

Grifols and Shanghai RAAS obtain authorization for their strategic alliance in China

- *The operation is expected to close before the end of 2019, after the necessary approvals have been received from the regulatory authorities in the United States and the People's Republic of China*
- *Grifols will control a 26.2% stake in Shanghai RAAS (economic and voting rights) in exchange for a non-majority share (45% economics rights and 40% voting rights) in Grifols Diagnostic Solutions (GDS), a wholly owned Grifols subsidiary*
- *This transaction is the first share swap made in China with shares of a foreign company (GDS) and a non-state-controlled Chinese listed company*
- *This alliance is an important step forward in Grifols' long-term vision and sustainable growth strategy, generating value for all of its divisions, especially the Bioscience and Diagnostic Divisions, as a driver of plasma-derived and diagnostic products in the Chinese market*

Barcelona, November 13, 2019.- Grifols (MCE:GRF, MCE:GRF.P, NASDAQ:GRFS), a global healthcare company with a track record of more than 100 years dedicated to enhancing people's health and well-being and a leader in plasma medicines, transfusion diagnosis and pharmaceutical specialties for hospital use, together with Shanghai RAAS (002252.SZ), a leader in China's plasma derivatives sector, have earned approval from the Chinese and U.S. regulatory authorities for their strategic alliance in China, including approval from the Committee on Foreign Investment in the United States (CFIUS) and the Chinese Securities Regulatory Commission (CRSC).

The operation is expected to finalize before the end of 2019.

For Grifols, the transaction represents a singular opportunity to reinforce its international expansion and boost its presence in the People's Republic of China, one of the markets with the greatest growth potential for plasma-derived products and transfusional diagnostic solutions.

It will boost the production, commercialization and development of China's plasma products and transfusional diagnostic solutions in adherence with international quality and safety standards.

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As Víctor Grífols Deu, co-CEO of Grifols affirms, “The transaction will generate value for all of our divisions, particularly the Bioscience Division and Diagnostic Division. In this regard, it represents an important step forward for our sustainable growth strategy and long-term vision.”

For its part, Shanghai RAAS will diversify its business in collaboration with a global leader in NAT technology and other leading-edge diagnostic solutions.

Under the terms of the transaction, Shanghai RAAS will also become the exclusive distributor of Grifols’ plasma-derived products and diagnostic solutions in China.

The strategic alliance between both companies includes the signing of a specific “Quality Agreement”. By virtue of this accord, all activities related to the collection of plasma and production of plasma-derived products on behalf of Shanghai RAAS will follow the strictest international quality standards. To this end, Grifols will counsel and appoint managers in the areas of quality and manufacturing.

As part of the agreement, Shanghai RAAS commits to implementing NAT donor-screening technology in its plasma collection network, which includes 41 centers.

Grifols to become the second-largest shareholder in Shanghai RAAS, maintaining control of Grifols Diagnostic Solutions

With this transaction, Grifols will control a 26.2% stake in Shanghai RAAS capital (economic and voting rights) in exchange for a non-majority share in Grifols Diagnostics Solutions (45% economic and 40% voting rights). Grifols will maintain operating, political and economic control of Grifols Diagnostics Solutions (GDS).

Following the completion of the transaction, Grifols will become the second-largest shareholder in Shanghai RAAS and will have three members on its Board of Directors, comprised by nine members. It will also have the right of veto in instances such as share issuance, divestment of material assets, and mergers and bylaw amendments, among others; as well as subscription rights in possible capital increases. Shanghai RAAS will have a member on the GDS board.

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

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

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About Shanghai RAAS

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

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

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

About Grifols

Grifols is a global healthcare company dedicated to improving the health and well-being of people worldwide since 1909. Its four divisions – Bioscience, Diagnostic, Hospital and Bio Supplies – develop, produce and market innovative solutions and services, which are sold in more than 100 countries.

Industry pioneers, Grifols is one of the largest plasma companies in the world, with a growing network of donation centers. It develops plasma into essential medicines to treat rare, chronic and, at times, life-threatening conditions. As a recognized leader in transfusion medicine, Grifols also offers a comprehensive portfolio of solutions designed to enhance safety from donation to transfusion. In addition, the company supplies tools, information and services that enable hospitals, pharmacies and healthcare professionals to efficiently deliver expert medical care.

With more than 24,000 employees in 30 countries, Grifols is committed to a sustainable business model that serves as a beacon of continuous innovation, quality, safety and ethical leadership in the industry.

The company's class A shares are listed on the Spanish Stock Exchange, where they form part of the Ibex-35 (MCE:GRF). Grifols non-voting class B shares are listed on the Mercado Continuo (MCE:GRF.P) and on the U.S. NASDAQ through ADRs (NASDAQ:GRFS).

For more information, please visit www.grifols.com

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