUARTER-TO-QUARTER COMPARISON
by business segments

	Revenue				
in € million	**Q2 2022**	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Therapy	117.0	103.7	131.8	105.7	120.3
Plasma & Services	18.4	10.9	10.4	6.4	15.9
Other Segments	1.8	1.3	2.0	1.5	1.6
Biotest Group	**137.2**	**115.9**	**144.2**	**113.6**	**137.8**

	EBIT				
in € million	**Q2 2022**	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Therapy	–3.9	–2.9	-34.9	-3.2	-1.8
Plasma & Services	0.2	–0.7	0.5	0.7	2.8
Other Segments	–0.4	–1.4	-1.5	-0.2	-0.2
Biotest Group	**–4.1**	**–5.0**	**-35.9**	**-2.7**	**0.8**

OTHER DISCLOSURES

Schedule of assets – net presentation

in € million	Carrying amount as of 31 December 2021	Capital expenditure	Disposals net	Depreciation and amortisation	Currency translation differences	Carrying amount as of 30 June 2022
Intangible assets	11.3	1.0	–	–0.6	–	11.7
Property, plant & equipment	524.7	9.8	–0.2	–14.6	–0.4	519.3
Right of use assets	25.3	3.4	–0.5	–2.6	–0.3	25.3
Total	**561.3**	**14.2**	**–0.7**	**–17.8**	**–0.7**	**556.3**

Employees
by operating functions

Full-time equivalents	**30 June 2022**	31 December 2021	Change in %
Production	1,445	1,369	5.6
Administration	229	203	12.8
Distribution	191	182	4.9
Research and development	209	213	–1.9
Biotest Group	**2,074**	**1,967**	**5.4**

Financial instruments as of 30 June 2022

in € million	Carrying amount	Fair value
Assets		
Trade receivables	97.2	97.2
Other financial assets	29.3	28.8
Cash and cash equivalents	85.0	85.0
Equity and liabilities		
Trade payables	42.2	42.2
Financial liabilities		
Subordinated shareholder loans	318.2	325.0
Secured loans from financial institutions	123.4	128.6
Unsecured promissory note loans	2.0	2.1
Other financial liabilities	68.5	66.5
Derivatives without hedging relationship	0.9	0.9

FAIR VALUE HIERARCHY

The financial instruments carried at fair value in the statement of financial position must be assigned to a three-level fair value hierarchy in accordance with IFRS 13.72. The level reflects the proximity to the market of the data used to calculate the fair value. The fair value hierarchy levels are described below:

Level 1: quoted market prices on active markets for identical assets or liabilities,

Level 2: information other than quoted prices that is directly (e.g. prices) or indirectly (e.g. derived from prices) observable, and

Level 3: information on assets and liabilities that is not based on observable market data.

For assets and liabilities recognised in the financial statements on a recurring basis, the Group determines whether reclassifications between the hierarchy levels have occurred by reviewing the classification (based on the input parameter of the lowest level significant to measurement at fair value overall) at the end of each reporting period.

In order to meet the fair value disclosure requirements, the Group has established groups of assets and liabilities based on their nature, characteristics and risks and the fair value hierarchy levels explained above.

In accordance with IFRS 7.29, the assumption was made that the fair value of the current financial instruments corresponds to the carrying amount, unless stated otherwise.

Most trade receivables (both sold and unsold) and other assets have remaining terms to maturity of less than one year. For this reason, the carrying amounts as of the balance sheet date approximate the fair values. For other non-current receivables as well as financial investments that are held to maturity and thus have remaining terms of more than one year, the fair values correspond to the present values of the payments associated with the assets, taking into account the respective current interest rate parameters, which reflect market- and partner-related changes in conditions and expectations.

For financial (non-derivative) assets measured at fair value, the fair value is determined by reference to the share price of ADMA Biologics Inc. taking a discount into account. The discount is estimated based on the size of the share package, the trading volume, the profitability of the company and the urgency of the sale. The estimates are derived from historical experience. The fair value is allocated to hierarchy level 3.

Derivative financial assets and liabilities (foreign exchange transactions and embedded derivatives) are assessed market-to-market based on quoted foreign exchange rates and yield curves obtainable on the market. The fair value is allocated to hierarchy level 2.

The fair value of the pension funds recognized in other financial assets is assigned to hierarchy level 1.

Trade payables and other liabilities regularly have residual terms of less than one year. For this reason, the carrying amounts approximate the corresponding fair values.

The fair values of liabilities to financial institutions, liabilities to the shareholder and other financial liabilities are determined as the present values of the payments associated with the liabilities, based on the applicable yield curve and the credit spread curve considered by currency. The fair value is allocated to hierarchy level 2.

RELATED PARTY DISCLOSURES

Grifols Biotest Holdings GmbH, Munich, Germany, a directly controlled subsidiary of Grifols S.A., Barcelona, Spain, holds a majority interest (approximately 97 % of the voting ordinary shares of Biotest AG) in Biotest AG.

Grifols Biotest Holdings GmbH, Munich, Germany, was created by way of a change of legal form of Tiancheng (Germany) Pharmaceutical Holdings AG, Munich, Germany, in accordance with the Articles of Association dated 25 April 2022. The entry in the Commercial Register was made on 3 June 2022. Grifols Biotest Holdings GmbH grants Biotest subordinated shareholder loans in the total amount of € 290.0 million with the maturity of the shareholder loans until January 2025. The carrying amount of the

loans with accrued interest as of 30 June 2022 is € 318.2 million. The interest expense from the shareholder loans amounted to € 3.4 million in the first half of the year.

The following relationships exist with individual companies of the Creat Group (until 25 April 2022):

Biotest did not purchase any goods and services from Bio Products Laboratory Ltd. (BPL), based in Elstree, United Kingdom, in the first half of 2022 until 25 April.

In the first half of 2022, Biotest Pharma GmbH, Dreieich, did not deliver any goods to Anhui Tonrol Pharmaceutical Co., Ltd., Anhui, People's Republic of China. As of 30 June 2022, Biotest Pharma GmbH had receivables from Anhui Tonrol Pharmaceutical Co., Ltd. amounting to € 0.2 million.

In the first half of the year up until 25 April 2022, Biotest passed on costs for the annual audit of € 0.1 million to Tiancheng International Investment Ltd. with its registered office in Hong Kong, People's Republic of China (Tiancheng International). As of 30 June 2022, there were receivables from Tiancheng International from cost reimbursements amounting to € 0.1 million.

The following relationships exist with individual companies of the Grifols Group (from 26 April 2022 on):

Biotest acquired goods amounting to € 5.3 million from Grifols Worldwide Operations Ltd. in Dublin, Ireland, in the first half of 2022. As of 30 June 2022, Biotest had liabilities to Grifols Worldwide Operations Ltd. in the amount of € 3.5 million from a unilaterally fulfilled plasma exchange transaction.

The Biotest Group also has reportable relationships with the joint venture BioDarou P.J.S. Co., Tehran/Iran.

In the first six months, Biotest generated sales of € 2.0 million from contract fractionation with BioDarou P.J.S. Co. Biotest's receivables and contract assets from BioDarou P.J.S. Co. amounted to € 7.1 million as of 30 June 2022. The accumulated allowances for receivables and contract assets amounted to € 0.1 million as of 30 June 2022.

Apart from these business relationships, there were no material transactions with related parties in the reporting period.

EVENTS AFTER THE REPORTING DATE

There were no events after the balance sheet date that had a significant impact on the earnings, asset or financial position.

INFORMATION IN ACCORDANCE WITH SECTION 115 (5) OF THE WpHG

These Interim Consolidated Financial Statements and the Group Interim Management Report have not been reviewed by an auditor.

RESPONSIBILITY STATEMENT

Declaration in accordance with section 37y no. 1 of the WpHG in conjunction with sections 297 (2) sentence 3 and 315 (1) sentence 6 of the German Commercial Code (HGB)

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the asset position, financial position and earnings positionof the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dreieich, 11 August 2022
Biotest Aktiengesellschaft
Board of Management

Dr. Michael Ramroth
Chairman of the
Board of Management

Dr. Georg Floß
Member of the
Board of Management

Dr. Jörg Schüttrumpf
Member of the
Board of Management

FINANCIAL CALENDAR

14 November 2022
Nine-month report

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This report contains forward-looking statements on overall economic development as well as on the state of business, earnings, financial and asset position of Biotest AG and its subsidiaries. These statements are based on current plannings, estimates, forecasts and expectations of the company and are thus subject to risks and elements of un-certainty that could result in significant deviation of actual developments from expected developments. The forward-looking statements are only valid at the time of publication of this report. Biotest does not intend to update the forward-looking statements and assumes no obligation to do so.

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