

SUPERVISORY BOARD REPORT

The constitution of a stock corporation according to the German Stock Corporation Act strictly and imperatively distinguishes between the management and the supervision of the management. While the management is the responsibility of the Board of Management only, the Supervisory Board is obliged to advise and supervise management by the Board of Management. The Supervisory Board, in its function as a controlling body and guided by the principles of responsible and good corporate governance, unconditionally fulfilled its duties according to statutory law, the Articles of Association and Rules of Procedure in the financial year 2019. It continuously and diligently monitored the management activities of the Board of Management. The Board of Management kept the Supervisory Board updated on a regular basis and in a coherent and timely manner by means of written and oral reports on all matters which were of fundamental importance to the Company, including such decisions which do not require the consent of the Supervisory Board. In particular, the Board of Management informed the Supervisory Board of key business figures. Matters relevant for the Company mainly include issues relating to the planning, business performance, strategic development, human resources- and succession planning, risk situation, risk management and compliance. The Board of Management has, where the business development deviated from the planning, comprehensively explained such deviations and at all times involved the Supervisory Board in the decision on the strategy and status of the implementation thereof in the Company.

Where according to applicable law or the Articles of Association approval of the Supervisory Board is necessary for certain transactions, the Supervisory Board passed resolutions to the extent required.

In addition to the Supervisory Board meetings, the Chairman of the Supervisory Board also maintained fortnightly intensive personal and telephone contact with the Chairman of the Board of Management to obtain information on the business development, key business transactions and upcoming decisions as well as long-term perspectives and considerations on emerging developments. The Chairman of the Supervisory Board and the Chairwoman of the Audit Committee also automatically received all Internal Audit reports. The members of the Supervisory Board discussed current issues with the Board of Management also outside of the meetings.

There were no conflicts of interests involving members of the Board of Management or Supervisory Board during the financial year 2019, which require immediate disclosure to the Supervisory Board and must be reported to the Annual Shareholders' Meeting.

In the financial year 2019, the preparations and the measures to ensure liquidity and refinancing of the Company were of great importance to the discussions in the Supervisory Board. Moreover, the discussions in the Supervisory Board were characterized by consultations on the composition of the Board of Management and succession to the office of the Chairman of the Management Board after Dr Ehmer has retired, the progress of the BNL (Biotest Next Level) project, Biotest AG's position within the Creat Group as well as the supply of blood plasma to ensure the needs of the Company.

The Supervisory Board held six regular meetings and ten telephone conferences in the financial year 2019. One resolution was adopted by way of written circular procedure. In relation to the performance of their duties, members of the Supervisory Board received sufficient opportunity in the Committees as well as in full composition to critically and thoroughly assess all reports and draft resolutions provided by the Board of Management. They had the opportunity to introduce their own proposals during discussions.

MAIN FOCUS AT SUPERVISORY BOARD DELIBERATIONS

In addition to the topics mentioned above, the regular deliberations of the Supervisory Board in the 2019 financial year focused on the planning and current business development of the Company. Any questions

arising were discussed immediately and comprehensively. Thus, the Supervisory Board always received the most up-to-date information.

In a telephone conference on 16 January 2019, the Supervisory Board discussed the current business developments and the budget for 2019 presented by the Board of Management. After the details had been discussed, the Supervisory Board approved the revised 2019 budget. Another integral item on the agenda was the discussion on the succession planning for the Board of Management after the retirement of Dr Ehmer on 30 April 2019. Mr Tan Yang was excused for his absence during the telephone conference.

At the meeting on 7 March 2019, the Board of Management informed the Supervisory Board about the current business situation of the Group until February 2019. Other items on the agenda included the status of the BNL project and bonus payments to the members of the Board of Management. The Board of Management presented the annual financial statements for Biotest AG and the group for the financial year 2018. The auditor present explained the results of his audit, its services in addition to the statutory audit and confirmed, that an unqualified audit opinion will be provided for the year end statement of Biotest AG. The Supervisory Board approved amongst others the Supervisory Board Report, the Dependency Report and the non-financial statement (Sustainability Report), the EMIR-Report and the Declaration of Compliance for the financial year 2018 as well as the qualification profile for the composition of the Supervisory Board. The Supervisory Board further resolved on proposing Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as statutory auditor for the financial statements 2019 to the Annual Shareholders' Meeting.

At this meeting after extensive consultation and assessment of the qualification of Dr Ramroth and the review of external alternatives, Dr Ramroth was appointed Chairman of the Board of Management with effect from 1 May 2019. At the same time, a resolution was passed to amend the service contracts of Dr Ramroth and Dr Floß as well as the rules of procedure for the Board of Management and a temporary consultancy contract with Dr Ehmer for the transition period after his retirement from the Board of Management was discussed. The Supervisory Board also approved the new terms of the Long Term Incentive Program for 2019-2021, the targets 2019 for the Board of Management and the target fulfilment of the members of the Board of Management for 2018 as well as bonus payments to the members of the Board of Management for extraordinary performance in connection with the implementation of the takeover offer by CREAT. The agenda for the Annual Shareholders' Meeting 2019 was discussed. In addition, the Supervisory Board was informed about the decision of the Federal Court of Justice in relation to the business of the Company in Russia and its impacts on the proceedings still pending against three managers of the Company. The Supervisory Board also discussed the transaction between Grifols S.A. and Shanghai RAAS and its possible impact on Biotest AG. Dr Ramroth reported on the results of the Supervisory Board's efficiency review. The Chairwomen of the Audit Committee and the Governance Committee reported on the activities of the Committees.

Following detailed discussions at the meeting dated 21 March 2019, the Supervisory Board, upon the recommendation of the Audit Committee and following its own review, unanimously approved the 2018 annual financial statements for the Group and for Biotest AG as well as the resolution on the distribution of profits and adopted the agenda for the 2019 Annual Shareholders' Meeting.

The meeting of 6 May 2019 was dominated by discussions on the business development in the first quarter, the liquidity situation of the Company and its refinancing needs as well as preparations for the Annual Shareholders' Meeting.

In nine telephone conferences between 3 April 2019 and 23 June 2019, the Supervisory Board was regularly informed about the liquidity situation and the status of negotiations for new financing of the Company. In the telephone conference on 23 June 2019, the Board of Management presented the outcome of these negotiations. The Supervisory Board approved the conclusion of a loan agreement at the negotiated terms and conditions and authorised the Board of Management to conclude this agreement.

At the meeting on 25 and 26 July 2019, the Board of Management had the opportunity to inform the Supervisory Board in detail about the Company's business development in the first half of 2019, the financing, the 10-year plan, the status of the BNL project and other strategic options for the Company. The Supervisory Board was also informed about new legal developments and adjusted and adopted the 2019 target agreement for the Board of Management on the basis of updated figures.

At the meeting on 9 October 2019, the Chairwoman of the Governance Committee reported on its discussions. The Board of Management informed the Supervisory Board about current business developments and the outlook up to the end of the financial year as well as the positive progress of the BNL project. In addition, various scenarios for securing the blood plasma supply in the coming years were discussed. The Board of Management also reported on the sale of the assets in relation to the monoclonal antibody BT-061 and the discontinuation of activities relating to the other monoclonal antibodies (BT-062, BT-063).

The business development, the outlook for the 2019 financial results and the 2020 budget, as well as the current status of the BNL project and measures to ensure blood plasma supply for 2020 were discussed at the meeting on 4 December 2019. In addition, the Chairwoman of the Governance Committee reported on succession planning for one retiring member of the Supervisory Board.

COMMITTEES

To efficiently perform its duties, the Supervisory Board formed three committees in the relevant financial year with the following composition on the reference date 31 December 2019:

Personnel and Compensation Committee

Rolf Hoffmann (Chairman)

Kerstin Birkhahn

Tan Yang

Audit Committee

Christine Kreidl (Chairwoman)

Rolf Hoffmann

Jürgen Heilmann

Tan Yang

Governance Committee

Dr. Cathrin Schleussner (Chairwoman)

Christine Kreidl

Rolf Hoffmann

Tan Yang

In the 2019 financial year, the Audit Committee met with the Board of Management in three meetings, one resolution was adopted by way of written circular procedure and one discussion took place via telephone conference. At its first meeting in the 2019 financial year, held on 6 March 2019, the Audit Committee discussed the status of the 2018 audit of the annual financial statements and the distribution of profits and the 2019 audit focus of the German Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung). Following detailed discussions, the Audit Committee decided to propose to the

Supervisory Board the approval of the non-financial statement (Sustainability Report), the report on the audit in accordance with Section 20 para. 1 of the German Securities Trading Act (EMIR Report) and, after submission of the relevant declaration of independence for 2019, to propose Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the statutory auditor for the 2019 financial statements. The Audit Committee's discussions on 21 March 2019 focused on the single-entity and consolidated financial statements for 2018 presented by the Board of Management and other reports in relation to the 2018 financial statements. The auditor present at the meeting presented the results of his audit and answered the questions asked by the Audit Committee in this regard. Following the discussions, the Audit Committee decided to propose to the Supervisory Board to approve the proposal for the distribution of profits, the single-entity and consolidated financial statements for 2018. On 23 June 2019, after discussion by telephone, the Audit Committee proposed to the Supervisory Board to conclude the new loan agreement negotiated by the Board of Management to cover the Company's financing needs. On 7 September 2019, the Audit Committee resolved by circular resolution to instruct FAS Steuerberatungsgesellschaft mbH, Frankfurt am Main, to assist the Company in the tendering process and selection of a new auditor for the 2021 financial year. At the meeting on 4 December 2019, the Audit Committee discussed the results of the internal audit, risk management and key parameters of the 2019 audit. The key audit matters for 2019 were determined. The auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft gave an overview of the performed services in 2019 and the expected services for 2020, which were approved by the Audit Committee after review. Further, the audit plan for the internal audit 2020 was presented and approved.

The Personnel and Compensation Committee performs tasks in relation to Board of Management matters and prepares personnel decisions for the full Supervisory Board. In the financial year under review, it met twice, on 12 February 2019 and on 6 March 2019. The meetings mainly dealt with Dr Ehmer's succession planning and bonus payments to the members of the Board of Management. After extensive discussions, the Committee decided to propose to the Supervisory Board the resolution on bonus payments and the appointment of Dr Ramroth as Chairman of the Management Board to succeed Dr Ehmer. The Personnel and Compensation Committee also discussed the long-term incentive program for the years 2019 - 2021, the 2019 targets for the Board of Management and the achievement of targets by the members of the Board of Management for 2018.

The Governance Committee met twice in 2019, on 6 March 2019 and on 9 October 2019, and after detailed discussion, the Governance Committee decided to propose a qualification profile for the Supervisory Board to the Supervisory Board for decision. It also presented the results of Kienbaum's efficiency review and resolved to propose to the full Supervisory Board to approve the Declaration of Compliance. Topics of discussion at the meeting on 9 October 2019, included succession planning for one retiring member of the Supervisory Board, the planned changes to the German Stock Corporation Act and the German Corporate Governance Code as a result of ARUG II, and the conclusion of a consulting agreement with Dr Ehmer.

CORPORATE GOVERNANCE

Also in 2019, the Supervisory Board continuously complied with the further development of corporate governance standards within the Company. The Board of Management and the Supervisory Board reported on the corporate governance of the Company in the Corporate Governance Report in accordance with clause 3.10 of the German Corporate Governance Code which was published together with the Declaration of Compliance regarding the recommendations of the government commission on the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG). On 16 March 2020, the Board of Management and the Supervisory Board of Biotest AG issued a Declaration of Compliance with the recommendations of the government commission on the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act.

CHANGES TO THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

Dr Ehmer's term of office ended on 30 April 2019 and he has retired from the Board of Management. The Supervisory Board appointed Dr Ramroth as Chairman of the Board of Management and reorganized the distribution of responsibilities between Dr Ramroth and Dr Floß. The Supervisory Board thanks Dr Ehmer for his consistently constructive and trusting cooperation.

There were no personnel changes in the Supervisory Board in the financial year 2019. In the current financial year, the following changes have taken place in the Supervisory Board: With effect from 4 January 2020, Ms Kreidl resigned from her office as a member of the Supervisory Board. On 12 February 2020, Ms Simone Fischer was appointed by court decision as her successor until the end of the next Annual Shareholders' Meeting. On 19 February 2020, the Supervisory Board appointed Ms Fischer as a member of the Governance Committee and as a member and Chairwoman of the Audit Committee.

FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main, audited the consolidated and the end of year statement of Biotest AG by 31 December 2019 as well as the management report and the group management report and provided an unqualified opinion. Further, the aforementioned auditor reviewed the report on the Company's relations to affiliated companies (dependency report) and provided an unqualified opinion:

"Based on our audit performed in accordance with professional standards and our professional judgment, we confirm that:

1. The factual statements contained in the report are correct.
2. The consideration paid by the Company for the legal transactions stated in the report was not excessive."

The external auditor engaged by the Supervisory Board to review the content of the separate non-financial statement also issued an unqualified audit opinion. The abovementioned documents, the auditor's report, the dependency report, the separate non-financial statement and the Board of Management's proposal on the appropriation of net profit were submitted to all members of the Supervisory Board in a timely manner. They were discussed in detail at the meetings of the Audit Committee on 24 and 30 March 2020 as well as at the meeting of the Supervisory Board on 30 and 31 March 2020. In all three meetings, the auditor reported on the main results of the audit and was on hand to answer questions and provide additional information.

After reviewing and discussing the individual and consolidated financial statements, the management report and group management report, the Board of Management's proposal on the appropriation of the net profit, the dependency report as well as the non-financial statement, the Supervisory Board raised no objections and approved of the auditor's and external auditor's audit results. According to the final result of the review of the dependency report, the Supervisory Board also raised no objections to the declaration of the Board of Management on the dependency report. The Supervisory Board adopted the single entity and consolidated financial statements as prepared by the Board of Management for the financial year 2019. The annual financial statements are thereby adopted. The Supervisory Board approved the Board of Management's proposal on the appropriation of profit.

The Supervisory Board thanks the Board of Management and all employees for their continuous commitment and constructive cooperation, without which the positive performance of the Company in the difficult financial year 2019 would not have been possible.

Dreieich, 23 March 2020



Rolf Hoffmann
Chairman