

Independent Auditor's Assurance Report on Examination of the Remuneration Report pursuant to Section 162 (3) AktG

To Biotest Aktiengesellschaft, Dreieich

Opinion

We have formally examined the remuneration report of Biotest Aktiengesellschaft, Dreieich, for the financial year from January 1 to December 31, 2022 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

Basis for the Opinion

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (08.2021)). Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

Management and the Supervisory Board of Biotest Aktiengesellschaft, Dreieich, are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The Management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Frankfurt, March 20, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
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[German Public Auditor]

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Appendices

Remuneration report 2022

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General Engagement Terms

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Appendices

Appendix 1

Remuneration report 2022



REMUNERATION REPORT 2022

REMUNERATION REPORT

This Remuneration Report deals with the remuneration system for the members of the Board of Management and the Supervisory Board of Biotest and explains the amounts paid and the structure of the remuneration of the members of the executive bodies in financial year 2022.

The Remuneration Report is based on the recommendations of the German Corporate Governance Code (GCGC) and contains disclosures in accordance with the provisions of the German Commercial Code (HGB), the German Accounting Standards (GAS) and the International Financial Reporting Standards (IFRS). Furthermore, it contains the required disclosures pursuant to Section 162 of the German Stock Corporation Act (AktG) for the implementation of the Second Shareholders' Rights Directive (ARUG II). At the Annual General Meeting on 5 May 2022, the Remuneration Report 2021 was approved by 99.32%.

Explanatory notes on the remuneration system for the members of the Board of Management

The Supervisory Board determines the remuneration and remuneration system for the members of the Board of Management. The previously applicable regulations have been adjusted due to the entry into force of the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and were approved by the Annual General Meeting on 11 May 2021. Due to the fact that no changes have been made in the remuneration system an approval in 2022 was not required based on Sections 120a, 113 German Stock Corporation Act. In designing the remuneration system and determining the structure and amount of remuneration for individual members of the Board of Management, the Supervisory Board took particular account of the following principles:

- The structure of the remuneration of the members of the Board of Management makes a significant contribution to promoting the business strategy by attaching particular importance to profitable growth while at the same time observing sustainability objectives.
- The structure of the remuneration of the members of the Board of Management ensures that the respective performance is appropriately rewarded and that possible target failures lead to a noticeable reduction in remuneration.
- The remuneration system sets incentives for a sustainable and long-term increase in the value of the Company while avoiding disproportionate risks.
- The remuneration system makes a key contribution to linking the interests of the Board of Management with those of shareholders and other stakeholders by linking variable remuneration to the development of the Company and the achievement of strategically important short- and long-term targets.
- The remuneration of the members of the Board of Management is transparent and comprehensible, and its amount and structure are in line with the market. It takes into account the size and economic situation of the Company.
- The remuneration of the members of the Board of Management also takes into account the remuneration structure that generally applies within the Company. For this purpose, the remuneration of the Board of Management is compared with the remuneration of employees in order to ensure proportionality within Biotest AG.

The remuneration of the members of the Board of Management of Biotest AG consists of non-performance-based (fixed) and performance-based (variable) remuneration components. The fixed remuneration components comprise a fixed salary and benefits in kind.

The variable remuneration consists of short-term variable remuneration (Short-Term Incentive, STI) and long-term variable remuneration (Long-Term Incentive, LTI). The variable target remuneration (paid out if 100% of targets are met) corresponds in total to around 55% of the total target remuneration of a member of the Board of Management.

Assuming target achievement of 100% in each case (target total remuneration), the following structure results for the ratio of fixed to variable components in the current remuneration system:

- | | |
|---|-----|
| • Fixed remuneration excluding a pension: | 45% |
| • One-year variable remuneration STI: | 22% |
| • Multi-year variable remuneration LTI: | 33% |

The following diagram shows the main components and other design elements of the remuneration system:

REMUNERATION COMPONENTS	DETERMINANTS OF REMUNERATION	
Basic remuneration	<ul style="list-style-type: none"> Individual basic salary Fringe benefits customary for the position (e.g. company car, insurance) 	
STI – One-year variable remuneration	EBIT 20%	Cash flow 20%
	Sales growth 20%	
	Individual targets & short-term sustainability goals 40%	
LTI – Multi-year variable remuneration	EBITDA-margin 30%	ROCE 30%
	Strategic goals & longer term sustainability goals 40%	
Pension scheme	Board of Management members up until 2021 Individual commitments, depending on final salary and length of service: max. 30% of the average pensionable income of the last five years of service	Board of Management members as of 2022 Individual defined contribution plan with a fixed annual percentage contribution of pensionable remuneration (= basic salary plus STI); to be paid out as a pension or lump-sum payment
Additional components	<ul style="list-style-type: none"> Rights of retention of long-term variable remuneration, irrespective of fault (hold-back clause) Change of control clauses Severance arrangements 	

Figure 1: Elements of the remuneration system

Pursuant to Section 87a (2) Sentence 2 of the German Stock Corporation Act (AktG), the Supervisory Board is entitled to deviate temporarily from the remuneration system in exceptional cases, however.

Non-performance-based remuneration components

Fixed remuneration

The non-performance-based basic remuneration of the members of the Board of Management consists of a fixed salary and customary benefits in kind. The amount is based on the experience, area of activity and responsibility of the Board of Management member as well as on the economic situation and future prospects of Biotest and the level of remuneration in the competitive environment. The annual fixed salary is set for the entire term of the respective employment contract and is payable in twelve monthly instalments.

Ancillary services

In addition to the fixed salary, the members of the Board of Management receive benefits in kind. The members of the Board of Management are insured both professionally and privately under the collective accident insurance scheme of Biotest AG. The members of the Board of Management also receive an allowance for social security and direct insurance.

Biotest AG has taken out a financial loss liability insurance policy (D&O insurance) with an appropriate deductible for the members of the Board of Management, taking the statutory requirements into account. The deductible amounts to 10% of the insured event and is limited to 150% of the fixed annual remuneration of the respective Board of Management member and thus meets the requirements of Section 93 (2) sentence 3 AktG.

If the Company does not take out criminal legal expenses insurance and baggage insurance for the Executive Board members, then the Executive Board members are to be placed in the same position as if such insurance had been taken out.

All members of the Board of Management are provided with a company car of the luxury class free of charge, which may also be used privately.

Performance-based remuneration components

Annual variable remuneration

The performance-based remuneration component is calculated based on the achievement of corporate and personal targets. EBIT, operating cash flow and sales (all key figures according to IFRS) each account for 20% of the Company-related targets. EBIT is earnings before interest and taxes. Operating cash flow is the cash flow from operating activities including the change in working capital excluding interest and taxes.

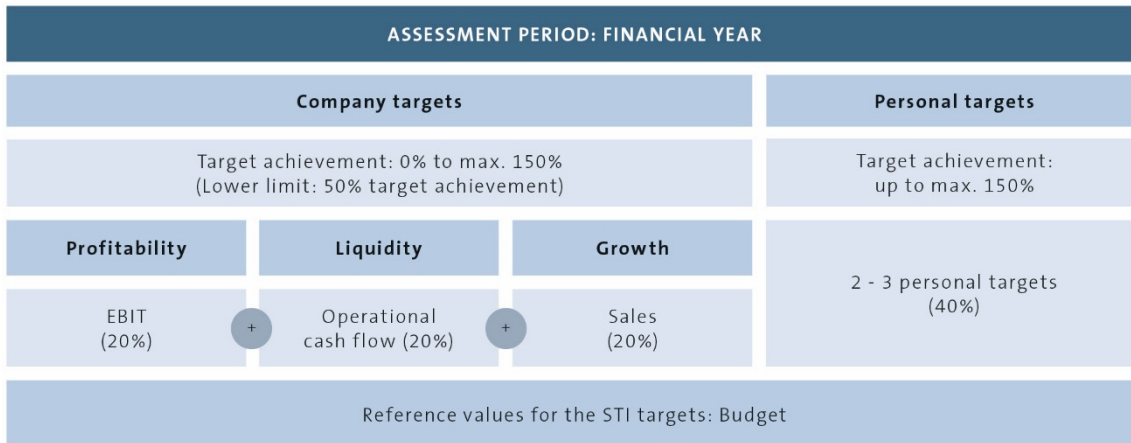


Figure 2: The STI programme at a glance

For Company-related targets, reference points are set that define target achievement levels between 50% and 150%. Achievement of a single target of less than 50% counts as 0% target achievement.

If values are achieved that lie between the defined reference points, target achievement is determined by linear interpolation according to the following figure.

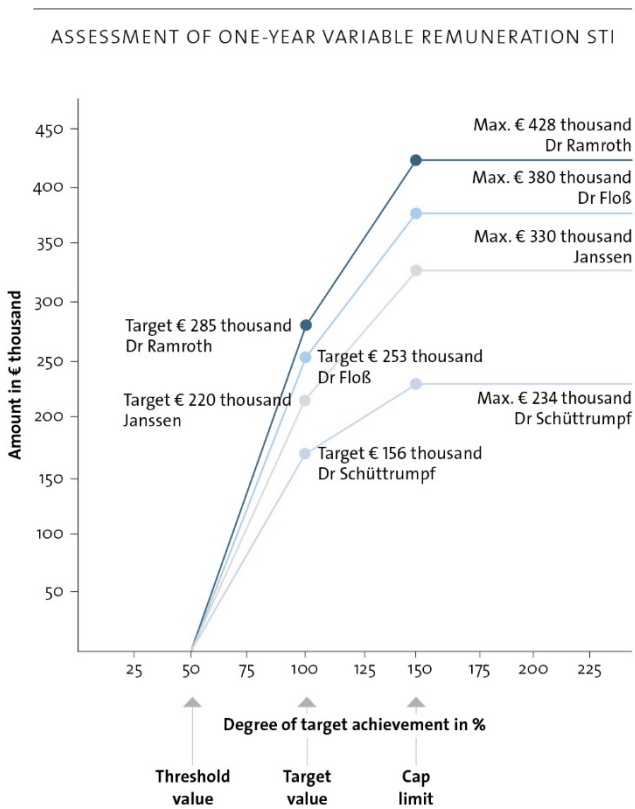


Figure 3: Measurement of the annual variable remuneration (annual values)

Remuneration component with a long-term incentive effect and risk features

The remuneration component with a long-term incentive effect and risk features is based on Biotest AG's Long-Term Incentive Programme (LTIP). In addition to the members of the Board of Management, this programme also includes senior executives and the Managing Directors of Group companies who have a significant impact on the success of the Company through their positions with the Group, their decisions, leadership and actions.

For the LTIP 2020, the Supervisory Board has allocated virtual participation shares to the members of the Board of Management and the term is three years. The starting date was in May 2020 and the term ends on 31 December 2022. For the LTIP 2021 and 2022, instead of allocating virtual shares, an amount was defined for each programme that is to be paid out according to the percentage target achievement. These programmes started in May of the respective year of their issue and end on 31 December of the fourth year of the respective programme.

LTIP 2020

The amount of the incentive payment for the LTIP 2020 is calculated using the following formula:

$$\frac{(\text{Target goal 1 from 2020} + \text{2021a} + \text{2021b} + \text{2022a} + \text{2022b} + \text{Target goal 2 from 2020} + \text{2021} + \text{2022}) \times \text{Participation Shares}}{100} \times \text{Annual remuneration of Participant} = \text{Incentive payment}$$

Figure 4: LTIP 2020 calculation formula

As for the two previous programmes, the first success factor is calculated from the achievement of qualitative targets of the Biotest Next Level (BNL) project. One BNL target was defined for 2020 and two BNL targets for the years 2021 and 2022. Each achieved target increases the success factor by 0.1, whereas missing or proportionally achieving a BNL target does not change the target achievement factor. The maximum achievable success factor for the performance target category BNL targets is 0.05.

To determine the second success factor, annual targets for EBIT excluding the expenses for the BNL project were defined as metrics. The target for 2020 was determined based on the value of the 2020 budget. For 2021 and 2022, the target values were taken from the 10-year strategic plan. Achieving the target value increases the success factor by 0.01 for 2020 and by 0.02 for 2021 and 2022. If the actual value is 20% above or below the target value, the factor increases or decreases. If the actual value is more than 20% below the target value, the target achievement factor is not increased. The maximum achievable performance factor for the performance target category EBIT excluding BNL is 0.06.

The incentive component is usually paid out to participants at the end of the respective LTI programme in May of the following year.

LTIP 2021 and 2022

The LTIP 2021 and 2022 are characterised by the fact that the target definition is based on the 10-year strategic planning and Company-specific targets reflect the Company's development over four years. In addition, targets are also set in these programmes to ensure the strengthening of sustainability performance and implementation of the strategy.

The measurement bases are on the one hand the Company-related targets EBITDA margin (EBITDA/revenue in %) according to IFRS and on the other hand ROCE (EBIT/capital employed in %), each weighted at 30 percent. EBITDA is defined as earnings before interest, taxes, depreciation and amortisation; ROCE is a measure of return on capital employed, in which EBIT is compared with capital employed as average capital employed.

The achievement of sustainability and strategic goals accounts for 40% of the LTIP.

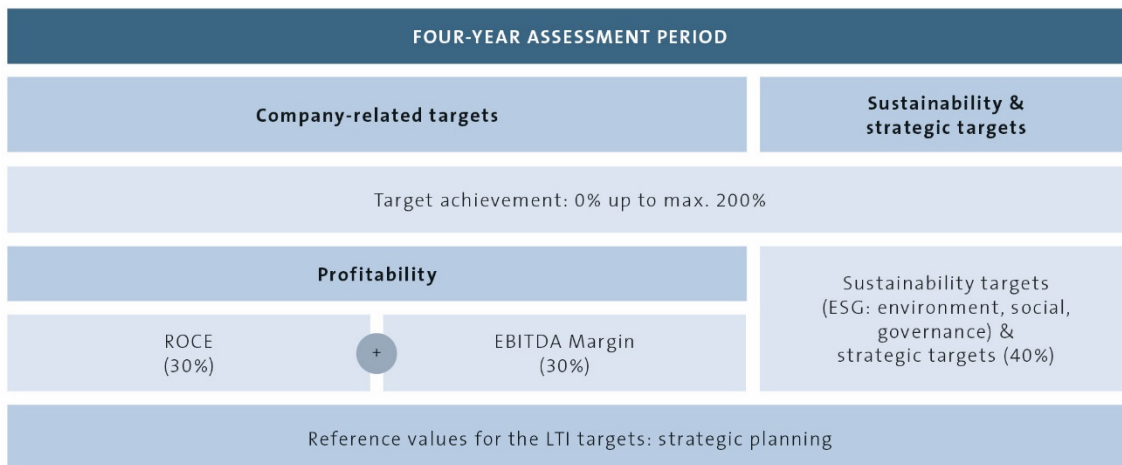


Figure 5: The LTIP 2021 and 2022 at a glance

Reference points are set for the respective targets, defining target achievement levels between 0% and 200%.

If values are achieved that lie between the defined reference points, target achievement is determined by linear interpolation in accordance with the system shown below.

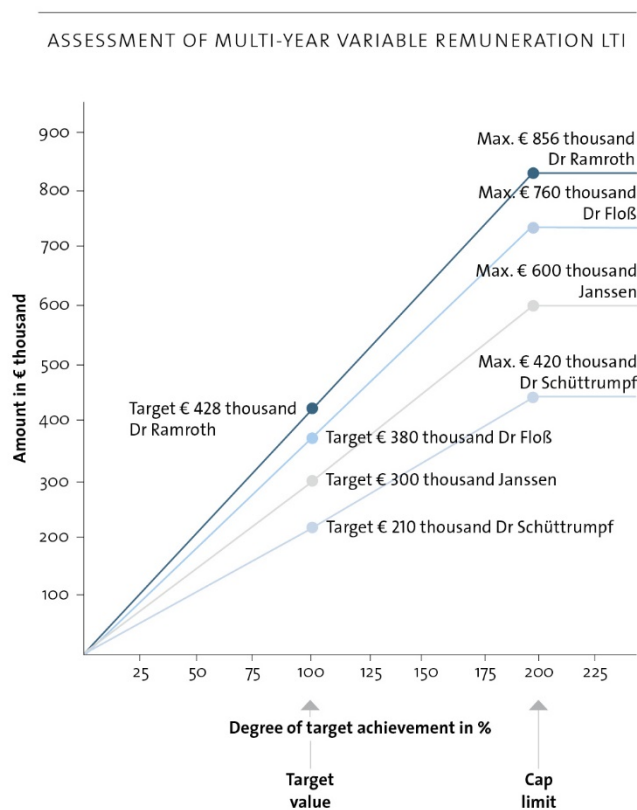


Figure 6: Measurement of the multi-year variable remuneration of the LTIP 2021 and 2022 (annual values)

Remuneration for the achievement of performance targets is paid in cash to the participating Board of Management members after a period of four years. The LTIP, which was launched in 2021, will therefore be paid out in 2025 and the LTIP 2022 will be paid out in 2026.

All LTI programmes include a hold-back clause for members of the Board of Management. At the reasonable discretion of the Supervisory Board, the incentive payment may be adjusted downward by up to 100% if Biotest has suffered significant damage despite the achievement of the performance factor or performance targets, even through no fault or negligence of the Board of Management member.

Pension commitments

Individual commitments exist for Dr Ramroth and Dr Floß within the framework of the pension plan applicable at Biotest AG. The amount of the entitlements depends on the number of years of service and the eligible remuneration. Up to 25 years of service are taken into account to increase the pension, whereby the retirement pension is limited to 30% of the eligible remuneration. This is determined by averaging the last five years. No waiting periods have been agreed for the current Board of Management members. The pension can be called up upon reaching the age of 63. The non-forfeiture of entitlements is in line with the statutory provisions. Furthermore, the pension plan for Board of Management members also provides for lifelong disability and widow's pensions as well as orphans' pensions for specific periods.

Dr Schüttrumpf and Mr. Janssen have defined contribution pension commitments, the annuity of which is calculated from the sum of the annual pension contribution saved at retirement age. The annual pension contribution is calculated from an individually agreed percentage of the basic salary and the associated bonus for the respective calendar year. Furthermore, the pension plan for Board of Management members also provides for lifelong disability and widow's pensions as well as orphans' pensions for a specific period of time. For all benefit entitlements, there is a lump-sum option to pay out the pension benefit in up to 10 instalments. Waiting periods have not been agreed for the current members of the Board of Management. The pension can be called up upon reaching the age of 65 or, with deductions, upon reaching the age of 63 at the earliest. The vesting of the claims is in accordance with the statutory provisions.

The valuation of both pension plan models is based on actuarial reports prepared by an independent actuary that use the projected unit credit method.

Maximum remuneration

The maximum remuneration is the maximum amount that may be paid to a member of the Board of Management in total for a financial year. This is ensured by capping the variable remuneration components.

When the respective basic remuneration is added in, the maximum remuneration for the Chairman of the Board of Management is € 2,800 thousand and € 2,000 thousand for a member of the Board. These amounts include a maximum share of 15% for the respective pension plan. The amount of the maximum remuneration was approved by the shareholders at the 2021 Annual General Meeting. The maximum remuneration is based on the remuneration components granted and owed in the respective fiscal year.

Commitments in connection with the termination of a Board member's activities

The employment contracts also include customary severance provisions in the event of a change of ownership or control, as well as in the event of premature termination of employment at the instigation of Biotest AG. Both types of severance payments are limited to twice the annual remuneration, with an additional cap in the event of premature termination of employment due to expected remuneration until the regular end of the service period plus remuneration for a company car.

Severance payment claims are excluded in the event of termination of the service contract for good cause, illness or incapacity to work, or if the Board of Management member receives payments or benefits of value from third parties in connection with the change of ownership or control. Similarly, there are no severance payment claims in the event that a service contract is terminated prematurely at the instigation of the respective Board of Management member.

There are no other one-time or recurring commitments with the exception of the above-mentioned pension commitments in the event of regular and premature termination of a Board of Management member's mandate.

Claw-back clauses / rights of recovery

No rights to reclaim remuneration components already granted or claw-back clauses have been agreed. In exceptional cases, the Supervisory Board may deviate from this in individual contracts.

Other contractual provisions

The assumption of supervisory board or comparable mandates as well as other activities/secondary activities by members of the Board of Management within or outside Biotest requires the approval of the Supervisory Board.

Non-competition clauses have been agreed for the duration of the employment relationship; there are no post-contractual non-competition clauses. There are also no provisions for remuneration for waiting periods.

Objective and strategic reference of the components of the remuneration system

Components of the remuneration system	Objectives and strategy relevance
General principle	Highly qualified members of the Board of Management are to be recruited and retained for the development and implementation of the corporate strategy. These benefits must therefore be competitive in the limited market for highly qualified top performers.
Fixed salary	Intended to secure the basic income through an appropriate level and thereby also prevent the taking of inappropriate risks. The amount reflects the role on the Board of Management, the respective area of responsibility, and market conditions.
Benefits in kind and other non-cash benefits	Represents remuneration for costs or economic disadvantages associated with the Board of Management activity; intended to promote the exercise of the Board mandate.
Annual variable remuneration (STI)	To ensure the achievement of the Company's objectives in the current financial year; is aimed at promoting the continuous and sustainable development of the operating business; to support profitable growth taking into account the overall responsibility of the Board of Management and the individual performance of the Board member.
Multi-year variable remuneration (LTI)	To promote the Company's sustainable development and the enhancement of the Company's value; seeks to link the interests of shareholders with those of the members of the Board of Management; designed to incorporate the requirements of further stakeholders.
Pension commitments	To provide adequate basic income/retirement security and protection in the event of death and disability.
Maximum total remuneration	Intended to avoid inappropriately high pay-outs relative to performance and market practice.
Benefits upon termination of contract	To ensure a fair balance of interests while maintaining a defined ceiling.
Change of ownership or control regulation	Intended to ensure the independence of Board of Management members in takeover situations.

Figure 7: Objectives and strategic relevance of the components of the remuneration system

Remuneration for the current financial year

Total remuneration of the members of the Board of Management in office in 2022 according to IFRS / GAS17

Dr Jörg Schüttrumpf was appointed CSO on 1 January 2022 and Mr. Peter Janssen was appointed another member of the Board of Management on 1 September 2022. Mr. Janssen will take over Dr Floß's position as Chief Operations Officer (COO) after he leaves the Company.

This overview shows the calculation of the total remuneration for each member of the Board of Management together with the amounts of the various remuneration components actually earned in financial year 2022. The figure for the variable remuneration with long-term incentive (LTIP) includes the entitlements earned through the end of 2022 under the three programmes from 2020, 2021 and 2022.

in € thousand	Dr Michael Ramroth		Dr Georg Floß		Dr Jörg Schüttrumpf		Peter Janssen	
	2021	2022	2021	2022	2021	2022	2021	2022
Non-performance-based								
Fixed remuneration	555	555	490	492	–	294	–	147
Benefits in kind	869	802	41	41	–	49	–	21
Total of non-performance-based components	1,424	1,357	531	533	–	343	–	168
Performance-based								
Excluding long-term incentive effect (not share-based):								
Annual variable remuneration (STI) – cash component	304	342	270	310	–	185	–	90
Including long-term incentive effect (not share-based):								
Variable remuneration (LTIP) – cash component	624	759	554	674	–	156	–	45
Total of performance-based components	928	1,101	824	984	–	341	–	135
Pension expenses (service cost)	362	347	363	348	–	53	–	30
Total remuneration (earned in 2022)*	2,714	2,805	1,718	1,865	–	737	–	333
Less pension expenses (service cost)	362	347	363	348	–	53	–	30
Total remuneration (GAS17)	2,352	2,458	1,355	1,517	–	684	–	303

Figure 8: Total remuneration of Board of management members in office in 2021 according to IFRS / GAS17

* The maximum remuneration is not determined by the compensation earned but by the compensation granted and owed in the respective financial year.

The service cost includes the employer-funded pension entitlements earned by the respective Board of Management members.

The calculation shown above results in vested total remuneration of all members of the Board of Management for financial year 2022 in the amount of € 4,962 thousand (previous year: € 3,707 thousand). The amount is so high in 2021 and 2022 because the Company reimbursed Dr Ramroth for costs of the Russian proceedings in the amount of € 763 thousand (previous year

€ 820 thousand). This one-off amount is shown as a fringe benefit in each case. The remuneration of the Board of Management is divided into a non-performance-based component in the amount of € 2,401 thousand (previous year: € 1,955 thousand) and a performance-based component in the amount of € 2,561 thousand (previous year: € 1,752 thousand). Pension expenses are not to be included in total remuneration in accordance with GAS17.

Remuneration granted and owed to members of the Board of Management in office in 2022

The following table provides an overview of the remuneration granted and owed for the current and previous financial years in accordance with Section 162 (1) sentence 1 AktG, broken down by Board of Management member. This is the remuneration due (owed) and paid (granted) in the respective financial year.

Here, too, total remuneration is broken down into the various remuneration components. This list shows the annual variable remuneration paid in the respective financial year as well as the multi-year variable remuneration paid in the financial year in question.

It also contains further information resulting from Section 162 of the German Stock Corporation Act (AktG).

The stipulated maximum remuneration of € 2,800 thousand for the Chairman of the Board of Management and € 2,000 thousand for a member of the Board of Management, as well as the other provisions of the remuneration system, were complied with, with Dr Ramroth receiving total remuneration of € 1,994 thousand, Dr Floß € 1,098 thousand Dr Schüttrumpf € 460 thousand and Mr. Janssen € 168 thousand.

in € thousand	Dr Michael Ramroth			Dr Georg Floß			Dr Jörg Schüttrumpf			Peter Janssen		
	2021	2022	Share	2021	2022	Share	2021	2022	Share	2021	2022	Share
Non-performance based												
Fixed remuneration	555	555	27.8%	490	492	44.80%	–	294	64.0%	–	147	87.5%
Benefits in kind	869	802	40.3%	41	41	3.70%	–	49	10.7%	–	21	12.5%
Total of non-performance-based components	1,424	1,357	68.1%	531	533	48.50%	–	343	74.7%	–	168	100.0%
Performance-based												
Excluding long-term incentive effect (not share-based):												
Annual variable remuneration (STI) – cash component	247	304	15.2%	219	270	24.60%	–	63	13.6%	–	–	0.0%
Including long-term incentive effect (not share-based):												
Variable remuneration (LTIP) – cash component	64	333	16.7%	57	295	26.90%	–	54	11.7%	–	–	0.0%
Total of performance-based components	311	637	31.9%	276	565	51.50%	–	117	25.3%	–	–	0.0%
Total remuneration in accordance with Section 162 of the German Stock Corporation Act	1,735	1,994	100.0%	807	1,098	100.00%	–	460	100.0%	–	168	100.0%

Figure 9: Remuneration granted and owed to members of the Board of management in office in 2022

Overview of pension commitments to Board of Management members in office in 2022

Assets amounting to € 6.693 thousand (previous year: € 5,623 thousand) were transferred to Biotest Vorsorge Trust e. V. to protect pension entitlements against insolvency.

in € thousand	Defined benefit obligation of all pension commitments excluding deferred remuneration according to IFRS		Defined benefit obligation from deferred remuneration in accordance with IFRS	
	in 2021	in 2022	in 2021	in 2022
	Dr Michael Ramroth	6,499	4,790	1,207
Dr Georg Floß	5,076	3,796	–	–
Dr Jörg Schüttrumpf	509*	268	169*	96
Peter Janssen	–	30	–	3
Total	12,084	8,884	1,376	1,734

Figure 10: Overview of pension commitments to Board of Management members in office in 2022

*Defined benefit obligation from the employment of Dr Jörg Schüttrumpf

Remuneration for former members of the Board of Management and their surviving dependents

Contractually agreed pensions are paid to former members of the Board of Management and their surviving dependents. Pension accruals in accordance with IAS 19 Employee Benefits in the amount of € 7,508 thousand (previous year: € 8,752 thousand) and in accordance with HGB in the amount of € 9,263 thousand (previous year: € 7,865 thousand) have been recognized. Pension payments of € 520 thousand (previous year: € 512 thousand) were made for all former members of the Board of Management in financial year 2022, of which € 289 thousand is attributable to former Board members with a departure date of more than 10 years.

There are no provisions for former Board of Management members in connection with the LTIP as of 31 December 2022.

Long-Term Incentive Programme for the members of the Board of Management

The participation of members of the Board of Management in the Long-Term Incentive Programme is included in the performance-based component at the fair value under German GAAP of the tranche of the LTIP issued in the respective financial year at the grant date. The corresponding IFRS value is shown in brackets after the HGB value.

The members of the Board of Management participate in the non-share-based LTIP 2022 programme on the basis of a fixed amount for 100% target achievement. This amounts to € 428 thousand for Dr Ramroth, € 380 thousand for Dr Floß, € 210 thousand for Dr Schüttrumpf and € 273 thousand for Mr. Janssen. A provision of € 230 thousand (€ 211 thousand) was formed for this tranche in 2022. Of this amount, Dr Ramroth accounted for € 76 thousand (€ 70 thousand), Dr Floß for € 68 thousand (€ 62 thousand), Dr Schüttrumpf for € 37 thousand (€ 34 thousand) and Mr. Janssen for € 49 thousand (€ 45 thousand).

The members of the Board of Management participate in the non-share-based LTIP 2021 Programme on the basis of a fixed amount for 100% target achievement. This amounts to € 428 thousand for Dr Ramroth, € 380 thousand for Dr Floß and € 90 thousand for Dr Schüttrumpf. A provision of € 403 thousand (€ 381 thousand) was recognised for this tranche in 2022. Of this amount, Dr Ramroth receives € 192 thousand (€ 182 thousand), Dr Floß € 171 thousand (€ 161 thousand) and Dr Schüttrumpf € 40 thousand (€ 38 thousand).

The members of the Board of Management participated in the non-share-based LTIP 2020 Programme with allocated virtual shares (Dr Ramroth and Dr Floß each with 1,800 shares and Dr Schüttrumpf with 800 shares). A provision of € 1,041 thousand (€ 1,041 thousand) was recognised for this tranche. Of this amount, Dr Ramroth receives € 507 thousand (€ 507 thousand), Dr Floß € 450 thousand (€ 450 thousand) and Dr Schüttrumpf € 84 thousand (€ 84 thousand).

The aforementioned IFRS accrual amounts for the LTI Programmes 2020, 2021 and 2022 are shown in total in the table of total remuneration in the line “Variable remuneration (LTIP) – cash component” in 2022.

From the non-share-based LTIP 2019, whose payments were set for financial year 2022, Dr Ramroth received a payment of € 333 thousand, Dr Floß a payment of € 295 thousand and Dr Schüttrumpf € 54 thousand. These amounts were paid out in 2022 and can therefore be found under line “Variable remuneration (LTIP) – cash component” in the table “Remuneration granted and owed to members of the Board of management in office in 2022” for the year 2022.

Horizontal comparison

The horizontal comparison for the years 2018 to 2022 is shown below, indicating the remuneration granted and owed to the current and former members of the Board of Management, as well as the key earnings figures of net sales, EBIT and EBITDA under IFRS and net income/loss under German GAAP. The remuneration of the Supervisory Board is presented under “Explanation of the remuneration system for members of the Supervisory Board.”

Total remuneration (in € thousand)	Remuneration		Remuneration		Remuneration		Remuneration		Remuneration	
	2018	Change vs. previous year	2019	Change vs. previous year	2020	Change vs. previous year	2021	Change vs. previous year	2022	Change vs. previous year
Members of the Board of Management in office as of 31 Dec 2022										
Dr Michael Ramroth (CEO & CFO since 1 May 2019, previously CFO)	726	-1%	729	0%	831	14%	1,735	109%	1,994	15%
Dr Georg Floß (COO)	640	35%	652	2%	723	11%	807	12%	1,098	36%
Dr Jörg Schüttrumpf (CSO)	–	0%	–	0%	–	0%	–	0%	459	100%
Peter Janssen	–	0%	–	0%	–	0%	–	0%	168	100%
Former members of the Board of Management										
Dr Bernhard Ehmer (CEO until 30 April 2019)	725	24%	524	-28%	174	-67%	158	-9%	86	-45%
Prof Dr Gregor Schulz (CEO until 31 December 2014)	130	0%	137	5%	137	0%	137	0%	146	7%
Key earnings figures (in € million)										
Sales revenue according to IFRS	400	6%	419	5%	484	16%	516	7%	516	0%
EBITDA according to IFRS	35	171%	31	-13%	28	-7%	-16	-157%	19	220%
EBIT according to IFRS	11	214%	-1	-111%	-1	-8%	-47	-4600%	-17	65%
Operating cash flow according to IFRS	-44	-215%	-28	37%	-8	71%	34	520%	-25	-175%
Net income / loss of Biotest AG according to HGB	112	395%	-35	-131%	-38	-9%	-67	-75%	-43	35%

Figure 11: Horizontal comparison (comparison of Board of Management remuneration granted and owed in the respective financial year to the earnings situation of the Biotest Group).

Vertical comparison

Figure 12 shows the average remuneration granted and owed to the Board of Management and all employees of Biotest AG on the basis of full-time equivalents as well as the ratio "Board of Management to employees." The statement also includes the annual and multi-year variable remuneration paid in the respective financial year. Pursuant to Section 26j (2) sentence 2 EGAktG, the simplification provision has been utilised.

Figures in € thousand	Ø Remuneration		Ø Remuneration	
	2020	2021	2022	Change
Board of Management	777	1,271	1,011	-20.5%
All employees (excluding trainees, interns, working students)	82	84	84	0.3%
Relation of Board of Management to employees (manager to worker pay ratio)	9.4	15.2	12.0	-20.7%

Figure 12: Vertical comparison

Explanation of the remuneration system for members of the Supervisory Board

The remuneration system has been in place since 1 July 2018. The remuneration of the Supervisory Board is governed by the Articles of Association.

The members of the Supervisory Board receive fixed annual remuneration of € 40 thousand. In accordance with recommendation G.17 GCGC, the remuneration for the Supervisory Board chairmanship and deputy chairmanship as well as the chairmanship and membership of committees is increased due to the increased time required. The remuneration for the Chairperson of the Supervisory Board amounts to € 120 thousand, and for the Deputy Chairperson to € 60 thousand. Members of Supervisory Board committees receive additional fixed annual remuneration of € 4 thousand for each committee position they hold. The Chairperson of the Audit Committee receives € 15 thousand, the Chairperson of each other committee € 7.5 thousand. Depending on the function on the Supervisory Board and its committees, the upper limit of the Supervisory Board remuneration for the respective Supervisory Board member is the sum of the individual remuneration components.

The remuneration is due for payment at the end of the financial year.

The structure of the Supervisory Board remuneration, which provides exclusively for fixed remuneration, strengthens the independence of the Supervisory Board and provides a counterweight to the structure of Board of Management remuneration, which is essentially variable and aligned with the strategy of Biotest AG. In this way, the Supervisory Board remuneration promotes the long-term development of the Biotest Group.

Like the members of the Board of Management, the members of the Supervisory Board of Biotest AG are included in the Group-wide pecuniary damage liability group insurance (D&O insurance). Biotest pays the insurance premiums due for this for all members of the Supervisory Board. No other benefits in kind are granted.

Remuneration in the current financial year

The figures for the remuneration of the Supervisory Board in terms of value take into account the reimbursement of value-added taxes payable in part on the remuneration of the Supervisory Board.

Due to the new majority shareholder Grifols S.A. the members of the Supervisory Board have changed substantially.

The members of the Supervisory Board received the following amounts for their work in 2022 and in previous years:

in € thousand	Total remuneration		Total remuneration		Total remuneration		Total remuneration		Total remuneration	
	2018	Change vs. previous year	2019	Change vs. previous year	2020	Change vs. previous year	2021	Change vs. previous year	2022	Change vs. previous year
Member of the Supervisory Board in office as of 31 Dec 2022										
Dr Bernhard Ehmer (Chairman, since 5 May 2022)	–	0%	–	0%	–	0%	–	0%	84	100%
Tomás Dagá Gelabert (Vice Chairman, since 6 June 2022)	–	0%	–	0%	–	0%	–	0%	25	100%
David Bell (since 6 June 2022)	–	0%	–	0%	–	0%	–	0%	25	100%
Uta Kemmerich-Keil (since 5 May 2022)	–	0%	–	0%	–	0%	–	0%	33	100%
Jürgen Heilmann (since 21 September 2011)	34	42%	44	29%	44	0%	44	0%	44	0%
Dirk Schuck (since 5 May 2022)	–	0%	–	0%	–	0%	–	0%	28	100%
Former members of the Supervisory Board										
David (Xiaoying) Gao (until 6 June 2022)	–	0%	–	0%	26	100%	40	54%	17	-58%
Tan Yang (until 6 June 2022)	50	0%	72	44%	69	-4%	68	-1%	29	-58%
Salome Drechsler (until 5 May 2022)	–	0%	–	0%	–	0%	11	100%	15	36%
Simone Fischer (until 5 May 2022)	–	0%	–	0%	49	100%	55	12%	19	-66%
Rolf Hoffmann (until 5 May 2022)	106	324%	135	27%	133	-1%	132	-1%	45	-66%
Kerstin Birkhahn (until 30 September 2021)	34	70%	44	29%	44	0%	33	-25%	–	-100%
Dr Cathrin Schleussner (until 8 May 2020)	37	-10%	48	30%	17	-65%	–	-100%	–	0%
Christine Kreidl (until 4 January 2020)	47	292%	59	26%	1	-98%	–	-100%	–	0%
Kurt Hardt (until 28 February 2018)	4	-60%	–	-100%	–	0%	–	0%	–	0%
Total	312	41%	402	29%	383	-5%	383	0%	364	-5%

Figure 13: Remuneration of the Supervisory Board

The share of fixed remuneration for each Supervisory Board member in total remuneration is 100%.

Due to the presentation in € thousand, rounding differences of +/- one digit may arise when adding up the amounts presented above.

The Board of Management and Supervisory Board

Appendix 2

General Engagement Terms

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.