

GRIFOLS, S.A.

REPORT ON THE FUNCTIONING OF THE AUDIT COMMITTEE DURING FISCAL YEAR 2022

I. Introduction

The Audit Committee of Grifols, S.A. (the "**Company**" or "**Grifols**") was set up in 2004 in accordance with Law 44/2002, of 22 November, on Reform Measures of the Financial System by virtue of which all companies issuing securities, whose shares or stocks have been admitted to trade on official secondary securities markets must have an Audit Committee.

Since then, the legal regime governing Audit Committees has been expanded and developed through the Royal Legislative Decree 1/2010, of 2 July, which approves the text of the Companies Law, the Law 22/2015, of 20 July, on Audit Accounting and the principles and practices on Corporate Governance.

The regulation of the composition, performance and organization of Grifols' Audit Committee is established in the Audit Committee's own By-laws, in the applicable Law, the Company's Articles of Association, the Company's Board of Directors' Regulation and the Technical Guide 3/2017 of the CNMV regarding audit committees. In this sense, Grifols, with the aim to comply and apply the best practices and principles on Corporate Governance matters, has incorporated the applicable legal regime to its Audit Committee.

This report has been prepared by the Audit Committee of Grifols on its meeting held on 1 December 2022 and it includes the most relevant aspects of the activities carried out during fiscal year 2022, as well as details on its structure and main responsibilities.

II. Composition

In accordance with the applicable regulations, the Audit Committee of Grifols is exclusively composed by non-executive directors, of which at least the majority are independent directors. Besides, the Chairperson of the Committee is also an independent director.

The last time that the Company's Board of Directors approved to change the composition of the Audit Committee was in the Board of Directors' meeting that was held on 23 February 2018. Since then, its composition has undergone the following changes:

- (i) on 25 February 2022, the Company's Board of Directors unanimously resolved, prior proposal of the Company's Appointments and Remuneration Committee, to remove Ms. Carina Szpilka Lázaro from her offices as member and Chairperson, due to expiration of her mandate as Chairperson, of the Audit Committee, and appoint Mr. Íñigo Sánchez-Asiain Mardones as new Chairperson of the Audit Committee replacing Ms. Carina Szpilka Lázaro. Further, it is hereby noted that at that same meeting, Ms. Carina Szpilka Lázaro was appointed as Lead Independent

Director of the Company, as well as member of the Sustainability Committee, replacing Mr. Íñigo Sánchez-Asiaín Mardones in both positions;

- (ii) on 10 June 2022, the Company's Board of Directors unanimously resolved, prior proposal of the Company's Appointments and Remuneration Committee, to appoint Ms. Carina Szpilka Lázaro as member of the Audit Committee, replacing Ms. Belén Villalonga Morenés. Further, it is hereby noted that at that same meeting, Ms. Carina Szpilka Lázaro was replaced by Ms. Montserrat Muñoz Abellana, who was appointed as new Company's board member at the Company's General Shareholders' Meeting held on that same date, as member of the Sustainability Committee; and
- (iii) on 30 September 2022, the Company's Board of Directors unanimously resolved, prior proposal of the Company's Appointments and Remuneration Committee, to: (a) remove Mr. Steven F. Mayer from his position as member of the Audit Committee, as he was appointed at that same meeting as the Executive Chairman of the Company's Board of Directors. From that moment, he was considered an executive director of the Company and, as such, he could no longer be a member of the Audit Committee; (b) to appoint Mr. Tomás Dagá Gelabert as new member of the Audit Committee, replacing Mr. Steven F. Mayer; (c) to remove Mr. Tomás Dagá Gelabert from his position as Secretary non-member of the Audit Committee; and (d) to appoint Ms. Núria Martín Barnés as new Secretary non-member of the Committee, replacing Mr. Tomás Dagá Gelabert.

Therefore, since then its composition¹ is as follows:

Name	Position	Category
Mr. Íñigo Sánchez-Asiaín Mardones	Chairperson	Independent
Ms. Carina Szpilka Lázaro	Member	Independent
Mr. Tomás Dagá Gelabert	Member	Other external
Ms. Núria Martín Barnés	Secretary (non-member)	--

In accordance with recommendation number 39 of the Unified Good Governance Code of Listed Companies, the members of this Committee and, in particular its Chairperson, have been appointed considering their knowledge and experience in accounting, audit and risk management matters (both financial and non-financial), but also taking into account their financial and business knowledge, as well as their experience in internal control.

Also, in accordance with the recommendations set forth in the Technical Guide 3/2017 of the CNMV regarding audit committees, the members of the Audit Committee have also been designated based upon their diversity, particularly for their gender, professional

¹ *NOTE: the shareholders are hereby informed that after the drafting of this report by the Audit Committee there have been the following changes in the composition of the same. On 13 April 2023, the Company's Board of Directors resolved, prior proposal of the Company's Appointments and Remuneration Committee, to appoint Ms. Montserrat Muñoz Abellana, independent director, as new member of the Audit Committee, in substitution of Mr. Tomás Dagá Gelabert. Likewise, it resolved to appoint Mr. Tomás Dagá Gelabert as Secretary non-member of the Committee, in substitution of Ms. Núria Martín Barnés.*

experience, sectorial skills and knowledge and geographical origin, encouraging different points of view and diverse positions as for the analysis of its positive and negative aspects.

On the other hand, the recommendation that at least one of the members of the Audit Committee has experience on information technology's field is also fulfilled. That is the case of, for example, Ms. Szpilka Lázaro, who is the chairperson of an important technology association.

The professional profile of the members of the Audit Committee can be found on Grifols' corporate website (www.grifols.com).

III. Responsibilities

The Company's Articles of Association, the Regulations of the Board of Directors and the By-laws of the Audit Committee confer on the Audit Committee the following responsibilities:

(a) In relation to the General Shareholders' Meeting:

Inform the General Shareholders' Meeting of any issues raised on matters for which the Committee is responsible and particularly with respect to the results of the audit of the annual accounts, explaining how it has contributed to the integrity of the financial information, and the role that the Committee has played in such process.

(b) In relation to the Board of Directors:

(i) Previously inform the Board of Directors about the financial statements and management report, which shall include, when applicable, the mandatory non-financial information, which due to its stock exchange listing, the Company must make public periodically; in this sense, the Committee will ensure that the interim accounts are drawn up under the same accounting principles as the annual accounts and for this purpose shall consider the appropriateness of a limited review by an external auditor;

(ii) Previously inform of the creation or acquisition of shareholdings in special purpose entities or domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature, which due to their complexity, could harm the transparency of the Group; and

(iii) Inform of any matter that has or may have a material, financial or accounting impact.

(c) In relation to information and internal control systems:

(i) Supervise and evaluate the preparation and presentation, and integrity of the mandatory financial and non-financial information related to the Company and the Group, verifying compliance with the regulation requirements, the adequate defining of consolidation boundaries and the correct application of

accounting criteria and submit recommendations or proposals to the Board of Directors to protect the integrity of this information;

- (ii) Supervise and evaluate the efficiency of the Company's internal control, internal audit and risk control and management systems, financial and non-financial, concerning the Company and the Group, including any operative, technological, legal, social, environmental, political, reputational or corruption related risks, periodically reviewing the internal control and risk management systems, so that any principal risks are identified, dealt with and adequately recognized, as well as discussing, with the auditor, any major flaws in the control system identified during the audit process without jeopardizing its independence. To such effects, the Committee may, if applicable, submit recommendations or proposals to the Board of Directors and the corresponding period of time for their fulfilment;
 - (iii) Monitor the independence and efficiency of internal auditing; propose the selection, appointment and dismissal of the Director of the Internal Audit Department; approve, or propose to the Board of Directors the approval of the Internal Audit Department's work orientation and annual work plan, making sure that their activity mainly focuses on the relevant risks (including reputational risks); propose the budget for this Department; receive periodic information on its activities (including the annual activities reports prepared by the Director of the Department); and verify that the top management takes into account the conclusions and recommendations of their reports;
 - (iv) Establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the Company, that they notice within the Company or its Group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party; and
 - (v) In general, ensure that the internal control policies and systems established are applied effectively in practice.
- (d) In relation to the external auditor:
- (i) Submit to the Board of Directors any proposals regarding the selection, appointment, re-election and substitution of the auditor, being responsible for the selection process in conformity with the applicable regulations, including the terms of his contract, without prejudice to the faculties vested in the General Shareholders' Meeting and the Board with regard to the approval of such resolutions under Spanish law;
 - (ii) Be directly in charge of the remuneration and supervision of the work performed by the external auditor regarding the audit report preparation and issuance or any other similar reports relating to financial statements;

- (iii) Regularly and directly collect from the external auditor information about the development, impact and execution of the audits, as well as the audit plan and results of its execution, and verify that top management takes their recommendations into account;
- (iv) Safeguard the external auditor's independence when performing his duties, and to do so:
 - Ensure that the Company communicates through the CNMV the change in auditor and shall attach a statement of the possible existence of any disagreements with the outgoing auditor and, if applicable, its contents;
 - Establish the necessary relationships with the external auditor to receive information about any issues that may entail a threat to his independence, and which the Audit Committee will examine, and any other issues regarding the development of the audit of accounts process, and, when applicable, the authorization of the services different from those prohibited in the terms established in the applicable regulations as regards independence, as well as any notifications required in the audit of accounts legislation and in the audit regulations;
 - Ensure that the Company and the auditor respect the rules in force on providing services different to audit services, the auditor's market concentration limits and, in general, any others rules established to guarantee the independence of the auditors and, to that end, annually receive from the external auditors a statement of their independence in relation to the entity, or any entities directly or indirectly related to it, as well as the detailed and individualized information on any kind of ancillary services provided and the corresponding fees paid by these entities to the external auditor or the persons or entities related to it in accordance with the regulations applicable to the audit of accounts activity;
 - Issue, prior to issuing the audit of accounts report and on an annual basis, a written opinion on whether the independence of the auditors or audit firms has been compromised. This opinion must include a reasoned assessment of each and every one of the ancillary services mentioned above, which shall be individually and jointly assessed, different from the legal audit, and in relation to the independence status or regulations applicable to the audit of accounts activity; and
 - If the external auditor resigns, examine the circumstances that have caused said resignation.
- (v) Encourage the Group auditor to undertake the responsibility of the audits of the companies making up the group.
- (e) In relation to external consultants:

- (i) Request that legal, accounting, financial advisors or other experts or advisors be hired, on account to the Company, to assist them in the performance of their duties.
- (f) In relation to internal conduct rules:
 - (i) Supervise the compliance with the Internal Conduct Regulations in matters related to the Stock Exchange, the Board of Directors' Regulations, standards of conduct set out in the “Code of Ethics for Grifols Executives” and the “Code of Conduct for Grifols’ Employees” and, in general, any other internal rules of governance of the Company, as well as make the necessary proposals for improvement.
- (g) In relation to related-party transactions:
 - (i) Report on related-party transactions to be approved by the General Shareholders' Meeting or the Board of Directors and supervise the internal procedure established by the Company for those transactions whose approval has been delegated.

IV. Meetings and Activities

During fiscal year 2022, this Committee met on 8 occasions, specifically on the following dates:

- 24 February 2022;
- 6 April 2022;
- 28 April 2022;
- 5 May 2022;
- 27 July 2022;
- 30 September 2022;
- 17 October 2022; and
- 1 December 2022.

In addition to this, the Chairperson of the Audit Committee together with the Company's CFO has had several videoconferences and phone calls with the auditors of the Company (KPMG and Deloitte) to comment on the evolution of the audit plan.

Further, it is worth noting that the members of the Company's Sustainability Committee also attended the meeting held on 24 February 2022 in order to discuss and approve the integrated annual report on the status of non-financial information for FY 2021.

During the meetings its members discussed and, when applicable, approved different matters related to their main responsibilities, in accordance with the applicable Law, the Company's Articles of Association, the Board of Directors' Regulations and the Committee's own By-laws, as well as the Unified Good Governance Code of Listed Companies and the Technical Guide 3/2017 of the CNMV regarding audit committees.

The most relevant events that took place during the referred fiscal year 2022 are detailed below:

- Reasoned report on the annual accounts auditor's independence;
- Report on the related-party transactions during fiscal year 2021;
- Review and approval of the consolidated annual accounts corresponding to fiscal year 2021, including the Integrated Annual Report on the status of non-financial information for fiscal year 2021;
- Review and approval of the individual annual accounts corresponding to fiscal year 2021;
- Review and approval of the Annual Corporate Governance Report for fiscal year 2021;
- Acknowledgment of the appointment of Mr. Íñigo Sánchez-Asiaín as new Chairperson of the Audit Committee in substitution of Ms. Carina Szpilka Lázaro due to expiration of her legal term as Chairperson;
- Proposal made to the Board of Directors to re-elect KPMG as auditor of the consolidated annuals accounts corresponding to FY 2022;
- Ratification and review of the additional audit services rendered by KPMG and authorized by the Chairperson during fiscal year 2022, having previously verified that they are permitted services under the applicable independence rules and that they do not violate any applicable independence rule;
- Approval and drafting of the report on the amendment of the Company's Internal Regulations of the Board of Directors to adapt them to Law 5/2021 which modifies the consolidated text of the Capital Companies Act, regarding the promotion of shareholders' long-term involvement in listed companies;
- Approval of the amendment of the Company's Statutes of the Audit Committee to adapt them to Law 5/2021 which modifies the consolidated text of the Capital Companies Act, regarding the promotion of shareholders' long-term involvement in listed companies;
- Approval of the restatement of the consolidated annual accounts corresponding to fiscal year 2021, including the Integrated Annual Report on the status of the non-financial information for fiscal year 2021;
- Approval of the Consolidated Financial Statements for the year ended 31 December 2021 in accordance with IFRS IASB;
- Approval of the financial periodic information, that for its public condition, the Company must publish periodically, including, the approval of the consolidated

financial statements corresponding to the fiscal year 2021 prior to their approval by the Board of Directors and to their notification to stock exchanges and supervising bodies and, also, approval of the financial statements prepared under IFRS IASB to be filed with the Securities and Exchange Commission;

- Approval and drafting of the report on the amendment of the Company's Internal Regulations of the Board of Directors;
- Acknowledgment of the new composition of the Audit Committee;
- Review of the total debt structure;
- Annual review of the Committee's performance and drafting of the relevant report on the functioning and performance of the Committee during fiscal year 2022;
- Update on legal proceedings; and
- Pre-approval of the different audit services provided by KPMG and Deloitte.

Also, listed below are some of the most important presentations performed by the Committee during the referred fiscal year 2022:

- Presentation by some of the representatives of KPMG and Deloitte to summarize their conclusion on the accounting treatment of B shares preferent dividend, and B shares redemption rights;
- Presentation by some representatives of KPMG, regarding the need to restate the consolidated financial accounts as during the voluntary audit performed in the US, at Grifols' subsidiary Biomat USA, Inc., the auditor detected an accounting technical issue, resulting on the restatement of the GIC instrument from equity instrument, to debt instrument;
- Presentation by some of the representatives of KPMG and Deloitte, of the audit analysis executed during fiscal year 2022 in relation to the audit state, the audit results and the summary of fees and independence; and
- Presentation by the Company's Head of Risk management and Internal audit Department of the Internal Audit and the Enterprise Risk Management Overview.

V. Date of approval by the Board of Directors

This report is drawn up by the Audit Committee on 1 December 2022 and it has been approved by Grifols' Board of Directors on its meeting held on 12 December 2022.

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