Biotest

From Nature for Life

Biotest AG

Press and Analyst Conference FY 2014

Frankfurt am Main, 24 March 2015

Disclaimer

- This document contains forward-looking statements on overall economic development as well as on the business, earnings, financial and asset situation of Biotest AG and its subsidiaries. These statements are based on current plans, estimates, forecasts and expectations of the company and thus are subject to risks and elements of uncertainty that could result in deviation of actual developments from expected developments.
- The forward-looking statements are only valid at the time of publication. Biotest does not intend to update the forward-looking statements and assumes no obligation to do so.
- All figures reported relate to the Continuing Operations of the Biotest Group
- All comparative figures relate to the corresponding last year´s period, unless stated otherwise.

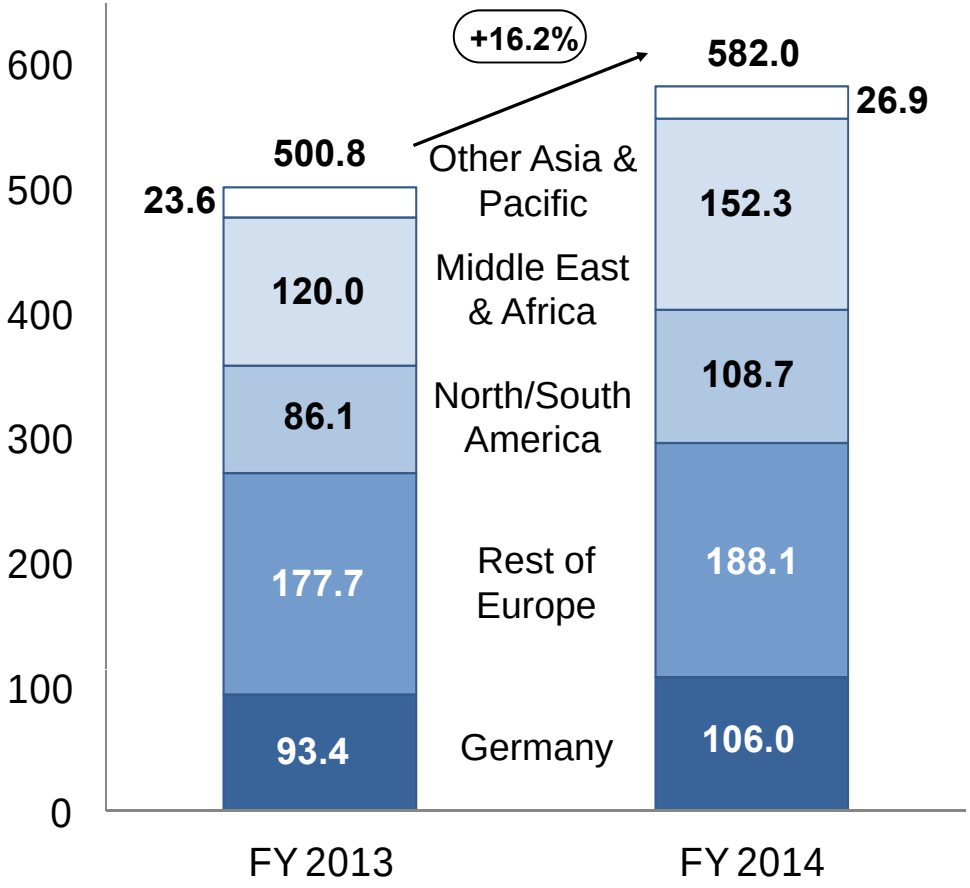
Biotest Group: FY 2014 at a glance

- Sales in FY 2014 up by 16.2% to €582.0 m.
  Increase largely attributable to an increase in volume in all geographic regions
- FY 2014 EBIT stable at €53.4 m
- Ongoing Civacir® Phase III study shows promising data in re-infection in liver transplantation patients
- Top line results for "Treat 2b" (BT-061) in rheumatoid arthritis due in Q2 2015
- "Biotest Next Level" project is on track
- Share split 1:3 to be proposed to general annual meeting

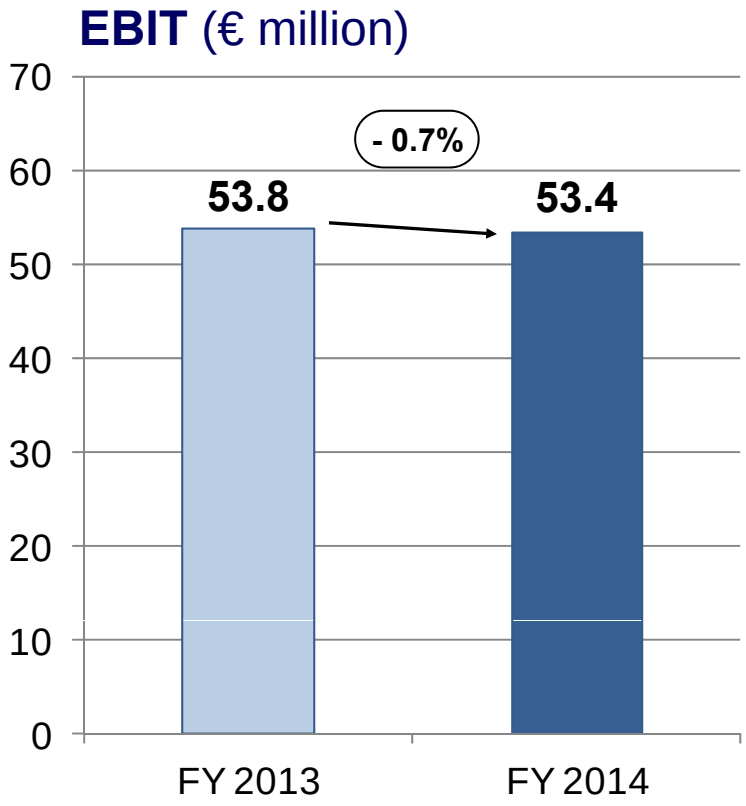
Financials FY 2014

Sales growth in all regions

Sales by region (€ million)

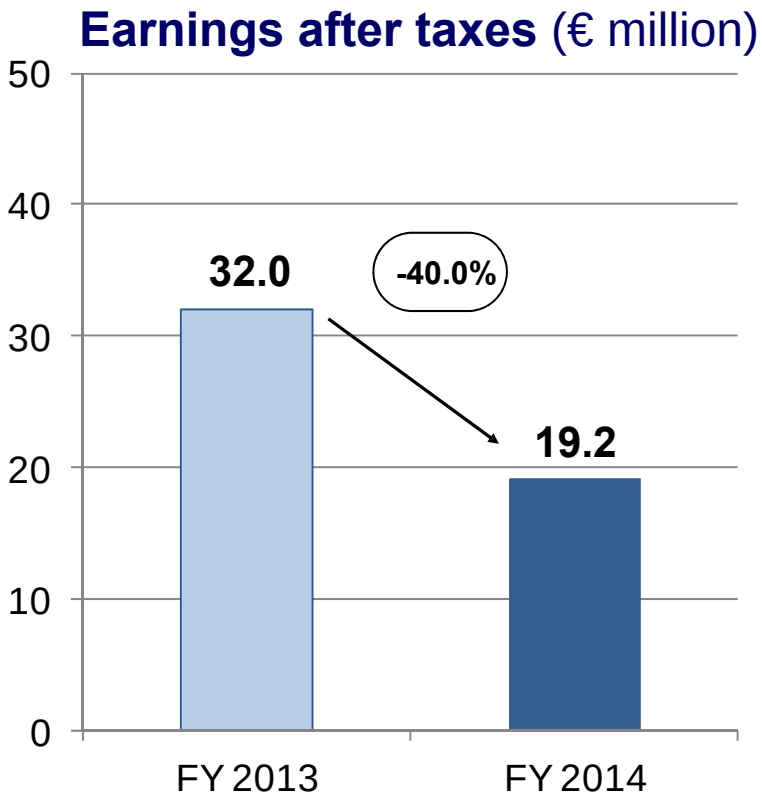


EBIT stable



- Increased costs for clinical trial material for BT-061 and Civacir® due to good progress in clinical studies
- Unabsorbed costs due to lower production rate in the US
- Additional costs for the expansion project "Biotest Next Level"
- Reduced allocation of upfront payment from AbbVie

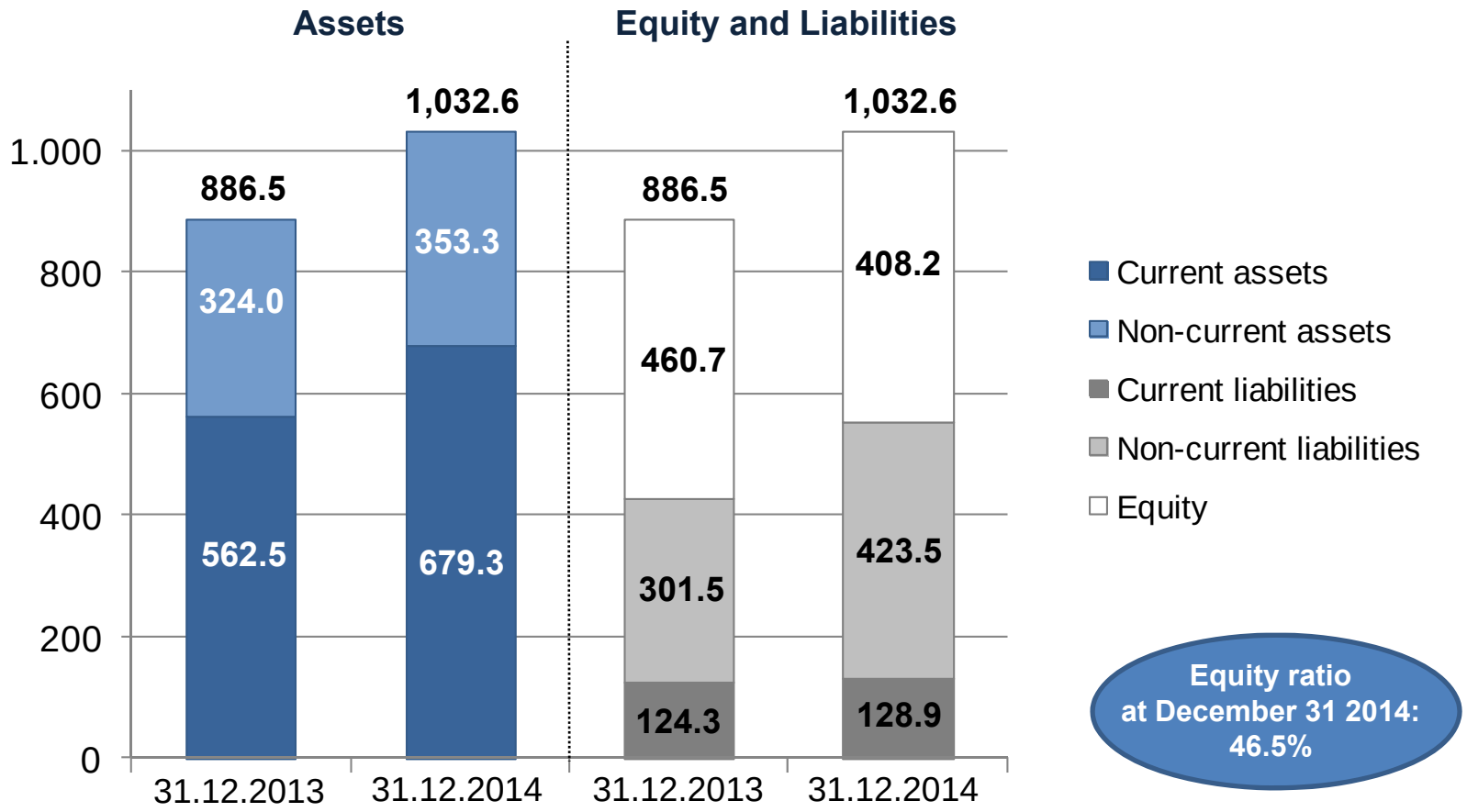
Earnings decrease



- Tax effect due to the high write-downs of deferred taxes in the US- subsidiary
- Tax provision for foreign countries

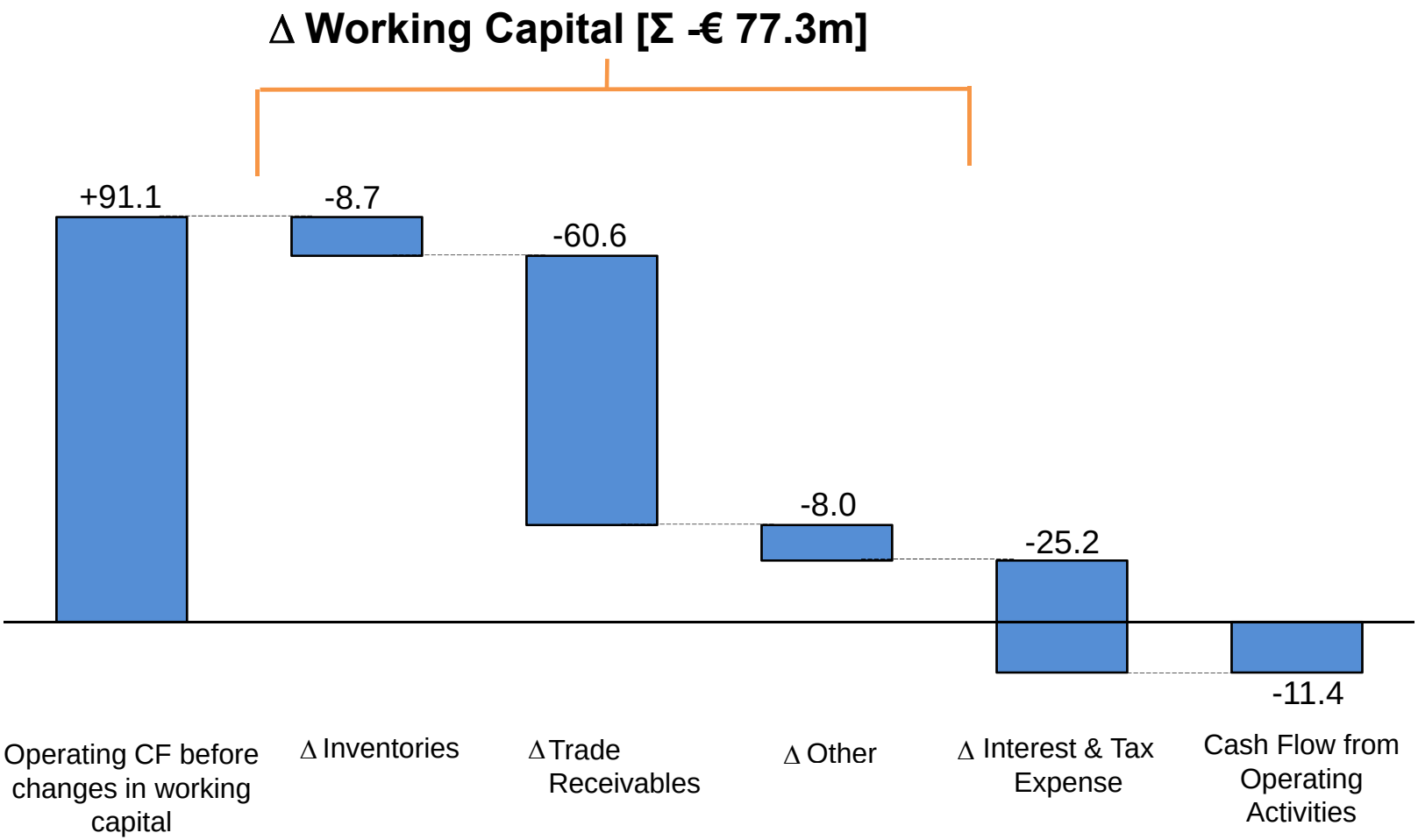
Extension of balance sheet due to raising of credit facilities of KfW banking group (€105 m)

Financial Position of the Biotest Group (€ million)

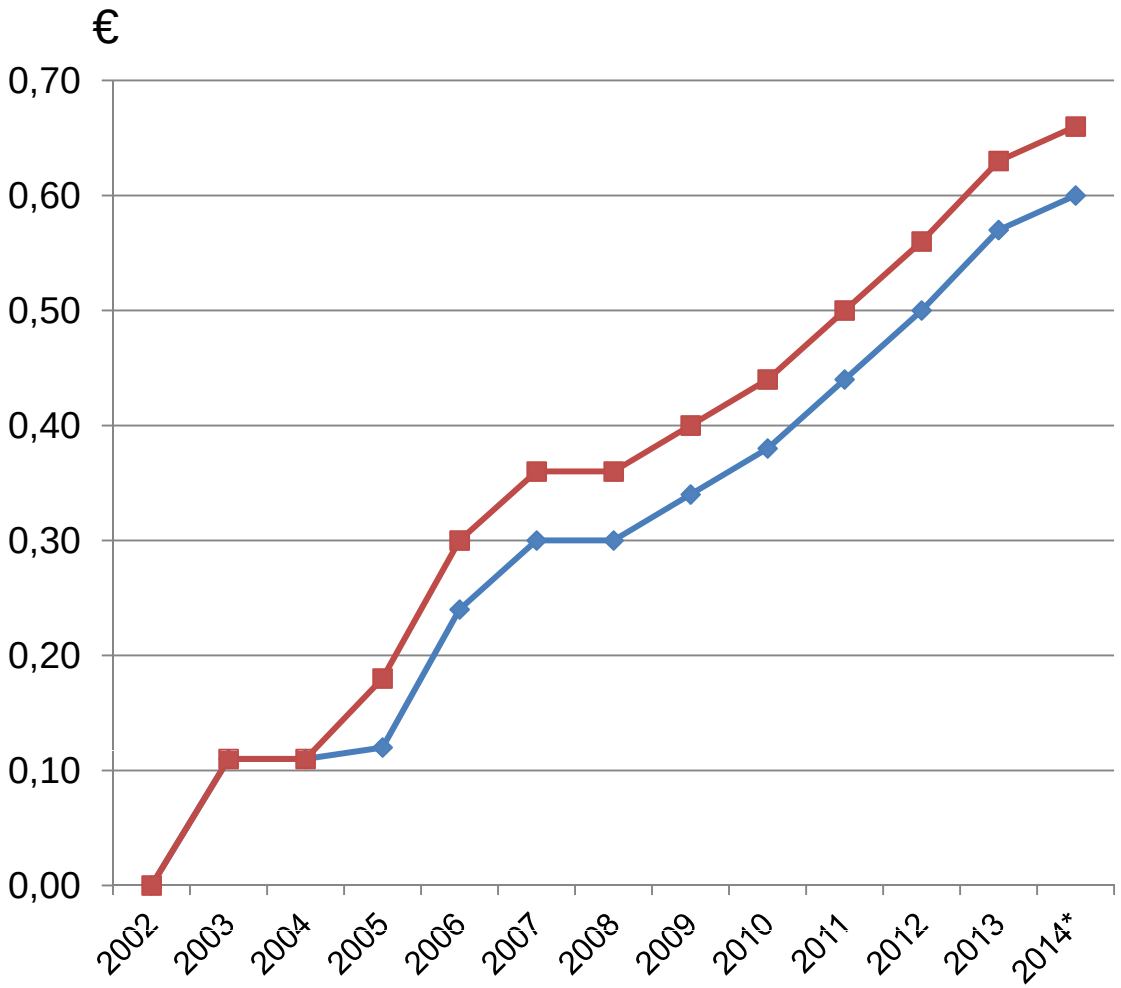


Cash flow from operating activities

January – December 2014 (in € m)



6th consecutive dividend increase



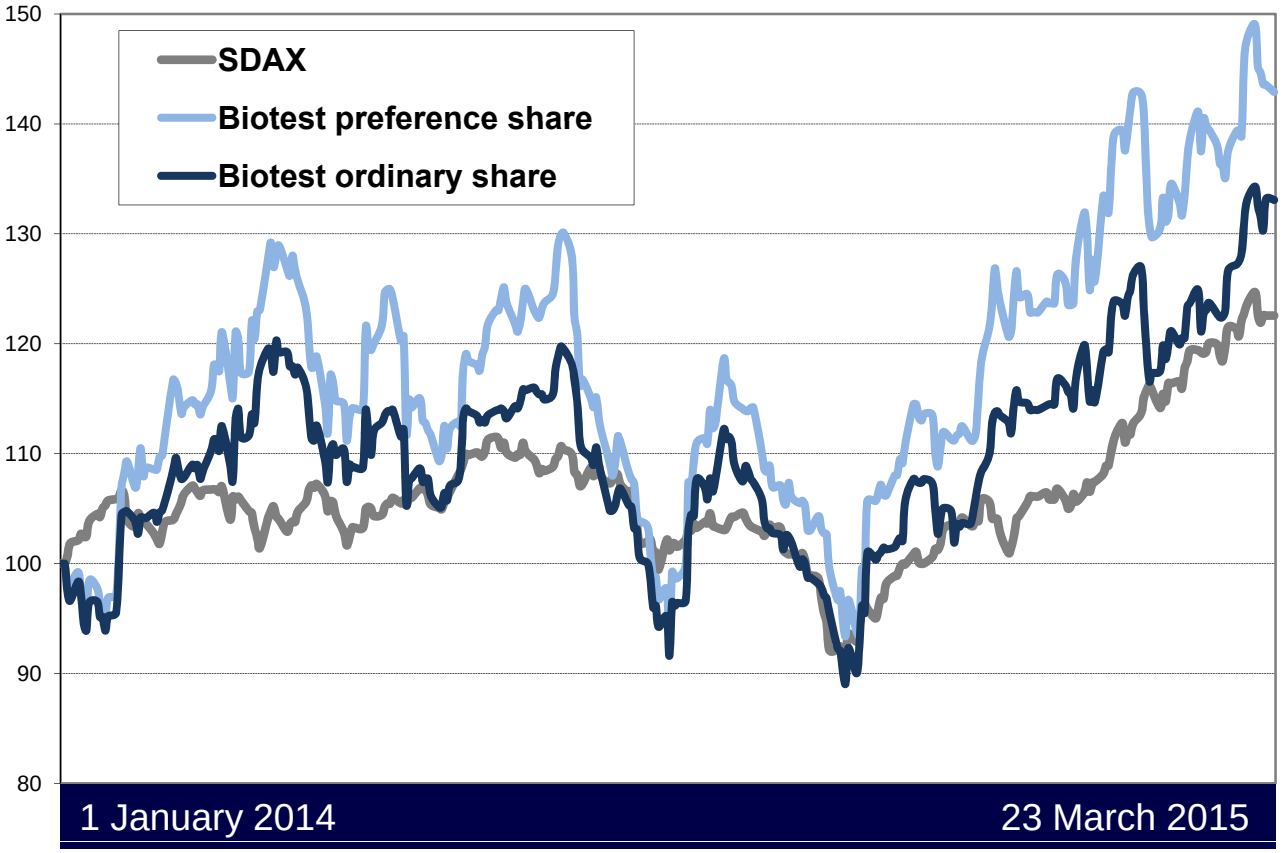
- Dividends for 2014*:
  - €0.60 per ordinary share
  - €0.66 per preference share
- Total dividend payout: 2014: €8.3 m (+5%)

EPS 2014
- Ord. share: €1.43
- Pref. share: €1.49

* Proposal to Annual General Meeting on 7 May, 2015 in Frankfurt

Biotest stock: SDAX outperformed

Biotest share price performance vs. SDAX



Closing price on 1st of January 2014 = 100

Shareholder return*:

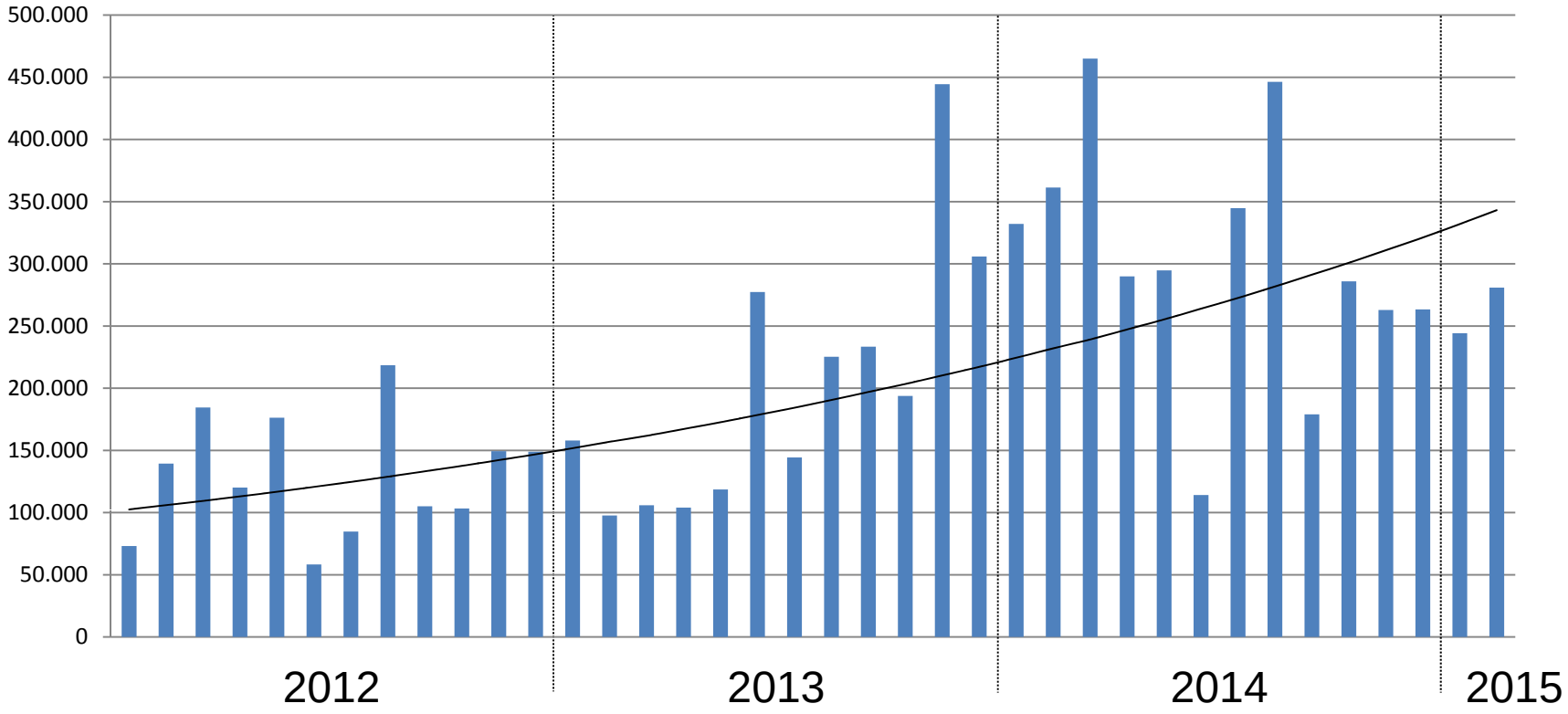
34% (ordinary shares)

44% (preference shares)

* Performance 01/2014 – 03/2015 plus dividend for 2014 (as of 07 May 2014)

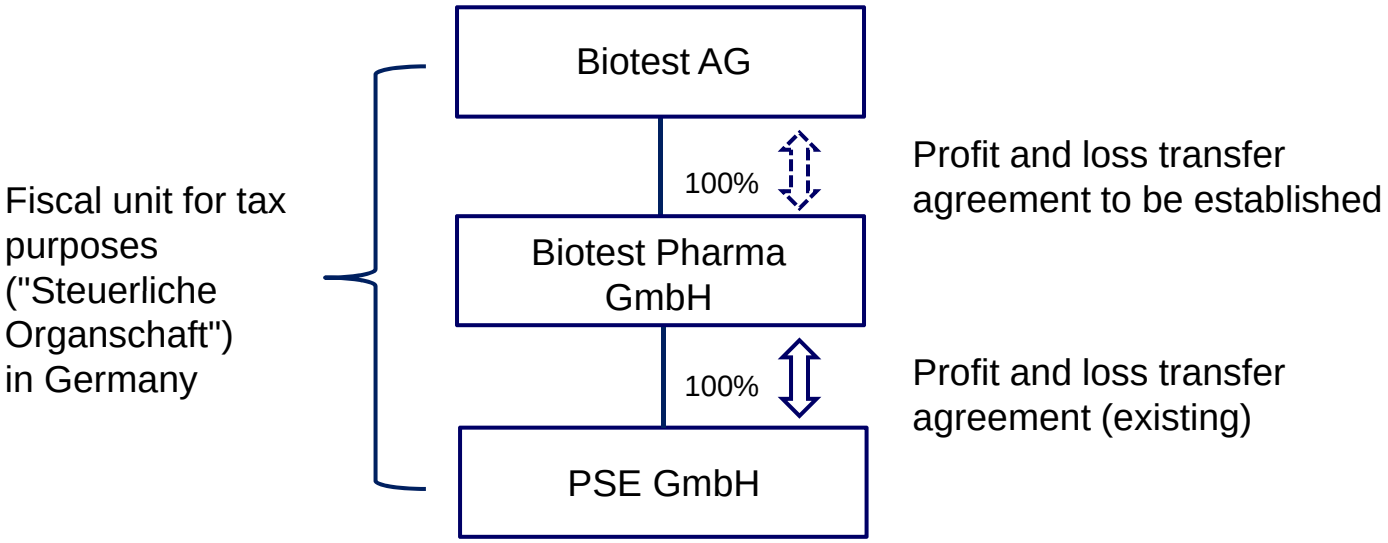
Biotest stock:

Monthly trading volume of preference shares [Xetra]



Proposal to annual general shareholder's meeting

1. Share split with the relation of one to three
2. Prolongation of authorisation for buy-back of Biotest shares for additional five years
3. New profit and loss transfer agreement between Biotest AG and Biotest Pharma GmbH

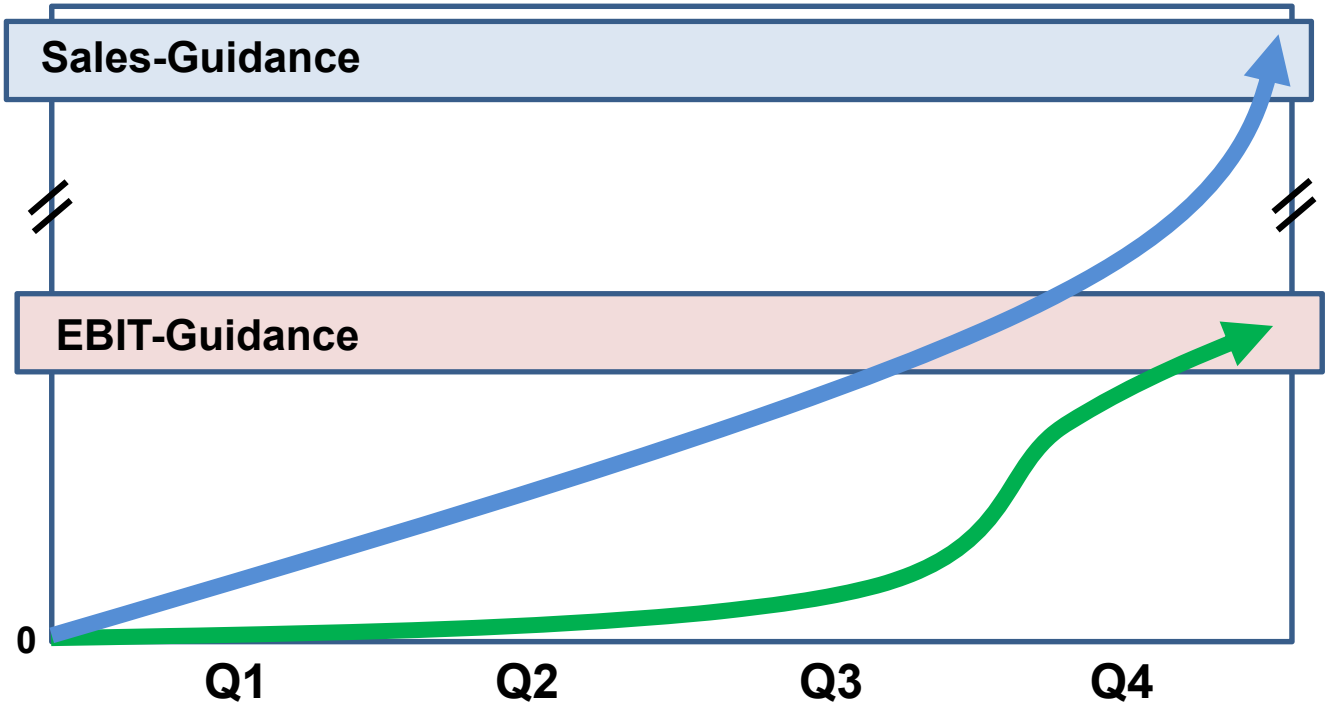


Guidance 2015

Sales: In the financial year 2015 sales will grow in a low single-digit percentage range

EBIT: We expect an EBIT in the range of €50 million

Guidance 2015:
Variation in sales and EBIT development



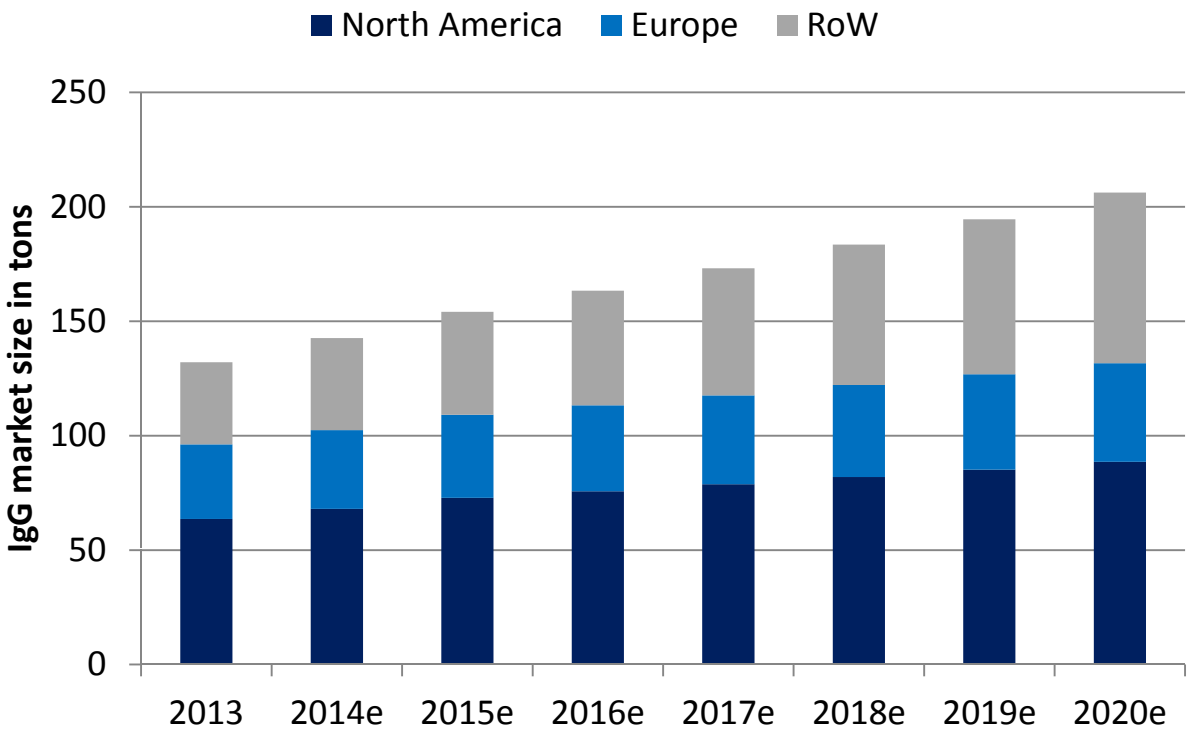
- Volume driven sales increase
- Higher R&D expenses in H1 than in H2
- High level production of clinical material for BT-061 completely expensed
- Capitalisation of clinical material expected in Q4 with the beginning of phase III

Explanation for guidance 2015

Actual EBIT 2014 (in € m)	53
Margin from additional sales	~ +10 to +15
Expected price pressure	~-5 to -8
Additional R&D costs	~ -8
Additional "Biotest Next Level" costs	~ -4
EBIT range 2015	**43 - 51**

Strategy
Market environment

Global IgG (i.v. + s.c.) market forecast



Exp. annual growth CAGR 2014 – 2020e	
RoW	11%
Europe	4%
North America	5%
World	6%

- The global IgG market is expected to grow to over 200 tons by 2020.
- Expected annual growth is highest in ROW countries.

Sources: Biotest Market Research based on MRB (2013),

Factors supporting growth of IgG and plasma products

Market expansion

- Improvements in wealth and therapy reimbursement
- Improving access to care

Physicians' awareness

- Awareness of treatment options and indications still low
- Many patients are still undiagnosed

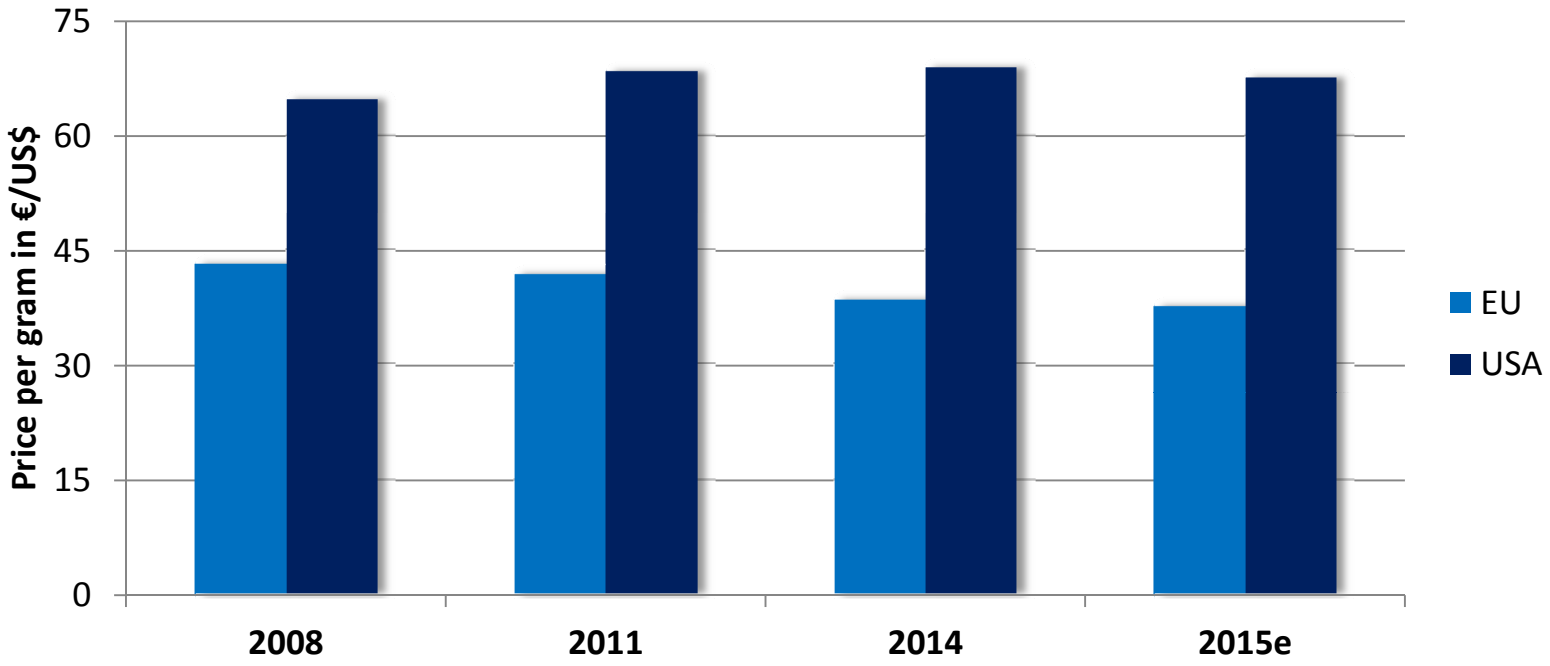
Demographic development

- Growth of population
- Weight gain

Indications / Usage areas

- Use of IgG in a broader set of indications
- Regular treatment of patients with chronic conditions

IVIG Average Price Development (2008 – 2015e)

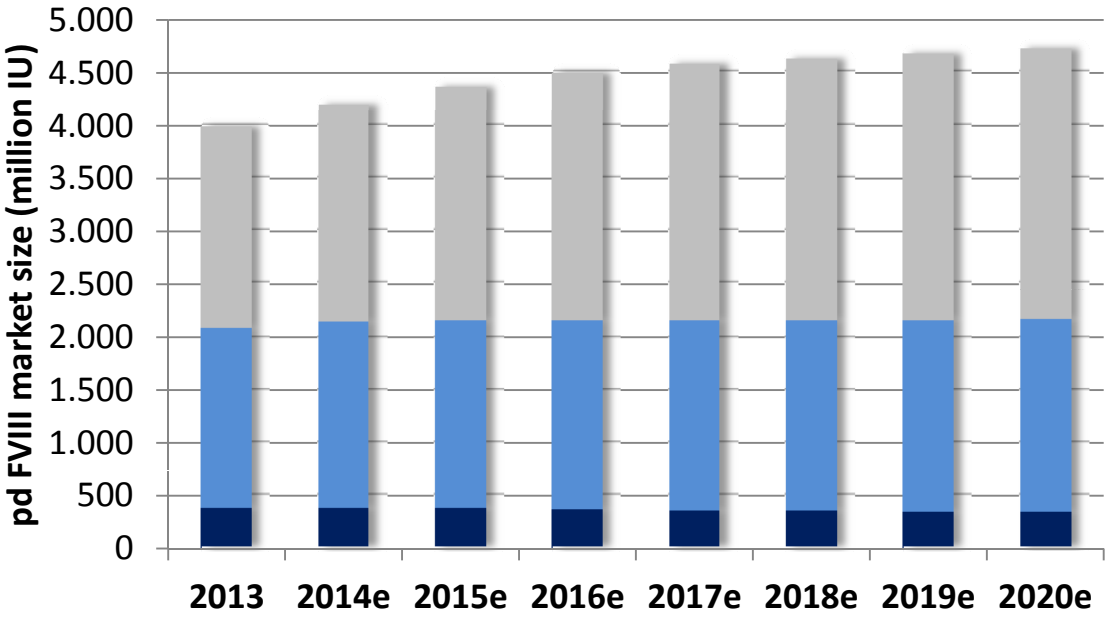


- Since 2008, IVIG prices in Europe decreased and were 25 to 30 percent below US prices in 2014.
- While the average price in the US increased in the past, it is expected that US prices will come increasingly under pressure as competition intensifies.

Source: Biotest Market Research.

Global plasmatic FVIII market forecast

Volume perspective



Annual growth pd FVIII CAGR 2014–20e	
RoW	4%
Europe	1%
North America	-2%
World	2%

- The global market for plasmatic FVIII preparations is expected to grow with an average growth rate of 2% p.a. until 2020.
- Volume growth will mainly take place in emerging markets, a decline is expected for the US.

Source: Biotest Market Research

"Biotest Next Level": First projects initiated or already completed

"Biotest Next Level":

Biotest's plan to more than double the production capacity until 2020

Already completed:

- Expansion of filling and packaging facilities
- First expansion of albumin production
- New multi-storey car park

Construction advanced:

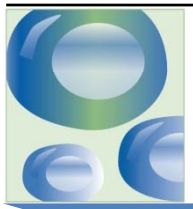
- Plasma goods receipt area
- Virological test laboratory

"Biotest Next Level":
On track in terms of timeline and budget

Innovation
Quality
Responsibility

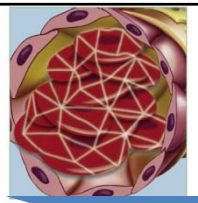
Research & development

New products at the horizon



Haematology

Clinical Immunology

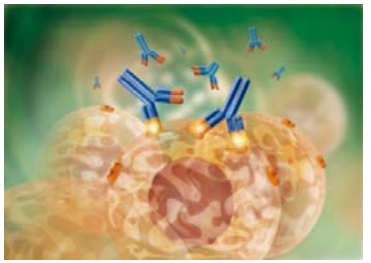


Intensive Care Medicine

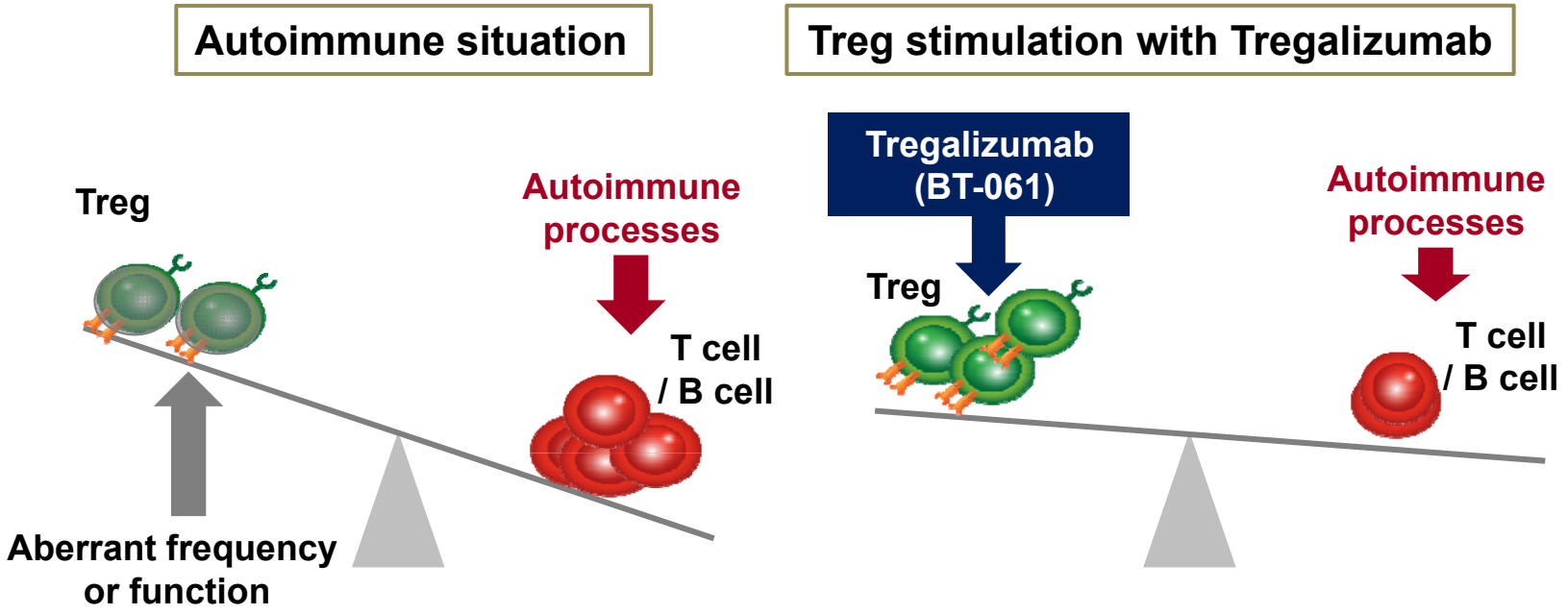
2015 → **2020**

- **Civacir** — HCV immunoglobulin
- **BT-061** — Rheumatoid arthritis
- **BT-062** — Multiple myeloma, solid tumours
- **IgG Next Generation**
- **IgM Concentrate** — Severe community acquired pneumonia
- **Fibrinogen**

Tregalizumab (BT-061)



- Tregalizumab targets a broad spectrum of autoimmune diseases
- **Rheumatoid arthritis (RA) is one of the lead indications**
- **Very good tolerability/safety** is a competitive advantage for diseases that require life-long treatment



- **Recruitment in Phase IIb Study TREAT 2b completed**

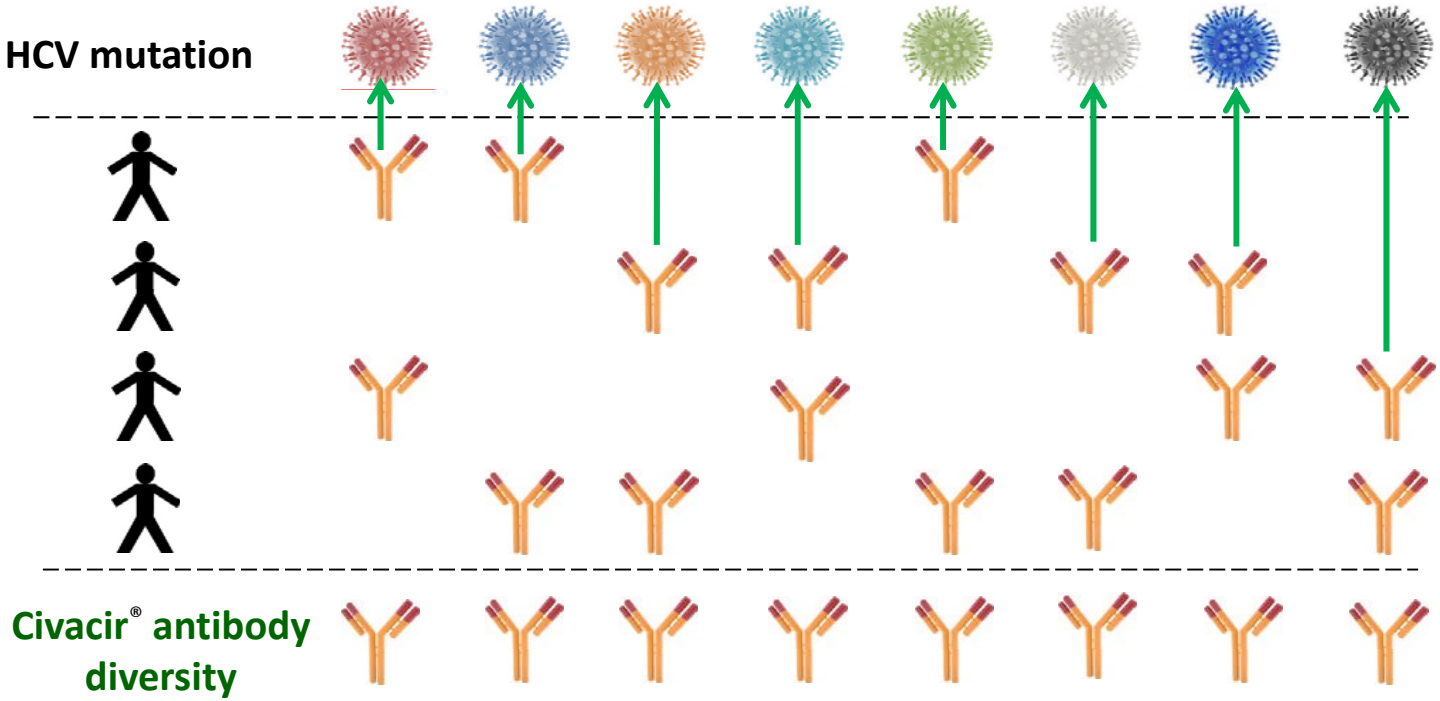
Tregalizumab (BT-061) TREAT 2b Study

Q3 2015: Decision to start phase III program by AbbVie

- **Top line data (24 weeks treatment) expected in Q2 2015**
- Treat 2b: phase IIb trial in RA started in autumn 2013
- Largest clinical trial in Biotest history:
  - > 300 patients
  - 86 study centres in 14 countries, including USA, Canada and Europe
- Recruitment completed in September 2014 (321 patients randomized)

Civacir® investigational drug product

- Intravenous Hepatitis C Immunoglobulin (10% concentration)
- Civacir® has antibody diversity isolated from hundreds of Hepatitis C virus (HCV) donors with high titres of neutralising antibodies, providing a spectrum of HCV neutralising antibodies to prevent re-infection

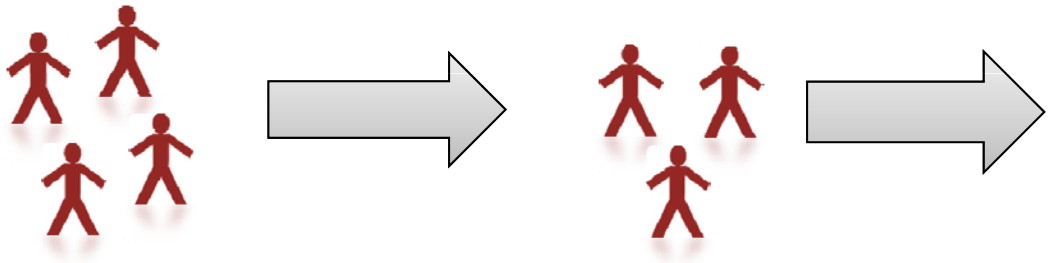


*HCV = Hepatitis C virus

Chronic Hepatitis C virus patient´s situation today

Status quo: - 150 million patients worldwide with chronic HCV infection (liver damage); many patients undiagnosed
- risk that transplanted liver is re-infected after transplantation

Sofosbuvir+Ribavirin
(new) treatment (up to 48 wks)



64 patients randomized

41 patients non-detectable virus at transplantation

26 patients (63%) SVR*

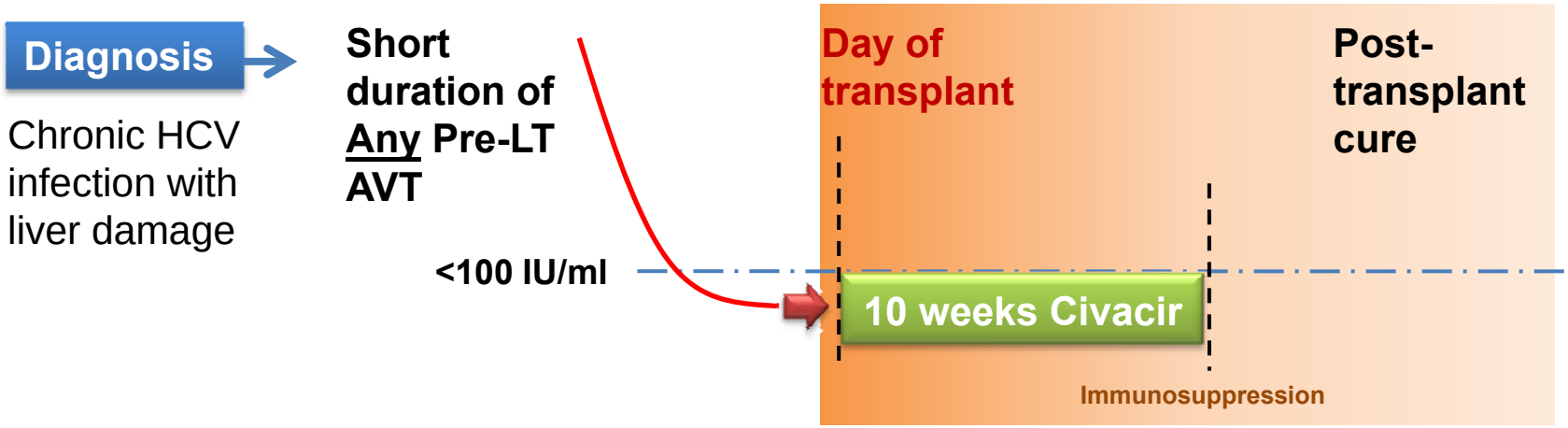
15 patients (37%) re-infection

Source: Curry et al, AASLD 2013

Even with pre-treatment with Sofosbuvir or other new virostatics viral recurrence rate in transplanted patients is still ~35 %

*SVR = sustained viral response

Goal and positioning for Civacir®



- Civacir® is a safe and effective treatment option for patients with undetectable to <100 IU / ml viral load at transplantation
- Transplantation is feasible as soon as Antiviral therapy reduces the viral load to <100 IU / ml

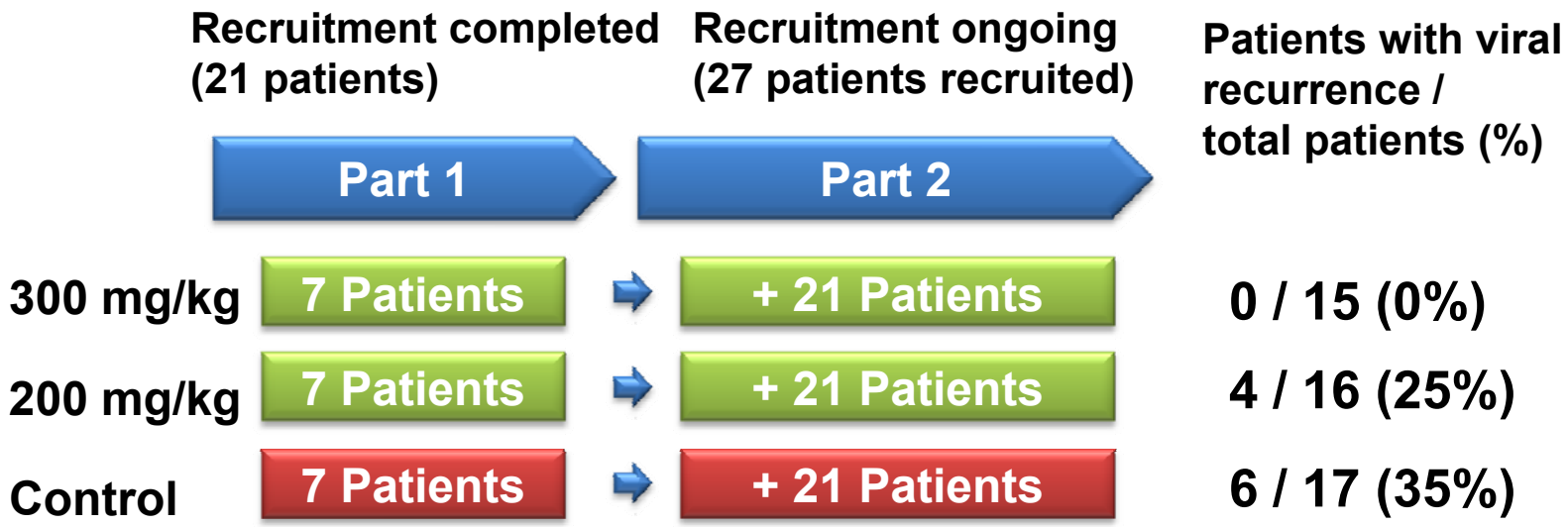
Goal: Relevant reduction of re-infection rate

LT = Liver Transplantation, AVT = Antiviral Therapy

988 Study: Interim analysis*

Primary objective

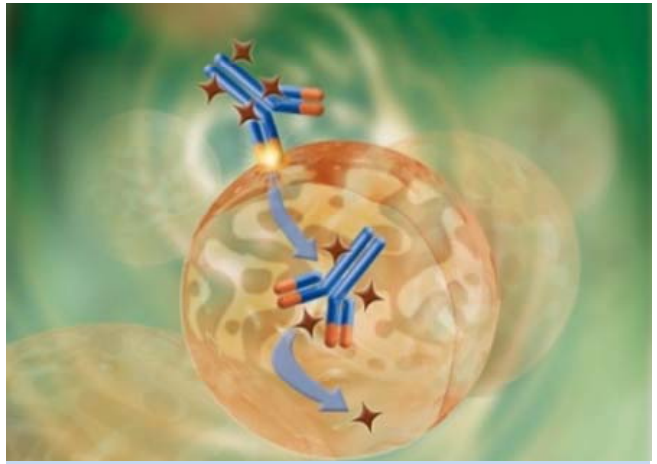
Determine proportion of Civacir® treated subjects with unquantifiable Hepatitis C virus RNA(<43IU/ml) at 22 weeks post liver transplant (LT) compared to the control group



Next update: EASL congress in Vienna in April 22-26th

*Source: AASLD 2014 N. Terrault et al.

Haematology: Indatuximab Ravtansine (BT-062)



Targeted mechanism of action:

- Antibody docks on cancer cell and toxin is then released:
- Targets cancer cells while healthy cells are very largely spared

- Clinical development in the lead indication multiple myeloma is continuing
- Early development in solid tumours
- Encouraging data from this phase II study (combination with Lenalidomide) have been presented at the ASH* conference on 6-9 December 2014
- Study amended to include new treatment regimen (Pomalidomide/ Dexamethason)

* ASH = American Society of Hematology

ASH Poster: Indatuximab Ravtansine (BT-062)

American Society of Hematology
Helping hematologists conquer blood diseases worldwide

- BT-062 is well tolerated with LenDEX (Lenalidomide/Dexamethason)
- Very good responses in patients with relapsed and / or refractory multiple myeloma and patients who do not respond to standard therapy
- Overall response rate (ORR) for MTD is 83% including:
  - 6% complete remissions
  - 37% very good partial remissions
  - 40% partial remissions
- The data was presented at the 56. ASH conference on 6-9 December 2014 in San Francisco, USA (Kevin R. Kelly, et al.)

ASH = American Society of Hematology MTD = Maximum tolerated dose

BT-063: Phase II initiation

Indication

- BT-063 is being developed for the treatment of systemic lupus erythematosus (SLE)
- No curative treatment for SLE available

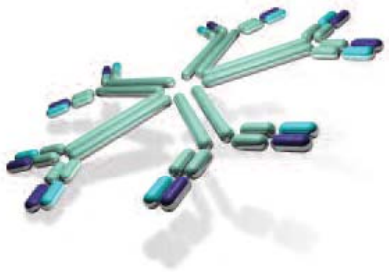
Rationale

- Neutralization of IL-10: unique mode of action
- High IL-10 plasma levels correlate with high disease activity in SLE patients
- Interference with multiple pathological steps in SLE

Current status

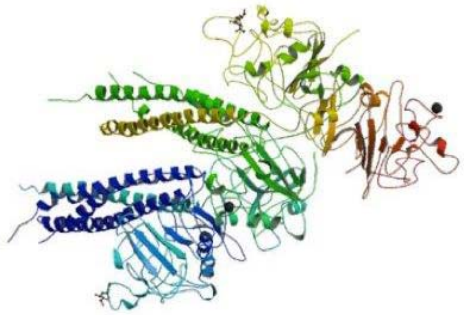
- Phase I study in healthy volunteers successfully completed
- Repeat-dose toxicity study finalized
- Submission of clinical phase IIa study in SLE planned for March 2015

Intensive Care Medicine: IgM concentrate and fibrinogen



IgM concentrate

- IgM concentrate for the treatment of severe community acquired pneumonia
- Unique mechanism of action
- Recruitment completed
- Results expected in H2 2015



Fibrinogen

- Fibrinogen for the treatment of severe acute bleeding due to fibrinogen deficiency
- Phase I/II study ongoing

Vision – our road to 2020

- Consistent focus on biological drugs for the therapeutic areas of haematology, immunology and intensive care medicine
- Continuous investment in the development of new therapeutic options
- Worldwide operations with a strong base in Europe and the US
- 2020 sales > € 1bn

Contact and Financial Calendar 2015

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Financial Calendar 2015

24 Mar 2015	**FY Report 2014**
07 May 2015	**3M Report 2015**
11 Aug 2015	**6M Report 2015**
10 Nov 2015	**9M Report 2015**