



# Limited Review Report on Grifols, S.A. and subsidiaries

(Together with the condensed consolidated interim financial statements and the consolidated interim Directors' Report of Grifols, S.A. for the six-month period ended 30 June 2022)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



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## **Limited Review on the Condensed Consolidated Interim Financial Statements**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Shareholders of Grifols, S.A. commissioned by the Directors

### **REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

#### **Introduction**

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We have carried out a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Grifols, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the balance sheet at 30 June 2022, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). Pursuant to article 12 of Royal Decree 1362/2007 the Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

#### **Scope of Review**

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We conducted our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

#### **Conclusion**

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Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2022 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.



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## **Emphasis of Matter**

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We draw your attention to note 2 to the accompanying interim financial statements, which states that these interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2021. This matter does not modify our conclusion.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2022 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the consolidated interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the consolidated interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2022. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Grifols, S.A. and subsidiaries.

## **Paragraph on Other Matters**

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This report has been prepared at the request of the Company's directors in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, approved by Legislative Royal Decree 4/2015 of 23 October 2015 and enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

David Hernanz Sayans  
28 July 2022

# **GRIFOLS, S.A. AND SUBSIDIARIES**

## **Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022**

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## GRIFOLS, S.A. AND SUBSIDIARIES

### Condensed Consolidated Balance Sheets at 30 June 2022 and 31 December 2021

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Assets	30/06/2022	31/12/2021
	(unaudited)	
<b>Non-current assets</b>		
Goodwill (note 6)	7,847,911	6,228,901
Other intangible assets (note 7)	1,736,913	1,636,950
Rights of use (note 7 and 8)	958,521	795,657
Property, plant and equipment (note 7)	3,269,409	2,547,497
Investments in equity accounted investees (note 9)	1,998,798	1,999,776
Non-current financial assets (note 11)		
Non-current financial assets measured at fair value	46,305	4,106
Non-current financial assets not measured at fair value	543,961	358,161
	590,266	362,267
Deferred tax assets	204,483	152,507
	<b>16,606,301</b>	<b>13,723,555</b>
<b>Total non-current assets</b>		
<b>Current assets</b>		
Non-current assets classified as held for sale (note 10)	90,305	--
Inventories	2,933,637	2,259,354
Current contract assets	42,649	1,939
Trade and other receivables		
Trade receivables (note 12)	594,577	432,197
Other receivables (note 12)	79,666	55,063
Current income tax assets	56,040	12,448
Trade and other receivables	730,283	499,708
Other current financial assets (note 11)		
Current financial assets measured at fair value	12,454	3,238
Current financial assets not measured at fair value	24,045	2,026,469
	36,499	2,029,707
Other current assets	74,306	64,079
Cash and cash equivalents (note 13)	525,094	655,493
	<b>4,432,773</b>	<b>5,510,280</b>
<b>Total current assets</b>		
<b>Total assets</b>	<b>21,039,074</b>	<b>19,233,835</b>

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Condensed Consolidated Balance Sheets at 30 June 2022 and 31 December 2021

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Equity and liabilities	30/06/2022	31/12/2021
	(unaudited)	
<b>Equity</b>		
Share capital (note 14)	119,604	119,604
Share premium	910,728	910,728
Reserves (note 14)	4,320,627	4,133,388
Treasury stock (note 14)	(158,761)	(164,189)
Profit attributable to the Parent	143,649	188,726
Total	5,335,847	5,188,257
Cash flow hedges	(7,773)	3,130
Other comprehensive Income	(869)	(869)
Translation differences	1,002,629	333,091
Other comprehensive expenses	993,987	335,352
<b>Equity attributable to the Parent</b>	<b>6,329,834</b>	<b>5,523,609</b>
Non-controlling interests	2,089,554	1,793,489
<b>Total equity</b>	<b>8,419,388</b>	<b>7,317,098</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Grants	15,871	15,036
Provisions	142,992	24,122
Non-current financial liabilities (note 15)	10,103,828	7,768,950
Other non-current liabilities	17	333
Deferred tax liabilities	700,648	633,984
<b>Total non-current liabilities</b>	<b>10,963,356</b>	<b>8,442,425</b>
<b>Current liabilities</b>		
Provisions	48,753	31,407
Current financial liabilities (note 15)	483,668	2,438,291
Trade and other payables		
Suppliers	701,158	628,992
Other payables	93,115	151,834
Current income tax liabilities	76,602	4,516
Total trade and other payables	870,875	785,342
Other current liabilities	239,020	219,272
Liabilities associated with non-current assets classified as held for sale (note 10)	14,014	--
<b>Total current liabilities</b>	<b>1,656,330</b>	<b>3,474,312</b>
<b>Total liabilities</b>	<b>12,619,686</b>	<b>11,916,737</b>
<b>Total equity and liabilities</b>	<b>21,039,074</b>	<b>19,233,835</b>

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Condensed Consolidated Statements of Profit and Loss for each of the three-and six-month periods ended 30 June 2022 and 2021 (Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Six-Months Ended		Three-Months Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	(unaudited)	(unaudited)	(unaudited)/ (not reviewed)	(unaudited)/ (not reviewed)
<b>Continuing Operations</b>				
Net revenues (note 5)	2,810,092	2,536,632	1,542,899	1,351,898
Cost of sales	(1,737,541)	(1,422,509)	(964,949)	(771,102)
<b>Gross Margin</b>	<b>1,072,551</b>	<b>1,114,123</b>	<b>577,950</b>	<b>580,796</b>
Research and Development	(161,282)	(158,542)	(85,127)	(86,732)
Selling, general and administration expenses	(567,890)	(507,002)	(308,472)	(249,861)
<b>Operating Expenses</b>	<b>(729,172)</b>	<b>(665,544)</b>	<b>(393,599)</b>	<b>(336,593)</b>
Other Income	4,508	--	926	--
Profit/(loss) of equity accounted investees with similar activity to that of the Group	79,459	14,971	80,096	6,394
<b>Operating Results</b>	<b>427,346</b>	<b>463,550</b>	<b>265,373</b>	<b>250,597</b>
Finance income	13,853	4,949	8,674	1,804
Finance costs	(210,808)	(119,698)	(137,223)	(61,061)
Change in fair value of financial instruments	(17,034)	555	1,593	--
Exchange differences	15,236	(5,243)	7,576	(1,480)
<b>Finance Result (note 17)</b>	<b>(198,753)</b>	<b>(119,437)</b>	<b>(119,380)</b>	<b>(60,737)</b>
Share of income/(losses) of equity accounted investees	(706)	34,122	(271)	(359)
<b>Profit before income tax from continuing operations</b>	<b>227,887</b>	<b>378,235</b>	<b>145,722</b>	<b>189,501</b>
Income tax expense (note 18)	(51,275)	(75,647)	(30,804)	(37,900)
<b>Profit after income tax from continuing operations</b>	<b>176,612</b>	<b>302,588</b>	<b>114,918</b>	<b>151,601</b>
<b>Consolidated profit for the period</b>	<b>176,612</b>	<b>302,588</b>	<b>114,918</b>	<b>151,601</b>
Profit attributable to the Parent	143,649	266,815	90,340	136,880
Profit attributable to non-controlling interest	32,963	35,773	24,578	14,721
<b>Basic earnings per share (Euros)</b>	<b>0.21</b>	<b>0.39</b>	<b>0.13</b>	<b>0.20</b>
<b>Diluted earnings per share (Euros)</b>	<b>0.21</b>	<b>0.39</b>	<b>0.13</b>	<b>0.20</b>

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Condensed Consolidated Statements of Comprehensive Income for each of the three-and six-month periods ended 30 June 2022 and 2021

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Six-Months' Ended		Three-Months' Ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	(unaudited)	(unaudited)	(unaudited)/ (not reviewed)	(unaudited)/ (not reviewed)
<b>Consolidated profit for the period</b>	<b>176,612</b>	<b>302,588</b>	<b>114,918</b>	<b>151,601</b>
<b>Items for reclassification to profit or loss</b>				
Translation differences	758,240	260,304	543,491	(54,373)
Equity accounted investees / Translation differences (note 9)	48,922	39,110	27,280	4,486
Cash flow hedges - effective portion of changes in fair value	(13,377)	--	(7,336)	--
Cash flow hedges - amounts taken to profit or loss	(1,160)	--	(1,360)	--
Tax effect	3,634	--	2,174	--
<b>Other comprehensive income for the period, after tax</b>	<b>796,259</b>	<b>299,414</b>	<b>564,249</b>	<b>(49,887)</b>
<b>Total comprehensive income for the period</b>	<b>972,871</b>	<b>602,002</b>	<b>679,167</b>	<b>101,714</b>
Total comprehensive income attributable to the Parent	802,284	437,508	548,034	99,145
Total comprehensive income attributable to non-controlling interests	170,587	164,494	131,133	2,569
<b>Total comprehensive income for the period</b>	<b>972,871</b>	<b>602,002</b>	<b>679,167</b>	<b>101,714</b>

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.



## GRIFOLS, S.A. AND SUBSIDIARIES

### Condensed Consolidated Statements of Cash Flows for each of the six-month periods ended 30 June 2022 and 2021 (Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	30/06/2022	30/06/2021
	(unaudited)	
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	227,887	378,235
Adjustments for:	319,333	223,279
Amortisation and depreciation (note 16)	187,208	166,754
Other adjustments:	132,125	56,525
(Profit)/Losses on equity accounted investments	(78,753)	(49,093)
Impairment of assets and net provision changes	10,167	562
Losses on disposal of fixed assets	(26)	172
Government grants taken to income	(1,701)	(773)
Finance cost	198,445	116,368
Other adjustments	3,993	(10,711)
<b>Changes operating assets and liabilities</b>	<b>(266,357)</b>	<b>(179,678)</b>
Change in inventories	(228,441)	(65,878)
Change in trade and other receivables	(67,785)	(146,904)
Change in current financial assets and other current assets	5,642	4,565
Change in current trade and other payables	24,227	28,539
<b>Other cash flows used in operating activities</b>	<b>(249,332)</b>	<b>(82,534)</b>
Interest paid	(123,787)	(71,286)
Interest recovered	976	186
Income tax paid	(125,949)	(9,679)
Other amounts paid	(572)	(1,755)
<b>Net cash from operating activities</b>	<b>31,531</b>	<b>339,302</b>
<b><u>Cash flows from investing activities</u></b>		
Payments for investments	<b>(1,803,800)</b>	<b>(625,152)</b>
Group companies and business combinations	(1,545,046)	(492,249)
Property, plant and equipment and intangible assets	(143,041)	(132,621)
Property, plant and equipment	(112,855)	(103,522)
Intangible assets	(30,186)	(29,099)
Other financial assets	(115,713)	(282)
Proceeds from	<b>6,748</b>	<b>1,790</b>
Group companies and business combinations	3,094	0
Property, plant and equipment and intangible assets	3,654	299
Other financial assets	0	1,491
<b>Net cash used in investing activities</b>	<b>(1,797,052)</b>	<b>(623,362)</b>
<b><u>Cash flows from financing activities</u></b>		
Proceeds from and payments for equity instruments	0	(125,703)
Acquisition of treasury stock	0	(125,703)
Proceeds from and payments for financial liability instruments	(438,103)	467,002
Issue	339,446	675,760
Redemption and repayment	(777,549)	(208,758)
Dividends and interest on other equity instruments paid and received	3,927	(256,539)
Dividends paid	0	(258,945)
Dividends received	3,927	2,406
Other cash flows from financing activities	1,488	350
<b>Net cash from (used in) financing activities</b>	<b>(432,688)</b>	<b>85,110</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>52,781</b>	<b>17,167</b>
<b>Cash reclassified to assets held for sale</b>	<b>(5,089)</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,150,517)</b>	<b>(181,783)</b>
<b>Cash and cash equivalents at beginning of the period (note 13)</b>	<b>2,675,611</b>	<b>579,647</b>
<b>Cash and cash equivalents at end of period (note 13)</b>	<b>525,094</b>	<b>397,864</b>

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Equity  
for each of the six-month periods ended 30 June 2022 and 2021  
(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Attributable to equity holders of the Parent					Accumulated other comprehensive income				Equity attributable to Parent	Non-controlling interests	Equity
	Share capital	Share premium	Reserves	Profit attributable to Parent	Interim dividend	Treasury stock	Translation differences	Other comprehensive income	Cash flow hedges			
<b>Balances at 31 December 2020</b>	<b>119,604</b>	<b>910,728</b>	<b>3,776,932</b>	<b>618,546</b>	<b>0</b>	<b>(43,734)</b>	<b>(272,529)</b>	<b>(1,155)</b>	<b>0</b>	<b>5,108,392</b>	<b>1,611,663</b>	<b>6,720,055</b>
Translation differences	--	--	--	--	--	--	170,693	--	--	170,693	128,721	299,414
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170,693</b>	<b>0</b>	<b>0</b>	<b>170,693</b>	<b>128,721</b>	<b>299,414</b>
Profit/(loss) for the period	--	--	--	266,815	--	--	--	--	--	266,815	35,773	302,588
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>266,815</b>	<b>0</b>	<b>0</b>	<b>170,693</b>	<b>0</b>	<b>0</b>	<b>437,508</b>	<b>164,494</b>	<b>602,002</b>
Net change in treasury stock	--	--	--	--	--	(120,455)	--	--	--	(120,455)	--	(120,455)
Acquisition of non-controlling interests	--	--	838	--	--	--	--	--	--	838	(843)	(5)
Other changes	--	--	(5,674)	--	--	--	--	--	--	(5,674)	113	(5,561)
Distribution of 2019 profit												
Reserves	--	--	618,546	(618,546)	--	--	--	--	--	0	--	0
Dividends	--	--	(252,443)	--	--	--	--	--	--	(252,443)	(6,502)	(258,945)
Interim dividend	--	--	--	--	--	--	--	--	--	0	--	0
<b>Operations with equity holders or owners</b>	<b>0</b>	<b>0</b>	<b>361,267</b>	<b>(618,546)</b>	<b>0</b>	<b>(120,455)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(377,734)</b>	<b>(7,232)</b>	<b>(384,966)</b>
<b>Balances at 30 June 2021 (unaudited)</b>	<b>119,604</b>	<b>910,728</b>	<b>4,138,199</b>	<b>266,815</b>	<b>0</b>	<b>(164,189)</b>	<b>(101,836)</b>	<b>(1,155)</b>	<b>0</b>	<b>5,168,166</b>	<b>1,768,925</b>	<b>6,937,091</b>
<b>Balances at 31 December 2021</b>	<b>119,604</b>	<b>910,728</b>	<b>4,133,388</b>	<b>188,726</b>	<b>0</b>	<b>(164,189)</b>	<b>333,091</b>	<b>(869)</b>	<b>3,130</b>	<b>5,523,609</b>	<b>1,793,489</b>	<b>7,317,098</b>
Translation differences	--	--	--	--	--	--	669,538	--	--	669,538	137,624	807,162
Cash flow hedges	--	--	--	--	--	--	--	--	(10,903)	(10,903)	--	(10,903)
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>669,538</b>	<b>0</b>	<b>(10,903)</b>	<b>658,635</b>	<b>137,624</b>	<b>796,259</b>
Profit/(loss) for the period	--	--	--	143,649	--	--	--	--	--	143,649	32,963	176,612
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>143,649</b>	<b>0</b>	<b>0</b>	<b>669,538</b>	<b>0</b>	<b>(10,903)</b>	<b>802,284</b>	<b>170,587</b>	<b>972,871</b>
Net change in treasury stock	--	--	--	--	--	5,428	--	--	--	5,428	--	5,428
Acquisition of non-controlling interests	--	--	--	--	--	--	--	--	--	0	125,387	125,387
Other changes	--	--	(1,487)	--	--	--	--	--	--	(1,487)	91	(1,396)
Distribution of 2021 profit												
Reserves	--	--	188,726	(188,726)	--	--	--	--	--	0	--	0
Dividends	--	--	--	--	--	--	--	--	--	0	--	0
Interim dividend	--	--	--	--	--	--	--	--	--	0	--	0
<b>Operations with equity holders or owners</b>	<b>0</b>	<b>0</b>	<b>187,239</b>	<b>(188,726)</b>	<b>0</b>	<b>5,428</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,941</b>	<b>125,478</b>	<b>129,419</b>
<b>Balances at 30 June 2022 (unaudited)</b>	<b>119,604</b>	<b>910,728</b>	<b>4,320,627</b>	<b>143,649</b>	<b>0</b>	<b>(158,761)</b>	<b>1,002,629</b>	<b>(869)</b>	<b>(7,773)</b>	<b>6,329,834</b>	<b>2,089,554</b>	<b>8,419,388</b>

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (1) General information

Grifols, S.A. (hereinafter the Company) was incorporated in Spain on 22 June 1987 as a public limited company for an indefinite period of time. Its registered office and tax domicile is located at Calle Jesús i Maria, 6, 08022, Barcelona. The Company's corporate purpose is to provide administration, management and control services for companies and businesses, as well as investment in movable and immovable property. Its main activity consists of providing administration, management and control services to its subsidiaries.

On 17 May 2006, the Company completed the process of listing on the Spanish Stock Exchange. This process was instrumented through a Public Offering of 71,000,000 ordinary shares with a par value of 0.50 euro each and a share premium of 3.90 euro per share. The total amount of the capital increase (including the issue premium) amounted to Euros 312.4 million, equivalent to a price of 4.40 euros per share.

Effective 2 January 2008, the Company's shares were admitted to trading on the IBEX-35 index of the Spanish stock exchange.

All of the shares representing the Company's share capital are listed on the Barcelona, Madrid, Valencia and Bilbao Stock Exchanges, as well as on the Stock Exchange Interconnection System (SIBE/Continuous Market). On 2 June 2011, the non-voting class B shares began to be listed on the NASDAQ (United States) and on the Sistema de Interconexión Bursátil (SIBE/ Mercado Continuo).

Grifols, S.A. is the parent company of the subsidiaries listed in Appendix I to the notes to the consolidated annual accounts for the year ended 31 December 2021. Grifols, S.A. and subsidiaries (hereinafter the Group) operate on an integrated basis and under common management and their principal activity is the procurement, manufacture, preparation and sale of therapeutic products, particularly plasma derivatives.

The main manufacturing facilities of the Group's Spanish companies are located in Parets del Vallés (Barcelona) and Torres de Cotilla (Murcia) and those of the North American companies are located in Los Angeles (California), Clayton (North Carolina), Emeryville (California) and San Diego (California).

### (2) Basis of Presentation and Applied Accounting Principles

These condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and, in particular, in accordance with IAS 34 Interim Financial Statements. These condensed consolidated interim financial statements do not contain all the information required for the preparation of Annual Financial Statements and should be read in conjunction with the Group's Consolidated Annual Accounts for the year ended 31 December 2021.

These condensed consolidated interim financial statements have been prepared by the Board of Directors at its meeting held on 27 July 2022.

The figures contained in these condensed consolidated interim financial statements are expressed in thousands of Euros.

Grifols' condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared on the basis of the accounting records maintained by the Group. Data for the three months ended 30 June 2022 have been included for information purposes.

#### Accounting principles and basis of consolidation applied

The accounting policies and basis of consolidation applied in the preparation of the condensed consolidated interim financial statements, except for those detailed in the table below, are the same as those used in the preparation of the consolidated Annual Accounts for the year ended 31 December 2021.

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

In addition, the following standards issued by the IASB and the IFRS Interpretations Committee, and adopted by the European Union for their application in Europe have become effective and, accordingly, have been taken into account for the preparation of these condensed consolidated interim financial statements:

Standards	Mandatory application for annual periods beginning on	
	IASB effective date	EU effective date
Various	1 January 2022	1 January 2022

Amendments issued 14 May 2020 to:

- IFRS 3 Business Combinations: references to the Conceptual Framework;
- IAS 16 Property, Plant and Equipment: Proceeds before Intended Use;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract ; and
- Annual Improvements to IFRSs 2018-2020: IFRS 1, IFRS 9, IFRS 16 and IAS 41.

The application of these standards and interpretations has had no significant impact on these condensed consolidated interim financial statements.

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

At the date of preparation of these condensed consolidated interim financial statements, the following IFRS standard, amendments and IFRIC interpretations have been issued by the European Union but their application is not mandatory until the future periods indicated below:

Standards	Mandatory application for annual periods beginning on		
	IASB effective date	EU effective date	
IFRS 17	Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023	1 January 2023
IAS 1	Amendments issued 12 February 2021 to: - IAS 1 Presentation of Financial Statements ; - IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023	1 January 2023
IAS 8	Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estitmates (issued on 12 February 2021)	1 January 2023	1 January 2023
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	1 January 2023	pending
IAS 12	Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023	pending
IFRS 17	Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021)	1 January 2023	pending

The Group has not applied any of these standards or interpretations in advance of their effective date.

### Responsibility for significant disclosures, estimates and judgements in the application of accounting policies

The information in these condensed consolidated interim financial statements for the six months ended 30 June 2022 is the responsibility of the Company's Directors. The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. The following notes summarise the significant accounting estimates and judgements used in the application of accounting policies that have had the most significant effect on the amounts recognised in these condensed consolidated interim financial statements.

- Assumptions used to test non-current assets and goodwill for impairment. Annual impairment tests are performed on the relevant cash-generating units, which are based on risk-adjusted future cash flows discounted at appropriate interest rates. Assumptions regarding risk-adjusted future cash flows and discount rates are based on business forecasts and are therefore inherently subjective. Future events could cause a change in business forecasts, with a consequent adverse effect on the Group's future results. To the extent that it has been considered that a reasonably possible change in key assumptions could result in an impairment of goodwill, a sensitivity analysis for the effect of changes in these assumptions and the effect on the recoverable amount of the cash-generating unit (CGU) has been disclosed in note 6.

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

- Assessment of the capitalisation of development costs (see note 4(h) of the consolidated annual accounts for the year ended 31 December 2021). The key assumption relates to the estimation of the technical and economic feasibility of the projects.
- The calculation of income tax expense requires tax interpretation in the jurisdictions where Grifols operates. Determining whether the tax authority will accept a particular uncertain tax treatment and the expected outcome of outstanding litigation requires significant estimates and judgements to be made. In addition, Grifols recognises deferred tax assets, principally for tax credits and deduction rights to the extent that future taxable profits will be available against which temporary differences can be utilised, based on management's assumptions regarding the amount and timing of future taxable profit payments (see notes 4(t) and 28 to the consolidated annual accounts for the year ended 31 December 2021).
- The determination of chargebacks made to certain customers in the United States (see note 4(s) to the consolidated annual accounts for the year ended 31 December 2021).

There have been no changes in the judgements used in previous years regarding existing uncertainties.

The Group is also exposed to risks in connection with changes in interest rates and foreign exchange rates.

Grifols' management does not believe that there are any assumptions or estimation uncertainties that pose a significant risk that could give rise to material adjustments in the next financial year.

The relevant estimates and judgements used in the preparation of these condensed consolidated interim financial statements do not differ significantly from those used in the preparation of the consolidated annual accounts as at and for the year ended 31 December 2021.

### Seasonality of operations in the period

Given the nature of the Group's activities, there are no factors that determine significant seasonality in the Group's operations that would affect the interpretation of these condensed consolidated interim financial statements for the six months ended 30 June 2022 as compared to financial statements for a full year.

### Materiality

In determining the disclosures in these explanatory notes in accordance with IAS 34, materiality has been taken into account in relation to these condensed consolidated interim financial statements.

## (3) Changes in the composition of the Group

The Group prepares its condensed consolidated interim financial statements including its investments in all its subsidiaries, associates and joint ventures. Appendix I to the consolidated annual accounts at 31 December 2021 lists the companies in which Grifols, S.A. has direct or indirect holdings and which have been included in the scope of consolidation at that date.

The main changes in the scope of consolidation that have taken place in the interim period ended 30 June 2022 are detailed below:

### a) Prometic Plasma Resources, Inc.

On 31 December 2021, Grifols, through its wholly owned subsidiary Grifols Canada Therapeutics, Inc., acquired all the shares of Prometic Plasma Resources Inc. for a total of Canadian Dollars 11,127 thousand (Euros 7,757 thousand).

As of 31 December 2021, the agreed purchase price was provisionally allocated to "Goodwill" in the consolidated balance sheet, considering that the initial accounting had not been completed at year-end.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Aggregate details of the cost of the business combination, the provisional fair value of the net assets acquired and the provisional goodwill at the acquisition date are shown below:

	Thousands of Euros	Thousands of Canadian Dollars
Cost of the business combination		
Cash paid	7,757	11,127
Total business combination cost	7,757	11,127
Fair value of net assets acquired	4,933	7,075
Goodwill (excess of the cost of the business combination over the fair value of net assets acquired) (note 6)	2,824	4,052

The provisional amounts determined at the acquisition date of the assets, liabilities and contingent liabilities acquired are as follows:

	Fair Value	
	Thousands of Euros	Thousands of Canadian Dollars
Other Intangible Assets	551	791
Right of Use	238	341
Property, plant and equipment	36	51
Inventories	71	102
Trade and other receivables	4,603	6,602
Other current assets	9	13
Cash and cash equivalents	32	46
Total Assets	5,540	7,946
Non current financial liabilities	(32)	(46)
Current financial liabilities	(264)	(379)
Trade and other payables	(311)	(446)
Total Liabilities	(607)	(871)
Total net assets acquired	4,933	7,075

The resulting goodwill has been allocated to the Biopharma segment and includes the donor database, licenses and workforce.

#### **b) Haema Plasma Kft.**

On 1 February 2021, Scranton Plasma B.V. acquired 100% of the shares of Haema Plasma Kft. Scranton is a shareholder of Grifols.

On 1 February 2021 the Group signed a call option on the shares of Haema Plasma kft, exercisable by the Group only 12 months after signing and with an expiry of 48 months from the date on which the option becomes exercisable. The option price was set at thirteen times EBITDA minus net debt.

The Group has potential voting rights arising from the option to purchase the shareholding and these are substantive, based on:

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

- A call option for Grifols which gives it the irrevocable and exclusive right (not an obligation) to acquire the Haema Plasma Kft shareholding at any time after 1 February 2022.
- Grifols is committed to providing support services in the business of collecting, processing and distributing plasma from the donation centres. There is also a Plasma Supply Agreement whereby the plasma produced by these entities will be used almost entirely to cover Grifols' needs. There is no sales exclusivity.
- There are no shareholder agreements that provide for relevant decisions to be approved in a manner other than by majority vote.

The above are indicators of the power that Grifols acquires over this entity, considering that the call option is likely to be exercised and Grifols will have the financial capacity to carry it out.

Consequently, at the time the option becomes exercisable, the option empowers Grifols, even though it has not yet been exercised, and Haema Plasma Kft. is therefore included in Grifols' consolidated financial statements from 2022.

Aggregate details of the cost of the business combination, the provisional fair value of the net assets acquired and the provisional goodwill at the acquisition date are shown below:

	<u>Thousands of Euros</u>	<u>Thousands of Hungarian Forint</u>
Cash paid	16,948	6,228,796
Total business combination cost	<u>16,948</u>	<u>6,228,796</u>
Fair value of net assets acquired	2,209	812,371
Goodwill (excess of the cost of the business combination over the fair value of net assets acquired) (note 6)	<u>14,739</u>	<u>5,416,425</u>



## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

The provisional amounts determined at the date of consolidation of the assets, liabilities and contingent liabilities acquired are as follows:

	Fair Value	
	Thousands of Euros	Thousands of Hungarian Forint
Other Intangible assets	37	13,620
Rights of Use	3,421	1,257,286
Property, plant and equipment	1,301	478,222
Other non-current assets	302	110,810
Deferred tax assets	13	4,742
Inventories	2,784	1,022,926
Trade and other receivables	357	131,821
Other current assets	252	92,769
Cash and cash equivalents	3,343	1,228,356
Total Assets	11,810	4,340,552
Provisions	(169)	(61,946)
Non current financial liabilities	(2,517)	(925,074)
Current financial liabilities	(4,281)	(1,573,216)
Trade and other payables	(2,100)	(771,861)
Other current liabilities	(534)	(196,084)
Total Liabilities	(9,601)	(3,528,181)
Total net assets acquired	2,209	812,371

The resulting goodwill has been allocated to the Biopharma segment and includes the donor database, licences and workforce.

#### c) VCN Biosciences, S.L.

On 10 March 2022, Grifols, together with the other shareholders, reached an agreement to sell one hundred percent of the issued and outstanding shares of VCN Bioscience, S.L. for US Dollars 4,700 thousand.

As a result of this divestment, the Group has recognised income of Euros 4,424 thousand in the income statement of profit and loss.

#### d) Biotest AG

On 25 April 2022, and once all regulatory approvals had been obtained, Grifols completed the acquisition of 70.18% of the share capital of Biotest AG for Euros 1,460,853 thousand. The transaction is structured as follows:

- Grifols acquired the entire share capital of Tiancheng (Germany) Pharmaceutical Holdings AG for Euros 1,090,518 thousand. This amount includes a loan from Tiancheng (Germany) Pharmaceutical Holdings to Biotest AG of Euros 317,876 thousand. The Biotest shares were valued at Euros 43.00 per ordinary share (17,783,776 shares) and Euros 37.00 per preference share (214,581 shares).

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

- At the same time as the transaction, Grifols closed the voluntary takeover bid to all shareholders, which involved the payment of 370,335 thousand of euros for 1,435,657 ordinary shares at 43.00 euros per share and 8,340,577 preference shares at 37.00 euros per share.

The investment in Biotest will significantly strengthen Grifols' capabilities, including its scientific and technical capabilities, helping to strengthen the availability of plasma medicines, its commercial presence and its R&D pipeline. With the opening of 2 new centres, Biotest now has 28 plasma donation centres in Europe.

Aggregate details of the cost of the business combination, the provisional fair value of the net assets acquired and the provisional goodwill at the acquisition date are shown below:

	Thousands of Euros
Cost of the business combination	
Cash paid	1,460,853
Total business combination cost	<u>1,460,853</u>
Fair value of net assets acquired	566,171
Goodwill (excess of the cost of the business combination over the fair value of net assets acquired) (note 6)	<u>894,682</u>

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

The provisional amounts determined at the date of consolidation of the assets, liabilities and contingent liabilities acquired are as follows:

	Fair Value
	Thousands of Euros
Other Intangible Assets	4,323
Right of Use	25,256
Property, plant and equipment	520,908
Other non-current assets	13,969
Deferred Tax Assets	9,109
Inventories	259,316
Contract Assets	35,319
Trade and other receivables	96,497
Other current assets	25,644
Cash and cash equivalents	94,662
	1,085,003
Total assets	1,085,003
Non-controlling interests	(108,402)
Non-current provisions	(120,298)
Non-current financial liabilities	(182,761)
Other non-current liabilities	(1,225)
Current Provisions	(18,239)
Current financial liabilities	(35,052)
Trade and other payables	(40,737)
Other current liabilities	(12,118)
	(518,832)
Total Liabilities	(518,832)
	566,171
Total net assets acquired	566,171

The resulting provisional goodwill has been allocated to the Biopharma segment.

#### e) Access Biologicals Inc.

On 15 June 2022, Grifols, through its wholly owned subsidiary Chiquito Acquisition Corp., reached an agreement to acquire all the shares of Access Biologicals LLC, exercising the call option for the remaining 51% for a total of US Dollars 142 million. With the acquisition of 100% of the stake, Grifols obtains control over Access Biologicals LLC and is therefore considered a group company and consolidated under the full consolidation method. The difference between the fair value of the previous shareholding and the recognised carrying amount is Euros 72,984 thousand (US Dollars 77,209 thousand), and a gain of this amount is recognised under " Profit/(loss) of equity accounted investees " in the income statement of profit or loss (see note 9).

Access Biologicals' core business is the collection and manufacture of an extensive portfolio of biological products. Combined with a closed materials sourcing process, it provides support services for different markets such as in-vitro diagnostics, biopharmaceuticals, cell culture and diagnostic research and development.

Aggregate details of the cost of the business combination, the provisional fair value of the net assets acquired and the provisional goodwill at the acquisition date are shown below:

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

	Thousands of Euros	Thousands of US Dollars
Cost of the business combination		
First shares purchase	48,218	51,010
Second shares purchases	134,742	142,544
Total business combination cost	182,960	193,554
Fair value of the previously held investment	81,240	85,944
Fair value of net assets acquired	18,638	19,718
Goodwill (excess of the cost of the business combination over the fair value of net assets acquired) (note 6)	245,562	259,780

The provisional amounts determined at the date of consolidation of the assets, liabilities and contingent liabilities acquired are as follows:

	Fair Value	
	Thousands of Euros	Thousands of US Dollars
Inventories	16,836	17,811
Trade and other receivables	7,522	7,958
Other current assets	1,529	1,618
Total Assets	25,887	27,387
Trade and other payables	(7,249)	(7,669)
Total Liabilities	(7,249)	(7,669)
Total net assets acquired	18,638	19,718

The resulting provisional goodwill has been allocated to the Bio-Supplies segment.

#### (4) Financial Risk Management Policy

At 30 June 2022, the Group maintains the same financial risk management policies and objectives as at 31 December 2021.

#### (5) Financial Information by Segment

As part of the Group's reorganization process, the Management Committee has reviewed the allocation of transactions and balances by segment, and as a result, the Hospital segment as well as the part of Bio Supplies relating to the sale of plasma to third parties have been moved to the Other segment. The comparative figures for the year 2021 have been adjusted accordingly.

The operating segments defined by the Management Committee are as follows:

- Biopharma (formerly Bioscience): concentrates all activities related to products derived from human plasma for therapeutic use.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

- **Diagnostics:** this groups together the marketing of diagnostic test devices, reagents and equipment, whether manufactured by Group or external companies.
- **Bio Supplies:** this groups together transactions related to biological products for non-therapeutic use. The part relating to sales of plasma to third parties has been reclassified from Bio Supplies to Other.
- **Other:** includes the provision of manufacturing services to third parties, plasma sales to third parties and research activities. It also includes pharmaceutical products manufactured by the Group and intended for hospital pharmacies, as well as the marketing of products that complement the Group's own products.

The breakdown of revenue by business segment for the three and six months ended 30 June 2022 and 30 June 2021 is as follows:

Segments	Net revenues (Thousands of Euros)			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Biopharma	2,312,890	1,986,024	1,290,381	1,084,747
Diagnostic	329,436	395,483	159,687	192,214
Bio supplies	52,553	53,288	12,103	24,500
Other	124,161	137,210	72,833	71,317
Intersegments	(8,948)	(35,373)	7,895	(20,880)
<b>Total Revenues</b>	<b>2,810,092</b>	<b>2,536,632</b>	<b>1,542,899</b>	<b>1,351,898</b>

\* As a consequence of the review of transactions and balances allocations by segments, the comparative figures for the fiscal year 2021 have been adjusted accordingly.

The breakdown of net sales by geographical area for the three and six months ended 30 June 2022 and 30 June 2021 is as follows:

Geographical area	Net revenues (Thousands of Euros)			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Spain	163,143	180,509	84,361	85,671
Rest of the EU	310,480	272,027	180,494	134,927
USA + Canada	1,816,983	1,576,893	968,722	833,601
Rest of the World	519,486	507,203	309,322	297,699
<b>Total Revenues</b>	<b>2,810,092</b>	<b>2,536,632</b>	<b>1,542,899</b>	<b>1,351,898</b>

The allocation by business segment of the net consolidated profit or loss for the three and six months ended 30 June 2022 and 30 June 2021 is as follows:

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Segments	Profit/(loss) (Thousands of Euros)			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Biopharma	398,065	443,811	222,724	247,777
Diagnostic	66,868	104,561	25,625	48,741
Bio supplies	91,519	18,003	83,899	7,872
Other	(38,004)	16,009	(22,455)	(13,802)
Intersegments	16,992	(11,762)	14,752	(8,831)
Total income of reported segments	535,440	570,622	324,545	281,757
Unallocated expenses plus net finance result	(307,553)	(192,387)	(178,823)	(92,256)
Profit before income tax from continuing operations	227,887	378,235	145,722	189,501

\* As a consequence of the review of transactions and balances allocations by segments, the comparative figures for the fiscal year 2021 have been adjusted accordingly.

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (6) Goodwill

The composition and movement of "Goodwill" in the consolidated balance sheet as at 30 June 2022 are as follows:

	Segment	Thousands of Euros				Balance at 30/06/2022
		Balance at 31/12/2021	Business Combination	Transfers	Translation differences	
		<b>Net value</b>				
Grifols UK, Ltd. (UK)	Biopharma	8,185	--	--	(200)	7,985
Grifols Italia.S.p.A. (Italy)	Biopharma	6,118	--	--	--	6,118
Biomat USA, Inc.(USA) (see note 3)	Biopharma	676,321	--	175,920	71,880	924,121
Grifols Australia Pty Ltd. (Australia) / Medion Diagnostics AG (Switzerland)	Diagnóstico	9,752	--	--	304	10,056
Grifols Therapeutics, Inc. (USA)	Biopharma	1,962,024	--	--	177,370	2,139,394
Progenika Biopharma, S.A. (Spain)	Diagnóstico	40,516	--	--	--	40,516
Grifols Diagnostic (Novartis & Hologic) (USA, Spain and Hong Kong)	Diagnóstico	2,565,493	--	--	229,634	2,795,127
Kiro Grifols, S.L. (Spain)	Otros	24,376	--	--	--	24,376
Goetech, LLC. (USA)	Otros	59,590	--	(63,798)	4,208	--
Haema, AG. (Germany)	Biopharma	190,014	--	--	--	190,014
BPC Plasma, Inc (USA)	Biopharma	151,584	--	--	13,704	165,288
Interstate Blood Bank, Inc. (USA)	Biopharma	171,184	--	(175,920)	4,736	--
Plasmavita Healthcare, GmbH (Germany)	Biopharma	9,987	--	--	--	9,987
Alkahest, Inc (USA)	Otros	77,675	--	--	7,022	84,697
Grifols Canada Therapeutics, Inc (formerly Green Cross Biotherapeutics, Inc.) (Canada) (see note 3)	Biopharma	155,755	--	--	10,236	165,991
GigaGen, Inc	Otros	112,621	--	--	10,181	122,802
Prometic Plasma Resources, Inc. (see note 3)	Biopharma	7,706	(4,894)	--	193	3,005
Haema Plasma Kft. (see note 3)	Biopharma	--	14,739	--	(1,088)	13,651
Grifols Biotest Holdings GmbH / Biotest AG (Alemania) (see note 3)	Biopharma	--	894,682	--	--	894,682
Access Biologicals, LLC (see note 3)	Bio Supplies	--	245,562	--	4,539	250,101
		6,228,901	1,150,089	(63,798)	532,719	7,847,911

At 30 June 2022, transfers include the reclassification of 63,798 thousand euros to "non-current assets held for sale" (see note 10).

#### Impairment analysis:

As a result of the acquisition of Talecris in 2011, and for impairment testing purposes, the Group combines the CGUs allocated to the Biopharma segment, grouping them together at segment level, because substantial synergies were expected to arise on the acquisition of Talecris, and due to the vertical integration of the business and the lack of an independent organized market for the products. Because the synergies benefit the Biopharma segment globally, they cannot be allocated to individual CGUs. The Biopharma segment represents the lowest level to which goodwill is allocated and is subject to control by Group management for internal control purposes.

As a result of the acquisition of Novartis' Diagnostic business unit in 2014, the Group decided to combine Araclon, Progenika, Australia and Hologic's share of NAT donor screening unit acquisition into a single CGU for the Diagnostic business as the acquisition is supporting not only the vertically integration business but also cross-selling opportunities. In addition, for management purposes, the Group's management is focused on the business more than geographical areas or individual companies.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

The Hospital division is no longer a reportable segment since it does not meet any of the quantitative thresholds described in *IFRS 8 Operating Segments*. The segment information included in the Hospital CGU in previous years are currently grouped into an Other segment, which is mainly comprised by Kiro Grifols, Medkeeper and Gigagen.

In addition, due to the acquisition of the remaining 51% stake in Access Biologicals, a new CGU for the Bio Supplies business has been identified.

The CGUs established by Management are:

- Biopharma
- Diagnostic
- Bio Supplies
- Kiro Grifols
- Medkeeper
- Gigagen

There are no indications of impairment in the Biopharma CGU since the acceleration of plasma recovery is also accompanied by an improvement in financial performance.

There are no indications of impairment in the Bio Supplies CGU since the acquisition of the remaining 51% stake in Access Biologicals has been recently carried out between independent parties in an arm's length transaction.

The recoverable amount of the Diagnostic CGU has been calculated based on its fair value less costs of disposal calculated as the present value of the future cash flows for next five years discounted at a discount rate considering the related inherent risk.

In connection with the Other segment, there are no indications of impairment in the different CGU included except for Kiro Grifols. The recoverable amount of the Kiro Grifols business has been calculated based on its fair value less costs of disposal calculated as the present value of the future cash flows for next six years discounted at a discount rate considering the related inherent risk.

Management has determined the gross margin based on past experience and the current situation, investments in progress which would imply significant growth in production capacity and its forecast international market development.

Cash flows estimated as of the year in which stable growth in the CGU has been reached are extrapolated using the estimated growth rates indicated below. Perpetual growth rates are consistent with the forecasts included in industry reports.

The key assumptions used in calculating impairment testing of the CGUs for 2021 were as follows:

	Perpetual Growth rate	Pre-tax discount rate
Diagnostic	2.0%	9.3%
Kiro Grifols	Not available	Not available

The key assumptions used to perform the impairment test of the CGUs for the six months ended 30 June 2022 are as follows:

	Perpetual Growth rate	Pre-tax discount rate
Diagnostic	1.9%	9.3%
Kiro Grifols	1.5%	10.7%

The discount rate used reflects specific risks relating to the CGUs and the countries in which they operate. The main assumptions used for determining the discount rate are as follows:

- Risk free rate: normalized government bonds at 10 years
- Market risk premium: premium based on market research
- Unlevered beta: average market beta



## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

- Debt to equity ratio: average market ratio

In 2021 and 2022, the reasonably possible changes considered for the Diagnostic CGU and Kiro Grifols are a variation in the discount rate, as well as in the estimated perpetual growth rate, as follows:

	Perpetual Growth rate	Pre-tax discount rate
Diagnostic	+/- 50 bps	+/- 50 bps
Kiro Grifols	+/- 50 bps	+/- 50 bps

The reasonably possible changes in key assumptions considered by management in the calculation of the Diagnostic CGU's recoverable amount and Kiro Grifols' recoverable amount would not cause the carrying amount to exceed the respective recoverable amount.

At 30 June 2022 Grifols' stock market capitalization totals Euros 10,634 million (Euros 9,834 million at 31 December 2021).

#### (7) Other Intangible Assets, Rights of Use and Property, Plant and Equipment

The movement in Other Intangible Assets, Rights of Use and Property, Plant and Equipment for the six months ended 30 June 2022 is as follows:

	Thousands of Euros			
	Other intangible assets	Rights of Use	Property, plant and equipment	Total
Total Cost at 31/12/2021	2,615,964	975,310	4,151,978	7,743,252
Total depreciation and amortization at 31/12/2021	(908,914)	(179,653)	(1,590,516)	(2,679,083)
Impairment at 31/12/2021	(70,100)	--	(13,965)	(84,065)
<b>Balance at 31/12/2021</b>	<b>1,636,950</b>	<b>795,657</b>	<b>2,547,497</b>	<b>4,980,104</b>
<b>Cost</b>				
Additions	30,186	124,814	123,576	278,576
Business combination (note 3)	4,911	28,915	522,245	556,071
Disposals	(3,420)	(23,398)	(36,451)	(63,269)
Transfers	(34,907)	(1,165)	138	(35,934)
Translation differences	207,019	76,442	283,885	567,346
<b>Total Cost at 30/06/2022</b>	<b>2,819,753</b>	<b>1,180,918</b>	<b>5,045,371</b>	<b>9,046,042</b>
<b>Depreciation &amp; amortization</b>				
Additions (note 16)	(54,548)	(38,752)	(93,908)	(187,208)
Disposals	3,127	8,025	26,469	37,621
Transfers	16,317	1,029	(607)	16,739
Translation differences	(62,745)	(13,046)	(102,160)	(177,951)
<b>Total depreciation and amortization at 30/06/2022</b>	<b>(1,006,763)</b>	<b>(222,397)</b>	<b>(1,760,722)</b>	<b>(2,989,882)</b>
<b>Impairment</b>				
Disposals	--	--	14	14
Translation differences	(5,977)	--	(1,289)	(7,266)
<b>Total impairment at 30/06/2022</b>	<b>(76,077)</b>	<b>--</b>	<b>(15,240)</b>	<b>(91,317)</b>
<b>Total balance at 30/06/2022</b>	<b>1,736,913</b>	<b>958,521</b>	<b>3,269,409</b>	<b>5,964,843</b>

At 30 June 2022, the transfers include the reclassification of Euros 19,195 thousand to "non-current assets held for sale" (see note 10).

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

There is no evidence of impairment identified as at 30 June 2022.

The intangible assets acquired from Talecris mainly include the acquired product portfolio. The identifiable intangible assets relate to Gamunex and have been recognised at fair value at the date of acquisition from Talecris and classified as acquired product portfolio. The recorded intangible assets correspond to the set of rights relating to the Gamunex product, its marketing and distribution licence, the brand name and hospital relationships. Each of these components is closely linked, being fully complementary, subject to similar risks, and have a similar regulatory approval process.

Progenika's acquired intangible assets mainly include the acquired product portfolio. The identifiable intangible assets relate to blood, immunological and cardiovascular genotyping. These assets have been recognised at fair value at the date of acquisition of Progenika and classified as acquired product portfolio.

The cost and accumulated amortisation of the product portfolio acquired from Talecris and Progenika as at 30 June 2022 is as follows:

	Thousands of Euros			
	<b>Balance at 31/12/2021</b>	Additions	Translation differences	<b>Balance at 30/06/2022</b>
Cost of currently marketed products - Gamunex	1,059,509	--	95,781	1,155,290
Cost of currently marketed products - Progenika	23,792	--	--	23,792
Accumulated amortisation of currently marketed products - Gamunex	(373,772)	(18,093)	(34,950)	(426,815)
Accumulated amortisation of currently marketed products - Progenika	(21,012)	(1,190)	--	(22,202)
Net carrying amount of currently marketed products	688,517	(19,283)	60,831	730,065

The estimated useful life of the product portfolio acquired from Talecris is considered to be limited and has been estimated at 30 years, based on the expected life cycle of the product (Gamunex). The amortisation method is straight-line.

As of 30 June 2022, the remaining useful life of the product portfolio acquired from Talecris is 18 years and 11 months (19 years and 11 months as of 30 June 2021).

The estimated useful life of the product portfolio acquired from Progenika is considered to be limited and has been estimated at 10 years, based on the expected product life cycle. The amortisation method is straight-line.

As at 30 June 2022, the remaining useful life of the product portfolio acquired from Progenika is 8 months (1 year and 8 months as at 30 June 2021).

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

#### (8) Leases

The composition of the balance related to leases as at 30 June 2022 and 31 December 2021 is as follows:

Rights of use	Thousands of Euros	
	30/06/2022	31/12/2021
Land and Buildings	945,273	782,125
Machinery	3,676	5,283
Computer equipment	1,748	2,044
Vehicles	7,824	6,205
	958,521	795,657
Lease liabilities	Thousands of Euros	
	30/06/2022	31/12/2021
Non-current	1,008,671	825,157
Current	62,296	48,567
	1,070,967	873,724

Movement for the period ended 30 June 2022 is included in note 7 "Other Intangible Assets, Rights of Use and Property, Plant and Equipment".

The composition of lease liabilities as of 30 June 2022 is as follows. Undiscounted future payments classified on a maturity basis are presented together with the effect of the financial discount:

	Thousands of Euros
	30/06/2022
Within one year	107,042
In the second year	103,102
In the third to fifth year	283,691
After the fifth year	1,056,867
Total undiscounted lease liabilities	1,550,702
Discounting effect	479,735
Lease liabilities included in the statement of financial position (note 15)	1,070,967

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

The amounts recognised in the consolidated income statement of profit or loss relating to lease contracts during the three- and six-month periods ended 30 June 2022 and 2021 are as follows:

Rights of use depreciation	Thousands of Euros			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Buildings	34,360	27,954	18,143	15,026
Machinery	1,272	940	504	502
Computer equipment	804	1,254	398	597
Vehicles	2,316	2,277	1,256	1,113
	38,752	32,425	20,301	17,238

	Thousands of Euros			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Finance lease expenses (note 17)	21,673	17,133	11,119	8,701
	21,673	17,133	11,119	8,701

	Thousands of Euros			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Expenses related to short-term agreements	802	2,404	382	1,194
Expenses related to low-value agreements	6,214	6,859	2,577	3,403
Other operating lease expenses	11,194	7,845	5,946	3,730
	18,210	17,108	8,905	8,327

As at 30 June 2022, the Group has paid a total amount of Euros 49,458 thousand related to the lease contracts (Euros 41,000 thousand as at 30 June 2021).

The total amount recognised in the balance sheet relates to lease contracts in which the Group is the lessee

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

#### (9) Equity-accounted investees

Movements in investments in associates accounted for using the equity method for the six months ended 30 June 2022 are as follows:

	Thousands of Euros								
	<b>2022</b>								
	Equity accounted investees with similar activity to that of the Group					Rest of equity accounted investees			
	Access Biologicals LLC	Shanghai RAAS Blood Products Co., Ltd.	Grifols Egypt Plasma Derivatives	BioDarou P.J.S. Co.	Total	Albajuna Therapeutics, S.L	Mecwins, S.A.	Total	<b>Total</b>
Balance at 1 January	53,264	1,909,596	31,847	--	1,994,707	1,910	3,159	5,069	1,999,776
Acquisitions	--	--	--	--	--	--	--	--	--
Transfers	(129,459)	--	--	--	(129,459)	--	--	--	(129,459)
Business combination	--	--	--	4,534	4,534	--	--	--	4,534
Share of profit / (losses)	76,243	4,282	(1,066)	--	79,459	(526)	(180)	(706)	78,753
Share of other comprehensive income / translation differences	3,680	30,114	15,807	(679)	48,922	--	--	--	48,922
Collected dividends	(3,728)	--	--	--	(3,728)	--	--	--	(3,728)
Balance at 30 June	--	1,943,992	46,588	3,855	1,994,435	1,384	2,979	4,363	<b>1,998,798</b>

#### Access Biologicals LLC.

On 12 January 2017, the Group announced the investment in Access Biologicals LLC, a company based in San Diego, California, USA, by purchasing 49% of its voting rights for US Dollar 51 million. The Group negotiated a call option for the remaining 51% to be acquired after five years, in 2022. The company also signed a supply agreement to sell Grifols' biological products for non-human use to Access Biologicals.

Access Biologicals' core business is the collection and manufacture of an extensive portfolio of biological products. Combined with a closed materials sourcing process, it provides support services for different markets such as in-vitro diagnostics, biopharmaceuticals, cell culture and diagnostic research and development.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

On 15 June 2022, Grifols, through its wholly-owned subsidiary Chiquito Acquisition Corp., reached an agreement to acquire all the shares of Access Biologicals LLC, exercising the call option for the remaining 51% for a total of US Dollar 142 million. With the acquisition of 100% of the stake, Grifols obtains control over Access Biologicals LLC and, therefore, it is considered a group company and is consolidated under the full consolidation method (see note 3).

#### Shanghai RAAS Blood Products Co. Ltd.

The share price of Shanghai RAAS (hereinafter SRAAS) was CNY 5.93 at 30 June 2022. As a result of the prolonged decline in the share price of SRAAS below its cost, there is an indicator of impairment.

	30 June 2022	31 December 2021	Acquisition date
SRAAS share price	CNY 5.93	CNY 6.82	CNY 7.91

The recoverable amount of the SRAAS investment has been estimated based on its value in use calculated as the present value of the future cash flows discounted at a discount rate considering the related inherent risk.

Management has determined the gross margin based on past experience and the current situation, investments in progress and its forecast market development without considering new business.

Cash flows are estimated for fifteen years since SRAAS operates in an emerging market where current investment in the business is expected to result in its long-term growth being achieved outside of five years. Cash flows after the five-year period are extrapolated for a further ten years using growth rates which reduces the year five growth rate down to the long-term growth rate indicated below to better reflect the medium-term growth expectations. Perpetual growth rate is consistent with the forecasts included in industry and country reports.

The key assumptions used in calculating impairment testing of the SRAAS investment for the six-month period ended 30 June 2022 have been as follows:

	Perpetual Growth Rate	Pre-tax Discount Rate
SRAAS	3.3%	8.6%

The discount rate used reflects specific risks relating to SRAAS and the country in which it operates. The main assumptions used for determining the discount rate are as follows:

- Risk free rate: normalized government bonds at 10 years
- Market risk premium: premium based on market research
- Unlevered beta: average market beta
- Debt to equity ratio: average market ratio

The reasonably possible changes considered for SRAAS are a variation in the discount rate, as well as in the estimated perpetual growth rate, as follows:

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

	Perpetual Growth Rate	Pre-tax Discount Rate
SRAAS	+/- 50 bps	+/- 50 bps

The reasonably possible changes in key assumptions considered by management in the calculation of the SRAAS investment recoverable amount would cause the carrying amount to exceed its recoverable amount as follows:

	Perpetual Growth Rate	Pre-tax Discount Rate
	-50bps	+50bps
SRAAS	3%	5%

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

#### (10) Non-current assets held for sale

The Group has started negotiations to conclude a sale agreement with a third party for the sale of the entire share capital of Goetech LLC (Medkeeper).

Details of Medkeeper's non-current assets held for sale and associated liabilities at 30 June 2022 are as follows:

	Thousands of Euros
	<b>30/06/2022</b>
Non-current assets classified as held for sale	90,305
Liabilities associated with non-current assets classified as held for sale	(14,014)
Total	76,291

Details of Medkeeper's assets and liabilities:

	Thousands of Euros
	<b>30/06/2022</b>
Goodwill (note 6)	64,977
Other intangible assets (note 7)	19,278
Property, plant and equipment (note 7)	272
Non-current financial assets	117
Deferred tax assets	(963)
<b>Total non-current assets</b>	<b>83,681</b>
Inventories	295
Trade and other receivables	971
Other current assets	269
Cash and cash equivalents	5,089
<b>Total current assets</b>	<b>6,624</b>
<b>Total assets</b>	<b>90,305</b>
Other non-current liabilities	370
Deferred tax liabilities	4,910
<b>Total non-current liabilities</b>	<b>5,280</b>
Trade and other payables	309
Other current liabilities	8,425
<b>Total current liabilities</b>	<b>8,734</b>
<b>Total liabilities</b>	<b>14,014</b>



# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (11) Financial Assets

The composition of non-current financial assets in the consolidated balance sheet as at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Investments in quoted shares	11,849	2,038
Non-current derivatives (note 21)	34,456	2,068
<b>Total Non-current financial assets measured at fair value</b>	<b>46,305</b>	<b>4,106</b>
Non-current guarantee deposits	8,874	7,763
Other non-current financial assets (a)	437,928	261,294
Non-current loans to related parties	97,159	89,104
<b>Total Non-current financial assets at amortized cost</b>	<b>543,961</b>	<b>358,161</b>

The composition of current financial assets in the consolidated balance sheet as at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Current derivatives	12,454	3,238
<b>Total Non-current financial assets measured at fair value</b>	<b>12,454</b>	<b>3,238</b>

	Thousands of Euros	
	30/06/2022	31/12/2021
Deposits and guarantees	395	561
Other current financial assets (a)	23,604	2,025,869
Current loans to third parties	46	39
<b>Current financial assets at amortized cost</b>	<b>24,045</b>	<b>2,026,469</b>

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (a) Other non-current and current financial assets

The breakdown of other non-current and current financial assets is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Other financial assets with related parties	304,535	220,947
Other financial assets with third parties	156,997	2,066,216
Total other non-current and current financial assets	461,532	2,287,163

"Other financial assets with third parties" mainly comprises prepayments related to the collaboration agreement with the US company ImmunoTek Bio Centers LLC, which specialises in the construction and opening of plasma centres, to open plasma centres in the United States. As at 30 June 2022, the Group had made prepayments related to this project amounting to Euros 112.5 million (Euros 42.3 million at 31 December).

At 31 December 2021, "Other financial assets with third parties" mainly included the cash received from the new bond issue for the acquisition of Biotest AG (see note 3 and 13).

### (12) Trade and other accounts receivable

At 30 June 2022 and during 2021, Grifols has sold receivables without recourse to some financial institutions (factors), to which substantially all the risks and rewards of ownership of the assigned receivables are transferred. Control over the assigned receivables, understood as the factor's ability to sell them to an unrelated third party, unilaterally and without restrictions, has been transferred to the factor.

The contractual terms include early collection of the assigned receivables ranging from 70% to 100% of the nominal amount and a coverage limit that the Factors would cover in case of insolvency of the debtors, ranging from 90% to 100% of the transferred credits nominal amount.

These contracts have been considered as non-recourse factoring and the amount advanced for the factors has been removed from the balance sheet.

In addition, in 2022 and 2021, some credit rights assignment contracts were signed with a financial institution, in which Grifols retains the risks and rewards inherent to the property of the assigned receivables. These contracts have been treated as factoring with recourse, where the amount assigned is retained on the consolidated balance sheet and a short-term debt has been recognised for an amount equal to the consideration received from the factor for the assignment. The amount at 30 June 2022 is Euros 12,785 thousand (Euros 21,986 thousand in the six months ended 30 June 2021 and Euros 23,450 thousand at 31 December 2021) (see note 15).

The total amount of non-recourse credit rights, the ownership of which has been transferred to financial institutions under the aforementioned contracts, amounted to Euros 1,199,884 thousand in the six months ended 30 June 2022 (Euros 1,504,915 thousand in the six months ended 30 June 2021 and Euros 2,975,343 thousand at 31 December 2021).

The finance cost of the receivables sold amounted to Euros 4,983 thousand for the six months ended 30 June 2022 and is presented under "Finance costs" in the consolidated income statement of profit or loss (Euros 5,320 thousand for the six months ended 30 June 2021) (see note 17).

The volume of invoices sold without recourse to various financial institutions which, based on their maturity, would not have been collected as at 30 June 2022, totals Euros 491,560 thousand (Euros 336,686 thousand as at 30 June 2021).

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (13) Cash and Cash Equivalents

The composition of this item in the consolidated balance sheet at 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Current deposits	2,897	--
Cash in hand and at banks	522,197	655,493
Total cash and cash equivalents recognized in the balance sheet	525,094	655,493
Restricted cash	--	2,020,118
Total cash and cash equivalents recognized in the statement of cash flows	525,094	2,675,611

As mentioned in note 3, on 25 April 2022, the Group has closed the acquisition of Biotest and therefore the funds held in a restricted account as at 31 December 2021 have been released to give effect to the transaction with Biotest.

### (14) Equity

Details of and movement in consolidated equity are set out in the condensed consolidated statement of changes in equity, which forms an integral part of this note to these condensed consolidated interim financial statements.

#### (a) Subscribed capital and share premium

As at 30 June 2022 and 31 December 2021, the share capital of the Company amounts to 119,603,705 Euros and consists of:

- Class A shares: 426,129,798 shares of Euros 0.25 par value each, subscribed and fully paid up, belonging to the same class and series, which are the ordinary shares of the Company.
- Class B shares: 261,425,110 of 0.05 Euro par value each, belonging to the same class and series, and which are non-voting shares with the pre-emptive rights established in the Company's Articles of Association.

#### (b) Reserves

The availability the reserves for distribution is subject to legislation applicable to each of the Group companies. At 30 June 2022, an amount of Euros 23,789 thousand equivalent to the carrying amount of corresponding to the unamortized research and development expenses of certain Spanish companies (Euros 29,486 thousand at 31 December 2021) are, in accordance with applicable regulations, restricted reserves, which cannot be distributed until these development costs have been amortized.

Companies in Spain are obliged to transfer 10% of each year's profits to a legal reserve until this reserve reaches an amount equal to 20% of share capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available. Under certain conditions it may be used to increase share capital provided that the balance left on the reserve is at least equal to 10% of the nominal value of the total share capital after the increase.

At 30 June 2022 and 31 December 2021 the legal reserve of the parent company amounts to 23,921 thousand Euros.

Finally, the hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve, see note 4(l) to the consolidated annual accounts for the year ended 31 December 2021 for details. The cash flow

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 21.

The group defers the changes in the forward element of forward contracts and the time value of option contracts in the costs of hedging reserve.

#### (c) Treasury stock

During the six months ended 30 June 2022, there was no movement in Class A treasury shares.

The movement in Class A treasury shares during the six months ended 30 June 2021 is as follows:

	<u>No. of Class A shares</u>	<u>Thousands of Euros</u>
Balance at 1 January 2021	--	--
Disposals Class A shares	--	--
Acquisition Class B shares	3,944,430	89,959
	3,944,430	89,959
Balance at 30 June 2021		

At the meeting held on 11 March 2021, the Board of Directors agreed to implement a program to repurchase Grifols' treasury stock (the Buyback Program), in accordance with the authorization granted by Grifols' shareholders at an ordinary general meeting held on 9 October 2020, under point twelve of the agenda.

The Buyback Program was created with the aim of using Grifols' treasury shares (Class A and Class B) as consideration in certain future acquisitions that Grifols may make (as the company has done on previous occasions).

This Buyback Program began on 12 March 2021 and has been in force until 14 June 2021 (both dates included).

Grifols entrusted the execution of the Buyback Program to an independent bank, and therefore Grifols has not exercised any control over the bank's decisions in this regard.

The movement in Class B treasury shares during the six months ended 30 June 2022 is as follows:

	<u>No. of Class B shares</u>	<u>Thousand of Euros</u>
Balance at 1 January 2022	5,070,530	74,230
Disposals Class B shares	(370,746)	(5,428)
	4,699,784	68,802
Balance at 30 June 2022		

In March 2022, the group delivered 370,746 treasury stocks (Class B shares) to eligible employees as compensation under the Restricted Share Unit Retention Plan (see note 20 (b)).

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

The movement in Class B treasury shares during the six months ended 30 June 2021 is as follows:

	<u>No. of Class B shares</u>	<u>Thousand of Euros</u>
Balance at 1 January 2021	3,012,164	43,734
Disposals Class B shares	(361,530)	(5,248)
Acquisition Class B shares	2,419,896	35,744
	5,070,530	74,230

In March 2021, the group delivered 361,530 treasury stocks (Class B shares) to eligible employees as compensation under the Restricted Share Unit Retention Plan (see note 20 (b)).

#### (d) Distribution of profits

The results of Grifols, S.A. and subsidiaries are applied as approved at the respective General Shareholders' Meetings and the proposed distribution of profit for the year ended 31 December 2021 is presented as part of the consolidated statement of changes in equity.

Consequently, no dividends were paid during the six months ended 30 June 2022.

The following dividends were paid during the six months ended 30 June 2021:

	Six-Months Ended 30 June 2021		
	% of par value	Euros per share	Thousands of Euros
Ordinary Shares	146%	0.36	154,005
Non-voting shares	729%	0.36	93,515
Non-voting shares (Preferred Dividend)	20%	0.01	2,614
Total Dividends Paid			250,134

#### (e) Restricted Share Unit Compensation

The Group has set up a Restricted Share Unit Retention Plan (hereinafter RSU) for certain employees (see note 20 (b)). This commitment is settled using equity instruments and the cumulative accrual amounts to Euros 6,221 thousand in June 2022 (Euros 9,838 thousand in December 2021).

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (15) Financial liabilities

Details of financial liabilities at 30 June 2022 and 31 December 2021 are as follows:

Financial liabilities	Thousands of Euros	
	30/06/2022	31/12/2021
Non-current obligations (a)	4,658,197	2,577,465
Senior secured debt (b)	3,486,233	3,296,025
Other loans	272,162	480,836
Other non-current financial liabilities (c)	948,660	838,826
Non-current financial derivatives (note 21)	167	0
Non-current lease liabilities (note 8)	1,008,671	825,157
Loan transaction costs	(270,262)	(249,359)
<b>Total non-current financial liabilities</b>	<b>10,103,828</b>	<b>7,768,950</b>
Current obligations (a)	150,159	2,270,474
Other loans	249,220	165,139
Other current financial liabilities (c)	81,316	43,234
Current financial derivatives (note 21)	1,069	875
Current lease liabilities (note 8)	62,296	48,567
Loan transaction costs	(60,392)	(89,998)
<b>Total current financial liabilities</b>	<b>483,668</b>	<b>2,438,291</b>

On 5 October 2021, Grifols completed the issuance of two Senior Notes for an amount of Euros 1,400 million and US Dollars 705 million, both maturing in 2028.

On 7 May 2020, the Group closed an extension of the multi-currency financing facility increasing the amount from US Dollars 500 million to US Dollars 1,000 million maturing in November 2025.

On 15 November 2019 the Group concluded the refinancing process of its senior secured debt for Euros 5,800 million. The new financing included a Term Loan B for US Dollars 2,500 million and Euros 1,360 million, both aimed at institutional investors; the issue of two bonds for Euros 1,675 million (Senior Secured Notes); and the extension of a multi-currency revolving credit facility up to US Dollars 500 million.

In September 2018 Grifols obtained new long-term financing from the European Investment Bank in the amount of Euros 85,000 thousand, which will be used by Grifols to support its R&D&I investments, mainly focused on the search for new therapeutic indications for plasma proteins. The financial conditions include a fixed interest rate and a 10-year term with a two-year grace period.

On 5 December 2017 and 28 October 2015, the Group arranged loans with the same entity and under the same conditions for a total amount of Euros 85,000 thousand and Euros 100,000 thousand, respectively. As at 30 June 2022 and 31 December 2021, the carrying amount of the loans obtained from the European Investment Bank amounts to Euros 180,625 thousand.

#### (a) Senior corporate bonds

On 5 October 2021, Grifols Escrow Issuer, S.A. closed the issue of a senior unsecured corporate bond (Senior Unsecured Notes) in two tranches of Euros 1,400 million and US Dollars 705 million. Both tranches mature in 2028 and will accrue an annual coupon of 3.875% and 4.750% respectively.

On 15 November 2019 and as part of the refinancing process, Grifols, S.A. closed the issue of senior secured corporate bonds for an amount of Euros 1,675 million, divided into two bonds of Euros 770 million and

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Euros 905 million. The bonds mature in 2027 and 2025 and will accrue an annual coupon of 2.25% and 1.625% respectively. On 15 November 2019, the bonds were admitted to trading on the Irish Stock Exchange.

On 18 April 2017, Grifols, S.A. closed its planned issue of senior unsecured corporate bonds in the amount of Euros 1,000 million, maturing in 2025 and bearing an annual coupon of 3.20%. On 2 May 2017, the bonds were admitted to trading on the Irish Stock Exchange.

Details of the movement in corporate bonds at 30 June 2022 are as follows:

	Thousands of Euros			
	Opening outstanding balance	Cancellation	Exchange differences	Opening outstanding balance
Senior unsecured notes (nominal value) 2017	1,000,000	--	--	1,000,000
Senior secured notes (nominal value) 2019	1,675,000	(97,535)	--	1,577,465
Senior unsecured notes (nominal value) Euros 2021	1,400,000	--	--	1,400,000
Senior unsecured notes (nominal value) US Dollars 2021	622,462	--	56,270	678,732
<b>Total</b>	<b>4,697,462</b>	<b>(97,535)</b>	<b>56,270</b>	<b>4,656,197</b>

The total principal plus interest payable on the senior corporate bonds is as follows:

	Senior Unsecured Notes	Senior Secured Notes
	Principal+Interest in Thousands of Euros	Principal+Interest in Thousands of Euros
Maturity		
2022	59,245	15,129
2023	118,490	30,256
2024	118,490	30,256
2025	1,102,490	861,305
2026	86,490	16,641
2027	86,490	756,250
2028	2,165,223	0
<b>Total</b>	<b>3,736,918</b>	<b>1,709,837</b>

#### (b) Senior secured debt

Current bank borrowings include accrued interest of Euros 8,286 thousand at 30 June 2022 (Euros 7,682 thousand at 31 December 2021).

On 15 November 2019, the Group refinanced its senior secured debt with existing lenders. The new senior debt consists of a Tranche B ("TLB") amounting to US Dollars 2,500 million and Euros 1,360 million with a spread of 2.00% over Libor and 2.25% over Euribor respectively, maturing in 2027 and a quasi-bullet repayment structure. The borrowers of the total senior debt are Grifols, S.A. and Grifols Worldwide Operations USA, Inc.

Senior debt refinancing costs amounted to Euros 84.4 million.

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The terms and conditions of the senior secured debt are as follows:

○ **Tranche B:** eight-year loan divided into two tranches: US Tranche B and Euro Tranche B.

▪ **US Dollar Tranche B:**

- Original principal amount of US Dollars 2,500 million.
- Applicable margin of 200 basis points (bp) pegged to US Libor.
- Quasi-bullet repayment structure
- Maturity in 2027

▪ **Euro Tranche B:**

- Original principal amount of Euros 1,360 million.
- Applicable margin of 225 basis points (bp) pegged to Euribor.
- Quasi-bullet repayment structure
- Maturity in 2027

The detail by principal maturity of Tranche B at 30 June 2022 is as follows:

Maturity	Tranche B in US Dollars			Tranche B in Euros	
	Currency	Principal in thousands of US Dollars	Principal in thousands of Euros	Currency	Principal in thousands of Euros
2023	US Dollars	6,015	5,791	Euros	3,269
2024	US Dollars	24,058	23,162	Euros	13,076
2025	US Dollars	24,058	23,162	Euros	13,076
2026	US Dollars	24,058	23,162	Euros	13,076
2027	US Dollars	2,235,700	2,152,402	Euros	1,216,058
Total	US Dollars	2,313,889	2,227,679	Euros	1,258,555

The total principal plus interest of the senior debt tranche B by maturity is as follows:

Maturity	Thousand of Euros
	Tranche B Senior Loan
2022	56,216
2023	120,575
2024	147,331
2025	145,866
2026	144,707
2027	3,462,300
Total	4,076,995

○ **US Dollars 1,000 million senior revolving credit facility:** On 7 May 2020, the Group closed an extension of the multi-currency financing facility increasing the amount from US Dollars 500 million to US Dollars 1,000 million maturing in November 2025 and with an applicable margin of 150 basis points (bp) pegged to US Libor. At 30 June 2022 the Group had not drawn down any amount from this facility (at 31 December 2021 the balance drawn down was Euros 330 million).

The refinancing costs of this senior revolving credit facility amounted to Euros 9.3 million.



## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Senior debt and revolving loans are guaranteed by Grifols, S.A. and other significant Group companies which, together with Grifols, S.A., represent, in aggregate, at least 60% of the Group's consolidated EBITDA.

The Notes have been issued by Grifols, S.A. and are guaranteed, on a senior secured basis, by subsidiaries of Grifols, S.A. which have been designated as guarantors and co-borrowers under the New Credit Facilities Agreement. The guarantor companies are Grifols Worldwide Operations Limited, Grifols Biologicals Inc, Grifols Shared Services North America, Inc, Grifols Therapeutics, Inc, Instituto Grifols S.A., Grifols Worldwide Operations USA, Inc, Grifols USA, Llc. and Grifols International, S.A.

#### (c) Other financial liabilities

At 30 June 2022, "Other non-current and current financial liabilities" include an amount of Euros 949,833 thousand (Euros 829,937 thousand at 31 December 2021) related to the agreement with GIC (Singapore sovereign wealth fund).

#### (16) Expenses by nature

The breakdown of staff costs by function is as follows:

	Thousands of Euros			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Cost of sales	593,975	488,224	318,197	242,581
Research and development	75,887	66,156	39,143	36,003
Selling, general & administrative expenses	213,730	183,865	109,755	84,649
	<b>883,592</b>	<b>738,245</b>	<b>467,095</b>	<b>363,233</b>

The breakdown of depreciation expenses by function is as follows:

	Thousands of Euros			
	Six-Months Ended 30 June 2022	Six-Months Ended 30 June 2021	Three-Months Ended 30 June 2022	Three-Months Ended 30 June 2021
			Not reviewed	Not reviewed
Cost of sales	118,076	101,389	62,625	51,859
Research and development	18,159	19,338	9,286	9,647
Selling, general & administrative expenses	50,973	46,027	26,932	23,473
	<b>187,208</b>	<b>166,754</b>	<b>98,843</b>	<b>84,979</b>

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### (17) Finance result

The details are as follows:

	Thousands of Euros			
	Six-Months	Six-Months	Three-Months	Three-Months
	Ended 30 June	Ended 30 June	Ended 30 June	Ended 30 June
	2022	2021	2022	2021
			Not reviewed	Not reviewed
Finance income	13,853	4,949	8,674	1,804
Finance cost from Senior Unsecured Notes	(133,682)	(41,916)	(86,930)	(21,009)
Finance cost from Senior debt	(66,760)	(54,035)	(35,207)	(27,178)
Finance cost from sale of receivables (note 12)	(4,983)	(5,320)	(3,226)	(2,742)
Capitalised interest	10,721	8,609	5,680	4,485
Finance lease expense (note 8)	(21,673)	(17,133)	(11,119)	(8,701)
Other finance costs	5,569	(9,903)	(6,420)	(5,916)
Finance costs	(210,808)	(119,698)	(137,222)	(61,061)
Change in fair value of financial instruments	(17,034)	555	1,593	--
Exchange differences	15,236	(5,243)	7,576	(1,480)
Finance result	(198,753)	(119,437)	(119,379)	(60,737)

### (18) Taxation

For the calculation of the income tax accrued in this period, the tax rate that would be applicable to the total expected profit for the year has been used, so that the tax expense for the interim period will be the result of applying the weighted average annual effective tax rate to the profit before tax for the interim period. The Group's consolidated effective tax rate is 22.5% for the six months ended 30 June 2022 and 20% for the six months ended 30 June 2021.

In respect of tax audits, during the six months ended 30 June 2022, the Group has received an inspection notice for certain Group companies domiciled in Spain for the years 2017 to 2019 for corporate income tax and 2018 to 2019 for VAT and withholding taxes.

Group management does not expect any significant liability to derive from these inspections.

### (19) Discontinued operations

During the six months ended 30 June 2022 and 30 June 2021, the Group has not discontinued any operations.

### (20) Commitments and Contingencies

#### (a) Contingencies

Information on legal proceedings in which the Company or Group companies are involved is as follows:

- **ABBOTT LABORATORIES v. GRIFOLS DIAGNOSTIC SOLUTIONS INC., GRIFOLS WORLDWIDE OPERATIONS LIMITED AND NOVARTIS VACCINES AND DIAGNOSTICS, INC.**

Served: 8 October 2019

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

US District Court, Northern District of Illinois  
Patent Infringement, Civil Action No. 1:19-cv-6587

Abbott Laboratories (“Abbott”), GDS, GWWO and Novartis Vaccines and Diagnostics, Inc. are in dispute over unpaid royalties payable by Abbott to GDS and Ortho-Clinical Diagnostics (“Ortho”) under an HIV License and Option agreement dated 16 August 2019 (the “HIV License”). On 12 September 2019, GDS and Ortho filed Notice of Arbitration. On 3 October 2019, Abbott terminated the HIV License and filed for Declaratory Relief seeking to invalidate the licensed patent. On March 16, 2020, Grifols and Ortho filed an answer and counterclaim to the litigation, while simultaneously pursuing arbitration for the pre-termination amount owed by Abbott. The arbitration hearing was 15-16 June 2020. Grifols/Ortho were awarded \$4 Million.

NEXT ACTION: The court’s order on Claim Construction was entered on April 27, 2022. Grifols prevailed on the key issues and demanded stipulation to infringement by Abbott. Abbott has responded to the letter with minor concessions. Initial Expert Reports were exchanged on July 15<sup>th</sup>. Rebuttal Expert Reports are due September 9<sup>th</sup>. Expert Discovery deadline is October 14<sup>th</sup>, and the last date to file dispositive motions is November 18<sup>th</sup>.

- **SIEMENS HEALTHCARE DIAGNOSTICS, INC. adv. ORTHO-CLINICAL DIAGNOSTICS, INC., GRIFOLS DIAGNOSTIC SOLUTIONS INC.**

Served: 10 November 2020

Contract Dispute

Siemens initiated dispute resolution against Ortho and GDS under the Supply Agreement alleging overpayments after an audit by Siemens.

NEXT ACTION: Arbitration hearings concluded. Opening briefs filed June 15, 2022. Reply briefs due July 8, 2022. Decision expected by July 30, 2022.

POTENTIAL OUTCOME: Based on current financial calculations, it is probable that there may be a finding for Grifols to pay Siemens under the supply agreement, up to \$12M (best estimate).

- **RAMIREZ-VIVAR, ALFONSO v. GRIFOLS DIAGNOSTIC SOLUTIONS, INC.**

Served: 11 March 2021  
Superior Court, CA County of Alameda  
Case No.: RG21089519

Wage & Hour Class Action  
Plaintiff claiming violation of CA wage & hour statutes.

NEXT STEP: Person Most Knowledgeable depositions regarding GDS employment and payroll practices were taken in April 2022. Plaintiffs filed the class certification motion 2 June 2022. Grifols’ opposition to the motion is currently due to be filed on 19 August 22. Thereafter, Plaintiffs’ Reply Brief is due on 10 October 2022. The Hearing on the class certification motion is scheduled for 28 October 2022. Grifols is developing a response to the class certification motion including interviewing class members and gathering declarations.

CLASS POTENTIAL: Approx. 300 CA GDS employees for payroll/wage & hour violations per pay period for 4 years

- **VAUGHAN, BRIAN, DARNELL, JASON, FEBBIE MINNIEFIELD, and ADRIEL VEGA, individually and on behalf of others similarly situated v. BIOMAT USA, INC., TALECRIS PLASMA RESOURCES, INC., and INTERSTATE BLOOK BANK, INC.**

Served: 22 June 2020

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Circuit Court of Cook County  
Case No. 2020CH04519

Illinois Biometric Information Protection Act

Former donors and employee alleging violation of IL Biometric Information Protection Act in potential class action.

NEXT ACTION: Motion to Dismiss and all responsive pleadings were filed as of 17 December 2021. Court dismissed the action with leave to replead. The Judge found the Plaintiffs engaged in an impermissible group pleading because the Amended Complain did not contact basic pieces of information connecting each Defendant to the claims. Plaintiffs filed a Second Amended Class Action Complain on 16 May 2022. Defendants to file a Motion to Dismiss.

CLASS POTENTIAL: Approx. 54,000 Biomat donors for Illinois Biomat Centers over 4 years x \$1,000 BIPA penalty for negligent violation. This estimate is from 2020 and current numbers are being run. Interstate Blood Bank, Inc. was also added to the suit and potential donor numbers are being run. At this time, there is insufficient information to determine that there is any probability of liability on Grifols.

- **CERUS CORPORATION v. LABORATORIOS GRIFOLS, S.A.**

Cerus Corporation ("Cerus") and Laboratorios Grifols, S.A. ("Grifols") entered into a Manufacturing and Supply Agreement executed in 2016, pursuant to which Grifols was to manufacture and supply to Cerus processing and filters sets to be used by Cerus in its own product (the "Agreement"). As a result of Grifols' decision to discontinue the manufacturing, sale and support of its blood bag product business worldwide, Grifols is unable to comply with the Agreement.

In December 2021, Cerus filed a notice of arbitration in the UK pursuant to the terms of the Agreement alleging wrongful termination of the Agreement by Grifols. Furthermore, in January 2022, Cerus filed injunctive measures with the Courts of Rubí (Barcelona) requiring the suspension of the closure of Grifols' blood bags production facility until the arbitration proceedings is finalized.

NEXT ACTION: The parties have agreed that the arbitration will be conducted by a 3 person tribunal. Cerus has appointed its arbitrator and Grifols is currently selecting one. The appointed arbitrators will then appoint the third arbitrator. In parallel, the hearing on the injunctive measures is set for March 2022. At the end of February the Parties requested that both the arbitration and the hearing on the injunctive measures be suspended for a period of 60 days to negotiate an out-of-court solution on the conflict. Both the arbitrators and the Court in charge of the injunctive measures accepted the suspension. Mid-April the Parties requested again a further suspension of both proceedings until beginning of September, which was granted. At this time and based upon the current state of negotiations, the most likely resolution of the conflict is that the companies reach an amicable solution to continue their commercial relationship (manufacturing and supply agreement) on satisfactory terms for both parties.

- **THE STATE CO. FOR MARKETING DRUGS AND MEDICAL APPLIANCES IN IRAQ (KIMADIA) v. LABORATORIOS GRIFOLS, S.A.**

The State Co. for Marketing Drugs and Medical Appliances in Iraq ("KIMADIA") awarded a tender for the supply of blood bags to Laboratorios Grifols, S.A. ("Grifols"). Grifols, through Hali/Tiba (its agent in Iraq), informed KIMADIA on Grifols' inability to supply the blood bags pursuant to the tender awarded, due to its decision to discontinue the manufacturing, sale and support of its blood bag product business.

The tender documents set forth a list of penalties and compensations in case the awardee is unable to supply the products to KIMADIA. Further, Hali/Tiba also claims Grifols a compensation for the services performed in relation to the tender.

NEXT ACTION: Grifols is still in discussions with KIMADIA, with the assistance of Hali/Tiba, to agree on a possible compensation to be paid to KIMADIA, so as to avoid any possible judicial proceedings. The negotiations are very slow with the aim to reduce the possible penalties set forth in the tender documents.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

#### (b) Commitments

##### • Restricted Share Unit Retention Plan

For the annual bonus, the Group established a Restricted Share Unit Retention Plan (RSU Plan), for eligible employees. By these plans, the employee could elect to receive up to 50% of its yearly bonus in non-voting Class B ordinary shares (Grifols Class B Shares) or Grifols American Depositary Shares (Grifols ADS), and the Group will match with an additional 50% of the employee election of RSUs (additional RSUs).

Grifols Class B shares and Grifols ADSs are valued at grant date.

These RSUs will have a vesting period of 2 years and 1 day and, subsequently, the RSU's will be exchanged for Grifols Class B Shares or Grifols ADS (American Depositary Share representing 1 Class B Share).

If an eligible employee leaves the Company or is terminated before the vesting period, he will not be entitled to the additional RSU.

At 30 June 2022, the Group has settled the 2020 RSU plan for an amount of Euros 9,071 thousand (Euros 8,221 thousand as at 30 June 2021 corresponding to the 2019 RSU plan).

This commitment is treated as equity-settled and the accumulated amount recognized as at 30 June 2022 as share based payments costs of employees is Euros 6,221 thousand (Euros 9,838 thousand at 31 December 2021).

#### (21) Financial instruments

##### Classification

A breakdown of financial instruments by nature, category and fair value is as follows:

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### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

	Thousands of Euros										
	30/06/2022										
	Carrying amount							Fair Value			
	Financial assets at amortised costs	Financial assets at FVTPL	Financial assets at FV to OCI	Hedges	Financial liabilities at amortised costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets	--	7	11,842	--	--	--	11,849	7	--	11,842	11,849
Derivative instruments	--	--	--	46,910	--	--	46,910	--	46,910	--	46,910
Trade receivables	--	--	217,761	--	--	--	217,761	--	217,761	--	217,761
<b>Financial assets measured at fair value</b>	<b>--</b>	<b>7</b>	<b>229,603</b>	<b>46,910</b>	<b>--</b>	<b>--</b>	<b>276,520</b>				
Other current financial assets	24,045	--	--	--	--	--	24,045				
Non-current financial assets	543,961	--	--	--	--	--	543,961				
Trade and other receivables	456,482	--	--	--	--	--	456,482				
Cash and cash equivalents	525,094	--	--	--	--	--	525,094				
<b>Financial assets measured at amortized cost</b>	<b>1,549,582</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,549,582</b>				
Derivatives instruments	--	(1,236)	--	--	--	--	(1,236)	--	(1,236)	--	(1,236)
<b>Financial liabilities measured at</b>	<b>--</b>	<b>(1,236)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(1,236)</b>				
Senior Unsecured & Secured Notes	--	--	--	--	(4,581,477)	--	(4,581,477)	(4,050,502)	--	--	(4,050,502)
Promissory Notes	--	--	--	--	(118,641)	--	(118,641)				
Senior secured debt	--	--	--	--	(3,263,817)	--	(3,263,817)	--	(3,277,067)	--	(3,277,067)
Other bank loans	--	--	--	--	(521,382)	--	(521,382)				
Lease liabilities	--	--	--	--	(1,070,967)	--	(1,070,967)				
Other financial liabilities	--	--	--	--	(1,029,976)	--	(1,029,976)				
Other non-current debts	--	--	--	--	--	(17)	(17)				
Trade and other payables	--	--	--	--	(794,273)	--	(794,273)				
Other current liabilities	--	--	--	--	--	(239,020)	(239,020)				
<b>Financial liabilities measured at amortized cost</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(11,380,533)</b>	<b>(239,037)</b>	<b>(11,619,570)</b>				
	<b>1,549,582</b>	<b>(1,229)</b>	<b>229,603</b>	<b>46,910</b>	<b>(11,380,533)</b>	<b>(239,037)</b>	<b>(9,794,704)</b>				

The Group does not disclose the fair value of certain financial instruments as their carrying amount is very similar to their fair value due to their short maturity.

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

Thousands of Euros											
31/12/2021											
Carrying amount							Fair Value				
Financial assets at amortised costs	Financial assets at FVTPL	Financial assets at FV to OCI	Hedges	Financial liabilities at amortised costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Non-current financial assets	--	7	2,031	--	--	--	2,038	7	--	2,031	2,038
Derivative instruments	--	--	--	5,306	--	--	5,306	--	5,306	--	5,306
Trade receivables	--	--	216,433	--	--	--	216,433	--	216,433	--	216,433
<b>Financial assets measured at fair value</b>	<b>--</b>	<b>7</b>	<b>218,464</b>	<b>5,306</b>	<b>--</b>	<b>--</b>	<b>223,777</b>				
Non-current financial assets	358,161	--	--	--	--	--	358,161				
Other current financial assets	2,026,469	--	--	--	--	--	2,026,469				
Trade and other receivables	270,827	--	--	--	--	--	270,827				
Cash and cash equivalents	655,493	--	--	--	--	--	655,493				
<b>Financial assets measured at amortized cost</b>	<b>3,310,950</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,310,950</b>				
Derivatives instruments	--	(875)	--	--	--	--	(875)	--	(875)	--	(875)
<b>Financial liabilities measured at fair</b>	<b>--</b>	<b>(875)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(875)</b>				
Senior Unsecured & Secured Notes	--	--	--	--	(4,626,919)	--	(4,626,919)	(4,697,328)	--	--	(4,697,328)
Promissory Notes	--	--	--	--	(116,610)	--	(116,610)				
Senior secured debt	--	--	--	--	(3,061,078)	--	(3,061,078)	--	(3,262,901)	--	(3,262,901)
Other bank loans	--	--	--	--	(645,975)	--	(645,975)				
Lease liabilities	--	--	--	--	(873,724)	--	(873,724)				
Other financial liabilities	--	--	--	--	(882,060)	--	(882,060)				
Other non-current debts	--	--	--	--	--	(333)	(333)				
Trade and other payables	--	--	--	--	(780,826)	--	(780,826)				
Other current liabilities	--	--	--	--	--	(219,272)	(219,272)				
<b>Financial liabilities measured at amortized cost</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(10,987,192)</b>	<b>(219,605)</b>	<b>(11,206,797)</b>				
	<b>3,310,950</b>	<b>(868)</b>	<b>218,464</b>	<b>5,306</b>	<b>(10,987,192)</b>	<b>(219,605)</b>	<b>(7,672,945)</b>				

The Group does not disclose the fair value of certain financial instruments as their carrying amount is very similar to their fair value due to their short maturity.

# GRIFOLS, S.A. AND SUBSIDIARIES

## Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

### Financial derivatives

As at 30 June 2022 and 31 December 2021 the Group has the following derivatives:

Financial derivatives	Currency	Notional amount at 30/06/2022	Notional amount at 31/12/2021	Thousand of Euros		Maturity
				Value at 30/06/22	Value at 31/12/21	
Cross currency interest rate swap	US Dollar	500,000,000	500,000,000	43,256	5,306	15/10/2024
Cross currency interest rate swap	US Dollar	205,000,000	--	668	--	15/10/2024
Foreign exchange rate forward	Canadian dollar	30,000,000	51,000,000	(365)	(875)	25/07/2022
Foreign exchange rate forward	Euro	160,000,000	--	2,658	--	July 2022
Foreign exchange rate forward	Canadian dollar	9,750,000	--	(445)	--	2023 and 2024
Foreign exchange rate forward	Pound sterling	26,600,000	--	(62)	--	2022 and 2023
Foreign exchange rate forward	Pound sterling	26,600,000	--	328	--	2022 and 2023
Foreign exchange rate forward	US Dollar	20,000,000	--	(364)	--	2022
<b>Total</b>				<b>45,674</b>	<b>4,431</b>	
Total Assets (notes 2 and 11)				46,910	5,306	
Total Liabilities (notes 15 and 21)				(1,236)	(875)	

### (a) Hedging derivative financial instruments

On 5 October 2021, the Group subscribed three cross currency interest-rate swap of US Dollars 500 million to hedge part of the Euro equivalent value of the US Dollar unsecured notes issued in October 2021. It is a fixed-to-fixed USD/EUR cross currency swap with the following characteristics:

- The Group receives a euro loan of 431.6 million at a nominal interest rate of 3.78%.
- The Group grants a US Dollars 500 million loan at a nominal interest rate of 4.75%.

On 28 June 2022, the Group subscribed one cross currency interest-rate swap of US Dollars 205 million to hedge part of the Euro equivalent value of the US Dollar unsecured notes issued in October 2021. It is a fixed-to-fixed USD/EUR cross currency swap with the following characteristics:

- The Group receives a Euros 194 million loan at a nominal interest rate of 3.1046%.
- The Group grants a US Dollars 205 million loan at a nominal interest rate of 4.75%.

Derivatives comply with hedge accounting requirements. See further details in note 4 (l) and 16 (g) of the consolidated annual accounts for the year ended 31 December 2021. At 30 June 2022, the Group has recognised net finance income of Euros 1,160 thousand.

### (b) Derivative financial instruments at fair value through profit or loss

The Group has subscribed several forward exchange rate hedges to partially hedge the foreign currency value of intercompany loans. As the Group has chosen not to apply hedge accounting, gains or losses resulting from changes in the fair value of the derivative are recognised directly in "Changes in fair value of financial instruments" in the consolidated income statement of profit or loss. At 30 June 2022, the Group has recognised a net finance income of Euros 4,490 thousand.



## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

#### (22) Transactions with related parties

Transactions with related parties are in the Group's ordinary course of business and have been carried out on an arm's length basis.

The amounts of the Group's transactions with related parties during the six months ended 30 June 2022 are as follows:

	Thousands of Euros			
	Associates	Key management personnel	Other related parties	Board of directors of the company
Net sales	172,549	--	--	--
Purchases of inventory	(28)	--	--	--
Other service expenses	(105)	--	(1,514)	--
Remuneration	--	(8,471)	--	(2,282)
Dividends paid/received	3,750	--	--	--
	176,166	(8,471)	(1,514)	(2,282)

The amounts of the Group's transactions with related parties during the six months ended 30 June 2021 are as follows:

	Thousands of Euros			
	Associates	Key management personnel	Other related parties	Board of directors of the company
Net Sales	145,685	--	--	--
Purchases of inventory	(358)	--	--	--
Other service expenses	(175)	--	(3,890)	--
Remuneration	--	(7,722)	--	(2,232)
Dividends paid/received	(6,405)	--	--	--
	138,747	(7,722)	(3,890)	(2,232)

The amounts of the Group's transactions with related parties during the three months ended 30 June 2022 are as follows:

	Thousands of Euros			
	Associates	Key management personnel	Other related parties	Board of directors of the company
	Not reviewed			
Net sales	100,154	--	--	--
Purchases of inventory	(19)	--	--	--
Other service expenses	(85)	--	(1,916)	--
Remuneration	--	(3,649)	0	(1,141)
Dividends paid/received	1,587	0	--	--
	101,637	(3,649)	(1,916)	(1,141)

## GRIFOLS, S.A. AND SUBSIDIARIES

### Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2022

The amounts of the Group's transactions with related parties during the three months ended 30 June 2021 are as follows:

	Thousands of Euros			
	Associates	Key management personnel	Other related parties	Board of directors of the company
	Not reviewed			
Net Sales	142,765	--	--	--
Purchases of inventory	(240)	--	--	--
Other service expenses	(123)	--	(1,511)	--
Remuneration	--	(3,844)	--	(1,117)
Dividends paid/received	(6,405)	--	--	--
	135,997	(3,844)	(1,511)	(1,117)

On 28 December 2018 the Group sold the companies BPC Plasma and Haema to Scranton Enterprises B.V. (a Grifols shareholder) for US Dollars 538,014 thousand. For the payment of the aforementioned selling price, Scranton entered into a loan agreement dated 28 December 2018 for US Dollars 95,000 thousand (Euros 82,969 thousand) with Grifols Worldwide Operations Limited. The remuneration is 2%+EURIBOR and the maturity date is 28 December 2025.

The Group has no advances or loans granted to or obligations assumed on behalf of members of the Board of Directors or members of key management personnel by way of guarantee or pension and life insurance obligations in respect of former or current members of the Board of Directors or members of key management personnel. In addition, as detailed in note 29(c) to the consolidated annual accounts for the year ended 31 December 2021, certain directors and key management personnel of the Company have indemnity commitments.

#### (23) Subsequent events

In July 2022, Grifols closed an agreement to sell in cash substantially all of the assets of its subsidiary Goetech LLC, whose trade name is MedKeeper, for a US Dollars 100,000 Thousand Enterprise Value. MedKeeper develops and markets innovative mobile and cloud-based IT applications aimed at helping hospital pharmacies boost productivity, process safety and compliance.

# GRIFOLS, S.A. AND SUBSIDIARIES

## Consolidated Management Report

### for the six-month period ended June 30, 2022

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

*You are encouraged to read the following discussion and analysis of Grifols' financial condition and operational results of the six-month period ended on June 30, 2022, along with the condensed consolidated interim financial statements and related footnotes. This document may contain forward-looking statements that involve risks and uncertainties. See the section "Cautionary Statement Regarding Forward-Looking Statements", included in this document, for more information.*

Grifols reported EUR 2,810.1 million in revenues in the first half of 2022, an increase of 10.8% (3.4% cc<sup>1</sup>) compared to the same period of 2021. These solid results were driven by strong Biopharma<sup>2</sup> performance, sustained robust underlying demand, the consolidation of the Biotest, and FX tailwinds. EBITDA increased to EUR 618.3 million, delivering a margin of 22.0% (22.8% excluding Biotest).

This performance reflects a sequential improvement for the first half of 2022, a period marked by stronger fundamentals, including a significant acceleration of plasma collections, streamlined the business organization-wide while working to accelerate key R+D projects.

Biopharma revenues grew by 16.5% (8.3% cc) to EUR 2,312.9 million in the first half of the year, driven by an improvement in plasma collections, robust underlying demand for key proteins, price increases and favorable product mix, as well as a two-month contribution from Biotest. Revenues increased by 11.5% (3.3% cc) to EUR 2,214.6 million, excluding Biotest.

Immunoglobulins, alpha-1 antitrypsin, specialty proteins and new-product contributions were all strong, with overall performance partially offset by Q2 2021 albumin phasing in China due to the integration of Grifols' plasma-derived products distribution into the Shanghai RAAS commercial platform. Excluding this impact, Biopharma revenues grew 19.8% (11.3% cc).

Recent product launches continue to drive performance, with double-digit growth. Of note are sales increases of Xembify<sup>®</sup> (44.9%; 31.2% cc), Vistaseal<sup>™</sup> (57.6%; 44.4% cc) and Tavlesse<sup>®</sup> (43.4%, 43.0% cc) in the first half of the year.

Plasma collections continue to accelerate, expanding 22% YTD<sup>3</sup>, trending above pre-COVID levels. The primary drivers behind this upward trend are new and recently acquired plasma centers; greater plasma volumes from regular centers; and technological, digital and operational enhancements. The current trend is expected to further accelerate in the second half of 2022.

Diagnostic revenues declined by 16.7% (-21.0% cc) to EUR 329.4 million in the first half of 2022, affected primarily by the non-recurring sales of TMA (Transcription-Mediated Amplification) molecular tests to detect SARS-CoV-2 in 2021. Excluding this impact, the business unit decreased by 5.2% cc due to the termination of mandatory Zika-virus testing, and pricing, partially offset by robust sales of blood typing solutions in the United States, Mexico, and Italy.

Bio Supplies, which now solely includes the Bio Supplies Commercial business line, reported a 1.4% drop in revenues (-8.2% cc) to EUR 52.6 million in the first half of 2022, impacted by lower sales of albumin and fraction V for non-therapeutic use. Bio Supplies Diagnostic sales partially offset this decline.

Others<sup>4</sup>, which mainly comprises Healthcare Solutions (formerly Hospital Division) and third-party plasma sales, reported a decrease in revenues of 9.5% (-13.1% cc) to EUR 124.2 million, impacted by the

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<sup>1</sup> Constant currency (cc) excludes exchange rate fluctuations over the period.

<sup>2</sup> Biopharma Business Unit corresponds to former Bioscience Division.

<sup>3</sup> Comparing first 28 weeks of 2022 with first 28 weeks of 2021.

<sup>4</sup> Others mainly includes Healthcare Solutions, Source Plasma, and Services & Royalties

# GRIFOLS, S.A. AND SUBSIDIARIES

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conclusion of third-party plasma sales contracts. Excluding this impact, Others grew by 11.2% (7.6 cc) to EUR 103.5 million, fueled by the expansion in hospital investments.

Gross margin grew to 38.2%, an improvement over the 35.4% reported in the second half of 2021. Absorption of fixed costs contributed to the sequential improvement, constrained by a still high cost per liter resulting from donor compensation and labor cost inflation.

EBITDA grew to EUR 618.3 million in the first half of the year, at a 22.0% margin (22.8% excluding Biotest), compared to EUR 327.0 million and 13.6% in the second half of 2021. Grifols continued to contain operating expenses through a savings plan, plus re-prioritization of R+D projects and divestments of non-strategic assets. These efforts helped to offset higher expenses stemming from Biotest, including Biotest Next Level (BNL) project<sup>5</sup> costs, and inflationary pressures.

In July 2022, Grifols sold in cash substantially all of the assets of its subsidiary Goetech LLC, whose trade name is MedKeeper, for a USD 100 million Enterprise Value. MedKeeper develops and markets innovative mobile and cloud-based IT applications aimed at helping hospital pharmacies boost productivity, process safety and compliance.

Adjusted EBITDA was EUR 562 million, with an adjusted EBITDA margin of 20.0%. Excluding Biotest, adjusted EBITDA margin stood at 20.7%.

The completion of the Biotest acquisition in April 2022 marks an important milestone. This transaction will bolster the availability of Grifols' plasma therapies; accelerate the R+D pipeline; broaden the product portfolio; expand the company's geographical footprint; and further fuel revenue growth and margin expansion.

Total net investment in R+D+i totaled EUR 162.5 million (EUR 155.3 million and 174.0 million in the first and second half of 2021, respectively), representing 5.8% of revenues.

Share of profits associated core activities included an impact of EUR 73 million related to the increased equity in Grifols' Access Biologicals, following the execution of the call option, signed in 2017, to acquire the remaining 51% of capital. The acquisition will help drive the growth of Bio Supplies by reinforcing and expanding its portfolio with a more robust offering of biological products. This transaction will particularly boost Grifols' standing as a reputed supplier of biological products for in-vitro diagnostics, cell cultures and diagnostic R+D solutions.

The financial result stood at EUR 198.8 million in the first half of the year (EUR 119.4 million and EUR 158.4 million in the first and second half of 2021, respectively) due to the issuance of senior unsecured bonds to finance the Biotest investment and higher interest rates. Currently, Grifols has low exposure to interest rate hikes, as c.65% of its debt is tied to a fixed interest rate and only c.22% is pegged to a USD floating interest rate.

The reported net profit totaled EUR 143.6 million.

Excluding the impact of IFRS 16<sup>6</sup>, net financial debt reached EUR 8,994.1 million and the leverage ratio stood at 9.0x. The ratio increased during the year as a result of strategic investment in Biotest and the impacts of COVID-19 on EBITDA over the last twelve months.

The quarterly financial covenant of 5x net debt to EBITDA is no longer in place following the refinancing process in November 2019. Grifols does not face any significant maturity repayments or down payments until 2025.

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<sup>5</sup> Biotest Next Level (BNL) project is aimed at expanding production capacity of human blood plasma in Dreieich, Germany, and at develop three key R&D projects (IgG Next Gen, Trimodulin, Fibrinogen).

<sup>6</sup> As of June 30, 2022, the impact of IFRS 16 on total debts stands at EUR 1,068.3 million.

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Despite short-term challenges, Grifols' commitment to deleveraging remains firm, supported by its strong business fundamentals, improvements in profitability and operating cash generation, and sustained capital allocation.

As of June 30, 2022, Grifols' strong liquidity position stood at EUR 1,611 million, including a cash position of EUR 525 million.

Grifols' fundamentals remain strong, with improvement expected to continue triggered by higher plasma collections and organization-wide efforts to advance innovation and streamline operations.

#### **REVENUE PERFORMANCE**

- **Biopharma**

Biopharma recorded EUR 2,312.9 million in revenues (16.5%; 8.3% cc) in the first half of 2022, and EUR 2,214.6 million (11.5%; 3.3% cc), excluding the positive contribution from Biotest.

Of note was robust demand for the main proteins including IG, albumin, alpha-1 antitrypsin and specialty proteins (hyperimmune and intramuscular immunoglobulins), supported by price increases and product mix.

Immunoglobulin demand remains very strong, particularly in the U.S., Canada and several European Union (EU) countries. Excluding the positive contribution from Biotest, immunoglobulins increased by mid-to-high single digit backed by increasing volume and mid-single-digit price increases. The contribution of subcutaneous immunoglobulins (44.9%; 31.2% cc) was especially noteworthy in the first half of the year.

Albumin sales were affected by phasing in China due to the distribution integration of Grifols' plasma-derived products into the Shanghai RAAS commercial platform in the second quarter of 2021. Excluding this impact and the positive contribution from Biotest, albumin sales registered mid-single digit growth. Notable sales growth was recorded in several markets, among them, the U.S., Middle East and Africa, and Canada, where demand remains robust.

Alpha-1 antitrypsin continues to drive the division's revenues, attaining mid-single-digit growth in the first half, excluding the positive impact of Biotest. Sales are particularly strong in the U.S. and several European Union (EU) countries, including Germany, France, Spain and Italy. The company remains committed to increasing the diagnosis rate of alpha-1-antitrypsin deficiency patients.

Specialty proteins, such as hyperimmune and intramuscular immunoglobulins recorded high-single-digit growth, excluding the positive contribution from Biotest. This strong performance reflects the rising usage of immunoglobulin to treat and prevent hepatitis B and Rh-factor complications during childbirth, as well as for tetanus vaccines.

In terms of new products, of note is the strong demand for the fibrin sealant, Vistaseal™. TAVLESSE® (fostamatinib), used to treat chronic immune thrombocytopenia (ITP) in adult patients refractory to other treatments, also recorded strong sales in European countries where it has been launched. This product is commercialized under Grifols' agreement with Rigel Pharmaceuticals.

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- **Diagnostic**

Diagnostic revenues decreased by 16.7% (-21.0% cc) in the first half of the year to EUR 329.4 million, affected mainly by the non-recurring sales of TMA (Transcription-Mediated Amplification) molecular tests to detect SARS-CoV-2 in 2021 and the termination of mandatory Zika-virus testing. Underlying NAT business decreased by low double-digit as a consequence of product and country mix, and pricing.

The blood typing line recorded a high-double-digit growth driven by strong demand in the U.S., Mexico and Italy. Its sales include both analyzers (Erytra<sup>®</sup>, Erytra-Eflexis<sup>®</sup> and Wadiana<sup>®</sup>) and reagents (DG-Gel<sup>®</sup> cards, red blood cells and antisera).

Meanwhile, sales of recombinant proteins to produce diagnostic immunoassays declined due to lower antigens sales.

- **Bio Supplies**

Bio Supplies recorded EUR 52.6 million in revenues in the first six months, a 1.4% year-on-year (-8.2% cc), primarily the result of lower sales of albumin and fraction V for non-therapeutic uses, and hyperimmune plasma sales to third parties. Higher sales of Bio Supplies Diagnostic partially offset this decline.

#### ***STRATEGIC AGREEMENTS AND INNOVATION***

- **Closing of Biotest strategic transaction**

On April 25, 2022, Grifols completed its acquisition of Biotest, becoming the majority owner of the company's share capital. The company now holds 97.13% of Biotest's voting rights and 70.18% of its share capital.

The Biotest acquisition is a strategic and transformational transaction that will accelerate Grifols' growth and innovation. At the same time, it will contribute to expand and diversify Grifols' plasma supply, strengthening its operations and revenues in Europe, the Middle East and Africa, and support the company's economic performance. Furthermore, it enables Grifols and Biotest to jointly move forward to globally increase the availability of plasma-derived therapies for the benefit of patients worldwide, while allowing Grifols to strengthen its position by improving and complementing its operational, industrial and scientific capabilities, among others.

The acquisition immediately advances Grifols' research pipeline with the addition of two new proteins – fibrinogen and IgM - and a new indication for Cytotect<sup>®</sup>, which are currently in phase III clinical trials. Once launched these treatments will significantly expand the company's product portfolio and generate additional revenue with each liter of plasma.

The transaction also expands Grifols' European presence with the integration of 29 Biotest donation centers in Germany, Hungary and the Czech Republic, and reinforces its industrial capacity with a state-of-the-art manufacturing plant in Dreieich, Germany.

# **GRIFOLS, S.A. AND SUBSIDIARIES**

## **Consolidated Management Report**

### **for the six-month period ended June 30, 2022**

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- **New advancements in the strategic alliance between Grifols and Shanghai RAAS**

Grifols signed a new agreement with Shanghai RAAS in the second quarter of 2022, designating it the exclusive distributor of its leading nucleic acid technology (NAT) solutions in China. This accord marks an important step forward in the strategic alliance between Grifols and SRAAS, marking a new chapter for Grifols' diagnostic business in China market.

With the agreement, SRAAS will import, distribute and commercialize Grifols' NAT platform, carry out all related sales and marketing activities on the Chinese Mainland and provide preinstallation, installation and technical support to customers.

NAT is widely used in blood screening and testing due to its high sensitivity and high accuracy and our solutions will greatly contribute to meet the increasing demand of NAT test for blood donations in China. In 2020, more than 15 million blood donations in China were NAT tested, a screening process that Chinese health authorities are also extending to the more than 15 million plasma donations collected every year in the country, in addition to mandatory serology tests.

SRAAS became the first company to adopt NAT testing in China since 1999 and today holds a leading position in China's blood products industry, with four manufacturing sites and 41 plasma centers across 11 provinces.

- **Collaborations to drive innovation and knowledge**

Grifols has signed a global agreement with Endpoint Health, a precision-medicine therapeutics company, to develop and commercialize an Antithrombin III (AT-III) therapy to treat sepsis, a life-threatening response to infection.

As part of the agreement, Grifols will provide plasma protein expertise and be the exclusive supplier of AT-III, while Endpoint Health plans to deploy its AI technology and proprietary diagnostic test in a trial aimed at identifying the septic patients most likely to respond to AT-III.

Later this year, an Investigational New Drug (IND) application will be submitted to the U.S. Food and Drug Administration (FDA) for a Phase II clinical trial using AT-III. If successful clinical development is followed by FDA approval, the two companies will invest in expanding AT-III production at Grifols sites.

In accordance with the agreement, Grifols will receive revenues from supplying plasma proteins, besides royalties from future sales made by Endpoint Health, which is responsible for commercialization in addition to clinical development and regulatory approvals.

This potential sepsis treatment will allow Grifols to enhance its portfolio with another plasma-protein indication and strengthen its plasma economics in reflection of its commitment to create sustainable innovation-driven growth.

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#### **NON-FINANCIAL INFORMATION: COMMITMENT TO SUSTAINABILITY**

- **Grifols promotes the health, safety and continuous development of its employees**

Assuring the health and safety of its team is among Grifols' top priorities. In the first half of 2022, the company worked on a new Health and Safety Policy and Manual that will come into effect this year, both outlining clear actions to promote the health of its global workforce. Grifols also developed a Wellbeing Plan focused on promoting the mental health of its employees, among others.

Grifols' workforce included 27,584 employees in the first half of the year, a 18.7% upturn compared to year-end 2021. This increase primarily stems from the incorporation of Biotest's 2,200-plus employees. Of note was the increase in North America, where the workforce increased by +12.3% to 2,010 employees. In Spain, the workforce remained stable (+0.6%) with 4,993 people.

The average seniority at Grifols is 5.8 years and the average employee age is 38 years old, without considering Biotest employees. The company advocates equal opportunities for men and women. As of June 30, 2022, men comprise 39% of the employee pool, and women, 61%.

Initiated several years ago, the company's digital transformation process ensured the continuation of its diverse training and talent development initiatives throughout the pandemic. Over the first six months of 2022, more than 1,000 employees took part in over 100 workshops. Grifols employees dedicated an average of 97 hours to training in the same period.

Grifols also launched a new flexibility program Flexibility for U. Global in scope, this program combines remote and face-to-face work and to promote work-life balance and the well-being of the company's workforce.

In the areas of diversity and inclusion, Grifols remains commitment to promoting gender equality, integrating people with disabilities, minority representation and a multigeneration workforce via its three-year strategic plan.

Finally, the company was recently recognized among the best companies to work for in the United States and Spain by *Forbes* magazine, testament to its outstanding human resources policies and practices.

- **Environmental management**

Grifols published its 2021 environmental performance and the advance of the 2020-2022 Corporate Environmental Program in the first half of the year. Both documents are included in the 2021 Integrated and Sustainability Annual Report, which also outlines Grifols' progress on its 2030 environmental targets. Worth highlighting is Grifols' decision to bolster its commitments to reducing emissions by 40% to 55% per unit of production by ensuring 100% of its electricity consumption comes from renewable sources. These efforts support its ambition of achieving zero net emissions by 2050.

The external audit to renew of the Environmental Management System was carried out in Grifols' ISO 14001-certified companies in Spain and the United States, with totally satisfactory results.

Within the framework of Grifols' Environmental Program 2020-2022, worth noting is the LEED Gold certification attained for its new corporate office building in Sant Cugat del Vallès (Barcelona). The application of energy efficiency and eco-design measures will save more than 33% in energy use and 42% in water consumption.

Meanwhile, construction of the new anaerobic wastewater treatment plant continues at the Parets del Vallès (Barcelona) facility and is expected to become operational by year-end. Work is also under way to expand the existing wastewater treatment plant at Grifols' Clayton, North Carolina facility.



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The Clayton plant has also renewed its UL-Zero Waste to Landfill Gold Certification for preventing 99% its waste from going to landfill and only 7% from being incinerated with energy recovery.

- **Transparency**

As part of its commitment to transparency, Grifols disclosed, for the seventh consecutive year, all payments and other transfers of value related to medicines and medical technology made to healthcare professionals and health organizations in several European countries as defined by EFPIA, including Spain.

In 2021, Grifols' transfers of value in Europe totaled EUR 18.9 million, a 41% increase in relation to the previous year mainly due to larger investments in studies related to, among other areas, the SARS-CoV-2 virus, which resulted in a 38% increase in transfers of value related to R+D compared to 2020. This figure also increased following the progressive recovery of face-to-face interactions with healthcare organizations and healthcare professionals at scientific events, which are now similar to pre-pandemic levels.

In addition to Europe, Grifols applies its policy of transparency in the United States as required by regulatory authorities, such as Centers for Medicare & Medicaid Services and CMS.

- **Social action**

Grifols has been working with the people of Ukraine and providing humanitarian aid to all those in need since the outbreak of the war last February.

In collaboration with international and local humanitarian aid agencies, like the World Health Organization, Grifols delivered anti-tetanus immunoglobulin to people affected by the conflict. In Germany, coagulation factors were delivered to Ukrainian refugees suffering from hemophilia.

Grifols remains in close contact with the various international humanitarian aid agencies to continue providing medicines and assistance to those most in need in Ukraine.

- **Grifols recognized for its commitment to sustainability**

Grifols' Sustainability trajectory and accomplishments were recognized by Forbes, in partnership with Credit Suisse, in the first edition of the "Forbes-Credit Suisse Sustainability Awards." ceremony, held on March 31.

This award, achieved in the Healthcare category, recognizes the dedication of those companies that excel in developing sustainable policies in its business models, while seeking to give visibility to all national business initiatives that promote a sustainable commitment.

This recognition is further evidence of Grifols' commitment to bolster its Sustainability strategy, reflected in the implementation of a Sustainability Master Plan, the setting of 30 goals for 2030, and the formalization of three new corporate policies focused on Donors, Patients and Patient Organizations, and Human Rights, among other milestones.

## **RISKS**

At June 30, 2022 the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2021.

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**First half 2022 net revenue by division and region:**

**1H 2022 - NET REVENUE BY DIVISION**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021**</b>	<b>% Var</b>	<b>% Var cc*</b>
BIOPHARMA	2,312,890	1,986,024	16.5%	8.3%
DIAGNOSTIC	329,436	395,483	(16.7%)	(21.0%)
BIO SUPPLIES	52,553	53,288	(1.4%)	(8.2%)
OTHERS	124,161	137,210	(9.5%)	(13.1%)
INTERSEGMENTS	(8,948)	(35,373)	74.7%	76.4%
<b>TOTAL</b>	<b>2,810,092</b>	<b>2,536,632</b>	<b>10.8%</b>	<b>3.4%</b>

\* Constant currency (cc) excludes exchange rate fluctuations over the period.

\*\* For comparison purposes, 2021 figures have been reclassified in accordance with new business units

**1H 2022 - NET REVENUE BY REGION**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>	<b>% Var cc*</b>
US + CANADA	1,816,983	1,576,893	15.2%	5.4%
UE	473,623	452,536	4.7%	4.3%
ROW	519,486	507,203	2.4%	(3.7%)
<b>TOTAL</b>	<b>2,810,092</b>	<b>2,536,632</b>	<b>10.8%</b>	<b>3.4%</b>

\* Constant currency (cc) excludes exchange rate fluctuations over the period.

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**ANNEX - NON-GAAP (IFRS-EU) MEASURES RECONCILIATION**

**Net Revenues by division reported at constant currency for the first half of 2022:**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED NET REVENUES	2,810,092	2,536,632	10.8%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(188,025)		
<b>NET REVENUES AT CONSTANT CURRENCY</b>	<b>2,622,067</b>	<b>2,536,632</b>	<b>3.4%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED BIOPHARMA NET REVENUES	2,312,890	1,986,024	16.5%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(162,861)		
<b>REPORTED BIOPHARMA NET REVENUES AT CONSTANT CURRENCY</b>	<b>2,150,029</b>	<b>1,986,024</b>	<b>8.3%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED DIAGNOSTIC NET REVENUES	329,436	395,483	(16.7%)
VARIATION DUE TO EXCHANGE RATE EFFECTS	(17,124)		
<b>REPORTED DIAGNOSTIC NET REVENUES AT CONSTANT CURRENCY</b>	<b>312,312</b>	<b>395,483</b>	<b>(21.0%)</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED BIO SUPPLIES NET REVENUES	52,553	53,288	(1.4%)
VARIATION DUE TO EXCHANGE RATE EFFECTS	(3,654)		
<b>REPORTED BIO SUPPLIES NET REVENUES AT CONSTANT CURRENCY</b>	<b>48,899</b>	<b>53,288</b>	<b>(8.2%)</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED OTHERS NET REVENUES	124,161	137,210	(9.5%)
VARIATION DUE TO EXCHANGE RATE EFFECTS	(4,993)		
<b>REPORTED OTHERS NET REVENUES AT CONSTANT CURRENCY</b>	<b>119,168</b>	<b>137,210</b>	<b>(13.1%)</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED INTERSEGMENTS NET REVENUES	(8,948)	(35,373)	74.7%
VARIATION DUE TO EXCHANGE RATE EFFECTS	606		
<b>REPORTED INTERSEGMENTS NET REVENUES AT CONSTANT CURRENCY</b>	<b>(8,342)</b>	<b>(35,373)</b>	<b>76.4%</b>

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**Net Revenues by division reported at constant currency for the first half of 2022, excluding Biotest:**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED NET REVENUES	2,711,805	2,536,632	6.9%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(187,979)		
<b>NET REVENUES AT CONSTANT CURRENCY</b>	<b>2,523,826</b>	<b>2,536,632</b>	<b>(0.5%)</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED BIOPHARMA NET REVENUES	2,214,603	1,986,024	11.5%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(162,815)		
<b>REPORTED BIOPHARMA NET REVENUES AT CONSTANT CURRENCY</b>	<b>2,051,788</b>	<b>1,986,024</b>	<b>3.3%</b>

**Net Revenues by region reported at constant currency for the first half of 2022:**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED U.S. + CANADA NET REVENUES	1,816,983	1,576,893	15.2%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(155,658)		
<b>U.S. + CANADA NET REVENUES AT CONSTANT CURRENCY</b>	<b>1,661,325</b>	<b>1,576,893</b>	<b>5.4%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED EU NET REVENUES	473,623	452,536	4.7%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(1,433)		
<b>EU NET REVENUES AT CONSTANT CURRENCY</b>	<b>472,190</b>	<b>452,536</b>	<b>4.3%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED ROW NET REVENUES	519,486	507,203	2.4%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(30,934)		
<b>ROW NET REVENUES AT CONSTANT CURRENCY</b>	<b>488,552</b>	<b>507,203</b>	<b>(3.7%)</b>

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**Net Revenues by region reported at constant currency for the first half of 2022, excluding Biotest:**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED U.S. + CANADA NET REVENUES	1,815,818	1,576,893	15.2%
VARIATION DUE TO EXCHANGE RATE EFFECTS	(155,658)		
<b>U.S. + CANADA NET REVENUES AT CONSTANT CURRENCY</b>	<b>1,660,160</b>	<b>1,576,893</b>	<b>5.3%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED EU NET REVENUES	423,289	452,536	(6.5%)
VARIATION DUE TO EXCHANGE RATE EFFECTS	(1,636)		
<b>EU NET REVENUES AT CONSTANT CURRENCY</b>	<b>421,653</b>	<b>452,536</b>	<b>(6.8%)</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED ROW NET REVENUES	472,698	507,203	(6.8%)
VARIATION DUE TO EXCHANGE RATE EFFECTS	(30,685)		
<b>ROW NET REVENUES AT CONSTANT CURRENCY</b>	<b>442,013</b>	<b>507,203</b>	<b>(12.9%)</b>

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**Reconciliation of other figures for the first half of 2022:**

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
REPORTED GRIFOLS NET REVENUES	2,810,092	2,536,632	10.8%
BIOTEST NET REVENUES	98,287	-	-
<b>GRIFOLS NET REVENUES STAND-ALONE</b>	<b>2,711,805</b>	<b>2,536,632</b>	<b>6.9%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
R&D RECURRENT EXPENSES IN P&L	161,282	158,542	1.7%
R&D CAPITALIZED	18,680	15,287	22.2%
R&D DEPRECIATION & AMORTIZATION & WRITE OFFS	(18,036)	(19,338)	(6.7%)
R&D CAPEX FIXED ASSETS	557	774	(28.0%)
R&D EXTERNAL	20	-	-
<b>R&amp;D NET INVESTMENT</b>	<b>162,503</b>	<b>155,265</b>	<b>4.7%</b>

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
PP&E ADDITIONS	123,576	112,132	10.2%
SOFTWARE ADDITIONS	11,120	13,776	(19.3%)
INTEREST CAPITALIZED	(10,721)	(8,609)	24.5%
<b>CAPEX</b>	<b>123,975</b>	<b>117,299</b>	<b>5.7%</b>

<i>In millions of euros except ratio</i>	<b>1H 2022</b>	<b>1H 2021</b>
NET FINANCIAL DEBT	8,994	6,475.5
EBITDA ADJUSTED 12M	1,003.9	1,321.8
<b>NET LEVERAGE RATIO<sup>(1)</sup></b>	<b>8.96 x</b>	<b>4.90 x</b>

<sup>(1)</sup> Excludes the impact of IFRS 16

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
EBIT	427,346	463,550	(7.8%)
D&A	190,959	170,985	11.7%
<b>EBITDA REPORTED</b>	<b>618,305</b>	<b>634,535</b>	<b>(2.6%)</b>
% NR	22.0%	25.0%	
% NR without Biotest	22.8%		

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<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
EBIT	427,346	463,550	(7.8%)
D&A	190,959	170,985	11.7%
NON-RECURRING COSTS <sup>(2)</sup>	(56,176)	2,450	(2,392.9%)
<b>EBITDA ADJUSTED</b>	<b>562,129</b>	<b>636,985</b>	<b>(11.8%)</b>
% NR	20.0%	25.1%	
% NR without Biotest	20.7%		

<sup>(2)</sup> 2021 non-recurring items mainly related to capital gain due to the acquisition of the remaining Acces Biological equity capital. The rest of non-recurring items are related to transaction, restructuring and desinvestments costs.

<i>In thousands of euros</i>	<b>1H 2022</b>	<b>1H 2021</b>	<b>% Var</b>
EBITDA REPORTED 12M	945,269	1,378,666	(31.4%)
IFRS 16	(85,461)	(74,567)	14.6%
NON-RECURRING ITEMS <sup>(3)</sup>	144,095	17,685	714.8%
<b>EBITDA ADJUSTED 12M</b>	<b>1,003,903</b>	<b>1,321,784</b>	<b>(8.0%)</b>

<sup>(3)</sup> Non-recurring items are mainly related to transaction, restructuring and divestitures costs, as well as the amount of cost savings, operating improvements and synergies on a "run rate"

**“Cautionary Statement Regarding Forward-Looking Statements”**

The facts and figures contained in this report that do not refer to historical data are “future projections and assumptions”. Words and expressions such as “believe”, “hope”, “anticipate”, “predict”, “expect”, “intend”, “should”, “will seek to achieve”, “it is estimated”, “future” and similar expressions, in so far as they relate to the Grifols group, are used to identify future projections and assumptions. These expressions reflect the assumptions, hypotheses, expectations and predictions of the management team at the time of writing this report, and these are subject to a number of factors that mean that the actual results may be materially different. The future results of the Grifols group could be affected by events relating to its own activities, such as a shortage of supplies of raw materials for the manufacture of its products, the appearance of competitor products on the market, or changes to the regulatory framework of the markets in which it operates, among others. At the date of compiling this report, the Grifols group has adopted the necessary measures to mitigate the potential impact of these events. Grifols, S.A. does not accept any obligation to publicly report, revise or update future projections or assumptions to adapt them to events or circumstances subsequent to the date of writing this report, except where expressly required by the applicable legislation. This document does not constitute an offer or invitation to buy or subscribe shares in accordance with the provisions of the following Spanish legislation: Royal Legislative Decree 4/2015, of 23 October, approving recast text of Securities Market Law; Royal Decree Law 5/2005, of 11 March and/or Royal Decree 1310/2005, of 4 November, and any regulations developing this legislation. In addition, this document does not constitute an offer of purchase, sale or exchange, or a request for an offer of purchase, sale or exchange of securities, or a request for any vote or approval in any other jurisdiction.